



**AUDIT REPORT  
ON THE ACCOUNTS OF  
TEHSIL MUNICIPAL ADMINISTRATIONS  
DISTRICT KOHISTAN  
KHYBER PAKHTUNKHWA**

**AUDIT YEAR 2017-18**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS AND ACRONYMS**

ADP	Annual Development Plan
AIR	Audit & Inspection Report
CSR	Composite Schedule of Rate
CTR	Central Treasury Rules
DAC	Departmental Accounts Committee
DC	Deputy Commissioner
DDO	Drawing and Disbursing Officer
GFR	General Financial Rules
IPSAS	International Public Sector Accounting Standards
KP	Khyber Pakhtunkhwa
KPPRA	Khyber Pakhtunkhwa Public Procurement Regulatory Authority
LGA	Local Government Act
LGE&RDD	Local Government Election and Rural Development Department
MFDAC	Memorandum for Departmental Accounts Committee
MRS	Market Rate System
PAO	Principal Accounting Officer
PAC	Public Accounts Committee
PC-I	Planning Commission Proforma-I
RDA	Regional Directorate of Audit
WSS	Water Supply Scheme
ZAC	Zilla Accounts Committee

## **Preface**

Articles 169 &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, requires the Auditor-General of Pakistan to conduct audit of the receipts and expenditure of Local Fund of Tehsil / Town Municipal Administrations.

The report is based on audit of the accounts of TMAs in District Kohistan for the financial year 2016-17. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa 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 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 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 were not 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 Abbottabad, on behalf of the DG District Governments Audit, Khyber Pakhtunkhwa carries out the audit of Six District Governments, TMAs and VCs/NCs of six districts i.e. Abbottabad, Mansehra, Haripur, Battagram, Kohistan and Tor Ghar respectively.

The Regional Directorate of Audit Abbottabad has a human resource of 10 officers and staff with a total of 2,250 mandays. The annual budget amounting to Rs 16.695 million was allocated to the RDA during financial year 2017-18. The directorate is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audit of programs and projects.

Tehsil Municipal Administrations, Kohistan i.e. Dasso, Palas, Pattan and Kandia 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 and Town Administration. Annual budget is authorized by the Tehsil Council in the form of budgetary grants.

### **a. Scope of Audit**

The total expenditure of the 04 TMAs of District Kohistan for the financial year 2016-17 was Rs 27.776 Million. RDA Abbottabad audited entire expenditure of Rs 27.776 million which, in terms of percentage, was 100% of auditable expenditure.

The receipts of the TMAs, District Kohistan for the financial year 2016-17 were nil.

**b. Recoveries at the instance of audit**

Recovery of Rs 9.917 million was pointed out during the audit. However, no recovery was affected till finalization of this report.

**c. Audit Methodology**

Audit was conducted after understanding the business processes of TMAs, with respect to their functions, 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. Irregularities & non-compliance were noticed in seven cases amounting to Rs 226.089 million.<sup>1</sup>
- ii. Internal control weaknesses were noticed in two cases amounting to Rs 56.365 million.<sup>2</sup>

**g. Recommendations**

- I. Enquiries on urgent basis to be initiated to stop the practice of violation of the rules and regulations in spending the public money.
- II. Deduction of income tax from contractors needs to be ensured.
- III. Recoveries of overpayments should immediately be made.
- IV. Revenue branch should be made functional to generate revenue.
- V. All sectors of TMAs need to strengthen internal controls i-e financial, managerial, operational, administrative and accounting controls to ensure that reported lapses are preempted and fair value for money is obtained from public spending

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<sup>1</sup> Para 1.2.1.1, 1.2.2.1, 1.2.2.2, 1.3.1.1, 1.3.1.2,1.3.1.3,1.5.1.1

<sup>2</sup> Para 1.2.1.3, 1.4.2.1,

## SUMMARY TABLES & CHARTS

### I: Audit Work Statistics

(Rs in million)

S. No	Description	No.	Budget
1	Total Entities (PAO) in Audit Jurisdiction	04	27.776
2	Total formations in audit jurisdiction	04	27.776
3	Total Entities(PAO) Audited	04	27.776
4	Total formations Audited	04	27.776
5	Audit & Inspection Reports	04	27.776
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

### II: Audit Observation Classified by Categories

(Rs in million)

S. No.	Description	Amount Placed under Audit Observation
1.	Unsound asset management	-
2.	Weak financial management	226.089
3.	Weak Internal controls relating to financial management	56.365
4.	Others	-
	<b>Total</b>	<b>282.454</b>



### III: Outcome Statistics

(Rs in million)

S. No	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total for the year 2017-18	Total for the year 2016-17
1.	Outlays Audited		6.748		21.028	27.776	65.225
2.	Amount Placed under Audit Observation /Irregularities of Audit		275.191		7.263	282.454	12.511
3.	Recoveries Pointed Out at the instance of Audit		10.761		1.00	11.761	4.751
4.	Recoveries Accepted /Established at the instance of Audit	-	-	-	-	-	-
5.	Recoveries Realized at the instance of Audit	-	-	-	-	-	-

\* The observations are based on procedural violations by TMAs in respect of funds allocated for previous year whose schemes were ongoing during the year under audit as well as the expenditure relating to the financial year 2015-16. Therefore the amount placed under observation exceeds the amount audited.

**IV: Table of Irregularities pointed out****(Rs in million)**

<b>S. No</b>	<b>Description</b>	<b>Amount Placed under Audit Observation</b>
1.	Violation of Rules and regulations, principle of propriety and probity in public operation	226.089
2.	Report cases of fraud, embezzlement, thefts and misuse of public resources.	-
3.	Accounting Errors (accounting policy departure from NAM <sup>3</sup> , 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 weakness of internal control systems.	56.365
5.	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies	-
6.	Non production of record	-
7.	Others, including cases of accidents, negligence etc.	-
	<b>Total</b>	<b>282.454</b>

**V: Cost Benefit Ratio****(Rs in million)**

<b>S #</b>	<b>Description</b>	<b>Amount</b>
1	Outlays Audited (item 1 of Table 3)	602.014
2	Expenditure on audit	200,000
3	Recoveries realized at the instance of audit	0
	Cost-Benefit Ratio	1:0

<sup>3</sup>The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan which are IPSAS (Cash).

## **1. CHAPTER – 1**

### **1.1 Tehsil Municipal Administrations, District Kohistan**

#### **1.1.1 Introduction**

District Kohistan has four TMAs, Dassu, Pattan, Palas and Kandia. Each TMA office is managed by a Tehsil Municipal Officer. Each TMA has its own Tehsil Officer (Finance), Tehsil Officer (Infrastructure) and Tehsil Officer (Regulation). According to 2017 population census, the population of District Kohistan is 784,711.

**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.

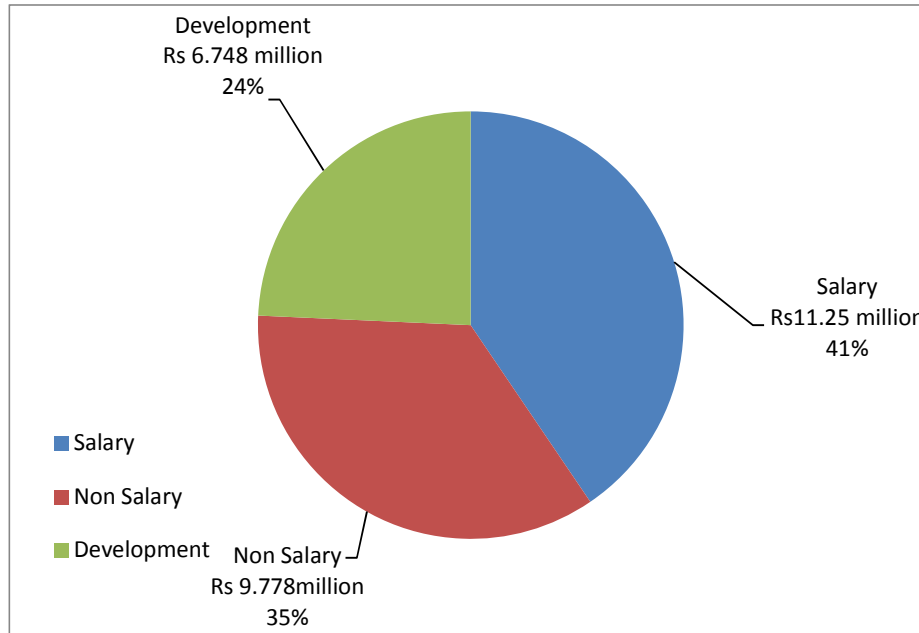
#### **1.1.2. Comments of budget and accounts 2016-17 (Variance analysis)**

The budget and expenditure position of Tehsil Municipal Administrations in District Kohistan for the year 2016-17 is as under:

<b>Rs in million</b>				
<b>2016-17</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Excess/( Saving)</b>	<b>%age</b>
Salary	18.381	11.25	(7.131)	38.795
Non-salary	209.033	9.778	(199.255)	95.322
Developmental	374.6	6.748	(367.852)	98.199
<b>Total</b>	<b>602.014</b>	<b>27.776</b>	<b>(574.238)</b>	<b>95.386</b>

The saving of Rs 574.238 million indicates weakness in the capacity of the local institution to utilize the allocated budget.

### Expenditure 2016-17



#### 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 Kohistan 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.

Local Bodies Elections were not conducted in District Kohistan and therefore Tehsil Accounts Committee was not notified.

**TEHSIL MUNICIPAL ADMINISTRATION  
DASSU**

## **1.2 Audit Paras of Tehsil Municipal Administration Dasso**

### **1.2.1 Irregularities / Non-Compliance**

#### **1.2.1.1 Blockage / Wastage of Government funds – Rs102.766 million**

According to District Government KPK Rules of Business 2015, Second Schedule Section-1(d)(i) that Planning and Development Section of Deputy Commissioner will be responsible for preparation, implementation, monitoring and evaluation of District Annual Development Program in co-ordination with District Offices.

Tehsil Municipal Officer, Dasso failed to utilize developmental funds amounting Rs 102.766 million during the year 2016-17 as per detail given below:

<b>S. No</b>	<b>Particulars</b>	<b>Amount</b>
01.	Annual Developmental Plan (ADP)	102,766,000

These funds were released during the year but were not utilized till the dates of audit. As a result the government money remained blocked and the community deprived of the basic facilities.

Blockage of ADP funds occurred due to weak financial and managerial control.

The irregularity was pointed out in February 2018. Management stated that detailed reply would be furnished after consultation of record. The reply was not tenable as the funds should have been utilized in time.

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

Audit recommends investigation and action against responsible.



**1.2.1.2 Non-adjustment / deduction of Income Tax –Rs 1.408 million**

According to Notification No. SO(Dev-II) FD/12-6/2012-13 dated Peshawar the 20<sup>th</sup> June, 2013 of Finance Department, Government of Khyber Pakhtunkhwa” It has been observed that the cost estimates of those developmental schemes which fall in the tax exempted area like PATA are also framed on the same CSR/MRS without adjustment of non-deductible Income Tax in those areas. The payment to contractors on CSR/MRS basis with inbuilt provision of Income Tax without adjustment in their invoices is overpayment by the amount equal deductible Income Tax”.

Tehsil Municipal Officer, Dassu paid an amount of Rs 18.778 million to different contractors for execution of various developmental schemes during the year 2016-17. Detail is given at Annexure-2

However, Income Tax @7.5% amounting to Rs 1.408 million was not deducted from the contractor’s bills.

Audit observed that non-adjustment / deduction of Income Tax occurred due to weak financial and managerial control.

The irregularity was pointed out in February 2018. Management stated that detailed reply would be furnished after consultation of record. The reply was not tenable as income tax should have been deducted.

Request for DAC meeting was made in March 2018, however, meeting of DAC could not be convened till finalization of this Report.

Audit recommends recovery and action against the persons at fault.

### **1.2.1.3 Irregular award of developmental schemes – Rs20.175 million**

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

Tehsil Municipal Officer TMA Dassu allocated Rs20.175 million for various developmental schemes, during 2016-17. Amount allocated for each scheme was less than the minimum limit of allocation in violation of above mentioned criteria. Allocation of funds was therefore held unauthorized and wastage of public money. Detail is given at Annexure- 3.

Audit observed that the irregularity occurred due to violation of Government instructions.

The irregularity was pointed out in February 2018. Management stated that detailed reply would be furnished after consultation of record. The reply was not tenable as the amount allocated was less than the required limit.

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

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

**AIR No 05/TMA Dassu/2016-17**

## **1.2.2 Weak Internal Control**

### **1.2.2.1 Non-imposition of penalty -Rs1.844 million**

Clause 2 of the standard contract agreement requires that penalty of 1% for each day of delay up to maximum of 10% of the estimated cost may be imposed on delayed works.

Tehsil Municipal Officer, Dasso awarded various developmental works for Rs.18.435 million to different contractors during 2016-17. However, the works were not completed within the stipulated period and are still in progress. Neither time extension was granted nor penalty @10% amounting to Rs.1.844 million was imposed and recovered from the contractors. Detail is given at Annexure - 4.

Undue favour was granted to the contractors by issuing defective work orders ranging from 1 to 2 years of time period for completion of works. However despite doing this the works were still found to be in completed.

Audit observed that non-imposition of penalty occurred due to weak internal control, which resulted in loss to government exchequer and the people of the area were deprived of the benefits of the schemes.

The irregularity was pointed out in February 2018. Management stated that detailed reply would be furnished after consultation of record.

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

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

**AIR No 02/TMA Dasso/2015-16**

**TEHSIL MUNICIPAL ADMINISTRATION  
PATTAN**

### **1.3 Audit Paras of Tehsil Municipal Administration Pattan**

#### **1.3.1 Irregularities / Non-Compliance**

##### **1.3.1.1 Non-utilization of PFC funds –Rs 91.387 million**

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

Finance department letter No. BO(PFC-III)/FD/TMA/ADP/2016-17 says that the amount shall be utilized only for developmental schemes/activities in accordance with guide lines issued by P&D Department and observance of all codal formalities.

TMO Pattan withdrawn a sum of Rs 91.387 million as 30% PFC for the financial year 2016-17 which was not utilized and the inhabitants of the locality were deprived of the basic facilities for which the amount was allocated. Detail is as under:

<b>S/No.</b>	<b>Installment</b>	<b>Amount in million</b>
1	1st	23.627
2	2nd	23.627
3	3rd	23.627
4	4th	20.506
<b>Total</b>		<b>91.387</b>

The irregularity occurred due to inefficiency of the management.

The irregularity was pointed out in February 2018. Management stated that detailed reply would be furnished after consultation of record. No reply was furnished till finalization of this report.

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

Audit suggests fixing responsibilities besides expedited utilization of funds to provide relief to the community.

**AIR No 01/TMA Pattan/2016-17**

### **1.3.1.2 Non-deduction of Income Tax –Rs 7.509 million**

Notification No. SO(Dev-II)/FD/12-6/2012-13 dated Peshawar the 20<sup>th</sup> June, 2013 of Finance Department, Government of Khyber Pakhtunkhwa provides, “It has been observed that the cost estimate of those developmental schemes which fall in the tax exempted area like PATA are also framed on the same CSR without adjustment of non deductible income tax in those areas. The payment to contractors on CSR basis with inbuilt provision of Income Tax without adjustment in their invoices is overpayment by the amount equal deductible Income Tax”.

TMO Pattan incurred expenditure of Rs100.121million on 99 developmental schemes during 2016-17. However income tax @ 7.5% amounting to Rs 7.509 million was not deducted.

Non-deduction of Income Tax occurred due to non-compliance and weak internal control system which resulted in loss to Government.

The irregularity was pointed out in February 2018. Management stated that detailed reply would be furnished after consultation of record. The reply was not tenable as CSR/MRS rates included provision for income tax and payment on lesser rates was required.

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

Audit recommends investigation, fixing responsibility and disciplinary action against person(s) at fault besides recovery under intimation to audit.

**AIR No 02/TMA Pattan/2016-17**

**1.3.1.3 Non-recovery of 2% property tax -Rs 1.00 million**

Para 38 and 26 of the General Financial Rules Volume I require each administrative department to see that the dues of the government are correctly and promptly assessed, collected and paid into Government Treasury.

TMO, Pattan prepared budget estimate of property tax of Rs. 1,000,000 for the financial year 2016-17. The said budget was approved by competent authority on 17-04-2017. The management did not recover 2% property tax which resulted in loss to Government.

Audit is of the view that management failed to achieve the desired objective for recovery of Property Tax.

The irregularity was pointed out in February 2018. Management stated that the reply will be furnished after consultation of record. The reply was not tenable as property tax should have been recovered.

Request for convening DAC meeting was made in March 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 No 11/TMA Pattan/2016-17**

## **1.4.2 Weak Internal Control**

### **1.4.2.1 Irregular drawl & disbursement of pay & allowances - Rs 6.263 million**

i) Finance Department Letter No. FA/FD/1-14/2007/Salaries dated Peshawar, the 10/5/2007 says, “that with effect from 01-07-2007 salaries of all Provincial and District Employees in the NWFP, in BPS-5 and above shall be disbursed in the manner, prescribed by the Auditor General of Pakistan, in Para 4-6-3 of Accounting Policies and Procedures Manual (APPM) of New Accounting Model (NAM) by direct credit/transfer to the employees nominated Bank Accounts”.

ii) Para 4.6.3 of APPM states that employees shall be paid by direct credit into their bank account regardless of their grade level.

TMO Pattan paid Rs 6,263,441 on account of pay & allowances of employees during 2016-17. It was observed that the amount was drawn and disbursed through DDO instead of crediting into the bank accounts of concerned employees and also the acquittance roll was not available on record.

The irregularity occurred due to non-compliance of rules and regulations.

The irregularity was pointed out in February 2018. Management stated that detailed reply would be furnished after consultation of record.

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

Audit recommends inquiry/recovery and salaries of employees should be directly credit/transfer to the employees nominated Bank Accounts immediately.

**AIR No 03/TMA Pattan/2016-17**



**TEHSIL MUNICIPAL ADMINISTRATION  
KANDIA**

## 1.5 Audit Paras of Tehsil Municipal Administration Kandia

### 1.5.1 Irregularities / Non-Compliance

#### 1.5.1.1 Unnecessary blockage of government money - Rs 50.102 million

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

Tehsil Municipal Officer, Kandia received various developmental grants amounting to Rs50,101,908 for execution of developmental works during the financial year 2016-17 as per detail given below:-

S. No	Head of Account	Budget	Funds Utilized	Balance Unutilized
1.	ADP 30% PFC	35,306,000	0	35,306,000
2.	District Development Fund received from DC (Kohistan)	14,795,908	0	14,795,908
	<b>Total:</b>	<b>50,101,908</b>	<b>0</b>	<b>50,101,908</b>

However the local office failed to utilize the funds, as a result the local community deprived of the basic facilities. This state of affairs shows that budget estimates are prepared without any future forecasting which resulted in unnecessary blockage of money.

Audit observed that unnecessary blockage of money occurred due to weak financial control.

The irregularity was pointed out in February 2018. Management stated that due to non-setup of local Government system in the District Kohistan and

newly established TMA Kandia the fund could not be utilized without guideline of Provincial Government. The reply was not tenable as the funds could be utilized in the light of ADP guidelines 2015.

Request for DAC meeting was made in March 2018, however, meeting of DAC could not be convened till finalization of this Report.

Audit recommends utilization of funds under intimation to audit.

**AIR Para No 01 TMA Kandia (2016-17)**

## ANNEXURE

### Annex-1

#### Detail of MFDAC Paras

(Rs in million)

AIR No	Department	Caption	Amount
06	TMA Dassu	Recurring loss in millions due to non - recovery of taxes.	0
07	TMA Dassu	Overpayment due to allowing higher rates	0.485
08	TMA Dassu	Non-deposit of Stamp Duty	0.142
04	TMA Pattan	Non-adjustment of advance	0.295
08	TMA Pattan	Doubtful expenditure	0.108
<b>Total</b>			<b>1.03</b>

**Annex-2**

**Para No. 1.2.1.2**

**Detail of non-deduction of income tax**

<b>S.No</b>	<b>Name of Scheme</b>	<b>Estimated Cost</b>	<b>Expenditure Incurred</b>	<b>Income Tax @7.5%</b>
1	PP/PK 63 ADP No.557/150182	7000000	5,395,766	404,682
2	DDI/PK 63 ADP No.762/150720	7000000	4,830,232	362,267
3	CMD/PK 63 ADP No.756/150180	7000000	3,707,267	278,045
4	CMD/PK 63 ADP No.756/150180	3015000	1,574,584	118,094
5	PP/PK 63 ADP No.757/150182	3015000	1,560,997	117,075
6	DDI/PK 63 ADP No.762/150720	3015000	1,710,151	128,261
	<b>Total:</b>	<b>30045000</b>	<b>18,778,997</b>	<b>1,408,424</b>

**Annex-3**  
**Para No. 1.2.1.3**

**Detail of schemes less than 0.500 million**

<b>S.No</b>	<b>Name of scheme</b>	<b>Allocation</b>
1	Water Supply Pipe 2 Inch Shartgut.	400,000
2	Water Channel Chochang Shartgut.	300,000
3	Water Pond Shartgut Chochang.	200,000
4	Water Channel Gujara Banda Jail Ghani Abad.	250,000
5	Installation of Solar System at Mustahan Abad Bar Muslim Kot.	300,000
6	Water Supply Gayal Bar Galito Muhammad jan Abad Seo.	150,000
8	MHP 10 KV at Shaha Yaseen Abad.	265,000
9	Water Supply Chochang Abdul Sattar Abad.	200,000
10	Installation of Solar System at Shokisari Sobab Noor Abad.	215,000
11	Remaining work or Madrasa Haditul Quraan Bar Komila.	235,000
12	Remaining work of Masjid Faqoe Bela Kuz Komila.	300,000
13	Const: of Masjid Soar Banda Sirkhan Khail Seo Bagah U/C Kuz Purwa.	300,000
14	Const: of Masjid Dhar Seo Molana Abdul Qudoos Abad.	100,000
15	Const: of Masjid and Hujra Joeshain Supo Valley Khokhail Abad.	300,000
16	Const: of Masjid Dhar Seo Amin Abad.	250,000
17	Const: of Remaining work Masjid Molana Gul Sher near Komila Bridge.	200,000
18	Const: of Masjid Bar Ochooe U/C Goshali.	250,000
19	Const: of Masjid Gohar Abad Seo.	300,000
20	Const: of Masjid at Kuch Seo.	100,000
21	Const: of Masjid Karosair Boi Khail Abad.	250,000
22	Const: of Shaki Sair Bariyar.	265,000
23	Const: of Masjid Zahoor Dali Seo.	200,000
24	Const: of Water Pond Ghulamullah Abad Kuz Ramal.	200,000
25	Construction of mosque at kuz Chuchang	250000
26	Remaining work on mehran abad churto mosque CGI sheets etc	320000
27	Construction of mosque at Jail Baik Uchaar GUL Zaman abad	176887
28	Remaining work on Madarsa jalkot Village Molana Sakhi Abad.	370000
29	Construction of Mosque at Mesri Banda Ajmera.	225000
30	Construction of Mosque at Sher Zada Abad Khushi Butkhail.	140000
31	Construction of Mosque at Kuz Kantel Sikandar Abad.	207956
32	Construction of Madarsa at Teyal shamat Khail.	92107
33	Construction of Madarsa at Malik Sikandar Abad butkhail.	225000

34	Construction of Mosque at Bar Muslim Kot Haider Abad.	150000
35	Construction of Mosque at Sikandar Abad Jhamra.	300000
36	Construction of Mosque at Taj Abad Village Sazeen.	150000
37	Construction of Mosque at Fazli Haq Abad Uchar.	150000
38	Construction of Madarsa at Taleemul Quran Seo Razika.	123367
39	Construction of Mosque at Kool Magool Boya Khail Abad.	150000
40	Rehabilitation of Mosque at Seeri Boya Khail Abad.	59512
41	Construction of Noor Masjid at DC Colony Road.	116226
42	Remaining Work on Mosque Molana Muzmil Shah Abad Churto.	150000
43	Rehabilitation of Mosque at Imran Abad Jalkot.	300000
44	Construction of Foot Path from Shaal to Kai Butkhail Abad.	129564
45	Construction of 03KV MHP at Kai Butkhail Abad.	80000
46	WSS Totul Abad largani.	112500
47	Construction of Mosque at Bagh Ashyal.	214821
48	Construction of Water Pond at Sher Afzal/Pir Dad Abad Bari Rango.	68646
49	Construction of Mosque at Muslim Kot Madan.	68646
50	Construction of Water Pond at Zia ul Haq Khan Kheli Dadair Seo	100000
51	Construction of Water Pond at Said Ghayas Abad Dadair Seo.	100000
52	Construction of Water Pond at Farooq Shah Abad Shar Razika.	100000
53	Rehabilitation of Water Pond at Essa Abad Ramal.	100000
54	Construction of Water Pond at Abdul Haleem Shah Abad Doga.	100000
55	Construction of Water Pond at Munir Abad Arphlai Seo.	100000
56	Construction of Water Pond at Abdul Hai Abad Ashyal.	100000
57	Construction of Water Pond at Shawunto Jee Gul Rehman Abad.	100000
58	Construction of Water Pond at Umar Abad Bar Chichar.	150000
59	Construction of Water Pond at Zebabad Dhokakhel Dadair Seo.	150000
60	Construction of Water Pond at Hijaab/Zardad Abad Gabar Seo.	100000
61	Installation of Faja and Amiz Abad 05 KV MHP Old Seo village.	200000
62	Installation 7KV MHP at Dhoka Khail Aeshan Seo Saifur Rehman.	350000
63	Installation of 3KV MHP at Zahir Shah Abad Sina Bair.	100000
64	Installation of 3KV MHP at Shah Jehan Abad Shamal.	100000
65	Installation of 7KV MHP at Rehman Abad Kai.	350000
66	Installation of 7KV MHP at Chaprun Sirkhan Khel	350000
67	Installation of 3KV MHP at jurykhel Damikhel Abdulla abad Kuz seeri Doga.	100000
68	Installation of MHPS 5KV Ahmad Kashbir.	150000
69	Installation of MHPS 5KV Yardad Abad Sirkhan Khel Shar.	150000
70	Installation of 3KV MHP at karim Abad Rango.	100000

71	Installation of 3KV MHP at Wakeel Abad Gayal Galto.	100000
72	Installation of 3KV MHP at Hijab Abad Kanda Zedkhar.	100000
73	Installation of 3KV MHPS at Jailan Abad Ashyal	150000
74	Installation of MHPS 5KV Zada Abad Dhoka Khel Dadair Seo.	150000
75	Construction of Protection Wall at Noshawan Abad Ramal.	100000
76	Construction of Protection Wall at Farmas Khan Abad Razika.	150000
77	Construction of Protection Wall at Kishwar Abad Bar Zedkhar.	150000
78	Construction of Protection Wall at Shein Abad Purwa Seo.	100000
79	Construction of Protection Wall at Toyab Abad Old village Seo.	150000
80	Construction of Protection Wall at Hakim Abad Aeshin Seo.	100000
81	Construction of Protection Wall at Hukmat Khan /Azat Noor Zedkhar.	100000
82	Construction of Kacha Foot Path at Seto to Seeri Shrinzada Abad.	100000
83	Extension of Kacha Road Ashyal.	100000
84	Rehabilitation of W/Channel at Kuz Chichar Dhoka Khel Abad.	200000
85	Construction of W/Channel and Rehabilitation of W/Pond at Gohar Wali Abad Ashyal.	200000
86	Const: of F/P Uchar Nalato Jail Gul Zaman Abad.	300,000
87	Const: of F/P Dodoi Soan Zara Abad.	300,000
89	Water Supply Khoshi Fazan Abad Pipe 1 Inch	200,000
90	Water Channel Uchar Fazal Rehman Abad.	300,000
91	Water Supply Sifat Abad Komila Bt Khail Pipe 1 Inch	200,000
92	Water Channel Char Uchar Zia ur Rehman Abad.	250,000
93	Const: of Masjid Seglo Uchar Umer Khan Abad.	250,000
94	Const: of Masjid Soeen Uchar Yaha Abad.	300,000
95	Protection Band near RHC Dassu Gul Zaman Abad.	300,000
96	Water Supply Uchar Molana Saeedullah Abad.	300,000
97	Water Channel Koroshair Boi Khail Wakeel Abad.	200,000
98	MHP at Vatari 5 KV	115,000
99	Protection Wall Falak Abad Gojar Banda Gabar Valley	300000
100	2 No 3KV MHPS at Saidan Abad UC Barjalkot.	300000
101	Water Supply Scheme at Zareen Abad Modori Gabar Valley.	300000
102	Const: of Masjid at Haray Supat Valley.	200000
103	Const: of Madarsa at Baja UC Bariyar.	500000
104	Water Supply Scheme at Shannorullah Abad Kuz Gaheen.	300000
105	Const: of Water Channel at Jail Back Hijab Abad Bak UC Goshali.	200000
106	5 No MHPS 3KV at Supat Valley Troop Haray & Maheen.	100000
	<b>Total</b>	<b>20,175,232</b>



**Annex-4**  
**Para No. 1.2.2.1**

**Detail of non-imposition of Penalty due to delay in completion of works**

(Rs in million)

Name of Scheme	Estimated Cost	Date of commencement	Time Period	Status	Progressive Expenditure	Penalty @ 10%
Widening Lohi Road	2.500	28-04-2015	2 years	In Progress	1.303	0.25
Widening Suppat to Top	1.00	28-04-2015	2 years	In Progress	0.848	0.1
W/Channel Dogah Daman	1.00				0.965	0.1
Kuncher Chairlift	1.00	30-03-2016	2 years	In progress	0.533	0.1
Constt: Masjid at Haray	0.200				0.149	0.02
Constt: Madrassa at Baja	0.500	30-03-2016	2 years	In progress	0.258	0.05
5 No MHPS 3KV at Gabar	1.00	30-03-2016	2 years	In progress	0.627	0.1
5 No MHPS 3KV at Supat	1.00	30-01-2016	2 years	In progress	0.123	0.1
W/Channnel at Bari	1.500	10-10-2016	1 years	In progress	0.805	0.15
W/Channel Kuz Chichar	0.200	30-10-2016	2 years	In progress	0.123	0.02
P/Wall Falak	0.300				0.159	0.03
Rep of Doga Gabar Road	3.00				2.775	0.3
W/Channel Gohar Wali	0.200	30-10-2016	2 years	In progress	0.123	0.02
W/Channnel at Gujara	0.250				0.114	0.025
Komila Bazar to Zaid Khar	2.00	06-03-2014	2 years	In Progress	1.217	0.2
Madrassa Bar Komila	0.235				0.151	0.0235
F/Path Dodoi	0.300				0.123	0.03
W/Channel Sazeen village	0.450	30-07-2015	2 years	In progress	0.207	0.045
Mosque at Seeri	0.200				0.059	0.02
W/Channel at Banjar	0.400	30-03-2016	2 years	In progress	0.206	0.04
Masjid at Teyal Shamat	0.200	14-10-2016	1 year	In progress	0.092	0.02
Constt: of Kawai Road	1.00	30-07-2015	2 years	In progress	0.962	0.1
<b>Total:</b>	<b>18.435</b>				<b>11.922</b>	<b>1.8435</b>