



**AUDIT REPORT
ON THE ACCOUNTS OF
TEHSIL MUNICIPAL ADMINISTRATIONS
IN DISTRICT DIR UPPER**

KHYBER PAKHTUNKHWA

AUDIT YEAR 2017-18

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Plan
AIR	Audit and Inspection Report
BOQ	Bill of quantities
CCB	Citizen Community Board
CDR	Call Depost Receipt
CMD	Chief Minister Directive
DAC	Departmental Accounts Committee
DDO	Drawing & Disbursing Officer
DP	Draft Para
DPR	Disable Persons Rehabilitation
GFR	General Financial Rules
LCB	Local Council Board
MFDAC	Memorandum for Department Accounts Committee
MRS	Market Rate Schedule
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCC	Plain Cement Concrete
PLA	Personal Ledger Account
POL	Petrol Oil Lubricant
PFC	Provincial Finance Commission
PUGF	Provincially Unified Group of functionaries
SH	Sub Head
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TAC	Tehsil Accounts Committee
RDA	Regional Directorate of Audit
TS	Technical Sanction
TSP	Tameer-e Sarhad Programme

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 Local Government Act 2013, require the Auditor-General of Pakistan to conduct audit of the receipts and expenditure of Local Fund of Tehsil Municipal Administration.

The report is based on audit of the accounts of Tehsil Municipal Administrations in District Upper Dir for the Financial Year 2016-17. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa, Peshawar conducted audit on test check basis during 2017-18 with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit finding carrying value of Rs 1 million or more. 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 Officer at the DAC level. In all cases where the PAO does not initiate appropriate action, the Audit observations will be brought to the notice of appropriate legislative 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 TMAs. DAC meetings could not be convened despite repeated requests.

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

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit, District Governments, Khyber Pakhtunkhwa carries out the audit of all Tehsil Municipal Administrations and Town Municipal Administrations. The Regional Directorate of Audit Swat, on behalf of the DG District Governments Audit, Khyber Pakhtunkhwa carries out the audit of District Governments, Tehsil Municipal Administrations and VCs/NCs of five Districts i.e. Swat, Shangla, Dir Lower, Dir Upper and Chitral respectively.

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 11.447 million was allocated to the office during financial year 2017-18. The office is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audits of programs/ projects.

Tehsil Municipal Administrations in the District Dir Upper i.e. Dir, Wari, Kalkot & Barawal perform their functions under Khyber Pakhtunkhwa Local Government Act 2013. Each TMA has one Principal Accounting Officer (PAO) as provided in **Rule 8 (1) (p)** of the Khyber Pakhtunkhwa Tehsil and Town Municipal Administration Rules of Business 2015. Financial provisions of the Act establish a local fund for each Tehsil Administration. Annual budget is authorized by the Tehsil Council in the form of budgetary grants.

a. Scope of Audit

The total expenditure of Tehsil Municipal Administrations Dir, Wari, Kalkot & Barawal in District Upper Dir for the Financial Year 2016-17 was Rs 268.419 million. Out of this, RDA Swat audited an expenditure of Rs 107.367 million, in terms of percentage, is 40% of auditable expenditure.

The receipts of Tehsil Municipal Administrations Dir, Wari, Kalkot & Barawal in District Upper Dir for the Financial Year 2016-17 was Rs 288.973

million. Out of this, RDA Swat audited receipts of Rs 202.281 million which, in terms of percentage, was 70% of auditable receipts.

The total expenditure and receipt of Tehsil Municipal Administrations Dir, Wari, Kalkot & Barawal in District Upper Dir, for the Financial Year 2016-17 was Rs 557.392 million. Out of this, RDA Swat audited the expenditure and receipt of Rs 309.648 million.

b. Recoveries at the instance of audit

Recovery of Rs 30.552 million was pointed out during the audit. However, no recovery was affected till finalization of this report. Out of the total recoveries, Rs 19.635 million was not in the notice of the executive prior to audit.

c. Audit Methodology

Audit was conducted after understanding the business processes of TMAs, District Government with respect to its functions, control structure, prioritization of risk areas by determining their significance and key controls. This helped auditors in understanding the systems, procedures, environment, and the audited entity before starting the audit. Audit used desk audit techniques for analysis of compiled data and review of actual vouchers called for during scrutiny and substantive testing in the field.

d. Audit Impact

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

e. Comments on Internal Control and Internal Audit department

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

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 TMAs.

f. Key Audit Findings of the report;

- i. Irregularity & Non-compliance of Rs 148.818 million were noticed in fifteen cases¹.
- ii. Internal Control of weakness amounting to Rs 24.829 million were noticed in eleven cases².

g. Recommendations

- i. Action needs to be taken for violation of the rules and regulations in spending the public money.
- ii. All sections of TMAs need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc to ensure that reported lapses are preempted and fair value for money is obtained from public spending.
- iii. Responsibilities need to be fixed for unauthorized withdrawals and losses sustained by the administration due to overpayments and non realization of receipts.
- iv. Deductions of taxes may be ensured and responsibility be fixed for non award of contracts of receipts.

1 Para 1.2.1.1 to 1.2.1.8, 1.3.1.1, 1.3.1.2, 1.4.1.1, 1.4.1.2, 1.5.1.1 & 1.5.1.2

2 Para 1.2.2.1 to 1.2.2.6, 1.3.2.1, 1.4.2.1 & 1.5.2.1

SUMMARY TABLES AND CHARTS

I: Audit Work Statistics

(Rs in million)

S. No	Description	No.	Budget
1	Total Entities (PAO) in Audit Jurisdiction	04	557.392
2	Total formations in audit jurisdiction	04	557.392
3	Total Entities (PAO) Audited	04	309.648
4	Total formations Audited	04	309.648
5	Audit & Inspection Reports	04	309.648
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

II: Audit observations classified by Categories

(Rs in million)

S. No	Description	Amount placed under audit observation
1	Asset management	-
2	Financial management	-
3	Internal controls	24.829
4	Violation of rules	148.818
5	Others	-
Total		173.647

III: Outcome Statistics

(Rs in million)

S. No	Description	Expenditure on Acquiring Physical Assets Procurement	Civil Works	Receipts	Others	Total for the year 2016-17	Total for the year 2015-16
1	Outlays Audited	-	74.946	202.281	32.412	309.639	157.109
2	Amount Placed under Audit Observation /Irregularities of Audit	-	170.345	-	3.3019	173.647	44.622
3	Recoveries Pointed Out at the instance of Audit	-	30.552	-	-	30.552	23.100
4	Recoveries Accepted /Established at the instance of Audit	-	10.413	-	-	10.413	-
5	Recoveries Realized at the instance of Audit	-	-	-	-	-	-

IV: 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	141.388
2	Reported cases of fraud, embezzlement, thefts and misuse of public funds.	-
3	Accounting Errors (accounting policy departure from NAM, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4	Quantification of weaknesses of internal control systems.	21.846
5	Recoveries and overpayment, representing cases of established overpayment or misappropriations of public monies	10.413
6	Non-production of record	-
7	Others, including cases of accidents, negligence etc.	-
Total		173.647

V: Cost-Benefit

(Rs in million)		
Sr. No	Description	Amount (Rs in million)
1	Outlays Audited (Items 1 of Table 3)	520.422
2	Expenditure on Audit	320,000
3	Recoveries realized at the instance of Audit	-
	Cos-Benefit	1:0

CHAPTER-1

1.1 Tehsil Municipal Administrations in District Upper Dir

1.1.1 Introduction

District Upper Dir has four Tehsils i.e. Upper Dir, Wari, Barawal and Kalkot. Each Tehsil office is managed by a Tehsil Municipal Officer. Each Tehsil has its own Tehsil Officer (Finance), Tehsil Officer (Infrastructure) and Tehsil Officer (Regulation).

According to section 22 of the 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;
- (r) Authorize officers to issue notice, prosecute, sue and follow up criminal, civil and recovery proceedings against violators of municipal laws; and
- (s) Prepare financial statements and present them for audit.

1.1.2 Comments on Budget and Accounts (variance analysis)

The budget and expenditure position of Tehsil Municipal Administrations in District Dir Upper for the Financial Year 2016-17 is as under:

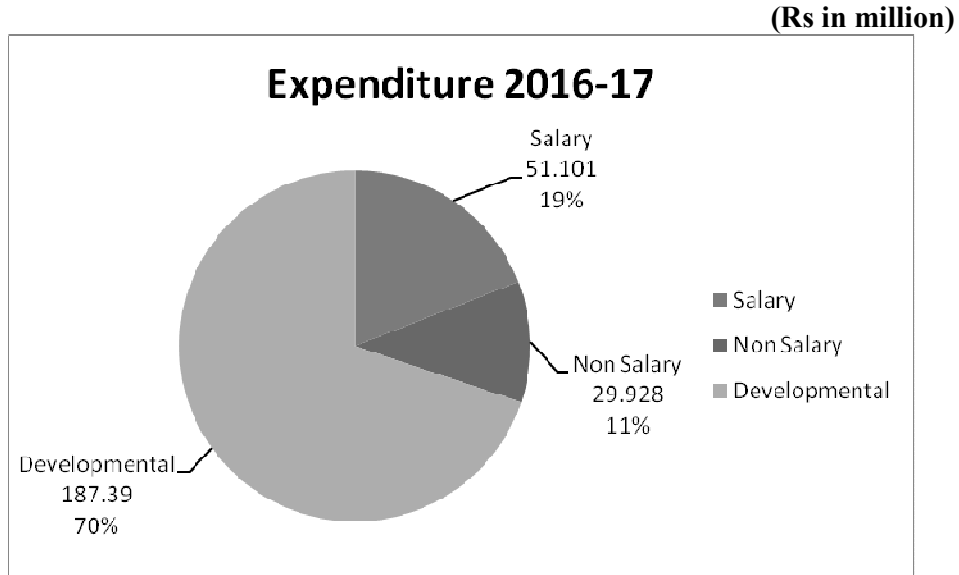
(Rs in millions)

2016-17	Budget (Rs)	Expenditure (Rs)	Excess / Savings	%age
Salary	71.035	51.101	(19.934)	(28)
Non Salary	54.891	29.928	((24.963)	(45)
Developmental	380.878	187.39	(193.488)	(51)
Total	506.804	268.419	(238.385)	

(Rs in million)

2016-17	Budget	Realization	Excess/ (Saving)	%age
Receipts	301.136	288.973	(12.163)	(4.039)

The huge savings of Rs 12.163 million in all heads of accounts indicates weakness in the capacity of these local institutions to utilize the amounts allocated budget.



1.1.3 Brief comments on the status of Compliance with PAC/DAC Directives

The Audit Reports pertaining to Financial Years 2009-10 to 2015-16 on accounts of Tehsil Municipal Administration/Municipal Committees Dir Upper were prepared under Khyber Pakhtunkhwa Local Government Act, 2013 and submitted to Governor Khyber Pakhtunkhwa but have not yet been discussed in PAC. Provincial Assembly of Khyber Pakhtunkhwa vide letter No PA/KP/PAC/GEN. DISTT GOV/17/7935 dated 23.02.2017 has returned the Audit Reports with the remarks that the same may be examined by respective

Accounts Committees of councils as provided under Khyber Pakhtunkhwa Local Government Act, 2013. Under the direction of the PAC the reports have been submitted to the District Nazim for placing before the District Accounts Committee constituted under LGA 2013.

TEHSIL MUNICIPAL ADMINISTRATION UPPER DIR

1.2 Audit Paras Tehsil Municipal Administration Upper Dir

1.2.1 Irregularity & Non compliance

1.2.1.1 Irregular expenditure without Technical Sanction – Rs 57.870 million

According Para 178 of GFR read with Para 56 of CPWD Code provides that no work should be commenced or liability incurred in connection with in until administrative approval and sanction has been obtained from the competent authority, a properly detailed design and estimate has been sanctioned and funds to cover the charge have been provided by the competent authority.

TMO Dir Upper incurred expenditure of Rs 57,870,750 on various developmental schemes during 2016-17 without obtaining technical sanction of the competent authority before commencement of work. Detail is given at **Annexure-02**.

Audit observed that irregular expenditure occurred due to weak internal control, which resulted in violation of rules regarding ascertaining the estimate of actual quantities to be executed during the work based on engineering specification and schedules of rates.

The irregularity was pointed out to the management in January 2018. Management stated that Technical Sanction would be obtained from the competent authority and would be shown to audit. However, no progress was shown to audit.

Request for convening DAC meeting was made on 20th March 2018, however meeting of DAC could not be convened till finalization of this report.

Audit suggests action against the person(s) at fault and inquiry by the competent forum into the actual quantities required to be executed.

AIR Para No. 01 (2016-17)

1.2.1.2 Non deduction/ adjustment of Income Tax –Rs 10.413 million

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

Tehsil Municipal Officer, TMA Upper Dir awarded 06 No developmental work on MRS-2013. Payment of Rs 148,759,508 was made to the contractors on MRS-2013, which already includes 7% income tax. Neither adjustment was made in the PC-I/estimates as per instructions nor income tax of Rs 10,413,166 was deducted from the contractor bills, due to which resulted in overpayment. Detail is given below:

S.No	Name of Scheme	Work Done (Rs)	Income Tax 7% (Rs)
1	Cosnt of PCC Road at Rokhan Bala/ Payeen & Mirashpati	34,472,739	2,413,092
2	Drinking Water Supply Scheme Ganorri	20,000,000	1,400,000
3	DWSS Bibiwar	37,681,135	2,637,679
4	DWSS Darora	42,361,951	2,965,337
5	Cosnt of Municipal Rest House at Dir City	7,711,022	539,772
6	Drinking of water supply scheme at Unkar	6,532,661	457,286
	Total	148,759,508	10,413,166

Audit observed that payment without exclusion of income tax occurred due to weak internal control, which resulted in loss to the Government.

The irregularity was pointed out to the management in January 2018. Management stated that 7% income tax would be made in the final bill and record would be shown to audit. However, no progress was shown to audit.

Request for convening DAC meeting was made on 20th March 2018, however meeting of DAC could not be convened till finalization of this report.

Audit suggests recovery and fixing responsibility on the person (s) at fault under intimation to audit.

AIR Para No. 02 (2016-17)

1.2.1.3 Overpayment due to wrong calculation – Rs 1.464 million

According to Para 23 of GFR Volume-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.

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

Tehsil Municipal Officer, TMA Upper Dir awarded a work “Improvement of Municipal roads in Municipal Committee Dir” to a contractor M/S Zaib Construction Co with a bid cost of Rs 43,448,000. Estimated cost of the scheme was Rs 55,000,000. Payment of Rs 39,972,160 was made due to wrong calculation instead of payment of Rs 38,508,049 due to which overpayment of Rs 1,464,111 was made vide MB No.122 page No 49 to 72, which needs recovery. Detail is as under:

Correct Calculation (Rs)		wrong calculation (Rs)	
Total Work Done	40,915,518		40,915,518
Cost Factor	45,007,070		45,007,070
7% Income tax	3,150,495		3,274,801
Total Work Done	41,856,575	Bid cost	43,448,000
8% security	3,348,526		3,475,840
Required payment	38,508,049		39,972,160
Total payment for the work	39972160		39972160
	(1,464,111)		-

Audit observed that overpayment occurred due to weak accounting system which resulted in loss to the Government.

The irregularity was pointed out to the management in January 2018. Management stated that detail reply would be furnished after Scrutiny of record. However, no progress was shown to audit.

Request for convening DAC meeting was made on 20th March 2018, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery from the contractor and deposit into Government treasury under intimation to audit.

AIR Para No. 03 (2016-17)

1.2.1.4 Non deduction of Professional tax– Rs 1.032 million

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 Upper Dir did not deducted professional tax amounting to Rs 1,032,600 on payment made to contractors on account of developmental schemes during financial year 2016-17, which resulted in loss to Government. Detail as per **Annexure- 3**.

Audit observed that Non deposit of Professional Tax occurred due to weak internal controls which resulted in loss to Government.

The irregularity was pointed out to the management in January 2018. Management stated that detail reply would be furnished after Scrutiny of record. However, no progress was shown to audit.

Request for convening DAC meeting was made on 20th March 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 under intimation to audit.

AIR Para No. 4 (2016-17)

**1.2.1.5 Loss to Government due to acceptance of higher rates
– Rs 1,081,460**

According to Para 23 of GFR Volume-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.

Tehsil Municipal Officer, TMA Upper Dir overpaid RS 1,081,460 on account of developmental works due to acceptance of higher bid and ignore lowest bid resulted in to Government as per detail an **Annexure-11**.

Audit observed that Loss occurred due to weak accounting system which resulted in loss to the Government.

The irregularity was pointed out to the management in January 2018. Management stated that the 1st bidder not accepted due to non availability of 2% CDR. However, no progress was shown to audit.

Request for convening DAC meeting was made on 20th March 2018, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery from the contractor and deposit into Government treasury under intimation to audit.

AIR Para No. 5 (2016-17)

- 1.2.1.6**
- i. Irregular executed of schemes worth Rs 24.655 million**
 - ii. Overpayment of due to allowing higher rate -Rs 1.260 million**

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

Tehsil Municipal Officer, TMA Upper Dir incurred expenditure Rs 24,655,000 on account of developmental scheme “Const of PCC Road from Rokhan to Kharawo Bala/Payeen” during 2016-17. Scrutiny of scheme file revealed that payment was only on structure work while the scheme was administratively approved for PCC Road.

Furthermore, the contractors was offered rates on 9 items of work for Rs24.654million and later on the 6 item of work was deleted from the scheme

and only 3 item of work was executed by the contractor which resulted loss to Government of Rs 1,260,296.

Audit observed that the irregularity was occurred due to weak financial management.

The irregularity was pointed out to the management in January 2018 Management stated that the payment was made to the contractor on item rate as per site requirement as well due to need and demand of the local people of the area. Reply of the department was not satisfactory.

Request for convening DAC meeting was made on 20th March 2018, however meeting of DAC could not be convened till finalization of this report.

The matter needs investigation and action against the person(S) at fault.

AIR Para No. 6 (2016-17)

1.2.2 Internal Control Weaknesses

1.2.2.1 Excess payment due deviation from the approved PC-I /AA - Rs 6.948 million

According to Para 71 CPWD Code, an officer of the Public Works Department may pass excess over estimates provided that the excess is not more than 5% of the amount sanctioned. The Sub Divisional Officer, before making payments to the contractors is required to compare the quantities in the bills and see that all the quantities and rates are correctly entered and that all the calculations have been checked arithmetically as per Para 220 and 221 of CPWA Code.

Tehsil Municipal Officer, TMA Upper Dir overpaid Rs 6,948,918 to contractor on account of work “Drinking Water Supply Scheme Ganorri” as per detail given below due to deviation from approved PC-I/AA during 2016-07.

Item	PC-I Qty	Paid Qty	diff	Rate	Excess payment (Rs)
GI Pipe 2"	914	8,229	7,315	950	6,948,918

Audit observed that excess payment was occurred due to weak financial control, which resulted in loss to Government.

The irregularity was pointed out to the management in January 2018. Management stated that the said quantity would be rectified in the Technical sanction and would be shown to audit. However, no progress was shown to audit.

Request for convening DAC meeting was made on 20th March 2018, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 7 (2016-17)

1.2.2.2 i. Irregular expenditure without Technical Sanction amounting to Rs 8,018,362

ii. Excess payment over and above the PC-I/BOQ amounting to Rs 2,931,640

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

Tehsil Municipal Officer, TMA Upper Dir incurred expenditure Rs 8,018,362 on account of developmental schemes “Const of Municipal Rest House” during 2016-17 but Technical Sanction was not obtained from the competent authority. Furthermore, overpaid Rs 2,931,640 to contractor on account of item of work “PCC 1:3:6 50% boulders as per detail given below due to deviation from approved PC-I/AA during 2016-07.

(Amount in Rs)

Item	PC-I Qty	Paid Qty	diff	Rate	Excess payment
PCC 1:3:6 50% boulders	22.62	755.53	732.91	4,000	2,931,640

Audit observed that the irregularity was occurred due to weak financial control, which resulted in loss to Government.

The irregularity was pointed out to the management in January 2018. Management stated that technical sanction would be obtained from the competent authority and will be shown to audit. Reply was not convincing as no progress was shown to audit.

Request for convening DAC meeting was made on 20th March 2018, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 8 (2016-17)

**TEHSIL MUNICIPAL ADMINISTRATION WARI
DISTRICT UPPER DIR**

1.1.4 Audit Para of Tehsil Municipal Administration Wari

1.3.1 Irregularity & Non compliance

1.3.1.1 Irregular Award of work without Technical Sanction - Rs 2.506 million

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

Tehsil Municipal officer Wari incurred an expenditure of Rs 2,506,725 on account of various developmental schemes during the financial year 2016-17. 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	Estimated Cost (Rs)	Expenditure (Rs)
1	PCC road Marawar Shidyai	500,000	499,967
2	DWSS Gogyal	200,000	161,490
3	Const: of water tankDWSS dehrail akhagram	600,000	449,143
4	DWSS Sundal	200,000	161,490
5	Pvt of street at lakral	1,000,000	689,130
6	DWSS Malokhan banda	200,000	147,900
7	DWSS Kashimary Nehag and Manzai	300,000	229,388
8	DWSS sankore	200,000	168,217
Total		3,200,000	2,506,725

Audit observed that irregular expenditure occurred due to weak internal control, which resulted in violation of rules regarding ascertaining the estimate of

actual quantities to be executed during the work based on engineering specification and schedules of rates as well as imposition of penalty for the delay in the execution of work.

The irregularity was pointed out to the management in February 2018. Management did not respond the audit observation.

Request for convening DAC meeting was made on 30th March 2018, however meeting of DAC could not be convened till finalization of this report.

Audit suggests action against the person(s) at fault and inquiry by the competent forum into the actual quantities required to be executed.

AIR Para No. 1 (2016-17)

1.3.1.1 Loss to government due to non imposition of penalty- Rs 1.300 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 Wari did not impose 10% penalty amounting to Rs 1,300,000 on those contractors who failed to complete the works in stipulated period of time. Detail is as per **Annexure-04**.

Audit observed that non imposition of penalty occurred due to weak financial control, which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2018. Management did not respond the audit observation.

Request for convening DAC meeting was made on 30th March 2018, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 4 (2016-17)

1.3.1.2 Non adjustment of income tax – Rs 1.414 million

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

Tehsil Municipal Officer Wari executed the following developmental schemes with an estimated cost of Rs 18,580,000 during the financial year 2016-17 but income tax @ 7% amounting to Rs 1,414,600 was not adjusted in the PC-I of the developmental schemes. Detail is given in **Annexure-05**.

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

The irregularity was pointed out to the management in February 2018. Management did not respond the audit observation.

Request for convening DAC meeting was made on 30th March 2018, however meeting of DAC could not be convened till finalization of this report.

Audit suggests recovery and action against the persons(s) at fault under intimation to audit.

AIR Para No. 05 (2016-17)

**TEHSIL MUNICIPAL ADMINISTRATION BARAWAL
DISTRICT UPPER DIR**

1.4 Audit Paras of Tehsil Municipal Administration Barawal

1.4.1 Irregularity & Non compliance

1.4.1.1 Overpayment due to awarding contract on MRS 2015 instead of MRS 2016 - Rs 2.290 million

According to Government of Khyber Pakhtunkhwa Finance Department Notification No. FD/CSR Cell/1-7/Rates/2016 dated 19-4-2016. The market rate System 2016 approved with effect from 08-04-2016. The rates of newly updated MRS 2016 will be applicable on unapproved schemes.

TMO Barawal overpaid Rs 2,290,586 to the contractors due to awarding developmental works under package “Chief Minster Directive 2015-16” on MRS 2015 instead of MRS 2016. The scheme was approved in DDC Meeting held on 10.5.2016 and Administrative Approval was issued on 23.5.2016, whereas, MRS 2016 was applicable from 8-4-2016. Detail as per **Annexure-06**

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

The irregularity was pointed out to the management in February 2018. Management stated that detail reply would be furnished after Scrutiny of record. However, no progress was shown to audit.

Request for convening DAC meeting was made on 20th March 2018, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 01 (2016-17)

**1.4.1.2 Unauthorized expenditure without technical sanction
– Rs 4.702 million**

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

1. Engineers in BPS-18 upto Rs 4,000,000
2. Engineers in BPS-17 upto Rs1,500,000
3. Engineers in BPS-16 upto Rs 500,000
4. Engineers in BPS-11 upto Rs300,000

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

TMO Barawal incurred expenditure of Rs 4,702,309 on various developmental schemes during 2016-17 without obtaining technical sanction of the competent authority before commencement of work. Detail is given below:

Name of scheme	E/cost (Rs)	Expenditure (Rs)
Construction of Additional Rooms TMA Barawal	3,000,000	2,716,603
DWSS at V/C Chinda Kot Bandi	2,000,000	1,985,706
	5,000,000	4,702,309

Audit observed that irregular expenditure occurred due to weak internal control, which resulted in violation of rules regarding ascertaining the estimate of actual quantities to be executed during the work based on engineering specification and schedules of rates as well as imposition of penalty for the delay in the execution of work.

The irregularity was pointed out to the management in February 2018. Management stated that Technical Sanction signed by the authorized engineer who has comes under his competency. Reply is not convincing as TS was accorded by Engineer BPS-17 who empowered to accord TS upto 1,500,000.

Request for convening DAC meeting was made on 20th March 2018, however meeting of DAC could not be convened till finalization of this report.

Audit suggests action against the person(s) at fault and inquiry by the competent forum into the actual quantities required to be executed.

AIR Para No. 02 (2016-17)

1.4.1.3 Irregular cash payment of Pay & Allowances – Rs 3.3019 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 Barawal paid Rs 3,019,500 on account of pay & allowances to the staff through DDO open cheque instead by their bank account in violation of rules during the year 2016-17. Hence, disbursements through cash, actual payments to the concerned could not be verified and chances of misappropriation could not be ruled out.

Audit observed that irregular payment occurred due to lack of financial control, which resulted in violation of Government rules.

The irregularity was pointed out to the management in February 2018. Management stated that in future the payment of pay and allowances would be paid to the employee on his personal Bank account. However, no progress was shown to audit.

Request for convening DAC meeting was made on 20th March 2018, however meeting of DAC could not be convened till finalization of this report.

Audit recommends regularization of payment.

AIR Para No. 03 (2016-17)

**TEHSIL MUNICIPAL ADMINISTRATION KALKOT
DISTRICT UPPER DIR**

1.5 Audit Paras of Tehsil Municipal Administration Kalkot

1.5.1 Irregularity & Non compliance

1.5.1.1 Unauthorized expenditure without Technical Sanction – Rs 30.234 million

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. Further, Para 178(iii) of GFR Vol.-I states that no work should be commenced or liability incurred in connection with it until administrative approval and sanction has been obtained from the competent authority, a properly detailed design and estimate has been sanctioned and funds to cover the charge have been provided by the competent authority.

TMO Kalkot Dir Upper incurred expenditure of Rs 30,234,338 on various developmental schemes during 2016-17 without obtaining technical sanction of the competent authority before commencement of work. Detail is given at **Annexure-07**.

Audit observed that irregular expenditure occurred due to weak internal control, which resulted in violation of rules regarding ascertaining the estimate of actual quantities to be executed during the work based on engineering specification and schedules of rates as well as imposition of penalty for the delay in the execution of work.

The irregularity was pointed out to the management in February 2018. Management stated that Technical Sanction would be obtained from the competent authority and would be shown to audit. Reply is not convincing as no progress was shown to audit.

Request for convening DAC meeting was made on 20th March 2018, however meeting of DAC could not be convened till finalization of this report.

Audit suggests action against the person(s) at fault and inquiry by the competent forum into the actual quantities required to be executed.

AIR Para No. 01 (2016-17)

1.5.1.2 Overpayment due to awarding contract on MRS 2015 instead of MRS 2016 - Rs 3.957 million

According to Government of Khyber Pakhtunkhwa Finance Department Notification No. FD/CSR Cell/1-7/Rates/2016 dated 19-4-2016. The market rate System 2016 approved with effect from 08-04-2016. The rates of newly updated MRS 2016 will be applicable on unapproved schemes.

TMO Kalkot overpaid Rs 3,957,787 to the contractor due to awarding developmental works under package “Chief Minister Directive 2015-16” on MRS 2015 instead of MRS 2016. The scheme was approved in DDC Meeting held on 10.5.2016 and AA was issued on 23.5.2016, whereas, MRS 2016 was applicable from 8-4-2016. As per detail in **Annexure-08**.

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

The irregularity was pointed out to the management in February 2018. Management stated that detail reply would be furnished after scrutiny of record. No reply was furnished by the department.

Request for convening DAC meeting was made on 20th March 2018, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 02 (2016-17)

1.5.1.3 Overpayment due to allowing higher rate Rs 1.324 million

According to item No. 03-23-b of MRS 2015, rate of excavation was Rs 238/m³.

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

Tehsil Municipal Officer, TMA Kalkot Upper Dir advertised scheme “Flood Protection Bond at Mail & Shatop” with estimated cost of Rs 3,000,000 and awarded at bid cost of Rs 2,995,560 to MS Jan Faqir Builders which **at par** . The scheme was later on changed from “Flood Protection Bond at Mail & Shatop” to “Diversion of river Mail Shah Top through excavation” without issuance of revised Administrative Approval and re-tender. The original scheme was approved at par while revised cost was prepared at contractor rate of Rs 400/m³ instead of MRS rate of Rs 238/m³. Audit held that at par rate of scheme should have been given while contractor rate of Rs 400/m³ was given which resulted in overpayment of Rs 1,324,350 as per detail below:

S.No	Item of work	Rate offered by the contractor	Rate as per MRS	Diff	Qty	Overpaid Amount (Rs)
01	Excavation	400/m ³	238/m ³	162/m ³	8,175 m ³	1,324,350
Total						1,324,350

Audit observed that the irregularity was occurred due to weak managerial controls which resulted in violation of rules.

The irregularity was pointed out to the management in February 2018. Management stated that detail reply would be furnished after scrutiny of record. No reply was furnished by the department.

Request for convening DAC meeting was made on 20th March 2018, however meeting of DAC could not be convened till finalization of this report.

The matter needs investigation and action against the person(S) at fault.

AIR Para No. 03 (2016-17)

1.5.1.4 Overpayment due to non exclusion of Income Tax –Rs 3.006 million

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

Tehsil Municipal Officer, TMA Kalkot Upper Dir executed developmental works on MRS. Payment of Rs 42,949,757 was made to the contractors on MRS, which already includes 7% income tax. Neither adjustment was made in the PC-I/estimates as per instructions nor was income tax of R 3,006,483 deducted from the contractor bills, due to which resulted in overpayment. Detail is given an **Annexure-09**

Audit observed that payment without exclusion of income tax occurred due to weak internal control, which resulted in loss to the Government.

The irregularity was pointed out to the management in February 2018. Management stated that detail reply would be furnished after scrutiny of record. No reply was furnished by the department.

Request for convening DAC meeting was made on 20th March 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. 04 (2016-17)

1.5.2 Internal Control Weaknesses

1.5.2.1 Non imposition of penalty for delay in completion of work - Rs 2.02 million

According to Clause 5 (a) & (b) of the contract agreement, extension in contract period up to one tenth (1/10) of the original time shall be allowed by the Divisional Officer, if exceeds one tenth up to one half , extension will be allowed by the Superintending Engineer and if exceeds one half, it will be allowed by the Chief Engineer.

According to Clause 2 of the condition of Contract, 1% penalty (corporate) of the total estimated cost (shall not exceed 10%) be imposed on the contract for non completion of the work within stipulated time.

TMO Kalkot Dir Upper did not impose 10% penalty amounting to Rs 2,020,000 on those contractors who failed to complete the works within the stipulated period of time. Detail is given at **Annexure-10**.

Audit observed that non imposition of penalty occurred due to lack of internal control, which resulted in loss to government.

The irregularity was pointed out to the management in February 2018. Management stated that detail reply would be furnished after scrutiny of record. No reply was furnished by the department.

Request for convening DAC meeting was made on 20th March 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. 05 (2016-17)

1.5.2.2 Irregular award of contract of Non MRS items without market analysis Rs 1.929 million

According to Khyber Pakhtunkhwa PPRA 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 Kalkot awarded works “Installation of Micro Power Station at Kalkot” for estimated cost of Rs 3.00 million during 2016-17. The items of the contracts for Rs 1.929 were Non MRS while the contracts were awarded without market analysis which was irregular.

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

The irregularity was pointed out to the management in February 2018. Management stated that detail reply would be furnished after scrutiny of record. No reply was furnished by the department.

Request for convening DAC meeting was made on 20th March 2018, however meeting of DAC could not be convened till finalization of this report.

Audit recommends remedial measure, fixing responsibility on the persons at fault under intimation to audit.

AIR Para No. 06 (2016-17)

ANNEXURES

Annexure-1

Detail of MFDAC Paras

(Rs in million)

S.No	Caption	Amount
	Tehsil Municipal Administration Upper Dir	
01	Overpayment by allowing higher rate Rs 220,054	0.220
	Loss due to non deduction of DPR fund- Rs 773,120	0.773
	Non deposit of deducted stamp duty – Rs 820,650	0.820
02	Loss due to non award of contracts to the lowest bidders - Rs 947,364	0.947
03	Non recovery of outstanding rent of Shops – Rs 625,440	0.625
04	Illegal payment of technical sanction charges to LCB – Rs 350,000	0.350
05	Non deduction of income tax from salaries - Rs 86,706	0.086
06	Overpayment due to wrong calculation in Estimate – Rs 546,794	0.546
07	Unauthorized payment of cost factor – Rs 2.983 million	2.983
	Tehsil Municipal Administration Wari District Upper Dir	
08	Non deposit of stamp duty	0.108
09	Non deduction of professional tax	0.236
10	Loss to Govt due to non imposition of penalty	4.4
	Tehsil Municipal Administration Barawal District Upper Dir	
12	Non deposit of deducted stamp duty – Rs 203,210	0.203
13	Non deduction of Professional tax– Rs 217,200	0.217

14	Loss due to non deduction of DPR fund- Rs 133,766	0.133
	Tehsil Municipal Administration Kalkot District Upper Dir	
15	Irregular tendering process and loss to Government due to acceptance of higher rates – Rs 751,180	0.751
16	Irregular tendering process and loss to Government due to acceptance of higher rates – Rs 194,000	0.194
17	Non deduction of Professional tax and DPR funds– Rs 402,291	0.402
18	Non deposit of deducted stamp duty – Rs 337,000	0.337
19	Irregular cash payment on account of salaries in violation rules	2.732
	Total	17.063

Annexure-2

Para 1.2.1.1

Detail of expenditure without Technical Sanction

S.No	Name of work	E/Cost	Expenditure
1	Drinking Water Supply Scheme Ganorri	20,000,000	17,496,536
2	Drinking water Supply scheme Bibyawarr	10,000,000	6,532,661
3	Cosnt of Municipal Rest House at Dir City	10,000,000	7,711,022
4	Danga Wall, R/Wall at Panakot (Muhammad Nisar Khan Wardag)	2,200,000	2,200,000
5	DWSS at V/C Pallam, V/C Samkoot, V/C Barkand, V/C Jabbai/ Construction of 08 Nos Water Tanks	2,800,000	2800000
6	DWSS at V.C Miana Doag, V/C Shat Kass, V/C Malook Khawarr	1,800,000	460000
7	DWSS at V/C Bibyawarr, V/C Serai, V/C Shamorrgar, V.C Kair 2800000	2,800,000	2,800,000
8	DWSS at V/C Jabbar, V/C Nishan Banda, V.C Dam Jabbar, V/C Kattan/ 08 Nos 400 Gallon Water Tanks 3000000	3,000,000	3,000,000
09	DWSS at Kass Darorra C/O Farman (300000)	2600000	1196000
	DWSS at Gandigar Bala Payeen (1400000)		
	DWSS at Faiz Talab, nasr Uddin, Haidar Ali Shah Darorra (400000)		
	DWSS at Qala Gandigar (500000)		
10	Extension of Fire Station/ Shade/ Bath Rooms TMA Office Dir	3,000,000	3,000,000
11	Construction of Bridge at Qulagah Dir (3500000)	3,500,000	3,500,000
12	Const of PCC road from serai to Mano Banda	5,000,000	3,349,601
13	Const of PCC Road Bibyawarr to Cheragali UC Bibyaware	5,000,000	3,824,930
	Total	71,700,000	57,870,750

Annexure-3**Para 1.2.1.4****Detail of Professional Tax**

	Name of Contractor	Payment	Professional Tax (Rs)
1	A.Q khan	2,505,820	18,000
2	Ahmad Karim	4,685,982	18,000
3	Akhtar Munir	5,758,482	18,000
4	Anwar ullah	2,467,006	6,000
5	Aqal Wazir	1,384,085	6,000
6	Armughan Builders	25,941,304	30,000
7	Asad Enterprises.	3,563,203	18,000
8	Badshah Khisro	1,765,816	6,000
9	Bakht Alam	794,000	4,000
10	Bakht Amin	3,052,752	18,000
11	Bakht Biland contractor	9,373,003	18,000
12	Ferhad Rahim	4,349,000	18,000
13	GulZamin contractor	2,032,786	6,000
14	Haji Behramand	1,248,000	6,000
15	Haji Mohammad Ghani.	1,000,000	4,000
16	Hazrat Ali	460,000	3,600
17	Ihtishan& Co.	1,933,336	6,000
18	Imran Ullah	4,400,000	18,000
19	Inayat Ullah	11,227,333	25,000
20	Jamal Mohd khan	856,000	4,000
21	Jan Faqir	1,400,000	6,000
22	Jan Butti construction.	1,400,000	6,000
23	JannatGul	210,000	3,600
24	Karim khan	1,300,000	6,000
25	Khan Zada contractor	892,000	4,000
26	Khyber construction	13,850,171	25,000

27	Kifayat Ullah	12,342,900	25,000
28	Laiq Zada	300,000	3,600
29	Land Mark construction	1,177,000	6,000
30	M.S Dir Kohistan.	12,349,990	25,000
31	M.S New Khan Builder	3,378,000	18,000
32	M.S Salih construction.	928,000	4,000
33	M.S Shaheen	560,971	4,000
34	M.S Shoib construction	1,400,000	6,000
35	M.S Star construction	8,045,530	18,000
36	M.S Wardag & CO	10,901,000	25,000
37	M.S Zaib construction.	400,000	3,600
38	M/S Colibrative Heavy Industries	4,052,000	18,000
39	M/S Dir Kohistan	3,900,000	18,000
40	M/S Khyber construction	1,396,468	6,000
41	M/S Kifayat Ullah	6,418,680	18,000
42	M/S Mansoor Ahmad	567,000	4,000
43	M/S Masroor Ahmad	812,000	4,000
44	M/S Noor construction.	10,798,080	25,000
45	M/S Reliable Engineering	3,323,274	18,000
46	M/S Saleh construction.	524,000	4,000
47	M/S Sher Mohammad	665,223	4,000
48	M/S Shoib construction	6,885,000	18,000
49	M/S Star construction	14,422,550	25,000
50	M/S Tarpatar contractor	221,650	3,600
51	Malik Behraman	1,528,000	6,000
52	Masoom khan	352,000	3,600
53	Masroor Ahmad	1,020,000	6,000
54	Mohammad Tahir	698,000	4,000
55	Mohd Zahir	386,000	3,600
56	Nazamin khan	28,244,915	30,000
57	New Barawal Construction.	1,351,351	6,000
58	New Khan Builder	2,800,000	18,000

59	New painda khel.	3,081,000	18,000
60	Nusrat Ghafoor.	600,000	4,000
61	O.K construction	15,895,734	25,000
62	Rabbat construction.	2,800,000	18,000
63	Rahman construction.	2,782,000	18,000
64	Saeed Ullah	1,000,000	4,000
65	Said Arif& Co	2,500,000	6,000
66	Salih construction	533,000	4,000
67	Shaheen construction.	908,900	4,000
68	Sher Mohammad	698,000	4,000
69	Shoib construction.	21,669,000	25,000
70	Sultan uddin	392,000	3,600
71	Syed Jawad Ali shah	10,362,020	25,000
72	Syed Rahim Shah	24,370,000	25,000
73	Taj Mohammad.	622,000	4,000
74	Tilla Mohammad	1,800,000	6,000
75	Ubaidur Rahman	6,786,650	18,000
76	Umer Zada	9,569,830	18,000
77	Usheraï construction.	2,055,961	6,000
78	Waqar Ahmad	2,000,000	6,000
79	Zubir khan	4,500,000	18,000
80	Israr ul HaQ	3,147,358	18,000
81	Room Khan Roghani	869,400	4,000
82	Anees Ullah	226,044	3,600
83	Tahir Mehmood	824,288	4,000
84	Tajjak Const	1,432,900	6,000
85	Nasib dar const	871,026	4,000
86	fahim jan	577,706	4,000
87	Arshad Ali	8,728,270	18,000
88	Anwar khan	511,825	4,000
89	Wari Const	247,641	3,600
90	Sardar muhammad	3,822,146	18,000
91	Sabir khan	375,850	3,600
	Total	386,560,210	1,032,600

Annexure-04
Para No. 1.3.1.1

Detail of Non imposition of penalty

S. No.	Name of schemes	Estimated Cost (Rs)	Expenditure (Rs)	10% Penalty (Rs)
1	Const: and Widening of road at Jailar Manz	1,000,000	991,013	100,000
2	PCC road n adoky	1,000,000	991,026	100,000
3	Const: and Widening of road at haji bahadar Korona	500,000	381,252	50,000
4	Const: and Widening of road at jelar koz kaly	1,000,000	988,664	100,000
5	Const: and Widening of road at safara adda	1,000,000	937,604	100,000
6	Const: and Widening of road at nasafa	500,000	492,463	50,000
7	Const: of PCC roadF naseer abad chappar	1,000,000	747,919	100,000
8	Const: and Widening of PCC road at shalfalam	1,000,000	921,747	100,000
9	DWSS Gogyal	200,000	161,490	20,000
10	PCC road dogram kafayat koroona	500,000	120,843	50,000
11	Const: and Widening of PCC road atKashar Khan Shaga	100,000	100,000	10,000
12	Street at babo	500,000	455,451	50,000
13	DWSS Sundal	200,000	161,490	20,000
14	Const: wid/PCC road bilal Colony Wari	500,000	500,000	50,000
15	PCC Road Bagh Manzai	1000000	989841	100,000
16	PCC road khwar Chappar	500,000	445,000	50,000
17	DWSS at doryal	200,000	200,000	50,000
18	DWSS Kashimary Nehag and Manzai	300,000	229,388	30,000
19	Road at kasono	500,000	500,000	50,000
20	DWSS sankore	200,000	168,217	20,000
21	PCC road Qunjay bala payeen	1,000,000	996,834	100,000
			Total	1,300,000

Annexure-05
Para No. 1.3.1.3

Detail of Non deduction of income tax

S. No.	Name of schemes	Estimated Cost (Rs)	Expenditure (Rs)	7% Income Tax (Rs)
1	Const: and Widening of road at Bagh	1,000,000	989,841	70,000
2	PCC road Malik Shamandroz korona	500,000	425,146	35,000
3	Const: and Widening of road at luqman Banda	1,000,000	928,827	70,000
4	PCC road n adoky	1,000,000	991,026	70,000
5	PCC road Marawar Shidyal	500,000	499,967	35,000
6	Const: of road at chindog	500,000	339,037	35,000
7	PCC road dogram kafayat koroona	500,000	120,843	35,000
8	DWSS serai	300,000	267,000	21,000
9	DWSS Ghoz Banda	150,000	150,000	10,500
10	DWSS Gampal	150,000	150,000	10,500
11	DWSS at Nishani daroki	200,000	200,000	14,000
12	Const: and Widening of PCC road atKashar Khan Shaga	100,000	100,000	70,000
13	Street at babo	500,000	455,451	35,000
14	Const: wid/PCC road bilal Colony Wari	500,000	500,000	35,000
15	DWSS at talaw	200,000	200,000	14,000
16	DWSS at Badali	100,000	100,000	7,000
16	DWSS at Mohammad Banda	100,000	100,000	7,000
17	PCC road Malakano Banda	200,000	155,600	14,000
18	DWSS shah Murad	150,000	150,000	10,500
19	PCC road Ashary	1,200,000	1,131,306	84,000
20	DWSS at Marano China	200,000	176,000	14,000
21	Widing of Sasiq Abad Road	300,000	267,000	21,000
22	DWSS Karbadi, Galkore	200,000	148,030	14,000
23	DWSS UC Akhagram	30,000	30,000	2,100
24	Const: of road at Batan to karkabanj	500,000	480,200	35,000
25	Const: widening PCC road umar janay danway kalay	500000	499,950	35,000
26	PCC road khwar Chappar	500,000	445,000	35,000

27	PCC road at shikawlai	500,000	48,967	35,000
28	Const: of road at batan baila	500,000	445,000	35,000
29	Const: wid/PCC road at Bagh Minz kalay	500,000	499,000	35,000
30	DWSS at doryal	200,000	200,000	14,000
31	Const: wid/PCC road at kharposi to below	1,000,000	1,000,000	100,000
32	Road at kasono	500,000	500,000	35,000
33	DWSS sankore	200,000	168,217	14,000
34	Const: wid of road kandaro chapper	1,500,000	1,500,000	105,000
35	PCC road Qunjay bala payeen	1,000,000	996,834	70,000
36	Const: wid of road at adokay kalay	1,000,000	801,275	70,000
37	PCC road R/Wall at soro mamsoo	400,000	400,000	28,000
38	Const: wid of road at adokay kalay	100,000	100,000	28,000
39	DWSS Kamala	100,000	100,000	7,000
Total		18,580,000	16,759,517	1,414,600

Annexure-06
Para No.1.4.1.1

Detail of overpayment

S.N	Item of work	Qty	Rate Paid	Rate Adm	diff	Over Payment (Rs)
1	Shingle Gravel Formation	500	375	337	38	19,000
	Jumper	500	609	548	61	30,500
						49,500
2	Shingle Gravel Formation	3500	375	337	38	133,000
	Jumper	2815	609	548	61	171,715
	Excavation in foundation	25	238	225	13	325
	PCC 1:3:6 50%	121	4,006.40	3,860.32	146.08	17,676
	Total					322,716
3	cutting Excavation	70.65	238	225	13	918
	RCC 1:2:4	6	9074	8,710	364	2,184
	steel	0.425	121899	103,529	18370	7,807
	GIPipe 1 1/2	250	752.95	638.51	114.44	28,610
	Gipipe 1/2	985	262.65	216.37	46.28	45,586
	PCC 1:3:6 30%	38.5	4739	4,588.93	150.07	5,778
	PCC 1:2:4	2.5	6997	6,758.12	238.88	597
	HDPE pipe 32 mm	700	192.84	178.95	13.89	9,723
	25mm	5260	164.82	115.92	48.9	257,214
	20mm	6580	144.81	107.91	36.9	242,802
	Total					601,219
4	RCC 1:2:4	0	9074	8,710	364	-
	GIPipe 1	50	463.08	392.44	70.64	3,532
	PCC 1:3:6 30%	30.8	4739	4,588.93	150.07	4,622
	RCC 1:2:4	4	9074	8,710	364	1,456
	steel	0.26	121899	103,529	18370	4,776
	HDPE pipe 32 mm	200	192.84	178.95	13.89	2,778
	25mm	4445	164.82	115.92	48.9	217,361
	20mm	3180	144.81	107.91	36.9	117,342

	Total					351,867
5	RCC 1:2:4	1	9074	8,710	364	364
	GIPipe 1		463.08	392.44	70.64	-
	PCC 1:3:6 30%	7.7	4739	4,588.93	150.07	1,156
	RCC 1:2:4		9074	8,710	364	-
	steel	0.065	121899	103,529	18370	1,194
	HDPE pipe 32 mm	2225	192.84	178.95	13.89	30,905
	25mm		164.82	115.92	48.9	-
	20mm		144.81	107.91	36.9	-
	Total					33,619
6	PCC 1:3:6 30%	50	4739	4,588.93	150.07	7,503
	RCC 1:2:4	15	9074	8,710	364	5,460
	steel	1.15	121899	103,529	18370	21,126
				Total		34,089
7	cutting Excavation		238	225	13	-
	RCC 1:2:4	1	9074	8,710	364	364
	steel	0.065	121899	103,529	18370	1,194
	GIPipe 1 1/2	40	752.95	638.51	114.44	4,578
	Gipipe 1/2	33	262.65	216.37	46.28	1,527
	PCC 1:3:6 30%	7.7	4739	4,588.93	150.07	1,156
	PCC 1:2:4		6997	6,758.12	238.88	-
	HDPE pipe 32 mm		192.84	178.95	13.89	-
	25mm	500	164.82	115.92	48.9	24,450
	20mm	4410	144.81	107.91	36.9	162,729
				Total -7		195,997
	Shingle Gravel Formation	1700	375	337	38	64,600
	Jumper	870	609	548	61	53,070
	PCC 1:3:6 50%	239	4,006.40	3,860.32	146.08	34,913
9	RCC 1:2:4	43	9074	8,710	364	15,652
	steel	4.5	121899	103,529	18370	82,665
	PCC 1:3:6 30%	20	4739	4,588.93	150.07	3,001
				Total		253,902

10	PCC 1:3:6 50%	20	4,006.40	3,860.32	146.08	2,922
	Boulder soling	23	1,996.69	1,676.39	320.3	7,367
	PCC 1:2:4	24	6997	6,758.12	238.88	5,733
	Total					16,022
11	PCC 1:3:6 30%	63	4739	4,588.93	150.07	9,454
	Total					9,454
12	Shingle Gravel Formation	200	375	337	38	7,600
	Jumper	200	609	548	61	12,200
	PCC 1:3:6 50%	47	4,006.40	3,860.32	146.08	6,866
						26,666
14	PCC 1:3:6 50%	150	4,006.40	3,860.32	146.08	21,912
	RCC 1:2:4	45	9074	8,710	364	16,380
	steel	3.55	121899	103,529	18370	65,214
	Total					103,506
	Shingle Gravel Formation	3000	375	337	38	114,000
	Jumper	2150	609	548	61	131,150
	PCC 1:3:6 50%	292	4,006.40	3,860.32	146.08	42,655
13	RCC 1:2:4	2.37	9074	8,710	364	863
	steel	0.183	121899	103,529	18370	3,362
	PCC 1:3:6 30%		4739	4,588.93	150.07	-
Total -13					292,030	
G. Total					2,290,586	

Annexure-07
Para No. 1.5.1.1

Detail expenditure without TS

S.No	Name of Scheme	E/Cost	Expenditure
1	Shingal Road at Junkai	1,500,000	1172224
2	Cont of poice post at Doog Dara	1,500,000	478523
3	Waidning of shonga maidan Road	2,000,000	1703176
4	Inst of Micro Hydle Power station	3,000,000	2058703
5	Shingal Road at Chatiagal Gishkhani sia	2,500,000	2298445
6	Shingal Road at Nari Khaar Goog Dara	1,500,000	1499660
7	Rehab of Jun Kass Brige	5,000,000	1,990,000
8	Shingal Roa t Chatiagal	2,500,000	2498310
9	Const of Wooden brige	1,200,000	662019
10	Shingal Road at Junkai	1,500,000	1496758
11	Ext of Madrassa Dala Tror	2,000,000	1998433
12	ext of Jamia Masjid Kalkot	2,000,000	1999956
13	Const of Jamia Masjid Lamoti & Masjid Thall	2,500,000	2498310
14	Masjid at mangala Rimal	3,200,000	3198576
15	PCC Road Tengisar & Pitaw tengisar	1,100,000	1,092,000
16	DWSS Shiringal	900,000	898645
17	DWSS Banjo	3,100,000	2,690,600
	Total	37,000,000	30,234,338

Annexure-08
Para No.1.5.1.2

Detail of Overpayment

Name of scheme	Item of works	Qty	rate paid	rate addm	diff	O/Paid Amount
Shingal Road at Junkai	Shingle Gravel Formation	1670	375	337	38	63,460
	Jumper	1450	609	548	61	88,450
						-
Protection wall at Badar kanai wazir korona	Excavation in foundation	34	238	225	13	442
	PCC 1:3:6 50%	120	4,006.40	3,860.32	146.08	17,530
						-
Play Groud Duru	PCC 1:3:6	81	6,172.00	5,861.00	311	25,191
	Excavation	124.5	299.84	214	85.84	10,687
Repair of June Kass Bridge	Bad Clearance	375	250	139	111	41,625
	PCC 1:4:8	50	4700	5,090	-390	(19,500)
	RCC 1:2:4	122	9360	8,710	650	79,300
	steel	28	110000	103,529	6471	181,188
	Back filling	543	300	103	197	106,971
	PCC 1:3:6 40%	58	4200	4,200	0	-
						-
Const of Masjid at Mangala Rimal	Excavation	13.6	236	214	22	299
	Bad Clearance	0	250	139	111	-
	PCC 1:4:8	3.4	6944	5,090	1854	6,304
	RCC 1:2:4	130.5	9006.97	8,710	296.97	38,755
	steel	16.5	120990	103,529	17461	288,107

						-
Const of Jamia Masjid Lamoti & Masjid Thall	Excavation	9.06	320	214	106	960
	Bad Clearance	0	250	139	111	-
	PCC 1:4:8	2.26	4000	5,090	-1090	(2,463)
	RCC 1:2:4	85.5 8	9950	8,710	1240	106,119
	steel	13.5	121100	103,529	17571	237,209
	Excavation	9.06	280	214	66	598
Extension of madrasa & Jamia Masjid Dala Tror	Bad Clearance	0	250	139	111	-
	PCC 1:4:8	2.26	7997	5,090	2907	6,570
	RCC 1:2:4	83.5 8	9194	8,710	484	40,453
		steel	9.84	122899	103,529	19370
Extension of Jamia Masjid kalkot	Excavation	9.06	267	214	53	480
	Bad Clearance	0	250	139	111	-
	PCC 1:4:8	2.26	4257	5,090	-833	(1,883)
	RCC 1:2:4	83.5 8	9406	8,710	696	58,172
	steel	9.84	122130	103,529	18601	183,034
						-
Shingal Road at Chatiagal Gishkhani sia	Shingle Gravel Formation	2547 .4	361	337	24	61,138
	Jumper	2447 .51	649	548	101	247,199
						-
Shingal Road at Nari Khaar Goog Dara	Shingle Gravel Formation	2000	400	337	63	126,000
	Jumper	1170	598	548	50	58,500
						-
DWSS At Shringal	20mm	5575	165	107.91	57.09	318,277

Pavt of street at Bisho	PCC 1:3:6 50%	190.45	5,000.00	3,860.32	1139.68	217,052
PCC Road Tengisar & Pitaw tengisar	Shingle Gravel Formation	600	400	337	63	37,800
	Jumper	550	540	548	-8	(4,400)
	Boulder soling	50	1,500.00	1,676.39	-176.39	(8,820)
	PCC 1:2:4	60	8000	6,758.12	1241.88	74,513
Shingal Road at Chatiagal	Shingle Gravel Formation	2480	361	337	24	59,520
	Jumper	2470	649	548	101	249,470
Const of irregation chennel Lamotai	PCC 1:3:6 30%	60	5000	4,588.93	411.07	24,664
	PCC 1:2:4	10.8	6218	6,758.12	-540.12	(5,833)
	cutting	80	400	337	63	5,040
						3,395,227
DWSS Banjo	25mm	7730	160	115.92	44.08	340,738
	20mm	9700	150	107.91	42.09	408,273
						749,011
G. Total						3,957,787

Annexure-09**Para No.1.5.1.4****Detail of non deduction of Income tax**

S.No	Name of scheme	E/Cost	7% Income Tax
01	P/Wall Police post Lawati	200,000	14,000
02	P/wall aslam khan koroona Lawmotai	200,000	14,000
03	Stair at Daro Khan Korona Lamotai thall	200,000	14,000
04	Stair at Gear Khawar Gul Muhammad thall	100,000	7,000
05	Cont of water channel Qazi Shaib thall	100,000	7,000
06	DWSS Barikot	800,000	56,000
07		1,000,000	70,000
08	water pond at Dagal	250,000	17,500
09	water pond at Mohallah Khan Bahdar	300,000	21,000
10	Water chennel at Bail Patrak	500,000	35,000
11	water pond at chamkot	250,000	17,500
12	DWSS at chamkot Muhallah Ghlan kar	200,000	14,000
13	PCC road at Romal Shang	236,988	16,589
14	Cont of poice post at Doog Dara	478,523	33,497
15	Const of Latrin at Madrassa Junkass	362,623	25,384
16	Waidning of shonga maidan Road	2,000,000	140,000
17	waindning of Roat at M zeb Korona	256,120	17,928
18	Pavt of street at Akbar said korona	199,799	13,986
19	Pavt of street at shamul islam korona	100,000	7,000
20	DWSS Jandri Brikot	700,000	49,000
21	Inst of Micro Hydle Power station	2,058,703	144,109
22	DWSS Besho	458,745	32,112
23	Const of water pond at Baran khell patrak	200,000	14,000
24	Const of Road Shamshi Khan Korona Dad Banr	500,000	35,000
25	Non deduction of Itax	1,500,000	105,000
26	Repair of June Kass Bridge	1,990,000	139,300

27	Masjid at mangala Rimal	3,198,576	223,900
28	Shingal Roa t Chatiagal	2,498,370	174,886
29	Ext of Madrassa Dala Tror	1,998,433	139,890
30	Shingal Road at Chatiagal Gishkhani sia	2,298,445	160,891
31	Shingal Road at Nari Khaar Goog Dara	1499660	104,976
32	Pavt of street Besho	898,524	62,897
33	DWSS Shringal	898,645	62,905
34	Const of Wooden brige	662019	46,341
35	Shingal Road at Junkai	1,496,758	104,773
36	ext of Jamia Masjid Kalkot	1,999,956	139,997
37	Const of Jamia Masjid Lamoti & Masjid Thall	2,498,370	174,886
38	Rwall Makoodgat Bsto khwar	87,020	6,091
39	PCC Road Tengisar & Pitaw tengisar	1,092,000	76,440
40	DWSS kass Mirza Haji Korona	200,000	14,000
41	DWSS Kumrat Kamin Fath Korona	200,000	14,000
42	Const of wid of shmga Maidan road	1,703,000	119,210
43	Pav/wid of Nagir Road	256,000	17,920
44	Pav of street Baizinil	200,000	14,000
45	Pavt of street Baizinil	100,000	7,000
46	Const of Road Danbanar	500,000	35,000
47	Pavt of street at Banal Khela	300,000	21,000
48	DWSS Banjo	2,690,600	188,342
49	Const of Public Latrin Kalkot	531,880	37,232
	Total	42,949,757	3,006,483

Annexure-10
Para No.1.5.2.1

Detail of non imposition of penalty

Name of work	E/Cost	dat of w/o	time	completion date	penalty
Cont of poice post at Doog Dara	1,500,000	19.7.16	6	in progress	150,000
Waidning of shonga maidan Road	2,000,000	2.9.16	30.6.17	in progress	200,000
DWSS Banjo	3,100,000	24.8.16	6	in progress	310,000
DWSS Jandri Brikot	1,000,000	1.6.16	6	24.1.17	100,000
Inst of Micro Hydle Power station	3,000,000	9.5.16	3	in progress	300,000
Cosnt of PCC Road Kalan bala	500,000		6	6.12.16	50,000
DWSS Besho	700000	08.6.15	6	23.6.16	70,000
Const of watajat bawar	300,000	13.8.15	6	16.3.17	30,000
Rehab of Jun kass Bridge	5,000,000				500,000
Const of Wooden brige	1,200,000	2.8.16	6	in progress	120,000
Rwall Makoodgat Bsto khwar	600,000	2.8.16	6	in progress	60,000
S/Road Dilatalal	500,000	20.6.16	6	NYS	50,000
Path at Cheshma Daim Barikot	500,000	14.12.15	6	20.3.17	50,000
Const of bridge Nangira	300000	18.1.16	6	19.12.16	30,000
Total					2,020,000

Annexure-11
Para No.1.2.5.1

Detail of loss to Government

S.No	Name of scheme	ADP No.	Estimated cost (Rs0	Rate offered by contractor	Name of contractor	Rate offered by contractor	Name of contractor	Diff	Loss (Rs)
2	Pav of street CO Nadar Khan	DADP	500,000	0.28	Wari Const	0.11	Armaghan	0.17	85,000
3	deffrent scheme in UC Swani	DADP	3,000,000	0.28	Arshad Ali Jan	0.10	S Jawad	0.18	540,000
4	Cost repair of work at DC Camp office	DADP	1,000,000	0.0092	Tahir Mehmood	0.0921	tahir m	0.08	82,900
5		TADP	1,800,000	1,278,440	Armaghan	1,652,000	Khyber const		373,560
Total			5,200,000	3,685,945		5,053,429			1,081,460