



**AUDIT REPORT
ON
THE ACCOUNTS OF
DISTRICT GOVERNMENT
ABBOTTABAD
AUDIT YEAR 2012-13**

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AP	Advance Para
BHUs	Basic Health Units
BOQ	Bill of Quantity
C & W	Communication & Works
CPWA Code	Central Public Works Account Code
CPWD Code	Central Public Works Department Code
CSR	Composite Schedule of Rate
CTR	Central Treasury Rules
DAC	Departmental Accounts Committee
DCO	District Coordination Officer
DDC	District Development Committee
DG	Director General
DHQ	District Headquarter
DPO	District Planning Officer
EDO	Executive District Officer
F&P	Finance and Planning
GFR	General Financial Rules
GST	General Sales Tax
JICA	Japan International Cooperative Agency
Km	Kilometer
KVA	Killo Volt Ampire
PHE	Public Health Engineering
RDA	Regional Directorate of Audit
SSP	Senior Superintendent of Police
TS	Technical Sanction
WUA	Water Users Association
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-115 of the Khyber Pakhtunkhwa Local Government Ordinance, 2001 as amended require the Auditor General of Pakistan to conduct audit of the receipts and expenditure of District Fund and Public Account of District Government.

The report is based on audit of the accounts of various offices of District Government, Abbottabad for the financial year 2010-11 and 2011-12. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2012-13 on test check basis with a view to reporting significant findings to the relevant stakeholders.

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 responses of the Departments and discussions in the DAC meetings.

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 115 of Khyber Pakhtunkhwa Local Government Ordinance, 2001 as amended, for transmission to the appropriate legislative forum.

Islamabad
Dated:

(Muhammad Akhtar Buland Rana)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Director General District Governments Audit, Khyber Pakhtunkhwa carries out the audit of 25 District Governments. Regional Directorate of Audit RDA Abbottabad, on behalf of the DG District Governments Audit, Khyber Pakhtunkhwa carries out the audit of six District Governments namely Abbottabad, Mansehra, Battagram, Torgar, Haripur and Kohistan. This Regional Directorate has a human resource of 10 officers and staff, a total of 3030 man days. The annual budget amounted to Rs6.357 million. The office is mandated to conduct regularity financial attest audit and compliance with authority audit and performance audit of programmes/ projects.

District Government, Abbottabad conducts its operations under Khyber Pakhtunkhwa Local Government Ordinance, 2001 as amended. It comprises one Principal Accounting Officer PAO covering nine groups of offices i.e. Finance & Planning, Revenue, Works & Services, Municipal Services, Education, Health, Community Development, Agriculture, and Literacy. Financial provisions of the Ordinance describe the Government as District Local Fund and Public Account for which Annual Budget Statement is authorized by the Nazim / Zila Council / Administrator in the form of budgetary grants as per Government of Khyber Pakhtunkhwa, Local Government & Rural Development Department notification No. SOE-IE&AD/9-49/2010 dated 20th February 2010.

Administratively, District Abbottabad is subdivided into 02 tehsils namely, Abbottabad and Havallian. District Administration comprises District Coordination Officer and administrator.

a. Audit Objectives

Audit was conducted to ensure that:

1. Moneys shown as expenditure in the accounts were authorized for the purpose for which they were spent.
2. Expenditure incurred was in conformity with the law, rules and regulations framed to regulate the procedure for expending public money.
3. Every item of expenditure was incurred with the approval of the competent authority in the Government for expending the public money.
4. Public money was not wasted.

5. The assessment, collection and allocation of revenue were done in accordance with the law and there was no leakage of revenue which legally should come to Government.

b. Audit Methodology

Audit was carried out against the standards of financial governance provided under various provisions of the Khyber Pakhtunkhwa LGO, 2001 as amended, GFR Vol-I, II, Delegation of Financial Powers and other relevant overriding laws, which govern the propriety of utilization of the financial resources of the District Government in accordance with the regularity framework provided by the relevant laws.

The selection of the audit formations i.e. DDOs was made keeping in view the significance and risk assessment, samples were selected after prioritizing risk areas by determining significance and risk associated with identified key controls. Sample size selected in the audited formations ranged between 15% to 30%.

c. Expenditure audited

Out of total expenditure of the District Government, Abbottabad for the financial year 2011-12, auditable expenditure under the jurisdiction of RDA, Abbottabad was Rs3,753.557 million covering one PAO and 149 formations. Out of this RDA, Abbottabad audited an expenditure of Rs1,376.448 million which, in terms of percentage, is 35.57 % of auditable expenditure. Five (05) formations were planned in Audit Plan and 100% achievement against the planned activities was made. .

d. Receipts audited

The receipts of District Abbottabad for the financial year 2011-12 were Rs124.255 million. Out of this, RDA Abbottabad audited receipts of Rs41.052 million which, in terms of percentage, is 33.038 % of auditable receipts.

e. Recoveries at the instance of audit

Recovery of Rs49.7714 million was pointed out during the audit. However, Rs2.74 million recoveries were affected till the finalization of this report. Out of the total recoveries, Rs32.147 million was not in the notice of the executive before audit.

f. Desk Audit

The audit year 2012-13 witnessed intensive application of desk audit techniques in RDA. This was facilitated through SAP connectivity and review of permanent files which helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field activity. Desk Audit greatly facilitated the identification of high risk areas for substantive testing in the field.

g. Changes in Rules, Practices and Systems

On pointation of audit, the management of the District Government agreed to conduct physical verification of the government assets. The management also agreed to deposit various government dues into government treasury. Audit stressed upon reconciliation of receipts and expenditure with the respective accounts office to which they agreed.

h. Key audit findings of the report;

- i. Non production of record was pointed out in one case amounting to Rs23.267 million.¹
- ii. Irregularities and non compliance of rules were noted in one case amounting to Rs201.936.²
- iii. Lack of internal control system were noted in sixteen cases amounting to Rs49.7714 million.³

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

1 Para 1.2.1.1

2 Para 1.2.2.1

3 Para 1.2.3.1, to 1.2.3.16

Recommendations

- i. Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- ii. Strenuous efforts need to be made by the departments to recover long outstanding dues on account of water charges.
- iii. Departments need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc to ensure that lapses of the kind reported in this audit report are preempted and fair value for money is obtained from public spending.
- iv. Deduction of taxes on supplies and contracts need to be ensured. .
- v. Lapsed deposits need to be timely credited into treasury.
- vi. Decisions taken in DAC meetings need to be implemented.

SUMMARY TABLES & CHARTS

Table 1 Audit Work Statistics

(Rs in million)

S.No	Description	No.	Budget
1	Total Entities PAO in Audit Jurisdiction	01	3,877.812
2	Total formations in audit jurisdiction	149	3,877.812
3	Total Entities PAO Audited	01	1,417.500
4	Total formations Audited	5	1,417.500
5	Audit & Inspection Reports	5	-
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

Table 2: Audit observation Classified by Categories

(Rs in million)

S.No.	Description	Amount Placed under Audit Observation
1.	Unsound asset management	
2.	Weak financial management	201.936
3.	Weak Internal controls relating to financial management	49.771
4.	Others	23.267
	Total	274.974

Table 3: Outcome Statistics**(Rs in million)**

S#	Description	Expenditure on Acquiring Physical Assets Procurement	Civil Works	Receipts	Others	Total Current year	Total last year
1.	Outlays Audited	----	110.806	41.052	1,224.59	1,417.500	1,419.603
2.	Amount Placed under Audit Observation /Irregularities of Audit	----	27.68	19.4024	227.892	274.974	544.96
3.	Recoveries Pointed Out at the instance of Audit	----	27.68	19.4024	2.689	49.7714	39.875
4.	Recoveries Accepted /Established at the instance of Audit	----	24.94	19.4024	2.689	47.0314	4.321
5.	Recoveries Realized at the instance of Audit	----	2.74			2.74	0.433

Table 4: Table of Irregularities pointed out**(Rs in million)**

S.No.	Description	Amount Placed under Audit Observation
1.	Violation of Rules and regulations, principle of propriety and probity in public operation	201.936
2.	Report cases of fraud, embezzlement, thefts and misuse of public resources.	0
3.	Accounting Errors accounting policy departure from NAM ¹ , 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.	0
4.	Quantification of weaknesses of internal control systems.	20.309
5.	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies	29.462
6.	Non-production of record	23.267
7.	Others, including cases of accidents, negligence etc.	0
	Total	274.974

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

CHAPTER-1

1.1 District Government Abbottabad

1.1.1 Introduction

Activities of District Governments are managed through offices of District Coordination Officer and Executive District Officers under Khyber Pakhtunkhwa Local Government Ordinance 2001 (LGO 2001). District Offices are headed by Executive District Officers (EDOs). The EDO by means of a standing order distributes the work among the officers, branches, and/or sections of each district office. Following is the list of offices which manage the activities of District Government.

1. District Coordination Officer DCO
2. Executive District Officer Agriculture
3. Executive District Officer Community Development
4. Executive District Officer Education
5. Executive District Officer Finance and Planning
6. Executive District Officer Health
7. Executive District Officer Revenue
8. Executive District Officer Works and Services

Under Section 29(k) of the Khyber Pakhtunkhwa LGO 2001, Executive District Officer Executive District Officer act as Departmental Accounting Officer for his respective group of offices and be responsible to the District Accounts Committee of the Zilla Council. All departments formed functions / activities under provisions of LGO, 2001 and Khyber Pakhtunkhwa District Government Rules of Business, 2001.

1.1.2. Brief comments on Budget and Expenditure 2011-12 Variance Analysis

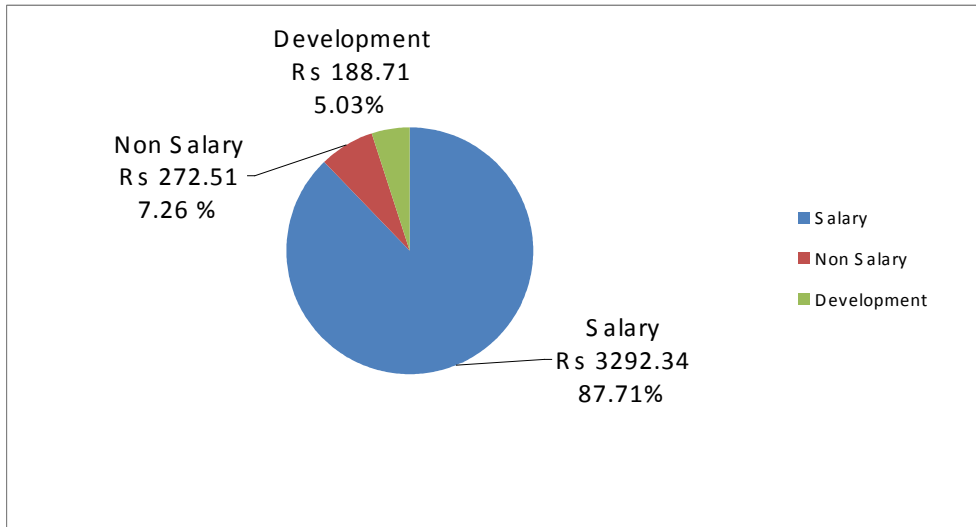
(Rs in million)

201112	Budget	Expenditure	Excess/saving
Salary	3,338.576	3,292.34	46.236
Non-salary	275.413	272.51	2.903
Developmental	317.851	188.71	129.41
Total	3,931.840	3,753.557	178.283

A budget of Rs3,931.840 million was allocated against which an expenditure of Rs3,753.557 million was incurred by the District Government, Abbottabad with the saving of Rs178.283 million during 2011-12.

EXPENDITURE 2011-12

(Rs in million)



Detail is given at Annex-B

1.1.3 Comments on the status of compliance with ZAC / PAC Directives

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

S.No	Audit Year	PAC/ZAC meeting convened/Not convened
1	2002-03	ZAC 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

1.2 AUDIT PARAS

1.2.1 Non production of record

1.2.1.1 Non production of record –Rs23.267 million

According to Section 14(1-b) & (3) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 the Auditor General has the authority to require any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to transactions to which his duties in respect of audit extend hence any person or authority hindering the auditorial functions of the Auditor General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

District Coordination Officer, Abbottabad paid Rs23,267,000 to SSP Coordination out of fund received from Public Health Engineering Department under JICA Programme during the year 2011-12 as per detail given below.

Cheque No	Date	Amount (Rs)
793407	03.05.2011	2,470,000
793409	25.06.2011	5,000,000
793413	12.12.2011	1,000,000
793414	18.02.2012	3,600,000
793416	14.04.2012	3,197,000
793417	26.06.2012	5,000,000
793418	17.10.2012	3,000,000
Total		23,267,000

Auditable record such as cashbook, paid vouchers, stock register, tender documents etc were not produced to audit for verification.

Audit observed that non production of record occurred due to weak financial control, which resulted in unverified expenditure.

When reported in November 2012, Management stated that relevant record has been handed over to PHE Abbottabad.

DAC in its meeting held on 22.11.2012, directed that to produce record within thirty days. No record was produced till finalization of this Report.

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

AP 42 (2011-12)

1.2.2 Irregularities and Non compliance

1.2.2.1 Irregular expenditure –Rs201.789 million.

Para 23 of GFR Vol.-I states that 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.

During audit of the office of Executive District Officer Health for the year 2011-12, it was noticed that 108 health facilities were functioning under the administrative control of Executive District Officer Health Abbottabad. An amount of Rs201,789,318 was incurred on the salaries of staff and other expenditure of the facilities during 2011-12.

Health Unit	Expenditure (Rs)
Other hospitals	26,414,830
Dispensaries	36,661,010
BHCS	115,745,949
RHCS	22,968,135
Total	201,789,318

Scrutiny of the OPD record of the institutions showed that except Civil Hospital Nathia Gali, RHC Havelian, RHC Lora and BHU Nawan Sher, in the remaining 104 facilities daily OPD was less than 30 which is the minimum level in the BHU, RHC and civil hospital. In most of the facilities the average OPD was ranging between 10 to 15. Audit is of the view that these health facilities are not functioning properly up to the mark as less number of patients attended. The expenditure of Rs201.789 million on such health facilities was held wastage of public money and irregular.

Audit observed that irregular expenditure incurred due to compliance of Government rules.

When reported in August 2012, Management stated that most of the Health facilities were located in far flung hilly area of the District and attended 10-15 patients per day according to their size and standard. Reply was not satisfactory.

DAC in its meeting held on 22.11.2012, directed that para should be sent to Health Department Peshawar for their decision, so that establishment of BHUs in future is rationalized. No progress was intimated till finalization of this Report.

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

AP 01 (2011-12)

1.2.2.2 Irregular execution of contract agreement valuing -Rs180 million

According to para 3 of Khyber Pakhtunkhwa Rules of business bye-laws framed by government and may draft any other bye-laws under the ordinance not inconsistent or repugnant to model bye-laws, which shall be sent to the law department for legal vetting and approval, and may, after such vetting and approval enforce that same.

Contract for the affiliation of DHQ Hospital Abbottabad with Women Medical College Abbottabad was executed between the Government of Khyber Pakhtunkhwa and Principal Women Medical College on 13-11-2009 for a period of 10 year commencing from 01-07-2009 to 30-06-2019 valuing Rs180,000,000.

Audit observed that contract agreement executed between the two parties was not vetted from law Division which was irregular.

DAC in its meeting held 23.11.2012, directed that vetted agreement may be obtained from Law Division. No progress was intimated till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault under intimation to Audit.

AP 31 (2011-11)

1.2.2.3 Irregular payment on account of 15% capitation fee to District Government -Rs 3.576 million.

According to clause-8 (v) of agreement deed executed between the Government of Khyber Pakhtunkhwa health Department and Women Medical College Abbottabad, the yearly capitation fee shall be spent for improvement of the government health facility. The Hospital Management Board shall approve

the annual work plan for expenditure prepared and submitted by MS of the hospital

While reviewing of cash bank of Hospital Management Board for 2011-2012, it was noticed that Rs3,576,000 was paid to District Government as 15% share of capitation fee and deposited into account-IV vide challan number nil dated 10-01-2012, which was irregular as no provision was given in agreement deed for the said payment.

When reported in August 2012, Management stated that District Government utilizes such funds for Hospital function including payment of all utility charges. Reply was not convening as no clause was given in the agreement for utilization the fund for utility bills.

DAC in its meeting held on 23.11.2012, directed production of detail expenditure. No progress was intimated till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault and recoument of fund from the DCO and deposited into bank account under intimation to Audit.

AP 29 (2011-11)

1.2.2.4 Irregular payment on account of escalation -Rs6.236 million

Para 23 of GFR Vol-1 states that 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.

Executive Engineer C&W Abbottabad paid Rs6,235,000 on account of escalation on labour and material in execution of various schemes during 2011-12. Detail at Annex-E.

The contractors did not complete the work in the stipulated period. It was required to impose penalty on late completion of schemes but were rewarded with the payment of escalation on labor and material amounting to Rs6,236,000

escalation was not admissible to the contractor as it was related to the delayed period.

Audit observed irregular payment due to weak internal control, which resulted in loss to government

When reported in November 2012, Management stated that detail reply would be submitted after consultation with record. No reply was furnished till finalization of this Report.

Request for the convening of DAC meeting was made on 27.09.2012. DAC was not convened till finalization of this Report.

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

AP 18 (2011-12) A/C-I

1.2.3 Internal Control weaknesses

1.2.3.1 Loss due to non recovery of Water user Charges –Rs17.624 million

Para 26 of GFR Vol-I, requires that it is the duty of the Departmental Controlling Officers to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account.

Executive Engineer PHE Abbottabad did not collect Rs17,624,000 on account of water user charges from the water users during the year 2011-12.

Audit observed that non recovery occurred due to weak internal control, which resulted in loss to government.

When reported in October 2012, Management stated that detail reply would be furnished after verification of record. No reply was furnished till finalization of this report.

Request for the convening of DAC meeting was made on 27.09.2012. DAC was not convened till finalization of this Report.

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

AP 01 (2011-12) A/C-I

1.2.3.2 Overpayment due to allowing higher premium –Rs9.132 million

According to the Finance Department Notification No. FD.Bo1/1-7/2010-11/CSR dated 22.03.2011, 41% premium is allowed on G.I.Pipes 1/2” to 4” dia higher quality and 97% premium on G.I.Pipes 4” to 8” dia medium quality.

Executive Engineer PHE Abbottabad overpaid Rs91,32,171 due to allowing additional premium above the prescribed limit of premium in violation of the above rates during 2011-12. Detail at Annex-C

Audit observed that overpayment was made due to weak internal control, which resulted in loss to government.

When reported in October 2012, Management stated that detail reply would be furnished after consulting the record. No reply was furnished till finalization of this Report.

Request for the convening of DAC meeting was made on 27.09.2012. DAC was not convened till finalization of this report.

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

AP 07 (2011-12) A/C-I

1.2.3.3 Unnecessary retention of developmental funds in deposit-III Rs 6.612 Million.

Para 366 of CPWA Code requires that unclaimed deposits lying for more than 03 years should be credited to Govt revenue.

XEN C&W Division Abbottabad did not credit unspent balance of Rs6,611,994 lying in deposit-III for more than seven years.

Audit observed that the funds may be deposited into Govt revenue after getting approval of the competent authority.

When reported in October 2012, Management stated that detail reply would be furnished after consulting the record. No reply was furnished till finalization of this report.

Request for the convening of DAC meeting was made on 27.09.2012. DAC was not convened till finalization of this Report.

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

AP 16 (2011-12)

1.2.3.4 Non deposit of receipts -Rs1.643 million

According to Para 26 of GFR Vol-I, it is the duty of the Departmental Controlling Officers to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account.

XEN C&W Division Abbottabad did not deposit into government revenue Rs1,642,844 received as rent of government machinery, building etc and was unnecessarily retained in deposit-V account. Detail at Annex-D

Audit observed non-depositing of receipts into government revenue due to weak internal control, which resulted in loss to government

When reported in October 2012, Management stated that detail reply would be furnished after consulting the record. No reply was furnished till finalization of this Report.

Request for the convening of DAC meeting was made on 27.09.2012. DAC was not convened till finalization of this Report.

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

AP 19 (2011-12)

1.2.3.5 Non deposit of Hospitals receipts into Government revenue - Rs1.063 million

Para 26 of GFR vol-1 requires that it is the duty of the departmental controlling officers to see that all sums due to Government are regular and promptly assessed realized and dully credited in the public account.

MS DHQ Hospital Abbottabad realized Rs1,063,536 on account of various receipts up to 30.12.2011, which were not deposited into government treasury.

Audit observed non deposit of receipt was due to weak internal control, which resulted in loss to government

When reported in August 2012, Management stated that during current financial year only Rs98,000 was not deposited. Since the Hospital had no proper source of income therefore funds were utilized for purchase of stationary. After allocation of funds the balance amount would be deposited in to revenue.

DAC in its meeting held on 22.11.2012, directed the recovery. No progress was intimated till finalization of this Report.

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

AP 19 (2011-12)

1.2.3.6 Non imposition of penalty on late completion of schemes- Rs2.833 million

As per clause 2 of contract agreement time limit allowed for completion of work shall be strictly observed by the Contractor. If the contractor failed to comply with this condition he shall be liable to pay as compensation the amount equal to 1% to 10 % of cost of scheme.

Executive Engineer C&W Abbottabad during the year 2011-12 did not impose penalty on late completion of schemes as per detail given below.

Scheme Name	Commencement date	Required date of completion	Actual completion date	Estimated Cost (Rs)	Penalty @10% of E.Cost(Rs)
Black topping of road from Salhad barrier to Maira chammad	16.01.09	17.07.11	18.05.12	21,019,000	2,101,900
Imp: of PCC road from tarhana bala 2.675km	28.11.08	27.11.09	11.05.11	7,314,000	731,400
Total					2,833,300

The contractors did not complete the work within the stipulated period. Penalty @ 10% of the estimated cost was not imposed.

Audit observed non imposition of penalty due to weak internal control, which resulted in loss to government

When reported in November 2012, Management stated that detail reply would be submitted after consultation with record.

Request for the convening of DAC meeting was made on 27.09.2012. DAC was not convened till finalization of this Report.

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

AP 20 (2011-12) A/C-I

1.2.2.7 Non credit of lapsed deposits -Rs1.623 million

Para 366 of CPWA Code requires that unclaimed deposits lying for more than 03 years should be credited to Govt revenue.

XEN C&W Department Abbottabad did not credit unclaimed balances of more than three years for Rs1,623,000 for the year 2011-12, which were lying in 2nd deposits. Detail at Annex-F.

Audit observed non credit of lapse deposits due to weak internal control, which resulted in loss to government

When reported in November 2012, Management stated that detail reply would be furnished after scrutiny of record. No reply was furnished till finalization of this Report.

Request for the convening of DAC meeting was made on 27.09.2012. DAC was not convened till finalization of this Report.

Audit recommends credit of lapse deposits and fixing responsibility on person(s) at fault.

AP 17 (2011-12) A/C-I

1.2.3.8 Excess payment over contractual cost -Rs7.378 million

Para-220 read with para-221&223 of CPWA provides that before the bill of a contractor is prepared, the Sub-Divisional Officer should scrutinize the entries in the measurement book relating to the description and quantities of work of supplies and the calculation of “contents or area” should be checked arithmetically under his supervision. He should compare the quantities in the bill with those recorded in the measurement book and see that all the rates are correctly entered and that all calculations have been checked arithmetically.

Executive Engineer C&W Abbottabad overpaid Rs7.738 million on account of various works during 2011-12. Detail given below:

S.No	Name of Work	Cost as per contract (Rs)	Payment made (Rs)	Overpayment (Rs)
1	Upgradation of RHC Lora Contract/Agreement No. 11/C&W/2011-12	49,616,865	52,916,888	3,300,023
2	B/T road Slahad barrier maira chammand 2KM Agreement No. 9/CE 2011-12	21,019,000	25,096,933	4,077,933
Total		70,635,865	78,013,821	7,377,956

Audit observed excess payment due to weak internal control, which resulted in loss to government.

When reported in November 2012, Management stated that detail reply would be submitted after consultation with record. No reply was furnished till finalization of this report.

Request for convening of DAC meeting was made on 27.09.2012. DAC was not convened till finalization of this Report.

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

AP 11 (2011-12) A/C-I

ANNEXURE

Annex-A

Detail of MFDAC Paras

(Amount in Rs)

S. No	AP No	Department	Gist of para	Nature of Audit Observation	Amount
1	38	EDO F&P Abbottabad	Non deduction of Stamp Duty	Overpayment	5,000
2	39	-do-	Non deduction of 5 % maintenance charges	Overpayment	26,000
3	40	-do-	Unauthorized drawls of Special pay	Violation of rules	154,000
4	41	-do-	Non imposition of economy measures	Violation of rules	0
5	42	-do-	Irregular expenditure on A/C of Honoraria	Violation of rules	41,000
6	43	-do-	Unauthorized payment of salary	Violation of rules	18,000
7	46	-do-	Excess Drawl of CNG/POL	Violation of rules	59,000
8	47	-do-	Unauthorized drawl of Special Allowance	Violation of rules	189,000
9	51	EDO E&SE Abbottabad	Irregular purchase of furniture	Violation of rules	0
10	54	-do-	Non adjustment of loan advance out of different funds	Violation of rules	600,000
11	56	-do-	Unauthorized purchase of furniture for guest room out of "Others"	Violation of rules	9,000
12	61	-do-	Non collection of pupil funds	Violation of rules	715,000
13	64	-do-	Unauthorized payment of salaries for absent period	Violation of rules	875,000
14	65	-do-	Overpayment on account of pay & allowances	Overpayment	322,000
15	70	-do-	Irregular release of pay	Violation of rules	71,000
16	75	EDO Agriculture	Non deduction of Stamp Duty	Violation of rules	22,000
17	75	-do-	Irregular purchases of plants	Violation of rules	34,000
18	84	DO Water Mangt	Non recovery of the stamp duty.	Violation of rules	163,000
19	13	EDO Health	Non Deposit of OPD Receipt	Violation of	28,000

			of Rs287015/- into Govt. Revenue	rules	
20	14	-do-	Loss to Govt. due to non Realization of Ambulance charges as lesser rates.	Violation of rules	19,000
21	16	-do-	Loss to Government due to non recovery of Sale Tax	Overpayment	25,000
22	17	-do-	Non Reduction in the staff and fiancées on the administration side after handing over the charge of 53 No. BHUs to PPHI.	Violation of rules	0
23	21	MS DHQ	Loss due to non Recovery of income tax from the suppliers.	Overpayment	11,000
24	27	-do-	Irregular expenditure on Bedding Clothing Items by Issuing cheque in the name of DDO instead of the supplier	Violation of rules	24,000
25	45	C&W	Irregular expenditure on account of Construction of PCC Road.	Violation of rules	2,000
26	2 & 9	PHE	Non Recovery of Professional Tax	Overpayment	44,000

**EDO wise Expenditure Summary
District Abbottabad 2011-12**

Department	Salary (Rs)	Non Salary (Rs)	Total Expenditure (Rs)	%age
DCO	53,194,255	9,987,128	63,181,383	
Executive District Officer Finance & Planning	11,287,163	11,651,792	22,938,955	
Executive District Officer Revenue	35,097,721	2,295,867	37,393,588	
executive district officer Education	2,559,945,729	45,516,663	2,605,462,392	
Executive District Officer Health	395,208,287	83,055,006	478,263,293	
EXECUTIVE DISTRICT OFFICER Agriculture	56,696,547	5,936,450	62,632,997	
Executive District Officer Works	148,852,678	97,439,133	246,291,811	
Executive District Officer Community	27,563,601	5,484,354	33,047,955	
Executive District Officer Industries	4,115,527	827,860	4,943,387	
Sub Total	3,291,961,508	262,194,253	3,554,155,761	
	88%	7%		959%
Developmental			199,401,044	5%
Grand Total	3,291,961,508	262,194,253	3,753,556,805	100%

Annex-C**Detail of overpayment due to allowing higher premium**

Agreement No	Scheme	Contractor	Estimated Cost (Rs)	Premium above the prescribed limited (20%)
6/PHE/2011-12	Const: 100 WSS, WSS Bore Begla	Sami Ullah	17368896	1082873
32/PHE/2011-12	WSS Narrian	Imtiaz Khan	22851591	2203633
25/PHE/2011-12	WSS Phulgran	Sami Ullah	17865000	1772087
28/PHE/2011-12	WSS Tarhana	Bacha Wali	8739000	846364
15/PHE/2011-12	WSS Bagh	Aurangzeb	29640000	2006274
16/PHE/2011-12	WSS Paswal	Sami Ullah	21179000	1220940
Total				9,132,171

Annex-D**Detail of non deposit of receipts**

S. No	Item #	Period	Particulars/ Amount received from	Closing balance as on June, 2012 (Rs)
1	10/11	09/2010	M/S Sarwar and Co on account of hire charges of dumper	43,700
2	11/12	09/2010	Shujaat Mahamood on a/c of road crossing charges of Jarrian Road Nawan Sher	2,000
3	12/13	08/2010	M/S Saleh Ejaz on a/c of charges of Asphalt Plant with machinery	608,000
4	13/14	08/2010	Road crossing Havilian	500
5	14/15	10/2010	M/S Irfan and Co on a/c of hire charges of asphalt plant	150,000
6	15/16	10/2010	Gulzar Khan and Brothers on a/c of hire charges of asphalt PI	100,000
7	17/18	10/2010	Mahroom Khan on a/c of road crossing	1,500
8	18/19	10/2010	Muhammad Asif on a/c of road crossing	2,000
9	19/20	11/2010	Sajjad Ali s/o Noor Muhammad on a/c of damage of road	118
10	22/23	02/2011	SNGPL on a/c of road crossing	2,900
11	23/24	03/2011	Babar Khan on a/c of road crossing for sui gas	1,306
12	24/25	03/2011	Syed Mahboob Shah on a/c of Asphalt Plant with machinery	150,600
13	25/26	03/2011	Khalid Hafeez on a/c of road crossing	820
14	36/37	Nil	Hukamdad on a/c of hire charges pay dozer	99,400
15	38/39	Nil	Work vision on a/c of hire charges of asphalt plant	50,000
16	40/41	07/2011	JAK Associate on a/c of hire charges of asphalt plant	150,000
17	44/45	08/2011	Zardad and Co on a/c of hire charges of asphalt plant	40,000
18	45/46	11/2011	Rahis Khan and Co on a/c of hire charges of asphalt plant	100,000
19	46/47	12/2011	Wahid and Co on a/c of hire charges of asphalt plant	25,000
20	47/48	12/2011	Danish Malik and Co on a/c of hire charges of asphalt plant	25,000
21	48/49	01/2012	M/S Abdul Rauf on a/c of hire charges of asphalt plant	40,000
22	54/55	01/2012	Haji Guldad Khan on a/c of hire charges of asphalt plant	50,000
Total				1,642,844

Annex- E

Detail of escalation payments

(Rs in million)

Scheme	Contractor	Date of commencement	Required date of completion	Actually completed	Escalation charges paid
Approach road Rahi Bridge 01 km	Syed Mehboob and Sons vide C.A No 98 SEAC 2010-11	20.05.2009	20.08.2010	14.05.2012	1.872
Black topped road from Batala to Chapria	Saif-ur-rahman and sons vide C.A No 428 CE/ 2008-09	24-6-09	24-12-10	14-5-12	1.660
Black topping of road from Bangara chowk to longal on Swaargali	Saleh ijaz and co and sons vide C.A No 432 CE 2008-09	24-6-09	24-12-10	30.05.12	2.153
Black topping Maira bagh road 01	Work vision vide C.A No 278-Executive District Officer 2010-11	21.09.09	20.03.11	20.06.2012	0.554
Total Escalation charges paid					6.236

DETAIL OF DEPOSIT-II

Item No	Year	Name Of Contractor	Amount (Rs)
1/1.	06/2004.	Gulzar Khan & Bros	78,273
2/2.	2/2005.	Work Man	141,127
3/3.	2/2005.	Abdul Raqeeb & Bros	25,500
4/4.	2/2005.	P.Khan & Sons	25,500
5/5.	2/2005.	Abbass Khan	25,500
6/7.	3/2005.	Abdul Qayyum	30,147
7/8.	3/2005.	M.Asif Abbassi	10,278
8/20.	3/2005.	Sahib Zada	3,250
10/13.	5/2005.	Sajawal khan, Tajumal Khan	2,400
11/15.	5/2005.	Muhammad Usman Khan	95,000
12/16.	6/2005.	Nazakat Ali	24,535
13/17.	6/2005.	Sardar Muhammad Saeed	1,400
14/18.	8/2005.	Sabir Zaman Afradi	14,303
15/19.	8/2005.	Akhood Zada	99,500
16/20.	9/2005.	Mukhtiar Abbassi	660
17/21.	10/2005.	Muhammad Safdar	4,600
18/23	1/2006.	Ashraf Zaman	3,320
19/23	2/2006.	Haji Zardad & Co:	25,581
21/25	2/2006.	Muhammad Irshad Khan	5,072
22/26	4/2006.	Taj Muhammad Qurashi	2,978
23/27	5/2006.	Sahibullah Khan	4,000
24/28	5/2006.	Arshad Mehmood Awan	8,130
25/29	5/2006.	Arshad Mehmood Awan	7,899
26/30	5/2006.	Arshad Mehmood Awan	8,130
27/31	5/2006.	Arshad Mehmood Awan	8,130
28/32	6/2006.	Work Man Construction	64,357
29/33	6/2006.	Work Man Construction	76,120
30/34	6/2006.	Muhammad Sadiq Kanthali	1,850
31/35	6/2006.	Nizakat Ali	101,777
32/36	6/2006.	Said Ghulam & Sons	31,236
33/37	6/2006.	Muhammad Ashraf Qureshi	39,309

34/38	6/2006.	Mukhtiar Abbassi	102,912
35/39	6/2006.	Said Ghulam & Sons	101,940
36/40	6/2006.	Saleh Ejaz	15,635
40/46	6/2006.	Zai-Ur-Rehman	250
42/48	6/2006.	Waheed-ud-Din	8,130
43/49	6/2006.	Irshad Hussain	8,130
44/50	6/2006.	Irshad Hussain	8,130
45/51	6/2006.	Irshad Hussain	6,010
46/52	6/2006.	Waheed-ud-Din	8,130
47/53	6/2006.	Pir Khan & Co.	4,050
48/54	6/2006.	Muhammad Sulman & Sons	8,222
49/55	6/2006.	Irshad Hussain	7,985
52/59	6/2006.	Muhammad Safdar & Co.	16,000
53/58	6/2006.	Yahya & Co.	4,000
54/60	8/2006.	Muhammad Nawaz & Bros:	42,755
55/61	8/2006.	Saleh Ejaz & Co.	77,977
56/62	8/2006.	Mukhtiar Abbassi	29,776
57/64	8/2006.	Said Ghulam & Sons	78,023
58/65	8/2006.	Abdul Shakoor	16,120
59/66	8/2006.	Akhtar Zeb	45,195
60/68	8/2006.	Mukhtiar Abbassi	36,733
61/69.A	9/2006.	Saleh Ejaz & Co.	27,440
Total			1,623,405