



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

KHYBER PAKHTUNKHWA

AUDIT YEAR 2017-18

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATION AND ACRONYMS

ADP	Annual Development Programme
AIR	Audit & Inspection Report
AP	Advance Para
BOK	Bank of Khyber
B&R Code	Building and Roads Code
CMD	Chief Minister's Directives
DAC	Departmental Accounts Committee
DG	Director General
FDR	Fixed Deposit Receipt
GFR	General Financial Rules
LGA	Local Government Act
MB	Measurement Book
MOU	Memorandum of Understanding
NBP	National Bank of Pakistan
NC	Neighborhood Council
NIT	Notice Inviting Tender
PAO	Principal Accounting Officer
PAC	Public Accounts Committee
RDA	Regional Directorate of Audit
TDR	Term Deposit Receipts
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TAC	Tehsil Accounts Committee
WSSCM	Water & Sanitation Services Company Mardan
VC	Village Council

Preface

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections-8 and 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 37 of Khyber Pakhtunkhwa Local Government Act 2013, require the Auditor-General of Pakistan to conduct audit of the receipts and expenditure of Local Fund of Tehsil/ Town Municipal Administrations.

The report is based on audit of the accounts of TMAs, in District Mardan 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 report 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 and in all cases where the PAO does not initiate appropriate action, the Audit observation will be brought to the notice of respective 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 request.

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. The Regional Directorate of Audit Mardan, on behalf of the DG District Governments Audit, Khyber Pakhtunkhwa carries out the audit of four District Governments, TMAs and VCs/NCs in the Districts Mardan, Swabi, Malakand and Buner respectively.

The Regional Directorate of Audit Mardan has a human resource of thirteen officers and staff with a total of 3289 man days. The annual budget amounting to Rs13.692 million was allocated to 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 programmes and projects.

Tehsil Municipal Administrations in the District Mardan i.e. Mardan, Takht Bhai and Katlang 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 the Tehsil Municipal Administrations Mardan, Takht Bhai and Katlang, in District Mardan for the Financial Year 2016-17 was Rs774.540 million. Out of this, RDA Mardan audited an expenditure of Rs464.724 million which, in terms of percentage, was 60 % of auditable expenditure.

The total receipts of Tehsil Municipal Administrations Mardan, Takht Bhai and Katlang, in District Mardan for the Financial Year 2016-17 was Rs269.123 million which, in terms of percentage, was 100% of auditable own receipts.

The total expenditure and receipts of Tehsil Municipal Administrations Mardan, Takht Bhai and Katlangin District Mardan, for the Financial Year 2016-17 was Rs1043.663 million. Out of this, RDA Mardan audited transactions of Rs733.847 million which, in terms of percentage, was 70.31% of auditable amount.

b. Recoveries at the instance of audit

Recovery of Rs228.746 million was pointed out during the audit. However, no recovery was effected till finalization of this report. Out of the total recoveries, Rs 188.371 million was not in the notice of the executive before audit.

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.

a. 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.

d. Comments on Internal Controls 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 controls 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.

e. Key Audit Findings of the Report

- i. Irregularity & Non-compliance were noticed in ten cases amounting to Rs1,589.990million¹
- ii. Internal controls weaknesses were noticed in eighteen cases amounting to Rs 323.412 million²

f. Recommendations

- Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- Deduction of taxes on contracts needs to be ensured.
- Recoveries of taxes and outstanding amount shall be recovered from the concerned besides action against the person(s) at fault.
- Internal controls may be strengthened to minimize the lapse.

¹ Para: 1.2.1.1 to 1.2.1.5, 1.3.1.1, 1.3.1.2 and 1.4.1.1, 1.4.1.2, 1.4.1.3

² Para: 1.2.2.1 to 1.2.2.9 and 1.3.2.1 to 1.3.2.4 and 1.4.2.1 to 1.4.2.5

SUMMARY TABLES AND CHARTS

I: Audit Work Statistics

(Rs in million)

S. No	Description	No.	Budget
1	Total Entities (PAO)in Audit Jurisdiction	03	1043.663
2	Total formations in audit jurisdiction	03	1043.663
3	Total Entities (PAO)Audited	03	733.847
4	Total formations Audited	03	733.847
5	Audit and Inspection reports	03	733.847
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

II: Audit Observations regarding Financial Management

(Rs in million)

Sr. No.	Description	Amount under audit observation
1	Asset management	0
2	Financial management	582.792
3	Internal controls	323.412
4	Others	1007.198
Total		1913.402

III: Outcome Statistics

(Rs in million)

S#	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total for year (2015-1)	Total for the year (2014-15)
1	Outlays Audited	0	156.432	301.994	275.421	733.847	410.971
2	Amount Placed under Audit Observation /Irregularities of Audit	0	52.198	215.559	1,645.645	1,913.402	95.897
3	Recoveries Pointed Out at the instance of Audit	-	14.42	214.326		228.746	59.577
4	Recoveries Accepted /Established at the instance of Audit	-		55.688		55.688	25.691
5	Recoveries Realized at the instance of Audit	-	-	-	-		-

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

S. No	Description	Amount under Audit observation
1	Violation of rules and regulations and principle of propriety and probity.	584.026
2	Reported cases of fraud, embezzlement, theft, misappropriations and misuse of public funds.	0
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.	1007.198
4	Quantification of weaknesses of internal controls system.	222.22
5	Recoverable and overpayments, representing cases of established overpayment or misappropriations of public monies.	99.958
6	Non-production of record to Audit	0
7	Others, including cases of accidents, negligence etc.	
Total		1913.402

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

S. No	Description	Amount
1	Outlays Audited	733.847
2	Expenditure on audit	0.160
3	Recoveries realized at the instance of Audit	0
4	Cost Benefit Ratio	1:0

CHAPTER-1

1.1 Tehsil Municipal Administrations, in District Mardan

1.1.1 Introduction

District Mardan has three tehsils i.e. Mardan, Takht Bhai and Katlang. 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 the section 22 of the LGA 2013, the functions and powers of Tehsil Municipal Administration are as to;

- (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 Mardan for the financial year 2016-17 is as under:

Detail of budget and expenditure during Financial Year 2016-17

(Rs in million)

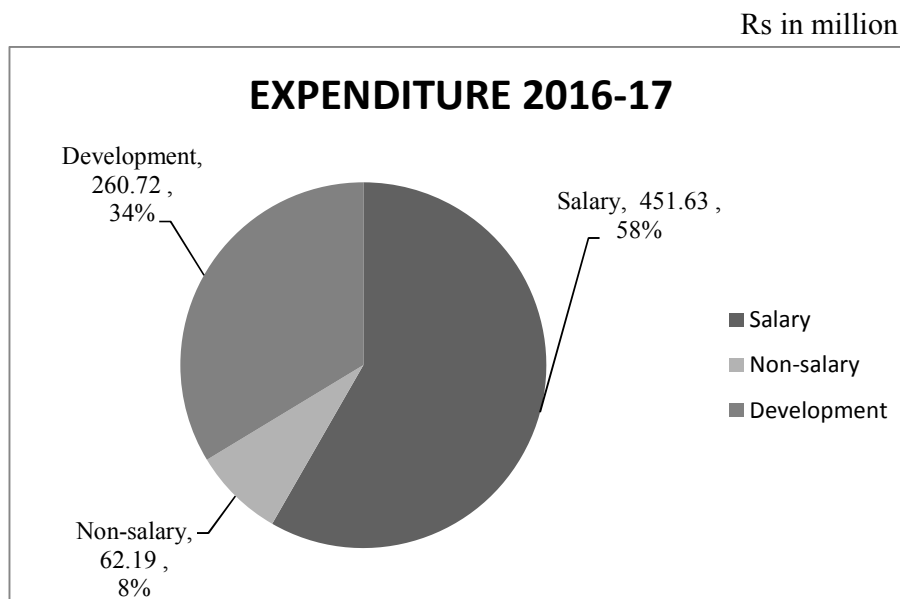
Head	Budget	Expenditure	Excess (Saving)	%age (Saving)
Salary	377.25	451.63	74.38	19.72
Non-salary	72.79	62.19	(10.60)	(14.56)
Development	1,126.04	260.72	(865.32)	(76.85)
Total	1,576.08	774.54	(801.54)	

Detail of receipts realized during financial year 2016-17

(Rs in million)

2016-17	Government Sources	Own Sources	Total
	737.526	269.123	1,006.648

The savings of Rs 865.32 million in developmental expenditure and excess of Rs 74.38 million in salary indicate weakness in the capacity of these local institutions to utilize the allocated budget.



1.1.3 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 Mardan 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.

**1.2 TEHSIL MUNICIPAL ADMINISTRATION
MARDAN**

1.2 TMA Mardan

1.2.1 Irregularity & Non-compliance

1.2.1.1 Non submission of accounts of Local Government –Rs 677.797 million

According to Section 36(2) (b) read with Section 36(3) of Local Government Act 2013, the Tehsil Accounts Officer shall maintain the accounts of Tehsil Municipal Administration and submit to DAO concerned for consolidation of the accounts of local governments at the District Accounts Office quarterly and annually separately for receipts from the Government and local resources and send to Government, Accountant General and Nazim District Council.

Tehsil Municipal Officer Mardan did not submit the accounts of receipts from the government and local resources amounting to Rs 677,796,801 for consolidation by DCA Mardan as required above. Non compilation of receipts accounts caused non-reflection/unfair view of the financial information, which needs justification. Detail given below:

Own Sources & Government Sources Receipts TMA Mardan			
Period	Particulars	Targeted Rs	Actual Rs
2016-17	Own sources Receipts	215,058,277	205,460,653
	Government sources receipts	458,960,000	472,336,148
Total		674,018,277	677,796,801

Irregularity occurred due to non compliance of LGA 2013, which caused non reflection of accounting information in the financial statements of the District.

The irregularity was pointed in March 2018. Management stated that compliance will be made in future. Reply was not correct as irregularity occurred in the financial year 2016-17.

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 justification/corrective action in the matter besides action against the person(s) at fault.

AIR Para No. 01 (2016-17)

1.2.1.2 Unauthorized placement of fund and operation of bank accounts –Rs 541.349 million

According to Government of Khyber Pakhtunkhwa, Finance Department letter No. 2/3(F/L)/FD/2015/Vol. X dated 12.01.2015, the Provincial Government Departments should place/keep the funds with maximum three banks having credit rating “A”. No department will deposit money/fund in commercial banks without prior approval of the Finance Department.

According to Government of KP Finance letter No 2/3-NFC (FD) / 93 dated 06.07.1993, regarding the placement of fund in the commercial banks. Para 3 of the letter provides that the ratio of deposits with the Bank of Khyber shall be a minimum of 30% whereas for the public sector bank and private sector bank the ratio of deposits shall be 45% and 25% respectively.

TMO Mardan, operating 30 bank accounts in the name of TMO Mardan since long. The local office carried out the official business of Rs 386,727,467 with these banks during financial year 2016-17 with a closing balance of Rs 376,955,096 as on 30.06.2017 in violation of above criteria. Detail given below;

No of Bank A/Cs	Receipts (Rs)	Payments (Rs)	Total business (Rs)
More than 30	206,275,792	180,451,675	386,727,467

Furthermore, approval of the Finance Department for placement of funds in commercial banks was not available in record. Hence, operation of bank accounts in excess of three permissible limits and opening of accounts with

commercial banks without approval of the Finance Department was unauthorized and needs justification. Similarly, the local office also did not follow the above mentioned criteria/ratio for deposit of receipts into Bank of Khyber, public sector banks i.e NBP and other commercial banks. This act on the part of local office caused unauthorized/unjustified deposits into commercial banks amounting to Rs 154,621,776 as per detail given below:

Amount in Rs				
Bank	Ratio of Deposits	Share required	Actual deposits	Variation
BOK	30%	61,882,738	19,226	(61,863,512)
Public sector bank (NBP)	45%	92,824,106	65,842	(92,758,264)
Commercial banks	25%	51,568,948	206,190,724	154,621,776
Total	100%	206,275,792	206,275,792	

Irregularity occurred due to non-compliance of Finance Department's directives which caused unauthorized bank transactions/operation of bank accounts.

The irregularity was pointed in March 2018. Management stated that instructions will be followed in future. Reply was not convincing as the corrective measures were not taken for reduction of Bank Accounts to regularize the matter regarding the placement of fund in light of instructions issued by Finance Department.

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 justification/inquiry in the matter besides action against the person(s) at fault.

AIR Para No.2 & 3(2016-17)

1.2.1.3 Loss to government due to non-acceptance of highest bid –Rs 1.284 million

According to Para 01 of the Model Terms & Conditions for the contracts notified by the Government of Khyber Pakhtunkhwa Local Government Department vide No. AO-II/LCB/6-11/2013 dated 14.03.2016, the Local Councils shall fix different dates in one advertisement for auction of the contract of local taxes. If no reasonable bid is offered then another advertisement be got published in the renowned and widely circulated newspapers through Information Department. The same practice shall continue to achieve the maximum increase or up to minimum of 20% over the last year approved bid/income. The Nazim being head of the TMA and TMO being the Principal Accounting Officer as well as concerned elected council shall ensure competition amongst the bidder to achieve the maximum bid.

Tehsil Municipal Officer Mardan advertised the auction of Cattle Fair Toru. During the auction a contractor offered highest bid of Rs 1,915,000 on 17.08.2016, which was 138% above the contractual amount of previous year. The same was not accepted without giving any cogent reason and the cattle fair was carried out departmentally, which caused a loss of Rs 1,284,130. Detailed below:

Name of Tax Contract	Bid amount (Rs)	Departmental 2016-17	Loss (Rs)
Cattle Fair Toru	1,915,000	630,870	1,284,130

Non award of contract to highest bidder occurred due to non-compliance of government instructions which resulted in loss to the Government.

The irregularity was pointed out in March 2018. Management stated that due to non-response of contractor, call deposit was forfeited. No evidence for forfeiture was shown to audit.

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

AIR Para No. 19 (2016-17)

1.2.1.4 Irregular award of works worth –Rs 7.860 million

According to Chapter III, Procurement of Works and Non Consulting Services, Rule 3(c) sub rule (v)(c) subject to the conditions of contract, a procuring entity may ensure a variation order to a contractor to include works which were outside the original scope of works to ensure interests of Government and for reasons of economy, compatibility and efficiency provided that the value of variation order is not more than 15% of the contract value.

TMO Mardan advertised a scheme “construction of Janazgah at Jabber Kally UC Fathma” with a cost of Rs 3,880,000. The scheme was awarded at bid cost of Rs 3,223,114. Later on the scheme was revised to Rs 6,740,000, which was 73.71% enhancement of the original work. The value of repeat/variation order should not have been more than 15% of contractual amount whereas the local office engaged the same contractor for the enhanced value of work i.e. 2,860,000 which was 73.71% higher than contractual value of work.

Similarly, another scheme “Construction of kacha road in hilly area Surkhabi to Garo and Ambila Check post to Tanor Kaly UC Bazar” with a cost of Rs 4,500,000 was awarded to a contractor which was revised to Rs 9,500,000 which revised work order was issued to the same contractor. The value of repeat/variation order should not have been more than 15% of contractual amount whereas the local office engaged the same contractor for the enhanced value of work i.e. Rs 5,000,000 which is 111% higher than contractual value of work in violation of above rules. The technical sanctions of the schemes were also not accorded.

The irregularities occurred due to non-compliance of Procurement Rules, 2014 and instructions which caused unauthorized and irregular award of work.

The irregularity was pointed in March 2018. Management stated that the enhancements in the schemes were properly approved by the competent authority. However, detailed reply will be given after scrutiny of record. No progress was shown to audit 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 justification in the matter and action against the person(s) at fault.

AIR Para No. 21 & 23 (2016-17)

1.2.1.5 Overpayment due to allowing higher rates –Rs 3.159 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.

Tehsil Municipal Officer Mardan allowed higher rates for construction of street lights in District Mardan. Scrutiny of the record revealed that on comparison of the same non-schedule items procured in District Swabi, an amount of Rs 3,159,855 was overpaid by allowing higher rates revealing that market survey was not carried out in the instant case. Detailed is given at Annexure-2.

Irregularity occurred due to non-compliance of government rules and inefficiency of staff, which resulted in loss to Government.

The irregularity was pointed in March 2018. Management stated that detailed reply will be given after scrutiny of record. No progress was shown to audit 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 recovery and action against the person(s) at fault.

AIR Para No. 26 (2016-17)

1.2.2 Internal Controls Weaknesses

1.2.2.1 Loss to council due to less realization of profit on fixed deposit receipt/term deposit receipt –Rs 17.934 million

According to clause 3 of MOU signed on 24.09.2011 by the authorities of TMA Mardan and BOK, period of FDR/TDR is for 30 years and clause 5 of the MOU requires that the profit rate will be 14.61% and 11.50% per annum respectively.

Tehsil Municipal Officer Mardan placed two fixed deposits with Bank of Khyber (BOK) Mardan for Rs 250 million @ 14.61% profit and Rs 150 million @ 11.50% profit per annum respectively to be paid on monthly basis for a period of 30 years. According to MOU signed with the bank's authorities the local office was required to realize annual profit amounting to Rs 58.440 million for the financial year 2016-17, however, bank statement revealed that Rs 40.506 million was realized as profit. This caused less realization of profit of Rs 17.934 million as per detail given below:

Rs in million

FDR/TDR No.	Amount of TDR	Rate per annum	Required profit	Realized profit	Less
323(8386)	250	14.61%	36.525	25.564	10.961
411(33174)	150	11.50%	21.915	14.942	6.973
Total	400		58.44	40.506	17.934

The irregularity occurred due to weak internal controls and lack of interest towards generation of revenue, which caused loss to Government.

The irregularity was pointed out in March 2018. Management stated that the case is in Civil Court and progress will be shown to audit. No progress was shown 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 justification/recovery besides action against the person(s) at fault.

AIR Para No. 05 (2016-17)

1.2.2.2 Unauthentic expenditure -Rs 79.233 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. (Change the criteria

Tehsil Municipal Officer Mardan executed a Memorandum of Understanding (MOU) with Water & Sanitation Services Company Mardan (WSSCM) being a registered firm under section 42 of the Companies Ordinance, 1984 for sanitation services in jurisdiction of TMA Mardan. Audit observed the following discrepancies:

1. All the sanitation staff and vehicles were handed over to company without obtaining proper handing taking over certificate.
2. Furthermore, Rs 79,223,368 were transferred to company for payment of salaries of the staff, which was unauthentic as the detail of utilization of fund and detail of employees were not available at local office.
3. The company did not submit the 1st Party any progress report regarding work done, detail of activities carried out by the WSSM in the jurisdiction of TMA Mardan.
4. Audited financial statements of WSSCM were not provided for authentication.

Irregularity occurred due to lack of interest and weak internal controls, which caused unauthentic expenditure.

The irregularity was pointed out in March 2018. Management stated that the WSSCM has been requested again and again but not yet produced record. Reply of the department was not convincing as no evidence regarding the adjustment of staff vehicles and proper approval was shown to audit. Similarly, the payment to the company remained unaudited.

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 investigation/inquiry/corrective action in the matter besides action against the person(s) at fault.

AIR Para No. 09 (2016-17)

1.2.2.3 Loss due to allotment of valuable commercial property at nominal lease –Rs 42.104 million

According to the Government Khyber Pakhtunkhwa Local Government, Elections & Rural Development Department Notification No AO-V/LCB/4-1/99 dated 21.07.1999, the local council will assess the rate of annual lease money for each unit at the prevailing **market rate in the locality** and the occupant of the property will be given an option to keep the property with him as a lessee at the 70% of the market rate. An increase of 10% per annum of the lease money will be payable by the lessee, if he continues with the occupancy of the property then he will enter into contract agreement within three months failing which he will be termed as an unauthorized occupant of the property and dispossessed of the same without any excuse on his part.

Tehsil Municipal Administration Mardan allotted 230 shops in General Bus Stands Mardan to various tenants in 1978 at nominal rent of Rs 150 to Rs 300/month with 10% increase each year. However, the local office did not follow the policy for assessment of lease at prevailing market rate as approved by

Provincial Government for enhancement of lease money of various units. This act on the part of local office caused loss of Rs 42,103,953 as detail given at **Annexure-3**

The irregularity occurred due to weak internal controls, inefficiency and negligence of staff, which caused loss to the Government.

The irregularity was pointed out in March 2018. Management stated that detailed reply will be given after scrutiny of record. No progress was shown till finalization of this report.

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

Audit suggests justification in the matter and recovery besides action against the person(s) at fault.

AIR Para No. 11 (2016-17)

1.2.2.4 Loss to government due to non-recovery of annual & registration fee from petrol & CNG pumps –Rs 13.875 million

According to Para 26 of GFR Vol-I, it is the duty of departmental controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the public account.

According to Local Government Department Khyber Pakhtunkhwa letter NO.AO/LCB/2 15, 2008 dated 16.04.2008, the NOC fee is Rs 50,000 and annual fee is Rs 25,000

Tehsil Municipal Administration Mardan, did not recover NOC fee and annual registration fee from 37 CNG and petrol pumps in the jurisdiction of TMA Mardan, which caused loss to the Government Rs 13,875,000. The amount

remained outstanding for which the local office did not take any initiatives. Detail given below:

S. No	Year	No of pumps	NOC fee	Annual fee	Sub Total	Total
1	2012-13	37	50,000	25,000	75,000	2,775,000
2	2013-14	37	50,000	25,000	75,000	2,775,000
3	2014-15	37	50,000	25,000	75,000	2,775,000
4	2015-16	37	50,000	25,000	75,000	2,775,000
5	2016-17	37	50,000	25,000	75,000	2,775,000
G. Total						13,875,000

Non recovery of NOC and registration fee was due to weak internal control, which resulted in loss to the Government.

The irregularity was pointed out in March 2018. Management stated that TMA was bound to impose tax/fee in accordance with section 42 of LGA 2013. Reply was not correct as the above rule was also issued by the LCB.

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 recovery of NOC and registration fees from the concerned and action against the person(s) at fault.

AIR Para No. 15 (2016-17)

1.2.2.5 Non recovery of water charges-Rs 40.375 million

According to Para 26 of GFR Vol.-I, it is the duty of departmental controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the public account.

Tehsil Municipal Officer Mardan did not recover Rs 40,374,855 as arrears of water user charges from consumers of various water supply schemes. Detail given below:

S.No	Tub well name	Water charges outstanding (since July 2003)
1	Par Hoti	8,201,165
2	Bicket Ganj	11,834,575
3	Kass Korona	7,103,280
4	Mardan	2,594,580
5	Bari Cham	8,212,300
6	Bughdada	2,428,955
		40,374,855

Non recovery of water charges occurred due to lack of financial control and negligence of the staff, which resulted in loss to the Government.

The irregularity was pointed out in March 2018. Management stated that recovery is in process and progress will be shown to audit. No progress was shown to audit 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 recovery of water charges and action against the person(s) at fault.

AIR Para No. 16 (2016-17)

1.2.2.6 Loss due to non-achievement of 25% target increase –Rs 52.206 million

According to the Government of Khyber Pakhtunkhwa LG&RDD letter No AO-11/LCB/6-11, 2014 dated 13.03.2014, minimum increase of 25% on the previous year bid shall be achieved.

Tehsil Municipal Officer Mardan did not achieve the target increase of 25% on the previous year local fund contracts, which caused loss to council Rs 52,206,044. Detailed at **Annexure-4**.

Non achievement of target receipts was due to weak internal controls and negligence of staff towards generation of revenue, which caused loss to the exchequer.

The irregularity was pointed in March 2018. Management stated that efforts are being made in accordance with procedure.

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

AIR Para No. 18 (2016-17)

1.2.2.7 Loss to Government due to non-recovery of revenue from contractual amount -Rs 1.234 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.

Tehsil Municipal Officer Mardan did not recover the contractual amounts from contractors of the following local tax contracts, which caused loss to the government Rs 1,223,676 as per detail given below:

Name of Tax Contract	Bid amount (Rs)	Actual recovery (Rs)	Less recovery (Rs)
Cattle Fair Bughdada	2,781,000	2,457,628	(323,372)
Cattle Fair Shahbaz Garhi	2,850,000	2,294,760	(555,240)
Cattle Fair Rustam	1,700,000	1,541,859	(158,141)
Cattle Fair Bakhshali	2,430,000	2,243,077	(186,923)
Total	9,761,000	8,537,324	(1,223,676)

Non recovery of bid amount was due to weak financial controls, which caused loss to government.

The irregularity was pointed out in March 2018. Management stated that due to declaration of emergency in the District fee was remitted and court cases the amount could not be realized. However, effort will be made for recovery. No progress was shown to audit 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 recovery of outstanding amount and action against the person(s) at fault.

AIR Para No. 20 (2016-17)

1.2.2.8 Loss to government due to unauthorized excess execution of work Rs 1.404 million

According to Bill of Quantity of the work “construction of drain, culvert, streets UC Bari Cham”, the approved quantity of PCC (1:2:4) was 16.99 M³ at rate of Rs 9,000/M³.

TMO Mardan awarded a scheme “Construction of Drain, culvert, streets UC Bari Cham” at bid cost of Rs 3,970,070 to a contractor. BOQ of the scheme revealed that Plain Cement Concrete (1:2:4) was allowed for 16.99 M³ @ Rs 9,000/M³. Contractor executed PCC (1:2:4) for a quantity of 173M³ worth Rs 1,557,000 whereas other 08 items of work of the approved BOQ were not executed. Audit holds that PCC (1:2:4) was executed in excess of the approved quantity due to the facts that rate of PCC (1:2:4) was higher than the rates of other items of work. Hence, PCC (1:2:4) was executed in excess by utilizing the amount allocated for other items of work. This caused loss to government Rs 1,404,090 as per detail given below:

Item of work	Approved quantity	Paid quantity	Excess quantity	Rate (Rs)/M ³	Loss (Rs)
PCC (1:2:4)	16.99 M ³	173 M ³	156.01 M ³	9,000	1,404,090

Irregularity occurred due to weak internal controls and giving favour to contractor, which caused loss to government

The irregularity was pointed out in March 2018. Management stated that item of work executed according to site requirements. Reply was not correct as the rate of subject item of work was executed at higher rates.

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 recovery/physical verification of the scheme to confirm the actual execution of the work besides action against the person(s) at fault.

AIR Para No. 24 (2016-17)

1.2.2.9 Non-imposition of penalty for non-completion of works –Rs 3.496 million

According to clause 2 of the standard contract agreement, penalty of 1% per day and up to maximum of 10% of the bid cost may be imposed for delay in completion of work.

Tehsil Municipal Officer Mardan awarded 07 schemes to various contractors, which were required to be completed in stipulated period of time. However, the same works were in progress till February 2018. The local office was required to take initiatives to speed up the works besides imposing penalty of Rs 3,495,900 @ 10% on bid cost of the works, which was not done. Detailed at **Annexure-5**.

Delay in works execution and non-imposition of penalty occurred due to weak internal control, which resulted in deprivation of public from the benefits of the schemes and caused loss to Government.

The irregularity was pointed out in March 2018. Management stated that time extension has been given by the competent authority in some cases. However, detailed reply will be given after scrutiny of record. No progress was shown 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 recovery of penalty and action against the person(s) at fault.

AIR Para No. 31 (2016-17)

**1.3 TEHSIL MUNICIPAL ADMINISTRATION
THAKHTBHAI**

1.3 TMA Thakhtbhai

1.3.1 Irregularity & Non-compliance

1.3.1.1 Non submission of accounts of Local Government –Rs 212.993 million

According to Section 36(2)(b) read with Section 36(3) of Local Government Act 2013, the Tehsil Accounts Officer shall maintain the accounts of Tehsil Municipal Administration and submit to DAO concerned for consolidation of the accounts of local governments at the District Accounts Office quarterly and annually separately for receipts from the Government and local resources and send to Government, Accountant General and Nazim District Council.

Tehsil Municipal Officer, TMA Takht Bhai did not submit the accounts of receipts recovered from the Government and own resources amounting to Rs 212,993,496 for consolidation of receipts' accounts by DAO Mardan as required in the above quoted rules. Detail is given below:

S. No.	Particular	Amount (Rs)
1.	Receipts from own Source	48,447,143
2.	Receipts from Government	164,546,353
Total		212,993,496

Irregularity occurred due to violation of LGA 2013, which caused non-reflection of financial information in the financial statements of the District.

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

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

AIR Para No. 17 (2016-17)

1.3.1.2 Unauthorized utilization of saving and irregular award of works –Rs 6.276 million

According to Para 95 of GFR Vol-I All anticipated savings should be surrendered to Movement immediately they are foreseen but not later than 31st March of each year in any case. No savings should be held in reserve for possible future excesses.

Tehsil Municipal Officer Takht Bhai, awarded nineteen works at the estimated cost of Rs 21,990,000 against contract value of Rs 15,714,290 to different contractors with a saving of Rs 6,275,710.

The following deviations were noted during scrutiny.

1. Saving of total amounting to Rs 6,275,710 was utilized in the same schemes by the same contractors.
2. According to the above rules, the engagement of the same contractors would be subject to natural extension in the ongoing job whereas in above cases these were not natural extensions instead utilization of saving in the schemes by revising PC-I.
3. The value of repeat/variation order should not be more than 15% of contractual amount, however, in the above cases the value of repeat orders was more than the contract values of total amounting to Rs 3,918,567 in violation of above rules.

Irregularities occurred due to deviation from KPPRA Procurement Rules, 2014 and weak internal controls, which caused unauthorized utilization of saving and irregular award of works.

The irregularity was pointed out in January 2018. Management stated that detailed reply will be furnished after scrutiny of the record. However, no progress was shown till date.

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 investigation in the matter and action against the person(s) at fault.

AIR Para No. 06 (2016-17)

1.3.2 Internal Controls Weaknesses

1.3.2.1 Non-Imposition of penalty for non-completion of works – Rs 2.343 million

According to work orders issued to contractors and Clause 2 of the Contractor Agreements, the works shall be completed within the stipulated period of time otherwise, 10% penalty shall be imposed on default contractors for delay in completion of works.

Tehsil Municipal Officer Takht Bhai awarded different developmental schemes to various contractors. However, the contractors neither completed the schemes within stipulated period of time nor the competent authority imposed penalty amounting to Rs 2,343,000 on the contractors for non-completion of works. Detail is attached in **Annexure-6**.

Non completion of work and non-imposition of penalty occurred due to weak internal controls, which resulted in loss to the Government.

The irregularity was pointed out in January 2018. Management stated that detailed reply will be furnished after scrutiny of the record. However, no progress was shown till date.

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 of penalty, investigation for fixing responsibility and action against the person(s) at fault.

AIR Para No. 02 (2016-17)

1.3.2.2 Non recovery of long outstanding dues from the Contractors – Rs 15.313 million

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

Tehsil Municipal Officer Takht Bhai did not recover long outstanding dues amounting to Rs 15,313,103 from different Contractors till the date of Audit (January, 2018). Detailed at **Annexure-7**

Non recovery long outstanding dues occurred due to weak financial and internal controls, which resulted in loss to the Government.

The irregularity was pointed out in January 2018. Management stated that the case has been sent to the District Collector Mardan for recovery. However, no progress was shown 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 recovery of outstanding dues and action against the person (s) at fault.

AIR Para No. 07 (2016-17)

1.3.2.3 Non-achievement of receipt target – Rs 31.093 million

According to Para 2 of the Contract No. AO-II/LCB/6-11/2013 dated 14-03-2016 terms and condition of LG&RDD Local Council Board” The advertisement of the Contract should be published in the renowned and widely circulated newspapers through Information Department at least seven working days before the date fixed for auction of the contract and the same practice shall

be continue to achieve the maximum increase of 20% over the last year approved bid or more reasonable bid.

Tehsil Municipal Officer Takht Bhai recovered an amount of Rs 41,670,175 from different contracts instead of Rs 72,103,380 as the minimum target of receipts should be at least 20% higher than previous Financial Year 2015-16. Non achievement of target receipt resulted in a loss of Rs 31,092,505 to the Government during 2016-17. Detailed at **Annexure-8**.

Non-achievement of receipts targets occurred due to weak financial controls and lack of interest in realizing the public revenue.

The irregularity was pointed out in January 2018. Management stated that due to departmental collection the target could not be achieved. Audit did not agree with the viewpoint of department. Management should have made hectic efforts to achieve the target.

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 fixing responsibility for missing revenue target and action against the person(s) at fault.

AIR Para No. 10 (2016-17)

1.3.2.4 Non execution of developmental scheme – Rs 1.200 million

According to Clause 24 of the contract agreement, if the contractor refusing to carry out the work or leaving it incomplete, at any time or after the commencement of the work, the contractor shall pay compensation an amount equal to 10% of the estimated cost and the controlling officer, by in writing, rescind the contract and the security deposited by the contractor shall stand forfeited.

Tehsil Municipal Officer Takht Bhai awarded a developmental scheme "Construction of PCC road and Retaining Wall at Noor Zaman Haji Korona UC Sari Behlool" of an estimated cost of Rs 1,200,000, issued a work order on 16-05-2017 to a Government Contractor and granted a period of six months (05-11-2017) to complete the work. However, it was observed that the scheme was not started even after lapse of nine months. Moreover, neither the local office rescind the contract as required under rules nor any legal action was initiated against the contractor and the amount allocated for the scheme remained unutilized till the date of audit.

The irregularity occurred due to weak internal controls, which resulted in loss to the Government.

The irregularity was pointed out in January 2018. Management stated that detailed reply will be furnished after scrutiny of the record. However, no progress was shown till date.

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 of responsibility and legal action against the contractor and person(s) at fault.

AIR Para No. 01 (2016-17)

**1.4 TEHSIL MUNICIPAL ADMINISTRATION
KATLANG**

1.4. TMA KATLANG

1.4.1 Irregularity & Non-compliance

1.4.1.1 Non submission of accounts of local government –Rs 116.407 million

According to Section 36(2) (b) read with Section 36(3) of Local Government Act 2013, the Tehsil Accounts Officer shall maintain the accounts of Tehsil Municipal Administration and submit to DAO concerned for consolidation of the accounts of local governments at the District Accounts Office quarterly and annually separately for receipts from the Government and local resources and send to Government, Accountant General and Nazim District Council.

Tehsil Municipal Officer, Katlang did not submit the account of receipts from the Government and local resources amounting to Rs 115,857,985 for the financial year 2016-17 for consolidation of receipts' accounts by DCA Mardan as required above. Non compilation of receipts accounts caused non-reflection/unfair view of the financial information, which needs justification. Detail given below:

S. No.	Particular	Amount (Rs)
1	Receipts from own Source	15,764,190
2	Receipts from Government	100,643,222
Total		116,407,412

Irregularity occurred due to violation of LGA 2013, which caused non-reflection of accounting information in the financial statements of the District.

The irregularity was pointed in January 2018. Management stated that compliance would be made for the current year as well as in future. No progress was shown to audit 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 justification/corrective action in the matter and action against the person(s) at fault.

AIR Para No. 01 (2016-17)

1.4.1.2 Irregular drawl and disbursement of pay and allowances –Rs 17.865 million

Para 4.6.3.1 of APPM requires that 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.

Tehsil Municipal Officer Katlang drew Rs 17,865,288 from banks on account of pay and allowances of officials & staff through DDO in lump sum and disbursed in cash to staff. Pay and allowances were required be credited to the respective bank accounts of staff as required above, which was not done.

Disbursement of pay & allowances through DDO was due to weak financial controls, which caused irregular payment.

The irregularity was pointed in January 2018. Management stated that compliance would be made in future. Reply of the department was not convincing as the irregularity has already been made by the local office in financial year 2016-17.

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 justification/corrective action in the matter beside action against the person(s) at fault.

AIR Para No. 07 (2016-17)

1.4.1.3 Irregular expenditure without Technical Sanction worth –Rs 5.00 million

According to Para 2.4 of B&R Code and Para 56 of CPW-D Code and Para 17(iii) of GFR Vol-I that no work shall be started without Technical Sanction and Administrative Approval and Budget allotment

Tehsil Municipal Officer Katlang awarded a work “Rehabilitation of Road at village Habib Rasool Banda Shero ward Katlang-I” to a Contractor with estimated cost of Rs 5,000,000. The Contractor started the work and incurred expenditure upto Rs 5,000,000 but Technical Sanction was not accorded by the Competent Authority. Hence the expenditure was irregular and needs justification.

Irregular expenditure occurred due to weak internal controls, which caused violation of rules.

The irregularity was pointed in January 2018. Management stated that detailed reply would be furnished after scrutiny 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 corrective action in the matter and action against the person(s) at fault.

AIR Para No. 14 (2016-17)

1.4.2 Internal Controls Weaknesses

1.4.2.1 Loss due to non-achievement of 25% target increase –Rs 1.426 million

According to the Government of Khyber Pakhtunkhwa LG&RDD letter No AO-11/LCB/6-11, 2014 dated 13.03.2014, minimum increase of 25% on the previous year bid shall be achieved.

Tehsil Municipal Officer, Katlang did not achieve the target increase of 25% on the previous year local taxes contracts, which caused loss to the Government Rs 1,425,708. Detail is given below:

Non achievement of target				
Description	Actual 2015-16 (Rs)	Target 2016-17 (Rs)	Actual for 2016-17	Loss (Rs)
2% Property tax	11,971,580	14,964,475	14,050,000	914,475
Cattle fair Katlang	1,780,338	2,225,423	1,714,190	511,233
Total			15,764,190	1,425,708

Non achievement of target was due to weak internal controls, which caused loss to the Government.

The irregularity was pointed in January 2018. Management stated that detailed reply would be furnished after scrutiny 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 justification/investigation in the matter and action against the person(s) at fault.

AIR Para No. 02 (2016-17)

1.4.2.2 Doubtful award of works contracts, blockage of developmental fund and delay in execution of works –Rs 7.784 million

Para 12 of the General Financial Rules Volume 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.

According to terms & conditions of Administrative Approval No. 119-27/F&P/D-ADP dated 10.01.2017 the schemes shall be completed within the approved cost during the current financial year 2016-17.

Tehsil Municipal Officer Katlang approved 07 of schemes at the cost of Rs 7,784,000 out of District ADP 2016-2017. The local office tendered the same schemes on 27.02.2017 but no response was received from the contractors. 2nd tender was invited on 22.04.2017. Tender opening date as per NIT was 22.04.2017, whereas tender was opened on 27.04.2017, which was finalized and awarded to contractors. Work orders were issued on 13.06.2017. No scheme was completed in financial year 2016-17 till date of audit i.e. February, 2018. Hence, variation in dates of opening tenders, delay in tendering and delay in issuance of work orders caused doubtful award of works contracts and delay in execution of schemes.

Doubtful award of contracts and blockage of public money was due to weak internal controls, which caused deprivation of public from the benefits of the schemes.

The irregularity was pointed in January 2018. Management stated that detailed reply would be furnished after scrutiny 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 justification/corrective action in the matter and action against the person(s) at fault.

AIR Para No. 11 (2016-17)

1.4.2.3 Wasteful expenditure on account of construction of road –Rs 2.400 million

According to Rule 23 of GFR vol-I that every Government officer will personally responsible for any loss sustained by Government through fraud or negligence on his part the part of his subordinate staff.

Tehsil Municipal Officer Katlang awarded two works “Construction/improvement of Roads” to contractors. The Bill of Quantity (BOQ) contained one item of works i.e. “Granular sub base using pit run gravel” The contractors executed this item of work. Audit is of the opinion that without earth filling or earth excavation and base preparation i.e. WBM, and topping of road i.e. prime coat and bitumen “Granular sub base” is not feasible. Hence, audit considered that the works were sub-standard so the expenditure on these schemes was wasteful and needs justification.

Detail is as under:

S. No	Scheme	Item of work	E/Cost
1	Construction/improvement of road UC Baizo Kharki	Granular sub base	1,200,000
2	Construction/improvement of roads at Mohallah Shagai	Granular sub base	1,200,000
Total			2,400,000

The irregularity occurred due to weak internal controls, which caused wasteful expenditure

The irregularity was pointed in January 2018. Management stated that detailed reply would be furnished after scrutiny 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 clarification in the matter and action against the person(s) at fault.

AIR Para No. 15 (2016-17)

1.4.2.4 Unjustified delay in execution of scheme –Rs 4.570 million

According to clause 2 of the standard contract agreement, penalty of 1% per day and up to maximum of 10% of the bid cost may be imposed for delay in completion of work.

Tehsil Municipal Officer Katlang tendered the following schemes; the tender process was completed up to December 2016. However, the work orders were issued in April, May and October 2017 with the laps of 04, 05 and 10 months without any reasons, the schemes were unjustified delay which needs justification. Detail is as under:

#	Scheme	Tender date	Date of commencement	Date of completion	Work order	Cost (Rs)
1	Construction of roads at Mohallah Ghuncha gul Koroona village Sawaldher	21.11.2016	09.01.2017	09.06.2017	06.04.2017	1,200,000
2	Construction of roads at Mohallah Doctor Nisar Koroona village Katlang-I	24.11.2016	03.01.2017	03.06.2017	10.04.2017	1,200,000
3	Sanitation scheme at UC Khoi Bermol Moh.	25.11.2016	17.07.2017	17.10.2017	28.10.2017	970,000

	Sarbader Khel					
4	Construction of road at Aratoon Jehan Bahadar Koroona Uc Shamoza	25.11.2016	24.04.2017	24.09.2017	24.05.2017	1,200,000
Total						4,570,000

The irregularity occurred due to weak internal controls, which caused wasteful expenditure

The irregularity was pointed in January 2018. Management stated that detailed reply and up to date progress would be shown to audit. No progress was shown to audit till finalization of this report.

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

Audit suggests clarification in the matter and action against the person(s) at fault.

AIR Para No. 16 (2016-17)

1.4.2.5 Non-imposition of penalty for non-completion of works –Rs 5.422 million

According to clause 2 of the standard contract agreement, penalty of 1% per day and up to maximum of 10% of the bid cost may be imposed for delay in completion of work.

Tehsil Municipal Officer Katlang awarded 29 schemes at cost of Rs 54,217,000 to various contractors, which were required to be completed in stipulated period of time. However, the majority of the schemes were in progress till date of audit i.e. 02/2018. The local office was required to take initiatives to

speed up the works besides imposing penalty of Rs 5,421,700 @ 10% on bid cost of the works, which was not done. Detail attached at **Annexure-9**.

Delay in works execution and non-imposition of penalty occurred due to weak internal control, which resulted in deprivation of public from the benefits of the schemes and loss to Government.

The irregularity was pointed in January 2018. Management stated that detailed reply would be furnished after scrutiny 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 recovery of penalty and action against the person(s) at fault.

AIR Para No. 17 (2016-17)

ANNEXURE

Annexure-1

MFDAC Paras

Sr. No.	AIR Para No.	Department	Caption	(Rs in million)
1	44	TMA Katlang	Illegal award of GBS Katlang and loss to Council	0.366
2	45	-do-	Non recovery of monthly installments and security & income tax of cattle fair	0.575
3	46	-do-	Variation between income statement and DCR balances	3.945
4	47	-do-	Non deposit of stamp duty, Professional Tax & DPR fund	1.071
5	49	-do-	Loss to Government due to non-deduction of conveyance allowance	0.700
6	50	-do-	Blockage of public money	2.181
7	51	-do-	Unauthorized purchase of official vehicles	2.803
8	53	-do-	Unauthorized payment due to allowing non BOQ items	0.699
9	54	-do-	Unauthorized Payment due to allowing excess quantities than BOQ	2.270
10	61	Takhtbhai	Irregular and unauthorized repair and maintenance work on BHUs – Rs 1.524 million	1.524
11	62	-do-	Unauthorized payment against a non-scheduled item - Rs 338,000	0.338
12	63	-do-	Non deduction of Sales Tax – Rs 57,460	0.058
13	66	-do-	Non recovery of Water Charges - Rs 329,656	0.330
14	67	-do-	Para No.9 Non-recovery of annual & registration fee from petrol & CNG stations	-
15	69	-do-	Non-depositing of 3% RTA share out of receipts from GBS – Rs 354,449	0.354
16	70	-do-	Loss due to non-functionalization of Water Supply Schemes.	-
17	71	-do-	Loss to Government due to leasing of local property at nominal rates – Rs 324,324	0.324
18	72	-do-	Loss to Council due to non-auction of Local Contracts	-
19	73	-do-	Non-depositing of LCB share – Rs 833,402	0.833
20	74	-do-	Illegal operation of Bank Accounts	-

21	79	TMA Mardan	Illegal and Unauthorized appointment, promotion of staff	-
22	81	-do-	Non-transfer of 2 % Pool fund and employees' Pension contribution –Rs 10.568 million	10.568
23	82	-do-	Irregular drawl and disbursement of pay and allowances –Rs 81.724 million	81.724
24	83	-do-	Unauthentic payment on account of tour expenses –Rs 1.00 million	1.000
25	85	-do-	Non adjustment/ non recovery of advances – Rs 4.143 million	4.143
26	87	-do-	Non recovery of outstanding dues –Rs 832,359	0.832
27	88	-do-	Loss to government due to non-collection of rent at prevailing market rate	-
28	89	-do-	Unauthentic auction process of local tax contracts –Rs 46.477 million	46.477
29	92	-do-	Loss to Government due to non-deduction of 3% share of RTA –Rs 1.122 million	1.122
30	97	-do-	Loss to Government due to allowing higher rates for non-BOQ items –Rs 259,825	0.260
31	100	-do-	Unjustified item of work worth –Rs 1.356 million	1.356
32	102	-do-	Unauthorized award of contract of repair of transformers -Rs 26.80 million	26.800
33	103	-do-	Unauthorized payment for non-schedule items without rate analysis –Rs 4.256 million	4.256
34	104	-do-	Less execution of items of works than BOQ – Rs 2.492 million	2.492
35	105	-do-	Unauthorized Payment for execution of banned item –Rs 1.214 million	1.214
36	107	-do-	Overpayment due to allowing high rates – Rs 121,689	0.122

Annexure-2
Para No. 1.2.1.5

Overpayment due to allowing higher rates

Description	TMA Mardan		TMA Swabi	
	Specification	Rate	Specification	Rate
Pole	24 ft height	35,000	24 ft height	30,000
Foundation	RCC	15,371	RCC	8,589
Solar panel	Solar panel mount	7,813	Solar panel mount	6,000
Solar panel	Solar panel 250 watt	27,646	Solar panel 250 watt	10,000
LED	LED 60 Watt	51,915	LED 60 Watt	22,000
Battery box	Battery box	7,050	Battery box	5,365
VRLA battery	Battery 12v 150AH	58,000	Battery 12v 150AH	48,000
Charge controller	Charge controller 10 AMP	17,781	Charge controller 10 AMP	12,500
PVC Pipe 1.5" dia	PVC pipe 1.5 " dia	3,571	PVC pipe 1.5 " dia	7,525
Copper cable	Copper cable	4,375	Accessories	5,058
Total cost on one street pole		228,522	Total cost on one street pole	155,037

Variation per pole	73,485
Numbers of Solar poles	43
Total overpayment	3,159,855

Annexure-3
Para No.

Detail of shops in G.B.S Mardan. Loss due to non-considering prevailing market rate in 1999 (Amount in Rupees)								
Shop #	Name Of Allottee.	Year of allotment	Rent at the time of allotment	Current Monthly Rent	Annual cumulative effect and Monthly rent in 2016 after 10% annual increase w.e.f. 1979	Less rent realized/month per shop	Months	Loss/Less collection
1 2	Shahid Khan	1978	350	14,435	17,691	(3,256)	12	(39,074)
3	Muhammad Kalam	1978	250	6,938	17,691	(10,753)	12	(129,038)
4	Sayad Mqsood	1978	500	6,938	17,691	(10,753)	12	(129,038)
5	Muhammad Saeed	1978	437	6,938	17,691	(10,753)	12	(129,038)
6	Ihsanullah	1978	437	6,938	17,691	(10,753)	12	(129,038)

7	Ameer Farzand	1978	250	6,938	17,691	(10,753)	12	(129,038)
8	Raziq Shah	1978	200	5,844	17,691	(11,847)	12	(142,160)
9	Shamsher baaz	1978	250	6,938	17,691	(10,753)	12	(129,038)
10	Fazal Elahi	1978	350	6,938	17,691	(10,753)	12	(129,038)
11	Fazal Raziq	1978	250	6,024	17,691	(11,667)	12	(140,000)
12	Fazal Rawoof	1978	250	6,024	17,691	(11,667)	12	(140,000)
13	Muhammad Shamshad	1978	250	6,938	17,691	(10,753)	12	(129,038)
14	Abdul Qader	1978	250	5,357	17,691	(12,334)	12	(148,010)
15	Muhammad Naseem	1978	250	5,627	17,691	(12,064)	12	(144,770)
16	Muhammad Shareef	1978	250	6,938	17,691	(10,753)	12	(129,038)
17	Noor Rahman	1978	200	6,938	17,691	(10,753)	12	(129,038)
18	Abdul Hameed	1978	200	3,948	17,691	(13,743)	12	(164,912)
19	Ismaeel	1978	200	3,689	17,691	(14,002)	12	(168,020)
20	Doost	1978	200	3,948	17,691	(13,743)	12	(164,912)

	Muhammad							
21	Kachkol	1978	200	3,689	17,691	(14,002)	12	(168,020)
22	Zia Ul Islam	1978	200	3,948	17,691	(13,743)	12	(164,912)
23	Hafiz Saif Ul Islam	1978	200	3,948	17,691	(13,743)	12	(164,912)
24	Arshid Khan	1978	200	3,948	17,691	(13,743)	12	(164,912)
25	Ghulam Hazrat	1978	200	3,948	17,691	(13,743)	12	(164,912)
26	Jamal Nasar	1978	200	3,948	17,691	(13,743)	12	(164,912)
27	Muhammad Islam	1978	200	3,948	17,691	(13,743)	12	(164,912)
28	Muhammad Saeed	1978	200	3,948	17,691	(13,743)	12	(164,912)
29	Sayad Mqsood	1978	200	3,948	17,691	(13,743)	12	(164,912)
30	Said Wali	1978	200	4,337	17,691	(13,354)	12	(160,244)
31	Shahid Khan	1978	200	3,948	17,691	(13,743)	12	(164,912)
32	Ameer Rahman	1978	200	2,638	17,691	(15,053)	12	(180,632)
33	Farooq Ali	1978	200	3,311	17,691	(14,380)	12	(172,556)

34	Said Wali	1978	150	3,311	17,691	(14,380)	12	(172,556)
35	Sheraz Khan	1978	250	3,948	17,691	(13,743)	12	(164,912)
36	Jameel Ahmad	1978	200	3,948	17,691	(13,743)	12	(164,912)
37	Ihsanullah	1978	250	3,948	17,691	(13,743)	12	(164,912)
38	Bewa M.Ayoub Khan	1978	250	3,948	17,691	(13,743)	12	(164,912)
39	Abdul Jaleel	1978	150	3,948	17,691	(13,743)	12	(164,912)
40	Ghulam Abbas	1978	200	3,948	17,691	(13,743)	12	(164,912)
41	Deen Muhammad	1978	200		17,691	(17,691)	12	(212,288)
41_4 2	Deen Muhammad	1978	200	7,909	17,691	(9,782)	12	(117,380)
	Noor Muhammad				17,691	(17,691)	12	(212,288)
43	Fazal Ahmad	1978	250	3,311	17,691	(14,380)	12	(172,556)
44	Badam Gul	1978	250	3,311	17,691	(14,380)	12	(172,556)
45	Muhammad	1978	250	3,311	17,691	(14,380)	12	(172,556)

	Shareef							
46	Haji Faridun	1978	250	3,311	17,691	(14,380)	12	(172,556)
47	Bahadar Khan	1978	250	3,311	17,691	(14,380)	12	(172,556)
48	Fazal Manan	1978	300	3,311	17,691	(14,380)	12	(172,556)
49	Aziz UR Rahman	1978	150	3,498	17,691	(14,193)	12	(170,312)
50	Qayoom Khan	1978	150	3,498	17,691	(14,193)	12	(170,312)
51	Alam Gul	1978	150	3,311	17,691	(14,380)	12	(172,556)
52	Muhammad Iqbal	1978	150	3,376	17,691	(14,315)	12	(171,776)
53	Bahadar Khan	1978	150	3,311	17,691	(14,380)	12	(172,556)
54	Majid Ali	1978	150	3,311	17,691	(14,380)	12	(172,556)
55	Umar Muhammad	1978	150	3,311	17,691	(14,380)	12	(172,556)
56	Ajmal Khan	1978	150	3,311	17,691	(14,380)	12	(172,556)
57	Zareef Hussain	1978	150	3,311	17,691	(14,380)	12	(172,556)
58	Liyaaqat Ali	1978	150	3,311	17,691	(14,380)	12	(172,556)
59	Muhammad Shoaib	1978	150	2,426	17,691	(15,265)	12	(183,176)

60	Inayat Ullah	1978	300	3,311	17,691	(14,380)	12	(172,556)
61	Peer Inayat Shah	1978	150	3,311	17,691	(14,380)	12	(172,556)
62	Anwar Khan	1978	150	2,246	17,691	(15,445)	12	(185,336)
63	Muhammad Kamil	1978	250	3,311	17,691	(14,380)	12	(172,556)
64	Mumtaz Khan	1978	250	3,311	17,691	(14,380)	12	(172,556)
65	Sheer Bacha	1978	250	3,311	17,691	(14,380)	12	(172,556)
	Azhar Shah				17,691	(17,691)	12	(212,288)
66	Kashif	1978	250	3,311	17,691	(14,380)	12	(172,556)
67	Ahmad Shah	1978	250	3,311	17,691	(14,380)	12	(172,556)
68	Sabaz Ali	1978	250	3,311	17,691	(14,380)	12	(172,556)
69	Muhammad Shareef	1978	150	3,311	17,691	(14,380)	12	(172,556)
70	Muhammad Raziq	1978	150	1,986	17,691	(15,705)	12	(188,456)
71	Meer akbar with Weranda	1978	150	1,986	17,691	(15,705)	12	(188,456)
72	Aman Ullah	1978	150	1,986	17,691	(15,705)	12	(188,456)
73	Jangraiz Khan	1978	150	1,986	17,691	(15,705)	12	(188,456)

74	Ameer Rahman	1978	150	1,986	17,691	(15,705)	12	(188,456)
75	Noor Said	1978	187	1,986	17,691	(15,705)	12	(188,456)
76	Gul Muhammad	1978	250	1,986	17,691	(15,705)	12	(188,456)
77	Sheer Ali/Parweez	1978	150	1,986	17,691	(15,705)	12	(188,456)
78	Sheer Ali	1978	150	1,986	17,691	(15,705)	12	(188,456)
79	Ourang Zeb	1978	187	1,986	17,691	(15,705)	12	(188,456)
80	Mian Sajid Ur Rahman	1978	187	1,986	17,691	(15,705)	12	(188,456)
81	Noor Ali	1978	187	1,986	17,691	(15,705)	12	(188,456)
82	Basheer Muhammad	1978	187	1,986	17,691	(15,705)	12	(188,456)
83	Khalid Khan	1978	150	2,630	17,691	(15,061)	12	(180,728)
84	Khalid Basheer	1978	150	1,986	17,691	(15,705)	12	(188,456)
85	Muhammad Akbar	1978	150	1,986	17,691	(15,705)	12	(188,456)
86	Ali	1978	150	1,986	17,691	(15,705)	12	(188,456)

	Muhammad							
87	Ashraf Khan	1978	150	1,986	17,691	(15,705)	12	(188,456)
88	Jamal Khan	1978	150	1,986	17,691	(15,705)	12	(188,456)
89	Zain UL Haq	1978	150	1,986	17,691	(15,705)	12	(188,456)
90	Tajam UL Hussain	1978	150	1,986	17,691	(15,705)	12	(188,456)
91	Muzafar Hussain	1978	150	2,426	17,691	(15,265)	12	(183,176)
92	Ghulam Muhammad	1978	300	1,986	17,691	(15,705)	12	(188,456)
93	Maneer Khan	1978	300	2,570	17,691	(15,121)	12	(181,448)
94	Naseer Ahmad	1978	300	2,928	17,691	(14,763)	12	(177,152)
95	Anwar Shah	1978	300	1,986	17,691	(15,705)	12	(188,456)
96	Muhammad Yousaf	1978	300	2,928	17,691	(14,763)	12	(177,152)
97	Amir Baseer	1978	300	1,986	17,691	(15,705)	12	(188,456)
98	Abdul Malik/Riyaz	1978	300	1,986	17,691	(15,705)	12	(188,456)
99	Munawar	1978	150	1,986	17,691	(15,705)	12	(188,456)

	Khan							
100	Sayed Bacha	1978	150	1,986	17,691	(15,705)	12	(188,456)
101	Taaj Muhammad	1978	150	1,986	17,691	(15,705)	12	(188,456)
102	Noor Dil Khan	1978	150	1,986	17,691	(15,705)	12	(188,456)
103	Khalid Khan	1978	150	1,986	17,691	(15,705)	12	(188,456)
104	Muhammad Ashraf	1978	150	1,986	17,691	(15,705)	12	(188,456)
105	Haji Shamshad	1978	150	1,986	17,691	(15,705)	12	(188,456)
106	Alam Zeb	1978	150	1,986	17,691	(15,705)	12	(188,456)
107	Nisar UL Haaq	1978	150	1,986	17,691	(15,705)	12	(188,456)
	Aman ullah				17,691	(17,691)	12	(212,288)
108	Laal Nazeer	1978	150	1,986	17,691	(15,705)	12	(188,456)
109	Noor UL Baswar	1978	150	1,986	17,691	(15,705)	12	(188,456)
110	Jahan zeb	1978	150	1,986	17,691	(15,705)	12	(188,456)
111	Ismaeel	1978	150	1,986	17,691	(15,705)	12	(188,456)

112	Haji Nazeer Ahmad	1978	150	2,766	17,691	(14,925)	12	(179,096)
113	Yaqoob Khan	1978	150	2,766	17,691	(14,925)	12	(179,096)
114	Taaj Muhammad	1978	150	1,986	17,691	(15,705)	12	(188,456)
115	Muhammad Hassan	1978	150	1,986	17,691	(15,705)	12	(188,456)
116	Meer Zaman	1978	150	1,986	17,691	(15,705)	12	(188,456)
117	Zyarat Khan	1978	150	1,986	17,691	(15,705)	12	(188,456)
	Kareem Khan				17,691	(17,691)	12	(212,288)
118	Muhammad Khalid	1978		1,986	17,691	(15,705)	12	(188,456)
119	Rustam Khan	1978	250	1,986	17,691	(15,705)	12	(188,456)
120	Mumtaz Khan	1978		1,986	17,691	(15,705)	12	(188,456)
121	Aslam Khan	1978	187	800	17,691	(16,891)	12	(202,688)
122	Nazeer Ahmad	1978	18/0	1,986	17,691	(15,705)	12	(188,456)
	Zafar Ahmad				17,691	(17,691)	12	(212,288)
123	Mumtaz Khan	1978	180	1,986	17,691	(15,705)	12	(188,456)
124	Gulistan	1978	180	1,986	17,691	(15,705)	12	(188,456)

125	Hayat Nazar	1978	150	1,986	17,691	(15,705)	12	(188,456)
126	Imtiyaz Khan	1978	150	1,986	17,691	(15,705)	12	(188,456)
127	Raaz Muhammad	1978	150	1,986	17,691	(15,705)	12	(188,456)
128	Raaz Muhammad	1978	150	2,248	17,691	(15,443)	12	(185,312)
129	Umar Muhammad Khan	1978	150	1,986	17,691	(15,705)	12	(188,456)
130	Abdul Jabbar	1978	150	1,986	17,691	(15,705)	12	(188,456)
131	Noor Muhammad	1978	150	1,986	17,691	(15,705)	12	(188,456)
132	Faqeer Said	1978	150	1,986	17,691	(15,705)	12	(188,456)
	Naseeb Rawan				17,691	(17,691)	12	(212,288)
133	Fazal Said	1978	150	1,986	17,691	(15,705)	12	(188,456)
134	Raaz Muhammad	1978	150	1,986	17,691	(15,705)	12	(188,456)
135	Muhammad Ashraf	1978	150	1,986	17,691	(15,705)	12	(188,456)

136	Sheer Ali	1978	150	3,030	17,691	(14,661)	12	(175,928)
137	Muhammad Islam	1978	150	2,246	17,691	(15,445)	12	(185,336)
138	Haji Muhammad Umar	1978	150	2,186	17,691	(15,505)	12	(186,056)
139	Shamsul Said	1978	150	1,986	17,691	(15,705)	12	(188,456)
140	Asif Ullah	1978	150	3,030	17,691	(14,661)	12	(175,928)
141	Asif Ullah	1978	150	3,030	17,691	(14,661)	12	(175,928)
142	Muhammad Yaqoob	1978	150	1,986	17,691	(15,705)	12	(188,456)
143	Hameed Ullah	1978	150	1,986	17,691	(15,705)	12	(188,456)
144	Muhammad Yousaf	1978	150	1,986	17,691	(15,705)	12	(188,456)
145	Hazart Umar	1978	150	2,184	17,691	(15,507)	12	(186,080)
146	Naseem U Deen	1978	150	1,986	17,691	(15,705)	12	(188,456)
147	Saraaz Khan	1978	150	2,324	17,691	(15,367)	12	(184,400)
148	Roydad Khan	1978	150	1,986	17,691	(15,705)	12	(188,456)
149	Zahida Begam	1978	200	2,324	17,691	(15,367)	12	(184,400)

150	Muhammad Shakir	1978	200	2,570	17,691	(15,121)	12	(181,448)
151	Muhammad Shakir	1978	200	2,570	17,691	(15,121)	12	(181,448)
152	Haji Beradar	1978	150	2,426	17,691	(15,265)	12	(183,176)
153	Ameer Nawas	1978	150	1,986	17,691	(15,705)	12	(188,456)
154	Umar Said	1978	150	2,766	17,691	(14,925)	12	(179,096)
155	Jannat Gul	1978	150	1,986	17,691	(15,705)	12	(188,456)
156	Asif Ullah	1978	150	1,986	17,691	(15,705)	12	(188,456)
157	Rouhul Haaq	1978	150	2,692	17,691	(14,999)	12	(179,984)
158	Deen Muhammad	1978	150	2,692	17,691	(14,999)	12	(179,984)
159	Muhammad a Jaan	1978	150	2,692	17,691	(14,999)	12	(179,984)
160	Anwar Jaan	1978	150	2,692	17,691	(14,999)	12	(179,984)
161	Mehmood Khan	1978	150	2,737	17,691	(14,954)	12	(179,444)
162	Munfarid Shah	1978	200	2,692	17,691	(14,999)	12	(179,984)
163	Qamar Deen	1978	200	2,841	17,691	(14,850)	12	(178,196)

164	Inayat Khan	1978	200	2,692	17,691	(14,999)	12	(179,984)
165	Maqbool Ahmad	1978	200	3,311	17,691	(14,380)	12	(172,556)
166	Dawood Shah	1978	200	2,186	17,691	(15,505)	12	(186,056)
167	Muhammad Zaman	1978	200	3,818	17,691	(13,873)	12	(166,472)
168	Imtiyaz Khan	1978	200	1,986	17,691	(15,705)	12	(188,456)
169	Imtiyaz Khan	1978	200	1,986	17,691	(15,705)	12	(188,456)
170	Hameed Khan	1978	200	1,986	17,691	(15,705)	12	(188,456)
171	Abdul Rahman	1978	200	1,986	17,691	(15,705)	12	(188,456)
172	Ibrar Hussain	1978	200	1,986	17,691	(15,705)	12	(188,456)
173	Muhammad Arshid	1978	200	1,986	17,691	(15,705)	12	(188,456)
174	Sher Ahmad	1978	200	2,922	17,691	(14,769)	12	(177,224)
175	Dolat Khan	1978	150	1,807	17,691	(15,884)	12	(190,604)
176	Maqbool Ahmad	1978	150	1,807	17,691	(15,884)	12	(190,604)
177	Shareef Gul	1978	150	1,807	17,691	(15,884)	12	(190,604)
178	Shareef Gul	1978	150	1,807	17,691	(15,884)	12	(190,604)

179	Alam Zeeb	1978	150	1,807	17,691	(15,884)	12	(190,604)
180	Jameel Khan	1978	150	1,807	17,691	(15,884)	12	(190,604)
181	Ahmad Sultan	1978	150	1,807	17,691	(15,884)	12	(190,604)
182	Ikram Khan	1978	150	3,215	17,691	(14,476)	12	(173,708)
183	Fazal Raheem	1978	150	3,799	17,691	(13,892)	12	(166,700)
184	Laal Zada	1978	150	3,215	17,691	(14,476)	12	(173,708)
185	Zar Muhammad	1978	150	3,697	17,691	(13,994)	12	(167,924)
186	Shah Jehan	1978	150	3,858	17,691	(13,833)	12	(165,992)
187	Bahadar Khan	1978	150	3,475	17,691	(14,216)	12	(170,588)
188	Muqaddar Shah Gujar	1978	150	3,215	17,691	(14,476)	12	(173,708)
189	Gul Zameer	1978	150	3,553	17,691	(14,138)	12	(169,652)
190	Riyaz Khan	1978	150	3,799	17,691	(13,892)	12	(166,700)
191	Peer Muhammad	1978	150	3,215	17,691	(14,476)	12	(173,708)
192	Shamsul Qamar	1978	150	3,697	17,691	(13,994)	12	(167,924)
193	Abid Ullah	1978	150	3,697	17,691	(13,994)	12	(167,924)

194	Noorul Islam	1978	150	4,069	17,691	(13,622)	12	(163,460)
195	Sheer Ali	1978	150	3,215	17,691	(14,476)	12	(173,708)
196	Muqaddar Shah	1978	150	3,215	17,691	(14,476)	12	(173,708)
197	Iqbal Hussain	1978	150	3,215	17,691	(14,476)	12	(173,708)
198	Atta Muhammad	1978	150	2,922	17,691	(14,769)	12	(177,224)
199	Shah Jehan	1978	150	2,922	17,691	(14,769)	12	(177,224)
200	Gul Rehan	1978	150	2,088	17,691	(15,603)	12	(187,232)
201	Sajid Ali Khan	1978	150	2,088	17,691	(15,603)	12	(187,232)
202	Hukam Khan	1978	150	2,088	17,691	(15,603)	12	(187,232)
203	Abdul Salam	1978	150	2,088	17,691	(15,603)	12	(187,232)
204	Sajjad Ahmad	1978	150	2,088	17,691	(15,603)	12	(187,232)
205	Maneer Khan	1978	150	2,868	17,691	(14,823)	12	(177,872)
206	Abdul Ghafar	1978	150	2,088	17,691	(15,603)	12	(187,232)
207	Jameel	1978	150	2,088	17,691	(15,603)	12	(187,232)
208	Haji Akbar Ali	1978	150	2,527	17,691	(15,164)	12	(181,964)

209	Sartaj Khan	1978	150	2,088	17,691	(15,603)	12	(187,232)
210	Fazal Kareem	1978	150	2,527	17,691	(15,164)	12	(181,964)
211	Abdul Ghafoor Khan	1978	250	2,088	17,691	(15,603)	12	(187,232)
212	Mnazor Khan	1978	150	2,088	17,691	(15,603)	12	(187,232)
213	Basheer Muhammad	1978	150	2,088	17,691	(15,603)	12	(187,232)
214	Hameed UD Deen	1978	150	3,110	17,691	(14,581)	12	(174,968)
215	Muhammad Khan	1978	150	2,088	17,691	(15,603)	12	(187,232)
216	Sajjad Khan	1978	150	2,348	17,691	(15,343)	12	(184,112)
217	Sajjad Khan	1978	150	2,348	17,691	(15,343)	12	(184,112)
218	Habib UR Rahman	1978	150	1,209	17,691	(16,482)	12	(197,780)
219	Hafiz Muhammad Anwar	1978	150	1,209	17,691	(16,482)	12	(197,780)
220	Abdul Ghafoor Khan	1978	150	1,209	17,691	(16,482)	12	(197,780)

221	Ijaaz Ali Shah	1978	300	2,337	17,691	(15,354)	12	(184,244)
222	Shah Said Afridi	1978	300	2,337	17,691	(15,354)	12	(184,244)
223	Sajjad Ahmad	1978	300	885	17,691	(16,806)	12	(201,668)
224	Rahmat Sheer	1978	300	1,932	17,691	(15,759)	12	(189,104)
225	Muhammad Rasan	1978	300	1,756	17,691	(15,935)	12	(191,216)
226	Amjid Ali Shah	1978	500	1,756	17,691	(15,935)	12	(191,216)
227	Mussanif Shah	1978	300	1,756	17,691	(15,935)	12	(191,216)
228	Muhammad Nawaz	1978	300	1,756	17,691	(15,935)	12	(191,216)
229	Imran Khan/M. Kheel	2012	300	1,352	24,890	(23,538)	12	(282,452)
230	Irshad Khan/Cabin	2015	1,500	2,250	25,300	(23,050)	12	(276,600)
Total Monthly Rent		44,256	663,448	1,165,000	815,500	4,172,110	(3,508,663)	(42,103,953)

Annexure-4
Para No. 1.2.2.6

Loss due to non-achievement of 25% target increase

STATEMENT SHOWING DETAIL OF T.M.A MARDAN CONTRACTS FY 2015-16 & 2016-17						
#	Name of Tax Contract	Income during 2015-16 (Rs)	Increase 25% (Rs)	Target for 2016-17 (Rs)	Income during 2016-17 (Rs)	Loss (Rs)
1	Property Tax 2%	124,247,170	31,061,793	155,308,963	112,701,321	42,607,642
2	General Bus Stand Mardan	30,752,660	7,688,165	38,440,825	34,746,730	3,694,095
3	General Bus Stand Bakhshali	656,000	164,000	820,000	608,895	211,105
4	General Bus Stand Toru	599,480	149,870	749,350	522,325	227,025
5	Cattle Fair Bughdada	2,779,875	694,969	3,474,844	2,816,118	658,726
6	Cattle Fair Toru	802,175	200,544	1,002,719	630,870	371,849
7	Sign Boards	7,500,000	1,875,000	9,375,000	6,275,975	3,099,025
8	Cycle Mela	1,455,510	363,878	1,819,388	876,360	943,028
9	Tanga License Fee	50,000	12,500	62,500	0	62,500
10	QingQi License Fee	966,000	241,500	1,207,500	1,165,000	42,500
11	Flash System Latrine (GBS)	765,120	191,280	956,400	667,850	288,550
Total		170,573,990	42,643,498	213,217,488	161,011,444	52,206,044

Annexure-5
Para No. 1.2.2.9

Non-imposition of penalty for non completion of works

S. No	Scheme	Work order date	completion Period (Months)	Status on 02/2018	E/Cost	Penalty (Rs)
1	Const. of street drain etc at UC Sawal Dher	27.04.2016	06	In progress	2,500,000	250,000
2	Const. of street drain culverts at jan abad UC Shamat pur	31.10.2016	06	In progress	5,000,000	500,000
3	Const. of street drain culverts at new bumbar UC Mayar	04.10.2017	02	In progress	2,620,000	262,000
4	Const. of Sheds/bath rooms etc at Bar room Mardan	25.01.2017	02	In progress	1,000,000	100,000
5	Reconst. Of Black top at Nanagan UC Sawal Dher	27.04.2016	06	In progress	3,839,000	383,900
6	Const. of Black top road at Kander	24.05.2017	06	In progress	10,000,000	1,000,000
7	Const. Rehabilitation of BTR at UC Mohib banda	24.05.2017	06	In progress	10,000,000	1,000,000
Total						3,495,900

Annexure-6
Para No. 1.3.2.1

Detail of Non-imposition of penalty

S. No	Name of Work	Estimated Cost Rs	Date of work Order	Req. Date of Completion	Expenditure Rs	Status of the scheme	Penalty @ 10 % (Rs)
39	Cons. Of streets and drains at UC Jalala (Tobacco Cess 2015-16)	7,490,000	16-05-2017	16-11-2017	4,411,805	Incomplete	749,000
40	Rehab. Of roads and culverts at UC Damn e Koh	3,500,000	29-05-2015 (6 Months)	29-11-2015	3,450,188	Completed on 30-06-2017	350,000
01	Pavement of streets at UC Lund Khwar (DDF 2015-16)	2,000,000	07-04-2017 (6 Months)	07-10-2017	2,000,000	Completed on 23-11-2017	200,000
07	Cons. Of PCC at UC Per Saddi	1,200,000	07-04-2017 (6 Months)	07-10-2017	925,374	Incomplete	120,000
08	Cons. Of PCC at UC Jehangir Abad	1,200,000	06-04-2017 (6 Months)	06-10-2017	836,581	Incomplete	120,000
11	Cons. Of PCC at UC Saro Shah	1,200,000	07-04-2017 (6 Months)	07-10-2017	422,986	Incomplete	120,000
18	Pavement of streets and drains at UC Saaro Shah	970,000	07-04-2017 (6 Months)	07-10-2017	843,302	Incomplete	97,000
19	Pavement of streets and drains at UC Saaro Shah	970,000	07-04-2017 (6 Months)	07-10-2017	970,000	Completed on 23-11-2017	97,000

21	Cons. Of PCC road at UC Mady Baba (DDF 2016-17)	1,200,000	16-05-2017 (6 Months)	16-11-2017	533,878	Incomplete	120,000
31	Cons of drains at Bajawar Korona (MDGs)	1,500,000	16-11-2016 (6 Months)	16-04-2017	389,616	Incomplete	150,000
32	Cons of PCC road at Sarhi Behlool	1,000,000	16-11-2016 (6 Months)	16-05-2017	680,000	Completed on 05-06-2016	100,000
41	Maintenanc e and repair of BHU Mian Essa (DDF 2015-16 for Health	200,000	05-10-2016(5 months)	05-10-2016	148,456	Incomplete	20,000
42	Maintenanc e and repair of BHU Jalala	200,000	05-10-2016(5 months)	05-10-2016	161,564	Incomplete	20,000
43	Maintenanc e and repair of BHU Gujar Garhi	200,000	05-10-2016(5 months)	05-10-2016	138,915	Incomplete	20,000
44	Maintenanc e and repair of BHU Parkho Derhi	200,000	05-10-2016(5 months)	05-10-2016	141,293	Incomplete	20,000
45	Maintenanc e and repair of BHU Takkar	200,000	05-10-2016(5 months)	05-10-2016	145,086	Incomplete	20,000
46	Maintenanc e and repair of BHU Saaro Shah	200,000	05-10-2016(5 months)	05-10-2016	138,915	Incomplete	20,000
Total		23,430,000			16,337,959		2,343,000

Annexure-7
Para No. 1.3.2.2

Detail showing Revenue outstanding

S. No	Contract	Contractor' s Name	Amount due Since	Amount (Rs)
1	Cattle Fair Takht Bhai	Liaqat Ali S/O M. Yousaf	2001-02	112,289
2	Water Rates 2001-02	Tariq Aziz S/O Abdul Akbar	-do-	14,102
3	Cattle Fair Takht Bahi 2001-02	M. Iqbal S/O M. Ikram	-do-	63,978
4	License Fee	Mumtaz Ahmad S/O Ghulam Muhd.	2002-03	29,750
5	Mela TV / Cycle	M. Sadiq S/O Tila Muhammad	2004-05	9,450
6	Load unload	Shahjehan S/O Taj Muhammad	2005-06	36,030
7	Tanga Stand	Saeed Gul S/O Muhammad Gul	-do-	21,530
8	Cattle Fair Sher Garh	Farhad Amin S/o Syed Amin	2009-10	378,546
9	Bus Stand Takht Bhai	Farhad Amin S/o Syed Amin	-do-	588,500
10	Cattle Fair Takht Bhai	Muhammad Zahir S/O Muhd. Khan	-do-	599,500
11	Mela TV/ Cycle	Tilla Muhammad	2011-12	7,980
12	2% Property Tax	Noor Khan S/O Abdul Khaliq	2013-14	4,460,456
13	Service Tax	Irfan Khan S/O Sharif Khan	2013-14	333,000
14	License Fee	Abdul Wahid S/O Umar Wahid	2006-07	7,000
15	License Fee	Ihsan Ullah Khan S/O Hammad	2014-15	68,800
16	Cattle Fair Takht Bhai	Muheb Gul S/O Wazir Gul	2015-16	166,200
17	2% Property Tax		-do-	8,303,992
18	License Fee	Abdul Wahid S/O Umar Wahid	2016-17	112,000
			Total	15,313,103

Annexure-8
Para No. 1.3.2.3

Detail showing non accomplishment of receipt targets

S. No	Contract	Total Bid	20% Increase	Req. Min. Bid	Actual recovery	Less Recovery
		2015-16 (Rs)		2016-17 (Rs)	2016-17 (Rs)	2016-17 (Rs)
1	2% Property Tax	37,554,556	7,510,911	45,065,467	19,795,075	25,270,392
2	Bus Stand Takht Bhai	6,274,350	1,254,870	7,529,220	6,307,950	1,221,270
3	Bus Stand Sher Garh	5,252,000	1,050,400	6,302,400	4,784,350	1,518,050
4	Bus Stand Sher Lundkhwar	1,062,430	212,486	1,274,916	722,670	552,246
5	Cattle Fair Takht Bhai	4,652,200	930,440	5,582,640	4,005,258	1,577,382
6	Cattle Fair Sher Garh	1,462,475	292,495	1,754,970	1,735,599	19,371
7	Cattle Fair Sher Lundkhwar	85,000	17,000	102,000	111,269	0
8	Mela TV Takht Bhai	99,500	19,900	119,400	61,690	57,710
9	Mela TV Sher Garh	60,170	12,034	72,204	5,870	66,334
10	Map fee	996,719	199,344	1,196,063	1,824,724	0
11	License Fee	662,000	132,400	794,400	484,550	309,850
12	Sign Board	237,750	47,550	285,300	259,400	25,900
13	Slaughter House	17,000	3,400	20,400	41,770	0
14	Water Rates	1,500,000	300,000	1,800,000	1,530,000	270,000
15	Tanga Stand	170,000	34,000	204,000	0	204,000
Total				72,103,380	41,670,175	31,092,505

Annexure-9
Para No. 1.4.2.5

Non imposition of penalty for non-completion of works –Rs 5.422 million					
#	Schemes	PC-I cost Rs in Million	Required date of completion	Date of completion/ incomplete till 02/2018	Penalty (Rs in millions)
<i>Sector: Discretion of Tehsil Council (30%) Share.</i>					
1	S.S with allied works at Moh. Chagharzo, street Ayaz At village Jamal Garhi Ward: Jamal Garhi.	1.473	02.05.2017	Incomplete	0.147
2	S.S with allied works at village Sawal Dher Moh. Goghani, Nizam Garhi, Guli Bagh, Soderwal: Ward: Sawal Dher.	1.473	02.05.2017	Incomplete	0.147
3	S.S with allied works at village Babozai, moh Saidan, panda Berat Kheil, Pula Banda Ward: Babozai.	1.473	02.05.2017	Incomplete	0.147
4	S.S with allied works at village Sawal Dher Moh. Inzar Gul Banda, New Town , sodherwal Naizm Garhi Ward: Sawal Dher.	1.473	02.05.2017	Incomplete	0.147
<i>Sector: Road (10%) Share.</i>					
5	Construction of Road at Village Qasmi-Taza GramWard: Qasmi.	3.838	09.05.2017	01.07.2017	0.384
6	Rehabilitation of Road Village Habib Rasool Banda Shero Ward: Katlang-1.	5.00	09.05.2017	01.07.2017	0.500
<i>Sector: DWSS (30%) Share.</i>					
7	S.S with allied works at village Taza Gram, Chail Kundio, Sarobi, Saifan Banda Ward: Qasmi.	4	10.05.2017	Incomplete	0.400
8	Pavement of streets, const: of Pipe Culverts at UC Alo	2.182	10.05.2017	Incomplete	0.218
District ADP					

9	Construction / Improment Of Road at Kuz Miangan Ziarat Pati Gul mera U/C Kohi Barmol	1.2000	26.06.2017	Incomplete	0.120
10	Construction / Improment Of Road at Village Alo Shagai Road Moh Gharibi Koroona Lal Shah Zada Koroona U/C Alo	1.2000	26.06.2017	Incomplete	0.120
11	construction of shed/ bath and other room at New tehsil building Katlang District. mardan	1.4000	26.06.2017	Incomplete	0.140
12	Construction/Improvement of Roads at Village Kati Ghari UC Kati Ghari.	1.2000	26.06.2017	Incomplete	0.120
13	Construction/Improvement of Road at village Sadar Sahib Koroona UC Jamal Ghari.	1.2000	26.06.2017	Incomplete	0.120
14	Construction/Improvement of Road at Geedaro Pul Dheri Likpani U/C Dheri Likpani.	1.2000	26.06.2017	Incomplete	0.120
15	S.S at Jamal Ghari Moh: Kattak Palo U/C Jamal Ghari.	0.9700	26.06.2017	Incomplete	0.097
16	S.S at Village Katlang, Moh: Zarghoon Abad, Azi khel, Mamoti Katlang, Babozai Katlang, Gul Abad UC Katlang-1.	0.9700	26.06.2017	Incomplete	0.097
17	Const: of retaining wall U Babuzai.	0.6000	26.06.2017	Incomplete	0.060
18	S.S UC Babuzai.	0.9700	26.06.2017	Incomplete	0.097
19	S.S at Village Zafir Khan Dheri, Moh: Barooz, Gharib Abad UC Dheri Likpani.	0.9700	26.06.2017	Incomplete	0.097
20	Const:of Boundary Wall at Babozai College UC Babozai.	1.2250	26.06.2017	Incomplete	0.123
21	Const: of causeway near drain, and pavt: of street shamozai, koti/Landai Shah UC Shamozai.	1.6000	26.06.2017	Incomplete	0.160
22	S.S near Dr. Nisar Khan Koroona, Moh: Hanifullah Koroona UC Katlang-1.	2.1000	26.06.2017	Incomplete	0.210
23	Installation of Pressure Pump UC Babozai.	1.5000	26.06.2017	Incomplete	0.150

24	S.S at Madad Khan Banda, Kandoo Baba, Tazagram, Saroobi, Ghazi Baba UC Qasami.	2.5000	26.06.2017	Incomplete	0.250
25	S.S at Kohi Bermol, Mian Khan, Sangahoo UC Kohi Barmol.	2.5000	26.06.2017	Incomplete	0.250
26	S.S at Bahar Banda, Pillagai, Wali Abad, Pirano Banda, Khan Amir Banda, Landai Shah, Umar Gul Banda Oddigram UC Shamoza.	2.5000	26.06.2017	Incomplete	0.250
27	S.S at Madoo, Zarghon Abad, Azi Kheil, Gul Abad, Khat Sar, Banr Shah, Inzergai UC Katlang-I.	2.5000	26.06.2017	Incomplete	0.250
28	S.S at Pirano Banda, Shaheed Abad, Alo Khass, Ghala, Pepal, Janga UC Alo.	2.5000	26.06.2017	Incomplete	0.250
29	Const: of retaining Wall, Pavt: of Street at Jala Abad, Charoo, Babozai U/C Baboozai.	2.5000	26.06.2017	Incomplete	0.250
Total		54.217			5.422