



**DRAFT AUDIT REPORT  
ON THE ACCOUNTS OF  
DISTRICT COUNCIL AND  
MUNICIPAL COMMITTEE  
DISTRICT SHANGLA**

**AUDIT YEAR 2015-16**

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**AUDITOR GENERAL OF PAKISTAN**

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## ABBREVIATIONS AND ACRONYMS

|       |  |
|-------|--|
| AA    | Administrative Approval                        |
| AP    | Advance Para                                   |
| ADP   | Annual Developmental Plan                      |
| AOMR  | Annual Ordinary Maintenance and Repair         |
| BOQ   | Bill of Quantity                               |
| CCO   | Chief Coordination Officer                     |
| CMD   | Chief Minister Directives                      |
| CMO   | Chief Municipal Officer                        |
| CSR   | Composite Schedule of Rates                    |
| DAC   | Departmental Accounts Committee                |
| DG    | Director General                               |
| DDO   | Drawing and Disbursing Officer                 |
| DDI   | District Development Incentive                 |
| DADP  | District Annual Developmental Plan             |
| DWSS  | Drinking Water Supply Scheme                   |
| FMD   | Finance Minister Directives                    |
| HDPE  | High Density Poly Ethylene                     |
| GFR   | General Financial Rules                        |
| GI    | Galvanized Iron                                |
| LCB   | Local Council Board                            |
| LGO   | Local Government Ordinance                     |
| MC    | Municipal Committee                            |
| MFDAC | Memorandum for Departmental Accounts Committee |
| PAC   | Public Accounts Committee                      |
| PAO   | Principal Accounting Officer                   |
| PATA  | Provincially Administered Tribal Area          |
| PC-I  | Planning Commission One                        |
| PK    | Province Khyber Pakhtunkhwa                    |
| PLA   | Personal Ledger Account                        |
| POL   | Petroleum Oil Lubricants                       |
| RDA   | Regional Directorate of Audit                  |
| SDA   | Special Drawings Account                       |
| TKPP  | Tameer-E- Khyber Pakhtunkhwa Programme         |
| TADA  | Travelling Allowance Daily Allowance           |
| ZAC   | Zilla Accounts Committee                       |

## **PREFACE**

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections-8 and 12 of the Auditor-General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 168 of Local Government Act 2012, require the Auditor-General of Pakistan to conduct audit of the receipts and expenditure of Local Fund of District Council and Municipal Committees.

The report is based on audit of the accounts of District Council and Municipal Committee Shangla for the Financial Year 2014-15. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa, Peshawar conducted audit on test check basis during 2015-16 with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit finding carrying value of Rs1 million or more. Relatively less significant issues are listed in the Annexure-1 of the Audit Report. The Audit Observations listed in the Annexure-1 shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observations will be brought to the notice of Public 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 control 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. DAC meetings could not be convened despite repeated requests.

The Audit Report is submitted to the Governor of Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 168 of Khyber Pakhtunkhwa Local Government Act 2012 to be laid before appropriate legislative forum.

Dated:

**(Rana Assad Amin)**  
**Auditor General of Pakistan**

## **EXECUTIVE SUMMARY**

The Directorate General Audit, District Governments, Khyber Pakhtunkhwa, Peshawar, is responsible to conduct the audit of all District Councils, Municipal Committees (MCs) and Union Councils (UCs). Its Regional Directorate of Audit Malakand has audit jurisdiction of District Councils, Municipal Committees and UCs of five Districts i.e. Swat, Shangla, Dir Lower, Dir Upper and Chitral.

The Regional Directorate of Malakand has a human resource of 09 officers and staff, constituting 1,878 man days. A budget of Rs 11.002 million was allocated to the Directorate during 2015-16. It has the mandate to conduct financial attest audit, audit of sanctions, audit of compliance with authority and audit of receipts as well as the performance audit of entities, projects and programs carried out by Local Governments in Malakand Division. Accordingly, Regional Director Audit Malakand carried out audit of the accounts of District Council and Municipal Committee Shangla for the Financial Year 2014-15 and the findings included in the Audit Report.

The District Council Shangla and one Municipal Committee in the District perform their functions under Khyber Pakhtunkhwa Local Government Act 2012. Administrative Secretary i.e Secretary Local Government and Rural Development Department, Khyber Pakhtunkhwa is the Principal Accounting Officer for these local bodies. According to financial provisions of the Act, the Secretary Local Government and Rural Development Department, Khyber Pakhtunkhwa authorizes the Annual Budget Statement for these local bodies in the form of budgetary grants.

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

Out of the total expenditure of District Council and Municipal Committee Shangla, for the Financial Year 2014-15, the auditable expenditure under the jurisdiction of RDA was Rs 144.013 million. Out of this, RDA Malakand audited expenditure of Rs 100.809 million which, in terms of percentage, was 70% of auditable expenditure.

The receipts of District Council and Municipal Committee in District Shangla for the Financial Year 2014-15 were Rs 88.682 million. Out of this, RDA Malakand audited receipts of Rs 88.682 million which, in terms of percentage, is 100% of auditable receipts.

The total expenditure and receipt of District Council and Municipal Committee, District Shangla, for the Financial Year 2014-15 were Rs 232.695 million. Out of this, RDA Malakand audited the expenditure and receipts of Rs 189.491 million.

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

Recovery of Rs 16.494 million was pointed out during the audit. However, no recovery was affected till finalization of this report. Out of the total recoveries, Rs 7.125 million was not in the notice of the executive prior to audit.

**c. Audit Methodology**

Audit was conducted after understanding the business processes of District Council and Municipal Committee, with respect to its functions, control structure, prioritization of risk areas by determining their significance and identification of key controls. This helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field activity. Audit used desk audit techniques for analysis of compiled data and review of permanent files/record. Desk Audit greatly facilitated identification of high-risk areas for substantive testing in the field.

**d. Audit Impact**

Audit pointed out various irregularities of serious nature to the management. 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, ensure accuracy, timeliness and reliability of financial and accounting information for decision making.

One of the basic component of Internal Control System, as envisaged under Para 13 of GFR Volume-I, is Internal Audit which was not prevalent in MC Alpuri and District Council Shangla. Neither rules for internal audit have been framed nor internal audit report as required was provided to audit.

**f. Key Audit Findings**

- i. Non-production of record of Rs 60 million was noted in one case<sup>1</sup>.
- ii. Irregularities & Non-compliance of Rs 65.369 million were noted in nine cases.<sup>2</sup>
- iii. Weak internal control of Rs17.337 million was noted in eight cases.<sup>3</sup>

**g. Recommendations**

- i. Disciplinary action needs to be taken for non production of record.
- ii. Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- iii. Strenuous efforts need to be made by the departments to recover long outstanding dues.
- iv. All sectors of MC and District Council 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.
- v. Deduction of taxes on supplies and contracts need to be ensured.
- vi. Inquiries need to be held to fix responsibility for losses, irregular payments and wasteful expenditure.

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<sup>1</sup> 1.2.1.1

<sup>2</sup> 1.2.2.1, 1.2.2.2, 1.2.2.3, 1.2.2.4, 1.2.2.5, 1.2.2.6, 1.3.1.1, 1.3.1.2& 1.3.1.3

<sup>3</sup> 1.2.3.1, 1.3.2.1, 1.3.2.2, 1.3.2.3, 1.3.2.4, 1.3.2.5, 1.3.2.6 & 1.3.2.7

## SUMMARY TABLES AND CHARTS

**Table 1: Audit Work Statistics**

**(Rs in million)**

| <b>S. No</b> | <b>Description</b>                         | <b>No.</b> | <b>Budget</b> |
|--------------|--|------------|---------------|
| 1            | Total Entities (PAO) in Audit Jurisdiction | 01         | 379.559       |
| 2            | Total formations in audit jurisdiction     | 02         | 379.559       |
| 3            | Total Entities (PAO) Audited               | 01         | 232.695       |
| 4            | Total formations Audited                   | 02         | 189.491       |
| 5            | Audit and Inspection Reports               | 02         | 189.491       |
| 6            | Special Audit Reports                      | -          | -             |
| 7            | Performance Audit Reports                  | -          | -             |
| 8            | Other Reports                              | -          | -             |

**Table 2: Audit Observations classified by Categories**

**(Rs in million)**

| <b>S. No</b> | <b>Description</b>   | <b>Amount placed under audit observation</b> |
|--------------|----------------------|--|
| 1            | Asset management     | -  |
| 2            | Financial management | 25.304                                       |
| 3            | Internal controls    | 17.337                                       |
| 4            | Violation of rules   | 40.065                                       |
| 5            | Others               | 60   |
| <b>Total</b> |                      | <b>142.706</b>                               |



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

| <b>S. No</b> | <b>Description</b>   | <b>Expenditure on Acquiring Physical Assets Procurement</b> | <b>Civil Works</b> | <b>Receipts</b> | <b>Others</b> | <b>Total for the year 2014-15</b> | <b>Total for the year 2013-14</b> |
|--------------|--|---|--------------------|-----------------|---------------|-----------------------------------|-----------------------------------|
| 1            | Outlays Audited  | --  | 101.852            | 88.682          | 42.160        | 232.695                           | 127.486                           |
| 2            | Amount Placed under Audit Observation /Irregularities of Audit | --  | 88.663             | 11.668          | 42.375        | 142.706                           | 85.246                            |
| 3            | Recoveries Pointed Out at the instance of Audit                | --  | 10.584             | 4.268           | 1.642         | 16.494                            | 7.138                             |
| 4            | Recoveries Accepted /Established at the instance of Audit      | --  | 9.681              | 0               | 0             | 9.681                             | 0.618                             |
| 5            | Recoveries Realized at the instance of Audit                   | --  | --                 | --              | --            | --                                | --                                |

**Table 4: Table of Irregularities pointed out**

| <b>(Rs in million)</b> |   |  |
|------------------------|---|--|
| <b>S. No</b>           | <b>Description</b>  | <b>Amount Placed under Audit Observation</b> |
| 1                      | Violation of Rules and regulations, principle of propriety and probity in public operation  | 40.065                                       |
| 2                      | Reported cases of fraud, embezzlement, thefts and misuse of public funds.   | 0  |
| 3                      | Accounting Errors (accounting policy departure from NAM misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements. | 0  |
| 4                      | Quantification of weaknesses of internal control systems.   | 17.337                                       |
| 5                      | Recoveries and overpayment, representing cases of established overpayment or misappropriations of public monies   | 16.494                                       |
| 6                      | Non-production of record  | 60.000                                       |
| 7                      | Others, including cases of accidents, negligence etc.   | 8.810  |
| <b>Total</b>           |   | <b>142.706</b>                               |

**Table 5: Cost-Benefit**

| <b>(Rs in million)</b>    |  |               |
|---------------------------|--|---------------|
| <b>Sr. No</b>             | <b>Description</b>                           | <b>Amount</b> |
| 1                         | Outlays Audited                              | 189.491       |
| 2                         | Expenditure on Audit                         | 0.270         |
| 3                         | Recoveries realized at the instance of Audit | 00            |
| <b>Cost-Benefit Ratio</b> |  | <b>1:0</b>    |

## CHAPTER-1

### 1.1 District Council & Municipal Committee District Shangla

#### 1.1.1 Introduction

District Shangla has two Tehsils i.e. Alpuri and Puran. There is a District Council and one Municipal Committee. District Council has a Chief Coordination Officer, District Officer (Finance), District Officer (Infrastructure) and District Officer (Regulation). Municipal Committee has a Chief Municipal Officer, Municipal Officer (Finance), Municipal Officer (Infrastructure) and Municipal Officer (Regulation). District Council Shangla has one Drawing and Disbursing Officer (DDO) i-e. Chief Coordination Officer & Chief Municipal Officer is the DDO of Municipal Committee. According to 1998 population census, the population of District Shangla was 434,563.

#### 1.1.2 Comments on Budget and Accounts (variance analysis)

A budget of Rs 280.393 million was allocated against which an expenditure of Rs 144.012 million was incurred by the District Council and Municipal Committee Shangla with a saving of Rs 136.378 million during Financial Year 2014-15. Detail is given below:

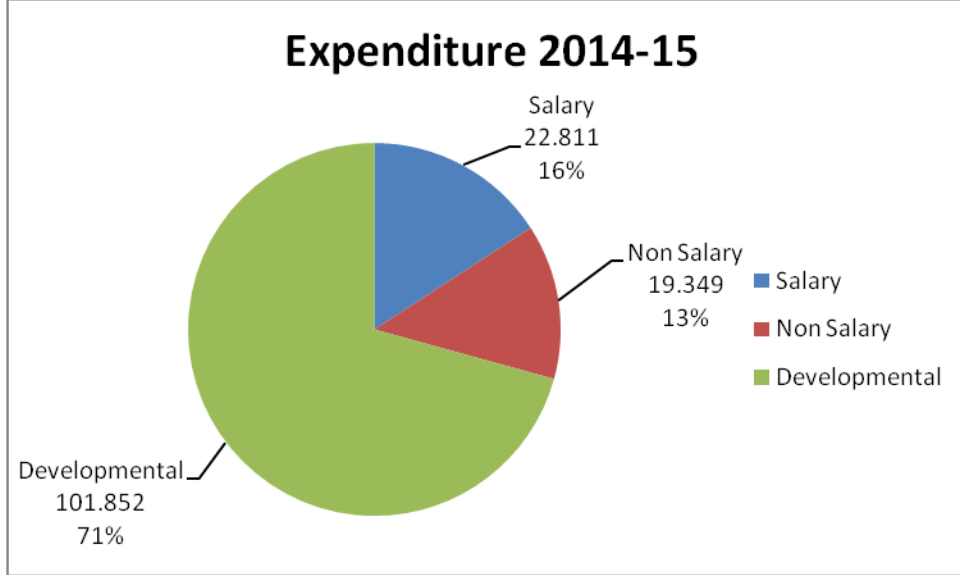
(Rs in millions)

| 2013-14       | Budget         | Expenditure    | Excess / Savings | %age       |
|---------------|----------------|----------------|------------------|------------|
| Salary        | 33.805         | 22.811         | 10.993           | 8          |
| Non Salary    | 32.037         | 19.349         | 12.687           | 9          |
| Developmental | 214.551        | 101.852        | 112.698          | 83         |
| <b>Total</b>  | <b>280.393</b> | <b>144.012</b> | <b>136.378</b>   | <b>100</b> |

A Receipts of Rs 99.166 million was projected against which an amount of Rs 88.683 million was realized by the District Council and Municipal Committee Shangla with a short realization of Rs 10.483 million during Financial Year 2014-15. Detail is given below:

(Rs in millions)

| 2014-15         | Budget | Realization | Excess/ (Saving) | %age |
|-----------------|--------|-------------|------------------|------|
| <b>Receipts</b> | 99.166 | 88.683      | 10.483           | 10   |



### 1.1.3 Comments on the status of compliance with PAC Directives

The audit report pertaining to the Audit Year 2014-15 has been submitted to the Governor of Khyber Pakhtunkhwa. Detail is as under:

| S. No. | Audit Year | PAC meeting convened /Not convened |
|--------|------------|------------------------------------|
| 1      | 2014-15    | Not Convened                       |

**MUNICIPAL COMMITTEE ALPURI**

## **1.2 Municipal Committee Alpuri**

### **1.2.1 Non Production of Record**

#### **1.2.1.1 Non production of record – Rs 60.000 million**

According to Section 14 (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, 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.

Administrator MC Alpuri during financial year 2014-15 paid Rs 6,000,000 to a contractor on account of release of 8% security and 2% earnest money for a work "Up-gradation of Titwalan Road" but relevant record i.e. tender documents, PC-I, Administrative Approval, Technical Sanction, Contractor bills etc were not produced to audit. The work was started in the financial year 2012-13 and shown completed in 2013-14 but relevant record of the entire payment of Rs 60.00 million was not produced during the last 3 years.

The veracity of the expenditure could not be authenticated due to non production of record.

When reported in August 2015, Management stated that detailed reply would be furnished after scrutiny of record. However, no reply was furnished.

Request for convening of the DAC meeting was made on 2<sup>nd</sup> September 2015, which was not convened till finalization of this report.

Audit recommends production of record besides fixing responsibility on the persons at fault.

**AP # 2 (2014-15)**

## 1.2.2 Irregularity & Non Compliance

### 1.2.2.1 Overpayment due to non exclusion of income tax –Rs 2.016 million

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

Municipal Committee Alpuri during financial year 2014-15 executed nine (09) developmental schemes with an estimated cost of Rs 28.811 million. Income tax @ 7% amounting to Rs 2.016 million was not excluded from the estimates and hence not deducted. Detail is as under:

| S.No         | Source of fund               | Name of scheme   | Allocation (Rs in million) | Income tax @ 7% (Rs in million) |
|--------------|------------------------------|--|----------------------------|---------------------------------|
| 01           | 30% District ADP for 2013-14 | Providing & fixing of solar street lights in MC limits | 7.000                      | 0.490                           |
|              |                              | Repair & maintenance of rest house at Machar Alpuri    | 3.400                      | 0.238                           |
|              |                              | Sanitation at MC A lpuri jurisdictions                 | 3.000                      | 0.210                           |
|              |                              | Providing and fixing of Dust Bins in MC limits         | 1.007                      | 0.070                           |
| 02           | 30% District ADP for 2014-15 | Installation of solar lights at Faizabad & kuz Alpuri  | 5.000                      | 0.350                           |
|              |                              | Suspension Bridge at Alpuri HQ                         | 1.500                      | 0.105                           |
|              |                              | Suspension Bridge at Alpur HQ                          | 1.000                      | 0.070                           |
|              |                              | Sanitation in jurisdictions of MC Alpuri               | 5.000                      | 0.350                           |
|              |                              | Re/Replacement of pies in jurisdictions of MC Alpuri   | 1.904                      | 0.133                           |
| <b>Total</b> |                              |  | <b>28.811</b>              | <b>2.016</b>                    |

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

When reported in August 2015, management did not respond to the audit observation.

Request for convening of the DAC meeting was made on 2<sup>nd</sup> September 2015, which was not convened till finalization of this report.

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

**AP # 13 (2014-15)**

### **1.2.2.2 Unauthorized execution of works beyond the technical capacity – Rs 25.304 (M)**

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

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

Further, Para 178 of GFR Vol-I & Para-56 of CPWD Code provides that the work must not be started/ executed without technical sanction.

Municipal Committee Alpuri awarded six contracts valuing Rs 25,304,000 to various contractors without Technical Sanctions. The award of works as well as payments of Rs 16,393,330 made to the contractors was irregular and illegal. Detail is as under:

| <b>S.No</b>  | <b>Source of fund</b>           | <b>Name of scheme</b>                                  | <b>Allocation<br/>(Rs in million)</b> |
|--------------|---------------------------------|--|---------------------------------------|
| 01           | 30% District ADP<br>for 2013-14 | Providing & fixing of solar street lights in MC limits | 7.000                                 |
|              |                                 | Repair & maintenance of rest house at Machar Alpuri    | 3.400                                 |
|              |                                 | Sanitation at MC A lpuri jurisdictions                 | 3.000                                 |
| 02           | 30% District ADP<br>for 2014-15 | Installation of solar lights at Faizabad & kuz Alpuri  | 5.000                                 |
|              |                                 | Sanitation in jurisdictions of MC Alpuri               | 5.000                                 |
|              |                                 | Re/Replacement of pies in jurisdictions of MC Alpuri   | 1.904                                 |
| <b>Total</b> |                                 |  | <b>25.304</b>                         |



Unauthorized execution of work was due to weak financial controls, which resulted in violation of rules.

When reported in August 2015, management did not respond to the audit observation.

Request for convening of the DAC meeting was made on 2<sup>nd</sup> September 2015, which was not convened till finalization of this report.

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

**AP# 11 (2014-15)**

**1.2.2.3 Irregular retention of additional charges and availing financial benefits – Rs 1.642 million**

According to Fundamental Rule 49 read with Finance Department letter No.FD(SR-I)3-19/92, Dated 12.08.1997 and even No. dated 07.08.1999, where the distribution of work among more than one Government Servant is not feasible, the charge of the vacant post may be entrusted to another Government Servant in an equivalent scale/status. This arrangement should not be made for a period of more than three months and it should be allowed with specific approval of the Secretaries/Heads of the Attached Department/Heads of Department not below BPS-20. However, it may be extended by another three months with the approval of the next higher authority. Immediately on the expiry of six months of the full additional charge of the particular vacant post, the post shall be treated as having been abolished and its duties automatically becoming part of the normal duties of the other existing posts of the same category in the department concerned. Before making full additional charge arrangement, prior approval of the Finance Department may be obtained.

During audit of the accounts of the office of the MC Alpuri for the financial year 2014-15 it was noticed that additional charges of the posts of Administrator, CMO and Accountant were given to CCO District Council, AMOR of the MC Alpuri and Accountant of the office of the District Council respectively with effect from 02.2013. They are still retaining such additional charges and availing financial benefits beyond the maximum extended period of six (06) months. In financial year 2014-15, they availed financial benefits of Rs 1,642,319 from the funds of the MC Alpuri on account of POL, TA/DA, Additional charges allowances and repair of transport as per detail given below:

| S.No         | Name of post                 | Additional charge given to       | POL (Rs)       | TA/DA (Rs)     | Add: charge Allowance (Rs) | Repair of transport (Rs) | Total (Rs)       |
|--------------|------------------------------|----------------------------------|----------------|----------------|----------------------------|--------------------------|------------------|
| 01           | Administrator MC Alpuri B-17 | CCO District Council B-17        | 614,811        | 314,300        | 122,240                    | 00                       | 1,051,351        |
| 02           | CMO MC Alpuri B-17           | AMOR B-11 MC Alpuri              | 279,345        | 40,000         | 00                         | 137,710                  | 457,055          |
| 03           | Accountant MC Alpuri B-11    | Accountant District Council B-11 | 00             | 34,625         | 99,288                     | 00                       | 133,913          |
| <b>Total</b> |                              |                                  | <b>894,156</b> | <b>388,925</b> | <b>221,528</b>             | <b>137,710</b>           | <b>1,642,319</b> |

Audit further raised the following observations:

1. Additional charges were retained beyond the maximum period of six months without any extension order by the competent authority after observing all codal formalities in violation of relevant rules.
2. Additional charge of the post of CMO B-17 was irregularly given to AMOR B-11 which was not admissible as per relevant rules.
3. After six months all additional charges should have been ceased and they were required to perform duties of the posts as routine duties without any financial benefit.
4. Prior approval of the Finance Department was not obtained before making arrangement of full additional charge.

Irregular retention of the additional charge was violation of rules which resulted in loss to the Government.

When reported in August 2015, management did not respond to the audit observation.

Request for convening of the DAC meeting was made on 2<sup>nd</sup> September 2015, which was not convened till finalization of this report.

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

**AP # 23 (2014-15)**

#### 1.2.2.4 Non imposition of penalty for incomplete schemes- Rs 1.04 million

According to Clause 6 of the work order and Clause 2 of the Contract Agreement requires that penalty of 1% per day and up to maximum of 10% of the tender cost may be imposed for delay in completion of work.

Municipal Committee Alpuri failed to impose penalty of Rs 1,040,000 @ 10% of the estimated cost of Rs 10,400,000 of two schemes which were not completed in time while due date of completion was 30<sup>th</sup> June, 2015. Detail is as under:

| S.No | Name of scheme   | Due date of completion | Actual date of completion | Allocation (Rs in million) | Penalty (Rs)     |
|------|--|------------------------|---------------------------|----------------------------|------------------|
|      | Providing & fixing of solar street lights in MC limits | 30.6.2015              | In progress               | 7,000,000                  | 700,000          |
|      | Repair & maintenance of rest house at Machar Alpuri    | 30.6.2015              | In progress               | 3,400,000                  | 340,000          |
|      | <b>Total</b>   |                        |                           | <b>10,400,000</b>          | <b>1,040,000</b> |

Non imposition of penalty was occurred due to violation of rules, which resulted in loss to Government.

When reported in August 2015, management did not respond to the audit observation.

Request for convening of the DAC meeting was made on 2<sup>nd</sup> September 2015, which was not convened till finalization of this report.

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

**AP # 12 (2014-15)**

#### 1.2.2.5 Excess payment than approval – Rs 959,150

According to Para 2.58 read with Para 2.100 of B& R code, before a work is given out on contract, BOQ be prepared and approved for all items of works.

Municipal Committee Alpuri awarded a work “Providing and Fixing of Solar Street Lights in MC limits” with an estimated cost of Rs 7,000,000 to a contractor who offered bid cost of Rs 6,040,850. The remaining amount of Rs 959,150 was also paid on account of extra work done which was held excess as bid was approved for Rs 6,040,850 on the basis of approved

BOQ/estimate. Hence, extra work done over & above the approved PC-I/BOQ was beyond the general understanding and was just withdrawal of the estimated cost at any cost.

Excess payment was made in violation of rules which resulted in loss to the Government.

When reported in August 2015, management did not respond to the audit observation.

Request for convening of the DAC meeting was made on 2<sup>nd</sup> September 2015, which was not convened till finalization of this report.

Audit recommends recovery and action against the persons at fault.

**AP # 14 (2014-15)**

#### **1.2.2.6 Irregular cash payments in violation of rules –Rs 9.933 million**

According to Rule 12 (1) of Chapter- IV of the Khyber Pakhtunkhwa Local Councils Accounts Rules 1980, where the Local Fund is kept in a treasury or bank no payment exceeding Rs 500 shall be made except by means of a Cheque.

Municipal Committee Alpuri during financial year 2014-15 incurred expenditure of Rs 10,742,214 on salary and non salary components and cash disbursements were shown instead of payments by means of Cheques in violation of relevant rules referred to above. Due to disbursements through cash, actual payments to the concerned could not be verified and chances of misappropriation could not be ruled out. Detail is as under:

| <b>S.No</b>  | <b>Description</b>         | <b>Amount (Rs)</b> |
|--------------|----------------------------|--------------------|
| 01           | Hot & Cold Weather Charges | 650,000            |
| 02           | Rent of office building    | 420,000            |
| 03           | POL charges                | 1,356,862          |
| 04           | TA/DA                      | 422,510            |
| 05           | Stationary                 | 39,250             |
| 06           | Purchases others           | 206,378            |
| 07           | Repair of Transport        | 137,710            |
| 08           | Pay & allowances           | 7,509,504          |
| <b>Total</b> |                            | <b>10,742,214</b>  |

Cash disbursements were made due to violation of rules, which resulted in irregular payments.

When reported in August 2015, Management stated that detailed reply would be furnished after scrutiny of record. However, no reply was received till finalization of this report.

Request for convening of the DAC meeting was made on 2<sup>nd</sup> September 2015, which was not convened till finalization of this report.

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

**AP# 1 (2014-15)**

### **1.2.3 Internal Control Weaknesses**

#### **1.2.3.1 Non recovery of outstanding dues of general bus stand Alpuri -Rs 1.075 million and non recovery of accrued penalty - Rs 107,563**

According to Serial No. 4 (a) & (b) of the Model Terms and Conditions for the contracts of cattle fair, Bus stand 2% property tax and other taxes for the financial year 2014-15, the successful bidder shall deposit 15% of the value of the contract in advance which will be adjusted by the council in the last/final installment of the contract. The eleven installment shall however, be worked out on the full bid amount of the contract without deduction of the advance from the bid amount. The first installment shall be paid by the end of July 2014, and rest of the installments on last date of the month, to which it relates. 1% penalty per day will be liable on contractor for late deposit of the monthly installment. If the contractor fails to clear dues by 10<sup>th</sup> of each month to which monthly installment relates, the contract may be cancelled and his security and advances deposited by the contractor shall be forfeited.

Municipal Committee Alpuri awarded contract of General Bus Stand Alpuri for the year 2014-15 to a contractor for Rs 1,740,000. The contractor failed to deposit full amount of the contract and only deposited Rs 664,364 while the remaining amount of Rs 1,075,636 was outstanding against the contractor. Similarly, penalty of Rs 107,563 was also not recovered.

Non recovery of principal amount and penalty was due to weak internal controls which resulted in loss to Government.

When reported in August 2015, Management stated that detailed reply would be furnished after scrutiny of relevant record. However, no reply was received till finalization of this report.

Request for convening of the DAC meeting was made on 2<sup>nd</sup> September 2015, which was not convened till finalization of this report.

Audit recommends recovery and action against the persons at fault.

**AP# 20 (2014-15)**

**DISTRICT COUNCIL SHANGLA**

### **1.3 District Council Shangla**

#### **1.3.1 Irregularity & non compliance**

##### **1.3.1.1 Overpayment due to non exclusion of income tax – Rs 8.298 million**

According to Finance Department Khyber Pakhtunkhwa Notification NO.SO(Dev-II) FD/12-6/14-5 dated 05.01.2015, all Provincial Works Departments, while preparing Cost Estimates of developmental projects which fall in the tax exempted areas such as PATA, shall frame the same on Market Rate System-2013 (MRS-2013) but with 6% less cost to defray the amount added in the rate analysis of all works/construction/supply items to meet withholding tax.

District Council Shangla during financial year 2014-15 executed three hundred & eighty three (383) developmental schemes with an estimated cost of Rs 138.309 million. Income tax @ 6% amounting to Rs 8,298,540 was not excluded from the estimates and hence not deducted. Detail at **Annex-2**.

Non deduction of income tax was occurred due to violation of rules, which resulted in loss to Government.

When reported in September 2015, Management stated that income tax would be recovered and would be credited to the concerned head.

Request for convening DAC meeting was made on 30<sup>th</sup> September 2015, which was not convened till finalization of this report.

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

**AP # 25 (2014-15)**

##### **1.3.1.2 Non imposition of penalty -Rs 1.735 million**

According to Clause 7 of the work order and 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.

District Council Shangla awarded Thirty seven (37) works with estimated cost of Rs17,350,000 and a stipulated time period of six months. The contractors failed to complete the works within stipulated period. The local office was required to impose penalty @ 10% Rs1,735,000 million which was not done. Detail at **Annexure-3**.



Non imposition of penalty occurred due to violation of rules, which caused in loss to Government.

When reported in September 2015, Management stated that time extension had already been granted in light of directives of Provincial Government. Reply was not satisfactory as no documentary evidence was produced till finalization of this report.

Request for convening DAC meeting was made on 30<sup>th</sup> September 2015, which was not convened till finalization of this report.

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

**AP # 31 (2014-15)**

### **1.3.1.3 Irregular cash payments in violation of rules –Rs 20.614 million**

According to Rule 12 (1) of Chapter- IV of the Khyber Pakhtunkhwa Local Councils Accounts Rules 1980, where the Local Fund is kept in a treasury or bank no payment exceeding Rs 500 shall be made except by means of a Cheque.

District Council Shangla during financial year 2014-15 incurred expenditure of Rs 20,613,882 on salary and non salary components and cash disbursements were shown instead of payments by means of Cheques. Due to disbursements through cash, actual payments to the concerned could not be verified. Detail is as under:

| <b>S.No</b>  | <b>Description</b>         | <b>Amount (Rs)</b> |
|--------------|----------------------------|--------------------|
| 01           | Pay & allowances           | 14,384,403         |
| 02           | Hot & Cold Weather Charges | 1,278,310          |
| 03           | Rent of office building    | 444,780            |
| 04           | POL charges                | 2,753,714          |
| 05           | TA/DA                      | 753,674            |
| 06           | Stationary                 | 135,230            |
| 07           | Purchases others           | 281,226            |
| 08           | Repair of Transport        | 582,545            |
| <b>Total</b> |                            | <b>20,613,882</b>  |

Cash disbursements were made due to violation of rules, which resulted in irregular payments.

When reported in September 2015, Management stated that due to non availability of Bank Accounts of the staff the payment was made through cash. However the matter would be regularized in future. Reply was not tenable as cash payment was made in violation of rules.

Request for convening DAC meeting was made on 30<sup>th</sup> September 2015, which was not convened till finalization of this report.

Audit recommends inquiry and fixing responsibility on the persons at fault.

**AP# 24 (2014-15)**

## **1.3.2 Internal Control Weaknesses**

### **1.3.2.1 Overpayment due to allowing high rates - Rs 2.798 million**

According to MRS-2013 item code 03-07-a, rate of excavation in open cut up to 1.5 inch depth in ordinary soil is Rs 109.48/M3.

District Council Shangla overpaid Rs 2,798,327 due to allowing high rate of Rs 325/M3 instead of 109.48/M3 for the item of work "excavation in open cut up to 1.5 inch depth in ordinary soil in various schemes which resulted in loss to Government. Detailed at **Annexure-4**

Overpayment was made due to weak internal controls, which resulted in loss to Government.

When reported in September 2015, Management stated that detail reply would be furnished after consulting the relevant record. However, no reply was received till finalization of this report.

Request for convening DAC meeting was made on 30<sup>th</sup> September 2015, which was not convened till finalization of this report.

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

**AP# 39 (2014-15)**

### **1.3.2.2 Non recovery of 1% penalty Rs 2.40 million**

According to Para (4)(b) of the Model Terms & Conditions for the contracts notified by the Government of Khyber Pakhtunkhwa Local Government Department vide No. AO-II/LCB/6-11/2013 dated 20/12/2013, 1% penalty per day for late deposit of monthly installment should be recovered.

District Council Shangla failed to recover 1% penalty of Rs 2,398,845 from the lease contractors for late deposit of monthly installments of 2% Property tax and General Bus Stand Besham. Detail at **Annexure-5**.

Non recovery of penalty occurred due to weak internal controls, which resulted in loss to Government.

When reported in September 2015, Management stated that as per record of this office the deposit was made on the due dates but the collection by the bank was delayed. Reply was not tenable as no documentary evidence was produced.

Request for convening DAC meeting was made on 30<sup>th</sup> September 2015, which was not convened till finalization of this report.

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

**AP# 41 (2014-15)**

### **1.3.2.3 Loss due to non recovery of income tax- Rs 2.003 million**

According to Clause 179 of LGA 2102 read with clause VI of Secretary Local Council Board, Peshawar letter No: AO/LCB/Budget/2014-15 dated 25.07.2014, all arrears of taxes, rents and other moneys claimable by a Local Council under this Act shall be recoverable as arrears of land revenue and efforts may be made to achieve the targets of revenue up to the maximum level and to generate new sources of income.

Chief Coordination Officer Shangla did not recover Income Tax Rs 2,003,000 from the lease contractor of 2% Property tax which resulted in loss to Government.

Non recovery of Income tax was due to weak internal controls which resulted in loss to Government.

When reported in September 2015, management stated that the contractor belonged to Malakand Division and exempted from such taxes. Reply was not tenable as the person who runs the contract belongs to District Swabi.

Request for convening DAC meeting was made on 30<sup>th</sup> September 2015, which was not convened till finalization of this report.

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

**AP# 40 (2014-15)**

### **1.3.2.4 Non deduction of professional tax– Rs 1.383 million**

According to Section II of Appendix-II of the Khyber Pakhtunkhwa Act No.PA/KPK/Bills/2011/34926 dated 5.7.2011, tax on profession trade, calling or employment from the Government contractors/consultants/suppliers will be levied from the year 2011-12 on all contractors/suppliers who supplied goods, commodities or rendered service to the Federation or Provincial Government or any Local Authority at the following rates:

| Value   | Professional tax<br>(Rs) |
|---|--------------------------|
| a. For value exceeding Rs10,000 but not exceeding Rs0.5 million     | 3,600                    |
| b. For value exceeding Rs0.5 million but not exceeding Rs1 million  | 4,000                    |
| c. For value exceeding Rs1 million but not exceeding Rs2.5 million  | 6,000                    |
| d. For value exceeding Rs2.5 million but not exceeding Rs10 million | 18,000                   |
| e. For value exceeding Rs10 million but not exceeding Rs25 million  | 25,000                   |
| f. For value exceeding Rs25 million but not exceeding Rs50 million  | 30,000                   |
| g. For value exceeding Rs50 million and above                       | 100,000                  |

District Council Shangla during financial year 2014-15 executed 383 developmental schemes with an estimated cost of Rs 138,309,000 through contractors whereas professional tax of Rs 1,383,600 was not deducted. Detail at **Annexure-6**.

Non deduction of professional tax was due to weak internal controls which resulted in loss to the Government.

When reported in September 2015, Management stated that recovery from the contractors would be made accordingly. However, no progress was received till finalization of this report.

Request for convening DAC meeting was made on 30<sup>th</sup> September 2015, which was not convened till finalization of this report.

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

**AP# 32 (2014-15)**

### **1.3.2.5 Overpayment due to wrong calculations in MB -Rs 1.302 million**

According 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. Further Para 4.5(5) of B&R Department Code states that every officer making or ordering payment on behalf of Government should satisfy himself that the work has been actually done in accordance

with the bill submitted for payment. He should inspect personally all the most important works before authorizing final payment, and should check the measurements made by his subordinates.

Chief Coordination Officer, District Council Shangla overpaid Rs 1,302,068 due to wrong calculations in the Schemes “Kacha Road Batagram Kor Mang , Kacha Road Plana Alouch and Kacha Road Nimkalay” as detailed below:

| <b>MB No and Page</b>       | <b>Wrong calculation as per MB</b>  | <b>Correct calculation</b>  | <b>Diff (M3)</b> | <b>Rate</b> | <b>Amount (Rs)</b> |
|-----------------------------|---|---|------------------|-------------|--------------------|
| MB No.3<br>page 53-54       | $15 \times 100 \times \frac{5+6+7}{3} \times \frac{6+7+8}{3} \times \frac{1}{2} = 63,000 \text{ cft}$ | $15 \times 100 \times \frac{5+6+7}{3} \times \frac{6+7+8}{3} \times \frac{1}{2} = 31,500 \text{ cft}$ | 891.84           | 291.12      | 259,963            |
| MB No.5<br>Page 65-66       | 145521 Cft = 6780.07 M3   | 145521Cft = 4120.07 M3  | 2660             | 300         | 798,000            |
| MB No.5<br>Page<br>No.69-70 | Qty after cutting =<br>37,125Cft= 1051.10 M3  | Actual Qty = 21875Cft=<br>619.33 M3   | 431.77           | 291.21      | 125,735            |
| Total                       |   |   |                  |             | 1,183,698          |
| Add 1.10 Cost Factor paid   |   |   |                  |             | 118,370            |
| <b>G.Total</b>              |   |   |                  |             | <b>1,302,068</b>   |

Overpayment was allowed due to weak internal controls, which resulted in loss to Government.

When reported in September 2015, Management stated that due to clerical mistake in concerned MB the figures were misjudged. No overpayment had been made to contractor. Reply was not satisfactory as clerical mistake resulted in overpayment.

Request for convening DAC meeting was made on 30<sup>th</sup> September 2015, which was not convened till finalization of this report.

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

**AP# 36 (2014-15)**

### **1.3.2.6 Loss due to less realization of cost of tender forms – Rs 1.083 million**

According to Government of Khyber Pakhtunkhwa Finance Department letter NO.BO(RES)FD/1-55/2011 dated 01.07.2011, rates of tender forms fee were revised with effect

from 01.07.2011 under which minimum fee of tender form was Rs 1000 for the works of estimated cost up to one million and 0.05% of the estimated cost for the works over & above one million.

During scrutiny of accounts record of District Council Shangla it was observed that an amount of Rs 1,207,040 was required to be realized from the sale of Tender Forms during 2014-15. However, bank statement revealed that only Rs 123,450 was realized resulting in less realization of Rs 1,083,590. Detail at **Annexure-7**.

Less realization was occurred due to weak internal controls which resulted in loss to the Government.

When reported in September 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was received till finalization of this report.

Request for convening DAC meeting was made on 30<sup>th</sup> September 2015, which was not convened till finalization of this report.

Audit recommends recovery and action against the persons at fault.

**AP # 30 (2014-15)**

### **1.3.2.7 Irregular and Unverified Expenditure on POL and Repair of Vehicles Rs 5.186 Million**

According to delegation of powers 2001, second schedule S.No. 12 that log book, history sheet and petrol account register shall be maintained for each motor vehicle. Further according to Finance department letter No.SO(A/Cs)FD/2-1/97 dated 26-4-1997 that NOC from Committee consisting of Technical Officer of S&GAD and M.V.E shall be obtained in case of expenditure on engine overhaul, replacement of tyres and batteries.

District Council Shangla during 2014-15 incurred an expenditure of Rs 2,753,714 on POL an Rs 2,432,545 on repair of vehicles but log books were not produced to verify the expenditure. Moreover NOC for repair of vehicles was not obtained from the competent authority.

Irregular expenditure was incurred due to weak internal controls, which resulted in violation of rules.

When reported in September 2015, management stated that detail reply would be furnished after scrutiny of record. However, no reply was received till finalization of this report.

Request for convening DAC meeting was made on 30<sup>th</sup> September 2015, which was not convened till finalization of this report.

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

## ANNEXURES

### Annexures-1

#### Detail of MFDAC Paras

(Rs in Millions)

| S.No | AP No | Caption          |   | Amount (Rs) |
|------|-------|------------------|---|-------------|
| 1    | 3     | MC Alpuri        | Non-deposit of stamp duty   | 0.114       |
| 2    | 4     | -do-             | Inadmissible withdrawal of additional charge allowance<br>Overpayment beyond the period of six months                                 | 0.399       |
| 3    | 5     | -do-             | Less realization of cost of tender forms  | 0.050       |
| 4    | 6     | -do-             | Excess drawl of POL over & above permissible limits   | 0.529       |
| 5    | 7     | -do-             | Excess drawl on account of pay & allowances   | 0.459       |
| 6    | 8     | -do-             | Non transfer of Pension Contributions   | 0.179       |
| 7    | 9     | -do-             | Non transfer of Contributory Provident Fund   | 0.431       |
| 8    | 10    | -do-             | Irregular award of contract of Non MRS items without market analysis  | 12.00       |
| 9    | 15    |                  | Deviation from the approved BOQ   | 0.247       |
| 10   | 16    | -do-             | Excess payment over and above actual work done  | 0.720       |
| 11   | 17    | -do-             | Unjustified and irregular supply and fixing of Dust Bins  | 1.000       |
| 12   | 18    | -do-             | Irregular award of contract at higher rate  | 0.295       |
| 13   | 19    | -do-             | Unjustified advance payment for doubtful supply of pipes without fixing<br>Non accountal of old pipes for auction or relaying purpose | 1.112       |
| 14   | 21    | -do-             | Loss due to award of contract of GBS Alpuri at lower rate   | 0.135       |
| 15   | 22    | -do-             | Non recovery of 2% property tax   | 0.057       |
| 16   | 27    | District Council | Overpayment due to allowing higher rates  | 0.841       |
| 17   | 28    | -do-             | Unjustified payment due to deviation from the approved BOQ  | 0.900       |
| 18   | 29    | do               | Non-deposit of stamp duty   | 0.477       |



|              |    |      |  |              |
|--------------|----|------|--|--------------|
| 19           | 33 | -do- | Overpayment to contractors over and above the approved cost of the Schemes                   | 0.084        |
| 20           | 34 | -do- | Overpayment due to fake measurement  | 0.275        |
| 21           | 35 | -do- | Overpayment due to allowing wrong rates  | 0.702        |
| 22           | 37 | -do- | Doubtful execution of Schemes  | 0.450        |
| 23           | 38 | -do- | Overpayment due to excess quantity of GI Pipe  | 0.091        |
| 24           | 43 | -do- | Double payment of advertisement charges<br>Overpayment due to cutting in advertisement bills | 0.384        |
| 25           | 44 | -do- | Non deduction of Income tax from salaries  | 0.117        |
| 26           | 45 | -do- | Non transfer of Pension contribution and CP fund   | 1.122        |
| <b>Total</b> |    |      |  | <b>23.17</b> |

**Annexure-2**  
**Para No 1.3.1.2**

**Detail of 6% Income Tax not deducted**

| <b>S.No</b> | <b>Source of fund</b>   | <b>No of Schemes</b> | <b>Allocation (Rs)</b> | <b>Income tax @ 6% (Rs)</b> |
|-------------|---|----------------------|------------------------|-----------------------------|
| 01          | DDI –PK-87 (2013-14)  | 26                   | 10,000,000             | 600,000                     |
| 02          | DDI –PK-88 (2013-14)  | 57                   | 20,000,000             | 1,200,000                   |
| 03          | Special Package for Development Initiative in KPK PK-87 (2013-14) | 18                   | 10,000,000             | 600,000                     |
| 04          | Special Package for Development Initiative in KPK PK-88 (2013-14) | 87                   | 30,000,000             | 1,800,000                   |
| 05          | Special Package for Development Initiative in KPK PK-87 (2014-15) | 59                   | 20,000,000             | 1,200,000                   |
| 06          | Special Package for Development Initiative in KPK PK-88 (2014-15) | 28                   | 14,500,000             | 870,000                     |
| 07          | Minority DDI( 2014-15)  | 01                   | 1,000,000              | 60,000                      |
| 08          | District ADP (2013-14) PK-87 & 88                                 | 107                  | 32,809,000             | 1,968,540                   |
|             | <b>Total</b>  | <b>383</b>           | <b>138,309,000</b>     | <b>8,298,540</b>            |

**Annexure-3**

**Para No 1.3.1.3**

**Detail of 10% Penalty for late completion of Developmental Schemes during 2014-15**

| S.No | Scheme                                 | W/order date | Completion date | Delay                             | Cost (Rs) | Penalty (Rs) |
|------|--|--------------|-----------------|-----------------------------------|-----------|--------------|
| 1    | 04 Nos others Schemes PK-88            | 6.2.2015     | 6.8.2015        | Still incomplete i.e. 18.9.2015   | 1,150,000 | 115,000      |
| 2    | PCC Road Toka Maira                    | 19.5.2014    | 19.11.2014      | 20.2.2015                         | 1,000,000 | 100,000      |
| 3    | WSS Lilownai                           | 19.5.2014    | 19.11.2014      | 20.2.2015                         | 1,000,000 | 100,000      |
| 4    | PCC Road Noor Nabi Shah Koroona Maira  | 19.5.2014    | 19.11.2014      | 20.2.2015                         | 900,000   | 90,000       |
| 5    | Kacha road Dandai                      | 19.5.2014    | 19.11.2014      | 20.2.2015                         | 800,000   | 80,000       |
| 6    | Kacha road Basi                        | 19.5.2014    | 19.11.2014      | 20.2.2015                         | 600,000   | 60,000       |
| 7    | PCC road Piyaz Maira                   | 19.5.2014    | 19.11.2014      | 20.2.2015                         | 500,000   | 50,000       |
| 8    | PCCRoad Amirzada Koroona Chagam Dandai | 19.5.2014    | 19.11.2014      | 20.2.2015                         | 500,000   | 50,000       |
| 9    | Kacha road Dando Shang                 | 19.5.2014    | 19.11.2014      | 20.2.2015                         | 1,000,000 | 100,000      |
| 10   | PCC road Warak Band                    | 19.5.2014    | 19.11.2014      | 30.6.2015                         | 200,000   | 20,000       |
| 11   | Kacha road Chamber                     | 19.5.2014    | 19.11.2014      | 20.2.2015                         | 500,000   | 50,000       |
| 12   | WSS Damorai                            | 19.5.2014    | 19.11.2014      | 20.2.2015                         | 1,000,000 | 100,000      |
| 13   | PCC road Zara Dehrai                   | 19.5.2014    | 19.11.2014      | 20.2.2015                         | 500,000   | 50,000       |
| 14   | Cause Way Shati Dara Road              | 23.4.2014    | 23.10.2014      | 28.1.2015                         | 500,000   | 50,000       |
| 15   | Pavt. of Streets Cherigay ghat         | 23.4.2014    | 23.10.2014      | 28.1.2015                         | 200,000   | 20,000       |
| 16   | WSS Atam Patay                         | 23.4.2014    | 23.10.2014      | 22.12.2014                        | 250,000   | 25,000       |
| 17   | PCC Road Ganoray                       | 23.4.2014    | 23.10.2014      | 16.6.2015                         | 500,000   | 50,000       |
| 18   | WSS Bahar Sar                          | 23.4.2014    | 23.10.2014      | 4.3.2015                          | 500,000   | 50,000       |
| 19   | Pavt of Streets Jambal Sam Patay       | 23.4.2014    | 23.10.2014      | 4.3.2015                          | 400,000   | 40,000       |
| 20   | Jarga Hall Alpuri                      | 19.5.14      | 19.11.14        | 19.6.15                           | 500,000   | 50,000       |
| 21   | WSS Kuz Kabgram                        | 14.4.14      | 14.10.14        | 11.2.15                           | 300,000   | 30,000       |
| 22   | WSS Iqbal Koroona Martung              | 8.4.14       | 8.10.14         | 28.1.15                           | 200,000   | 20,000       |
| 23   | Suspension Bridge Alouch Mosque        | 14.4.14      | 14.10.14        | Incomplete as per MPA Certificate | 200,000   | 20,000       |
| 24   | WSS Kandai                             | 8.4.14       | 8.10.14         | 22.12.14                          | 250,000   | 25,000       |
| 25   | WSS Nakhtar Banda                      | 8.4.14       | 8.10.14         | 2.1.15                            | 200,000   | 20,000       |
| 26   | WSS Kuza Dehrai Bar Puran              | 8.4.14       | 8.10.14         | 12.1.15                           | 300,000   | 30,000       |
| 27   | WSS Kuz Paw                            | 14.4.14      | 14.10.14        | 22.12.14                          | 250,000   | 25,000       |
| 28   | WSS Asharo Sar Dunkacha                | 14.4.14      | 14.10.14        | 29.11.14                          | 300,000   | 30,000       |

|              |                          |         |          |           |                   |                  |
|--------------|--------------------------|---------|----------|-----------|-------------------|------------------|
| 29           | PCC Road Sandovi Walanay | 8.4.14  | 8.10.14  | 9.12.14   | 200,000           | 20,000           |
| 30           | PCC Road Alagram Jaba    | 8.4.14  | 8.10.14  | 26.1.15   | 250,000           | 25,000           |
| 31           | WSS Sar Kool             | 8.4.14  | 8.10.14  | 15.3.15   | 200,000           | 20,000           |
| 32           | PCC Road Langbar         | 8.4.14  | 8.10.14  | 12.3.15   | 500,000           | 50,000           |
| 33           | WSS Tambal mor           | 8.4.14  | 8.10.14  | 12.3.15   | 200,000           | 20,000           |
| 34           | WSS Longbar              | 8.4.14  | 8.10.14  | 26.1.15   | 300,000           | 30,000           |
| 35           | Kacha Road Dara Serai    | 8.4.14  | 8.10.14  | 26.1.15   | 400,000           | 40,000           |
| 36           | Pavt of Streets Nimkalay | 8.4.14  | 8.10.14  | 27.2.2015 | 500,000           | 50,000           |
| 37           | WSS Charia Dunkacha      | 14.4.14 | 14.10.14 | 22.02.15  | 300,000           | 30,000           |
| <b>Total</b> |                          |         |          |           | <b>17,350,000</b> | <b>1,735,000</b> |

**Annexure-4****Para No 1.3.2.1****Detail of Overpayment due to wrong rate**

| S#               | Name of Scheme           | Item   | Rate paid | Rate required as per MRS-2013 Item Code 03-07-a | Diff   | Qty (M3) | Amount (Rs)      |
|------------------|--------------------------|--|-----------|---|--------|----------|------------------|
| 1                | Kacha Road Alogay        | Excavation in open cut 1.5m depth in Ordinary Soil | 325/M3    | 109.48/M3                                       | 215.52 | 1597.02  | 344,190          |
| 2                | Kacha Road Ashary        | --do--   | 325/M3    | 109.48/M3                                       | 215.52 | 809.58   | 174,480          |
| 3                | Kacha Road Kofargah      | --do--   | 325/M3    | 109.48/M3                                       | 215.52 | 1641.47  | 353,770          |
| 4                | Kacha Road Dam Phase-I   | --do--   | 325/M3    | 109.48/M3                                       | 215.52 | 1640.39  | 353,537          |
| 5                | Kacha Road Chano Langbar | --do--   | 325/M3    | 109.48/M3                                       | 215.52 | 1640.39  | 353,537          |
| 6                | Kacha Road Makran        | --do--   | 325/M3    | 109.48/M3                                       | 215.52 | 1313.18  | 283,016          |
| 7                | Kacha Road Chakisar Tall | --do--   | 325/M3    | 109.48/M3                                       | 215.52 | 990.12   | 213,390          |
| 8                | Kacha Road Plana Alouch  | --do--   | 300/M3    | 109.48/M3                                       | 190.52 | 2456.5   | 468,014          |
| Total            |                          |  |           |   |        |          | 2,543,934        |
| Cost Factor 1.10 |                          |  |           |   |        |          | 254,393          |
| <b>Total</b>     |                          |  |           |   |        |          | <b>2,798,327</b> |

**Annexure-5****Para No 1.3.2.2****Detail Of 1% Penalty for Late Deposit Of Monthly Installments**

| Name of contract   | Amount of installment | Due date | Paid date | Diff (Days) | 1% Penalty (Rs)  |
|--------------------|-----------------------|----------|-----------|-------------|------------------|
| 2% Property Tax    | 3,190,000             | 30.6.14  | 11.7.14   | 11          | 350,900          |
|                    | 1,821,000             | 31.7.14  | 13.8.14   | 13          | 236,730          |
|                    | 1,821,000             | 31.10.14 | 6.11.14   | 06          | 109,260          |
|                    | 1,821,000             | 30.11.14 | 12.12.14  | 12          | 218,520          |
|                    | 1,821,000             | 31.12.14 | 13.1.15   | 13          | 236,730          |
|                    | 1,821,000             | 28.2.15  | 7.4.15    | 38          | 691,980          |
|                    | 1,456,000             | 31.3.15  | 5.5.15    | 35          | 509,600          |
| G.Bus Stand Besham | 300,830               | 30.9.14  | 15.10.14  | 15          | 45,125           |
| <b>Total</b>       |                       |          |           |             | <b>2,398,845</b> |

**Annexure-6****Para No 1.3.2.4****Detail of Professional Tax not deducted**

| Source of fund                 | Allocation         | No. of Schemes | Professional tax (Rs) |
|--------------------------------|--------------------|----------------|-----------------------|
| DDI 2013-14 PK-87              | 10,000,000         | 26             | 93,600                |
| DDI 2013-14 PK-88              | 20,000,000         | 57             | 205,200               |
| Special Package 2013-14 PK-87  | 10,000,000         | 18             | 64,800                |
| Special Package 2013-14 PK-88  | 30,000,000         | 87             | 313,200               |
| DDI 2014-15 PK-87              | 20,000,000         | 59             | 212,400               |
| DDI 2014-15 PK-88              | 14,500,000         | 28             | 100,800               |
|                                | 1,000,000          | 1              | 4,000                 |
| District ADP 70% Share 2013-14 | 32,809,000         | 11             | 44,000                |
|                                |                    | 96             | 345,600               |
| <b>Total</b>                   | <b>138,309,000</b> | <b>383</b>     | <b>1,383,600</b>      |

**Annexure-7**  
**Para No 1.3.2.6**

**Detail of Tender Form Fee**

| <b>S.No</b> | <b>Name of Work</b>                    | <b>Estimated Cost</b> | <b>Tender Form Fee</b> | <b>No of Contractors</b> | <b>Total Amount (Rs)</b> |
|-------------|--|-----------------------|------------------------|--------------------------|--------------------------|
| 1           | 16 Nos DWSS in PK 87                   | 3,517,000             | 1,759                  | 29                       | 51,011                   |
| 2           | 08 Nos DWSS in PK 88                   | 2,300,000             | 1,150                  | 26                       | 29,900                   |
| 3           | 08 Nos Roads in PK 88                  | 2,500,000             | 1,250                  | 40                       | 50,000                   |
| 4           | 02 Nos Pavement of Streets in PK 88    | 450,000               | 1,000                  | 30                       | 30,000                   |
| 5           | 13 Nos Roads in PK 87                  | 2,920,000             | 1,460                  | 31                       | 45,260                   |
| 6           | 04 Nos Sanitation Schemes in PK 88     | 600,000               | 1,000                  | 31                       | 31,000                   |
| 7           | 05 Nos Other Schemes in PK 88          | 2,600,000             | 1,300                  | 34                       | 44,200                   |
| 8           | 17 Nos DWSS in PK 87                   | 4,272,000             | 2,136                  | 29                       | 61,944                   |
| 9           | 11 Nos Roads in PK 87                  | 5,150,000             | 2,575                  | 29                       | 74,675                   |
| 10          | 04 Nos Other Schemes in PK 87          | 600,000               | 1,000                  | 25                       | 25,000                   |
| 11          | 02 Nos Sanitation Schemes in PK 87     | 350,000               | 1,000                  | 29                       | 29,000                   |
| 12          | 05 Nos DWSS in PK 88                   | 2,050,000             | 1,025                  | 29                       | 29,725                   |
| 13          | 07 Nos DWSS in PK 88                   | 2,950,000             | 1,475                  | 30                       | 44,250                   |
| 14          | 07 Nos Roads in PK 88                  | 3,000,000             | 1,500                  | 33                       | 49,500                   |
| 15          | 12 Nos DWSS in PK 88                   | 3,200,000             | 1,600                  | 25                       | 40,000                   |
| 16          | 10 Nos DWSS in PK 88                   | 2,300,000             | 1,150                  | 29                       | 33,350                   |
| 17          | 06 Nos Kacha roads in PK 88            | 1,900,000             | 1,000                  | 28                       | 28,000                   |
| 18          | 04 Nos PCC Roads in PK 88              | 1,000,000             | 1,000                  | 31                       | 31,000                   |
| 19          | 04 Nos Other Schems in PK 88           | 1,150,000             | 1,000                  | 25                       | 25,000                   |
| 20          | ADP No719 & 713 Package No.6 (2014-15) | 4,900,000             | 2,450                  | 6                        | 14,700                   |
| 21          | ADP No719 & 713 Package No.8           | 2,600,000             | 1,300                  | 6                        | 7,800                    |
| 22          | ADP No719 & 713 Package No.1           | 2,900,000             | 1,450                  | 12                       | 17,400                   |
| 23          | ADP No719 & 713 Package No.5           | 4,250,000             | 2,125                  | 9                        | 19,125                   |
| 24          | ADP No719 & 713 Package No.7           | 4,400,000             | 2,200                  | 7                        | 15,400                   |
| 25          | ADP No719 & 713 Package No.9           | 2,600,000             | 1,300                  | 6                        | 7,800                    |
| 26          | DDI 2014-15 Minority                   | 1,000,000             | 1,000                  | 3                        | 3,000                    |
| 27          | Pavt: of streets Asharo Sar            | 200,000               | 1000                   | 5                        | 5,000                    |
| 28          | Installation of Hand Pumps Kuz Puran   | 500,000               | 1,000                  | 5                        | 5,000                    |

|    |  |         |       |   |       |
|----|--|---------|-------|---|-------|
| 29 | Water Tank Beer                          | 250,000 | 1,000 | 5 | 5,000 |
| 30 | Suspension Bridge Shati Dara             | 200,000 | 1,000 | 5 | 5,000 |
| 31 | DWSS Baba Korona                         | 400,000 | 1,000 | 5 | 5,000 |
| 32 | Kacha Road Lochanba Pamjan Korona        | 300,000 | 1,000 | 5 | 5,000 |
| 33 | DWSS Chorani Donkacha                    | 300,000 | 1,000 | 5 | 5,000 |
| 34 | PCC Road Longbar                         | 0.50    | 1,000 | 5 | 5,000 |
| 35 | PCC Road Gomyar Donkacha                 | 0.50    | 1,000 | 5 | 5,000 |
| 36 | PCC Road Dara Sarai                      | 0.39    | 1,000 | 5 | 5,000 |
| 37 | PCC Road Braim                           | 0.50    | 1,000 | 5 | 5,000 |
| 38 | WSS Goraj Mateen Korona                  | 0.10    | 1,000 | 5 | 5,000 |
| 39 | Kacha Road Makraba Pishlor               | 0.20    | 1,000 | 5 | 5,000 |
| 40 | Kacha Road Machkandai Dam                | 0.50    | 1,000 | 5 | 5,000 |
| 41 | Kacha Road Kashkoo Pargana               | 0.70    | 1,000 | 5 | 5,000 |
| 42 | Kacha Road Kankar                        | 0.70    | 1,000 | 5 | 5,000 |
| 43 | Kacha Road Danda to Kolalai Khovar       | 0.30    | 1,000 | 5 | 5,000 |
| 44 | Kacha Road Chano                         | 0.50    | 1,000 | 5 | 5,000 |
| 45 | Donkacha Makhozi Road                    | 0.50    | 1,000 | 5 | 5,000 |
| 46 | Constt; of Kacha Road Kanba Bunir Wall   | 0.50    | 1,000 | 5 | 5,000 |
| 47 | Constt; of Kacha Road Navay Kalay Jambal | 0.30    | 1,000 | 5 | 5,000 |
| 48 | Causeway Sori Garay                      | 0.50    | 1,000 | 5 | 5,000 |
| 49 | Pav: of Street Nemkalay                  | 0.50    | 1,000 | 5 | 5,000 |
| 50 | Pav: of Street Kankar                    | 0.30    | 1,000 | 5 | 5,000 |
| 51 | Pav: of Street Chakisar Hospital         | 0.50    | 1,000 | 5 | 5,000 |
| 52 | Pav: of Street Aloch                     | 0.50    | 1,000 | 5 | 5,000 |
| 53 | Water Tank Palar                         | 0.15    | 1,000 | 5 | 5,000 |
| 54 | Hand Pump/ DWSS Aloch Area               | 1.00    | 1,000 | 5 | 5,000 |
| 55 | Hand Pump Open well DWSS Nemkalay Aria   | 1.00    | 1,000 | 5 | 5,000 |
| 56 | Hand Pump Open well DWSS Martung Area    | 1.00    | 1,000 | 5 | 5,000 |
| 57 | DWSS Tangai Sar Kekor                    | 0.30    | 1,000 | 5 | 5,000 |
| 58 | DWSS Tanbal More                         | 0.20    | 1,000 | 5 | 5,000 |
| 59 | DWSS Sor kamar Naeem Korona              | 0.10    | 1,000 | 5 | 5,000 |
| 60 | DWSS Sarkool                             | 0.20    | 1,000 | 5 | 5,000 |
| 61 | DWSS Langbar                             | 0.30    | 1,000 | 5 | 5,000 |
| 62 | DWSS Kotkay                              | 0.40    | 1,000 | 5 | 5,000 |
| 63 | DWSS Katoz Martung                       | 0.10    | 1,000 | 5 | 5,000 |
| 64 | DWSS Gito Arakh                          | 0.30    | 1,000 | 5 | 5,000 |
| 65 | DWSS Drad                                | 0.25    | 1,000 | 5 | 5,000 |



|     |   |      |       |   |       |
|-----|---|------|-------|---|-------|
| 66  | DWSS Chowga Gulkaro                         | 0.50 | 1,000 | 5 | 5,000 |
| 67  | DWSS Chorani Donkacha                       | 0.30 | 1,000 | 5 | 5,000 |
| 68  | DWSS Bunir Wall Qadim Korona                | 0.32 | 1,000 | 5 | 5,000 |
| 69  | DWSS Bengalai                               | 0.70 | 1,000 | 5 | 5,000 |
| 70  | DWSS Behar Kuz Sar                          | 0.70 | 1,000 | 5 | 5,000 |
| 71  | DWSS Bahri karam Korona                     | 0.40 | 1,000 | 5 | 5,000 |
| 72  | DWSS Awarai Aman Ghani Korona               | 0.50 | 1,000 | 5 | 5,000 |
| 73  | DWSS Asharosar Martung                      | 0.15 | 1,000 | 5 | 5,000 |
| 74  | DWSS Arobacha                               | 0.20 | 1,000 | 5 | 5,000 |
| 75  | Suspension Bridge Drad                      | 0.20 | 1,000 | 5 | 5,000 |
| 76  | Repair of Sus: Bridge Kolali (Niazm Korona) | 0.49 | 1,000 | 5 | 5,000 |
| 77  | Jarga Hall at Neem Kalay Aloch              | 0.40 | 1,000 | 5 | 5,000 |
| 78  | PCC Road Shabawara Sultan Korona            | 0.30 | 1,000 | 3 | 3,000 |
| 79  | PCC Road Sandovi Walanay                    | 0.20 | 1,000 | 3 | 3,000 |
| 80  | PCC Road Noor Ullah Korona                  | 0.20 | 1,000 | 3 | 3,000 |
| 81  | PCC Road awar Patay                         | 0.25 | 1,000 | 3 | 3,000 |
| 82  | PCC Road Algram Jaba                        | 0.25 | 1,000 | 3 | 3,000 |
| 83  | PCC Road Algram                             | 0.25 | 1,000 | 3 | 3,000 |
| 84  | Pav; of Street Chgam                        | 0.60 | 1,000 | 3 | 3,000 |
| 85  | Pav: of Street Kuza awrai                   | 0.20 | 1,000 | 3 | 3,000 |
| 86  | Pav: of Street Hasham Khel Dab              | 0.15 | 1,000 | 3 | 3,000 |
| 87  | Pav: of Street Dunkacha                     | 0.10 | 1,000 | 3 | 3,000 |
| 88  | Pav: of Street Beer                         | 0.40 | 1,000 | 3 | 3,000 |
| 89  | Hand Pump at Sanam                          | 0.25 | 1,000 | 3 | 3,000 |
| 90  | DWSS Shaltalan Martung                      | 0.15 | 1,000 | 3 | 3,000 |
| 91  | DWSS Shahwali Korona Chakisar               | 0.25 | 1,000 | 3 | 3,000 |
| 92  | DWSS Sandvi Collony                         | 0.25 | 1,000 | 3 | 3,000 |
| 93  | DWSS Sabono Martung                         | 0.15 | 1,000 | 3 | 3,000 |
| 94  | DWSS Nakhtar Kallay(Masjid)                 | 0.25 | 1,000 | 3 | 3,000 |
| 95  | DWSS Nakhtar Patay                          | 0.20 | 1,000 | 3 | 3,000 |
| 96  | DWSS Nakhtar Banda                          | 0.20 | 1,000 | 3 | 3,000 |
| 97  | DWSS Martung Dehrai Iqbal Korona            | 0.20 | 1,000 | 3 | 3,000 |
| 98  | DWSS Makhrano Sar Gul Zada Korona           | 0.15 | 1,000 | 3 | 3,000 |
| 99  | DWSS makan Chakisar                         | 0.20 | 1,000 | 3 | 3,000 |
| 100 | DWSS Kuza Dehrai U/C Bar Puran              | 0.30 | 1,000 | 3 | 3,000 |
| 101 | DWSS Kuz Puran/ Hand Pump/Open Well         | 0.50 | 1,000 | 3 | 3,000 |
| 102 | DWSS Kuz Paw                                | 0.25 | 1,000 | 3 | 3,000 |

|              |   |      |       |   |                  |
|--------------|---|------|-------|---|------------------|
| 103          | DWSS Kuz Kabal Gram                                   | 0.30 | 1,000 | 3 | 3,000            |
| 104          | DWSS Kandai   | 0.25 | 1,000 | 3 | 3,000            |
| 105          | DWSS Kabal Gram                                       | 0.60 | 1,000 | 3 | 3,000            |
| 106          | DWSS Gojaro Machay                                    | 0.30 | 1,000 | 3 | 3,000            |
| 107          | DWSS Ghargo Babro                                     | 0.30 | 1,000 | 3 | 3,000            |
| 108          | DWSS Chidam   | 0.30 | 1,000 | 3 | 3,000            |
| 109          | DWSS Bar Puran/ Hand Pump/Open Well                   | 0.50 | 1,000 | 3 | 3,000            |
| 110          | DWSS Asharo Sar Donkacha Usman Korona                 | 0.30 | 1,000 | 3 | 3,000            |
| 111          | DWSS Alogay   | 0.30 | 1,000 | 3 | 3,000            |
| 112          | Construction of Water Tank at Mirjalay and Manz Kalay | 0.10 | 1,000 | 3 | 3,000            |
| 113          | Sus: Bridge at Aloch Masjid                           | 0.20 | 1,000 | 3 | 3,000            |
| 114          | Intizargah Near Jambal Check Post                     | 0.20 | 1,000 | 3 | 3,000            |
| 115          | Intizargah at Chagum                                  | 0.15 | 1,000 | 3 | 3,000            |
| <b>Total</b> |   |      |       |   | <b>1,207,040</b> |