



**AUDIT REPORT
ON
THE ACCOUNTS OF
LOCAL GOVERNMENTS
DISTRICT DIR LOWER**

AUDIT YEAR 2018-19

AUDITOR GENERAL OF PAKISTAN

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	i
Preface.....	iii
EXECUTIVE SUMMARY.....	iv
SUMMARY TABLES & CHARTS.....	viii
I: Audit Work Statistics.....	viii
II: Audit observations Classified by Categories.....	viii
III: Outcome Statistics	ix
IV: Table of Irregularities pointed out	x
V: Cost Benefit Ratio.....	x
CHAPTER-1	1
1.1 Local Governments Dir Lower.....	1
1.1.1 Introduction.....	1
1.1.2 Comments on Budget and Accounts (Variance Analysis).....	5
1.1.3 Comments on the status of compliance with DAC / TAC Directives.....	7
1.2 DISTRICT GOVERNMENT	8
1.2.1 Misappropriation and Fraud.....	9
1.2.2 Irregularity/Non-compliance.....	11
1.2.3 Internal Control Weaknesses.....	70
1.3 TMAs Timergara, Chakdara, Balambat, Samarbagh, Khall, Munda, Lalqila	98
1.3.1 Irregularity/Non-Compliance.....	98
1.3.2 Internal Control Weaknesses.....	118
1.4 AD LG E&RDD/VCs/NCs DIR LOWER.....	129
1.4.1 Irregularity/Non-Compliance.....	129
1.4.2 Internal Control Weaknesses.....	134
ANNEXURES.....	136
Annex-1 Detail of MFDAC.....	136

Annex-2 Detail of fake issue of medicines to sub units.....	138
Annex-3 Detail of funds withdrawn and transferred to PTCs.....	143
Annex-4 Detail of doubtful purchase and non issue of medicines	145
Annex-5 Detail of lease land and outstanding amount of lease money.....	144
Annex-6 Detail of expenditure from polio fund and conveyance charges	147
Annex-7 Detail of medicines bill of previous years	148
Annex-8 Detail of non supply of science equipment.....	149
Annex-9 Detail of non-deposit of deducted taxes	150
Annex-10 Details of non supply of furniture and non imposition of penalty	160
Annex-11 Detail of inadmissible expenditure on POL and repair vehicles.....	161
Annex-12 Detail of purchase of furniture from unapproved contractors	162
Annex-13 Detail of POL of ambulances of THQs, Cat- D hospitals and RHCs .	163
Annex-14 Detail of overpayments of HPA and Conveyance Allowance.....	165
Annex-15 Detail of loss due to purchase of equipment at higher rates	167
Annex-16 Detail of loss due to placement of funds in current accounts	170
Annex-17 Detail of excess withdrawal of POL and repair of ambulances.....	172
Annex-18 Detail of non-deposit of health receipts.....	174
Annex-19 Detail of schemes executed without technical	177
Annex-20 Detail of schemes executed without technical sanctions.....	178
Annex-21 Detail of expenditure without Technical Sanction.....	179
Annex-22 Detail of non -imposition of penalty for late deposit of installments..	180
Annex-23 Detail of non -deduction of stamp duty and professional tax	181
Annex-24 Detail of expenditure without pre-audit.....	182
Annex-25 Detail of non-imposition of penalty	184
Annex-26 Detail of non-imposition of penalty	186
Annex-27 Detail of loss due to non-acceptance of lowest rates.....	187
Annex-28 Detail of non-imposition of penalty	189

ABBREVIATIONS AND ACRONYMS

AA	Administrative Approval
AC	Assistant Commissioner
AAC	Additional Assistant Commissioner
ADC	Assistant Deputy Commissioner
ADP	Annual Development Program
AIR	Audit and Inspection Report
ASDEO	Assistant Sub Divisional Education Officer
BHU	Basic Health Unit
B&R	Building & Roads
C&W	Communication & Works
CD	Civil Dispensary
CPWA	Central Public Works Accounts
CPWD	Central Public Works Department
CRC	Class Rooms Consumables
DAC	Departmental Accounts Committee
DAO	District Accounts Officer
DD	District Director
DC	Deputy Commissioner
DEO	District Education Officer
DDO	Drawing & Disbursing Officer
DDEO	Deputy District Education Officer
DO	District Officer
DG	Director General
DHO	District Health Officer
DP	Draft Para
DPO	District Police Officer
DPR	Disabled Persons Rehabilitation
EDO	Executive District Officer
FC	Frontier Constabulary
FD	Finance department
FTR	Federal Treasury Rules

FY	Financial Year
GFR	General Financial Rules
HPA	Health Professional Allowance
IPSAS	International Public Sector Accounting Standards
KPPPRA	Khyber Pakhtunkhwa Public Procurement Regulatory Authority
LGE&RDD	Local Government Elections and Rural Development Department
MCC	Medicines Co-Ordination Cell
NBP	National Bank of Pakistan
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
P&D	Planning & Development
PESCO	Peshawar Electric Supply Company
PLA	Personal Ledger Accounts
PTC	Parent teacher Council
POL	Petrol Oil Lubricant
RHC	Rural Health Center
SIDB	Small Industries Development Board
S&GAD	Services and General Administration
SDEO	Sub Divisional Education Officer
SHC	Sub Health Center
TAC	Tehsil Accounts Committee
THQ	Tehsil Head Quarter
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
NC	Neighborhood Council
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 and Development Authorities in district Dir Lower 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 PAO's 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. However, in a few cases certain departments did not furnish 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 laying 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 Local Governments of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Swat, on behalf of the DG Audit District Governments, Khyber Pakhtunkhwa carried out the audit of Local Governments of five districts namely Swat, Shangla, Dir Lower, Dir Upper and Chitral.

The Regional Directorate has a human resource of six officers and staff with a total of 1,518 man-days. The annual budget amounting to Rs 12.005 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 Dir Lower 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 Dir Lower. 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 198 NC/VC's in district Dir Lower.

a. Scope of audit

There are ten offices in District government Dir Lower , seven Tehsil Municipal Administrations, one AD LGE&RDD and 198 VC/NC's out of which the accounts of 12 offices of district government including AS LGE&RDD, seven TMA's and sixteen VC/NC's 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 Dir Lower for the Financial Year 2017-18 was Rs 8,000.44 million against available budget of Rs 8476.12 million. Out of this, RDA Swat audited an expenditure of Rs 1840.101 million which, in terms of percentage, was 23% of auditable expenditure. The total expenditure of seven TMA's was Rs 378.494 million against available budget of Rs 656.454 million. Out of this, RDA Swat audited an expenditure of Rs 87.053 million which, in terms of percentage, was 23% of auditable expenditure. The total expenditure of AD LGE & RDD Dir Lower for the Financial Year 2017-18 was Rs 375.632 million against available budget of Rs 461.016. Out of this, RDA Swat audited an expenditure of Rs 86.395 million which, in terms of percentage, was 23% of auditable expenditure.

The receipts of the District Government Dir Lower, for the Financial Year 2017-18 were nil as the receipts were collected in Provincial Account-I. The receipts of seven TMA's were Rs 314.343 million Out of which Rs 157.7172 million were audited which in terms of percentage was 50% of the auditable receipts. The total receipts of VC/NC's was nil.

The total expenditure of local governments of District Dir Lower for the financial year 2017-18 was Rs.8754.566 million against which the audit of Rs 2013.55 million was conducted which in terms of the percentage was 23%. The total receipts of the local governments of district Dir Lower were Rs 314.343 against which a receipt of Rs 157.172 was audited which in terms of percentage was 50%

b. Recoveries at the instance of audit

Recovery of Rs 47.473 million was pointed out during the audit. Out of the total recoveries pointed out, Rs 47.473 million was not in the notice of the executives before audit. However recovery of Rs 7.163 was made till finalization of this report.

c. Audit Methodology

Audit was conducted after understanding the business processes of District Government Dir Lower 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. However, no tangible impact was visible as the irregularities could not come to the light in the proper forum i.e. DAC.

e. Comments on Internal Control and Internal Audit department

The purpose of internal control system is to ensure effective operation of an organization. It consists of measures employed by the management to achieve objectives, safeguard assets; 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 Dir Lower.

f. Key audit findings of the report

- i. Misappropriation was noticed in one case amounting to Rs 10.883 million¹
- ii. Irregularities & Non-Compliance were noted in 66 cases amounting to Rs 969.817 million.²

¹ Para 1.2.1.1

² Para 1.2.2.1 to 1.2.2.44, 1.3.1.1 to 1.3.1.19 and 1.4.1.1 to 1.4.1.3

- iii. Weak Internal Control was noted in 31 cases amounting to Rs 389.622 million.³

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. Strenuous efforts need to be made by the departments to recover long outstanding dues on account of water charges.
- iii. Deduction of taxes on supplies and contracts need to be ensured. .
- iv. Lapsed deposits need to be timely credited into treasury.
- v. 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.

³ Para 1.2.3.1 to 1.2.3.19, 1.3.2.1 to 1.3.2.11 and 1.4.2.1

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	09	8067.626	314.343	8381.969
2.	Total formations in audit jurisdiction	223	8067.626	314.343	8381.969
3.	Total Entities (PAO) Audited	09	4442.00	314.343	4756.343
4.	Total formations Audited	35	4442.00	314.343	4756.343
5.	Audit & Inspection Reports	35	4442.00	314.343	4756.343

II: Audit observations Classified by Categories

(Rs in million)

S. No.	Description	Amount Placed under Audit Observation
1.	Unsound asset management	456.379
2.	Weak financial management	524.321
3.	Weak Internal controls	303.633
4.	Others	85.989
	Total:	1370.322

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	320.192	152.233	157.172	1493.612	2123.209	2,610.764
2.	Amount Placed under Audit Observations /Irregularities of Audit	244.585	393.647	254.738	477.352	1370.322	1,385.929
3.	Recoveries Pointed Out at the instance of Audit	5.901	12.765	23.524	5.283	47.473	351.222
4.	Recoveries Accepted /Established at the instance of Audit	0.089	0	1.0974	5.976	7.163	2.934
5.	Recoveries Realized at the instance of Audit	0.089	0	1.0974	5.976	7.163	

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	875.201
2.	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	6.400
3.	Accounting Errors (accounting policy departure from NAM ⁴ , 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.	1.170
4.	Quantification of weaknesses of internal control systems.	303.633
5.	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies	47.473
6.	Non-production of record	0
7.	Others, including cases of accidents, negligence etc.	136.445
	Total	1370.322

V: Cost Benefit Ratio

(Rs in million)

S.No	Description	Amount
1.	Outlays Audited (item 1 of Table 3)	2123.209
2.	Expenditure on audit	0.740
3.	Recoveries realized at the instance of audit	7.163
	Cost-Benefit Ratio	0

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

CHAPTER-1

1.1 Local Governments Dir Lower

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 and Municipal Services.

District Dir Lower has seven Tehsils i.e. Timergara, Balambat, Lalqila, Khall, Munda, Samarbagh & Chakdara. The office of a Tehsil Municipal Administration is managed by the Tehsil Municipal Officer. He is assisted by a Tehsil officer Finance. A Tehsil Officer Regulations and a Tehsil Officer Infrastructure.

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 programmes;
- (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 100 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 Dir Lower.

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 neighborhood councils
- v. Grants, establishment and budget of village and neighborhood 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 neighborhood 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 neighborhood 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 neighborhood 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 neighborhood council, including education, health, public health engineering, agriculture, livestock, police and revenue, and hold them accountable by making inquiries and reports to the Tehsil municipal administration, district government or, as the case may be, the Government for consideration and action;
- 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 centers;
- 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	7400.79	6930.11	(470.680)	(6)
Non-salary	691.94	686.94	(5.000)	(1)
Developmental (A/C-IV)	383.39	383.39	0.000	0
Developmental (A/C-I)	0	0	0.000	0
Total	8476.12	8000.44	(475.680)	(6)
Receipts	0	0	-	-

TMA's

(Rs in million)

2017-18	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	89.711	78.00	(11.711)	(13)
Non-salary	100.355	84.383	(15.972)	(16)
Developmental (A/C-IV)	0	0	0.000	0
Developmental (A/C-I)	466.388	216.111	(250.277)	(54)
Total	656.454	378.494	(277.960)	(42)
Receipts	363.303	314.343	-	-

AD LGE&RDD**(Rs in million)**

2017-18	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	97.762	91.146	(6.616)	(7)
Non-salary	52.046	15.030	(37.016)	(71)
Developmental (A/C-IV)	71.578	61.975	(9.603)	(13)
Developmental (A/C-I)	239.630	207.481	(32.149)	(13)
Total	461.016	375.632	(85.384)	(19)
Receipts	0	0	-	-

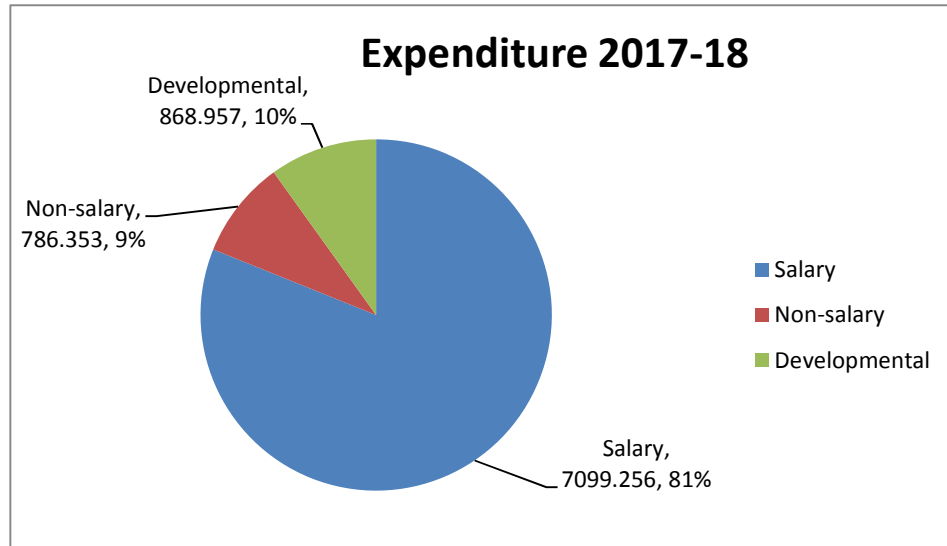
Grant Total Expenditure and Receipts (Distt Govt, TMAs, AD LGE&RDD & Developmental Authority)

2017-18	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	7588.263	7099.256	(489.007)	(6)
Non-salary	844.341	786.353	(57.988)	(7)
Developmental (A/C-IV)	454.968	445.365	(9.603)	(2)
Developmental (A/C-I)	706.018	423.592	(282.426)	(40)
Total	9593.59	8754.566	(839.024)	(9)
Receipts	363.303	314.343	-	-

The savings of Rs 839.024 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 PAC / DAC / TAC/ Directives

The audit reports pertaining to following years have been submitted to the Governor of Khyber Pakhtunkhwa. Detail of PAC/DAC/TAC 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

1.2.1 Misappropriation and Fraud

1.2.1.1 Misappropriation due to fake issue of medicines–Rs 10.883million

According to Para 23 of GFR Vol.-I, every Government officer is 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 Dir Lower issued medicines of Rs 6,947,055 from main stock to various health facilities during financial year 2017-18. On verification of stock registers of the relevant health facilities, the medicines were not actually issued but fake issue was shown to health facilities and misappropriated. Abstract is as under and detail at annexure-2.

S.No	Name of health facility	No of medicines	Amount (Rs)
01	THQ Chakdara	09	1,570,420
02	THQ Samarbagh	04	782,400
03	RHC Gulabad	08	1,165,740
04	RHC Ouch	02	57,000
05	RHC Asbanr	04	369,245
06	RHC Khall	01	165,000
07	Category D hospital Mayar	02	655,080
08	Category D hospital Munda	05	962,010
09	Category D hospital Talash	01	660,000
10	Category D hospital Lal Qilla	01	192,000
11	BHU Sori Kandaw	01	8,112
12	CD Rabat	01	19,500
13	BHU Zimdara	01	3,900
14	BHU Asegai	01	15,600
15	BHU Makai	01	11,700
16	RHC RGulabad	01	32,448
17	CD Khadang	01	15,600
18	BHU Shalkad	01	15,600
19	BHU Saffarai	01	19,500
20	SHC Miskinai	01	11,700
21	THQ Chakdara	01	58,500
22	Cat D Mayar	01	58,500
23	RHC Gulabad	01	58,500
24	RHC Asbanr	01	19,500
25	CD Khadang	01	19,500

26	Total of statement/annexure (B)	05	3,936,439
Total			10,883,494

Audit observed that fake issue was incurred due to weak internal control which resulted in loss to the Government.

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

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

Audit recommends recovery and fixing responsibility on the persons at fault.

AIR Para No. 24 AC-IV(2017-18)

1.2.2 Irregularity/Non-compliance

1.2.2.1 Irregular withdrawal from Government treasury without sanction of the competent authority and non-production of record - Rs 213.247 million

According to Para 4 of the financial procedure for Parents-Teachers-Council, notified vide Government of Khyber Pakhtunkhwa Finance Department letter No.BO-V/FD/3-10/2006-07 dated 9th June 2007, the District Education Officer of the respective district Government shall accord administrative sanction and EDO (Finance & Planning)/Deputy Commissioner shall issue financial sanction for the transfer of funds from the district Account-IV to the bank account of the Parents-Teachers-Councils. These funds shall be transferred/credited upfront in the bank account of the Councils by the respective District Accounts Officers.

According to Section 14 (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, any person or authority hindering the auditorial functions of the Auditor-General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

District Education Officer (Female) Dir Lower withdrew Rs 213,247,500 from Government treasury on account of District ADP, Conditional Grant, CRC and Petty Repairs during financial year 2017-18 as per details given at the annexure-3. Audit held that:

1. Administrative sanction was not accorded by the District Education Officer but financial sanction was issued which should have been issued by the Deputy Commissioner.
2. Cheques were issued to the DEO by the District Accounts Officer instead of transfer of funds directly to the bank accounts of the Parents-Teachers-Councils.

3. Funds of District ADP were also transferred to PTCs for additional classrooms, group latrines, boundary wall etc in violation of Planning and Developmental guidelines according to which such funds were required to be utilized through open tender system instead of utilization through PTCs. Moreover, chances of duplication could not be ruled out as provincial Government also provides funds in shape of conditional grants for additional classrooms, group latrines, boundary wall etc.
4. Relevant record of actual expenditure incurred by PTCs i.e. cash books, bank statements, payment vouchers etc were not produced to audit for verification and hence a huge amount was withdrawn from the Government treasury and remained unverified.

Audit observed that irregular withdrawal and non production of record occurred due to violation of rules which resulted in unauthorized spending of public funds and unauthentic expenditure.

When pointed in August 2018, management replied that ex post facto sanctions will be obtained from the competent authority and shown to DAC. Pre audit Cheques were not deposited in the designated bank account but credited to the PTC accounts, District ADP funds were transferred to PTC accounts in compliance with ADP releases and relevant record of actual expenditure incurred by PTCs are lying in the concerned schools and no record is available with this office. Reply was not convincing as sanctions from the competent authority should have been obtained before incurrence of the expenditure. The funds should have been transferred to PTC accounts by the District Accounts Officer instead of issuance to DEO. Transfer of District ADP funds to PTCs without instead of utilization through open tender system was in violation of P&D guidelines. Similarly, detailed record of actual expenditure was remained unverified due to non availability in the office of DEO.

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

Audit recommends fixing responsibility on the persons at fault for unauthorized withdrawal and non production of relevant record.

AIR Para No. 14 AC-IV(2017-18)

1.2.2.2 Irregular allocation of District ADP funds of education department through PTC instead of open tender system – Rs 55.322 million

According to Para 17. 1 to 17.3of the Planning & Development guidelines notified vide Government of Khyber Pakhtunkhwa Planning & Development Department (Rural Development Section) Notification No.C/RD/P&DD/6-24/1850-1970 dated 19th October 2015 amended vide Notification No.C/RD/P&DD/6-24/1617-1891 dated 8th August 2016, Civil work under PC-I modality shall be tendered in accordance with the prevailing procedure and rules. All the procurement under the PC-I modality for the projects shall be conducted according to the Government of Khyber Pakhtunkhwa Public Procurement Regulatory Authority Rules. Projects designed in other modes e.g. conditional grant and community driven local development shall be implemented as per the relevant policy/rules and guidelines.

According to Rule 1 of Chapter-III of Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs 100,000/ rupees one hundred thousand.

Deputy Commissioner Dir Lower allocated Rs 55,322,000 for 61 schemes of additional classrooms, Group Latrines and Water Supply, Boundary Walls & Solarization etc in education department (male and female) out of the funds of District ADP for 2017-18 through Parent Teachers Council (PTC) as executing agencies instead of open tender system in violation of Planning & Development guidelines referred to above and Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014. Moreover, there are chances of

duplication of schemes as provincial Government also provides funds to PTCs for such missing facilities as conditional grant.

Audit observed that irregular allocation occurred due to violation of rules which resulted in irregular spending of public money and chances of duplication of developmental schemes.

When pointed out in August 2018, management replied that Planning and Development Department Khyber Pakhtunkhwa waived off clause 16.3 of the P&D guidelines 2015 vide letter No. C/RD/P&DD/6-24/645-735 dated 21.03.2016 with the implementation criteria for execution of Education Sector projects in Middle and High Schools through Parent Teachers Council. As schemes identification is jointly made by the Education and concerned District Councilor on need basis therefore there were no chances of duplication. Management reply was incorrect as clause 16.3 of the planning and Development guidelines (2015) stated that minutes of the meetings shall be issued within three days by the District Planning & Development Department. The reply was not tenable also as P&D guidelines amended on 8th August 2016 vide Notification No.C/RD/P&DD/6-24/1617-1891 in which no such provision was available and under which all the procurement under the PC-I modality for the projects shall be conducted according to the Government of Khyber Pakhtunkhwa Public Procurement Regulatory Authority Rules. Projects designed in other modes e.g. conditional grant and community driven local development shall be implemented as per the relevant policy/rules and guidelines. Audit is of the view that waive off orders of 21.03.2016 in P & D guidelines 2015 superseded upon issuance of amendments on 8th August 2016.

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

Audit recommends regularization from the competent authority besides detailed inquiry of schemes executed through PTC to probe into duplication of schemes for fixing responsibility on the person (s) at fault.

AIR Para No. 41 AC-IV(2017-18)

1.2.2.3 Non refund of surplus/unpaid compensation of de-notified portion of land – Rs 46.815 million

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

Deputy Commissioner Dir Lower transferred Rs 87,856,768 to Tehsildar Timargara as land compensation of 41 kanal 5 marlas and 4 sersai land acquired for Koto Hydro Power Project. Out of the total compensation, an amount of Rs 41,041,023 was paid to the land owners and the balance amount of Rs 46,815,745 was lying with Tehsildar Timargara. The piece of land was de-notified on 25th September 2017 under section 48 of the Land Acquisition Act 1894 due to change in design of the project. The paid amount was recoverable and declared as Land Revenue Arrears under section 113 of the Land Revenue Act 1967 whereas relevant record was silent about refund of the unpaid amount.

Audit observed that non refund of surplus amount occurred due to weak financial controls which resulted in unnecessary retention of money.

When pointed out in August 2018, management replied that the land measuring 40 kanal and 5 marlas was de-notified by the Commissioner Malakand Division due to change in the design of the project. The Tehsildar Timargara was again requested vide this office letter No. 18300 dated 17.09.2018 to recover the amount from the land owners concerned and deposit into Government treasury. Management reply was not relevant as no recovery from someone was involved but the amount was available in the designated bank account of the Tehsildar Timargara and should have been refunded to the acquiring department just after de-notification and without waiting for recovery of paid amount from the land owners.

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

Audit recommends immediate refund of surplus money duly supported by documentary proofs.

AIR Para No. 25 AC-IV(2017-18)

1.2.2.4 Doubtful purchase due to unjustified retention and non-issue of medicines –Rs 35.619 million

According to Para 23 of GFR Vol.-I, every Government officer is 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 Dir Lower purchased medicines of Rs 23,599,153 during financial year 2016-17 out of which medicines of Rs 7,168,614 were issued to various health facilities while medicines of Rs 16,430,539 were lying unissued to health facilities so far despite laps of more than one and a half year. Similarly, medicines of Rs 39,616,234 were purchased during financial year 2017-18 out of which medicines of Rs 8,821,567 were issued to health facilities of the district while medicines of Rs 19,189,967 were not issued and retained in balance till September 2018 i.e. month of audit. Audit is of the view that medicines should have been issued to various health facilities well in time for further issue to patients. Retention of medicines in stock for a long time without issue to sub units of the district made the purchase doubtful and allocated funds of medicines were withdrawn from the Government treasury but not actually utilized in the public interest and hence chances of misappropriation could not be ruled out. Details are given at the annexure-4.

Audit observed that misappropriation occurred due to unjustified retention of medicines without further issue which resulted in loss to the Government.

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

Request for convening DAC meeting was made in September 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 besides detailed inquiry for verification of the actual purchase, receipt & issue of medicines and payment to the supplier.

AIR Para No. 15 AC-IV(2017-18)

1.2.2.5 Irregular transfer of developmental funds to designated bank account and payments without pre-audit –Rs26.585 million

According to Government of Khyber Pakhtunkhwa Finance Department letter No.2/3(F/L)FD/2007-08/Vol-IX dated 10th February 2014 that no funds shall be placed in any commercial bank from the PLAs or Assignment Accounts without prior approval of the Finance Department as contained in Para-6 & 7 of GFR Volume-I. Furthermore profit earned on Government fund shall be deposited into Government Treasury under relevant head of account immediately and not later than a week declared by the commercial bank.

District Sports Officer Dir Lower withdrew Rs26,585,000 from Government treasury through simple receipts on account of Sports developmental share in District ADP and provincial ADPs and credited to his designated bank account instead of PLA in violation of rules. Further disbursements were made from the designated bank account without pre-audit by the District Accounts Office. Detail is as under:

S.No	Description	Amount (Rs)
01	District ADP 2016-17	3,000,000
02	District ADP 2015-16	11,550,000
03	Chief Minister Directives PK 95 2017-18	5,000,000
04	Finance Minister Directives	3,000,000
05	Savings in provincial ADPs due to below rates executed by TMA Timargara	4,035,000
Total		26,585,000

Audit observed that transfer of funds occurred due to violation of rules which resulted in irregular spending.

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

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 fixing responsibility on the person (s) at fault.

AIR Para No. 01 AC-IV(2017-18)

1.2.2.6 Irregular retention of furniture fund in designated bank account – Rs 17.145 million

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

District Education Officer withdrew Rs 17,144,879 on account of purchase of furniture during financial year 2016-17 and the amount was kept in his designated bank account No. 4039777285. The amount was withdrawn from the bank account on 31st August 2017 and shown paid to the SIDB vide Cheque No. 44032491. Audit is of the view that the amount was withdrawn from the Government treasury without actual incurrence of the expenditure and irregularly retained in designated account.

Audit observed that irregular retention in designated account occurred due to violation of rules which resulted in doubtful purchase of furniture.

When pointed out in August 2018, management replied that finance department had accorded 20% advance payment sanction of the balance amount released for the purchased for the year 2016-17 on 12th June 2017. The local office withdrew the amount of Rs 17,144,879 and kept in designated bank account instead of payment to SIDB till completion of the 70% funds already paid to the firm. Later on a meeting of the higher ups was convened on 25th August 2017 under the Chairmanship of Secretary E&SED in which the local was particularly directed to the balance amount to SIDB immediately. Reply of the management was not convincing and admitted the irregularity as pointed out by audit. The amount was unnecessarily retained in designated bank account instead of payment to the firm. Payment was made on the directions of the higher ups and not on the basis of supply which further made the total supply doubtful equal to the funds paid to the firm which needs detailed verification.

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

Audit recommends detailed verification of relevant record and actual supply of furniture and delivery to the concerned schools.

AIR Para No. 07 AC-IV(2017-18)

1.2.2.7 Excess expenditure over and above sanctioned budgetary grant for special repair and basic pay of other staff - Rs 15.867 million

According to Para 106 of GFR, incurrance of excess expenditure over allotment is prohibited.

District Education Officer (Male) Dir Lower incurred expenditure of Rs 391,198,285 on special repair and pay of other staff during financial year 2017-18 against the final grant of Rs 375,931,200 due to which excess expenditure of Rs 15,867,085 was incurred. Detail is as under:

S.No	Head of account	Cost center	Revised budget (Rs)	Expenditure (Rs)	Excess (Rs)
01	Special Repair	DA 6283-office	192,131,200	205,063,737	12,932,537
02	Basic pay of other staff	DA6179-middle schools	183,800,000	186,134,548	2,934,548
Total			375,931,200	391,198,285	15,867,085

Audit observed that excess expenditure occurred due to weak financial control which resulted in loss to the Government.

When pointed out in August 2018, management replied that excess expenditure was not incurred in special repair but was made in conditional grant whereas excess expenditure in pay of other staff was incurred due to promotions and up-gradations of the scales of teaching staff. Reply of the management was not tenable as excess expenditure was made in special repair as was evident from the expenditure statement for the month of June 2018. Similarly, excess expenditure in pay also needs regularization from the competent authority.

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

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

AIR Para No. 01 AC-IV(2017-18)

1.2.2.8 Illegal occupation of government residential buildings for private schools without rent at market rates – Rs 15.120 million

According to Section 5 (2) of the Khyber Pakhtunkhwa Provincial Buildings (Maintenance, Control and Allotment) Act, 2018, no Government Department, office or public office holder, as the case may be, shall take possession of a Provincial building without a valid allotment by the competent authority.

According to Section 12 of the Khyber Pakhtunkhwa Provincial Buildings (Maintenance, Control and Allotment) Act, 2018, in case any allottee is found causing damage to a Provincial building, either deliberately or through negligence, as the case may be, such damage shall be assessed by the Establishment and Administration Department through relevant Department or agency of Government and shall be recovered in such manner as may be prescribed.

According to Section 2 (d) of the Khyber Pakhtunkhwa Provincial Buildings (Maintenance, Control and Allotment) Act, 2018, “damage” means the loss, caused to the physical structure or a Provincial building, its fittings, fixtures, including any outstanding utility bills or dues for that Provincial building.

According to Rule 33 & 34 of the Government of Pakhtunkhwa Residential Accommodation (Procedure for Allotment) Rules, 2018, rent at the rate of such market value, shall be charged from an allottee. In respect of each category of a residential accommodation, as determined and fixed by the Communication and Works Department of Government, on annual basis and an

allottee, who requires to deposit the rent in the Government treasury, as specified in the proviso of sub-rule (3) of rule 32, and does not deposit it within due date, such allottee shall be determined as defaulter by the Estate Office and he shall be issued a notice to clear his all dues within the period as specified in the said notice. In case of non-compliance, the Estate Officer shall request the Accountant General, Khyber Pakhtunkhwa, or his department to deduct the amount of rent at source from his salary and other emoluments.

During scrutiny of allotment record of Government residential buildings of the office of Deputy Commissioner Dir Lower for the financial year 2017-18 it was noticed that three bungalows No. 16,17 and 18 were forcibly occupied by Dir Scouts for F.C Public School since 1990 without any rent to Government. Audit held that rent at market rates was required to be collected from the owner (s) of the school which was not done and Government sustained a huge loss of Rs 15,120,000 at an average flat rate of Rs 15,000 per month since 1990. (Rs 15,000 per month x 3 bungalows x12 months in a year for 28 years=15,120,000)

Audit observed that illegal occupation without payment of rent occurred due to weak internal control which resulted in loss to the Government.

When pointed out in August 2018, management replied that the Commandant Dir Scouts has repeatedly been requested to vacate the bungalows occupied for Public School and deposit the rent into Government treasury and a copy of challan thereof sent to this office for record. The last reminder was issued on 10th May 2018. Management reply was not convincing as buildings were not vacated and rent for the entire period was not deposited.

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

Audit recommends recovery of loss from the owner of the school in the light of proper assessment of rent for the entire period of illegal occupation.

AIR Para No. 19 AC-IV(2017-18)

1.2.2.9 Illegal award due to return of bid offers during validity time to three bidders without forfeiture of earnest money- Rs12.55 million

Loss to Government due to non-forfeiture of call deposits for withdrawal of bid offers in validity period – Rs 756,000

According to Rule 9 of chapter V (miscellaneous provisions) of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014, no bidder shall be allowed to withdraw his bid till award of the contract or till bid is valid, whichever is earlier.

According to Rule 4 of chapter V (Bid validity) of the rules *ibid*, the bid security shall be forfeited if a bidder withdraws his bid, within the validity period thereof or, in the case of a successful bidder, who repudiates the contract or fails to furnish performance security.

District Officer, Social Welfare, Special Education & Women Empowerment Department Dir Lower advertised three schemes of estimated cost of Rs 12,555,000 out of the funds of the District ADP 2015-16 and tenders were opened on 19th May 2016. Audit held that:

1. Nine contractors submitted their bid proposals out of which bid proposals of three contractors were returned to the contractors on their request on the days of tender opening. Withdrawal of bid offers was neither recorded in the minutes nor offered rates were disclosed in black and white to determine financial impact on the Government exchequer and KPPPRA rules referred to above were violated and hence the award of tender was held illegal and loss sustained by the Government.
2. Rates of M/S Aramzai Construction Balambat were approved for all the three contracts while purchases were actually made from other firms as evident from the supply vouchers which further proved that the award was illegal as sewing machines and wheel chairs were purchased from Nawaz Sewing Machines dealer Timargara while Hearing Aids were purchased from GMT Rehab Centre Rawalpindi.

3. Bid proposals were returned to the bidders on the day of tender opening whereas their bid securities amounting to Rs 756,000 (Rs 252,000 x 3) were not forfeited which resulted in loss to the Government.

Audit observed that award was illegal due to violation of rules which resulted in loss to the Government.

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

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 fixing responsibility on the person (s) at fault for award of illegal contracts and loss sustained by the Government.

AIR Para No. 02 AC-IV(2017-18)

1.2.2.10 Non recovery of stamp duty, registration fee and 2% tax on transfer of immovable property – Rs10.510 million

According to Article 23 of Appendix “Schedule-1” of the Khyber Pakhtunkhwa Finance Act 2007, stamp duty @ 2% was chargeable on award of land (immovable property) in an urban area.

According to Rule 3 (12) of the Local Councils (Tax on Transfer of Immovable property) Rules 1997, a Local Council may levy a tax on the transfer of immovable property situated within its limits and the rate of such tax should not exceed 4% of the consideration of such transfer.

According to Rule 5 of the Local Councils (Tax on Transfer of Immovable property) Rules 1997, the authority collecting the tax under Rule 3 shall immediately credit the amount so collected to the fund of the Local Council concerned.

Deputy Commissioner Dir Lower acquired land of Rs 233,559,172 for the following four schemes during financial year 2017-18 but stamp duty,

registration fee and 2% tax on transfer of immovable property amounting to Rs10,510,162 was not realized which resulted in loss to the Government. Detail is as under:

S. No	Name of scheme	Cost of land excluding cost of trees, houses, etc(Rs)	Stamp duty @ 2% (Rs)	Registration fee @ 0.5% (Rs)	2% tax on transfer (Rs)	Total (Rs)
01	Koto Hydro Power Project	221,076,131	4,421,523	1,105,381	4,421,523	9,948,427
02	Graveyard Bandagai	1,020,433	20,408	5,102	20,408	45,918
03	Deaf and Dumb School Timargara	10,315,000	206,300	51,575	206,300	464,175
04	Purchase of land for Road Chat Pat	1,147,608	22,952	5,738	22,952	51,642
Total		233,559,172	4,671,183	1,167,796	4,671,183	10,510,162

Audit observed that non realization of stamp duty and registration fee and 2% tax occurred due to weak internal control which resulted in loss the Government.

When pointed out in August 2018, management replied that Koto Hydro Power Project has registered the scheme with Sub Registrar and the payment of Government fees were made by them to the Sub Registrar Timergara while the concerned departments for the remaining three schemes were not in position to provide extra amount for registration, stamp duty and District Council fee. Reply was not convincing as stamp duty, registration fee and transfer fee were not collected in these four cases which resulted in loss to the Government.

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

Audit recommends recovery and deposit into Government treasury.

AIR Para No. 29 AC-IV(2017-18)

1.2.2.11 Non recovery of lease money of state land – Rs 8.657 million and loss in millions due to non-renewal of lease agreements at market rates

According to Serial No. 2 (a,b,c) and 3 (1& 2) of the State Land lease Policy notified vide Government of Khyber Pakhtunkhwa, Board of Revenue, Revenue & Estate Department No. 29236-311/Rev: IV/11/92 dated 12.12.2001 read with letter No. REV:IV/Tenancy/Mis/Swat/2011/19400-450 dated 28th October 2013, all the expired lease shall be renewed at the prevalent market rates determined by a District Committee subject to approval of Provincial Committee and for all existing/new leasers, the determination of the lease money in case of land be worked out on market rates/productivity by a committee on case to case at the time of grant/renewal of lease subject to approval of the Board of Revenue Khyber Pakhtunkhwa. The lease period shall be 15 years extendable for further period of 15 years each up to the maximum of 30 years for commercial/residential lands and 10 years for agriculture land. The rebate of 20% as Cabinet decision will be available to those sitting tenants/lessees who are in cultivating possession for the last 5 years prior to the date of application.

Deputy Commissioner Dir Lower did not recover outstanding lease money of Rs 8,656,950 from 154 sitting tenants of 3827 Kanals state land for the period from 2009-10 to 2017-18 due to which Government not only sustained loss but state land was put on risk due to illegal occupation without paying lease money. Moreover, out of the total lease land of 3827 kanals, eleven lease agreements of 499 kanals state land were not renewed since 2014 while renewal was required on prevalent market rates with 20% rebate for sitting tenants in accordance with lease policy referred to above due to which further loss in millions were also sustained by the Government. Detail of lease land, tenants and lease money is given at the annexure-5

Audit observed that non recovery of outstanding lease money and non-renewal of expired lease agreements occurred due to violation of lease policy due to which Government sustained loss.

When pointed out in August 2018, management replied that the lease money was not recovered due to execution petition filed by Ex-Khan of Jandool Sub Division as per order of the District and Sessions Judge/ZillaQazi Dir Lower and show cause notice. Now the execution petition has been completed and all the Assistant Commissioners have directed vide this office letter No. 18151-53/Rev; Lease dated 14.09.2018 to recover the lease amount from the lessee concerned and deposit into Government treasury under the relevant head of account. As and when the amount recovered challans will be produced to audit for verification. Management reply was not convincing as recovery of land of other than Jandool sub division was also not made and renewal of lease agreements were pending since long. Moreover, no recovery out of completed petition was reported so far.

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

Audit recommends recovery from the concerned or person (s) responsible and deposit into Government treasury besides renewal of expired lease agreements at market rates.

AIR Para No. 23 AC-IV(2017-18)

1.2.2.12 Irregular cash disbursements of incentive among best performing school teachers – Rs 8.100million

According to (ii) to (iv) of the disbursement mechanism of incentive for best performing school teachers, headmasters and principal, DEOs will transfer the amount of incentive to the personal accounts of the concerned teachers/Principals/HMs within one week of the receipts of funds by the DEO.

District Education Officer (Female) Dir Lower received Rs 8,100,000 from the Director (E&SE) Khyber Pakhtunkhwa on account of incentives for 18best performing school teachers, headmistresses and principals @ Rs 100,000 for HM/Principal and Rs 50,000 per teacher for 7 teachers per school. The amount was credited to designated bank account No. 4039806029of DEO on

10th October 2017 and paid to the headmistresses and principals @ Rs 450,000 for further disbursement to the concerned teachers in violation of the criteria referred to above.

Audit observed that irregular payment was made in violation of rules which resulted in doubtful disbursement and loss to Government due to non-deduction of income tax.

When pointed out in August 2018 management replied that crossed Cheques were handed over to the concerned principals/headmistresses in a function with the directions to further disburse the amount among the deserving teachers which was disbursed by them accordingly and no irregularity/violation of criteria has been made. Reply was not convincing as the amounts were not transferred to personal accounts of the teachers concerned and cash payments were made in violation of criteria.

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

Audit recommends regularization from the competent authority besides fixing responsibility on the persons at fault and recovery of income tax from the concerned teachers.

AIR Para No. 04 AC-IV(2017-18)

1.2.2.13 Doubtful payment of polio fund and conveyance charges - Rs 6.113 million

According to Para 23 of GFR Vol.-I, every Government officer is 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 Dir Lower withdrew Rs 6,113,000 from Government treasury on account of Polio fund and conveyance charges during financial year 2017-18 as per detail given at the annexure-6. Audit held that:

1. Pre-audit Cheques of Rs 6,113,000 were issued in the name of the DDO instead of issuance Cheques in the name of the concerned payees and further record of payments to the concerned persons was not available and hence payment was doubtful.
2. Inadmissible amount of Rs 665,000 was incurred from polio fund on repair of compressors, gas and stabilizers whereas Rs 194,000 was also incurred on such repair from the budget of Integrated Health Project.
3. Rs 500,000 was withdrawn on account of best polio workers in which payment of Rs 100,000 seems double for the same rounds of November and December 2017 at serial No. 2 and 6 of the annexure.

Audit observed that doubtful payment occurred due to weak accounting record which resulted in loss to the Government.

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

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

Audit recommends detailed verification of relevant record.

AIR Para No. 21 AC-IV(2017-18)

1.2.2.14 Irregular cash disbursements of incentive among best performing school teachers – Rs 5.850 million

According to (ii) to (iv) of the disbursement mechanism of incentive for best performing school teachers, headmasters and principal, DEOs will transfer the amount of incentive to the personal accounts of the concerned teachers/Principals/HMs within one week of the receipts of funds by the DEO.

District Education Officer (Male) Dir Lower received Rs 5,850,000 from the Director (E&SE) Khyber Pakhtunkhwa on account of incentives for 13 best performing school teachers, headmasters and principals @ Rs 100,000 for HM/Principal and Rs 50,000 per teacher for 7 teachers per school. The amount was credited to his designated bank account No. 4039777285 on 2nd October

2017 and paid to the headmasters and principals @ Rs 450,000 for further disbursement to the concerned teachers in violation of criterion.

Audit observed that irregular payment was made in violation of rules which resulted in doubtful disbursement and loss to Government due to non-deduction of income tax.

When pointed out in August 2018 management replied that crossed Cheques were handed over to the concerned principals/headmistresses in a function with the directions to further disburse the amount among the deserving teachers which was disbursed by them accordingly and no irregularity/violation of criteria has been made. Reply was not convincing as the amounts were not transferred to personal accounts of the teachers concerned and cash payments were made in violation of the established criteria.

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

Audit recommends regularization from the competent authority besides fixing responsibility on the persons at fault and recovery of income tax from the concerned teachers.

AIR Para No. 06 AC-IV(2017-18)

1.2.2.15 Unauthorized withdrawal of medicine bills of previous years without receipt and issue entries - Rs 5.438 million

According to Para 23 of GFR Vol.-I, every Government officer is 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 Dir Lower withdrew Rs 5,438,883 during financial year 2017-18 from Government treasury on account of 13 medicine bills of the financial year 2015-16 and 2016-17 which was not only unauthorized as approved list of medicines and rates are notified for each financial year but purchase was also doubtful as receipts and issue entries could not be verified.

Moreover, chances of double drawl and misappropriation could not be ruled out. Detail is given at the annexure-7.

Audit observed that unauthorized withdrawal was occurred due to violation of rules which resulted in loss to the Government.

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

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

Audit recommends fixing responsibility on the persons at fault besides provision of complete relevant record for comparative analysis to probe into the matter and determine double drawl or otherwise.

AIR Para No. 16 AC-IV(2017-18)

**1.2.2.16 Non-supply of science equipment and irregular retention in designated bank account– Rs 4.650million
Non- imposition of penalty due to non- supply- Rs 465,000**

According to 6 of the agreements, payment will be made to the suppliers on the production of delivery challan of the item dully signed by the responsible person of the related school with certificate that the items have been delivered to the schools in good condition.

According to clause 2 of the agreements, the completion period of the items to the schools will be maximum 70 days of the issuance of supply orders but not after 30th June 2018.

According to clause 7 of the agreements, in case of under specification supply of furniture, the supplier will be bound to replace the same immediately and in case of non-completion of the total supply in the stipulated period of time, 10% penalty will be imposed upon the supplier, which will be acceptable to the supplier and will have no right to go in the court against the imposed penalty.

District Education Officer (Male) Dir Lower withdrew Rs 18,600,005 from Government treasury on account of purchase of science equipment during financial year 2017-18 and paid to the suppliers. Out of which supply of Rs 4,650,005 was not made within the stipulated period and so far i.e. 10th September 2018 while the withdrawn amount was retained in designated bank account. Moreover, penalty @ 10% amounting to Rs 465,000 was also not imposed in violation of clause 7 of the agreements. Details at annexure-8.

Audit observed that advance payment without supply was made to the suppliers in violation of rules which put the public money in risk and resulted in loss to the Government for non-imposition of penalty.

When pointed out in August 2018, management replied that 25% budget for purchase of science equipment was released in the last week of June 2018. Supply orders were accordingly placed in the last week of June 2018. Collection of hundreds items from the market in a few days and their further supply to the concerned schools was impossible. Therefore, the amount was withdrawn in advance and kept in designated bank account. Supply will be completed within a week time. Reply of the department was not convincing and admitted the irregularity that money was withdrawn on fake vouchers in advance and without actual purchase and retained in designated bank account instead of payment to the suppliers.

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

Audit recommends provision of proofs of actual supply, delivery challans and certificates of the relevant schools besides recovery of penalty and its deposit into Government treasury.

AIR Para No. 17 AC-IV(2017-18)

1.2.2.17 Unjustified utilization of developmental funds of sport on cash prizes without any infrastructure development- Rs 5.00 million

According to Rule 8 (i) of the Khyber Pakhtunkhwa District Government Rules of Business 2015, the District Sports Office will work for:

- i. Promotion of sports through infrastructure development
- ii. Talent scouting and building district sports teams.
- iii. Annual Sports competition and sports event management
- iv. Welfare of the sportsmen
- v. Collection, compilation and dissemination of primary data.

District Sports Officer Dir Lower withdrew Rs5,000,000 from Government treasury for sports activities under CMD/SPDI 2017-18. The amount was credited to designated bank account and expended through cash disbursements on the basis of announcements made by Mr. IzazulMulk MPA PK 95. Out of the total provision of Rs 5,000,000 a handsome amount of Rs 2,741,000 was received by one person i.e. Mr. Ikramuddin which was unjustified. In the approved PC-I, provision of Rs2,000,000for arrangements of seven types of tournaments and Rs 3,000,000 for announcements for various associations in tournaments. Audit held that the entire developmental funds of sports was expended through announcements without any infrastructure development, equipment purchase and construction of play ground in violation of approved PC-I, KPPRA rules and conditions of sports policy.

Audit observed that unjustified utilization occurred due to violation of rules which resulted in loss to the Government.

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

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 fixing responsibility on the person (s) at fault.

1.2.2.18 Non recovery of outstanding electricity charges from the allottees of government buildings– Rs 4.917 million

According to section 12 of the Khyber Pakhtunkhwa Provincial Buildings (Maintenance, Control and Allotment) Act, 2018, in case any allottee is found causing damage to a Provincial building, either deliberately or through negligence, as the case may be, such damage shall be assessed by the Establishment and Administration Department through relevant Department or agency of Government and shall be recovered in such manner as may be prescribed.

According to Section 2 (d) of the Khyber Pakhtunkhwa Provincial Buildings (Maintenance, Control and Allotment) Act, 2018, “damage” means the loss, caused to the physical structure or a Provincial building, its fittings, fixtures, including any outstanding utility bills or dues for that Provincial building.

According to Rule 14 of the Government of Pakhtunkhwa Residential Accommodation (Procedure for Allotment) Rules, 2018, the allottee, on vacation of residential accommodation, shall clear all utility bills of such residential accommodation and produce copies of up-to-date utility bills, paid by him. The Estate Officer shall refer the case of defaulter allottee to the Accountant General, Khyber Pakhtunkhwa and his department, respectively, for the recovery at source of dues from his emoluments.

Deputy Commissioner Dir Lower allotted government residential buildings of Balambat colony to various public office holders from time to time out of which Rs 4,916,853 were outstanding as electricity charges against the allottees of 23 buildings. The outstanding dues were reported by the PESCO to the Deputy Commissioner from time to time but recovery was not made while recovery of non-payment of utility bills or dues was required in terms of Section 2 (d) of the Act referred to above.

Audit observed that non recovery of dues occurred due to violation of rules which resulted in loss to the PESCO/Government.

When pointed out in August 2018, management replied that though the Deputy Commissioner was the competent authority for allotment but recovery of electricity from the concerned allottees was the sole & primary responsibility of the Authority. However, this office would extend administrative support to the Authority in recovery process. Management reply was not tenable as recovery of utility bills or damage from the concerned allottees was the responsibility of the Estate Officer through recovery at source from the emoluments as per allotment rules referred to above.

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

Audit recommends immediate recovery and transfer to PESCO.

AIR Para No. 18 AC-IV(2017-18)

1.2.2.19 Non-deposit/non deduction of income tax, stamp duty and DPR fund- Rs 4.016 million

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

According to Section 153 (1) (a) of Income Tax Ordinance 2001, 4.5 % income tax for supply for sales of goods was deductible from the supplier with effect from 1st July 2017.

According to Section-11 of the “Disabled Persons (Employment & Rehabilitation) Ordinance 1981 and the Government of Khyber Pakhtunkhwa Disabled Persons (Employment & Rehabilitation) Rules,1991 read with the Establishment and Administration Department Khyber Pakhtunkhwa letter NO.SORV(E&AD)11-26/96 Vol-III dated 25th July 2002 followed by several reminders and Federal Cabinet Decision and Directorate of Social Welfare Special Education & Women Empowerment Department Khyber Pakhtunkhwa Circular letter No.DPR/Pub/PCRDP/15374-403 dated 23.01.2012 deduction of DPR fund @ Rs 2,000 each per million may be made in the bills of the

contractors/firms who have completed business of one million or above in a financial year.

District Health Officer Dir Lower received funds of Rs 72,373,788 from the Director General Health Services Peshawar vide Cheque No. 12058518 dated 17.05.2018 for purchase of equipment. The Cheque was deposited in designated bank account No. 4321101435 on 22.05.2018. Equipment of Rs 72,373,788 were purchased from ten (10) firms and payments of Rs 71,584,190 were made while Rs 790,393 were deducted from the bills of the suppliers on account of income tax, stamp duty and Disable Persons Rehabilitation Funds and retained in the designated bank account instead of depositing into Government treasury. Moreover, required deductions were Rs 4,116,558 instead of Rs 790,393 which resulted in less deposit of Rs 3,326,164. Detail is give at the annexure-9.

Audit observed that deductions were not deposited into Government treasury due to violation of rules which resulted in loss to the Government.

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

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

Audit recommends immediate deposit into Government treasury.

AIR Para No. 04 AC-IV(2017-18)

1.2.2.20 Excess expenditure over and above budgetary allocation of science equipment– Rs 3.944 million

According to Para 106 of GFR, incurrence of excess expenditure over allotment is prohibited.

District Education Officer (Male) Dir Lower incurred expenditure of Rs 18,600,005 on purchase of science equipment during financial year 2017-18 against the budgetary allocation of Rs 14,656,350 due to which excess expenditure of Rs 3,943,650 as per detail given below:

S.No	Bills No. & date	Amount of bill (Rs)	Deductions Stamp duty @ 0.5% (Rs)	Cheque amount (Rs)	Cheque No. & date	Supplier
01	0753/01/18 24.03.2018	8,226,700	41,134	8185,566	0734864 17.04.2018	New Rehmat Trader Swat
02	16091 13.01.2018	483,000	2415	480,585	0734878 18.04.2018	Raza Traders Malakand
03		4,113,350	20,567	4,092,783	0735220 23.05.2018	New Rehmat Trader Swat
04	Nil dated Nil	885,450	4427	881,023	0735218 23.05.2018	Frontier Traders Batkhela Malakand
05		241,500	1208	240,292	0733358 28.05.2018	Raza Traders Malakand
06		4,113,350	20,567	4,092,783	081265 27.06.2018	New Rehmat Trader Swat
07	Science supply 21.06.2018	295,155	1476	293,679	0812666 27.06.2018	Frontier Traders Batkhela Malakand
08	509-2017-18 21.06.2018	241,500	1208	240,292	0812627 27.06.2018	Raza Traders Malakand
Total		18,600,005	93,002	18,507,003		

Audit observed that excess expenditure occurred due to weak financial control which resulted in loss to the Government.

When pointed out in August 2018, management replied that due to technical fault in SAP system in the month of June 2018, Cheque of the bill of Rs 4,113,350 could not be punched in the relevant head of A09601 “purchase of science equipment”. The District Finance withdrawn the amount of this bill from the object A09601 and punched this amount in another object A03970- Others to honor the Cheque. Transfer entries are under process with the DAO office. Reply of the department was not convincing as transfer entries were not made so far i.e. 10th September 2018 and till finalization of June final account and preparation of Appropriation, Finance Accounts and Financial Statements of the District Government for the year 2017-18.

Request for convening DAC meeting was made in September 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 Para No. 16 AC-IV(2017-18)

1.2.2.21 Irregular expenditure on purchase of fertilizers and seeds without open tender system- Rs 3.330 million

According to Rule 1 of Chapter-III of Khyber Pakhtunkhwa Public procurement of Goods, Works and Services Rules, 2014, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs 100,000/ rupees one hundred thousand.

District Director Agriculture Dir Lower incurred expenditure of Rs3,330,750 on purchase of fertilizers and seeds during financial year 2016-17 out of the funds of District ADP 2015-16 without open tender system. Detail is as under:

S.No	Description	Amount (Rs)	Name of supplier
01	Fertilizers	2,265,750	Farm Services Center Timargara Dir Lower
02	Seeds	1,065,000	Agriculture Development Fund TakhtbhaiMardan

Audit observed that purchases were made without open tender system in violation of rules which resulted in irregular spending of public money.

When pointed out in September 2018, management replied that Model Farm Services Centers are Government registered organizations working under the patronage of Agriculture Extension Department through the province of Khyber Pakhtunkhwa. Being Government organization, the Secretary Agriculture had already issued directives vide letter No. SOA (AD) 6 (1) Vol: XXI dated 21.01.2012 that all agriculture inputs should be purchased from MFSC/FSC. Therefore there is no need of calling competitive bidding/open tender as per purchasing rules. Reply of the management was not convincing as Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014 were violated and instructions of the Secretary Agriculture were misinterpreted because instructions were issued to preferably purchase agriculture inputs from MFSC/FSC but not restrained them from competitive bidding among various

Farm Services Centers in the entire province. Moreover, there was no authority with the secretary to violate the KPPRA rules framed by the provincial Government and instructions of 2012 in contrary to such rules were automatically repealed with the enforcement of rules of 2014. There was no other purchasing rules as stated by the management except KPPRA 2014 that permit the Government organizations to make purchases without competitive bidding/open tenders system.

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

Audit recommends fixing responsibility on the persons at fault.

AIR Para No. 09 AC-IV(2017-18)

1.2.2.22 Unjustified retention unspent balance of Hard Area Allowance in designated bank accounts – Rs 3.328 million

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

District Education Officer (Female) Dir Lower withdrew Rs 6,104,172 from Government treasury on account of Hard Area Allowance since financial years 2013-14 to 2017-18 every year and credited the amounts to designated bank accounts. Payable amounts were paid to female supervisory staff every year and from 2013-14 up to June 2018 a total amount of Rs 2,775,900 was paid and the remaining amount of Rs 3,328,272 was still lying in designated bank accounts for no claim. Audit held that unnecessary withdrawal was made from the government treasury during financial years 2014-15 to 2017-18 as funds were available designated bank accounts for payments made during the said periods and unnecessarily withdrawn and credited to designated bank accounts which needs deposit into Government treasury. Detail is as under:

S.No	Financial year	Amount received/ Withdrawn (Rs)	Amount paid (Rs)	Closing balance (Rs)	Remarks
01	2013-14	1,939,500	1845900	93,600	Amount received from the Directorate of E&SE and credited to designated bank account. Payment was made from 2013-14 to 31.03.2017
02	2014-15	456,000	0	456,000	
03	2015-16	1,023,480	0	1,023,480	
04	2016-17	1,755,192	0	1,755,192	
05	2017-18	930,000	930,000	0	
Total		6,104,172	2,775,900	3,328,272	

Audit observed that unjustified retention in designated bank account occurred due to violation of rules which resulted in loss to the Government.

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

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

Audit recommends immediate deposit into Government treasury as the amount is lying in designated bank account for no claim.

AIR Para No. 18 AC-IV(2017-18)

1.2.2.23 Unjustified payment of honoraria without proper justification in violation of rules - Rs 3.200 million

According to FR 46 (b) a local Government may grant or permit a Government servant to receive an honorarium from general revenues as remuneration for work performed which is occasional in character and so laborious or of such special merit as to justify a special reward. The temporary increase in the work of a Government servant is not a valid justification for grant of honorarium to him. The temporary increase in work are normal incidents of Government service and form part of legitimate duties of Government servant according to general principle as mentioned in F.R 11 and as such have no claim to extra remuneration.

According to Khyber Pakhtunkhwa, Finance Department letter no. E&A/FD/1-49/2014 dated 24th February 2014, addressed to all Administrative Secretaries for grant of honoraria that:

- i. Strict observance be ensured to the relevant rules and instruction on grant of honoraria in all cases.
- ii. Grant of honoraria shall be restricted to the relevant head of account and grant only from which the employee is drawing his salary.
- iii. Contract employee in project and other posts, being appointed on fixed terms and conditions shall not be entitled for grant of honoraria.
- iv. Honoraria shall be granted on case to case basis with full justification and not enblock in the Department.
- v. The amount of honoraria shall be restrict to maximum of one month salary (Basic Pay) in general. In exceptional cases, the maximum limit may be raised to two month's salary (Basic Pay) with prior concurrence of Finance Department followed by moving a summary for Chief Minister for his approval.

Deputy Commissioner Dir Lower granted honoraria of Rs 3,200,000 to the entire staff of his office and officers and officials of federal and provincial Government of the office of District Accounts Officer Dir Lower during financial year 2017-18 and in some cases two times in 2017-18 without proper justification as required in FR 46 as no special, laborious and occasional work was done but an undue financial benefit was given in the name of nominal justification of late sitting during preparation & utilization of original and revised budget. Grant of honoraria was absolutely in violation of the instructions of the Finance Department Khyber Pakhtunkhwa in general and grant of honoraria of Rs 385,000 to 28 Federal and Provincial employees of the Accounts Office was contrary to Para ii of the letter in specific as they were not drawing salary from the budgetary grants of the District Account-IV.

Audit observed that unjustified payment was made due to violation of rules which resulted in loss to the District Government.

When pointed out in August 2018, management replied that as per Delegation of Powers, the Deputy Commissioner was empowered to grant honoraria to those officers/officials who rendered extra services in government duty. Honoraria was given to staff of this office on account of budget preparation and utilization. The district Accounts Officer also requested for grant of honoraria and the Deputy Commissioner, being Principal Accounting Officer, approved his request and a sum of Rs 385,000 was paid from the District Account-IV. Reply was not convincing as budget preparation and utilization was neither an extra work nor a valid justification for grant of honoraria and the entire staff was not involved in budget preparation and utilization. Grant of enblock honoraria to all staff without any valid justification under the rules referred to above and to the staff of the DAO office was not admissible.

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

Audit recommends recovery from the concerned or person (s) responsible and deposit into Government treasury.

AIR Para No. 09 AC-IV(2017-18)

1.2.2.24 Advance payment in violation of agreement and non-supply of furniture– Rs 2.884 million and non-imposition of penalty-Rs288,480

According to 6 of the agreements, payment will be made to the suppliers on the production of delivery challan of the item dully signed by the responsible person of the related school with certificate that the items have been delivered to the schools in good condition.

According to clause 2 of the agreements, the completion period of the items to the schools will be maximum 70 days of the issuance of supply orders but not after 30th June 2018.

According to clause 7 of the agreements, in case of under specification supply of furniture, the supplier will be bound to replace the same immediately

and in case of non-completion of the total supply in the stipulated period of time, 10% penalty will be imposed upon the supplier, which will be acceptable to the supplier and will have no right to go in the court against the imposed penalty.

District Education Officer(Male) Dir Lower withdrew Rs 39,449,919 from Government treasury on account of purchase of furniture out of regular budget and ADPs during financial year 2017-18 and paid to the suppliers out of which supply of Rs 2,884,800 was not made so far. Moreover, penalty @ 10% amounting to Rs 288,480 was also not imposed in violation of clause 7 of the agreements. Details at annexure-10.

Audit observed that advance payment without supply was made to the suppliers in violation of rules which put the public money in risk and resulted in loss to the Government for non-imposition of penalty.

When pointed out in August 2018, management replied that most of furniture had been supplied with the stipulated time. Supply of Rs 2,448,180 of both offices male and female is under process and cause of late supply of furniture is late issuance of supply orders in the last week of June 2018 and closing of schools due to summer vacations. Imposition of penalty for completed supply within the stipulated period is injustice. Reply of the department was not convincing and admitted the irregularity that money was withdrawn on fake vouchers in advance and without actual purchase and penalty needs to be imposed for late or non-supply of furniture.

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

Audit recommends provision of proofs of actual supply, delivery challans and certificates of the relevant schools besides recovery of penalty and its deposit into Government treasury.

AIR Para No. 15 AC-IV(2017-18)

1.2.2.25 Unauthorized transfer of science equipment to designated bank account– Rs 2.832 million

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

District Education Officer (Female) Dir Lower withdrew Rs 2,846,779 from Government treasury on account of purchase of science equipment and furniture during financial year 2017-18 and credited to his designated bank account No. 4039806029 on 29th June 2018 instead of paying to the suppliers. Audit is of the view that the amount was withdrawn from the Government treasury without actual incurrence of the expenditure and irregularly retained in designated account. Detail is as under:

S.No	Cheque No. & date	Bill amount (Rs)	Deductions (Rs)	Cheque amount (Rs)	Description	Supplier
01	0812626 27.06.2018	166,685	833	165,851	Science equipment	Frontier Traders Batkhela Malakand
02	0812691 27.06.2018	2,246,494	11,232	2,235,261	Science equipment	New Rehmat Traders Swat
03	073489 27.06.2018	433,600	2168	431,432	Furniture	Danyal Traders Timargara
Total		2,846,779	14,233	2,832,544		

Audit observed that irregular retention in designated account occurred due to violation of rules which resulted in doubtful purchase of equipment.

When pointed out in August 2018, management replied that 25% budget for purchase of science equipment was released in the last week of June 2018. Supply orders were accordingly placed in the last week of June 2018. Collection of hundreds items from the market in a few days and their further supply to the concerned schools was impossible. Therefore, the amount was withdrawn in advance and kept in designated bank account till completion of supply as without

actual supply, payment to the contractors was illegal and irregular. Reply of the department was not convincing and admitted the irregularity that money was withdrawn on fake vouchers in advance and without actual purchase and retained in designated bank account instead of payment to the suppliers.

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

Audit recommends detailed verification of relevant record and actual supply of science equipment and delivery to the concerned schools.

AIR Para No. 12 AC-IV(2017-18)

1.2.2.26 Fake payment to Shelton hotel for feeding charges – Rs 2.809 million

According to Para 23 of GFR Vol.-I, every Government officer is personally responsible for any loss sustained by Government through fraud or negligence either on his part or on the part of his subordinate staff.

Deputy Commissioner Dir Lower transferred Rs 41,880,112 to District Police Officer Dir Lower on account of feeding and hiring charges for National Census 2017. The District Police Officer Dir Lower spent Rs 41,645,128 per detail below:

S.No	Description	Amount transferred to DPO as per his demand (Rs)	Amount expended by the DPO (Rs)	Surrender (Rs)
01	Feeding Charges	32,144,112	37,538,928	0
02	Hiring Charges	9,736,000	4,106,200	234,984
Total		41,880,112	41,645,128	234,984

During scrutiny of the account statement of the District Police Officer Dir Lower, provided in the month of June 2018 to DC office vide his office letter No. 19774 dated 21.06.2018, payment of Rs 37,538,928 to Shelton Hotel was made as feeding charges of 2672 personnel of police, FRP and FC @ Rs 468.30 per day for 30 days including 200 levy personnel of Dir Lower. On the other hand, as per request of the Deputy Commissioner Dir Lower, 200 crossed Cheques of Rs

2,809,800 on account of feeding charges of 200 levy personnel @ Rs 14049 per head was sent to DC office vide District Police Officer office letter No. 33456 dated 23rd October 2017 for further payment to 200 personnel of Dir Levies. Hence, not only payment of feeding charges of Rs 2,809,800 to Shelton hotel was fake but the entire payment to Shelton hotel was made doubtful which needs detailed inquiry.

Audit observed that fake payment to Shelton hotel occurred due to weak accounting system which resulted in double payment of feeding charges and loss to the Government.

When pointed out in August 2018, management replied that the observation was sent to District Police Officer for furnishing reply. The DPO Dir Lower stated that the District Police Officer was bound to clear all the bills relating to feeding and hiring charges provided for the purpose. Payment of Rs 2,809,800 was made to 200 levy personnel of Dir Levies in compliance with reference of Commissioner Malakand Division letter No.6461-71/3/5/AG-I/Vol (iv) dated 24th May 2017 and Deputy Commissioner Dir Lower letter No. 8936/Nazar dated 26th May 2017. Moreover, later on personnel of Dir Levies also requested that they are poor and locals and demanded to make cash payments instead of food. Therefore, the manager Shelton Hotel was directed vide this office letter No. 14023/A dated 24.04.2017 that supply of the feeding during the period from 25.04.2017 to 24.05.2017 for 200 Levies personnel may not be made. After that an amount of Rs 28,009,800 was remitted to DC through 200 crossed Cheques of Rs 14,049 per Cheque under letter No. 33456/A dated 23.10.2017. Reply was not convincing as no request was made by the Levies personnel nor was possible for them and Commissioner Malakand Division and Deputy Commissioner demanded cash payments to them on the plea that these personnel were not given food in the period of 30 days whereas the DPO had shown full payment of feeding charges to the Shelton Hotel through crossed Cheques. Moreover, directions of Commissioner and Deputy Commissioner was made after completion of the census period of 30 days while the DPO showed compliance one month before the issuance of directions and directed the manager Shelton Hotel not to supply foods to those 200 Levy personnel and on the other

payment made to the hotel. Therefore, the whole process of providing food to the security staff and enumerators was fake which needs a detailed joint inquiry for fixing responsibility because practically no food was supplied to them from the Government side but the public of the area where they were working have provided food.

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

Audit recommends detailed inquiry duly represented by audit for fixing responsibility on the person (s) at fault.

AIR Para No. 47 AC-IV(2017-18)

1.2.2.27 Overpayment due to allowing incorrect rates of medicines other than approved – Rs 2.785million

According to approved list and rates of Medicines for the year 2017-18 notified vide Director General Health Services Khyber Pakhtunkhwa letter No. 884/DD (Preq/Reg/Drugs) dated 13th July 2017, approved rates of the following medicines were as under:

S.No	MCC Formulary No.	Generic Name	Dosage Form and Strength	Brand Name	Approved rates per Unit(Rs)	Name Company and Adress
95	152	Ampicillin	Inj 500mg/vial	Zampicillin	17.3	Zafa Pharmaceuticals Lab Karachi
482	792	Cotton Bandage SurgicalBandage BPC	7.5 cm x 4 m	Surgical Bandages	15	Cotton Craft (Pvt) Ltd Lahore
461	719	Adhesive Paper Tape	4" X 4.5 m	Adhesive Tape	81	Arson Pharmaceutical Pvt Ltd Lahore
25	39	Ibuprofen	Susp. 100mg/5ml (90ml)	Fenbro	23.5	Stanley Pharmaceuticals Peshawar
485	794	Cotton Bandage BP Type 2	15cm X 4 m	Open Wove Bandages	20.41	Cotton Craft (Pvt) Ltd Lahore
309	480	Typhoid vaccine	0.5 ml 10's	Typbar 0.5 ml	490	AMSON vaccines & Pharma Islamabad
551	910	Examination Gloves	Small, Medium and large	Advantive	3.59	Alhamd Enterprises Karachi

District Health Officer Dir Lower overpaid Rs 2,785,934 to the following eight medicines companies in purchase of medicines due to allowing incorrect/higher rates other than approved for the year 2017-18. Detail is as under:

S.No.	Bill No. & date	Medicine	Quantity	Rate given (Rs)	Rate approved (Rs)	Difference (Rs)	Overpayment (Rs)	Name of company
01	18-314-Z 30.01.20 18	Inj: Zampicillin 500mg/vial	1734 vials	173.0 0	17.30	155.70	269,984	Zafa Pharmaceuticals Lab Karachi
02	3270 10.05.20 17	Surgical Bandages 7.5 cm x 4 m	2017	234	15	219	441,723	Cotton Craft (Pvt) Ltd Lahore
03	3269 15.06.20 17	Surgical Bandages 7.5 cm x 4 m	2017	234	15	219	441,723	Cotton Craft (Pvt) Ltd Lahore
04	213 20.12.20 16	Adhesive Tape 4" X 4.5 m	3000	123.3 3	81	42.33	126,990	Arson Pharmaceutical Pvt Ltd Lahore
05	0000174 09.11.20 17	Ibuprofen 90 ml	10,000	34	23.5	10.5	105,000	Stanley Pharmaceuticals Pvt Ltd Peshawar
06	3145 08.12.20 17	Cotton Bandage PB Type II	6000 dozens	378	244.92 per dozen @ 20.41 per unit	133.08	798,480	Cotton Craft (Pvt) Ltd Lahore
07	IP-4704 21.11.20 17	Inj: Typbar 0.5 ml 10's	33	4900	490	4410	145,530	AMSON vaccines & Pharma Islamabad
08	8851 nil	Examination Gloves M/L size	1445 dozens	359	3.59 per piece=43. 08 per dozen	315.92	456,504	Alhamd Enterprises Karachi
Total							2,785,934	

Audit observed that overpayment occurred due to violation of approved rates which resulted in loss to the Government.

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

Request for convening DAC meeting was made in September 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 Para No. 13 AC-IV(2017-18)

1.2.2.28 Irregular expenditure on purchase of fertilizers without open tender system- Rs 2.200 million

According to Rule 1 of Chapter-III of Khyber Pakhtunkhwa Public procurement of Goods, Works and Services Rules, 2014, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs 100,000/ rupees one hundred thousand.

District Director Agriculture Dir Lower incurred expenditure of Rs 2,200,000 on purchase of agriculture inputs during financial year 2017-18 without open tender system. Purchases of Rs 2,040,520 were made from Farm Services Timargara while purchases of the remaining amount of Rs 159,480 were made from Farm Services Swat and Pak Green Spray Centre Swat directly without any competitive bidding as required under the rules referred to above.

Audit observed that purchases were made without open tender system in violation of rules which resulted in irregular spending of public money.

When pointed out in September 2018, management replied that Model Farm Services Centers are Government registered organizations working under the patronage of Agriculture Extension Department through the province of Khyber Pakhtunkhwa. Being Government organization, the Secretary Agriculture had already issued directives vide letter No. SOA (AD) 6 (1) Vol: XXI dated 21.01.2012 that all agriculture inputs should be purchased from MFSC/FSC. Therefore there is no need of calling competitive bidding/open tender as per

purchasing rules. Reply of the management was not convincing as Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014 were violated and instructions of the Secretary Agriculture were misinterpreted because instructions were issued to preferably purchase agriculture inputs from MFSC/FSC but not restrained them from competitive bidding among various Farm Services Centers in the entire province. Moreover, there was no authority with the secretary to violate the KPPRA rules framed by the provincial Government and instructions of 2012 in contrary to such rules were automatically repealed with the enforcement of rules of 2014. There was no other purchasing rules as stated by the management except KPPRA 2014 that permit the Government organizations to make purchases without competitive bidding/open tenders system.

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

Audit recommends fixing responsibility on the persons at fault.

AIR Para No. 04 AC-IV(2017-18)

1.2.2.29 Unauthorized retention of surplus funds in designated current bank account since six years – Rs 2.117 million

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

District Director Agriculture Dir Lower received funds of Rs 2,878,700 from the Director General Agriculture under “Farm Mechanization Project Khyber Pakhtunkhwa” in various heads during financial years 2012-13 and 2013-14. The funds were kept in designated bank account and Rs759,062 were expended during 2012-13 2013-14 and the remaining balance of Rs 2,117,536 is still lying in the account even after lapse of five financial years while the project period was two years and had already been completed. Audit is of the view that

surplus funds were unnecessarily received & retained in designated bank account without any claim in violation of rules as no immediate disbursement was due on the part of the office from the said funds.

Audit observed that funds were unnecessarily retained in designated bank account in violation of rules which resulted in blockage of public money in designated bank account without use in the public interest.

When pointed out in September 2018, management replied that the matter has already been taken up with the Director General Agriculture Extension and guidance has been sought regarding the balance amount of the project. On receipt of advice, compliance will be made and reported to audit as well. Reply of the management was not convincing as public money was unnecessarily retained in designated bank account for the five years without any claim and no efforts for utilization in the public interest, surrender or deposit into Government was made. The balance amount needs immediate deposit into Government treasury.

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

Audit recommends deposit of the amount into Government treasury.

AIR Para No. 03 AC-IV(2017-18)

1.2.2.30 Less recovery of stamp duty on purchase of land – Rs1.971 million

According to Article 12 of Appendix “Schedule-1” of the Khyber Pakhtunkhwa Finance Act 2007, stamp duty @ 3% was chargeable on award of land (immovable property) in an urban area.

Deputy Commissioner Dir Lower collected Rs 5,914,067 from the Project Manager Koto Hydro Power Project on account of stamp duty @ 1.5% of the value of purchase of 481 Kanals, 4 Marlas and 3 Sersai land in the name of Pakhtunkhwa Energy Development Organization whereas the admissible rate of

stamp duty was 2 % of the purchase price which resulted in less recovery of Rs1,971,355 (Rs 394,271,133 x 0.5% (2% – 1.5 %) = Rs1,971,355).

Audit observed that less recovery occurred due to violation of rules which resulted in loss to the Government.

When pointed out in August 2018, management replied that as per advice of Assistant Secretary (Stamps), Revenue & Estate Department Khyber Pakhtunkhwa, rate of stamp duty for the land acquired for Koto Hydro Power Project be charged 2% as per Article 12 of Finance Act 2007. Special concession was made in 1976 for Malakand Division and the rate of 2% reduced by half as 1%. However, the acquiring department has provided stamp duty @ 1.5%. The Sub Registrar requested that he will charge the provided amount to Government on account of stamp duty and documents will be provided to audit as and when the task is completed. Reply of management was not tenable because as per Finance Act 2007 and recent clarification of the Revenue and Estate Department Khyber Pakhtunkhwa, rate of 2% was chargeable in the instance case, therefore, concession of 1976 for Malakand Division has been superseded. Moreover, the Assistant Secretary (Stamps) has also not mentioned such a concession in the instance case.

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

Audit recommends immediate recovery and deposit in Government treasury under proper head of account besides fixing responsibility for realization of stamp duty at lesser rate than admissible.

AIR Para No. 22 AC-IV(2017-18)

1.2.2.31 Wasteful expenditure on incomplete schemes – Rs 1.149 million
Unjustified retention of unspent balance of incomplete developmental schemes in designated bank account – Rs 751,000

According to Para 10 (i) of GFR Volume-I, every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys, as a person of ordinary prudence would exercise in respect of expenditure of his own money.

During audit of the accounts record of the office of the Deputy Commissioner Dir Lower for the financial year 2017-18 it was noticed that an amount of Rs 1,149,000 was transferred to the TMO Timargara for further payment to the project leader for three developmental schemes of District ADP 2011-12 and 2012-13 out of the total cost allocation of Rs 1,900,000. The schemes were not completed so far i.e. August 2018 even after lapse of five years and the remaining amount has been retained in the designated bank account of DC office. Audit held that not only the expended amount was wasteful but retention of the remaining amount for such a long time was also unjustified and further wait for the completion of these schemes at this stage is not possible.

S.No	Name of schemes	Name of project leader	Total cost (Rs)	Payment made (Rs)	Balance (Rs)
01	PCC Roads/Pavement of streets Urban Council Timargara 2011-12	Mr. Jan Swwab PK 94	700,000	175,000	525,000
02	PCC Shingle Road UC Kotkay 2012-13	Mr. Janat Gul PK 96	800,000	686,000	114,000
03	Water Ponds UC Lajbook 2012-13	Mr. Muhammad Nawshad Khan Pk 96	400,000	288,000	112,000
Total			1,900,000	1,149,000	751,000

Audit observed that the expenditure was wasteful and unjustified retention of developmental funds in designated bank account occurred due to weak internal control which resulted in loss to the Government.

When pointed out in August 2018, management replied that funds of District ADP for the years 2011-12 and 2012-13 were drawn in the month of June 2013 and kept in designated bank account of the Deputy Commissioner and further payments on case to case basis were made to the TMA Timargara being

executing agency. Three schemes are still incomplete and therefore the relevant unpaid amount of Rs 751,000 are lying in the account duly reflected in cashbook. The TMO Timargara has time and again requested to complete the schemes and last reminder was issued on 17th June 2018 vide this office letter No. 18239/Nazar so that the funds could be released to that office for further payment to the project leaders but no response received so far. Reply was not convincing as incomplete schemes of 2011-12 and 2012-13 could not be completed at this stage and the project committees have already been dissolved. Audit held that the amount has been paid to the project leaders without work done at site and the schemes were not executed therefore, further payment was stopped by the TMA.

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

Audit recommends recovery of paid amount from the concerned project leaders and immediate deposit of the remaining amount into Government treasury as payment to the TMA at this belated stage for nominal completion of incomplete schemes of 2011-12 and 2012-13 would just utilize the funds and chances of misappropriation could not be ruled out.

AIR Para No. 40 AC-IV(2017-18)

1.2.2.32 Non supply and non-distribution of sewing machines – Rs 1.851 million

According to Para 23 of GFR Vol.-I, every Government officer is 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 Officer Social Welfare, Special Education & Women Empowerment Department Dir Lower spent Rs 5,993,130 on purchase of 858 sewing machines from the funds of District ADP 2015-16 out of which 593 sewing machines have been distributed so far i.e. 11.2018 while the remaining 265 sewing machines were neither distributed among deserving women nor actually available in the office.

Audit observed non supply and non-distribution of sewing machines due to weak financial control system which resulted in loss to the Government.

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

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 immediate supply and distribution among deserving women.

AIR Para No. 06 AC-IV (2017-18)

1.2.2.33 Irregular expenditure on repair of buildings without approval by the Zilla Council – Rs 1.838 million

According to Serial No. 21.1 (b) and (c) notes (a) of the Delegation of Powers under the Financial Rules and the Powers of Re-Appropriation Rules 2001, expenditure on repair of office/residential buildings were subject to the condition that the works relating to repair have been approved by the Zilla Council or the Government as the case may be.

Deputy Commissioner Dir Lower incurred expenditure of Rs 1,838,783 on repair of residential/office buildings during financial year 2017-18. Audit held that:

1. The schemes were not approved in DDC by the Zilla Council due to which was violation of Rule 21.1 (b) & (c) notes (a) of the Delegation Powers 2001 referred to above.
2. Expenditure of Rs 500,000 was incurred on repair of three residential buildings at serial No. 3,4& 11 of the Administrative Approval out of the budget allocation of office buildings which was misclassification.

Audit observed that irregular expenditure and misclassification occurred due to weak budgetary control which resulted in loss to the Government.

When pointed out in August 2018, management replied that Zilla Council had already passed the budget for the financial year 2017-18 for repair of office and residential buildings. Expenditure on repair of three residential buildings at serial No. 3,4& 11 was made from the budget allocation of office building as Rest House, Audit Lodge and FC School were not residential but used for official purposes. Management reply was not tenable as the works relating to repair should have been approved by the Zilla Council and not the overall budget and the three buildings were purely residential ones upon which expenditure from the budget allocation of office buildings was inadmissible.

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

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

AIR Para No. 15 AC-IV(2017-18)

1.2.2.34 Overpayment due to payment for excess quantity over and above the bill and actual supply–Rs 1.522million

According to Para 23 of GFR Vol.-I, every Government officer is 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 Dir Lower withdrew Rs 999,999 from the Government treasury vide Cheque No. 1570532 dated 21.03.2018 on account of purchase of infusion Dextrose sodium from M/S Frontier Dextrose vide bill No. 2598 dated 30.01.2018. As per supply order, bill, sanction, and stock register, total quantity of 2534 bags were ordered, supplied and entered in stock register at page 37 due to which total payable amount was Rs 99,999 @ 39.46 per bag whereas Rs 999,999 were actually withdrawn which resulted in overpayment of Rs 900,000 (Rs 99,999-Rs 999,999). Similarly, Rs 199,999 was overpaid by adding fake quantity of 6858 injections RLD manually in the bill of 2016-17 @

29.16 and passed in 2017-18. Moreover, double drawl of three bills of Rs 99,800 and Rs 49,795 and Rs 471,978 were made which further caused in overpayment.

Audit observed that overpayment occurred due to violation of approved rates which resulted in loss to the Government.

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

Request for convening DAC meeting was made in September 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 Para No. 14 AC-IV(2017-18)

1.2.2.35 Overpayment of pay & allowances during the period of willful absence - Rs –1.511 million

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

During scrutiny of the expenditure record of the office of District Health Officer Dir Lower for the year 2017-18 it was noticed that the local office has paid Rs 1,510,984 on account of pay & allowances to two (02) doctors for the period of willful absence and during the period of leave without pay. Abstract is as under.

S.No	Name	Personal NO	Period (months)	Months/years	Absence/ EOL	Amount (Rs)
01	Dr. Atiqur Rehman	713824	01.07.2017 to 27.03.2018	09 months	Absence	1,027,176
02	Dr. Yousaf Shah	821496	19.08.2017 19.08.2022	5 years	EOL	483,808
Total						1,510,984

Audit observed that overpayment occurred due to lack of internal control, which resulted in loss to the Government.

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

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

Audit recommends recovery and action against the persons at fault.

AIR Para No. 11 AC-IV(2017-18)

1.2.2.36 Inadmissible expenditure on POL and repair of unauthorized and condemned and extra vehicles – Rs 1.467 million

According to Rule 9 of the Government of Khyber Pakhtunkhwa Staff Vehicles (Use & Maintenance) Rules 1997,

- (i) all the Government Officers irrespective of their ranks/status shall be entitled to use only one vehicle for official duty.
- (ii) Sub-rule (i) of rule 9 shall apply to all those officers who were entitled to use more than one vehicle under Provincial Transport Committee Report 1987, of the S&GAD.
- (iii) The Officers of Provincial Government, who are holding charge of more than one department/ organization and are in possession of more than one vehicle, by virtue of their offices/ posts etc. will not be entitled to use the additional Vehicles.

According to Rule 26 of the rules *ibid*, all the officers, who are entitled to use vehicles, shall restrict themselves to use of P.O.L as per ceiling shown in Annex: “D” enhanced from time to time.

Deputy Commissioner Dir Lower spent Rs 4,010,810 on POL and repair of vehicles during financial year 2017-18 out of which expenditure of Rs 1,467,024 was inadmissible as under and detail at the annexure-11.

1. POL and repair of Rs 749,222 on two vehicles which were shown as unserviceable and reported to provincial Government as in condemnation process and on the basis of which new four vehicles were purchased for Rs 19,466,000 due to which Government sustained double loss on POL and repair of condemned vehicles on one side and purchase of new vehicles on the other. (details at serial No. 1 & 2 of the annexure)
2. POL and repair of Rs 473,325 on two vehicles which were not available in the list of authorized vehicles duly reported to provincial Government, with a certificate that there was no other vehicles in the use of the office, during purchase process of new vehicles which resulted in loss to the Government. (details at serial No. 3 & 4 of the annexure)
3. POL and repair of Rs 244,477 on use of one extra vehicle bearing No. A1234 (DC pool duty) which was not admissible under the rules. (detail at serial No. 5 of the annexure)
4. Deputy Commissioner, being Commandant Dir Levies, also used vehicle (s) and incurred a handsome amount from the budget allocation of Dir Levies (Federal) the use of which and expenditure thereon was not admissible under the rules.

Audit observed that inadmissible expenditure occurred due to weak financial controls and violation of relevant rules which resulted in loss to the Government.

When pointed out in August 2018, management replied that the first two vehicles were in use of AACAdenzai and AC Timergara and were reported to provincial Government for condemnation due deplorable condition and high maintenance cost. The other two vehicles were assets of the closed DDDP project and were allotted to ADC and DO Finance for official duties. The remaining one vehicle was used for pool duty. Management reply was not convincing as the two

vehicles which were shown in condemnation process were neither old, deplorable condition, completed their lives as model 2010 nor repair cost was high as nominal repair expenditure was Rs 70,300 while POL expenditure was Rs 678,922 during 2017-18. Neither condemnation was required nor purchase of new vehicles were needed. The two other vehicles which were not available in the list were project vehicles while use of project was not admissible whereas Rs 473,325 was incurred on POL and repair due to unauthorized use. Similarly, use of more than one vehicle was not permissible at all as per rules referred to above.

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

Audit recommends recovery from the person (s) responsible and deposit in Government treasury besides disciplinary actions.

AIR Para No. 17 AC-IV(2017-18)

1.2.2.37 Irregular expenditure on purchase of sports items without open tender system Rs 1.440 million

According to Rule 1 of Chapter-III of Khyber Pakhtunkhwa Public procurement of Goods, Works and Services Rules, 2014, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs 100,000/ rupees one hundred thousand.

District Sports Officer Dir Lower withdrew Rs 3,000,000 from Government treasury vide Cheque No. 0735080 dated 14.05.2018 for sports activities tehsil Timargara and tehsil Balambat under FMD 2017-18 PK 94. The amount credited to designated bank account and expended through cash disbursements on the basis of announcements made by the Finance Minister. In the approved PC-I, provision of Rs 1,440,000 for purchase of sports items and trophies was made and expended in violation of Khyber Pakhtunkhwa Public Procurement Rules as no tender system was adopted.

Audit observed that irregular expenditure occurred due to violation of rules which resulted in loss to the Government.

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

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 fixing responsibility on the person (s) at fault.

AIR Para No. 05 AC-IV(2017-18)

1.2.2.38 Unauthorized purchase of furniture from the contractors other than approved in competitive bidding – Rs 1.396 million

According to Rule 2 (b) (ix) of Chapter-III of Khyber Pakhtunkhwa Public procurement of Goods, Works and Services Rules, 2014, the bid found to be the lowest evaluated bid shall be accepted.

District Education Officer (Male) Dir Lower purchased furniture of Rs 1,396,980 from the contractors other than approved in the competitive bidding in violation of tender process and approval of the competent authority which was held unauthorized. Abstract is as under and details at annexure-12.

S.No	Name of item	Quantity	Rate (Rs)	Amount (Rs)	Name of supplier	Name of approved contractor
01	File Almirah	86	14,000	1,204,000	Danyal Traders Timargara	Raza Treders Malakand
02	Tablet chair	36	2788	100,000	Danyal Traders Timargara	Raza Treders Malakand
03	Teacher Chair	20	2349	46,980	Danyal Traders Timargara	Raza Treders Malakand
04	File/Side Rack	10	4800	48,000	Danyal Traders Timargra	SIDB Timargara
Total		152		1,398,980		
Discount				2000		
Net total				1,396,000		

Audit observed that unauthorized purchases were made in violation of rules which resulted in undue favour to a contractor by ignoring the competitive bidding process and approval.

When pointed out in August 2018 management replied that rates of M/S Danyal Traders for majority items of furniture except these four types of items were approved and for timely supply of the furniture, purchases of these four types of items was also made from him at the approved rates of the other lowest bidder i.e. Raza traders and SIDB. No excess payment has been occurred. The approved contractors would not be interested to timely supply the limited items. Reply of the management was not convincing as purchases from the unapproved contractors were made in violation of competitive bidding process already adopted and assumptions of late or non-supply by the approved bidders were made by the department without such inability request from the approved bidders.

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

Audit recommends fixing responsibility on the person (s) at fault besides regularization from the competent authority.

AIR Para No. 11 AC-IV(2017-18)

1.2.2.39 Unauthorized collection of 25% doctor share in user charges by MO incharge – Rs 1.361 million

According to Health Department Notification No SOH (V) 1-1/92 dated 2-9-1996 read with Director General Health Service's letter No 6029/medical dated 23-12-2009. The doctor share is 25% but it is for the relevant specialist and the doctors working under that specialist or in the department.

In terms of Secretary Health Notification No .SO(B)Health/10-12/03-01/User charges Dated Peshawar the 13th April 2005, distribution formula of user

formula of user charges in the teaching hospitals/ other hospitals after deduction of 5% cost of materials/kits and others and 5% depreciation is as under:

- i. Government share 60%
- ii. Doctors share 25%
- iii. Paramedics 10%
- iv. Administrative staff 02%
- v. Repair expenses 03%

During audit of the accounts of the office of District Health Officer Dir Lower for the financial year 2017-18 it was noticed that Rs 1,361,581 were taken by the Medical Officers in charge of the various hospitals in the receipts of the hospitals whereas they were not entitled for such collections. Moreover, a handsome allowance of HPA has also been given to all doctors and paramedics of the province therefore, such share in health receipts needs clarification of the Finance Department regarding its admissibility along with HPA. Detail is as under:

Name of Health Facility	Source of receipts	Total amount (Rs)	25 % doctor Share (Rs)	Taken by	Financial year
THQ Chakdara	Laboratory	1,425,250	320,678	Dr. Fazal Baseer Principal MO	2017-18
	Ultrasound	899,600	224,900		
	Laboratory	1,449,225	362,306		2016-17
	Ultrasound	1,000,893	250,223		
Total			1,158,107		
Category D Hospital Munda	Laboratory	479,472	89,999	Dr. Shafiullah MO incharge	2017-18
Category D hospital Talash	Ultrasound	179,410	45,680	Dr. Ajmal Khan MO	2017-18
RHC Ouch	Laboratory	81,098	27,338	Dr. Sanaullah Khan MO Incharge	2017-18
RHC Asbanr	Laboratory	165,858	40,456	Dr. Bakht Waqar MO incharge	2017-18
Total			1,361,581		

Audit observed that unauthorized collection by MOs occurred due to violation of rules which resulted in loss to the Government.

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

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

Audit recommends recovery from the concerned MOs and deposit into Government treasury.

AIR Para No. 07 AC-IV(2017-18)

1.2.2.40 Excess withdrawal of POL& repair in ambulances over and above the actual use and repair– Rs 1.265 million

According to Para 23 of GFR Vol.-I, every Government officer is 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 Dir Lower withdrew Rs 3,259,086 on account of POL of 14 ambulances during financial year 2017-18 while as per relevant logbooks, 26,677 liters POL were actually used on the basis of which maximum required expenditure of was Rs 2,534,315 at the average rate of Rs 95 per liter due to which excess expenditure of Rs 724,771 was incurred over and above the actual use of POL whereonly Rs 687,896 were deposited into Government treasury. Similarly, an amount of Rs 906,130 were withdrawn on repair of these ambulances repair of Rs 365,225 was actually made as per logbooks due to which excess expenditure of Rs 540,905 was incurred over and above the actual repair. Abstract is as under and details at the annexure-13.

S.No	Hospitals	POL consumed as per logbooks (in Liters)	Average rate per liter (Rs)	Required maximum expenditure on POL (Rs)	Actual expenditure as per reconciled expenditure statement (Rs)	Excess than required (Rs)	Ambulances receipts deposited (Rs)
01	Four RHCs	2268	95	215,460	917,414	-701,954	73,100
02	Four Category D hospitals	11060	95	1,050,700	1,123,261	- 72,561	240,784

03	Two THQ hospitals	13349	95	1,268,155	1,218,411	49744	374,012
Total		26677	95	2,534,315	3,259,086	-724,771	687,896
S.No	Hospitals	No of ambulances	Repairs as per log books (Rs)	Amount withdrawn on repair of ambulances (Rs)	Excess over and above actual repair cost (Rs)		
01	Four RHCs	04	123,250	395,000	271,750		
02	Four Category D hospitals	06	193,975	290,070	96,095		
03	Two THQ hospitals	04	48,000	221,060	173,060		
Total		14	365,225	906,130	540,905		
Grand total of POL and Repair			2,899,540	4,165,216	1,265,676		

Audit observed that excess withdrawal was made due to weak financial control system which resulted in loss to the government.

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

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

Audit recommends fixing responsibility for excess withdrawal of POL& repair without actual use and repair in ambulances and suspected misappropriation.

AIR Para No. 08 AC-IV(2017-18)

1.2.2.41 Non imposition of penalty for late supply/non supply of sewing machines, wheel chairs and hearing aids - Rs 1.25 million

According to NIT condition No. 5 published in the daily “Mashriq” on 5.5.2016, the successful bidder will be responsible to complete supply within 30 days of the date of supply orders.

District Officer Social Welfare, Special Education & Women Empowerment Department Dir Lower did not impose penalty of Rs 1,255,000 @ 10% of the cost of purchases due to non-supply within the stipulated period i.e.

30 days from the dates of supply orders. As per relevant record, supply orders were given on 13th and 17th June 2016 while letter of the District Officer Social Welfare states that purchases were in progress as on 21.07.2016 while some supply was made in January 2017 and March 2017 after six and nine months of the dates of supply orders.

Audit observed that non supply occurred due to violation of rules which resulted in loss to the Government.

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

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 from the concerned contractors or person (s) responsible.

AIR Para No. 04 AC-IV(2017-18)

**1.2.2.42 Irregular withdrawal of Hard Area Allowance in violation of rules and without sanction of the competent authority- Rs 930,000
Overpayment of conveyance charges during the months of vacations– Rs232,500**

According to Rule 75 (1) of the Khyber Pakhtunkhwa definitions of the District or City District Government (Budget) Rules, 2016, as a general rule no authority may incur any expenditure or enter into any liability involving expenditure from Government Fund until the expenditure has been sanctioned by general or special orders of the Government and the expenditure has been provided for in the authorized grants and appropriations for the year.

According to Government of Khyber Pakhtunkhwa, Elementary & Secondary Education Department letter No. CPO/SPO-I/E&SE/Special initiatives/2013-14 dated 18.12.2013, the following standard operating procedure

was approved for payment of Hard Area Allowance for lady education supervisors to attract posting in hilly and backward areas, Districts an additional allowance @ 50% of their pay to improve quality education and to ensure supervisors attendance in their respective duty stations.

- i. The scheme will be applicable for lady education supervisors of 7 backward districts (Kohistan, Battagram, TorGhar, Dir Lower, Dir Upper, Shangla and Tank) being hard and unattractive areas.
- ii. 50% of the basic pay will be paid to female DEOs, DDEOs, SDEOs and ASDEOs of these districts as an incentive on monthly basis.
- iii. The allowance will not be part of the salary but will be as an additional incentive through Cheque.
- iv. The allowance will be allowed to female supervisors subject to their better performance keeping in view the indicators based on Field visits per month and submission of regular reports to Director E&SE.

District Education Officer (Female) Dir Lower withdrew Rs 930,000 vide Cheque No. 1570678 dated 02.04.2018 from the Government treasury out of provincial ADP on account of Hard Area Allowance for seven (07) female supervisory staff i.e. one DEO, five SDEOs and two ASDEOs of grades 18,17 and 16 @ 50% of initial pay of the relevant scale. Audit raised the following observations:

1. Withdrawal was made from the Government treasury without financial sanction of the competent authority.
2. Payment of Rs 232,500 was made during the months of winter and summer vacations as the allowance was not part of pay but an additional incentive subject to better performance based on Field visits per month. As no visits were involved in vacations hence, overpayment was made which resulted in loss to the Government.
3. Advance payment for three months i.e. April to June 2018 for Rs 232,500 was made in advance without keeping in view the performance as full payment for 12 months of 2017-18 was made on 4th April 2018.

4. Double payment for hard area was made as Unattractive Area Allowance @ Rs 2000 per month was also paid to the staff which needs clarification regarding admissibility of both the allowances.
5. Admissibility of Hard Area Allowance to the residents of these 7 backward districts needs clarification from the Finance Department.
6. Double benefit for the same purpose were taken by the DEO and SDEOs as they also drawn TA/DA, POL and incurred expenditure on repair of vehicles for field visits and received Hard Area Allowance based on field visits per month which needs clarification from the Finance Department.
7. ADEOs/ASDEOs also drawn double benefits of Hard Area Allowance for field visits and received conveyance charges @ Rs 15,000 per month for the same purpose. Payment of both needs clarification from the Finance Department.

Audit observed the irregularity occurred due to violation of rules which resulted in loss to the Government.

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

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

Audit recommends fixing responsibility for unauthorized withdrawal without financial sanction and recovery of loss from the persons at fault.

AIR Para No. 17 AC-IV(2017-18)

1.2.2.43 Overpayment of Health Professional Allowance and Conveyance Allowance during the period of leave –Rs 1.118 million

According to condition No. (iii) Of the Government of Khyber Pakhtunkhwa, Finance Department letter No. NO. FD (SOSR-II) 8-18/2016 dated 7.1.2016, Health Professional Allowance is not admissible during earned leave, study leave and extra ordinary leave except casual leave.

District Health Officer Dir Lower overpaid Rs 1,118,700 on account of Health Professional Allowance and Conveyance Allowance during the period of their leave which resulted in loss to the Government. Detail is given at the annexure-14.

Audit observed that overpayment occurred due to lack of financial control, which resulted in loss to the Government.

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

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

Audit recommends recovery and action against the persons at fault.

AIR Para No. 10 AC-IV(2017-18)

1.2.2.44 Unauthorized advance payment of medical charges without sanction – Rs 1.00 million

According to serial No. 26 of the Second Schedule of the Delegation of Powers under the Financial Rules and the Powers of Re-Appropriation Rules-2001, Officer in Category-I is authorized to accord sanction of Rs 5000 in each case for Re-imburement of medical charges and according to note (ii), advance payment in cases of serious nature of operation will be subject to the condition of certification by a broad-based Medical Board, duly notified, and with the prior approval of Finance department on case to case basis.

According to Rule 4 (a) of the Khyber Pakhtunkhwa Medical Attendance Rules 2016, if the Authorized Medical Attendant is of opinion that the case of a patient is a serious or special nature, he may refer the patient to the nearest Government hospital in the Province or Country and if not available, he may refer the patient to private hospital with full justification and with prior approval of the Director General.

District Health Officer Dir Lower paid Rs 1,000,000 to M/S Mayo Hospital Lahore vide Cheque No. 0693478 dated 07.02.2018 as advance payment on account of medical charges of Dr. Noor Muhammad Senior Medical Officer of category D hospital Munda without sanction of the competent authority for incurrence to the expenditure and without sanction of Finance Department under FTR 290 for advance payment. The payment was made in advance on the estimated cost and no actual bill was produced to ascertain actual incurrence of expenditure and operation of the patient.

Audit observed that unauthorized advance payment occurred due to violation of rules which resulted in doubtful expenditure.

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

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

Audit recommends regularization from the competent authority besides fixing responsibility on the person (s) at fault for advance payment without sanctions from the competent forums.

AIR Para No. 20 AC-IV(2017-18)

1.2.3 Internal Control Weaknesses

1.2.3.1 Loss to Government due to additional payment of 15% compulsory acquisition of land - Rs92.223 million

According to Section 18(1) of Land Acquisition Act 1894, any person interested who has not accepted the award may, by written application to the collector, require that the matter be referred by the collector for the determination of the Court, whether his objection be to the measurement of the land, the amount of the compensation, the person to whom it is payable or the apportionment of the compensation among the persons interested.

According to Section 3(d) of the Act “Court” means a **Principal Civil Court** of original jurisdiction, unless the Provincial Government has appointed a special judicial officer within any specified local limits to perform the functions of the Court under this Act.

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

Deputy Commissioner Dir Lower transferred Rs607,824,752 to Tehsildars as land compensations of six (06) schemes with additional payment of Rs 92,223,709 on account of 15 % compulsory acquisition charges during financial year 2017-18 for further payment to the land owners. Audit held that the payment of 15% compulsory acquisition charges was in violation of Act referred to above which resulted in overpayment to the landowners and loss to the Government. Detail is as under:

S. No	Name of scheme	Cost of land (Rs)	15% compulsory charges (Rs)
01	Koto Hydro Power Project	586,511,244	87,976,684
02	Graveyard Bandagai	887,333	133,100
03	Deaf and Dumb School Timargara	8,992,500	1,348,875
04	ISI Sub Sector HQ Timargara	10,241,748	1,536,262
05	Purchase of land for Road Chat Pat	997,920	149,688

06	Special Education Complex Chakdara	7, 194,000	1,079,100
Total		607,824,752	92,223,709

Audit observed that compulsory acquisition charges was paid in violation of rules which resulted in loss the Government.

When pointed out in August 2018, management replied that no overpayment on account of allowing 15% compulsory charges on total compensation amount. No ban under the act lies on the Collector to allow compulsory charge at 15% have been allowed in accordance with provision as laid in the Section -23 (2) of Land Acquisition Act 1894. Reply of the management was not tenable as according to section 23(2) of Land Acquisition Act 1894, the court shall in every case award a sum of 15% on such market value, in consideration of the compulsory nature of the acquisition and according to Section 3(d) of the Act “Court” means a Principal Civil Court of original jurisdiction, unless the Provincial Government has appointed a special judicial officer within any specified local limits to perform the functions of the Court under this Act. The Court has never award 15% additional charges as compulsory charges and hence overpayment occurred and loss sustained by the Government.

Request for convening DAC meeting was made in September 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 Para No. 27 AC-IV(2017-18)

1.2.3.2 Loss due to purchase of equipment at higher rates and unnecessary extraordinary quantity – Rs 45.208 million

According to Para 23 of GFR Vol.-I, every Government officer is 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 Dir Lower incurred expenditure of Rs 63,685,000 on purchase of 86 Nos 24-Hours Ambulatory Blood Pressure Machines @ Rs 235,000 per machine and 37 Air Purification System @ Rs 1,175,000 per system out of the funds of provincial ADP of Rs 72,373,788. Details is given at the annexure-15. Audit held that:

1. Extraordinary high rates were approved due to which loss of Rs 45,208,800 as per detail given at the annexure.
2. The purchase was unnecessary as neither use of 24-Hours Ambulatory Blood Pressure Machines were required at these hospitals nor Air Purification System was must as the overall air in the entire district is clean and the number of patients and cases in operation theaters were not so high that necessitated the use of Air Purifier at such a highest cost.
3. Instead of these highest rates items, a number of other basic small amount's equipment could be purchased in the best interest of the public. But due to purchase of such high rate's equipment the huge amount was easily withdrawn from the Government treasury.

Moreover, Rs 3,836,900 was spent on purchase of 431 B.P. Apparatus Mercury Desktop@ Rs 7,900 and 48 Nos.B.P. Apparatus with stand were purchased @ Rs 7,900 and Rs 9000 respectively.

Audit observed that unnecessary expenditure was made at very higher rates which resulted in loss to the Government.

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

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

Audit recommends a high level inquiry for fixing responsibility.

AIR Para No. 23 AC-IV(2017-18)

1.2.3.3 Loss due to non-recovery of paid amount of de-notified portion of land – Rs 41.041 million

According to section 11 3 of Land Revenue Act 196,when a Village Officer required to collect any land revenue or sum recoverable as an arrear of land-revenue (a) satisfies a Revenue Officer that the revenue or the sum has fallen due and has not been paid to him. Recovery of certain arrears through revenue officers instead of by suit. (b) has collected such revenue or sum, but has not credited the same to Government in the manner provided in the rules, the Revenue Officer may, subject to rules which the Board of Revenue may make in this behalf, recover such revenue or sum, from the person from whom it is due, or the Village Officer by whom it was collected, as the case may be, as arrears of land-revenue.

Deputy Commissioner Dir Lower transferred Rs 87,856,768 to tehsildar Timargara as land compensation of 41 kanal 5 marlas and 4 sersai land acquired for Koto Hydro Power Project. Out of the total compensation, an amount of Rs 41,041,023 was paid to the land owners. The piece of land was later on de-notified on 25th September 2017 under section 48 of the Land Acquisition Act 1894 vide Commissioner Malakand office order No.11521/4/3-Dir(L)/Rev:/ Vol:VII as not required due to change in design of the project. The recoverable amount was not recovered from the land owners so far despite lapse of extended period of recovery i.e. 11.2017. In June 2018, an amount of Rs 31,903,754 was declared as Land Revenue Arrears under section 113 of the Land Revenue Act 1967 whereas relevant record was silent about recovery of the remaining amount of Rs 9,137,269 (Rs41,041,023 – Rs 31,903,754)

Audit observed that non recovery occurred due to weak financial controls which resulted in loss to the Government.

When pointed out in August 2018, management replied that the land measuring 40 kanal and 5 marlas was de-notified by the Commissioner Malakand Division due to change in the design of the project. The Tehsildar Timargara was again requested vide this office letter No. 18300 dated 17.09.2018 to recover the

amount from the land owners concerned and deposit into Government treasury. Management reply was not tenable and complete as no recovery was made so far and no statement was furnished about recovery of remaining amount of Rs 9,137,269 due to declaration of reduced recoverable amount of Rs 31,903,754 instead of Rs 41,041,023.

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

Audit recommends immediate recovery and deposit into Government treasury.

AIR Para No. 24 AC-IV(2017-18)

**1.2.3.4 Loss to Government due to unauthorized purchase of vehicles
– Rs 19.466 million**

According to guiding principle No. 3 of the Economy/Austerity Measures for financial year 2017-18 vide Government of Khyber Pakhtunkhwa Finance Department letter No.BO.1/FD/5-8/2017-18 dated 30th June 2017, there shall be complete ban on purchase of new vehicles.

According to Government of Khyber Pakhtunkhwa Local Government Elections & Rural Development Department letter NO.SO (Dir)/LG/Purchase of Vehicles/AAC/2017 dated 7th February 2017, purchase of new vehicles should be in accordance with the entitlement as per transport committee report of Administration Department. The old vehicles may be declared condemned/unserviceable in accordance with rule 11 of Delegation of Power Rules 2001 and may be auctioned through auction committee of Administration Department Government of Khyber Pakhtunkhwa. The purchase should be made out of District Account-IV after giving proper budgetary cover in their respective District and observance of all codal formalities as required under the rules.

According to transport committee report 2015, the provincial Government has imposed complete ban on purchase of vehicles as a measure of austerity which can be relaxed by the Chief Minister on case to case basis. However, the

case of purchase of vehicle may be moved after obtaining non availability certificate from Administration Department and Condemnation Certificate as per procedure laid down in serial 9 of the Delegation of Powers Rules 2001 and Finance Department Notification NO. SO9A/Cs)FD/2-3/96 dated 17th April 1996.

Deputy Commissioner Dir Lower spent Rs 19,466,000 on purchase of four (04) vehicles during financial year 2017-18 from the budget of the District Account-IV Dir Lower. Audit observed that:

1. There was complete ban on purchase of new vehicles during financial year 2017-18 as per serial No. 3 of the transport committee report 2015. No approval of ban relaxation was obtained from the competent authority for purchase of one Fortuner and three REVO for the Deputy Commissioner and ACs/AACs.
2. One vehicle (Fortuner 4x4 AT) 2700 CC was purchased for the Deputy Commissioner while he was entitled for vehicle of engine capacity of 1000 CC and there was no need to purchase new vehicle as two vehicles bearing No. A1234 2OD Corolla and A1001 Double Cab were already in use of the Deputy Commissioner.
3. Three vehicles (REVO 4x4 V AT) 2800 cc were purchased for Assistant Commissioners/Additional Assistant Commissioners while they were entitled for vehicles of engine capacity of 800 cc as per transport committee report 2015.
4. Excess expenditure of Rs 16,698,000 was incurred from the District Account –IV as an amount of Rs 2,768,000 were transferred from the provincial Government to District Account-IV for purchase of vehicles for ACs/AACs while Rs 19,466,000 were actually expended.
5. As per serial No. 12 of the austerity measure for the year 2017-18, expenditure shall be restricted to the funds released and the administrative departments shall not incur expenditure in anticipation of additional grants or supplementary grants. No sufficient budget was available except Rs 1,000 for purchase of vehicle and even then expenditure of Rs 19,466,000 was incurred through additional grants which was irregular.

6. Fake detail of vehicles were reported to provincial Government as two vehicles bearing No. X68-2767 and X68 2532 were not shown despite incurrence of expenditure Rs 473,325 on POL and repair thereon while two vehicles bearing No. A1214 and A1219 were shown in condemnation process while Rs 749,222 were incurred on POL and repair on these two vehicles and should have been handed over to Administration Department for auction before the purchase of new vehicles. Hence there was no need to purchase four vehicles and extra expenditure of Rs 19,466,000 were incurred.
7. Advance payment was made without obtaining sanction from the Finance Department Khyber Pakhtunkhwa as required under CTR 290/FTR 290.
8. Cheques were issued in the name of DDO (DC) instead of issuance in the name of supplier.
9. Advance payment of Rs 5,435,000 for Fortuner was made from the Relief Account vide Cheque No. 0762230 dated 15.01.2018 without budget allocation while withdrawal from Government treasury was made on 15.02.2018 and the relief account was recouped. Hence misclassification was made and the local finance was made bound to release additional grant to cover the expenditure.
10. Sales tax of Rs 2,828,393 @ 17 % was included in the invoices and paid by the office but neither full sales tax was deducted nor 1/5th was retained by the purchasing department.
11. Income tax of Rs 778,640 @ 4% was also not deducted.

The purchase of vehicles was unauthorized due to violation of rules which resulted in loss to the Government.

When pointed out in August 2018, management replied that summary for relaxation of ban on purchase of vehicles has been approved by the Chief Minister Khyber Pakhtunkhwa. The available vehicle A-1001 was not fit for DC due to old model. The same was allotted to ADC. The Fortuner was purchased for DC. The transport Committee authorized that the field officers (DCs, ADC,

ACs and AACs) to purchase vehicles of higher engine capacity according to the nature of duties and terrain requirement. Vehicle No. A-1234 was for pool duty. Excess expenditure was incurred due to purchase of vehicles of higher capacity. No fake detail was reported to HQ as the two vehicles were assets of the old project (DDDP) and the other two vehicles were in deplorable condition and were put in condemnation process because its wear and tear cost was very high. The District Finance Department has allowed advance payment in relaxation of FTR 90. Partial payment was made from relief account to the firm for booking of vehicles as the firm was insisting for partial payment for reservation therefore, formal request was made to the DAO for issuance of Cheque in the name of DDO to recoup the relief account. The supplier had provided tax deduction certificates therefore, taxes were not deducted. Replies were not convincing summary was approved for 4 No. 800 cc cars for a total cost of Rs 2,768,000 at serial no. 12 of Annexure-A and excess expenditure was incurred. Fake detail was reported to provincial Government in which two vehicles were not mentioned while two vehicles were shown in condemnation process while expenditure of Rs1,971,769 were incurred on POL and repair which was unjustified and use of project vehicles were not admissible. The District Officer Finance Dir Lower was not empowered to accord sanction for advance payment and payment from relief account and request for issuance of pre-audit Cheque in the name of DDO was unauthorized.

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

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

AIR Para No. 13 AC-IV(2017-18)

1.2.3.5 Loss to Government due to non-deposit of collected stamp duty, registration fee and 2% property tax – Rs16.46 million

According to Treasury Rule 7 (i), all the money received by or tendered to government officers on account of the revenue shall without undue delay be paid in full into a treasury.

According to Article 23 of Appendix “Schedule-1” of the Khyber Pakhtunkhwa Finance Act 2007, stamp duty @ 2% was chargeable on award of land (immovable property) in an urban area.

According to Article 12 of Appendix “Schedule-1” of the Khyber Pakhtunkhwa Finance Act 2007, stamp duty @ 3% was chargeable on award of land (immovable property) in an urban area.

Deputy Commissioner Dir Lower collected Rs15,770,845 from the Project Manager Koto Hydro Power Project on account of stamp duty, registration fee and 2% property tax of 481 Kanals, 4 Marlas and 3 Sersai land in the name of Pakhtunkhwa Energy Development Organization. The amount was paid to the Sub Registrar Dir Lower vide Cheque No. 65889378 dated 03.01.2018 which was deposited by the Sub Registrar in his designated bank account No. 4039794248 (current account) instead of deposit into Government treasury which resulted in loss to the Government. Furthermore, Rs 699,992 was realized on account of stamp duty, registration fee and 2% tax on transfer of immovable property but the amount was not deposited into Government treasury. Detail is as under:

S. No	Name of scheme	Cost of land(Rs)	Stamp duty (Rs)	Registration fee (Rs)	2% tax on transfer (Rs)	Total (Rs)
01	ISI sub sector HQ Timargara	11778,010	117,781	58,891	235,560	412,232
02	Special Education Complex Chakdara	7,194,000	107,910	35,970	143,880	287,760
Total		18,972,010	225,691	94,861	379,440	699,992

Audit observed that non deposit occurred due to violation of rules which resulted in loss to the Government.

When pointed out in August 2018, management stated that actually Rs 7.885 million was provided for TMA property tax. However, an amount of Rs 5,914,067 was provided for stamp duty and Rs 1,971,356 for registration fee. The Sub Registrar asked for advice in the case as to whether the registry of land be

dealt with Article 12 of Article 23 of schedule-1 of the Khyber Pakhtunkhwa Finance Act 2007. The Assistant Secretary (Stamps), Government of Khyber Pakhtunkhwa Revenue & Estate Department replied that Article may be charged in the instance case. The project management PEDO has asked to attend this office for registry of land. This office has deposited an amount of Rs 4,050,000 as stamp duty. The process will be completed shortly and challan/documents will be furnished to audit. Furthermore, the amount of land compensation including relevant fees have already been deposited in to Government treasury under proper head of account of Revenue Deposits. Payments of land compensations have been made to the land owners concerned and registration fees, stamp duty and tax on transfer will be transferred to Sub Registrar and TMAs Balambat and Chakdara on making registry of the land in the office of Sub Registrar by acquiring department. Reply was incomplete and non-convincing because the amount of 2% property tax was not mentioned and neither further progress intimated so far nor documentary proof in support of deposit of Rs 4,050,000 provided.

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

Audit recommends immediate deposit in Government treasury under proper head of account besides fixing responsibility for retention of Government revenues in designated bank account.

AIR Para No.20,21,& 30 AC-IV(2017-18)

1.2.3.6 Loss due to award of contract of firewood and charcoal at higher bid rates – Rs5.517 million

According to Rule 2 (b) (ix) of Chapter-III of Khyber Pakhtunkhwa Public procurement of Goods, Works and Services Rules, 2014, the bid found to be the lowest evaluated bid shall be accepted.

Deputy Commissioner Dir Lower awarded the contracts of firewood and charcoal for the winter season of financial year 2017-18 at higher rates and

rejected the lowest rates due to which loss of Rs 5,517,000 sustained by the Government at district level as total expenditure of Rs 55,558,707 was incurred by the entire devolved departments during the year. Detail is as under:

S.No	Description	Lowest bid rates rejected		Higher bid rate accepted		Difference (Rs)
		Name of contractor	Rate (Rs)	Name of contractor	Rate (Rs)	
01	Firewood	BangashYousafzai	350 per 40 kg	Danyal Traders	365 per 40 kg	15 per 40 kg
02	Charcoal	Sultan Zeb	31 per kg	Afroz Traders	37.40 per kg	6.40 per kg
Average difference (15 + 6.40= Rs 21.40/2= Rs 10.70)						10.70
Total expenditure on firewood and charcoal of all devolved departments at district level during 2017-18						
Loss/Excess expenditure of firewood and charcoal of the entire devolved departments at district level due to ignoring the lowest rates (Rs 51,558,707 x Rs 10.7/Rs 100= Rs 5,516,781)						5,516,781

Audit observed that excess expenditure were incurred due to ignoring the lowest bid rates which resulted in loss to the Government.

When pointed out in August 2018, management replied that the contract for supply of firewood and charcoal for the winter season of financial year 2017-18 was properly tendered. In the advertisement it was mentioned that the suppliers/contractors must registered and available on ATL of FBR. The lowest bidders were not available on ATL and hence their rates were rejected and the contracts were awarded to the next lowest bidders. Management reply was not convincing as the lowest bidders were residents of tax free zone and neither tax deduction was required nor the condition of availability on ATL was mandatory. Due to this unnecessary condition, Government sustained loss.

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

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

1.2.3.7 Non surrender of saving in allocated budget and misclassification due to excess expenditure on feeding charges without re-appropriation from hiring charges– Rs 5.395 million

According to Rule 10 (2) (a) and Rule 67 (e) of the Khyber Pakhtunkhwa District or City District Government (Budget) Rules 2016, the grants authorized by the District Council are valid for one financial year and cannot be carried forward to the next year and the unutilized funds lapse at the end of the financial year.

According to Government of Khyber Pakhtunkhwa Finance Department letter No. BO(PFC-II)/FD/1-5/2016-17/N/Salary/Census dated 16th October 2017, sanction of re-appropriation from hiring charges to feeding charges was not accorded.

Deputy Commissioner Dir Lower transferred Rs 41,880,112 to District Police Officer Dir Lower vide Cheque No. 0638441 dated 21.04.2017 on account of feeding and hiring charges of Rs 32,144,112 and Rs 9,736,000 respectively for National Census 2017. The District Police Officer Dir Lower furnished expenditure account of Rs 36,250,312 (Rs 32,144,112 as feeding charges and Rs 4,106,200 as hiring charges during the month of August 2017 and requested for grant of sanction of re-appropriation of Rs 5,394,816 from hiring charges to feeding charges. The case was forwarded to Finance Department Khyber Pakhtunkhwa through Commissioner Malakand Division for approval which was not agreed to and even then the expenditure was made which resulted in misclassification and excess expenditure whereas feeding charges of Rs 32,144,112 was transferred to DPO as per his maximum demand of 2288 staff for 30 days.

Audit observed misclassification and unauthorized expenditure due to violation of rules which resulted in loss to the Government.

When pointed out in August 2018, management replied that the observation was sent to District Police Officer for furnishing reply. The DPO stated that feeding charges of Rs 32,144,112 had been sanctioned for 2288 police persons but after the actually, 348 additional police and FC personnel were deployed therefor, feeding charges was insufficient to cover the actual liabilities of 348 additional persons for 30 days @ Rs 468.30 per head. The concerned authority was requested for re-appropriation an amount of Rs 5,394,819 from the available released amount under the head Hiring charges of Rs 9,376,000. In response the Deputy Commissioner intimated vide his office letter No. 17085 dated 23.12.2017 that the funds have already been withdrawn from the Government treasury therefore, re-appropriation was not required at that stage. The Deputy Commissioner further stated that they have no objection if an amount of Rs 5,394,819 was transferred from hiring charges to feeding charges as per need because the expenditure falls under one head A03970- others. Reply was not tenable as expenditure was incurred in violation of release order and classification without prior permission of the District Council and provincial Finance Department in violation Rule 10 (2), Rule 66 and 67 of the District Government Budget Rules 2016. The funds were released on the basis of revised demand of District Police Officer Dir Lower hence gross understatement and overstatement are serious budgetary irregularity in terms of Rule 10 (2) (d) of the District Government Budget Rules 2016. Moreover, Finance Department also advised the Deputy Commissioner vide letter No. BO(PFC-II0/FD/1-5/2016-17/N/Salary/Census dated 16th October 2017 to proceed in accordance with District Budget Rules 2016 and Delegation of Powers under the Financial Rules and the Powers of Re-appropriation Rules 2001.

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

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

AIR Para No. 44 AC-IV(2017-18)

1.2.3.8 Unverified expenditure of Farm Services Center – Rs 3.982 million

According to Section 9 (3) of the Khyber Pakhtunkhwa Farm Services Centers Act 2014, the Accounts of a Centre shall be maintained and audited in such form and in such manner as may be prescribed by the Government.

According to Section 16 of Act *ibid*, Government may, by notification in the official Gazette make rules for carrying out the purposes of this Act.

District Director Agriculture Dir Lower did not provide record of Rs 3,982,177 of Farm Services Centre Timargara for the financial year 2017-18 due to which receipts and payments record of the center remained unverified. Detail of receipts and payments as per bank statement was as under:

Opening balance as on 1st July 2017(Rs)	Receipts during 2017-18 (Rs)	Total (Rs)	Payments during 2017-18 (Rs)	Closing balance as on 30th June 2018 (Rs)
2,536,573	4,725,233	7,261,806	3,982,177	3,279,629

Audit observed that non production occurred due to violation of rules which resulted in unauthentic receipts and expenditure.

When pointed out in September 2018, management stated that as per Act and bylaws of Model Farm Services Center/Farm Service Center, the accounts of the centers will be audited by the Director General Agriculture Extension Khyber Pakhtunkhwa. Reply of the department was not convincing as there was no approved bylaws and Section 9 (3) of Khyber Pakhtunkhwa Farm Services Centers Act, 2014 states that accounts of the Centre shall be maintained and audited in such form and in such manner as may be prescribed by the Government and as per Section 46 of the Act, Government may, by notification in the official Gazette make rules for carrying out the purposes of this Act. No such rules have been framed so far. As per Section 37 of LGA 2013, audit of the devolved departments is the mandate of the Director General Audit, District Government Khyber Pakhtunkhwa and Agriculture Department at District level is

a devolved department and Farm Service Center is performing its functions under the control of District Director Agriculture. As per Section 14 (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, any person or authority hindering the auditorial functions of the Auditor-General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

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

Audit recommends fixing responsibility on the persons at fault.

AIR Para No. 06 AC-IV(2017-18)

1.2.3.9 Loss due to placement of public fund in current bank accounts – Rs 3.651 million

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

During audit of the accounts of the office of District Education Officer (Male) Dir Lower for the financial year 2017-18 it was noticed that two current designated bank accounts were maintained in the local office. A handsome amount was available in the accounts without no profit. Profit of Rs 3,651,608 could be earned during financial year 2017-18 at minimum rate of 2% due to which provincial receipts were understated which resulted in loss to the Government. Detail is as under:

Name of bank and branch	Bank account No.	Balance in the account as on 30.06.2017 (Rs)	Minimum admissible profit @ 2%(Rs)	Balance in the account as on 01.12.2017 (Rs)	Minimum admissible profit @ 2% (Rs)	Balance in the account as on 30.06.2018 (Rs)	Minimum admissible profit @ 2% (Rs)	Total minimum admissible profit during 2017-18 (Rs)
National Bank	4039777285	17,845,514	356,910	1,489,486	29,790	6,436,512	128,730	515,430
Timergara	4039779694	155,074,015	3,101,480	917,967	18,359	816,967	16,339	3,136,178
Total		172,919,529	3,458,390	2,407,453	48,149	7,253,479	145,069	3,651,608

Audit observed that maintenance of current designated bank accounts occurred due to violation of rules which resulted in understatement in provincial receipts during the year.

When pointed out in August 2018 management replied that the matter will be referred to Finance Department for guidance regarding conversion of account to PLS mode as no such orders have been received by this office so far. Guidance will be followed without delay. Reply of the department was not convincing as finance department has already issued instructions on 10th February 2014 for conversion of current accounts into PLS mode and the department did not comply with the instructions despite lapse of four years.

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

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

AIR Para No. 08 AC-IV(2017-18)

1.2.3.10 Loss due to placement of public funds in current bank account– Rs 3.213 million

According to Para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10th February 2014, Khyber

Pakhtunkhwa Finance Department has from time to time allowed sanctioned Bank accounts in the commercial bank for various Departments / Autonomous/Semi- Autonomous Bodies/Corporations in Khyber Pakhtunkhwa for particular and specific purposes. Such accounts may be converted to PLS mode and the profit earned be deposited in Government Treasury under relevant head of account immediately and not later than a week when declared by the concerned bank.

During audit of the accounts of the office of District Education Officer (Female) Dir Lower for the financial year 2017-18 it was noticed that a current designated bank account was maintained with National Bank Timargara bearing No. 4039806029. A handsome amount was available in the accounts without no profit. Profit of Rs 3,212,880 could be earned during financial year 2017-18 at minimum rate of 2% due to which provincial receipts were understated which resulted in loss to the Government. Detail is as under:

Balance in the account as on 30.01.2017 (Rs)	Minimum admissible profit @ 2%(Rs)	Balance in the account as on 01.06.2017 (Rs)	Minimum admissible profit @ 2% (Rs)	Balance in the account as on 31.12.2017 (Rs)	Minimum admissible profit @ 2% (Rs)	Balance in the account as on 30.06.2018 (Rs)	Minimum admissible profit @ 2% (Rs)	Total minimum admissible profit during 2017-18 (Rs)
95,096,967	1,901,939	48,892,515	977,850	4,069,222	81,385	12,585,303	251,706	3,212,880

Audit observed that maintenance of current designated bank accounts occurred due to violation of rules which resulted in understatement in provincial receipts during the year.

When pointed out in August 2018 management replied that the matter will be referred to Finance Department for guidance regarding conversion of account to PLS mode as no such orders have been received by this office so far. Guidance will be followed without delay. Reply of the department was not convincing as finance department has already issued instructions on 10th February 2014 for conversion of current accounts into PLS mode and the department did not comply with the instructions despite lapse of four years.

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

Audit recommends immediate conversion of current accounts into PLS mode and deposit of profit into Government treasury when declared by the banks besides fixing responsibility for non conversion of current accounts into PLS mode and realizable profit for four years.

AIR Para No. 06 AC-IV(2017-18)

1.2.3.11 Loss to Government due to purchase of furniture from the contractor of non-taxable area instead of taxable area – Rs 3.060 million

According to Rule 2 (b) (ix) of Chapter-III of Khyber Pakhtunkhwa Public procurement of Goods, Works and Services Rules, 2014, the bid found to be the lowest evaluated bid shall be accepted.

According to comparative statement rate of Rs 7600 for 2 Seater Desk and Bench Grade A1- Shesham Wood/Metal of M/S Mardan Traders was accepted and approved.

District Education Officer (Female) Dir Lower purchased furniture (1873 Nos 2 Seater Desk and Bench @ Rs 7600) for Rs 14,234,800 vide Cheque No. 1570622 dated 29.03.2018 from Danyal Traders Timargara instead of M/S Mardan Traders Mardan whereas rate of both the contractors were same and approved but taking into consideration deductions of taxes @ 17% and 4.5%, rate of M/S Mardan Traders were lower than M/S Danyal Traders by Rs 1,634 per item (Rs 7,600 – Rs 1,634 i.e. 21.5%). Audit held that due to purchase from the contractor of non-taxable area, Government sustained loss of Rs 3,060,482 on account of non- deduction of 17% sales tax and 4.5% income tax. (Rs 14,234,800 x 21.5%= Rs 3,060,482)

Audit observed that purchase from the contractor of non-taxable area occurred due to weak financial management system which resulted in loss to the Government.

When pointed out in August 2018 management replied that rates of both the bidders were the same and the committee decided to make purchases from both the suppliers for smooth running of the purchase process and in the best interest of the department to ensure timely supply and avoid delay. If total purchase was made from one contractor the other would get stay order from the court. Reply of the management was not relevant as purchase was not made from Mardan traders at all and Government sustained loss in shape of taxes and the committee should have taken the tax aspect into consideration at the time of approval of rates and at the time of taking such a decision. By deducting the taxes portion, rate of M/S Mardan Traders were the lowest and the entire purchase should have been made from him at the best interest of the Government. Moreover, no such decision was recorded by the members of the committee.

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

Audit recommends recovery of loss from the person (s) responsible.

AIR Para No. 08 AC-IV(2017-18)

1.2.3.12 Loss to Government due to purchase of furniture from the contractor of non-taxable area instead of taxable area – Rs 2.910 million

According to Rule 2 (b) (ix) of Chapter-III of Khyber Pakhtunkhwa Public procurement of Goods, Works and Services Rules, 2014, the bid found to be the lowest evaluated bid shall be accepted.

According to comparative statement rate of Rs 7600 for 2 Seater Desk and Bench Grade A1- Shesham Wood/Metal of M/S Mardan Traders was accepted and approved.

District Education Officer (Male) Dir Lower purchased furniture (1781 Nos 2 Seater Desk and Bench @ Rs 7600) for Rs 13,535,600 vide Cheque No. 1570622 dated 29.03.2018 from Danyal Traders Timargara instead of M/S

Mardan Traders Mardan whereas rate of both the contractors were same and approved but taking into consideration deductions of taxes @ 17% and 4.5%, rate of M/S Mardan Traders were lower than M/S Danyal Traders by Rs 1,634 per item (Rs 7,600 – Rs 1,634 i.e. 21.5%). Audit held that due to purchase from the contractor of non-taxable area, Government sustained loss of Rs 2,910,154 on account of non- deduction of 17% sales tax and 4.5% income tax. (Rs 13,535,600 x 21.5%= Rs 2,910,154)

Audit observed that purchase from the contractor of nontaxable area occurred due to weak financial management system which resulted in loss to the Government.

When pointed out in August 2018 management replied that rates of both the bidders were the same and the committee decided to make purchases from both the suppliers for smooth running of the purchase process and in the best interest of the department to ensure timely supply and avoid delay. If total purchase was made from one contractor the other would get stay order from the court. Reply of the management was not relevant as loss sustained by the Government in shape of taxes and the committee should have taken the tax aspect into consideration at the time of approval of rates and at the time of taking such a decision. By deducting the taxes portion, rate of M/S Mardan Traders were the lowest and the entire purchase should have been made from him at the best interest of the Government. Moreover, no such decision was recorded by the members of the committee.

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

Audit recommends recovery of loss from the person (s) responsible.

AIR Para No. 10 AC-IV(2017-18)

1.2.3.13 Loss to Government due to missing of 24 hours Ambulatory Blood Pressure Monitors– Rs 2.350 million

According to Para 23 of GFR Vol.-I, every Government officer is 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 Dir Lower spent Rs 20,210,000 on purchase 86 Nos of 24 hours B.P. sets monitors @ Rs 235,000 per set during financial year 2017-18 out of which 64 sets were shown issued to various health facilities and 17 instead of 22 sets were shown in balance with a difference of 5 sets of Rs 1,175,000. Similarly, 2 sets each were shown issued to CD Rabat, BHU Shalkandai and BHU Mian Kalay while 1 set each was issued to the facilities and 1 set was shown issued to BHU Safarai but was not actually issued. In the same way, 3 sets were shown issued to RHC Ouch but 2 sets were actually issued. Hence 5 sets were fraudulently shown issued without actual issue and the amount was misappropriated. Thus total amount of 10 sets amounting to Rs 2,350,000 (total 10 sets X Rs 235,000= Rs 2,350,000) was misappropriated.

Audit observed that misappropriation occurred due to weak internal control which resulted in loss to the Government and public was deprived of the facility which was provided by the Government.

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

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

Audit recommends recovery and action against the persons at fault besides detailed inquiry to verify actual purchase and issue of the entire purchase of these sets from all sources of funds.

AIR Para No. 19 AC-IV(2017-18)

1.2.3.14 Loss to Government due to non- collection of stamp duty, registration fee on account of additional cost of land of 15% compulsory acquisition charges – Rs2.305 million

According to Article 23 of Appendix “Schedule-1” of the Khyber Pakhtunkhwa Finance Act 2007, stamp duty @ 2% was chargeable on award of land (immovable property) in an urban area.

Deputy Commissioner Dir Lower transferred Rs607,824,752 to Tehsildars as land compensations of six (06) schemes with additional payment of Rs 92,223,709 on account of 15 % compulsory acquisition charges during financial year 2017-18 for further payment to the land owners. Stamp duty and registration fee was realized at the rate of 1.5% and 0.5% of the cost of land excluding 15% compulsory acquisition charges instead of total cost of land including 15% charges. By doing this, audit if of the view that less realization of Rs2,305,588 as stamp duty and registration fee revenue was made which resulted in loss to the Government. Detail is as under:

S. No	Name of scheme	Cost of Land (Rs)	15% compulsory charges (Rs)	Stamp duty @ 2% (Rs)	Registration fee @ 0.5% (Rs)	Total stamp duty and registration fee (Rs)
01	Koto Hydro Power Project	586,511,244	87,976,684	1,759,533	439,883	2,199,417
02	Graveyard Bandagai	887,333	133,100	2,662	665	3,325
03	Deaf and Dumb School Timargara	8,992,500	1,348,875	26,977	6,744	33,721
04	ISI Sub Sector HQ Timargara	10,241,748	1,536,262	30,725	7,681	38,406
05	Purchase of land for Road Chat Pat	997,920	149,688	2,994	748	3,742
06	Special Education Complex Chakdara	7,194,000	1,079,100	21,582	5,395	26,977
Total		607,824,752	92,223,709	1,844,473	461,116	2,305,588

Audit observed that less realization of stamp duty and registration fee occurred due to weak internal control which resulted in loss the Government.

When pointed out in August 2018, management replied that collections of stamp duty and registration fee on total cost including 15% compulsory charges

in case of lands at serial No. 01, 04 and 06 and no stamp duty and registration fee was charged due to non-availability of extra funds with the executing agencies/funding agencies. Management reply was not convincing as collections of stamp duty and registration were made at lesser rates and on the cost of land excluding 15% additional charges in the former three cases and no collections were made in the later three cases due to which government sustained loss.

Request for convening DAC meeting was made in September 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 Para No. 28 AC-IV(2017-18)

1.2.3.15 Non supply and non-distribution of sewing machines – Rs 1.851 million

According to Para 23 of GFR Vol.-I, every Government officer is 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 Officer Social Welfare, Special Education & Women Empowerment Department Dir Lower spent Rs 5,993,130 on purchase of 858 sewing machines from the funds of District ADP 2015-16 out of which 593 sewing machines have been distributed so far i.e. 11.2018 while the remaining 265 sewing machines were neither distributed among deserving women nor actually available in the office.

Audit observed non supply and non-distribution of sewing machines due to weak financial control system which resulted in loss to the Government.

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

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 immediate supply and distribution among deserving women.

AIR Para No. 06 AC-IV(2017-18)

1.2.3.16 Loss to Government due to non-deduction of income tax and DPR fund – Rs 1.577 million

According to Section 153 (1) (a) of Income Tax Ordinance 2001, 4% income tax for supply for sales of goods was deductible from the filer company with effect from 1st July 2017.

According to Section-11 of the “Disabled Persons (Employment & Rehabilitation) Ordinance 1981 and the Government of Khyber Pakhtunkhwa Disabled Persons (Employment & Rehabilitation) Rules, 1991 read with the Establishment and Administration Department Khyber Pakhtunkhwa letter NO.SORV(E&AD)11-26/96 Vol-III dated 25th July 2002 followed by several reminders and Federal Cabinet Decision and Directorate of Social Welfare Special Education & Women Empowerment Department Khyber Pakhtunkhwa Circular letter No.DPR/Pub/PCRD/15374-403 dated 23.01.2012 deduction of DPR fund @ Rs 2,000 each per million may be made in the bills of the contractors/firms who have completed business of one million or above in a financial year.

Deputy Commissioner Dir Lower transferred Rs 41,880,112 to District Police Officer Dir Lower on account of feeding and hiring charges for National Census 2017. The District Police Officer spent Rs 41,645,128. Out of which Rs 37,538,928 was paid to Shelton Hotel Timargara through seven Cheques but income tax @ 4% amounting to Rs 1,501,557 and Disabled Persons Rehabilitation Fund @ Rs 2000 per each one million amounting to Rs 75,000 was not deducted.

Audit observed that income tax and DPR fund was not deducted due to violation of rules which resulted in loss to the Government.

When pointed out in August 2018, management replied that the observation was sent to District Police Officer for furnishing reply. The DPO Dir Lower stated that Malakand Division is a tax free zone therefore no tax deduction was made from the bills of the supplier. Reply was not convincing as no exemption certificate from the Commissioner Income Tax was provided and there was no provision for exemption of DPR fund. Moreover, deduction of income tax was required from the bills of the supplier and then repayment could be made through refund voucher on provision of exemption certificate.

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

Audit recommends recovery and deposit into Government treasury.

AIR Para No. 48 AC-IV(2017-18)

**1.2.3.17 Loss due to placement of public fund in current bank accounts
– Rs1.385 million**

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

During audit of the accounts of the office of Deputy Commissioner Dir Lower for the financial year 2017-18 it was noticed that 13 current designated bank accounts were maintained in the local office, offices of the Assistant Commissioners and of Tehsildars. A handsome amount was available in the accounts without no profit. Profit of Rs 1,385,943 could be earned during financial year 2017-18 at minimum rate of 2% due to which provincial receipts

were understated which resulted in loss to the Government. Details at annexure-16.

Audit observed that maintenance of current designated bank accounts occurred due to violation of rules which resulted in understatement in provincial receipts during the year.

When pointed out in August 2018, management replied that bank account of this office will be converted into PLS mode and heads of the subordinate offices have been directed to convert current accounts into PLS mode and the profit so earned be deposited into Government treasury under proper head of account and this exercise will not be repeated in future. Reply was not convincing as instructions for conversion of current accounts into PLS mode were issued in February 2014 which were not complied with even after lapse of more than four years due to which Government sustained loss in million each year.

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

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

AIR Para No. 02 AC-IV(2017-18)

1.2.3.18 Excess withdrawal of POL& repair in ambulances over and above the actual use and repair– Rs 1.265 million

According to Para 23 of GFR Vol.-I, every Government officer is 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 Dir Lower withdrew Rs 3,259,086 on account of POL of 14 ambulances during financial year 2017-18 while as per relevant logbooks, 26,677 liters POL were actually used on the basis of which maximum required expenditure of was Rs 2,534,315 at the average rate of Rs 95 per liter

due to which excess expenditure of Rs 724,771 was incurred over and above the actual use of POL whereonly Rs 687,896 were deposited into Government treasury. Similarly, an amount of Rs 906,130 were withdrawn on repair of these ambulances repair of Rs 365,225 was actually made as per logbooks due to which excess expenditure of Rs 540,905 was incurred over and above the actual repair. Abstract is as under and details at the annexure-17.

Audit observed that excess withdrawal was made due to weak financial control system which resulted in loss to the government.

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

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

Audit recommends fixing responsibility for excess withdrawal of POL & repair without actual use and repair in ambulances and suspected misappropriation.

AIR Para No. 08 AC-IV(2017-18)

1.2.3.19 Loss due to Government due to non-deposit of health receipts – Rs 807,311

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

District Health Officer Dir Lower collected Rs 14,199,562 on account of health receipts from the health facilities during financial year 2017-18 out of which Rs 14,085,100 were deposited while the remaining amount of Rs 114,462 were not deposited and hence outstanding against the dealing hand (s) of the office. Similarly, realized health receipts of Rs 145,857 were outstanding against six (06) hospitals. In the same way, ambulance charges of Rs 842,728 were collected from the patients during financial year 2017-18 out of which Rs 295,736 were deposited to DHO office for further deposit into Government

treasury while the balance amount of Rs 546,992 were outstanding against various health facilities. Details at the annexure-18.

Audit observed that less deposit occurred due to weak internal control which resulted in loss to the Government.

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

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

Audit recommends immediate deposit of the remaining amount of health receipts already received from the health facilities.

AIR Para No. 05 AC-IV(2017-18)

**TMA_s TIMERGARA, CHAKDARA, BALAMBAT,
SAMARBAGH, KHALL, MUNDA, LALQILA**

1.3.1 Irregularity/Non-compliance

1.3.1.1 Unauthorized expenditure without Technical Sanction - Rs 31.300 million

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

Tehsil Municipal Officer, TMA Balambat incurred expenditure of Rs31,300,630 on execution of developmental Schemes during financial year 2017-18 without obtaining technical sanctions from the competent authority. Detail is given at annexure-19.

The irregularity occurred due to weak financial controls which resulted in risk of substandard quality of work and economy of payment.

When pointed out in December 2018, management replied that the technical sanctions would be obtained before completion of schemes. Reply was not convincing as developmental schemes were executed without technical sanctions and a handsome payment was made.

Request for convening DAC meeting was made in January 2019, which was not convened till finalization of this report.

Audit suggests regularization of expenditure and action against the person(s) at fault.

AIR Para No. 01 AC-IV(2017-18)

1.3.1.2 Irregular award of works - Rs 15.830 million

According to Para 2.58 (4th) of B&R Code, a set of “condition of contract” to be complied with by the person whose tender may be accepted. Moreover, according to Para 2.60 of B&R Code, in works of great magnitude the contract deed should be specially prepared by the Government Law Officers, but for ordinary contracts, usual stereotyped forms will generally suffice.

Tehsil Municipal Officer, TMA Munda awarded nine (09) works of Rs 15,830,000 to Government contractors during the financial year 2017-18 but agreements were not executed with the contractors and hence the award of works held irregular. Detail is as under:

S. No.	Name of work	Estimated cost (Rs)
01	Boring of well at VC Mian Kallay	300,000
02	Extension of water supply at Tehsil Munda	2,900,000
03	Beautification scheme at Tehsil Munda	2,590,000
04	Installation of hand pumps at Tehsil Munda	2,600,000
05	Installation of hand pumps at Tehsil Munda	3,000,000
06	Repair of transformers at Tehsil Munda	2,000,000
07	Solar Power system at Munda Hospital	140,000
08	Installation of Electric Motor Pumps at Tehsil Munda	2,000,000
09	Construction of Retaining Wall at VC Gosam	300,000
Total		15,830,000

Audit observed that the irregular expenditure occurred due to weak financial control, which resulted in violation of Government Rules.

When pointed out in December 2018, Management stated that detailed reply would be submitted after scrutiny of record.

Request for convening DAC meeting was made on 13th September 2018, however meeting of DAC could not be convened till finalization of this report.

Audit recommends to execute agreements with contractor and to conduct physical verification for quality of work and action against the person(s) at fault.

AIR Para No. 01 AC-IV(2017-18)

1.3.1.3 Irregular expenditure without technical sanctions – Rs14.960million

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

Tehsil Municipal Officer, TMA Lal Qalaincurred expenditure of Rs 14,960,069 on various developmental schemes during financial year 2017-18 without obtaining technical sanctions from the competent authority. Detail is given at annexure-20.

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

When pointed out in December 2018 management stated that the Technical sanction would be obtained from the competent forum, but no TS was produced so for.

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 obtaining Technical Sanction from the competent forum.and action against the person authorizing execution/payment without technical sanction.

AIR Para No. 01 AC-IV(2017-18)

1.3.1.4 Irregular award of contracts - Rs 11.00 million

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

Tehsil Municipal Officer TMA Samarbagh awarded 03 No works “Installation of Solar Street Light” for estimated cost of Rs 11.00 million during 2017-18. The items of the contracts were non MRS while the contracts were awarded without market analysis which was irregular. Furthermore, the contract was spilt up in order to avoid the sanction of higher authority and the economy

measure was not observed and the government interest not secured. Detail is given below:

S.No	Name of Scheme	Estimated Cost (Rs in million)
1	Solar street light in bazar Kambat	4.000
2	Solar street light in bazar Likor Bala	4.000
3	Solar street light in bazar Likor Bala	3.000
Total		11.00

Audit observed that irregular awarded of contract without rate analysis due to weak internal control, resulted in violation of rules.

When pointed out in December 2018, management did not respond the audit observation.

Request for convening DAC meeting was made in January 2019, which was not convened till finalization of this report.

Audit recommends remedial measure, fixing responsibility on the persons at fault.

AIR Para No. 01 AC-IV(2017-18)

1.3.1.5 Irregular award of works without contract agreements – Rs 10.500 million

According to Para 2.58 (4th) of B&R Code, a set of “condition of contract” to be complied with by the person whose tender may be accepted. Moreover, according to Para 2.60 of B&R Code, in works of great magnitude the contract deed should be specially prepared by the Government Law Officers, but for ordinary contracts, usual stereotyped forms will generally suffice.

TMO Chakdara awarded seven (07) Nos. of works to Government contractors amounting to Rs 10,500,000 during the financial year 2017-18. The award of works was held irregular as no agreements were executed with the contractor. Detail is as under:

S. No.	Name of work	Estimated cost (Rs)
01	PCC Road at khadagzai	500,000
02	Construction of PCC Road at Rafiq Haji Koroona	1,000,000
03	Construction of PCC Road at Karamay	2,000,000
04	Construction of PCC Road at Aqil Koroona Bambolay	1,000,000
05	Construction of PCC Road/Pavement of Streets at Ouch	5,000,000
06	DWSS at Chakdara	500,000
07	DWSS at Kotigram	500,000
Total		10,500,000

Audit observed that the irregular expenditure occurred due to weak financial control, which resulted in violation of Government Rules.

When pointed out in December 2018, Management stated that detail reply would be submitted from the available record and the progress would be shown to audit.

Request for convening DAC meeting was made on 13th September 2018, however meeting of DAC could not be convened till finalization of this report.

Audit recommends to execute agreements with the contractors and carrying out physical verification for quality assurance.

AIR Para No. 01 AC-IV(2017-18)

1.3.1.6 Irregular and unauthorized payment on account of regular and fixed pay employees - Rs 8.411 million

According to Accountant General KPK Peshawar letter No DO.NO.CC/PIFRA/F2008-08/53 dated 18-4-2009 the employees of all the provincial departments should provide bank accounts to their respective Account Offices to directly credit /transfer their salaries and advances.

According to Finance Department letter No. BO.1/FD/5-8/2017-18 dated 30-06-2017, no appointment of contingent paid staff shall be made during the course of the financial year 2017-18.

TMO Chakdara paid Rs 7,413,324 on account of pay and allowances during the financial year 2017-18. The pay of these officers/officials was not being credited by the local office to their bank accounts till now and was drawn and disbursed by the DDO, which was clear violation of the above mentioned order. Moreover, Rs 998,400 were paid on account of fixed pay employees. The payment made was unauthorized as ban was imposed by the Finance Department on recruitment of CPS employees during the financial year 2017-18 as austerity measures. Detail is as under:

S. No.	Particulars	No. of employees	Amount per month (Rs)	Total amount for 12 months (Rs)
01	Regular employees	25	617,777	7,413,324
02	Fixed pay	08	83,200	998,400
Total				8,411,724

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

When pointed out in December 2018, Management stated that the salaries have been paid to the employees after proper verification. However, efforts would be made to transfer the salaries to the concerned bank accounts. Moreover, the Management did not respond to the observation of payment of daily wages employees.

Request for convening DAC meeting was made on 13th September 2018, however meeting of DAC could not be convened till finalization of this report. Request for convening DAC meeting was made on 13th September 2018, however meeting of DAC could not be convened till finalization of this report.

Audit recommends immediate computerization of salaries and action against the person(s) at fault.

AIR Para No. 02 AC-IV(2017-18)

1.3.1.7 Unauthorized expenditure without Technical Sanction - Rs 5.995 million

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

TMO Samarbagh incurred expenditure of Rs5,995,423 on account of developmental Schemes during 2017-18 without obtaining technical sanction of the competent authority. Detail is given at annexure-21

The irregularity occurred due to weak financial controls which resulted in risk of substandard quality of work and economy of payment.

When pointed out in December 2018, management did not respond the audit observation.

Request for convening DAC meeting was made in January 2019, which was not convened till finalization of this report.

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

AIR Para No. 02 AC-IV(2017-18)

1.3.1.8 Non recovery of penalty due to late deposit of monthly installments – Rs 5.597 million

According Para 6 of the Government of Khyber Pakhtunkhwa, Local Government and Rural Development Department, Local Council Board, letter No. AO-II/LCB/6-11/2013 dated 14.03.2016, 2% penalty per day will be liable on contractor/ firm for late deposit of the monthly installment. If the contractor/firm fails to clear due by 10th of each month to which installment relates, the contract may be canceled and his security and advances deposited by the contractor shall be forfeited.

Tehsil Municipal Officer, TMA Timargara, Dir Lower, awarded contracts for the financial year 2017-18. The contractors did not deposit monthly installments in time due to which penalty of Rs 5,597,236 @ 2% per day was required to be imposed which was not done. Detail is given at annexure-22.

Audit observed non recovery occurred due to violation of rules which resulted in loss to the Council.

When pointed out in November 2018, management stated that principal amount has been recovered from the contractors and the Tehsil Council/ finance Committee of the TMA is empowered to waive up the penalty. within the same financial year 2016-17 and the TMA with the recommendation of its Accounts Committee may view off the penalty on account of late deposit according to Para 7 of the terms & conditions circulated vide No. AO-II/LCB/6-11/2013 dated 14.03.2016. Reply was not convincing as neither recommendation has been made by the Accounts Committee nor penalty waived off by the TMA so far and an undue favour was extended to the contractor at the cost of the Council.

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

Audit recommends recovery of penalty amount and deposit in the account of the Council.

AIR Para No. 01 AC-IV(2017-18)

1.3.1.9 Irregular expenditure without technical sanctions – Rs 5.425 million

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

Tehsil Municipal Officer Timargara incurred an expenditure of Rs 5,425,222 on various developmental schemes during 2017-18 without obtaining technical sanctions from the competent authority as detailed below:

S.No	Name of Scheme	E/Cost (Rs)	Expenditure (Rs)
1	Const of Boundry wall MC office	4,000,000	2,112,222
2	Construction of Foot Path Timergara Bazar Adda side.	2,697,400	1,605,000
3	Construction of Foot Path Timergara main Bazar	3,000,000	1,533,000
4	Beautification of Timer, Gorgorai, & Shakeel Shaheed Chow:	1,785,100	175,000
Total		11,482,500	5,425,222

Audit observed that irregular expenditure with technical sanction occurred due to weak internal control which resulted in risk of substandard quality of work and economy of payment.

When pointed out in November 2018, management replied that technical sanctions have been obtained from the competent authority. Reply of the department was not convincing as technical sanctions were not produced to audit.

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

Audit recommends production/ obtaining of technical sanction besides fixing responsibility for authorized execution/ payment without Technical Sanction.

AIR Para No. 02 AC-IV(2017-18)

1.3.1.10 Irregular expenditure without technical sanctions – Rs 3.581 million

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

TMO Munda incurred an expenditure of Rs 3,581,152 on account of various developmental schemes during 2017-18. During scrutiny of record, it was observed that Technical Sanction was not obtained from the competent authority before commencement of work. Thus, the expenditure made was held irregular. Detail is given below:

S. No.	Name of scheme	Expenditure (Rs)
1	Supply of motor pumps at Tehsil Munda	784,212
2	Beautification at Tehsil Munda	1696,038
3	Installation of Electric Motor Pumps at Tehsil Munda	1100,902
Total		3,581,152

Audit observed that the irregular expenditure occurred due to weak financial control, which resulted in violation of Government Rules.

When pointed out in December 2018, Management stated that technical sanctions would be obtained and would be shown to audit.

Request for convening DAC meeting was made on 13th September 2018, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 02 AC-IV(2017-18)

1.3.1.11 Non recovery of outstanding rent of shops of General Bus Stand – Rs 2.696 million

According to Para 28 of GFR Vol-I, no amount due to government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.

Tehsil Municipal Officer, TMA Timargara Dir Lower rented out (199) shops at General Bus Stand Timargara. Perusal of the demand & collection register of the concerned shops and Cabins revealed that a huge amount of Rs 2,696,623 was outstanding as on 30-06-2018 against various shopkeepers. Detail is as under:

S.No	Description	No. of Shops	Outstanding Amount (Rs) upto 30-06-2018
1.	Ground Floor	51	820,117
2.	First Floor	51	544,369
3.	West Site	50	740,722
4.	North Site	15	148,880
5.	South Site	26	329,945
6.	Cabin	4	87,846
	South site	2	24,744
	Total	199	2,696,623

Audit observed that non recovery of outstanding charges occurred due to non compliance of rules which resulted in loss to Government.

When pointed out in November 2018, management stated that outstanding amount will be recovered from the concerned shopkeepers and progress will be shown to audit. Reply was not convincing as no progress was reported.

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

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

AIR Para No. 03 AC-IV(2017-18)

1.3.1.12 Irregular and unauthorized payment on account of regular and fixed pay employees - Rs 2.620 million

According to Accountant General KPK Peshawar letter No DO.NO.CC/PIFRA/F2008-08/53 dated 18-4-2009 the employees of all the

provincial departments should provide bank accounts to their respective Account Offices to directly credit /transfer their salaries and advances.

According to Finance Department letter No. BO.1/FD/5-8/2017-18 dated 30-06-2017, no appointment of contingent paid staff shall be made during the course of the financial year 2017-18.

TMO Munda paid Rs 1,890,916 on account of pay and allowances during the financial year 2017-18. The pay of these officers/officials was not being credited by the local office to their bank accounts till now and was drawn and disbursed by the DDO, which was clear violation of the above mentioned order. Moreover, Rs 730,000 were paid on account of fixed pay employees. The payment made was unauthorized as ban was imposed by the Finance Department on recruitment of CPS employees during the financial year 2017-18 as austerity measures.

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

When pointed out in December 2018, Management stated that the salaries would be transferred to bank accounts and would be shown to audit. Moreover, the Management did not respond to the observation of payment of daily wages employees.

Request for convening DAC meeting was made on 13th September 2018, however meeting of DAC could not be convened till finalization of this report.

Audit recommends to justify the payment.

AIR Para No. 03 AC-IV(2017-18)

1.3.1.13 Irregular cash payment of pay & allowances – Rs 2.596 million

According to para 4.6.3.1 of Accounting Policies and Procedure Manual, the normal method of payment of monthly salaries of all government employees shall be by credit transfer direct to a bank account nominated by the employee.

This is the most secure and economical method of payment and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by Cheque or cash, against risks of theft or fraud.

TMO Khall Dir Lower paid Rs 2,596,611 on account of pay & allowances through DDO open Cheque instead of the bank account of officials during the year 2017-18. Hence, disbursements through cash, actual payments to the concerned could not be verified and chances of misappropriation could not be ruled out.

Irregular cash payment occurred due to lack of financial control, which resulted in risks associated with cash handling and chance of misappropriation.

When pointed out in December 2018, management did not respond the audit observation.

Audit recommends payment of through bank accounts of TMA Staff and action taken against the person (s) at fault.

AIR Para No. 01 AC-IV(2017-18)

1.3.1.14 Irregular expenditure on installation of GI and HDPE pipes- Rs2.10 million

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

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

Tehsil Municipal Officer Lal Qala incurred expenditure of Rs 2,107,922 on account of Supply and Fixing GI and HDPE pipes in various Water

supply Schemes during 2016-17. On scrutiny of record, it was observed that that the Local office did not adopt the following quality assurance steps to ensure the quality and health of the people of locality. Detail is given below:

1	DWSS cost of well shahid Korona	152200
2	Boring of T/Well Syed Abdur Rhman U/C Kotkay	310000
3	DWSS HDPE Pipes and Hand pumpV/C Chinar kot	800000
4	WSS Kotkay	594816
5	DWSS HDPE Pipe Rahim abad	250906
Total		2,107,922

Original Manufacturer/confirmation through his letter head and seal

- i. Gate Pass No./Sales Tax invoice.
- ii. Confirmation that manufacturers all documents are original
- iii. Code No, on Product (year, month, date).

In the absence of the above mentioned documents the entry of substandard Pipes cannot be rolled out.

Audit observed that non-compliance of the field staff occurred due to weak internal control, which resulted in violation of Government instruction.

When pointed out in December 2018, management stated that the vouchers would be obtained and shown to audit. Reply was not convincing as no evidence was produced to audit.

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 enquiry into the probable cause of irregularities.

AIR Para No. 02 AC-IV(2017-18)

1.3.1.15 Un-authentic payments – Rs 1.915 million

According to Para 228 of CPWA Code advance to contractors are as a rule prohibited, and no payments are made except for work actually done.

Every government officer is personally responsible for any loss sustained by Government through fraud or negligence either on his part or on the part of his subordinate staff vide Para 23 of GFR Vol.-I.

Tehsil Municipal Officer TMA Balambat made an advance payment Rs 1,915,500 on account of “Electrification at lajbook area” and Shifting 11/33 KV Line at Balambat out of Tehsil ADP during 2017-18 but no work done / completion report was available in record.

The irregularity occurred due to weak internal controls which resulted in risk of non execution of scheme.

When pointed in December 2018, management replied that detail reply would be given after scrutiny of record. No reply was submitted till finalization of record.

Request for convening DAC meeting was made in January 2019, which was not convened till finalization of this report.

Audit recommends physical verification of the schemes and action against the person(s) at fault.

AIR Para No. 02 AC-IV(2017-18)

1.3.1.16 Non deduction of Professional tax and Stamp Duty – Rs1.665 million

In terms of Assistant Secretary (Stamps), Board of Revenue Khyber Pakhtunkhwa letter No.15796-889/stamps-240 Peshawar dated 29.06.2002, Schedule-1, Section 3 (Stamp Duty), Article No.5, stamp duty at the following rates should be deducted on execution of works.

S.No	Limit of estimated cost	Stamp duty (Rs)
01	Up to Rs 50,000	650
02	From Rs 50,001 to Rs.500,000	1,250
03	From Rs 500,001 to Rs.1,000,000	1,850
04	From Rs 1,000,001 to Rs.5,000,000	6,250
05	Above Rs 5,000,000	18,750

In terms of provision of Section II of Appendix II of the Khyber Pakhtunkhwa Act No.PA/KPK/Bills/2011/34926 dated 5.7.2011, tax on profession trade, calling or employment from the Government contractors/consultants/suppliers will be levied from the year 2011-12 on all contractors/suppliers who supplied goods, commodities or rendered service to the Federation or Provincial Government or any Local Authority at the following rates:

Value	Professional tax (Rs)
a. For value exceeding Rs10,000 but not exceeding Rs0.5 million	3,600
b. For value exceeding Rs0.5 million but not exceeding Rs1 million	4,000
c. For value exceeding Rs1 million but not exceeding Rs2.5 million	6,000
d. For value exceeding Rs2.5 million but not exceeding Rs10 million	18,000
e. For value exceeding Rs10 million but not exceeding Rs25 million	25,000
f. For value exceeding Rs25 million but not exceeding Rs50 million	30,000
g. For value exceeding Rs50 million and above	100,000

Tehsil Municipal Officer, TMA Balambat did not deduct professional tax and stamp duty amounting to Rs 1,665,450 on payment made to contractors on account of developmental schemes during financial year 2017-18, which resulted in loss to Government. Details at annexure-23.

Non deduction of Professional Tax & Stamp duty occurred due to weak internal controls which resulted in loss to Government.

When pointed out in December 2018, management replied that the amount will be recovered and will be deposited in the concerned head. Reply is not convincing as no progress was shown to audit.

Request for convening DAC meeting was made in January 2019, which was not convened till finalization of this report.

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

AIR Para No. 03 AC-IV(2017-18)

1.3.1.17 Unauthorized expenditure without technical sanction - Rs 1.418 Million

According to Para 32 of CPWA Code, no work shall be executed without Administrative Approval/Technical Sanction and Budget allotment. Further, Para 178 of GFR Vol-I & Para-56 of CPWD Code provides that the work must not be started/ executed without technical sanction.

TMO Khall incurred expenditure of Rs 1,418,167 on account of developmental Schemes during 2017-18 without obtaining technical sanction of the competent authority as detail below:

S.No	Name of Scheme	E/Cost	Expenditure up to June
1	DWSS v/c kamar tal, v/c adokay, v/c luqman banda	600,000	114,915
2	PCC ROAD v/c shalkanai	600,000	204,264
3	Retaining wall v/c kandaro	600,000	208,236
4	PCC ROAD v/c kamar tal	600,000	204,168
5	Widening road v/c luqman banda	600,000	93,068
6	PCC ROAD v/c namser+colony	900,000	392,187
7	PCC ROAD watetai v/c seer	500,000	201,329
Total		4,400,000	1,418,167

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

When pointed out in December 2018, management did not respond the audit observation.

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

Audit suggests regularization of expenditure and action against the person(s) at fault.

AIR Para No. 02 AC-IV(2017-18)

1.3.1.18 Non transfer of Pension Contributions - Rs 1.151 million

According to Rule 5 of the Khyber Pakhtunkhwa Local Councils Servants (Pension), Rules 1980, for every Local Council, to which these rules have been extended, there shall be maintained a Pension Fund, to the credit where of shall be placed :-

- (a) the amounts contributed by the local council and
- (b) such contribution per month for every servant of the Local Council as would have been payable by the local council.

TMO Balambat did not transfer Rs 1,151,816 to LCB on account of pension contributions and 2% LCB share during financial year 2017-18. Detail is as under:

S.No	2016-17	Paid(Rs)	Diff (Rs)
01	951,816	600,000	351816
02	800,000	0	800,000
Total			1,151,816

Non transfer of pension contributions occurred due to weak internal which resulted in violation of rules.

When pointed in December 2018, management replied that pension contribution has not been transferred due lack of fund and when the fund will be available it will be transferred to LCB. No progress was shown to audit.

Request for convening DAC meeting was made in January 2019, which was not convened till finalization of this report.

Audit recommends immediate transferring of pension contributions to LCB and pension account of the TMA.

AIR Para No. 04 AC-IV(2017-18)

1.3.1.19 Non transfer of Pension Contributions - Rs 1.074 million

According to Rule 5 of the Khyber Pakhtunkhwa Local Councils Servants (Pension), Rules 1980, for every Local Council, to which these rules have been extended, there shall be maintained a Pension Fund, to the credit where of shall be placed :-

- (a) the amounts contributed by the local council and
- (b) such contribution per month for every servant of the Local Council as would have been payable by the local council.

TMO Samarbagh did not transfer Rs 1,074,832 to LCB on account of pension contributions and 2% LCB share during financial year 2017-18.

Non transfer of pension contributions occurred due to weak internal which resulted in violation of rules.

When pointed out in December 2018, management did not respond the audit observation.

Request for convening DAC meeting was made in January 2019, which was not convened till finalization of this report.

Audit recommends transferring pension contributions to LCB and pension account of the TMA.

AIR Para No. 03 AC-IV(2017-18)

1.3.2 Internal Control Weaknesses

1.3.2.1 Loss due to award of contract at lesser rate than required – Rs 13.927 million

According to Para 2 of the Government of Khyber Pakhtunkhwa Local Government and Rural Development Department Local Council Board letter No. AO-II/LCB/6-11/2013 dated 14.03.2016, 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 renowned 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 Nazim being head of the TMA and TMO being the Principal Accounting Officer as well as concerned elected council shall ensure competition amongst the bidder to achieve the maximum bid.

Tehsil Municipal Officer, TMA Timergara, Dir Lower, awarded a contract of General Bus Stand, Cattle Fair and Public Latrines at General Bus Stand as per detail given below. As per policy guidelines for the auction of the local councils contracts framed by the provincial Government, the contract should have been awarded for at least @ 20% over the amount of last year 2016-17 which was not done resulted loss of Rs 13,927,970 was occurred.

S.No	Particular	Income in 2016-17 (Rs)	with increase 20% (Rs)	Income in 2017-18 (Rs)	Loss (Rs)
1	GBS	72,100,000	86,520,000	73,200,000	13,320,000
2	Latrines GBS	2,435,000	2,922,000	2,414,030	507,970
3	Cattle fair Timergara	600,000	720,000	620,000	100,000
Total					13,927,970

Award of contract at lesser rate occurred due to lack of internal controls which resulted in loss to the Government.

When pointed out in November 2018, management replied that the contracts were auctioned 20 times but no one participated. Hence allotted with approval of the competent authority. Reply was not convincing as minimum increase of 20% over the last year approved bid/income was not achieved.

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

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

AIR Para No. 04 AC-IV(2017-18)

1.3.2.2 Irregular cash payment of pay & allowances – Rs 7.854 million

According to para 4.6.3.1 of Accounting Policies and Procedure Manual, the normal method of payment of monthly salaries of all government employees shall be by credit transfer direct to a bank account nominated by the employee. This is the most secure and economical method of payment and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by cheque or cash, against risks of theft or fraud.

TMOSamarbagh Dir Lowerpaid Rs7,854,080 on account of pay & allowance through DDO open cheque instead by their bank account in violation of rules during the year 2017-18. Hence, disbursements through cash, actual payments to the concerned could not be verified and chances of misappropriation could not be ruled out.

Irregular cash payment occurred due to lack of financial control, which resulted in risks associated with cash handling and chance of misappropriation.

When pointed out in December 2018, management did not respond the audit observation.

Audit recommends payment of through bank accounts of TMA Staff and action taken against the person (s) at fault.

AIR Para No. 04 AC-IV(2017-18)

1.3.2.3 Unauthorized expenditure without pre-audit Rs 4.051million

According to Local Government Department letter No.AO/LCB/4(I)06/2009-10 dated 4.9.2010 that no payment shall be made by the local councils unless the bill is pre checked in audit by the staff of Local Fund Audit Department. Furthermore, according to Section (36) Clause (b) (e) of the Khyber Pakhtunkhwa Local Government Act, 2013, the Tehsil Accounts Officer shall perform pre-Audit of all payments in the Local Councils before approving the disbursement of money.

TMO Khall incurred an expenditure of Rs 4,051,112 on account of developmental schemes during 2017-18 without pre audit from local fund audit which was contrary to the above orders and needs justification. Detail at annexure-24

Audit observed expenditure without pre-audit occurred due to weak internal control which resulted in violation of rules.

When pointed out in December 2018, management did not respond the audit observation.

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

Audit recommends fixing responsibility and action against the persons at fault.

AIR Para No. 03 AC-IV(2017-18)

1.3.2.4 Non-recovery of outstanding water charges -Rs 3.993 million

According to Para 28 of GFR Vol-I, No amount due to Government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable; the orders of competent authority for their adjustment must be sought.

Tehsil Municipal Officer, TMA Timergara Dir Lower did not recover Rs 3,993,490 on account of water user charges from 3200 consumers of ten (10) Drinking Water Supply Schemes during financial Year 2017-18. Detail is given below:

S.NO	Name of Scheme	No of Connections	Rate Per Year Rs	Total (Rs)	Recovery during 2017-18 (Rs)	Total outstanding Amount(Rs)
1	DWSS Trai	146	1800	262,800	50,700	212,100
2	DWSS Saddo	204	1800	367,200	126,250	240,950
3	DWSS ShekawlaiDabbar	188	1800	338,400	96,250	242,150
4	DWSS Khungi	215	1800	387,000	179,300	207,700
5	DWSS ToraTiga	347	1800	624,600	177,660	446,940
6	DWSS Timergara Phase-I	934	1800	1,681,200	568,900	1,112,300
7	DWSS HassaniDehrai	400	1800	720,000	263,550	456,450
8	DWSS Chargorai	99	1800	178,200	26,150	152,050
9	DWSS Main Banda	430	1800	774,000	155,850	618,150
10	DWSS Timergara Phase-II	237	1800	426,600	121,900	304,700
	Total	3200		5,760,000	1,766,510	3,993,490

Audit observed that non-recovery of water charges occurred due to weak financial management, which resulted in loss to Government.

When pointed out in November 2018, management replied that efforts would be made to recover the outstanding amount from the defaulter concerned and progress would be shown to audit. Reply was not convincing as no progress was reported.

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

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

AIR Para No. 05 AC-IV(2017-18)

1.3.2.5 Loss to Government due to non-deposit of Government receipts of GBS Munda and Cattle Fair Munda - Rs 3.624 million

According to Para 28 of GFR Volume-I, no amount due to government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.

TMO Munda awarded contracts of GBS Munda and Cattle Fair Munda during the financial year 2017-18. During scrutiny of record, it was observed that the contractor failed to deposit the Government receipts amounting to Rs 3,624,000. Detail is as under:

S. No.	Particulars	Contractual Amount (Rs)	Amount deposited (Rs)	Balance Amount (Rs)
01	GBS Munda	10,005,000	7,736,000	2,764,000
02	Cattle Fair Munda	11,400,000	10,540,000	860,000
Total				3,624,000

Audit observed that the irregularity occurred due to weak financial control, which resulted in loss to Government.

When pointed out in December 2018, Management stated that the amount be collected and would be shown to audit.

Request for convening DAC meeting was made on 13th September 2018, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 04 AC-IV(2017-18)

1.3.2.6 Non-recovery of outstanding water charges -Rs 2.413 million

According to Para 28 of GFR Vol-I, no amount due to Government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable; the orders of competent authority for their adjustment must be sought.

Tehsil Municipal Officer, TMA Balambat, Dir Lower did not recover water user charges of Rs 2,413,150 from 771 consumers of three drinking water supply schemes during financial year 2017-18. Detail is given below:

S.NO	Name of Scheme	No of connection	Closing balance as on 30.6.18 (Rs)	Due for 2017-18 (Rs)	Total outstanding (Rs)	Total collection 2017-18 (Rs)	Outstanding after collection (Rs)
1	DWSS Kandaro	241	286,725	433800	720,525	427,625	292,900
2	DWSS Stanadar Manzai	243	720,750	437,400	1,158,150	409,950	748,200
3	DWSS Khema	287	1,234,600	516,600	1,751,200	379,150	1,372,050
Total		771					2,413,150

Non-recovery of water charges occurred due to weak financial management, which resulted in loss to Government.

When pointed in December 2018, management did not respond the audit observation.

Request for convening DAC meeting was made in January 2019, which was not convened till finalization of this report.

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

AIR Para No. 05 AC-IV(2017-18)

1.3.2.7 Non deduction of RTA share in the gross receipts of transport Adda– Rs 2.196 million

According to Rule 259 (3) (C) of the Motor Vehicle Rules 1969, the Local Government Department is bound to pay a sum not exceeding 3% of the gross receipts from the fees of the Transport Addas running by it.

Tehsil Municipal Officer, TMA Timargara, Dir Lower, awarded the contract of General Bus Stand Timargara to M/S Shah Nazar Khan for Rs 73,200,132 for the financial year 2017-18. RTA share of Rs 2,196,003 @ 3% of the gross receipts from the said addawas required to be deducted and transferred to the respective RTA which was not done.

Audit observed that non deduction occurred due to violation of rule which resulted in loss to the Government.

When pointed out in November 2018, management stated that TMA is providing all facilities i.e. sanitation water supply sheds latrines, and schedule Boards etc in GBS Timargara. According to Rule 259 (2&3) the same amount is not agreed between the RTA and local authority. Reply was not convincing as according to Rule 259 (3) (C) of the Motor Vehicle Rules 1969, the Local Government was bound to pay a sum not exceeding 3% of the gross receipts from the fees of the Transport Addas running by it.

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

Audit recommends recovery of overpayment for depositing under the relevant head of account.

AIR Para No. 06 AC-IV(2017-18)

1.3.2.8 Loss to government due non imposition of penalty- Rs 1.680 million

According to Government of Khyber Pakhtunkhwa C & W Department letter No SO (PAC) DAC/2-2009/Distt Audit W & SD dated July, 20 2009 read

with Secretary C & W letter No. WM/General/ W& S/ATD/2008-09/688-98 dated 19.05.2009 and No. SO (A)/ VI/ 3-86/ C& WD/ Volume-XII dated 17.08.1995, up to 10% penalty be levied on defaulting contractors for delayed works.

Tehsil Municipal officer lal qilal incurred expenditure of Rs 16,800,000 on execution of various developmental schemes in 2017-18. but such schemes were not completed within the stipulated period of time. The local office was required to impose 10% penalty amounting to Rs 1,680,000 but failed to do so. Detail as per Annexure-25.

Audit observed that non recovery of penalty occurred due to weak internal control, which resulted in loss to government.

When pointed out in December 2018, management stated that the extension has already obtained from the council and will be shown to audit reply was not convincing as no evidence was produced to audit

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 at fault.

AIR Para No. 03 AC-IV(2017-18)

1.3.2.9 Non imposition of penalty on late completion of developmental schemes Rs 1.499 million

According to Clause 7 of the work order and Clause 2 of the Contract Agreement, penalty of 1% per day and up to maximum of 10% of the tender cost may be imposed for delay in completion of work.

TMO Timargaradid not impose penalty of Rs 1,499,350 @ 10% of the estimated cost of Rs 14,993,500 of developmental schemes which were not completed in stipulated period of time during 2017-18. Detail is given at annexure-26.

Audit observed that non recovery of penalty occurred due to lack of interest and weak internal controls, which caused delay in the execution of developmental scheme and loss to Government.

When pointed out in November 2018, management replied that the Tehsil Council extended time completion upto 30.06.2019 its meeting held on 20.12.2018. Reply of the department is not convincing as no documents in supporting was produced to audit.

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

Audit recommends completion of scheme and recover penalty amount from the contractor and action against the person(s) at fault.

AIR Para No. 07 AC-IV(2017-18)

1.3.2.10 Loss due to non acceptance of lowest rates –Rs1.637 million

According to GFR-23 Vol-I 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 on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence. According to Rule 3 (iv) of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, the lowest offer from the qualified bidder shall be accepted for award of the contract and will be the best evaluated bid.

Tehsil Municipal Officer, TMA Balambat, Dir Lower did not award developmental work on lowest rate offered by a Government contractor in 12 schemes under CMD fund. The contractor submitted BOQ along 2% earnest money and 8% additional security but the local office did not accept the rate of the contractor which resulted loss into Government treasury amounting to Rs 1,297,611. Details at annexure-27.

Furthermore, the local office did not award of developmental work on lowest rate in the first tender and re-tendered the work and the work award on highest rate which resulted in loss to Government treasury amounting to Rs 339,915.

Non acceptance of the lowest rates occurred due to lack of internal controls which resulted in loss to the Government.

When pointed in December 2018, management replied that detailed reply would be given after scrutiny of record. No reply was submitted till finalization of record.

Request for convening DAC meeting was made in January 2019, which was not convened till finalization of this report.

Audit recommends fixing of responsibility for action against the persons at fault.

AIR Para No. 06 AC-IV(2017-18)

1.3.2.11 Non imposition of penalty on late completion of schemes – Rs 1.054 million

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

TMO Chakdara did not impose 10% penalty of Rs 1,054,500 during 2017-18 on various contractors for late completion of developmental schemes. Detail is given annexure-28

Audit observed that non recovery of penalty occurred due to lack of internal control which resulted in loss to Government.

The matter was reported to the Management in December 2018, stated that the time extension would be obtained and would be shown to audit.

Request for convening DAC meeting was made on 13th September 2018, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 03 AC-IV(2017-18)

1.4 AD LG E&RDD/VCs/NCs DIR LOWER

1.4.1 Irregularity/Non-Compliance

1.4.1.1 Unauthorized transfer of public funds to designated bank account - Rs 311.208 million

According to Government of Khyber Pakhtunkhwa Finance Department letter No.2/3(F/L)FD/2007-08/Vol-IX dated 10th February 2014 that no funds shall be placed in any commercial bank from the PLAs or Assignment Accounts without prior approval of the Finance Department as contained in Para-6 & 7 of GFR Volume-I. Furthermore profit earned on Government fund shall be deposited into Government Treasury under relevant head of account immediately and not later than a week declared by the commercial bank.

Assistant Director LG&RDD Dir Lower withdrew developmental funds of Rs 311,208,500 from the Government treasury during financial year 2017-18 and credited to designated Bank account No 403977775143 instead of retaining in Assignment Account/Personal Ledger Account which was unauthorized.

S#	Particulars of Fund Received	Month	Amount (Rs)
01	Rural Roads	09.2017	30,000,000
02	Rural Roads	12.2017	17,000,000
03	WSS Sanitation	12.2017	1,838,000
04	Finance Minister Directives	12.2017	130,555,000
05	District ADP 2016-17	12.2017	64,654,000
06	Rural Roads	02.2018	22,000,000
07	District ADP	04.2018	4,900,000
08	District ADP	04.2018	10800,000
09	Finance Minister Directives	05.2018	29,461,500
Total			311,208,500

Audit observed that unauthorized transfer was incurred due to violation of rules which resulted expenditure on development without actual expenditure on development.

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

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

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

AIR Para No. 05 AC-IV(2017-18)

1.4.1.2 Overpayment due to inadmissible grant of honoraria to district members without admissibility sanction of the provincial Government – Rs 14.400 million

According to Government of Khyber Pakhtunkhwa Local Government, Elections & Rural Development Department Notification No. SOB/LG/Districts Budget Rules/2015 dated 06th May 2016, the following rates of remuneration and allowances for elected Nazimeen District Council, Naib Nazimeen District Council and Members of District Councils in Khyber Pakhtunkhwa with retrospective effect of 01st September 2015.

According to Director General, Local Government & Rural Development Department Khyber Pakhtunkhwa letter No. DG/LG/District Govt. 16-17/Vol-II/9158 dated 30th March 2017, addressed to all Assistant Directors, LGE& RDD, Khyber Pakhtunkhwa, the provincial Government has notified remuneration and allowances vide Notification No. SOB/LG/District Budget Rules/2015 dated 06.05.2016 (amended) and they have to follow the Notification and District Councils cannot over rule provincial Policy.

Assistant Director LG&RDD Dir Lower paid Rs 14,400,000 to District members of the District Council Dir Lower on account of monthly honoraria @ Rs 10,000 per session/month to each member, District Nazim and District Naib Nazim for the period from 1st September 2016 to 30th June 2018 without any admissibility sanction of the provincial Government. The provincial Government has only allowed monthly honoraria of Rs 50,000 and Rs 40,000 to District Nazim and District Naib Nazim only plus other benefits of entertainment allowance, POL, telephone, TA/DA and POL charges. District Nazim and

District Naib Nazim received such inadmissible monthly/session honoraria in addition to their monthly honoraria and other privileges as already allowed by the provincial Government. Monthly honoraria to all District members including Nazim and Naib Nazim was sanctioned by the Deputy Commissioner in September 2017 with retrospective effect of 1st July 2016 without any authorization and competency for grant of such a huge financial sanction without any admissibility sanction from the provincial Government. (58 members and 2 Nazims x Rs 10,000 per month for 24 months with effect from 01.07.2016 to 30.06.2018= Rs 14,400,000)

Sr. No	Category	Honoraria (Rs)	POL (Ltr)	Telephone charges (Rs)	Entertainment Allowance (Rs)	TA/DA per day not exceeding 5 days a month only for out of District
01	Nazim District Council	40,000	200	10,000	10,000	1500
02	Naib Nazim District Council	30,000	150	5,000	7,000	1500
03	Member District Council	1000/day/session	-	-	-	1000/session

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

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

Audit observed that overpayment occurred due to violation of rules which resulted in loss to the Government.

Audit recommends recovery from the concerned or person (s) responsible besides strict disciplinary actions against the officers who allowed such inadmissible payments.

AIR Para No. 01 AC-IV(2017-18)

**1.4.1.3 Excess expenditure over and above the budgetary allocations
Rs 1.288 million**

According to Para 106 of GFR, incurrence of excess expenditure over allotment is prohibited.

According to guiding principle No. 12 of the Economy/Austerity Measures for financial year 2017-18 vide Government of Khyber Pakhtunkhwa Finance Department letter No.BO.1/FD/5-8/2017-18 dated 30th June 2017, expenditure shall be restricted to the funds released and the Administrative Departments shall not incur expenditure in anticipation of additional grants or supplementary grant.

Assistant Director LGE & RDD Dir Lower incurred excess expenditure of Rs 1,288,079 in non- salary heads over and above budgetary allocations during financial year 2017-18 in DDO code DA- 6290-District Council and AD office in DDO Code DA- 6255 Incurrence of excess expenditure in the heads other salary was absolutely inadmissible and the responsibility needs to be fixed on the Drawing and Disbursing Officer and the District Accounts Officer as well. Detail is as under:

S.No	Description	Budget (Rs)	Expenditure (Rs)	Excess (Rs)
01	Telephone charges	80,000	95,144	15,144
02	Electricity charges	150,000	313,934	163,934
03	Registration of vehicle	300,000	324,640	24,640
04	Travelling Allowance	600,000	1,234,734	634,734
05	POL	680,000	775,334	95,334
06	Purchase of vehicle	1000	200,485	199,485
Total District Council		1,811,000	2,944,271	1,133,271

07	Honoraria –AD office DA 6255	352,000	405,000	53,000
08	Deputation Allowance	1000	102,808	101,808
Total AD office DA 6255		353,000	507,808	154,808
Grand Total		2,164,000	3,452,079	1,288,079

Audit observed that excess expenditure incurred due to weak financial control which resulted in loss to the Government.

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

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

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

AIR Para No. 03 AC-IV(2017-18)

1.4.2 Internal Control Weaknesses

1.4.2.1 Loss due to placement of public fund in current bank accounts – Rs 6.040 million

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

During audit of the accounts of the office of Assistant Director LG&RDD Dir Lower for the financial year 2017-18 it was noticed that two current designated bank accounts were maintained in National Bank. A handsome amounts were available in the accounts at the beginning of the year and a huge amount was further credited to the accounts during the year but no profit was earned due to maintaining current accounts instead of profit & loss sharing ones. Profit of Rs 6,040,581 could be earned during financial year 2017-18 at a minimum rate of 2%, due to which provincial receipts were understated which resulted in loss to the Government. Detail is given as under:

Nature of funds & Office/sub office	Account No	Date	Amount (Rs)	Minimum profit rate (%)	Profit (Rs)
Developmental funds- AD LG&RDD	4039775143-NBP Timargara	01.07.2017	20,591,662	2	411,833
		01.01.2018	202,237,577	2	4,044,751
		30.06.2018	68,805,831	2	1,376,116
Total					5,832,700
Non salary funds- AD office non	4039776375 NBP Timargara	01.07.2017	3,110,870	2	62,217
		01.01.2018	2,497,333	2	49,946
		30.06.2018	4,785,901	2	95,718

salary &DDAC chairman (provincial funds)					
Total					207,881
Grand total					6,040,581

Audit observed that maintenance of current designated bank accounts occurred due to violation of rules which resulted in understatement in provincial receipts during the year.

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

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

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

AIR Para No. 06 AC-IV(2017-18)

ANNEXURES

Annexure-1

Detail of MFDAC

AIR No.	Subject	Amount
01	Non deposit of profit earned on Government funds in designated bank accounts	0.530
04	Excess expenditure in non-salary heads without budget allocation	0.623
14	Loss due to inadmissible expenditure on repair of building illegally occupied for private school	0.250
16	Irregular expenditure on printing charges – Rs 170,000 and non-deduction of sales tax and income tax – Rs 36,550	0.206
30	Non deposit of collected stamp duty and registration fee	0.699
45	Inadmissible expenditure on hiring of vehicles for mess distribution	0.540
01	Overpayment of Health Professional Allowance in urban area	0.120
02	Overpayment of conveyance allowance due to use of official vehicles	0.411
03	Unauthorized opening of designated bank accounts without approval and loss due to placement of public funds in current accounts –	0.209
09	Overpayment of Rural Compensatory Allowance	0.619
12	Irregular developmental expenditure on solar system without competitive bidding	0.800
02	Unjustified supply of Hot & Cold weather charges before the dates of supply order	0.868
03	Loss due to re-auction of old building of school	0.240
04	Non recovery of outstanding scouts funds – Rs 120,799	0.120
05	Unauthorized grant of loan from scout fund and its non-recovery	0.135
09	Loss due to acceptance of higher rates in purchase of I.T equipment – Rs 291,719	0.292
12	Less deduction of income tax and stamp duty from the contractor of taxable area	0.330
13	Non deduction of professional tax and DPR fund on purchase of science equipment, furniture and I.T. equipment	0.216
20	Non recovery of pay and allowances of absence period and leave without pay	0.119
01	Excess expenditure over and above sanctioned budgetary grant for home firewood allowance	0.045
02	Unnecessary and unknown retention of money in designated bank account	0.215
03	Non deposit of outstanding girls guide fund	0.186
07	Loss due to acceptance of higher rates in purchase of I.T equipment	0.378
09	Unauthorized purchase of furniture from the contractors other than approved in competitive bidding	0.482
10	Non deduction of professional tax and DPR fund on purchase of science equipment, furniture and I.T. equipment	0.138
01	Overpayment of conveyance allowance having designated quarters within	0.314

	the premises of the hospitals	
02	Overpayment of pay and allowances due to inadmissible grant of Ex-Pakistan leave on half pay for two years	0.238
04	Non purchase and non-supply of registers – Rs 50,000	0.050
06	Inadmissible payment of pay and allowances to official by availing unauthorized leave without pay for more than five years	0.666
01	Inadmissible payment of deputation allowance	0.978
05	Supply of defective wheel chairs and their non-replacement	0.319
07	Non deduction of DPR fund and stamp duty	0.149
11	Overpayment due to allowing conveyance allowance in vacations	0.086
12	Illegal collection of cash from the students on provision of hearing aids	0.062
02	Excess payment than available funds	0.892
03	Unjustified receipt by District Sports Officer for arrangement of female games	0.170
04	Inadmissible payments in violation of approved PC-Is	0.450
04	Overpayment of TA/DA to District Nazim and District NaibNazim due to allowing TA/DA within the district and excess tours than permissible	0.154
07	Non deposit of profit earned on placement of public funds in designated bank account	0.134

Annexure-2
Para No. 1.2.1.1

Detail of fake issue of medicines to sub units

Name of sub unit/health facility	S.No	Date of issue as per bill/stock register	Name of medicine	Quantity issued as per indent/main stock register	Quantity actually issued as per indent/stock register of sub unit	Difference in quantity	Rate (Rs)	Amount (Rs)
THQ Chakdara	01	28.03.2017	Cotton Bandage	1500 dozens	1500 Nos	16500 Nos	30	495,000
	02	03.08.2017	Cotton Bandage	300 dozens	0	3600 Nos	30	108,000
	03	15.01.2018	Cotton Bandage	1260 dozens	0	15120 Nos	30	453,600
	04	14.01.2017	Syp: Mebendazole 100 mg	3000 Nos	0	3000 Nos	34.15	102,450
	05	11.05.2017	Surgical Gloves	20,000 Nos	1000 Nos	19,000 Nos	3.59	68,210
	06	26.09.2017	Surgical Gloves	4000 Nos	0	4000 Nos	3.59	14,360
	07	15.01.2018	Tabs: Clarithromycin 250 mg	10000 tabs	0	10000 tabs	5.7	57,000
	08	15.01.2018	Tabs: Clarithromycin 500 mg	10000 tabs	0	10000 tabs	13.5	135,000
	09	15.01.2018	Tabs: Monteget 400 mg	10,000 tabs	0	10,000 tabs	13.68	136,800
Total								1,570,420
THQ Samarbagh	01	15.01.2018	Tabs: Clarithromycin 250 mg	10000 tabs	0	10000 tabs	5.7	57,000
	02	15.01.2018	Tabs: Clarithromycin 500 mg	10000 tabs	0	10000 tabs	13.5	135,000
	03	15.01.2018	Tabs: Monteget 400 mg	10,000 tabs	0	10,000 tabs	13.68	136,800
	04	15.01.2018	Cotton Bandage	1260 dozens	0	15120 Nos	30	453,600
	Total							
RHC Gulabad	01	16.03.2017	Cotton Bandage	2000 dozens	2000 Nos	22000	30	660,000

	02	10.01.2017	Syp: Mebendazole 100 mg	3000 Nos	0	3000 Nos	34.15	102,450	
	03	26.03.2017	Surgical Gloves	1000 Nos	0	1000 Nos	3.59	3,590	
	04	02.08.2017	Cotton Bandage	500 dozens	0	6000 Nos	30	180,000	
	05	22.03.2018	Tabs: Pregabline 150 mg	20000 Nos	0	20000 Nos	5.075	101,500	
	06	06.02.2018	Tabs: Montelukast 10 mg	9943 Nos	0	9943 Nos	1.75	17,400	
	07	15.01.2018	Tabs: Clarithromycin 250 mg	10000 tabs	0	10000 tabs	5.7	57,000	
	08	16.04.2018	Mattress Foam and Raxine Cover	10 Nos	0	10 Nos	4380	43,800	
	Total								1,165,740
RHC Ouch	01	15.01.2018	Tabs: Clarithromycin 250 mg	10000 tabs	0	10000 tabs	5.7	57,000	
	Total								57,000
RHC Asbanr	01	13.01.2017	Syp: Mebendazole 100 mg	2000 Nos	0	2000 Nos	34.15	68,300	
	02	18.01.2018	Caps: Azithromycin 500 mg	12000 Nos	1200 Nos	10800 Nos	10	108,000	
	03	15.01.2018	Tabs: Clarithromycin 250 mg	10000 tabs	150 Nos	9850 Nos	5.7	56,145	
	04	15.01.2018	Tabs: Monteget 400 mg	10,000 tabs	0	10,000 tabs	13.68	136,800	
	Total								369,245
RHC Khall	01	03.08.2017	Cotton Bandage	500 dozens	500 Nos	5500 Nos	30	165,000	
	Total								165,000
Category D Mayar	01	12.04.2017	Cotton Bandage	1800 dozen	0	21,600 Nos	30	648,000	
	02	12.04.2017	Surgical Gloves	2000 Nos	0	2000 Nos	3.59	7,180	
	Total								655,180

Category D Munda	01	15.03.2017	Cotton Bandage	2000 dozens	2000 Nos	22000	30	660,000
	02	06.02.2018	Tabs: Montelukast 10 mg	10000 Nos	0	10000 Nos	1.750	17,500
	03	15.01.2018	Tabs: Clarithromycin 500 mg	10000 tabs	0	10000 tabs	13.5	135,000
	04	17.04.2018	Bed Sheets	100 Nos	18 Nos	82 Nos	755	61,910
	05	19.04.2018	Mattress Foam & Raxin cover	20 Nos	0	20 Nos	4380	87,600
	Total							
Category D Talash	01	15.01.2018	Cotton Bandage	2000 dozens	2000 Nos	22000	30	660,000
	Total							
Category D Lal Qilla	01	15.01.2018	Tabs: Clarithromycin 250 mg	10000 tabs	0	10000 tabs	5.7	57,000
		15.01.2018	Tabs: Clarithromycin 500 mg	10000 tabs	0	10000 tabs	13.5	135,000
	Total							
BHU Sori Kandaw	01	18.01.2018	Caps: Amoxicillin 500 mg	2080	0	2080	3.9	8,112
CD Rabat	01	18.01.2018	Caps: Amoxicillin 500 mg	5000	0	5000	3.9	19,500
BHU Zimdara	01	24.01.2018	Caps: Amoxicillin 500 mg	1000	0	1000	3.9	3,900
BHU Asegai	01	02.05.2018	Caps: Amoxicillin 500 mg	4000	0	4000	3.9	15,600
BHU Makai	01	19.04.2018	Caps: Amoxicillin 500 mg	3000	0	3000	3.9	11,700
RHC Gulabad	01	16.04.2018	Caps: Amoxicillin 500 mg	8320	0	8320	3.9	32,448
CD Khadang	01	02.05.2018	Caps: Amoxicillin 500 mg	4000	0	4000	3.9	15,600
BHU Shalkad	01	04.04.2018	Caps: Amoxicillin 500 mg	4000	0	4000	3.9	15,600
BHU	01	04.01.2018	Caps:	5000	0	5000	3.9	19,500

Saffarai			Amoxicillin 500 mg					
SHC Miskinai	01	24.04.2018	Caps: Amoxicillin 500 mg	3000	0	3000	3.9	11,700
THQ Chakdara	01	26.12.2017	Caps: Amoxicillin 500 mg	15000	0	15000	3.9	58,500
Cat D Mayar	01	27.12.2017	Caps: Amoxicillin 500 mg	15000	0	15000	3.9	58,500
RHC Gulabad	01	28.12.2017	Caps: Amoxicillin 500 mg	15000	0	15000	3.9	58,500
RHC Asbanr	01	28.01.2018	Caps: Amoxicillin 500 mg	5000	0	5000	3.9	19,500
CD Khadang	01	30.01.2018	Caps: Amoxicillin 500 mg	5000	0	5000	3.9	19,500
Total								368,160
Grand total								6,947,155

B: Statement showing details of fake issue of medicines from the main stock register

S. No	Name of medicine	Quantity calculation made as per stock register			Quantity calculation required as per actual			Difference in quantity	Rate (Rs)	Amount (Rs)	Page s No.
		Received	Issued	Balance	Received	Issued	Balance				
01	Syp: Amoxicillin 125 mg (2016-17)	30,000 bottles	30,000 bottles	0 bottles	30,000 bottles	20,800	9,200	9,200	27	248,400	34-36
02	Disposable Syringes 5cc (2016-17)	141025 syringes	141025 syringes	0	141025 syringes	132800 syringes	8225 syringes	8225 syringes	5.9	48,527	82, 169, 170
03	Amoxicillin Trihydrate 500 mg Capsules (2017-18)	500,000 capsules	478,660 capsules	21340 capsules	500,000 capsules	213,616	286,384 capsules	265,044 capsules	3.9	1,033,671	35-36

04	Amoxicillin Trihydrate 500 mg Capsules (2017-18)	500,000 capsules	500,000 capsules	0	500,000 capsules	55,000 capsules	445,000 capsules	445,000 capsules	3.9	1,735,500	135
05	Disposable Syringes 5cc (2016-17)	145,299 syringes	145,299 syringes	0	145,299 syringes	0	145,299 syringes	145,299 syringes	5.9	870,341	284-285
Note for serial No. 05: Issue entries already made on page 82, 169 and 170 for the 1 st purchase as mentioned at serial No. 2 of this list were again deducted from this stock.											
Total										3,936,439	
Grand total of statement A & B (Rs 6,947,155 + Rs 3,936,439)										10,883,494	

Annexure-3
Para No. 1.2.2.1

Detail of funds withdrawn and transferred to PTCs

S.No	Nature of funds	Cheque No.	Date	Amount (Rs)	Remarks
01	District ADP 2016-17 carried over to 2017-18 -35 schemes of Additional classrooms, B/Walls etc	0693032	19.12.2017	6,800,000	Cheque issued to DEO as payment through PTCs
02	Conditional Grant for Additional Classrooms, B.Walls, Group Latrines etc	0693277	18.01.2018	118,924,500	Cheque issued to DEO as payment through PTCs
03	CRC and Petty Repairs	0734410	27.03.2018	18,693,750	Cheque issued to DEO as payment through PTCs
04	Conditional Grant – GGHS Jango	1530808	10.04.2018	123,000	Cheque issued to DEO as payment through PTCs
05	Conditional Grant for Additional Classrooms, B.Walls, Group Latrines etc	0734901	26.04.2018	50,012,500	Cheque issued to DEO as payment through PTCs
06	CRC and Petty Repairs	0734410	27.03.2018	18,693,750	Cheque issued to DEO as payment through PTCs
Total				213,247,500	

Annexure-4
Para No. 1.2.2.11

Detail of lease land and outstanding amount of lease money

S. No	Name of Muza	Name of lessees	Total Area in Kanals	Lease period		Present lease amount (Rs)	Outstanding amount (Rs)	Outstanding Period
				From	To			
1	Samarbagh	141 sitting tenants of village Sadbar kali & SkhaDand	3328	1/11/2010	30-06-2020	1,326,478	8,133,585	2012-13 to 2017-18
2	Samarbagh	Raheem Shah r/o Sadbar kali	16	13-02-2004	30-06-2014	2,300	11,500	2013-14 to 2017-18
3	Samarbagh	Dr. Zalmai r/o Samarbagh	91	1/7/2004	30-06-2017	22,750	159,250	2011-12 to 2017-18
4	Munda	Gul Tareen Jan r/o Munda	48	13-02-2004	30-06-2014	10,340	51,700	2013-14 to 2017-18
5	Munda	Haji Gul Akbar r/o Munda	24 K-10 M	13-02-2004	30-06-2014	12,760	63,800	2013-14 to 2017-18
6	Munda	Sitting tenants through Muhammad Sadiq r/o Munda	266	1/6/1994	Onward	3,500	17,500	2013-14 to 2017-18
7	ToorMunda	Gohar Jan r/o Gosam	05 K-15 M	13-02-2004	30-06-2014	3,575	17,875	2013-14 to 2017-18
8	ToorMunda	Bakhtawar Jan r/o Barikaw	18 K-10M	13-02-2004	30-06-2014	15,225	76,125	2013-14 to 2017-18
9	ToorMunda	Gul Akbar r/o Munda	07 K-11M	13-02-2004	30-06-2014	5,995	29,975	2013-14 to 2017-18
10	Munda	Yar Muhammad r/o LalQilla	19K-11M	8/1/2011	30-06-2025	6,400	44,800	2011-12 to 2017-18
11	Munda	MolaviFateh Muhammad	1.5 Marlas	13-02-2004	30-06-2018	960	8,640	2009-10 to 2017-18
12	LalQilla	Aziz Ur Rahman r/o Maidan	14 Marlas	30-11-1994	Onward	4,000	20,000	2013-14 to 2017-18
13	Balambant	AzimUllahMohtamimDarulUloom	14 Marlas	16-03-2006	Onward	1,430	2,200	2013-14 to 2014-

		Balambat						15
14	Ouch	Zahid Shah Khan r/o Ouch	14 Marlas	6/5/2011	Onward	4,000	20,000	2013-14 to 2017- 18
Total							8,656,950	

Annexure-5
Para No. 1.2.2.13

S.No	Cheque No	Date	Amount (Rs)	Detail	Amount	Nature of payment	Period	Payment
01	0734026 (Total amount shown paid to DPCR as per contingent bill)	12.02.2018	2,825,000	43 persons x Rs 3000 x 5	645,000	Mobility cost for UC level revenue staff (secretaries)	02, 04, 05, 07& 09. 2017	No payment record
				15x 10000 x5	750,000	DPMTs	02, 04, 05, 07& 09. 2017	No payment record
					500,000	4 bills of EPI coordinator for compressor repair , gas, Repair and wire etc for Rs 165,000, Rs 185,000 Rs,126,000 and Rs 24,000 dated 15.1.2017, 18.03.2017,30.04.2017, and 15.05.2017 total Rs 500,000	02, 04, 05, 07& 09. 2017	Unjustified drawl and no payment and illegal from conveyance charges
					500,000	DPCR	02, 04, 05, 07& 09. 2017	No payment record
				43 X 2000x 5	430,000	UCMO	02, 04, 05, 07& 09. 2017	No payment record
02	0734121	21.02.2018	400,000		400,000	Amount for best polio workers for November I, November II, Dec. 2017, Jan and Feb. 2018		No payment record

03	073545 0	31.05.2 018	333,000	37x 3000x 3	333,000	Amount of UC secretaries for Nov. I, Nov.II, Dec.2017		No payment record
04	073545 1	31.05.2 018	312,000	52x 3000x 3	312,000	Amount for UCMO for Nov. I, Nov. II, Dec.2017		No payment record
05	073545 2	31.05.2 018	450,000	15 x 10,000 x3	450,000	Amount for DPMT for Nov. I, Nov. II, Dec.2017		No payment record
06	073546 2	02.06.2 018	300,000		100,000	Amount for best polio workers for Nov. I, Nov.II, Dec.2017	Double also at serial no 2 above Rs 400,000	No payment record
					200,000	Amount for routine immunization for Nov. I, Nov.II, Dec.2017		No further payment record
07	015575 85	23.06.2 018	165,000		165,000	5 bills of EPI coordinator for compressor repair , gas, Repair and wire etc for Rs 75,000, Rs 25,000,6900,80 900, and Rs 12,200 dated 11.2017 and 12.2017	02, 04, 05, 07& 09. 2017	Unjustified drawl and no payment and illegal from conveyance charges
Total			4,785,000		4,785,000			
Conveyance charges			1,328,000		1,328,000			No payment record
Grand Total			6,113,000		6,113,000			

Detail of expenditure from polio fund and conveyance charges

Annexure-6
Para No. 1.2.2.15

Detail of medicines bill of previous years

S.No	Name of company	Names of medicines	Expiry date	Quantity	Rate (Rs)	Amount (Rs)
01	Brooks pharma Pvt Ltd Karachi (2015-16 bill manipulated date to F.Y 2016-17)	Inj: Pyrolate (2016-17)	06.2018	300	140	42,000
		Inj: Neo Pyrolate (2016-17)	08.2018	200	640	128,000
		Inj: Sensocain spinal (2016-17)	05.2018	400	120	48,000
		Inj: D-Cort (2016-17)	04.2018	384	160	61,440
		Inj: Acuron 5 ML (2016-17)	04.2018	400	650	260,000
02	Mactor (2016-17 bill)	Inj: Ramol 100 mg/2ml (Tramadol HCl 50 mg)		5000	16	80,000
		Inj: Titan 2gm (Ceftriaxone)		5000	109	545,000
03	Stanley pharma ((2016-17 bill)	Syp: Albendazole 125 mg/5ml		7692	13 per bott	99,999
04	IZ Enterprises (2016-17 bill)	Blood sugar, HBS, HCV, SGPT Glood group HB ESR etc		0	0	199,999
05	Frontier Dextrose (2016-17 bill)	Inf: Ringer Lectate 500 ml		7595	26.33	199,976
		Inj: RLD		6858	29.16	199,999
06	AMSON (2016-17 bill)	Disposable syring 5ml		68376	5.85	399,999
07	Hospital Services & Sales (2016-17 bill)	Indirab		1047	381	399,786
08	Cotton Craft (2016-17 bill)	Cotton Bandage 7.5cm 5m		2017	234	471978
09	AMSON (2016-17 bill)	Disposable syringe 5 ml		145,299	5.85	850,000
10	Hashir Surgical (2016-17 bill)	Adhesive Tape		3000 Pcs	123.33	369,990
11	Astellas Pharma (2015-16 bill)	Cap: Astedyn 500 mg		30,000	5.77	173,100
		Inj: Astexone 500mg		7895	23.77	187,664
12	Cotton Craft (2016-17 bill)	Cotton Bandage 7.5cm 5m		2017	234	471,978
13	Atco Laboratory (bill of 2015-16)	Tab: Cardnit 2.6 mg		3333	75	249,975
Total						5,438,883

Annexure-7

Para No. 1.2.2.16

Detail of non supply of science equipment

S.No	Bills No. & date	Amount of bill (Rs)	Deductions Stamp duty @ 0.5% (Rs)	Cheque amount (Rs)	Cheque No. & date	Supplier	Status of supply
01	0753/01/18 24.03.2018	8,226,700	41,134	8185,566	0734864 17.04.2018	New Rehmat Trader Swat	Supplied
02	16091 13.01.2018	483,000	2415	480,585	0734878 18.04.2018	Raza Traders Malakand	Supplied
03		4,113,350	20,567	4,092,783	0735220 23.05.2018	New Rehmat Trader Swat	Supplied
04	Nil dated Nil	885,450	4427	881,023	0735218 23.05.2018	Frontier Traders Batkhele Malakand	Supplied
05		241,500	1208	240,292	0733358 28.05.2018	Raza Traders Malakand	Supplied
06		4,113,350	20,567	4,092,783	081265 27.06.2018	New Rehmat Trader Swat	Not supplied
07	Science supply 21.06.2018	295,155	1476	293,679	0812666 27.06.2018	Frontier Traders Batkhele Malakand	Not supplied
08	509-2017- 18 21.06.2018	241,500	1208	240,292	0812627 27.06.2018	Raza Traders Malakand	Not supplied
Total		18,600,005	93,002	18,507,003			

Annexure 8
Para No. 1.2.2.19

Detail of non-deposit of deducted taxes

A: Detail of non- deduction of income tax, stamp duty and DPR fund:

S. No	Name firm/supplier	Gross amount(Rs)	Deductions				Net amount (Rs)
			Income tax	Stamp duty @ 1%	DPR	Total	
01	M/S Friends Traders Peshawar	2,819,000	0	28,190	0	28,190	2,790,810
02	M/S Noor Enterprises Peshawar	21,639,900	0	216,399	8,000	224,399	21,415,501
03	M/S Novatak Faisalabad	43,475,000	0	434,750	6,000	440,750	43,034,250
04	M/S Ideal Business Peshawar	2,100,000	0	21,000	2,000	23,000	2,077,000
05	M/S Paradise Expert Company	159,000	7,155	1,590	0	8,745	151,050
06	M/S Health Care Lahore	290,000	0	2,900	0	2,900	287,100
07	M/S Ultra Dent Peshawar	539,000	0	5,390	0	5,390	533,610
08	M/S IBS Peshawar	385,200	0	3,852	0	3,852	381,348
09	M/S Qazafi Surgical Lahore	759,000	34,155	7,590	0	41,745	717,255
10	M/S Professional Hospital Sialkot	207,688	9346	2,076	0	11,422	196,266
Total		72,373,788	50,656	723,737	16,000	790,393	71,584,190

B: Detail of non- deduction of income tax, stamp duty and DPR fund:

Gross amount(Rs)	Required deductions				Actual deductions (Rs)				Difference (Rs)
	Income tax	Stamp duty @ 1%	DPR	Total	Income tax	Stamp duty @ 1%	DPR	Total	
2,819,000	126,855	28,190	4,000	159,045	0	28,190	0	28,190	130,855
21,639,900	973,795	216,399	42,000	1,232,194	0	216,399	8,000	224,399	1,007,795
43,475,000	1,956,375	434,750	86,000	2,477,125	0	434,750	6,000	440,750	2,036,375
2,100,000	94,500	21,000	4,000	119,500	0	21,000	2,000	23,000	96,500
159,000	7,155	1,590	0	8,745	7,155	1,590	0	8,745	0
290,000	13,050	2,900	0	15,950	0	2,900	0	2,900	13,050
539,000	24,255	5,390	0	29,645	0	5,390	0	5,390	24,255
385,200	17,334	3,852	0	21,186	0	3,852	0	3,852	17,334
759,000	34,155	7,590	0	41,745	34,155	7,590	0	41,745	0
207,688	9,346	2,076	0	11,422	9346	2,076	0	11,422	0
72,373,788	3,256,820	723,737	136,000	4,116,557	50,656	723,737	16,000	790,393	3,326,164

C: Detail of payments for equipment in support of Cheque received from provincial government for Rs 72,373,788

S. No	Name firm/supplier	Gross amount(Rs)	Required deductions				Deductions made				Net amount (Rs)	Cheque No.	Date
			Income tax (Rs)	Stamp duty @ 1%	DPR	Total	Income tax (Rs)	Stamp duty @ 1%	DPR	Total			
01	M/S Friends Traders Peshawar	2,819,000	126,855	28,190	4,000	159,045	0	28,190	0	28,190	2,790,810	89302180	11.06.2018
02	M/S Noor Enterprises Peshawar	21,639,900	973,795	216,399	42,000	1,232,194	0	216,399	8,000	224,399	21,415,501	89302181	11.06.2018
03	M/S Novatak Faisalabad	43,475,000	1,956,375	434,750	86,000	2,477,125	0	434,750	6,000	440,750	43,034,250	89302182	11.06.2018
04	M/S Ideal Business Peshawar	2,100,000	94,500	21,000	4,000	119,500	0	21,000	2,000	23,000	2,077,000	89302183	10.06.2018
05	M/S Paradise Expert Company	159,000	7,155	1,590	0	8,745	7,155	1,590	0	8,745	151,050	89302186	10.06.2018
06	M/S Health Care Lahore	290,000	13,050	2,900	0	15,950	0	2,900	0	2,900	287,100	89302187	10.06.2018
07	M/S Ultra Dent Peshawar	539,000	24,255	5,390	0	29,645	0	5,390	0	5,390	533,610	89302188	10.06.2018
08	M/S IBS Peshawar	385,200	17,334	3,852	0	21,186	0	3,852	0	3,852	381,348	89302189	10.06.2018
09	M/S Qazafi Surgical	759,000	34,155	7,590	0	41,745	34,155	7,590	0	41,745	717,255	89302190	10.06.2018

	Lahore												
10	M/S Professional Hospital Sialkot	207,688	9,346	2,076	0	11,422	9346	2,076	0	11,422	196,266	89302191	10.06.2018
	Total	72,373,788	3,256,820	723,737	136,000	4,116,557	50,656	723,737	16,000	790,393	71,584,190		

Detail of equipment purchased from ADP Rs 72,373,788 received from DG Health Services Peshawar during 2017-18

Name firm/supplier	Bill No. and date	Name of equipment	Specification	Quantity	Rate (Rs)	Amount (Rs)	Gross Amount of each firm (Rs)
M/S Friends Traders Peshawar	977 10.02.2018	Anesthesia Machine	A-5 Mindray China	1	2,295,000	2,295,000	2,819,000
	978 10.02.2018	Defibrillator	Bene View Heart 3 D-3 Mindray China	1	394,500	394,500	
		Binocular Microscope	G-380 LED UNICO USA	1	129,500	129,500	
M/S Noor Enterprises	41,42,43,44/NE/18	BP Apparatus Mercury		181	7900	1,429,900	21,639,900

Peshawar	12.02.2018	Desktop					
	32,33,34,35, 36/NE/17 31.12.2017	24 HOURS BP Monitor Machine	ABP M50, Contec Medical System China	86	235,000	20,210,000	
M/S Novatak Faisalabad	333,334,336 nil	Air Purification System	GCS-50 Airocide ADIDA USA	37	1,175,000	43,475,000	43,475,000
M/S Ideal Business Peshawar	3225,3226,3227	Delivery Table	FY-3004 Flower Medical Equipment Co. Ltd China	07	300,000	2,100,000	2,100,000
M/S Paradise Expert Company	21222 & 21221 20.12.2017	General Instrument Set		07	12,000	84,000	159,000
		Dissecting Instrument Set		06	4,000	24,000	
	21223 & 2122120.12.2017	C. Section Set		03	15,000	45,000	
		Artery Forceps 4 inch		40	150	6,000	
M/S Health Care Lahore	122/2018 nil	Mini Autoclave KS 12L- B-LED		2	145,000	290,000	290,000
M/S Ultra Dent Peshawar	101/U17-18 21.03.2018	Dental Unit with Chair	Model: HR-Y06 Huear China	1	539,000	539,000	539,000
M/S IBS Peshawar	2108 Nil	AMBU BAG PEADS		28	2400	67,200	385,200
		AMBU BAG Adult		28	2400	67,200	

	2108 ,2109	ECG Machine	IMAC 300/Zone Care Bio Medical Electronics Co. LTD China	3	83,600	250,800	
M/S Qazafi Surgical Lahore	786/QS/0603,0601, 0602 27.02.2018	Wheel Chair		41	15,000	615,000	759,000
		Drip Stand		60	2,400	144,000	
M/S Professional Hospital Sialkot	PHF/786/L-118 ,110 nil	Cutting Instrument Set		8	8,815	70,520	207,688
		Appendix Surgery Set		6	11,909	71,454	
	PHF/786/L-110 nil	Dressing Set for Ward		1	5734	5734	
	PHF/786/L-120 nil	Various items small				59,980	
Total of provincial ADP funds received in shape of Cheque						72,373,788	
Equipment purchased from IHP budget							
I.BS Pharma Peshawar	Ni. D2.11.2017	B.P. Apparatus with stand		48	9000	432,000	432,000
Med Express Lahore	786/2017-010 dated nil	Bed Sheets		1000	755	575,000	575,000
Ihtisham Enterprises Peshawar	03 dated 11.11.2017	Blanket Double ply camel color	Size 60 inch x 90 inch best quality	20	1650	33,000	1,847,400

		Matress foam with raxine cover exide asia foam		40	4380	175,200	
		Pillow with cover		40	525	21,000	
		Cup Board steel large size		62	26100	1,618,200	
Paradise export co. Sialkot	21142/PEC dated 24.11.2017	Artery Forceps 4 inch		200	150	30,000	294,000
		Bowl SS Small		100	200	20,000	
		Tongue Depressor		200	220	44,000	
		Cotton Drum for sterilization		100	2000	200,000	
Noor Enterprises Peshawar	9480 dated 08.11.2017	B.P. Set Mercury Desk top		250	7900	1,975,000	1,975,000
MKJ Associates D.I.Khan	Nil dated nil	Hangers various sizes		16	519	8,304	551,216
		X.Ray Cassette 12x15		16	14,239	227,824	
		X.Ray cassette 10x12		16	11,273	180,368	
		X.Ray cassette 8x10		16	8420	134,720	
Professional Hospital Furniture Sialkot	170 dated 30.11.2017	Dressing set for ward		40	5734	229,360	1,371,644
		Artery forceps 5 inch SS		200	350	70,000	
		Artery forceps 6 inch		200	475	95,000	
		Basin SS		100	350	35,000	
		BP handle		100	110	11,000	

	Dissecting forceps plain an dtooth	200	170	34,000
	Ear syring	100	950	95,000
	Extraction forceps lower BDR	10	1260	12,600
	Extraction forceps lower exterior	10	1260	12,600
	Extraction forceps lower Molar	10	1260	12,600
	Extraction forceps lower Pre molar	10	1260	12,600
	Extraction forceps Upper BDR	10	1260	12,600
	Extraction forceps Upper interior	10	1260	12,600
	Extraction forceps Upper molar	10	367.5	3676
	Extraction forceps Upper pre molar	10	367.5	3675
	Nail extractor	10	850	8500
	Needle holder large sixe	100	800	80,000

		Nose speculam		50	825	41,250	
		Dental instrument complete set		4	50652.9	202,611	
		Tooth extraction forceps full set		4	6018.15	26,472	
		Gauze drum small size		70	5150	360,500	
DIBB Computers and Stationers Timargara	17527 dated 29.03.2018 , 17542 26.03.2018 and 17532 27.03.2018	Laptops	On quotation basis	3	98,000	294,000	466,000
	17526 19.03.2018 17541 16.03.2018 17523 20.03.2018	Computer		3	49,000	147,000	
	17528 15.03.2018	Printer		1	25,000	25,000	
Pakistan Electric Store Timargara	Two bills of dated 20.11.2017	Stabilizers 3000 wt.	No quotations	10	6000	60,000	183,272
	five bills of 18,19, 20 & 21.12.2018	----(not visible in bill)	No quotations	5	24,655	123,272	
Mustiqim Electronics Timargara	Two bills Nil dated 20.12.2018	Regulator	--	2	25,000	50,000	50,000
Punjab Electric Transformer	798 dated 28.02.2018	Repair of two nos transformer	--	0	32,000	32,000	32,000

Timargara							
Star Laptops and computers Timargara	7 dated 28.02.2018	HP printer	--	1	17,600	17,600	17,600
DIBB Timargara	17087 dated 5.12.2017	HP printer	-	1	24,000	24,000	24,000
Al Imran Fridge Air condition	Nil dated 11.02.2018	Repair of 1 Nol compressor		-	9000	9000	9000
Total						7,828,132	7,828,132

Annexure-9
Para No.1.2.2.24

Details of non supply of furniture and non imposition of penalty

S. No	Cheque No. & date	Bill amount (Rs)	Deduction i.e Stamp duty @ 0.50% (Rs)	Cheque amount (Rs)	Payee	Status of supply
01	1571844 14.06.2018	417,900	2100	420,000	Danyal Traders Timargra	Not supplied
02	1571844 14.06.2018	126,000	630	125,370	Danyal Traders Timargara	Not supplied
03	1571844 14.06.2018	200,000	1000	199,000	Danyal Traders Timargara	Not supplied
04	1571844 14.06.2018	362,000	1810	360,190	Danyal Traders Timargara	Not supplied
05	1571844 14.06.2018	433,200	2166	431,034	Danyal Traders Timargara	Not supplied
06	1571844 14.06.2018	100,000	500	99,500	Danyal Traders Timargara	Not supplied
07	1571910 20.06.2018	806,980	4035	802,945	Danyal Traders Timargara	Not supplied
08	0734712 10.04.2018	874,500	4373	870,127	Danyal Traders Timargara	Supplied
09	0734876 18.04.2018	438,000	2190	435,810	Danyal Traders Timargara	Supplied
10	0812695 27.06.2018	438,000	2190	435,810	Danyal Traders Timargara	Not supplied
11	1570622 29.03.2018	13,535,600	68,678	13,467,922	Danyal Traders Timargara	Supplied
12	1570790 09.04.2018	11,723,318	58,617	11,664,701	Raza Traders Malakand	Supplied
13	1570718 05.04.2018	9,994,421	465,979	9,528,442	Mardan Traders Mardan	Supplied
Total		39,449,919	614,268	38,840,851		

Annexure-10
Para No. 1.2.2.36

Detail of inadmissible expenditure on POL and repair vehicles

S.No	Registration No.	Make/ Type /Model	POL (Rs)	Repair (Rs)	Total expenditure (Rs)	Remarks
01	A 1219-	2010-Toyota Hilux	322,299	62,800	385,099	In condemnation process
02	A1214	2010-Toyota Hilux	356,623	7,500	364,123	In condemnation process
Total- 1			678,922	70,300	749,222	
03	X-68-2767		162,522	58,370	220,892	Not mentioned in the authorized vehicles
04	X-68-2532		246,333	6,100	252,433	Not mentioned in the authorized vehicles
Total –II			408,855	64,470	473,325	
05	A1234	2010-Toyota Corola	181,227	63,250	244,477	DC pool duty
Total –III			181,227	63,250	244,477	
Grand total (I,II,III)			1,269,027	198,020	1,467,047	

Annexure-11
Para No. 1.2.2.38

Detail of purchase of furniture from unapproved contractors

S. No	Cheque No. & date	Amount of Cheque (Rs)	Item purchased	Quantity	Rate (Rs)	Amount (Rs)	Name of contractor from whom purchased	Name of approved contractor
01	1571844 14.06.2018	420,000	File Almirah	08	14,000	112,000	Danyal Traders Timargra	Raza Traders Malakand
02	1571844 14.06.2018	126,000	File Almirah	09	14,000	126,000	Danyal Traders Timargara	Raza Traders Malakand
03	1571844 14.06.2018	200,000	File Almirah	04	14,000	56,000	Danyal Traders Timargara	Raza Traders Malakand
04	1571844 14.06.2018	362,000	File Almirah	26	14,000	362,000	Danyal Traders Timargara	Raza Traders Malakand
05	1571844 14.06.2018	433,200	File Almirah	08	14,000	112,000	Danyal Traders Timargra	Raza Traders Malakand
06	1571844 14.06.2018	100,000	Tablet chair	36	2788	100,000	Danyal Traders Timargra	Raza Traders Malakand
07	1571910 20.06.2018	806,980	Teacher Chair	20	2349	46,980	Danyal Traders Timargra	Raza Traders Malakand
08	0734712 10.04.2018	874,500	File/Side Rack	10	4800	48,000	Danyal Traders Timargra	SIDB Timargara
09			File Almirah	5	14,000	70,000	Danyal Traders Timargra	Raza Traders Malakand
10	0734876 18.04.2018	438,000	File Almirah	13	14,000	182,000	Danyal Traders Timargra	Raza Traders Malakand
11	0812695 27.06.2018	438,000	File Almirah	13	14,000	182,000	Danyal Traders Timargra	Raza Traders Malakand
Total purchases from unapproved contractor						1,396,980		

Annexure-12
Para No. 1.2.2.40

Detail of POL of ambulances of THQs, Cat- D hospitals and RHCs

A:

S. No	Name health facility	Ambulance No.	Meter reading on 30.06.2018 (KM)	Meter reading on 01.07.2017 (KM)	Total distance covered (KM)	POL consumed as per logbook (in Liters)	Average rate per liter	Required maximum expenditure on POL (Rs)	Actual expenditure as per reconciled expenditure statement (Rs)	Excess than required (Rs)
01	THQ	A1227	93146	73981	19165	3146	95	1,268,155	1,218,411	49,744
02	Samarbagh	A1228	105969	86412	19557	3380				
03	THQ	A1253	123133	97599	25534	3662				
04	Chakdara	---	110,184	88077	22107	3161				
Total						13349				
05	Category D hospital	A1242	78198	71782	6416	2026	95	1,050,700	1,123,261	72,561
06	Munda	---	204537	190244	14293	1971				
Total						3997				
07	Category D hospital	A1279	49686	30073	19612	3737				
08	Talash	APL 871	257966	154802	3164	420				
Total						4157				
09	Category D hospital	A1252	38,225	35,300	2925	473				
Total						473				
10	Category D hospital	DR 8534	172650	162461	10189	2433				
Total						2433				

Grand total of category D hospitals							11060				
11	RHC Gulabad	DR 1724	136535	133644	2877	446	95	215,460	917,414	-701,954	
12	RHC Ouch	A1226	36272	34175	2097	272					
13	RHC Asbanr	A1249	50153	41693	8460	1201					
14	RHC Khall	A1269	13121	11846	1275	349					
Grand total of RHCs							2268				
Grand total							26677	95	2,534,315	3,259,086	-724,771

B: Detail of repair of ambulances as per log books and comparison with expenditure as per expenditure statements

S.No	Name health facility	Ambulance No.	Repair cost as per log book (Rs)	Repair cost as per expenditure statement (Rs)	Difference (Rs)
01	THQ Samarbagh	A1227	56,450		
02		A1228	0		
03	THQ Chakdara	A1253	0		
04		---	66800		
Total THQs			123,250	395,000	271,750
05	Category D hospital Munda	A1242	77,300		
06		---	29,250		
07	Category D hospital Talash	A1279	0		
08		APL 871	0		
09	Category D hospital Mayar	A1252	13,200		
10	Category D hospital Lal Qilla	DR 8534	74,225		
Total category D hospitals			193,975	290,070	96,095
11	RHC Gulabad	DR 1724	0		
12	RHC Ouch	A1226	18,000		
13	RHC Asbanr (driver's stated)	A1249	30,000		
14	RHC Khall	A1269	0		
Total RHCs			48,000	221,060	173,060
Grand total			365,225	906,130	540,905
Grand total of POL and repair					1,265,676

Annexure-13
Para No. 1.2.2.43

Detail of overpayments of HPA and Conveyance Allowance

S. No	Name	Designation	Personal No.	Leave in days	Effective date	Overpayment during leave (Rs)		
						HPA	Conveyance	Total
01	Iram Naz	Charge Nurse	382825	28	26.04.2018	10,000	0	10,000
02	Nazma Bibi	Charge Nurse	773772	20	20.10.2017	6450	3225	9,675
03	Farzana	Charge Nurse	723820	30	12.01.2017	10,000	5,000	15,000
05	Yayyiba Bibi	Charge Nurse	773719	45	10.03.2018	15,000	7,500	22,500
06	Kalsoom	Charge Nurse	437091	21	28.04.2018	7000	3,500	10,500
				45	23.10.2017	15,000	7,500	22,500
07	Abdul Qayum	Male Nurse	259838	50	01.08.2017	16,667	8,334	25,001
08	Gul Begum	Charge Nurse	839713	45	20.01.2018	15,000	7,500	22,500
09	Dr. Shamsul Haq	Eye Specialist	791859	21	25.11.2017	56,000	3,500	59,500
10	Dr. Najeebullah	MO	816870	20	23.05.2018	43,400	3,500	46,900
11	Shamim Ara	LHV	268963	25	17.05.2018	8,065	4032	12,097
12	Nabia	JPHC	507802	45	10.05.2018	15,000	4284	19,284
13	Musarat Begum	LHV	263600	45	20.02.2018	15,000	7,500	22,500
14	Mushtaq Begum	LHV	685592	20	10.01.2018	6,451	1843	8,294
15	Aisha Bibi	LHV	269605	45	30.07.2017	15,000	4284	19,284
16	Ghulam Muhammad	Tech:	266777	40	25.12.2017	13,225	3777	17,002
17	Sharafat Begum	PHC tech:	830991	45	22.01.2018	15,000	4284	19,284
18	Samiullah	PHC tech:	258092	25	22.01.2018	8,334	0	8,334
19	Badsha Wazir	PHC tech:	263384	20	13.03.2018	6,451	1843	8,294
20	Ihsanullah	PHC tech:	845679	40	26.03.2018	13,225	3777	17,002

21	Muhammad Jamil	EPI tech:	262968	50	25.08.2017	16,667	4760	21,427
22	Shamsul Haq	EPI tech:	262854	45	27.10.2017	15,000	4284	19,284
23	Amir Rehman	PHC tech:	856216	25	09.12.2017	8,334	2380	10,714
24	Dilaram Khan	EPI tech:	266483	120	11.05.2018	40,000	11,424	51,424
25	Iftikhar Ahmad	JCT tech:	702727	32	02.07.2017	10,000	2856	12,856
26	Abdur Rehman	JCT tech:	260844	120	04.08.2017	40,000	11,424	51,424
27	Said Ali Jan	Pharm: tech:	266469	40	25.12.2017	13,225	3777	17,002
28	Tilawat Khan	JCT tech:	260086	27	23.04.2018	10,000	0	10,000
29	Zeb Shah	PHC tech:	685589	30	17.07.2017	10,000	2856	12,856
30	Sabir Rehmand	PHC tech:	265450	15	02.10.2017	5,000	1428	6,428
31	Ruhul Amin	Principal MO	260794	15	12.03.2018	31,000	2500	33,500
32	Yousaf Shah	MO	821496	5 years	19.08.2017	288,000	20,000	308,000
33	Muhammad Waseem	Eye Specialist	595526	15	08.11.2017	40,000	2500	42,500
34	Shafiullah	MO	367838	25	23.05.2018	51,667	4167	55,834
35	Aliqur Rehman	JCT	260647	212	01.10.2017	70,000	0	70,000
Total						959,161	159,539	1,118,700

Annexure-14
Para No. 1.2.3.2

Detail of loss due to purchase of equipment at higher rates

S.No	Name of item	Specification	Quantity purchased	Rate (Rs)	Amount (Rs)	Required rate (Rs)	Difference (Rs)	Loss (Rs)
01	24-Hour Ambulatory Blood Pressure Monitoring Machine	ABP M50, Contec Medical System China	86	235,000	20,210,000	15,900	219,100	18,842,600
02	Air Purification System	GCS-50 Airocide ADIDA USA	37	1,175,000	43,475,000	462,400	712,600	26,366,200
Total					63,685,000			45,208,800

Rate calculation as per rate list of the company downloaded during the September 2018:

S.No	Name of item	Specification	Company rate (in US dollar)	Transportation charges ((in US dollar))	Maximum total rate in US dollar	Average maximum rate of dollar in rupees during 2017-18 (Rs)	Required rate (Rs)	Rate charged (Rs)	Difference (Rs)	Quantity	Loss (Rs)
01	24-Hour Ambulatory Blood Pressure Monitoring	ABP M50, Contec Medical System China	99 to 149	10	159	100	15,900	235,000	219,100	86	18,842,600

	Machine										
02	Air Purification System	GCS-50 Airocide ADIDA USA	4500	124	4624	100	462,400	1,175,000	712,600	37	26,366,200

Source of fund	Name firm/supplier	Bill No. and date	Name of equipment	Specification	Quantity	Rate (Rs)	Amount (Rs)	Gross Amount of each firm (Rs)
Provincial ADP	M/S Noor Enterprises Peshawar	41,42,43,44/NE/18 12.02.2018	BP Apparatus Mercury Desktop		181	7900	1,429,900	21,639,900
		32,33,34,35,36/NE/17 31.12.2017	24 HOURS BP Monitor Machine	ABP M50, Contec Medical System China	86	235,000	20,210,000	
	M/S Novatak Faisalabad	333,334,336 nill	Air Purification System	GCS-50 Airocide ADIDA USA	37	1,175,000	43,475,000	43,475,000
IHP budget	I.BS Pharma Peshawar	Ni. D2.11.2017	B.P. Apparatus with stand		48	9000	432,000	432,000
	Noor Enterprises Peshawar	9480 dated 08.11.2017	B.P. Set Mercury Desk top		250	7900	1,975,000	1,975,000

Source of fund	Name firm/supplier	Bill No. and date	Name of equipment	Specification	Quantity	Rate (Rs)	Amount (Rs)	Gross Amount of each firm (Rs)
Provincial ADP	M/S Noor Enterprises Peshawar	41,42,43,44/NE/18 12.02.2018	BP Apparatus Mercury Desktop		181	7900	1,429,900	21,639,900
		32,33,34,35,36/NE/17 31.12.2017	24 HOUR S BP Monitor Machine	ABP M50, Contec Medical System China	86	235,000	20,210,000	
	M/S Novatak Fisalabad	333,334,336 nill	Air Purification System	GCS-50 Airocide ADIDA USA	37	1,175,000	43,475,000	43,475,000
IHP budget	I.BS Pharma Peshawar	Ni. D2.11.2017	B.P. Apparatus with stand		48	9000	432,000	432,000
	Noor Enterprises Peshawar	9480 dated 08.11.2017	B.P. Set Mercury Desktop		250	7900	1,975,000	1,975,000

Annexure-15
Para No. 1.2.3.17

Detail of loss due to placement of funds in current accounts

S.No.	Name of bank and branch	Account title	Bank account No.	Balance in the account as on 31.12.2017 (Rs)	Minimum admissible profit @ 2%(Rs)	Balance in the account as on 30.06.2018 (Rs)	Minimum admissible profit @ 2% (Rs)	Total minimum admissible profit during 2017-18 (Rs)
01	Bank of Khyber Timargara	Deputy Commissioner	11800-00-8	11,901,382	238,027	0	0	238,027
02	NBP Timargara	Sub Registrar	4039794248	15,771,349	315,426	15,771,349	315,426	630,852
03	NBP Timargara	AC Timargara	4039774420	1,669,134	33,382	52,734	1054	34,435
04	Islamic Banking	AAC Timargara	000215-000-2	22,820	0	22,820	0	0
05	HBL Samarbagh	AC Samarbagh	1744-790000329-03	418,387	8,367	1,530,375	30,607	38,974
06	HBL Samarbagh	Tehsildar Samarbagh	1744-7900004631-03	21,466	0	21,466	0	0
07	NBP Timargara	Tehsildar Timargara	4039774493	4,627,633	92,552	5,098,312	101,966	194,518
08	HBL Munda	Tehsildar Munda	0363-00262882-03	1295	0	1295	0	0
09	Bank of Khyber Timargara	Tehsildar Balambat	07892-00-7	2,834,585	56,69	2,633,590	52,671	109,362
10	NBP Timargara	Tehsildar Balambat	4039774546	1,664,434	33,288	392,134	7,842	41,130
11	HBL Kumbar	Tehsildar LalQilla	1104-00073149-03	11578	0	11578	0	0
12	NBP Chakdar	Tehsildar Adenazi	4081921431	2,318,935	46,378	2,318,935	46,378	92,756
13	Allied	Tehsildar LalQilla	0010041156010	147,202	2,944	147,202	2,944	5,888

	Bank Kumbar		010					
Total				41,410,200	827,055	28,001,790	558,888	1,385,942

Annexure-16
Para No. 1.2.3.18

Detail of excess withdrawal of POL and repair of ambulances

A: POL

S. No	Name health facility	Ambulance No.	Meter reading on 30.06.2018 (KM)	Meter reading on 01.07.2017 (KM)	Total distance covered (KM)	POL consumed as per logbook (in Liters)	Average rate per liter	Required maximum expenditure on POL (Rs)	Actual expenditure as per reconciled expenditure statement (Rs)	Excess than required (Rs)								
01	THQ Samarbagh	A1227	93146	73981	19165	3146	95	1,268,155	1,218,411	49,744								
02		A1228	105969	86412	19557	3380												
03	THQ Chakdara	A1253	123133	97599	25534	3662												
04		---	110,184	88077	22107	3161												
Total						13349												
05	Category D hospital Munda	A1242	78198	71782	6416	2026					95	1,050,700	1,123,261	72,561				
06		---	204537	190244	14293	1971												
Total						3997												
07	Category D hospital Talash	A1279	49686	30073	19612	3737												
08		APL 871	257966	154802	3164	420												
Total						4157												
09	Category D hospital Mayar	A1252	38,225	35,300	2925	473												
Total						473												
10	Category D hospital Lal Qilla	DR 8534	172650	162461	10189	2433												
							95	1,050,700	1,123,261	72,561								

Total						2433				
Grand total of category D hospitals						11060				
11	RHC Gulabad	DR 1724	136535	133644	2877	446				
12	RHC Ouch	A1226	36272	34175	2097	272				
13	RHC Asbanr	A1249	50153	41693	8460	1201				
14	RHC Khall	A1269	13121	11846	1275	349				
Grand total of RHCs						2268	95	215,460	917,414	-701,954
Grand total						26677	95	2,534,315	3,259,086	-724,771

B: Repair of ambulances

Detail of repair of ambulances as per log books and comparison with expenditure as per expenditure statements

S.No	Name health facility	Ambulance No.	Repair cost as per log book (Rs)	Repair cost as per expenditure statement (Rs)	Difference (Rs)		
01	THQ Samarbagh	A1227	56,450				
02		A1228	0				
03		A1253	0				
04		---	66800				
Total THQs			123,250	395,000	271,750		
05	Category D hospital Munda	A1242	77,300				
06		---	29,250				
07	Category D hospital Talash	A1279	0				
08		APL 871	0				
09	Category D hospital Mayar	A1252	13,200				
10	Category D hospital Lal Qilla	DR 8534	74,225				
Total category D hospitals			193,975			290,070	96,095
11	RHC Gulabad	DR 1724	0				
12	RHC Ouch	A1226	18,000				
13	RHC Asbanr (driver's stated)	A1249	30,000				
14	RHC Khall	A1269	0				
Total RHCs			48,000	221,060	173,060		
Grand total			365,225	906,130	540,905		
Grand total of POL and repair					1,265,676		

Annexure-17
Para No. 1.2.3.19

Detail of non-deposit of health receipts

A: Detail of outstanding health receipts against the DHO office

S.No	Name of health facilities	Realized by DHO office during 2017-18 (Rs)	Deposited by DHO office during 2017-18 (Rs)	Outstanding on the part of DHO office (Rs)
01	THQ Samarbagh and Chakdara	5,551,935	5,533,020	18,915
02	Category D hospitals Talash, Munda, Mayar and Lal Qilla	5,796,455	5,742,864	53,591
03	RHC Khall, Ouch, Gulabad, Asbanr	1,261,492	1,219,536	41,956
04	MCH Center	167,800	167,800	0
05	CDs	555,790	555,790	0
06	BHUs	866,090	866,090	0
Total		14,199,562	14,085,100	114,462

B: Non deposit of health receipts by various health units:

S.No	Name of health facility	Head of receipt	Total amount realized (Rs)	Total amount deposited to DHO office (Rs)	Outstanding (Rs)
01	Category D hospital Munda	Emergency OPD	35,000	0	35,000
02		O.T. Charges	6,720	0	6,720
03	Category D hospital Talash	ECG	33,482	5,685	27,797
04	Category D hospital Mayar	Emergency OPD	31,770	0	31,770
05	Category D hospital Lal Qilla	General & emergency OPD	1,133,410	1,105,650	27,760
06	RHC Gul Abad	Health receipts of 06.2018	16,810	0	16,810
Total			1,257,192	1,111,335	145,857

C: detail of non-deposit of ambulances receipts:

S.No	Name of health facility	Amount realized (Rs)	Amount deposited to DHO office (Rs)	Amount outstanding (Rs)
01	THQ Samarbagh	294,880	0	294,880
02	Category D Hospital Munda	157,288	0	157,288
03	Category D Hospital Talash	179,912	155,084	24,828
04	Category D Hospital Mayar	20,992	0	20,992
05	Category D hospital Lal Qilla	78,928	68,500	10,428
06	RHC Gulabad	23,016	0	23,016
07	RHC Ouch	16,152	16,152	0
08	RHC Asbanr	62,560	56,000	6,560
09	THC Khall	9000	0	9000
Total		842,728	295,736	546,992
Grand total (A+B+C)				807,311

Further detail of non-deposit of ambulance charges realized and deposited during 2017-18

S. No	Name health facility	Ambulance No.	Meter reading on 30.06.2018 (KM)	Meter reading on 01.07.2017 (KM)	Total distance covered (KM)	Less fre duty (KM)	Paid distance covered (KM)	Rate per KM (Rs)	Amount realized (Rs)	Amount deposited (Rs)	Outstanding amount (Rs)
01	THQ Samarbagh	A1227	93146	73981	19165	890	18275	8	146,200	0	146,200
02		A1228	105969	86412	19557	971	18586	8	148,680	0	148,680
Total									294,880	0	294,880
03	Category D Hospital Munda	A1242	78198	71782	6416	640	5776	8	46,208	0	46,208
04		----	204537	190244	14293	407	13886	8	111,080	0	111,080
Total									157,288	0	157,288

05	Category D	A1279	49686	30073	19612	0	19,612	8	156,896	155,084	1,812
06	Hospital Talash	APL 871	257966	154802	3164	287	2877	8	23,016	0	23,016
Total									179,912	155,084	24,828
07	Category D Hospital Mayar	A1252	38225	35300	2925	301	2624	8	20,992	0	20,992
08	Category D Hospital Lal Qilla	DR 8534	172650	162461	10189	323	9866	8	78,928	68,500	10,428
09	RHC Gulabad	DR 1724	136535	133644	2877	0	2877	8	23,016	0	23,016
10	RHC Ouch	A1226	36272	34175	2097	78	2019	8	16152	16,152	0
11	RHC Asbanr	A1249	50153	41693	8460	640	7820	8	62,560	56,000	6,560
12	THC Khall	A1269	13121	11846	1275	150	1125	8	9000	0	9000
Grand total									842,728	295,736	546,992

Annexure-18
Para No. 1.3.1.1

Detail of schemes executed without technical

S.No	Name of Scheme	App: Cost	Expenditure
1	Water Supply and Sanitation Schemes Shatai Dara in UC Blambat Dir Lower	10.0000	1.626
2	Rehabilitation of Masjid Tawda China/Garmu/Bangay/Dehrai/Otala in UC Bagh and Bandgai Dir Lower	3.0000	0.770
3	Construction of Marooful Quran Talash in UC Bandagai Dir Lower	3.0000	0.670
4	PCC/Shingal Roads in UC Pingal,Manogay,Giddar Dir Lower	10.0000	1.899
5	PCC/road in UC Lachanro,Goro Khas Dir Lower	5.0000	0.717
6	BTR Salihgram,Babkrai in UC Rabat Dir Lower	10.0000	1.368
7	Widening/BTRGhowrgo Balo Dara UC Rabat Dir Lower	10.0000	1.798
8	Shingle Road at UC Rabat Dir Lower	10.00	1.899
9	BTR at Jehan Zeb Korona Shago Kas in UC Bandagai Dir Lower	5.00	3.301
10	Water Supply Pipes in UC Rabat Dir Lower	10.0000	2.730
11	Construction of water bound in UC Rabat,Shagai near Malto Bagh Zahir Shah Khan Bagh Dir Lower	10.0000	4.112
12	PCC Road in UC Dab Rabat Dir Lower	5.0000	0.999
13	PCC Road Spin Kanray/Iqbal Korona/Shamkar in UC Bandagai Dir Lower	5.0000	2.100
14	PCC Siar porai Kaley Barkaley Kharkai and Qlagai in UC Khungey Dir Lower	10.0000	1.898
15	BTR Kamangara Talash in UC Noora Khel Dir Lower	10.0000	2.698
16	BTR Otala/Meta/Manzai UC Bagh Dush Khel Dir Lower	10.0000	1.476
17	PCC Road/Pavment of Street VC Gwargai UC Lajbok	4.5000	0.551
18	PCC Road/Pavment of Street VC Lajbok	4.7000	0.688
Total			31.300

Annexure-19**Para No. 1.3.1.3****Detail of schemes executed without technical sanctions**

S.No	Name of Scheme	E.Cost
1	PCC Road U/C Gall Maidan	500,000
2	PCC road of Inamullah Korona to Bahadur said Korona Chinar Kot UC Kotkay	400,000
3	PCC Road of Amanulmulk korona to Zafar hussain Korona	600,000
4	PCC Road GalGot UC Kotkay	600,000
5	PCC Road Danga wall UC Zimdara	1,200,000
6	PVT: of Street DAG Shagi Tangar	1,500,000
7	Repair Work DWSS Mohammad Zaman Koroona	700,000
8	DWSS cost of well shahid Korona	372,000
9	Hand Pumps Uc Kotkay,lalqilq,Zemdara,Gal Bishgram	1,422,029
10	PCC Road Namaz Kot	600,000
11	Boring of T/Well Syed Abdur Rhman U/C Kotkay	310,000
12	PCC Road U/C Kotkay	339,500
13	PCC road Muhammad amin radgi	583,560
14	PCC Street Chinar Kot	350,000
15	PCCroad street Kumber bar bazaar	982,980
16	Open Well and DWSS Khalid and Mansoor Kalparti	300,000
17	PCC Road /Danga Wall/const:of Culvert/maidan Bandai UC Zemdara	1,200,000
20	Widding PCC Road Wahdat bandagailalo UC GallMaidan	1,000,000
Total		14,960,069

Annexure-20

Para No. 1.3.1.7

Detail of expenditure without Technical Sanction

S.No	Name of scheme	E/Cost	Expenditure
1	Const of PCC road Ghawra Banda link road SB	1,000,000	345,893
2	Cosnt of PCC roat at swara ghundi	1,000,000	580,276
3	Cosnt of pcc Road at Jawaz uc drangal	1,000,000	400,000
4	const of pcc road at khara bala	1,000,000	754,404
5	cosnt of pcc road at barchuni	1,000,000	660,000
6	Const of pcc road at shara sha gambir uc mayar	1,000,000	815,850
7	P.c.c Road U/C Sadbar kalay	1,300,000	960,000
8	P.c.c Road U/C Darangal	800,000	427,000
9	DWSS U/C Mayar	1,700,000	1,052,000
	Total	9,800,000	5,995,423

Annexure-21
Para No. 1.3.1.8

Detail of non -imposition of penalty for late deposit of installments

S.No	Month	Installment (Rs)	Due date	Date of deposit	Delay (in days)	Rate of penalty per day 2%	Penalty per day (Rs)	Total penalty for the month (Rs)
1	11.17	6,933,134	30.11.2017	12.12.2017	12	2%	138,663	1,663,952
2	12.17	6,933,134	31.12.2017	05.01.2018	5	2%	138,663	2,753,100
3	3.18	6,933,134	31.03.2017	03.4.18	3	2%	138,663	786,600
Total for GBS Timargara					61		0	5,203,652
1. Public Latrines at GBS Timarga								
1	7.2017		31.7.2017	07.12.2017	96	2%	0	0
2	8.2017	60,100	31.08.2017	8.9.2017	8	2%	1,202	9,616
3	9.2017	52,000	30.09.2017	20.10.18	20	2%	1,040	20,800
4	10.2017	52,700	31.10.2017	9.11.2018	9	2%	1,054	9,486
5	11.2017	52,700	30.11.2017	12.12.2018	12	2%	1,054	12,648
6	12.2017	52,700	31.12.2017	9.1.2018	9	2%	1,054	9,486
	1.2018	52,700	31.01.2017	12.2.18	42	2%	1,054	44,268
7	1.2018	68,400	28.02.2017	not deposited	210	2%	1,368	287,280
Total for Cattle Fair Timergara					273		1,054	393,584
Grand total								5,597,236

Annexure-22
Para No. 1.3.1.16

Detail of non -deduction of stamp duty and professional tax

S.No	Particular	No of Scheme	E/Cost	Expenditure	P.Tax	Stamp duty
1	Tehsil ADP 2017-18	106	46,830,000	9,659,686	162,000	172,050
2	Tehsil ADP 2016-17	85	41,697,500	23,951,577	275,600	134,450
3	Saving	44	12,877,500	5,177,679	104,000	58,050
4	CMD	73	56,842,000	31,300,630	281,000	478,300
	Total	308	158,247,000	70,089,572	822,600	842850
G.Total						1,665,450

Annexure-23
Para No. 1.3.2.3

Detail of expenditure without pre-audit

S.N O	Name of Scheme	E/Cost	Expenditure
1	DWSS khadang v/c razagram	200,000	98037
2	DWSS abas korona v/c barkalay	200,000	84824
3	Dug well muhalla shahgai v/c razagram	150,000	66789
4	DWSS v/c kozkalay	150,000	68919
5	Dug well v/c colony	400,000	208399
6	DWSS markhano v/c seer	200,000	74221
7	Improvement of gravity source v/c gaoni	300,000	158742
8	Water pond ado v/c safaray doab	200,000	111426
9	Water pond gul pacha korona v/c seer	200,000	105175
10	PCC ROAD poya v/c sher colony	450,000	250978
11	PCC ROAD wahid zaman korona v/c barkalay	100,000	43907
12	PCC ROAD hhanifullah, Ibrahim jan, muzamil said korona v/c	200,000	83282
13	Widening Road addi v/c shalfalam	300,000	49056
14	Retaining wall v/c namser	300,000	100345
15	Widening Road mula hussain korona v/c siya gaoni	200,000	120874
16	PCC ROAD mula hussain korona v/c siya gaoni	200,000	117889
17	Widening Road kaskay v/c siya gaoni	150,000	95427
18	Widening Road taklim korona v/c siya gaoni	200,000	108264
19	PCC ROAD wali khan korona v/c luqman banda	150,000	72382
20	Retaining wall behram korona v/c malak abad	250,000	105000
22	PCC ROAD kaskay v/c siya gaoni	200,000	99566
23	PCC ROAD awrang zeb korona v/c razagram	200,000	93284
24	PCC ROAD v/c adokay	350,000	119023
25	Widening road v/c luqman banda	600,000	93068
26	PCC ROAD kandao v/c safaray doab	200,000	68518
27	PCC ROAD rab Nawaz korona v/c	200,000	105065
28	Retaining wall khaesta said korona v/c luqman banda	100,000	52294
29	PCC ROAD mansor abad v/c colony	300,000	121218
30	PCC ROAD qonchay v/c gaoni	200,000	106990

31	PCC ROAD shao v/c gaoni	200,000	106990
33	Pavement Of Street v/c barkalay	250,000	107845
34	Pavement Of Street meer alam korona u/c paindara sultan khel	100,000	58235
35	Pavement Of Street habib ullah korona u/c paindara sultan khel	100,000	58235
36	Pavement Of Street u/c khall 1	200,000	91667
37	Pavement Of Street v/c safaray doab	200,000	106761
38	Pavement Of Street v/c zormandi	350,000	161767
40	Pavement Of Street mansor abad v/c colony	400,000	161767
41	Pavement Of Street jamil korona v/cgaoi	450,000	214883
Total		945000 0	4051112

Annexure-24
Para No. 1.3.2.8

Detail of non-imposition of penalty

S.No	Name of Scheme	Date of Work order	Period of Comp:	Date of comp;	E.Cost	Amount of penalty
1	PCC Road U/C Gall Maidan	5/4/2018	6 months		500000	50000
2	PCC road of Inamullah Korona to Bahadur said Korona Chinar Kot UC Kotkay	12/4/2018	6 months		400000	40000
3	PCC Road of Amanulmulk korona to Zafar hussain Korona	12/4/2018	6 months		600000	60000
4	PCC Road GalGot UC Kotkay	13/4/2018	6 months		600000	60000
5	PCC Road Danga wall UC Zimdara	13/4/2018			1200000	120000
6	PVT: of Street DAG Shagi Tangar	28/9/2016	6 months		1500000	150000
7	Repair Work DWSS Mohammad Zaman Koroona	28/9/2016	6 months		700000	70000
8	DWSS cost of well shahid Korona	20/9/2016	3 months		372000	37200
9	Hand Pumps Uc Kotkay,lalqilq,Zemdara,Gal Bishgram	20/9/2016	3 months		1873000	187300
10	PCC Road Namaz Kot	28/9/2016	3 month		600000	60000
11	Construction of public latreen kumber	28/10/2016	6 month		475000	47500
12	PCCroad street Kumber bar bazaar	16/10/2016	6 month		980000	98000
13	Open Well and DWSS Khalid and Mansoor Kalparti	21/8/2018	9 months		300000	30000
14	PCC Road Dilgram	20/2/2018	4 months		600000	60000
15	DWSS HDPE Pipes and Hand pumpV/C Chinar kot	20/2/2018	4 months		800000	80000
16	WSS Kotkay	199/2/2018	6		800000	80000
17	PCC Road mehboobullah	199/2/2018	6		400000	40000

	jan					
18	Construction /boundary wall for graveyard at kaga/koro Bagh UC kotkay	199/2/2018	6		1000000	100000
19	Widding/PCC road wahdat to nambathiroad UC gall maidan	5/4/2018	6 months		1000000	100000
20	Widding PCC Road Wahdat bandagailalo UC GallMaidan	5/4/2018	6 months		1000000	100000
21	Const.danga wall shah bekay road Maidan	12/4/2018	6 months		500000	50000
22	PCC Road fazak elehi korona	12/4/2018	6 months		600000	60000
Total					16800000	1680000

Annexure-25
Para No. 1.3.2.9

Detail of non-imposition of penalty

S. No	Name of scheme	Date of Work order	Period of compella tion	date of actual comp:	delay	E/Cost	Penalty
1	PCC Road Balambat Malak Abad	19.9.2016	6	17.03.2017	1M	2,435,000	243,500
2	open well abdur rauf	6.1.2017	4	UP	UP	300,000	30,000
3	const PCC road Khwar koto	20.7.2016	4	1.1.17	UO	1,176,000	117,600
4	PCC Road Tora Tiga	6.9.16	4	10.2.17	02 m	700,000	70,000
5	DWSS V.C Siyar	27.11.17	6	UP	In Prog	300,000	30,000
6	DWSS V.C Mian Banda, Balambat, Jabagai Pay:	27.11.17	6	UP	In Prog	600,000	60,000
7	DWSS Shekawlai.	27.11.17	6	UP	In Prog	100,000	10,000
9	DWSS Tehsil Timrgara Area	27.11.17	6	UP	In Prog	400,000	40,000
10	Construction of Foot Path Timergara Bazar Adda side.	27.11.17	6	UP	In Prog	2,697,400	269,740
11	Construction of Foot Path Timergara main Bazar	27.11.17	6	UP	In Prog	3,000,000	300,000
12	Beautification of Timer, Gorgorai, & Shakeel Shaheed Chow:	27.11.17	6	uP	In Prog	1,785,100	178,510
13	PCC Road Dodbanai	27.11.17	6	UP	In Prog	300,000	30,000
16	Pavt; of Streets Timergara Urban	27.11.17	6	UP	In Prog	1,200,000	120,000
Total						14,993,500	1,499,350

Annexure-26
Para No. 1.3.2.10

Detail of loss due to non-acceptance of lowest rates

S.No	Name of scheme	Rate offered by	2nd tender	Diff	E/Cost	Loss
8	Widening of Road at Awekas/Shakove Darmal Payen UC Lajbok	62%	57.00%	4.850 %	1,300,000	63,050
9	Construction of Madrasa Aliya Ahya Uloom Balamabt	22%	16.20%	5.300 %	1,000,000	53,000
10	PCC Road/Pavment of street VC Sherkhanev	28%	22.60%	5.400 %	2,558,000	138,132
11	PCC Road/Pavment of Street VC Hayaserai UC Hayaserai	28%	21.65%	6.350 %	2,458,000	156,083
12	PCC Road/Pavement of Street Sngwalai Payen UC Hayaserai	28%	20.30%	7.700 %	1,258,000	96,866
13	PCC Road/Pavment of Street Sngolay Bala UC Hayaserai	28%	10.00%	18.000 %	1,258,000	226,440
14	Construction of Madrassa Shah Wali KaladagUC Haayserai	19%	15.00%	4.000 %	1,000,000	40,000
15	PCC Road and Street VC Kot Bala UC Hayaserai	29%	22.50%	6.150 %	1,200,000	73,800
16	PCC Road Street VC Hayaserai UC Hayaserai	28%	19.70%	8.410 %	1,200,000	100,920
17	PCC Road and Street VC Sangwlai Payen UC hayaserai	28%	15.00%	13.110 %	1,200,000	157,320
18	PCC Road and Street VC Sherkhanev UC Hayaserai	29%	20.00%	9.000 %	1,200,000	108,000

19	PCC Road and Street VC Sherkhaney UC Hayaserai	28%	16.00%	12.000 %	700,000	84,000
Total						1,297,611
S.No	Name of scheme	Rate offered by	2nd tender	diff	E/Cost	Loss
1	DWSS Rabat	37%	10.00%	26.540 %	400,000	106,160
2	water pond uc lajbook	10%	7%	3.000 %	235,174	7,055
3	open well dwss yaqoob said	15.00%	10%	5.000 %	314,000	15,700
4	DWSS shehzadi	45%	13.00%	32.000 %	300,000	96,000
5	DWSS bakht nazir korona	33%	10.00%	23.000 %	100,000	23,000
6	DWSS ubaidullah korona	36%	14.00%	22.000 %	300,000	66,000
7	open well uc rabat	23%	10.00%	13.000 %	200,000	26,000
Total						339,915
G.Total						1,637,526

Annexure-27
Para No. 1.3.2.11

Detail of non-imposition of penalty

S. No.	Scheme	W/order date	Due date of Completion	Actual date of completion	Cost (Rs)	10% Penalty (Rs)
1	DWSS Ramora	11-12-2017	11-06-2018	In Progress	100,000	10,000
2	Boring and installation of Hand Pumps Sardar Hussain koroona	15-12-2017	15-06-2018	In Progress	100,000	100,000
3	DWSS at Tazagram	30-11-2017	30-05-2018	In Progress	250,000	25,000
4	Pavement of Streets/ Drains Jango	11-12-2017	11-06-2018	In Progress	125,000	12,500
5	Earth filling and resurfacing of ground at VC Asbanr	30-11-2017	30-05-2018	In Progress	600,000	60,000
6	DWSS at Shawa Tazagram	17-11-2017	17-05-2018	In Progress	1,050,000	105,000
7	Tube well boring VC ouch	04-12-2017	04-06-2018	In Progress	1,250,000	125,000
8	Boring and Installation of hand Pumps and DWSS VC Chakdara	04-12-2017	04-06-2018	In Progress	2,600,000	260,000
9	DWSS laram	28-12-2017	28-06-2018	28-07-2018	1,000,000	100,000
10	DWSS VC Kotigram	28-12-2017	28-06-2018	10-09-2018	470,000	47,000
11	Const: of PCC Road and Pavement of streets VC Asbanr	04-12-2017	04-06-2018	In Progress	300,000	30,000
12	Const: of PCC Road and Pavement of streets Nigram Maira VC Khadagzai	18-12-2017	18-06-2018	13-08-2018	1,800,000	180,000
Total						1,054,500