



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
DISTRICT GOVERNMENT  
HANGU**

**AUDIT YEAR 2017-18**

**AUDITOR GENERAL OF PAKISTAN**

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## ABBREVIATIONS AND ACRONYMS

AA	Administrative Approval
ADP	Annual Development Programme
AIR	Audit and Inspection Report
AOM&R	Annual Ordinary Maintenance and Repair
BOQ	Bill of Quantity
B&R	Building and Road
CD	Civil Dispensary
CN	Charge Nurse
CPWA Code	Central Public Works Account Code
CPWD Code	Central Public Works Department Code
C&W	Communication and Works
DAC	Departmental Accounts Committee
DAC	District Accounts Committee
DAO	Divisional Accounts Officer
DC	Deputy Commissioner
DDO	Drawing and Disbursing Officer
DHO	District Health Officer
DPR	Disable Person's Relief
FR	Fundamental Rules
GFR	General Financial Rules
GPS	Government Primary School
GGPS	Government Girls Primary School
GHS	Government High School
GI Pipe	Galvanized Iron Pipe
GST	General Sales Tax
HRA	House Rent Allowance
KM	Kilo Meter
KP	Khyber Pakhtunkhwa
KPPRA	Khyber Pakhtunkhwa Public Procurement Regulatory Authority
LGA	Local Government Act

LGE&RDD	Local Government Election and Rural Development Department
LHV	Lady Health Visitor
MB	Measurement Book
MFDAC	Memorandum for Departmental Accounts Committee
MO	Medical Officer
MRS	Market Rate System
MS	Medical Superintendent
NAM	New Accounting Model
NIT	Notice Inviting Tender
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC-1	Planning Commission-1
PEC	Pakistan Engineering Council
PHE	Public Health Engineering
RDA	Regional Directorate of Audit
SDO	Sub Divisional Officer
SMO	Senior Medical Officer
SRO	Statutory Regulatory Order
THQ	Tehsil Headquarter Hospital
TS	Technical Sanction
UC	Union Council
WSS	Water Supply Scheme
XEN	Executive Engineer

## **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 require the Auditor General of Pakistan to conduct audit of the receipts and expenditure of District Fund and Public Account of District Governments.

The report is based on audit of the accounts of various offices of District Government, Hangu for the financial year 2016-17. The Director General Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2017 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes the systemic issues and significant audit findings. Relatively less significant issues are listed in the Annex-I of the Audit Report. The audit observations listed in the Annex-I 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 District Accounts Committee through the next year's Audit Report.

Audit findings indicate the need for adherence to the regularity framework besides instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities.

The observations included in this Report have been finalized in the light of written replies of the departments, however in some observations department did not submit written replies. DAC meetings were not convened despite repeated requests.

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

Islamabad  
Dated:

**(Javaid Jehangir)**  
**Auditor General of Pakistan**

## EXECUTIVE SUMMARY

The Director General Audit District Governments, Khyber Pakhtunkhwa carried out the audit of twenty five District Governments. Regional Directorate of Audit (RDA) Kohat, on behalf of the Director General Audit District Governments, Khyber Pakhtunkhwa carried out the audit of three District Governments namely Kohat, Karak and Hangu.

The Regional Directorate has a human resource of seven officers and staff with a total of 1960 mandays. The annual budget amounting to Rs 11.996 million was allocated to the office during financial year 2016-17. The office is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audits of programs and projects.

District Government, Hangu conducts its operations under Khyber Pakhtunkhwa Local Government Act 2013. It comprises one Principal Accounting Officer (PAO) covering eighteen groups of offices as mentioned in Chapter-1 of this report. Financial provisions of the Act describe the Government fund as District Local Fund and District Public Account for which Annual Budget Statement is authorized by the District Council in the form of budgetary grants.

### **a. Scope of audit**

There are eighteen departments in District Hangu out of which the accounts of four departments were examined in detail. These departments were selected for detailed audit by excluding the last audited entities keeping in view the available man days.

The total expenditure of District Government Hangu for the Financial Year 2016-17 was Rs 776.861 million. Out of this, RDA Kohat audited an expenditure of Rs 497.191 million which, in terms of percentage, was 64% of auditable expenditure.

The receipts of District Government Hangu, for the Financial Year 2016-17, were Rs 12.286 million. Out of this, RDA Kohat audited receipts of Rs 4.914 million which, in terms of percentage, was 40% of auditable receipts.

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

Recovery of Rs 79.619 million was pointed out during the audit. Out of the total recoveries, Rs 37.919 million was not in the notice of the executives before audit. However, no recovery was made.

**c. Audit Methodology**

Audit was conducted after understanding the business processes of District Government Hangu with respect to their functions, control structure and key controls. This helped auditors in understanding the systems, procedures, environment, of the audited entity before starting the audit. Audit used desk audit techniques for analysis of compiled data and review of actual vouchers called for scrutiny and substantive testing in the Regional Directorate of Audit Kohat.

**d. Audit Impact**

Audit pointed out various irregularities of serious nature. Cases related to weak internal 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 the irregularities could not come to the light in the proper forum i.e. DAC.

**e. Comments on Internal Control and Internal Audit department**

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

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

**f. Key audit findings of the report;**

- i. Irregularities/ non-compliance were noticed in fourteen cases amounting to Rs 247.789 million.<sup>1</sup>
- ii. Internal control weaknesses were noticed in thirteen cases amounting to Rs 242.579 million.<sup>2</sup>

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

**g. Recommendations**

- i. Corrective actions need to be taken to stop the practice of violation of rules and regulations in spending the public money.
- ii. All sectors of District Government need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc to ensure that reported lapses are preempted and fair value for money is obtained from public spending.
- iii. Inquiries need to be held to fix responsibility for losses over and irregular payments and wasteful expenditure.

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<sup>1</sup>Para 1.2.1.1 to 1.2.1.14

<sup>2</sup>Para 1.2.2.1 to 1.2.2.13



## SUMMARY TABLES & CHARTS

### I: Audit Work Statistics

(Rs in million)

Sr. No	Description	No.	Receipts	Budget
1	Total Entities (PAO) in Audit Jurisdiction	01	12.286	789.147
2	Total departments in audit jurisdiction	18	12.286	789.147
3	Total Entities (PAO) Audited	01	12.286	502.105
4	Total departments Audited	04	12.286	502.105
5	Audit & Inspection Reports	04	12.286	502.105

### II: Audit observation Classified by Categories

(Rs in million)

S#	Description	Amount Placed under Audit Observation
1	Unsound asset management	72.137
2	Weak financial management	91.544
3	Weak Internal controls relating to financial management	242.579
4	Others	84.108
<b>Total</b>		<b>490.368</b>

**III: Outcome Statistics****(Rs in million)**

<b>S#</b>	<b>Description</b>	<b>Expenditure on Acquiring Physical Assets (Procurement)</b>	<b>Civil Works</b>	<b>Receipts</b>	<b>Others</b>	<b>Total Current year 2016-17</b>	<b>Total last year 2015-16</b>
1	Outlays Audited	--	463.384	12.286	313.477	789.147	663.294
2	Amount Placed under Audit Observation /Irregularities of Audit	--	397.993	--	92.375	490.368	602.249
3	Recoveries Pointed Out at the instance of Audit	--	18.446	--	61.173	79.619	109.913
4	Recoveries Accepted /Established at the instance of Audit	--	--	--	--	--	--
5	Recoveries Realized at the instance of Audit	--	--	--	--	--	--

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

S#	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations, principle of propriety and probity in public operation	135.515
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 weaknesses of internal control systems.	164.268
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.	190.584
<b>Total</b>		<b>490.368</b>

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

S #	Description	Amount
1	Outlays Audited (item 1 of Table 3)	502.105
2	Expenditure on audit	11.996
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).

# CHAPTER 1

## 1.1 District Government Hangu

### 1.1.1 Introduction

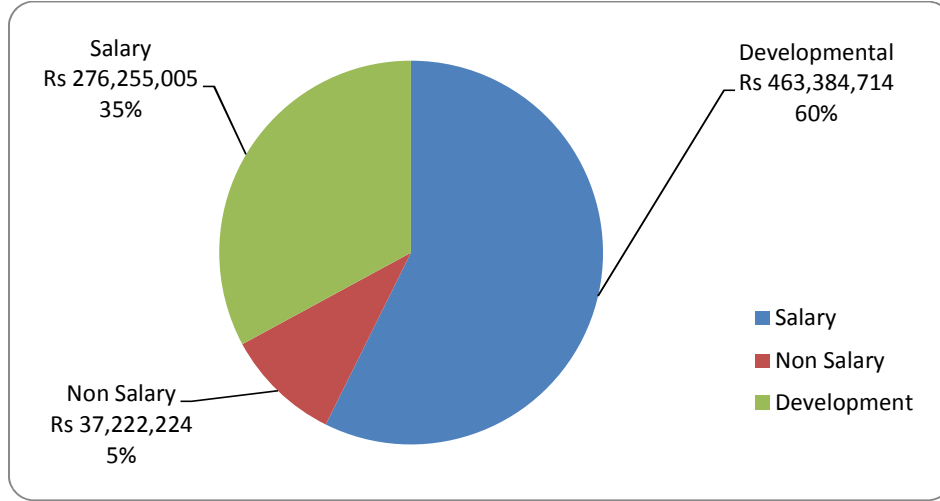
Activities of District Government are managed through offices of Deputy Commissioner and District Officers under Khyber Pakhtunkhwa Local Government Act 2013 (LGA 2013). Each group of District Offices consists of District Officer (DO)The DO by means of a standing order distributes the work among the officers, branches, and/or sections of each district office. The offices which manage the activities of District Government are Deputy Commissioner (DC), XEN C&W, XEN Public Health Engineering, District Officers Agriculture, Education, Health, Water Management, Fisheries, Population Welfare, LGE & RDD, Sports, Enterprises & Investment Promotion, Live Stock, Soil Conservation, Cooperation, Social Welfare, Public Transport and Municipal Services.

### 1.1.2 Comments on Budget and Expenditure (Variance Analysis)

(Amount in Rs)				
2015-16	Budget	Expenditure	Saving/Excess	%age
Salary	264,758,580	276,255,005	-11,496,425	-4.34
Non-salary	51,372,000	37,222,224	14,149,776	27.54
Developmental	529,635,220	463,384,714	66,247,506	12.50
<b>Total</b>	<b>845,765,800</b>	<b>776,861,943</b>	<b>80,397,282</b>	<b>9.50</b>
<b>Receipts</b>	12,286,814	12,286,814		

The savings of Rs 80.397 million indicate inefficiency in the capacity of District Government Departments to utilize the amount allocated.

**EXPENDITURE 2016-17**  
**(Amount in Rs)**



**1.1.3 Comments on the status of compliance with DAC / PAC Directives**

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

S#	Audit Year	PAC/DAC meeting convened/Not convened
1	2002-03	Not convened
2	2003-04	Not convened
3	2004-05	Not convened
4	2005-06	Not convened
5	2006-07	Not convened
6	2007-08	Not convened
7	2008-09	Not convened
8	2009-10	Not convened
9	2010-11	Not convened
10	2011-12	Not Convened
11	2015-16	Not convened

## **1.2 AUDIT PARAS**

### **1.2.1 Irregularity/ Non compliance**

#### **1.2.1.1 Unauthorized expenditure without Technical Sanction- Rs 64,425 million**

According to Para 56 of CPWD Code, if subsequent to the grant of technical sanction, material structural alterations are contemplated, orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.

According to under Para 178, of the GFR Vol: I, No work may be started / executed unless Technical Sanction and administrative approval is accorded by competent authority.

XEN PHE Division, Hangu incurred an expenditure of Rs 64,425,000 on various developmental schemes during 2016-17. The developmental expenditure was incurred without obtaining technical sanctions from competent authority. Detail is given at annex-2

Unauthorized expenditure occurred due to weak internal control, which resulted in violation of rules regarding ascertaining the estimate of actual quantities to be executed during the work based on engineering specifications and schedule of rates.

The irregularity was pointed out in August 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 30.8.2017 and 16.11-2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No. 73 (2016-17)**

### 1.2.1.2 Irregular award of contracts to non-eligible contractors - Rs 58.017 million

According to serial No. 43 of Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014, “The procuring entity shall disqualify a supplier or contractor or consultant if it finds, at any time, that the information submitted by him concerning his qualification as supplier or contractor was false and materially inaccurate or incomplete. However, the bidder may have right to appeal against the decision in accordance with section 35 of the Act and Grievances redressal framed under the Act”.

XEN PHE Division, Hangu awarded contracts to various contractors worth Rs 58.017 million having fake registration licenses of Pakistan Engineering council (PEC) during 2016-17. Detail is given below:

S#	Name of Scheme	Name of Contractor	Category/ License No.	Contract Amount (Rs in million)	Expenditure (Rs in million)
1	Const; of WSS Darband- 2	Khawaja Muhammad	C-4, 07871	18.852	11.147
2	Const; of WSS Shahoo Khel	Khawaja Muhammad	C-4, 07871	18.207	7.312
3	Const; of WSS Tora Wari	Habib Ullah & Bros;	C-5, 10769	15.986	14.333
4	Const; of WSS in U/C Kahi	Habib Ullah & Bros;	C-5, 10769	4.972	1.730
<b>Total</b>				<b>58.017</b>	<b>34.522</b>

Irregular award of contracts occurred due to weak internal control, which resulted in unhealthy competition.

The irregularity was pointed out in November 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 16.11-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends for inquiry besides taking action the person(s) at fault.

**AIR Para No. 69 (2016-17)**

**1.2.1.3 Irregular payment out of lapsed deposits-Rs 27.643 million**

According to Para 399 of CPWA code, unclaimed lapsable deposits for more than three year will be credited into revenue account.

XEN C&W Division, Hangu paid a sum of Rs 27,643,401 irregularly to the contractors out of lapsed deposits in 2016-17 without signature of DAO. Unclaimed deposits for more than 03 year were required to be credited to Government revenue account. Detail is given at annex-3

Moreover, an expenditure of Rs 285,441,232 was incurred from 3<sup>rd</sup> Deposit but deposit register was not maintained, which created doubt and lead to non-following of Government rules.

Furthermore, most of the payments from the lapsed deposits were made without signature of the DAO etc and most of the amounts were not carried forward to the next year. In addition, (-A) was written with most of the items and a lot of cutting/overwriting was also made in the registers, which creates doubt as well.

Irregular payment occurred due to weak administrative and financial control, which resulted in loss to Government.

The irregularity was pointed out in August 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 30-08-2017, however meeting of DAC could not be convened till finalization of this report.

Audit suggests that the unspent balances may be credited into government treasury.

**AIR Para No. 05 (2016-17)**



**1.2.1.4 i. Irregular expenditure of Rs 16.559 million**

**ii. Loss to Government due to manipulation in BOQ-Rs 2.316 million**

Accordance to miscellaneous provisions in KPPRA Rules 2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders.

XEN C&W Division, Hangu awarded a work “GGPS Sifat Banda PK-42 having estimated cost of Rs 16,559,268 to a contractor M/S Jibrán Const: Company during 2016-17. Audit observed the following irregularities:

1. No signature of the successful contractor i.e. M/S Jibrán construction Co. was found in attendance sheet.
2. BOQ pages of Most of the contractors were not signed by them.
3. The rate of 30% below offered by another contractor was manipulated to 11.30% below and thus contract / work was awarded to M/S Jibrán @16.01% below causing loss of 13.99% i.e. Rs 2,316,641.
4. PEC registration was expired.
5. Sealed envelopes and courier receipts were not attached.
6. Rates in BOQ were changed/ Manipulated in Jibrán cost: co (successful bidder).

Manipulation in tender rate occurred due to weak internal control, which resulted in loss to Government.

The irregularity was pointed out in August 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 30-08-2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No. 11 (2016-17)**

**1.2.1.5 Non-transparent and unjustified payment on account of work - Rs 16.207 million**

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

XEN C&W Division, Hangu awarded a work “Standardization of GHSS Dallan” to a contractor during 2016-17. The work was started from 13.9.2016 and upto 12.6.2017 i.e. within a span of almost 09 months work to the tune of Rs 10,294,100 was executed while within just 07 days from 13.6.2017 to 19.06.2017 work to the tune of Rs 10,576,653 was executed and paid vide MB No.79, which was illogical and not possible technically.

Moreover, a sum of Rs 5,630,802 was paid to contractor in a work “Construction of Bangash Chappar road” vide 25-R dated: 25.6.2017. The commencement date of the work was 06.06.2017 while completion date was 20.6.2017. It was observed that in just 14 days, huge payment was made on account of execution of work, which was not possible technically.

Fraudulent and unjustified payment on account of work and non-imposition of penalty occurred due to weak internal control, which resulted in loss to Government.

The irregularity was pointed out in August 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 30-08-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends enquiry and action against the person at fault.

**AIR Para No. 23 (2016-17)**

**1.2.1.6 Irregular expenditure on account of hiring of vehicles/POL- Rs 16.127 million**

As per field operation plan circulated by Pakistan Bureau of Statistics Division, Government of Pakistan, Para 4 and 5 of 11.2 page 128, census District Officer, through their Deputy Commissioners will hire vehicles as per policy given by the PBS (Head Quarter) Islamabad through open tenders and after inviting tenders, contract agreement be made with successful bidders, work orders be signed, proper business address and National ID Card numbers be obtained, income tax may be deducted and acknowledgement receipts may be obtained for record. All payments may be made to the contractors mentioned in the agreement.

DC Hangu received funds from Pakistan Bureau of Statistics (PBS) Islamabad for conducting census out of which Rs 16,127,325 was paid on account of hiring of vehicles/POL for Military staff and civil. But contrary to above instructions vehicles were directly hired and payments made to them directly.

Irregular expenditure occurred due to weak internal control, which resulted in violation of government instructions.

The irregularity was pointed out in September 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 10.11.2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry and fixing responsibility.

**AIR Para No. 06 (2016-17)**

- 1.2.1.7**
- i. Irregular tendering of work-Rs 9.545 million**
  - ii. Non imposition of penalty-Rs 954,516**

Accordance to miscellaneous provisions in KPPRA Rules 2014, clause 30, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders.

XEN C&W Division, Hangu executed a scheme “Upgradation of GGPS Mero Bak PK-42” with an estimated cost of Rs 9,545,169 during 2016-17. Three contractors participated in the competition. The BOQs of Rawa Construction & Co. and M/S Fateh Construction & Co. were the photocopies of each other and were same in all respects. They were not signed by the contractors. The BOQ of Abdul Qayyum was in pen writing and the contract was also awarded to him. The other two BOQs were placed in file just to fulfill formality.

Moreover, work order was issued on 22.12.2015 and date of completion was 30.06.2016 but the work was not completed till the date of Audit i.e August 2017, therefore penalty @10% amounting to Rs 954,516 needs to be imposed and be recovered from the contractor.

Fraudulent award of contract occurred due to weak administrative and financial control, which resulted in violation of Government rules.

The irregularity was pointed out in August 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 30-08-2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No. 13 (2016-17)**

**1.2.1.8 i. Non transparent tendering of work-Rs 8.629 million**  
**ii. Non imposition of penalty Rs 862,953**

Accordance to miscellaneous provisions in KPPRA Rules 2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders.

XEN C&W Division, Hangu awarded a work “Upgradation of GGPS No.1 Bilyamina” to M/S Rasool Badshah at his bid of Rs 8,629,531.02. Audit hold that the BOQ of all the bidders were filled in with the same writing and pen while the last page of the BOQ i.e. Page No.4 of the successful bidder was filled with different ink, which showed that it was either replaced or filled in later on. Thus the tendering process was engineered and the work was awarded to a contractor of choice in a fraudulent manner.

Moreover, work order was issued on 21.8.2015 and time of completion was 09 months but the work was still incomplete till date of audit i.e August 2017, therefore penalty @10% amounting to Rs 862,953 required to be imposed and be recovered from the contractor.

Non transparent tendering of work and non-imposition of penalty occurred due to weak internal control, which resulted in loss to Government.

The irregularity was pointed out in August 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 30-08-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends enquiry and action against the person(s) at fault besides recovery of penalty.

**AIR Para No. 21 (2016-17)**

**1.2.1.9 Irregular and unauthorized award of contract above the cost of AA-Rs.7.682 million**

According to Para 65 of CPWD Code when the expenditure upon a work exceeds the amount of administratively approved for it by more than 10%, a revised AA must be obtained from the authority competent to approve the same so enhanced.

According to Para 178 of GFR Vol-I read with Para 56 of CPWD Code and Para 2.4 of B&R Department Code, no work should be commenced or liability incurred in connection with it until technical sanction has been obtained from competent authority.

XEN PHE Division, Hangu award a contract with a tender cost of Rs 22.182 million under ADP No. 139/150992(2016-17) for the work “Construction of WSS Mamozai and Zinki Banda, Installation of 34 numbers Hand Pumps and 06 numbers pressure pumps”. The expenditure was held unauthorized and irregular due to the following reasons:

1. Administrative Approval cost was Rs 14.500 million while the work was tendered with a cost of 22.182 million which is Rs 7.682 million in excess of the AA representing 40% above of AA; and
2. Technical Sanction to the scheme was not accorded.

Irregular award of contract and unauthorized expenditure occurred due to weak internal control, which resulted in non-generation of revenue.

The irregularity was pointed out in November 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 16.11-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends to regularize the expenditure from competent authority besides taking action the person(s) at fault.

**AIR Para No. 01 (2016-17)**

**1.2.1.10 Irregular expenditure on account of Food charges-Rs 5.437 million**

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

DC Hangu incurred an expenditure of Rs 5,437,000 on account of Feeding Diet food charges for conducting 6<sup>th</sup> Census 2017 during 2016-17. Audit observed that amount was paid to DPO (District Police Officer) Hangu instead of incurring expenditure on the food & diet of staff employed by inviting open tender from caterers.

Irregular expenditure occurred due to weak internal control, which resulted in violation of Government instructions.

The irregularity was pointed out in September 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 10.11.2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry and fixing responsibility.

**AIR Para No. 03 (2016-17)**

**1.2.1.11 Non-installation of costly machinery and equipment-Rs 4.628 million**

According to Para 23 of GFR Vol-I, every Government officer should realize fully and clearly that he will be held personally responsible for any loss

sustained by government through fraud or negligence on his part and that he will also been held personally responsible for any loss arising from fraud or negligence on the part of any other government officer.

DHO Hangu purchased the following machinery and equipment for civil hospital Doaba valuing Rs 4,628,500 since long but could not install and functionalize till date of audit i.e. in August, 2017. As a result the costly machinery and equipments were deteriorating without serving the purpose on which the government money was utilized.

S#	Specification of item	Rate	Quantity	Amount (Rs)
1	Anesthesia Machine	1595000	2	3,190,000
2	ECG Machine	108000	2	216,000
3	Defibrillator	569000	2	1,138,000
4	Pulse Oximeter	84500	1	84,500
<b>Total</b>				<b>4,628,500</b>

Non installation of costly machinery and equipments occurred due to weak internal control, which resulted in loss to government and public.

The irregularity was pointed out in September 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 04.09.2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends installation of machinery besides inquiry and fixing responsibility on the persons(s) at fault.

**AIR Para No. 06 (2016-17)**

- 1.2.1.12**
- i. Non-transparent award of contract - Rs 3.407 million**
  - ii. Non imposition of penalty-Rs 340,700**

According to Para 220 and 221 of CPWA Code, the Sub Divisional Officer, before making payments to the contractors is required to compare the



quantities in the bills and see that all the rates are correctly entered and that all the calculations have been checked arithmetically.

According to Clause 2 of the Contract Agreement penalty of 1% per day and up to maximum of 10% of the tender cost may be imposed for delay in completion of work.

XEN C&W Division, Hangu awarded a work "Construction of Science Laboratory at GHS Kahi PK-42" to M/S Khawaja Mohammad, Government contractor with an estimated cost of Rs 3,407,000 during 2016-17. Audit observed that the work was not awarded to M. Aslam Bittani @2% below and one Mr. Khawaja Muhammad offered rate of 0.018% below and then he submitted a letter to execute the work on 2.018% below while Mr. M. Aslam Bittani was rejected due to non-submission of original call deposit, while his call deposit was attested by SDO (C&W) being original seen. Thus the contract was fraudulently awarded to the man of choice.

Moreover, work order was issued on 29.6.2015 with a time limit of 09 months, which was required to be completed on 28.3.2016 but the said work is still in progress thus penalty @10% amounting to Rs 340,700 was required to be imposed on contractor.

Fraudulent award of contract and non-imposition of penalty occurred due to weak administrative and financial control, which resulted in violation of Government rules.

The irregularity was pointed out in August 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 30-08-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry and action against the person(s) at fault besides imposition of penalty.

**AIR Para No. 01 (2016-17)**

### **1.2.1.13 Irregular retention of census fund-Rs 3.702 million**

According to Para 3 of 11.2 at page 128 of field operation plan circulated by Pakistan Bureau Of Statistics (PBS) Islamabad “At the end of census operations, unspent amount may be returned at the earliest to DDO, PBS, HQ Islamabad.

DC Hangu received fund from PBS Islamabad for incurring expenditure on conducting 6<sup>th</sup> Census during 2016-17. Out of which, unspent balance of Rs 3,702,175 was retained irregularly. Audit holds that the unspent balance was required to be returned to the quarter concerned.

Irregular retention of unspent balance occurred due to weak internal control, which resulted in violation of government instructions.

The irregularity was pointed out in September 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 10.11.2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry and fixing responsibility.

**AIR Para No. 05 (2016-17)**

### **1.2.1.14 Unauthorized payment on account of Non-Practicing Allowance-Rs 1.308 million**

As per standing orders of the Government, Non-practicing allowance is allowed to Doctors who do not practice in private clinics on the presentation of an affidavit in this regard.

DHO and MS THQ Hospital Hangu made payment of Rs 516,000 and Rs 792,000 (Rs 1,308,000) to the doctors on account of non-practicing allowance respectively during 2016-17. Record revealed that the affidavits regarding non

incurrence of private practice were not obtained from the concerned doctors and they were practicing in private clinics regularly. Detail is given at annex-4.

Unauthorized payment of Non Practicing Allowance occurred due to weak internal control, which resulted in overpayment.

The irregularity was pointed out in September 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 04.09.2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of overpaid amount.

**AIR Para No. 10 & 11 (2016-17)**

## **1.2.2 Internal Control Weaknesses**

### **1.2.2.1 Non-credit of lapsed deposits into Government treasury- Rs 160.257 million**

According to Para 399 of CPWA code requires that balances unclaimed for more than three (3) complete financial years should be credited to government.

XEN C&W Division, Hangu did not credit an amount of Rs 160,257,279 to Government Treasury on 30/06/2017 which was lying in PW Deposit II and was unclaimed for more than three complete financial years.

Non-credit of lapsed deposits in Government treasury occurred due to weak administrative and financial control, which resulted in violation of Government rules.

The irregularity was pointed out in August 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 30-08-2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No. 02 (2016-17)**

### **1.2.2.2 Overpayment of health professional, house rent and conveyance allowances-Rs 29.550 million**

As per Government of Khyber Pakhtunkhwa, Finance Department letter No. BO(PFC-II)/FD/1-5/2015-16 dated 11.07.2016, Health Professional Allowance is only admissible to the Regular employees of Health Department.

According to Rule 45 (c) FR, the Government servants, who have been provided with official designated accommodation, are not entitled for the drawl of House Rent Allowance (HRA).

DHO and MS THQ Hospital Hangu allowed payment of Rs 29,550,592 to various Doctors and other staff on account of Health Professional Allowance, House Rent Allowance and Conveyance Allowance during 2016-17. Audit holds that payment of HPA to doctors and other staff on adhoc basis and during leave period was not admissible.

Similarly HRA and conveyance allowance was paid to the staff who was allotted Government accommodation within the premises, during leave period and in possession of Government vehicles. Detail is given at annex-5.

Unauthorized payment of allowances occurred due to weak internal control, which resulted in overpayment.

The irregularity was pointed out in September 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 04.09.2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No. 06,11,12,02,04,13 & 14 (2016-17)**

### **1.2.2.3 Non-recovery of outstanding water user charges -Rs 23.150 million**

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

XEN PHE Division, Hangu failed to recover water user charges from the users of water supply schemes. The accumulated outstanding amount was Rs 23,150,080.

Non recovery of water user charges occurred due to weak internal control, which deprived the Government Treasury from revenue.

The irregularity was pointed out in November 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 16.11-2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No. 07 (2016-17)**

**1.2.2.4 Non-Imposition of penalty for delay in completion of works- Rs 6.665 million**

According to work order and Clause 2 of the Contract Agreements, the work shall be completed within the stipulated period of time otherwise, 1% to 10% penalty shall be imposed on default contractors for delay in completion of work.

XEN C&W Division, Hangu executed various schemes during 2016-17. As per work order the schemes were required to be completed within stipulated period but neither the works were completed till date of Audit nor time extension was granted. Due to delay in completion of work, penalty @10% was required to be imposed and be recovered from the contractors. Detail is given at annex-6.

Non imposition of penalty occurred due to weak internal control, which resulted in non-completion of works in time.

The irregularity was pointed out in August 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 30-08-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends imposition and recovery of penalty.

**AIR Para No. 14 (2016-17)**

**1.2.2.5 Non deduction of sales tax - Rs 5.812 million**

According to section 3 of Sales Tax Act, 1990 requires to recover the sales tax @ 17% of the value of taxable supplies made by registered persons in the course or furtherance of any taxable activity carried out by him.

XEN PHE Division, Hangu paid an amount of Rs 34,190,296 to various contractors on account of GI pipe during 2016-17. Sales tax amounting to Rs 5,812,350 was not deducted from their bills as per detail given at annex-7.

Non deduction of sales tax occurred due to weak internal control, which resulted in loss to Government Treasury.

The irregularity was pointed out in November 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 16.11-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of tax and fixing responsibility.

**AIR Para No. 04 (2016-17)**

**1.2.2.6 Loss to Government due to manipulation in tender rate / BOQ-Rs 4.011 million**

Accordance to miscellaneous provisions in KPPRA Rules 2014, clause 30, each procuring entity shall plan its procurements with due consideration to

transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders.

XEN C&W Division, Hangu awarded a work “2<sup>nd</sup> time AOM&R of Roads in District Hangu PK-43” to a contractor during 2016-17 by manipulating rates. The rate of 25% below was manipulated to 1.25% below and thus (one) was inserted before 25% and thus caused loss of Rs 4,011,375 (25% below comes to Rs 4222500 and 1.25% below comes to Rs 211125 so 4222500-211125=Rs 4,011,375).

Manipulation in tender rate occurred due to weak internal control, which resulted in loss to Government.

The irregularity was pointed out in August 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 30-08-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery and action against the person(s) at fault besides making good the loss.

**AIR Para No. 10 (2016-17)**

#### **1.2.2.7 Non-payment of Tax deducted-Rs 2.745 million**

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

DC Hangu incurred expenditure on account of hiring of vehicles for conducting census and deducted tax of Rs 2,745,036 during 2016-17. This amount was retained and was not credited to the department concerned. Chances of its misappropriation could not be ruled out.

Non-payment of tax occurred due to weak internal control, which resulted in loss to Government Treasury.

The irregularity was pointed out in September 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.



Request for the convening of DAC meeting was made on 10.11.2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends payment of tax and fixing responsibility.

**AIR Para No. 04 (2016-17)**

**1.2.2.8 Non deduction of DPR fund-Rs 2.390 million**

According to Government of KP, Directorate of Social Welfare Special Education & Women Empowerment Department Peshawar letter No. DPR/Pub/PCKDP/15374-403 dated: 23.1.2012, DPR fund @Rs 2000 each per one million be deducted from contractors/firms.

Executive Engineer Communication and Works Division Hangu, did not deduct DPR fund from the contractors amounting to Rs 2,390,000 on account of various contracts of works during the financial year 2016-17 as per detail given at annex-8.

Non deduction of DPR fund occurred due to weak internal control, which resulted in non-generation of revenue.

The irregularity was pointed out in August 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 30-08-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of the DPR fund from the concerned.

**AIR Para No. 27 (2016-17)**

- 1.2.2.9**
- i. Loss to Government-Rs 793,125**
  - ii. Overpayment of sales tax-Rs 848,295**
  - iii. Non imposition of penalty-Rs 493,500**

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

DC Hangu drew Rs 4,935,000 from Government treasury on account of purchase of sewing machines during 2016-17. Audit observed the following:

1. The lowest bid of Rs 5,875 was rejected and higher Rs 7,000 was
2. The ground was given that singer machines are better.
3. The purchase was required to be made directly from manufacturer while in the PC- 1, advertisement and other relevant record, it was not specified and mentioned that sewing machines of “Singer Company” were going to be purchased.
4. If the authorities concerned were interested in purchase of singer company’s product then it was required to be purchased directly from the manufacturer to their authorized dealer. In order to avoid the middleman’s profit and make the purchase economical. This resulted in loss of Rs 793,125.
5. Supply of 705 sewing machines were completed on 20.3.2017 as per record while the work order was issued on 30.6.2016 and as per terms & conditions of the bidding documents the contractor was required to complete supply within stipulated period and in case of delay 2% per month and maximum 10% penalty of Rs 493,500 was required to be imposed and be recovered.
6. As per financial proposal, the supplier included 25.5% (4.5% income tax + 21.5 sales tax) taxes in the unit rate but the contractor / supplier produced SRO wherein no sales tax was applicable on sewing machines and no sales tax was deducted but was included in the unit price and paid to supplier as per detail given below, which resulted in overpayment of Rs 848,295 and needs recovery.

Particulars	Unit rate	GST Plus Income Tax	Sales Tax @2%	Overpayment (Rs)
Sewing Machines	4940	1260	1062	1062 x 7.5%= 748,710
Electric Motors	637	163	137	137 x 705= 96,585
<b>Total</b>				<b>848,295</b>

Loss occurred due to weak internal control.

The irregularity was pointed out in September 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 10.11.2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry and fixing responsibility.

**AIR Para No. 12 (2016-17)**

**1.2.2.10 Overpayment on account of excess quantity-Rs 1.832 million**

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

XEN C&W Division, Hangu made overpayment of Rs 1,832,283 on account of allowing excess quantity of an item of work “Providing and applying 03 coats of approved type of plastic emulsion to surface as per manufacturer specification” in the work standardization of GHSS Doaba during 2016-17. As there was payment made for a quantity of 80341.23 Sft for an item of Prime coat of chalk under distempering. Upon which a quantity of 48167.28 Sft of an item of distempering new surface three coats was executed. So the surface remained 32173.95 Sft for the next item of work paid which was “providing and applying 3 coats of approved type of plastic emulsion paint to plastic surface as per manufacturer specification”. But payment was made for 80341.23 Sft instead of 32173.95 Sft resulting into overpayment of Rs 1,832,283. Detail is given below:

Rate (Rs)	Quantity Paid in Sft	Quantity in Sft Admissible	Excess Quantity in Sft Paid	Overpayment (Rs)
38.04	80341.23	32173.95	48167.95	1,832,283

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

The irregularity was pointed out in August 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 30-08-2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No. 19 (2016-17)**

**1.2.2.11 Overpayment to contractor-Rs 1.821 million**

According to MRS 2015, rate for an item of work 03-61-a is Rs 377.22.

XEN C&W Division, Hangu overpaid a sum of Rs 1,820,900 on account of allowing higher rate for an item of work “Formation of Embankment from borrow excavation in common material including compaction by Power Roller” in a work “Construction of Bangash Chappar Road” during 2016-17 as per detail given below:

<b>Rate Paid</b>	<b>Rate Allowed</b>	<b>Difference</b>	<b>Quantity</b>	<b>Overpayment (Rs)</b>
Rs 828.72	Rs 377.22	Rs 451.50	4033/M3	1,820,900

Overpayment occurred due to weak administrative and financial control, which resulted in loss to Government.

The irregularity was pointed out in August 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 30-08-2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No. 07 (2016-17)**

### **1.2.2.12 Overpayment on account of Incentive Allowance-Rs 1.204 million**

According to Government of Khyber Pakhtunkhwa Finance Department Notification No. FD (SOSR-II) 8-18/2016 dated 07/01/2016, incentive allowance was not admissible in District Hangu.

DHO Hangu overpaid a sum of Rs 1,204,000 on account of Incentive allowance during 2016-17 to the following staff who were not entitled for such allowance as it was stopped in District Hangu and they belonged to Hangu District and Orakzai Agency as a result Government sustained loss in shape overpayment of incentive allowance. Detail is given at annex-9.

Unauthorized payment of Incentive Allowance occurred due to weak internal control, which resulted in overpayment.

The irregularity was pointed out in September 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 04.09.2017, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No. 01 (2016-17)**

### **1.2.2.13 Less deduction of taxes Rs-1.008 million**

According to section 153(1)(c) of the Finance Act 2014 requires to recover income tax @ of 7% of the value of the contract executed by a company. According to section 3 of Sales Tax Act, 1990 requires to recover the sales tax @ 17% of the value of taxable supplies made by registered persons in the course or furtherance of any taxable activity carried out by him.

XEN PHE Division, Hangu recovered less income tax of Rs 691,387 and 1/5<sup>th</sup> of sales tax of Rs 316,676 from various contractors during the year 2016-17 as per detail at annex-10.

Less deduction of tax occurred due to weak internal control, which resulted in loss to Government Treasury.

The irregularity was pointed out in November 2017. Management stated that reply would be furnished after consulting the record. No reply was submitted.

Request for the convening of DAC meeting was made on 16.11-2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of tax and fixing responsibility.

**AIR Para No. 03 (2016-17)**

## ANNEXURES

Annex - 1

### Detail of MFDAC Paras

(Rs in million)

S#	AIR No	Department	Gist of Para	Amount
1	03	<b>C&amp;W Division, Hangu</b>	Less-deduction of income tax from contractor's bills	0.052
2	04	-do-	Overpayment to contractor	0.185
3	06	-do-	Loss to government due to non-deposit of professional tax into Government Treasury	0.413
4	08	-do-	Loss due to award of contract on MRS-2015 instead MRS-2016	9.7
5	09	-do-	Overpayment	2.725
6	12	-do-	Overpayment	0.341
7	15	-do-	Unjustified and wasteful expenditure	7.329
8	16	-do-	Unjustified expenditure to consultant on account of feasibility	4.692
9	17	-do-	Overpayment on account of extra item of work	0.116
10	18	-do-	Overpayment due to allowing higher rate	0.706
11	20	-do-	Doubtful payment on account of consultancy charges and non-recovery of sales tax from the consultant	1.276
12	22	-do-	Irregular and unauthorized expenditure on AOM&R of roads	17.700
13	24	-do-	Irregular/Unauthorized payment	1.492
14	25	-do-	Doubtful payment	2.183
15	26	-do-	Non deduction of 11% Voids	0.367
16	28	-do-	Irregular and unauthorized expenditure without valid contract agreement	506.051
17	29	-do-	Irregular payment without TS	0.528
16	01	<b>THQ, Hangu</b>	Irregular drawl of fund from Government Treasury in the name of DDO	36.256
17	02	-do-	Irregular expenditure and drawl of fund on account of purchase of medicines	18.794
18	03	-do-	Doubtful expenditure on account of various items	0.542
19	04	-do-	Irregular expenditure from Plant & Machinery	1.299
20	05	-do-	Non-deduction of sales tax	0.153
21	07	-do-	Irregular appointment and unauthorized drawl of pay and allowances	0
22	08	-do-	Non-installation of costly machinery and	0

			equipments	
23	09	-do-	Irregular Expenditure on Purchase of medicine	19.996
24	03	<b>DHO, Hangu</b>	Irregular appointment and unauthorized drawl of pay and allowances	0
25	05	-do-	Doubtful cash withdrawal from bank account	23.415
26	07	-do-	Suspected miss-appropriation on account of purchase of X-Rays films	0.159
27	08	-do-	Miss-classification of Expenditure	1.374
28	09	-do-	Irregular expenditure	2.393
29	10	-do-	Irregular Expenditure on Purchase of medicine	8.364
30	12	-do-	Irregular/doubtful withdrawal	5.047
31	01	<b>DC, Hangu</b>	Non deduction of House Rent Allowance	0.611
32	02	-do-	Irregular diversion of fund	2.376
33	07	-do-	Suspected miss-appropriation of Government fund	0.675
34	08	-do-	Irregular cash withdrawal from Government treasury	1.296
35	09	-do-	Improper maintenance of cash book	0
36	10	-do-	Unauthorized usage of many vehicles by one person	0
37	11	-do-	Non recovery of Capital Value Tax	0.537
38	05	<b>PHE Division, Hangu</b>	Overpayment by allowing cost factor on MRS	1.971
39	08	-do-	Unauthorized/Doubtful payment of out of security Deposit	0.407
40	09	-do-	Non deduction of sales tax on Supply of pipes	1.746
41	10	-do-	Irregular expenditure without PC-I/ under head AOM&R	2.600



**Annex-2**  
**AIR Para No. 1.2.1.1**

**(Detail of expenditure without Technical sanction)**

<b>S#</b>	<b>Name of Work</b>	<b>AA cost (Rs in million)</b>	<b>Expenditure (Rs in million)</b>
1	Const;/ Reh; of WSS Darshi Matu Khel	12.614	6.319
2	Const;/ Reh; of WSS Samana	20.000	4.014
3	Solarization of WSS Shana Wari	5.353	3.696
4	Solarization of WSS Warasta	4.969	3.327
5	Solarization of WSS Kahi Turki No. III	4.969	3.858
6	Solarization of WSS Karbogha Sharif	4.969	4.381
7	Const;/ Reh; of WSS Tora Wari (Musali Razaghi)	16.000	14.333
8	Const;/ Reh; of WSS Zargarri (Mulana Said Rasool Korona)	1.900	1.783
9	Const;/ Reh; of Sanitation Scheme in UC Kach	4.000	2.144
10	Const;/ Reh; of Sanitation Scheme in UC Kotki	4.000	2.111
11	WSS Shahoo Khel	19.859	7.312
12	WSS Darband No. 2	20.505	11.147
	<b>Total</b>	<b>119.138</b>	<b>64.425</b>

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

**(Detail of irregular payment out of lapsed deposits)**

<b>Item No</b>	<b>Month</b>	<b>Withdrawal Amount (Rs)</b>
16/20	8/2010	8,721,557
20/26	---do---	2,500,000
23/29	---do---	174,595
24/30	9/2010	139,205
25/31	---do---	83,248
17/21	8/2010	491,000
18/22	---do---	7,678,925
22/28	---do---	170,335
21/27	---do---	1,595,764
27/34	9/2010	196,193
28/35	---do---	125,270
32/40	---do---	14,701
33/39	---do---	520,772
34/41	---do---	5,394
34/41	---do---	55,351
77/87	6/2011	354,085
78/A	---do---	547,300
75/85	---do---	1,970,317
121/146	3/2012	1,110,000
134/267	---do---	945,583
145/176	3/2013	98,483
190-A/239	5/2013	145,323
<b>Total</b>		<b>27,643,401</b>

**Annex-4**  
**AIR Para No. 1.2.1.14**

**(Detail of unauthorized payment on account of NPA)**  
**(THQ Hospital)**

S#	Name of Doctor	NPA Per Month	Total NPA Outstanding (Rs)
1	Zia ur Rehman, Principal MO	4000x12	48,000
2	Fazle Subhan Physician	3000 x12	36,000
3	Muhammad Asghar, Medical Special	3000 x12	36,000
4	Walayat Khan MO	3000 x12	36,000
5	Nasish Ishtiaq, WMO	3000 x12	36,000
6	Qasim Gul, SMO	3000 x12	36,000
7	Sahib Gul, MO	3000 x12	36,000
8	Fazal Maullah, MS	4000 x12	48,000
9	Kausar Parveen, MO	3000 x12	36,000
10	Ansar Muhammad	3000 x12	36,000
11	Ali Hussain, Principal MO	4000 x12	48,000
12	Israr Hussain, Principal MO	4000 x12	48,000
13	Furqan Yousaf, MO	3000 x12	36,000
14	Sami Ullah, MO	3000 x12	36,000
15	Aslam Khan, MO	4000 x12	48,000
16	Abdul Raziq, MO	3000 x12	36,000
17	Mati ur Rehman, MO	3000 x12	36,000
18	Mubarak Khan, Principal MO	4000 x12	48,000
19	Muhammad Iqbal, Eye Special:	3000 x12	36,000
20	Shbaib Gul, MO	3000 x12	36,000
<b>Total</b>			<b>792,000</b>

**(DHO)**

S. No	Name of Doctor	Monthly NPA (Rs)	Total Amount (Rs)
1	Shakoor Rehman	3,000	36,000
2	Ahmed Amin	3,000	36,000
3	Bashir Ahmed	4,000	48,000
4	Imran Khan	3,000	36,000
5	Mushtaq Ahmed	3,000	36,000
6	Saima Samee	3,000	36,000
7	M. Shakeel	3,000	36,000
8	Shamsuddin	3,000	36,000
9	Saeedullah	3,000	36,000
10	Tariq Aziz	3,000	36,000
11	Imran Khan	3,000	36,000
12	Naseeba Khatoon	3,000	36,000
13	Ahmed Din	3,000	36,000
14	Amal Bibi	3,000	36,000
<b>Total</b>			<b>516,000</b>

**Annex-5**  
**AIR Para No. 1.2.2.2**

**(Detail of overpayment of HPA, CA & HRA)**

**(THQ HPA)**

S#	Name of Doctor	Date of Appointment	Date of Regularization	HPA Drawn Before Regularization (Rs)	Total Overpayment (Rs)
1	Ansar Mohammad	21.9.2016	5/2017	92,000 x 8	736,000
2	Shoaib Gul	24.8.2016	---do---	92,000 x 9	828,000
3	Abdul Razzak	08.9.2016	---do---	92,000 x 9	828,000
4	Mattiullah	08.9.2016	---do---	92,000 x 9	828,000
<b>Total</b>					<b>3,220,000</b>

**(THQ HRA & conveyance)**

S#	Name & Designation of officer/official	Conveyance Allowance per Month (Rs)	HRA Per Month (Rs)	Total recovery for the year
1	Firasat, C.N	5,000	1,818	81,816
2	Shagufta, C.N	0	1,818	21,816
3	Rabia, C.N	5,000	1,818	81,816
4	Navel, CN	0	1,818	21,816
5	Riffat, C.N	0	1,818	21,816
6	Maryam, C.N	0	1,818	21,816
7	Parcilla, C.N	0	1,818	21,816
8	Mehtab, C.N	0	1,818	21,816
9	Saba Javed, C.N	5,000	1,840	82,080
10	Rabella, C.N	5,000	1,840	82,080
11	Saima, CN	5,000	1,818	81,816
12	Rizwana, CN	5,000	1,818	81,816
13	Bushra, CN	0	1,818	21,816
14	Dr. Fazal Subhan	5,000	0	60,000
15	M. Zahoor	2,856	0	34,272
16	Fatima	0	1,818	21,816
17	Adil	1,785	0	21,420
18	Arif	1,002	1,932	35,208
19	Sohail	2,856	1,307	49,956
20	Asia Bibi	0	1,818	21,816
<b>Total</b>				<b>888,624</b>

**(THQ HPA & Conveyance)**

S#	Name & Designation of Official	Total Leave/Training Period	Conveyance Allowance (Rs)	HPA @ Rs 10,000 PM	Total Recovery (Rs)
1	Mrs. Rabia Ikhlas, CN	90 Days	5,000	10,000	45,000
2	Mrs. Farhat Naz, CN	90 Days	5,000	10,000	45,000
3	Mr. Mohammad Zahoor, CT	42 Days	2,856	10,000	19,284
4	Mr. Mohammad Zameer, CT	120 Days	2,856	10,000	51,424
5	Dr. Aslam Khan	180 Days	5,000	82,000	522,000
6	Miss. Kosar, CN	60 Days	5,000	10,000	30,000
7	Mst. Shagufta Nasreen, CN	02 Years Training	5,000	10,000	360,000
8	Mrs. Shakeela Naz, CN	02 Years Training	5,000	10,000	360,000
9	Mst. Monica George, CN	02 Years Training	5,000	10,000	360,000
10	Miss. Janisa Gill, CN	02 Years Training	5,000	10,000	360,000
<b>Total</b>					<b>2,152,708</b>

**(DHO Conveyance)**

Name of Officer	Place of Posting	Designation	Amount (Rs)
Dr. Zia Ur Rahman	DHO (Health) Admin Hangu	DHO	60,000
Dr. Imran	E D O (Health)Admin Hangu	Medical Officer	60,000
<b>Total</b>			<b>120,000</b>

**(DHO HPA & CA)**

S#	Name of Official	Total Leave Period	Conveyance Allowance (Rs)	HPA @ Rs 10,000 PM	Total Recovery (Rs)
1	M. Hafeez, Med: Tech:	30 Days	1,932	10,000	11,932
2	Tahir Shah, Disp	365 Days	23,184	120,000	143,184
3	Fazilat Bibi, LHV	30 Days	1,932	10,000	11,932
<b>Total</b>			<b>27,048</b>	<b>140,000</b>	<b>167,048</b>

**(DHO HRA & CA)**

S#	Name of occupant	HRA	Conveyance Allowance	Total (Rs)	Total Months	Total Recovery (Rs)
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1	Dr. Shakeel	2,955	5,000	7,955	12	95,460
2	Dr. Ghulam Qadir	2,955	5,000	7,955	12	95,460
3	Dr. Umer	2,623	5,000	7,623	12	91,476
4	Dr. Saeed	2,955	5,000	7,955	12	95,460
5	Dr. Ahmed Din	3,873	5,000	8,873	12	106,476
6	Dr. Tariq Aziz	2,955	5,000	7,955	12	95,460
7	Dr. Shamsuddin	2,955	5,000	7,955	12	95,460
8	Dr. Mushtaq	2,955	5,000	7,955	12	95,460
9	Dr. Zahid Shah	2,955	5,000	7,955	12	95,460
10	Dr. Muzafar shah	-	5,000	5,000	12	60,000
11	Dr. Sawab Gul	-	5,000	5,000	12	60,000
12	Asmat Naseem	-	2,856	2,856	12	34,272
13	Shaureen Bibi, Dai	911	1,785	2,696	12	32,352
14	Dr. jibran	2,955	5,000	7,955	12	95,460
15	M. Hamayun, Disp	1,307	2,856	4,163	12	49,956
<b>Total</b>						<b>1,198,212</b>

**(DHO HPA)**

S#	Name of Doctor	Date of Appointment	Date of Regularization	HPA Drawn Before Regularization (Rs)	Total Overpayment (Rs)
1	Ansar Mohammad	29.7.2016	5/2017	92,000 x 10	920,000
2	Nayer Latif	21.7.2017	---do---	92,000 x 10	920,000
3	Qaiser Abbas	09.1.2017	---do---	92,000 x 6	552,000
4	Ali Rehman	07.9.2016	---do---	92,000 x 9	828,000
5	Imran Khan	29.7.2016	---do---	92,000 x 10	920,000
6	Imran Khan	29.7.2016	---do---	92,000 x 10	920,000
7	M. Mudassar	29.7.2016	---do---	92,000 x 10	920,000
8	Tariq Aziz	29.7.2016	---do---	92,000 x 10	920,000
9	Wahid Gul	07.9.2016	---do---	92,000 x 9	828,000
10	Shamsuddin	07.9.2016	---do---	92,000 x 9	828,000
11	Saeedullah Khan	19.9.2016	---do---	92,000 x 9	828,000
12	Naseeba Khatoon	07.9.2016	---do---	92,000 x 9	828,000
13	M. Shakil	07.9.2016	---do---	92,000 x 9	828,000
14	Saima Samee	07.9.2016	---do---	92,000 x 9	828,000
15	Samir Akbar	07.9.2016	---do---	92,000 x 9	828,000
16	Ali Rehman	07.9.2016	---do---	92,000 x 9	828,000
17	Nazeefurhman	12.1.2017	---do---	92,000 x 6	552,000
18	Mohammad Asad	16.1.2017	---do---	92,000 x 6	552,000
19	Aneela Naz	18.1.2017	---do---	92,000 x 6	552,000

20	Zynab Saleem	18.1.2017	---do---	92,000 x 6	552,000
21	Amal Bibi	16.1.2017	---do---	92,000 x 6	552,000
22	Najma Raza	12.1.2017	---do---	92,000 x 6	552,000
23	M. Kabir	06.2.2017	---do---	92,000 x 5	460,000
24	Jibran Ahmed	17.2.2017	---do---	92,000 x 5	460,000
25	M. Asif	18.2.2017	---do---	92,000 x 5	460,000
26	Uzma Ghafoor	12.1.2017	---do---	92,000 x 6	552,000
27	Ahmed Tariq	17.2.2017	---do---	92,000 x 5	460,000
28	Mohibullah	12.1.2017	---do---	92,000 x 6	552,000
29	Sajjad Gul	12.1.2017	---do---	92,000 x 6	552,000
30	Fahad Aziz	06.2.2017	---do---	92,000 x 5	460,000
31	Nealab	26.1.2017	---do---	92,000 x 6	552,000
32	M. Luqman	06.2.2017	---do---	92,000 x 5	460,000
			<b>Total</b>		<b>21,804,000</b>

**Annex-6**  
**AIR Para No. 1.2.2.4**

**(Detail of non-imposition of penalty)**

<b>S#</b>	<b>Name of Work</b>	<b>Work Order Date</b>	<b>Completion Date</b>	<b>Estimated Cost</b>	<b>Penalty (Rs)</b>
1	Stand: of GHSS Dallan	01.9.2016	30.6.2017	42,436,375	4,243,637
2	Const: of Examination Hall GHS M. Khawaja	30.11.2015	30.11.2016	8,592,000	859,200
3	Const: of GHS Shamal Din, Karbogha	20.5.2010	20.5.2011	7,622,000	762,200
4	GPS Shahu Khel Hangu	03.9.2012	03.9.2013	8,000,000	800,000
<b>Total</b>					<b>6,665,037</b>



**Annex-7**  
**AIR Para No. 1.2.2.5**

**(Detail of non-deduction of sales tax)**

<b>S#</b>	<b>Name of Scheme</b>	<b>Name of Contractor</b>	<b>Voucher No.</b>	<b>Voucher Date</b>	<b>Amount (Rs)</b>	<b>Sales Tax (Rs)</b>
1	WSS Toora Wari- Musali Razghai	Habib Ullah & Bros;	37/H	21.06.2017	15,925,383	2,707,315
2	Const;/ Reh; of WSS Samana	Zahid Ullah & Bros;	50/H	23.06.2017	4,204,754	714,808
3	WSS Darband No. 2	Khwaja Muhammad	45/H	22.06.2017	6,346,265	1,078,865
4	WSS Shahoo Khel	Khwaja Muhammad	41/H	22.06.2017	3,297,310	560,543
	WSS Darshi Matu Khel	Mati Ullah Shah	28/H	16.06.2017	4,416,584	750,819
	<b>Total</b>				<b>34,190,296</b>	<b>5,812,350</b>

**Annex-8**  
**AIR Para No. 1.2.2.8**

**(Detail of non-deduction of DPR fund)**

<b>S#</b>	<b>Name of work</b>	<b>Estimated cost (Rs)</b>	<b>DPR (Rs)</b>
1	Constn: of Renovation of Treasury /Distt Account Office in KP	22,709,000	44,000
2	Constn: of new Muhafiz Khanas /Record Rooms on need basis	37,956,000	74,000
3	Reconstn: of Govt Schools damaged due to Military/Bomb Blast in the province. SH: Govt Girls Primary School Shahu Khel Hangu	7,631,253	14,000
4	Up-gradation of one Middle Schol to High level Mardan Khel	13,736,882	26,000
5	Up-gradation of 3-PS to Middle level SH: GGPS Azimee Banda	9,545,169	18,000
6	Up-gradation of 3-PS to Middle level SH: GGPS Merobak	9,545,160	18,000
7	Up-gradation of 50-PS to Middle level SH: GPS Marofi Banda	9,601,000	18,000
8	Reconstn: of Govt Schools damaged due to Military/Bomb Blast in the province. SH: Govt Primary School Karbogha	3,823,723	6,000
9	Reconstn: of existing Govt Primary, Middle & High Schools: SH: Govt Primary Schools No.1 Kahi	11,837,000	22,000
10	Reconstn: of damaged due to Military/Bomb Blast in the province. SH: Govt High School Tora Wari	20,902,000	40,000
11	Estb: of 100 primary schools in KP. SH: GPS Sur Kanre	8,896,944	16,000
12	Const: of 100 Examination Hall in GHS/GHSS in KP. SH: GHS Muhammad Khawaja	8,592,645	16,000
13	Const: of 100 Examination Hall in GHS/GHSS in KP. SH: GHSS Dallan	8,592,648	16,000
14	Estb: of 100 primary schools in KP. SH: GPS Wazirabad	9,040,000	18,000
15	Standardization of 200Higher Secondary Schools in KP. SH: GHSS Doaba	9,371,869	18,000
16	Standarization of 200Higher Secondary Schools in KP. SH: GHSS Dallan	42,436,000	84,000
17	Const: of Bangash Chapper Road 4.5 KM	58,152,000	116,000
18	Standardization of GHSS Dallan Hangu	42,436,000	84,000
19	Rep/Reh: of transformer in UC Raisan , Kech etc	3,000,000	6,000
20	PVT: Of Steet & drain from Wrasta Road to Thall	2,800,000	4,000
21	Estab: of CD Anar China NA16	6,942,000	12,000
22	Const: of new building (Treasury)	22,709,000	44,000
23	Stand: of GHSS Doaba PK 43	94,003,922	188,000
24	Const: of AdII: Rooms for DFC	2,600,000	4,000

25	GGPS Sifat Banda PK-42	16,559,000	32,000
26	Const/Reh of Black Topped Road Sara Kanry to Qadanu Banda	9,191,000	18,000
27	AOM&R to All Govt: Building	2,400,000	4,000
28	AOM&R Roads Pitch Repair	2,460,000	4,000
29	AOM&R Roads in Distt: Hangu	16,890,000	32,000
30	II time AOM&R Roads	15,648,000	30,000
31	Const: of Shaheed Farid Park PK 42	400,000,000	800,000
32	DHQ Hangu	30,953,854	60,000
33	THQ Thall	46,062,000	92,000
34	AoM & R SH Rep: of Road From Shahzad House to Maqbool Islam House Darband	1,000,000	2,000
35	Repair of Link Road Dersamand	2,000,000	4,000
36	Rep: of Road Bahader Banda to Shekhano Banda	2,000,000	4,000
37	AOM & R Rep: of Link Road Ibrahimzai	1,000,000	2,000
38	Rep: of Road/Drain from Haji Zar Mohammad Koroona to Khan	1,000,000	2,000
39	Rep: of Concrete Road Speenkai Chapri Waziran	1,000,000	2,000
40	Repair of Khakhel Road Sarozai	1,500,000	2,000
41	AoM& R Reh of Road/Drain from Patwar Khana Kahi to Khazina Banda	3,000,000	6,000
42	Const: of Judicial Complex at Hangu	194,500,000	388,000
<b>Total</b>			<b>2,390,000</b>

**Annex-9**  
**AIR Para No. 1.2.2.12**

**(Detail of overpayment on account of incentive allowance)**

<b>S#</b>	<b>Name &amp; Designation</b>	<b>Incentive Rate</b>	<b>Total</b>	<b>Remarks</b>
01	Dr. Nasreen Begum	15,000	180,000	Local Domicile
02	Najma Khatoon LHV	8000	96,000	Local Domicile
03	Tasleem Sharif LHV	8000	96,000	Local Domicile
04	Shaheen Begum LHV	8000	96,000	Local Domicile
05	Mrs. Saima LHV	8000	96,000	Local Domicile
06	Asmat Nasim LHV	8000	96,000	Local Domicile
07	Nargis LHV	8000	96,000	Local Domicile
08	Mrs. Nahid Kausar	8000	96,000	Local Domicile
09	Farzana Bibi	8000	64,000	Local Domicile
10	Miss Laila Bibi	8000	96,000	Local Domicile
11	Sadia Bibi	8000	96,000	Local Domicile
12	Shafaqat Fareed	8000	96,000	Local Domicile
<b>Total</b>			<b>1,204,000</b>	

**Annex-10**  
**AIR Para No. 1.2.2.13**

**(Detail of less deduction of taxes )**

Voucher No.	Voucher Date	Payment	Sales tax	1/5 of Sales Tax	Income tax Due	I T deducted	Difference of I T	Total Overpayment (Rs)
1	2	3	4 (3*17/100)	5 (4*1/5)	6 (3*7/100)	7	8 (6-7)	9 (5+8)
32/H	20.06.2017	2,100,000	357,000	71,400	147,000	22,700	124,300	195,700
33/H	20.06.2017	1,920,000	326,400	65,280	134,400	20,703	113,697	178,977
34/H	20.06.2017	2,800,000	476,000	95,200	196,000	-	196,000	291,200
7/A	29.05.2017	798,000	135,660	27,132	55,860	35,910	19,950	47,082
9/A	30.05.2017	798,000	135,660	27,132	55,860	-	55,860	82,992
10/A	30.05.2017	898,000	152,660	30,532	62,860	-	62,860	93,392
26/H	15.06.2017	798,000	0	0	55,860	-	55,860	55,860
27/H	15.06.2017	898,000	0	0	62,860	-	62,860	62,860
<b>Total</b>				<b>316,676</b>			<b>691,387</b>	<b>1,008,063</b>