



AUDIT REPORT
ON
THE ACCOUNTS OF
GOVERNMENT OF KHYBER PAKHTUNKHWA
AUDIT YEAR 2017-18

AUDITOR GENERAL OF PAKISTAN

ABBREVIATIONS & ACRONYMS

1. ADB.....Asian Development Bank
2. ADPAnnual Development Program
3. APRActual Payee Receipts
4. AM&R.....Annual Maintenance & Repair
5. ARSAgriculture Research Station
6. AWKUM..... Abdul Wali Khan University Mardan
7. AUP..... Agriculture University Peshawar
8. BOQ.....Bill of Quantities
9. C&W.....Communication and Works
10. CCCPO.....Chief Capital City Police Office
11. CPPACentral Power Purchasing Agreement
12. CPPA..... Central Power Purchase Agency
13. CPOCentral Police Office
14. CPWA.....Central Public Works Accounts
15. CPWD.....Central Public Works Department
16. CSR.....Composite Schedule of Rates
17. CTR.....Central Treasury Rules
18. CRBCChashma Right Bank Canal
19. Cft.....Cubic feet
20. COD.....Commercial Operation Date
21. DCO.....District Coordination Officer
22. DRC.....Documents Review Committee
23. DAC.....Departmental Accounts Committee
24. DAO.....District Accounts Office
25. DFC.....District Food Controller
26. DFODivisional Forest Officer
27. DDA.....District Director Agriculture
28. DDODrawing & Disbursing Officer

29. DSCDevelopmental Steering Committee
30. DRACDistrict Rate Committee Assessment
31. EGBEmpty Gunny Bag
32. EME.....Electro Mechanical Engineering
33. FDCForest Development Corporation
34. FTR.....Federal Treasury Rules
35. FIR..... First Information Report
36. FATA..... Federally Administered Tribal Area
37. FANAFrontier and Northern Area
38. GFRGeneral Financial Rules
39. HPP.....Hydro Power Project
40. HDF.....Hydel Development Fund
41. HOD.....Head Of Department
42. HED.....Higher Education Department
43. HECHigher Education Commission
44. HMCHayatabad Medical Complex
45. IFSP.....Insaf Food Security Program
46. IPC.....Interim Payment Certificate
47. KPKhyber Pakhtunkhwa
48. KgKilogram
49. KmKilometer
50. LFA.....Literacy For All
51. LG&RDDLocal Government & Rural Development
Department
52. MBMeasurement Book
53. MCCMedicines Coordination Cell
54. MFSC.....Model Farm Service Center
55. MSMedical Superintendent
56. MD.....Managing Director
57. MNCH.....Maternal Newborn & Child Health
58. MOU.....Memorandum Of Understanding

59. NEPRA.....National Electric Power Regulatory Authority
60. NITNotice Inviting Tender
61. NRC.....National Reserve Centre
62. NSRNon Schedule Rate
63. NSL.....Natural Soil Level
64. NTDC.....National Transmission and Dispatch Company
65. NTN.....National Tax Number
66. NWFP.....North West Frontier Province
67. O&M.....Operation and Maintenance
68. OM.....Operational Manual
69. OFWM.....On Farm Water Management
70. OPDOut Patient Department
71. PD.....Project Director
72. PACPublic Accounts Committee
73. PASSCO Pakistan Agriculture Storage & Supply
 Corporation
74. PESCO.....Peshawar Electric Supply Company
75. PEDO.....Pakhtunkhwa Energy Development Organization
76. PHYDO.....Provincial Hydro Development Organization
77. PC.....Project Coordinator
78. PCC.....Plain Cement Concrete
79. PLA.....Personal Ledger Account
80. PPA.....Power Purchase Agreement
81. POL.....Petroleum, Oil & Lubricants
82. POF.....Pakistan Ordnance Factory
83. PDWPProvincial Development Working Party
84. RCCReinforced Cement Concrete
85. RFARadio Frequency Ablation
86. SDOSub Divisional Officer
87. SME's.....Small & Medium Enterprises

- 88. SMEDA..... Small & Medium Enterprises Development Authority
- 89. SRSP.....Sarhad Rural Support Programme
- 90. S&EOStorage & Enforcement Officer
- 91. SftSquare Feet
- 92. SIPSpecial Initiative Package
- 93. STN.....Sales Tax Number
- 94. TEVTA.....Technical Educational & Vocational Training Agency
- 95. TS.....Technical Sanction
- 96. TTS.....Tenure Track System
- 97. UAAUn-attractive Area Allowance
- 98. VC.....Vice Chancellor
- 99. VolVolume
- 100. WAPDAWater and Power Development Authority
- 101. WCH.....Women & Children Hospital
- 102. WUA.....Water User Association

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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 require the Auditor General of Pakistan to conduct audit of the accounts of Province and of the accounts of any authority or body established by the Province.

The report is based on audit of the accounts of various departments and organizations of the Government of Khyber Pakhtunkhwa for the financial year 2016-17 and the accounts of some formations for previous financial years. The Directorate General Audit Khyber Pakhtunkhwa conducted audit during 2017-18 on test check basis, with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs.1 million or more. Relatively, less significant issues are listed in the Annex-A of the Audit Report. The audit observations listed in the Annexure-I shall be pursued with the Principal Accounting Officers 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 the 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 controls to avoid recurrence of similar violations and irregularities.

Most of the observations included in this report have been finalized in the light of written response and discussions in the DAC meetings.

The Report is submitted to the Governor of Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan 1973, for causing it to be laid before the Provincial Assembly of Khyber Pakhtunkhwa.

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit Khyber Pakhtunkhwa carries out the audit of Government of Khyber Pakhtunkhwa. The Government of Khyber Pakhtunkhwa conducts its operations under the Rules of Business 1985 that envisage provincial government as comprising 30 Principal Accounting Officers for different departments, Attached Departments, Subordinate Offices and certain Autonomous Bodies. Financial provisions of the constitution prescribe the procedures relating to the Receipts and Disbursements to and from the Provincial Consolidated Fund and Public Account for which Annual Budget Statement is authorized by the Assembly. The Directorate General Audit has human resources of 69 officers and other staff resulting in 17112 man days. The annual budget of this Directorate General was Rs.114.73 million. The office is mandated to conduct regularity audit (financial attest audit and compliance with authority audit) and performance audit of departments and projects run by those departments. This is a Regularity Audit Report on Expenditures. The Revenue Receipts Audit Report has been published separately.

a. Scope of Audit

Out of total expenditure of the Provincial Government for the financial year 2016-17, auditable expenditure under the jurisdiction of Director General Audit Khyber Pakhtunkhwa was Rs.482.465 billion covering 30 PAOs and 1,322 formations. Out of this, Director General Audit Khyber Pakhtunkhwa audited an expenditure of Rs.40.319 billion which, in terms of percentage is 8.3% of auditable expenditure.

b. Recoveries at the instance of audit:

Recovery of Rs. 8,256.039 million was pointed out. The recovery of Rs.276.954 million was effected during the year 2016-17 at the time of compilation of report.

c. Audit Methodology:

The audit year 2016-17 witnessed intensive application of desk audit techniques in the Director General Audit, Khyber Pakhtunkhwa. This was facilitated by access to live SAP/R3 data, intranet, internet facility, and availability of permanent files. Desk review helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field

activity. This greatly facilitated in the identification of high risk areas for substantive testing in the field.

d. Audit Impact

Pension payment system was audited and as a result the Accountant General's Office is converting manual payment of pension to direct credit system which will minimize the instances of ghost pensioners. Millions of rupees were saved in the Food Department by discontinuing the practice of taking loans from the Commercial Banks for the procurement of wheat.

e. Comments on Internal Control

Internal Control is a tool for management to improve performance, prevent losses, and control mismanagement of public money and safeguard government assets.

For effective management and achievement of the objectives, various types of internal controls should be in place. Accounting controls ensure completeness, accuracy, timelines and reliability of accounts. Financial controls help in budgeting and accurate forecasting. Administrative controls help in preventing unauthorized payments, losses and misappropriations, etc.

In most of the provincial government departments lack of internal control is evident from the following shortcomings in the financial management system:

- ✚ Non-production of record
- ✚ Non-observance of canons of financial propriety and non-compliance of rules & regulations.
- ✚ Non-recovery of government dues.
- ✚ Overpayments in pay & allowances.
- ✚ Loss to government due to negligence.
- ✚ Excess payments to suppliers/ contractors.
- ✚ Irregular, unauthorized and unnecessary expenditure.
- ✚ Misuse of financial powers by the subordinate officials.
- ✚ Waste of funds due to un-necessary purchase of store etc.
- ✚ Retention of public money outside the government account.
- ✚ DAC meetings not convened regularly.
- ✚ The Directives of the DAC and PAC not pursued vigorously.

The Principal Accounting Officers should evaluate the existing internal controls and reinforce these controls in the offices and organizations working under their control. They should also ensure;

- ✚ To maintain accurate accounting records and make it available to auditors at the time of the audit. Non-production of record by any person or authority should be subject to disciplinary action under relevant Efficiency and Disciplinary Rules, applicable to such person in terms of section 14(3) of the Auditor General's (Functions, Powers, and Terms & Conditions of Service) Ordinance, 2001.
- ✚ To recover government dues and deposit it in government treasury.
- ✚ To avoid keeping of public money outside the government account and prevent unnecessary drawl of funds.
- ✚ To prevent misuse of government assets.
- ✚ To avoid misuse of financial delegated powers
- ✚ To investigate the cases of losses and take remedial measures.
- ✚ To regularly convene DAC meetings and;
- ✚ To pursue directives of DAC & PAC.

f. The key audit findings of the report:

- ✚ Doubtful drawl on account of Hot & Cold of Rs.1.899 million was noticed in 1 case¹.
- ✚ Embezzlement of Rs.50.287 million was noticed in 3 cases².
- ✚ Excess payment of Rs.24.671 million was noticed in 2 case³.
- ✚ Expenditure in excess / without allocation of Rs.1,901.174 million was noticed in 2 cases⁴.
- ✚ Fraudulent payment of Rs.11.115 million was noticed in 1 cases⁵.
- ✚ Less credit of Government share of Rs.122.434 million was noticed in 1 cases⁶.
- ✚ Loss of Rs.1,106.565 million was noticed in 29 cases⁷.
- ✚ Misappropriation of receipt on account of traffic tickets / auction desk shops / sale of shops of Rs.117.93 million was noticed in 2 cases⁸.
- ✚ Non-availability of the project vehicles of Rs.13.526 million was noticed in 1 case⁹.
- ✚ Non-deduction of DPR, House Rent etc of Rs.42.459 million was noticed in 4 cases¹⁰.
- ✚ Non-deposit of Government revenue of Rs.66.696 million was noticed in 4 cases¹¹.

- ✚ Non-production of record of Rs.4,092.425 million was noticed in 4 cases¹².
- ✚ Non-recovery of outstanding dues of Rs.7,802.619 million was noticed in 16 cases¹³.
- ✚ Non-supply of fertilizer of Rs.120.684 million was noticed in 1 cases¹⁴.
- ✚ Non-surrender of saving of Rs.25.443 million was noticed in 1 cases¹⁵.
- ✚ Non-utilization of (Medical Relief) of Endowment fund of Rs.540.273 million was noticed in 1 cases¹⁶.
- ✚ Overpayment of Rs.240.122 million was noticed in 16 cases¹⁷.
- ✚ Unauthorized payment of Rs.62.939 million was noticed in 4 cases¹⁸.
- ✚ Unjustified expenditure of Rs.3.994 million was noticed in 1 case¹⁹.
- ✚ Un-reconciled expenditure of Rs.3,762.331 million was noticed in 1 case²⁰.
- ✚ Wasteful expenditure of Rs.3,181.434 million was noticed in 1 case²¹.

Para 1	3.4.3																					
Para 2	5.4.3	9.4.1	5.4.2																			
Para 3	4.4.17	17.4.2																				
Para 4	1.1.2	1.1.3																				
Para 5	13.4.1																					
Para 6	7.4.4																					
Para 7	4.4.2	5.4.9	14.4.3	3.4.1	7.4.3	8.4.1	6.4.2	5.4.5	12.4.4	6.4.3	7.4.2	5.4.4	14.4.4	5.4.8	14.4.2	4.4.1	12.4.5	4.4.5	12.4.7	7.4.1		
	5.4.6	5.4.7	12.4.1	3.4.2	12.4.6	14.4.1	4.4.4	4.4.3	12.4.3													
Para 8	2.4.3	2.4.2																				
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Para 10	6.4.6	5.4.14	5.4.13	5.4.12																		
Para 11	14.4.11	6.4.5	8.4.5	14.4.5																		
Para 12	10.4.1	5.4.1	11.4.1	2.4.1																		
Para 13	4.4.7	4.4.8	9.4.2	5.4.10	4.4.6	14.4.12	6.4.4	14.4.7	8.4.2	14.4.8	14.4.6	14.4.9	2.4.4	16.4.1	11.4.2	14.4.10						
Para 14	1.1.4																					
Para 15	1.1.5																					
Para 16	9.4.6																					
Para 17	12.4.10	4.4.12	4.4.9	9.4.4	4.4.15	8.4.3	4.4.13	4.4.11	4.4.14	12.4.2	9.4.5	8.4.4	18.4.1	12.4.8	17.4.1	4.4.10						
Para 18	4.4.16	5.4.11	9.4.3	15.4.1																		
Para 19	12.4.9																					
Para 20	1.1.1																					
Para 21	6.4.1																					

Audit paras for the audit year 2017-18 having value of less than Rs.1.00 million involving procedural violations including internal control weaknesses and irregularities not considered worth reporting to the PAC are included in Annexure-A.

g. Recommendations

- ✦ The departments should ensure adherence to the provisions of GFR, Procurement Rules and other Government Instructions.
- ✦ PAOs should promptly investigate cases of embezzlements/frauds.
- ✦ The PAOs should strengthen the internal control mechanism to prevent losses and recurrence of similar nature of irregularities.
- ✦ Instances of making payments by the departments or their autonomous bodies/authorities to employees in contravention of rules and in disregard of the employees' entitlement need to be checked by effecting recoveries where due and taking disciplinary action against the officials involved in overpayments.
- ✦ Reconciliation of expenditure needs to be carried out regularly by the departments with respective Accounts Offices.
- ✦ The PAOs should ensure production of auditable record to audit in respect of cases relating to non production of record pointed out by audit and take disciplinary action in terms of section 14 (3) of Auditor General's Ordinance, 2001.
- ✦ Departments need to deposit the public money received by them in the Provincial Consolidated Fund and Public Account instead of depositing into unauthorized accounts in commercial banks.
- ✦ The PAOs should ensure holding of DAC meetings regularly.
- ✦ Department needs to comply with the Public Procurement Rules for procurement of goods and services.

SUMMARY TABLES & CHARTS

Table 1 Audit Work Statistics

S.No	Description	No.	Budget (Rs. in billion)
1	Total entities in Audit jurisdiction (PAOs)	30	9.792
2	Total formations in audit jurisdiction	1,322	472.673
3	Total entities audited (PAOs)	12	8.210
4	Total formations audited	50	32.109
5	Audit and inspection reports	62	40.319
6	Special audit reports	0	0
7	Performance audit reports	0	0
8	Other reports	0	0

Table 2 Audit observations classified by category

S.No	Description	Amount (Rs. in millions)
1	Unsound asset management	3,855.917
2	Weak financial management	10,338.947
3	Weak internal controls relating to financial management	1,241.400
4	Others	7,854.756
Total		23,291.02

Table 3 Outcome statistics

S#	Description	Expenditure on acquiring physical assets (procurement)	Civil work	Receipts	Others	Total current year (Rs. in million)	Total last year
1	Outlays audited	2,072.982	1,596.970	0	36,649.000	40,318.952	401,330.000
2	Amount placed under audit observation/irregularities of audit	134.210	184.748	8,216.648	14,755.414	23,291.020	36,245.393
3	Recoveries pointed out at the instance of Audit	0	0	0	8,256.039	8,256.039	4,216.653
4	Recoveries accepted/established at the instance of Audit	0	0	0	0	8,258.441	4,216.653
5	Recoveries realized at the instance of audit	0	0	0	0	276.954	359.850

Table 4 Table of Irregularities pointed out

S.No	Description	Amount placed under audit observation (Rs. in million)
1	Violation of rules and regulations and violation of principle of propriety and probity in the public operations	2,441.447
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources	192.858
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	3,762.331
4	Weaknesses of internal control systems	1,241.400
5	Recoveries and overpayments, representing cases of established overpayment or misappropriation of public money	8,258.441
6	Non-production of record	4,092.425
7	Others, including cases of accidents, negligence etc.	3,302.118
Total		23,291.02

* The accounting policies and procedures prescribed by the Auditor General of Pakistan which are IPSAS (cash) compliant.

Table 5 Cost Benefit

S.No	Description	Rs. in million
1	Outlays audited	40,318.952
2	Expenditure on audit	114.73
3	Recoveries realized at the instance of audit	276.954
4	Cost Benefit Ratio	1:2.414

Chapter - 1

Public Financial Management Issues pertaining to Appropriation Accounts and Finance Accounts compiled by the Accountant General and Finance Department Government of Khyber Pakhtunkhwa and Environment Department Khyber Pakhtunkhwa

1 Audit Paras

1.1.1 Un-reconciled expenditure amounting to Rs 3,762.331 million

According to Para 9 (i) of Action Plan of the Comptroller General of Accounts, circulated vide No. 212/CGA/FM&E/4-1/2016-17 dated 27.03.2017 that the expenditure should be 100% reconciled with Departments. Similarly Para 89 (4) (viii) of GFR Vol-1 requires that the heads of the Departments and Accountant General will be jointly responsible for the reconciliation of the accounts maintained by the Departments.

During the financial year 2016-17, the Appropriation Accounts of the Government of Khyber Pakhtunkhwa revealed that expenditure amounting to Rs. 3,762.331 million (details as per Annex-B) was incurred by various DDOs under different grants without reconciling the expenditure booked against them in the books of the Accountant General Khyber Pakhtunkhwa, hence the authenticity of the expenditure incurred could not be confirmed.

Non-reconciliation was due to weak internal controls and non-observance of rules besides CGA instructions due to which the appropriation accounts do not reflect the factual status.

When pointed out in Oct 2017, the management furnished no reply.

In the DAC meeting held in November 2017, it was replied that efforts are being made to reconcile the expenditure with departments. Letters were issued to concerned Secretaries and Director Generals during September & October' 2017 dated 06.12.2017. DAC decided that reconciliation of expenditure incurred should be carried out with Departments. No progress was intimated till finalization of this report.

Audit recommends that complete reconciliation of expenditure incurred should be carried out with Departments.

AP 1.1.3(2016-17)

1.1.2 Expenditure in excess of Final Grants-Rs 1,586.235 Million

According to paras 12 & 88 of GFR Vol-I, controlling officer must see that the total expenditure is kept within the limits of the authorized appropriation. He must be in a position to assume before the Government and Public Accounts Committee to explain or justify any instance of excess. The authority administering a grant is ultimately responsible for watching the progress of expenditure on public service under its control and for keeping the expenditure within the grant.

During the financial year 2016-17, the Appropriation Accounts of the Government of Khyber Pakhtunkhwa revealed that expenditure amounting to Rs 1,586.235 million was incurred in excess of final grant/allocation under Grant No. 53 as tabulated below. Details given in Annex-C.

(Rs)				
S#	Description	Final Grant	Expenditure	Excess Expenditure
1	Operating Expenses other than pay & allowances	27,101,224,232	28,687,459,373	1,586,235,141

Audit is of the view that expenditure in excess of the final grants needs budgetary checks in SAP System in order to restrict the payments within the limit of final grants.

Excess expenditure incurred due to weak internal controls and non-observance of rules.

When pointed out in Oct 2017, the management furnished no reply.

In the DAC meeting held in November 2017, it was replied that under paragraph 91 of GFR Volume-1 administering of grant is the primary responsibility of the Principal Accounting Officer/Department and is liable to explain their position before PAC. DAC directed that excess expenditure over allocation should be regularized by Finance Department.

Audit recommends that excess expenditure over allocation should be regularized by Finance Department.

AP 1.1.1(2016-17)

1.1.3 Expenditure without allocation/budget-Rs 314.939 Million

According to Para 9 (ii) of Action Plan of the Comptroller General of Pakistan, there should be no expenditure without budget grant or heavy excesses. In case do appear, full justification should be recorded in the shape of “Footnotes”.

GFR 12 & 88 requires that a controlling officer must see not only that total expenditure is kept within the limits of authorized allocation but also see that the funds allotted to spending units are expended in the public interest and upon the objects for which the money was provided.

During the financial year 2016-17, the Appropriation Accounts of the Government of Khyber Pakhtunkhwa revealed that expenditure amounting to Rs 314.939 million were incurred by various Drawing and Disbursing Officers against nil final grants as details are given in Annex-D.

Expenditure incurred without allocation occurred due to weak internal controls and non-observance of rules.

When pointed out in Oct 2017, it was stated that the matter has been taken up with Finance Department vide letter No. Budget (P)/Action Plan/2016-17/1550, dated 06.11.2017.

In the DAC meeting held in Nov 2017, it was decided that the expenditure incurred should be regularized by the Finance Department, however, no progress was intimated till finalization of this report.

Audit recommends that excess expenditure over the allocation should be regularized by the Finance Department.

AP 1.1.2 (2016-17)

1.1.4 Non-supply of fertilizer - Rs. 120.684 million

According to rule 379 of FTR, payment for supply is not permissible unless the store have been received and surveyed, payments prior to verification of quality and quantity of the materials may be permitted in exceptional cases only, provided that adequate safe guard exist to secure the government against all losses in the event of the materials being found short or defective.

Similarly, under Section 4.25.3 of APPM, where an advance payment is made, the entity should ensure that adequate steps were taken to protect the money. The intended purpose of advance payment should be stipulated clearly in the contract.

During the financial year 2016-17, the Finance Accounts of the Government of Khyber Pakhtunkhwa revealed that Rs.120,684,314 as opening balance on 01.07.2016 as well as closing balance under head 2123-Payment for fertilizer. It depicts that payment was made in advance but supply was awaited hence Rs.120.684 million was still outstanding.

Audit held that the entity was required to have ensured the supply of fertilizer before close of the financial year. Non-supply of fertilizer leads to blockade of funds hence need justification.

The lapse occurred due to financial mismanagement.

The observation was intimated to Accountant General Khyber Pakhtunkhwa in October 2017. It was replied that these payments are appearing in Finance Accounts since 1998, old record will be searched and reasons for non-clearance will be shared with audit.

The observation was discussed in the DAC meeting held on 10th November 2017, where in it was decided that the matter may be pursued for clearance at the earliest.

Audit recommends that the decision of the DAC should be implemented.

AP 2.1.6(2016-17)

1.1.5 Non-surrender of saving amounting to Rs. 25.443 million

According to Para 95 of GFR vol 1, all anticipated savings should be surrendered to the government immediately, they are foreseen but not later than 31st March of each year in any case, unless they are required to meet excesses under some other unit or units which are definitely foreseen at the time.

During the financial year 2016-17, the Appropriation Accounts of the Government of Khyber Pakhtunkhwa Environment Department revealed that that savings of Rs.25.443 million were noticed however, the same were not surrendered to Finance Department so that the same could be utilized where required.

(Rs.in million)

S.No.	Page No	Details of object Head	Final grant	Expenditure	Saving
1	07	A011-1-Pay of Officer	125.082	118.161	6.921
2	07	A012-Regular Allowances	498.633	482.165	16.468
3	07	A03-Operating Expenses	119.881	119.642	0.239
4	07	A04-Employees Rtd. Benefits	0.0700	0	0.0700
5	07	A09-Physical Assets	1.353	1.123	0.230
6	10	A012-Regular Allowances	135.088	134.126	0.962
7	10	A03-Operating Expenses	63.390	63.177	0.213
8	10	A09-Physical Assets	1.838	1.498	0.340
		Total	945.335	919.892	25.443

The irregularity occurred due to financial mismanagement.

When pointed out in Sep 2017, it was replied that the saving being nominal is due to un-cashed cheques therefore requested that the observation may kindly be settled.

The observation was discussed in the DAC meeting dated 30.10.2017 wherein it was decided that the matter may be regularized from Finance Department within 04 days. No progress was intimated till the finalization of this report.

Audit recommends that the irregularity should be regularized from the Finance department.

AP 1.1.2(2016-17)

Chapter - 2

Agriculture Department

2.1 Introduction

As per Rules of Business 1985 (amended to-date), the department has been assigned the business of:

- ❖ Agricultural Education and Research including Agricultural University.
- ❖ Experimental and demonstration farms.
- ❖ Improvement of Agricultural methods.
- ❖ Protection against insects and pests and prevention of plant diseases.
- ❖ Government gardens, including Botanical and Zoological gardens.
- ❖ Agricultural Engineering, mechanized cultivation and soil conservation.
- ❖ Improvement of varieties, its nutritional requirements and maintenance of soil fertility in research wings.
- ❖ Improvement of Livestock.
- ❖ Prevention of animal diseases.
- ❖ Veterinary Training and Research.
- ❖ Prevention of cruelty to animals.
- ❖ Zoological Survey.

2.2 Comments on budget and accounts (variance analysis)

Summary of the Appropriation Accounts:

A summary of grants/appropriations and actual expenditure in FY 2016-17 is given below:

Non-Development

(Rs.)						
Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
18-Agriculture	NC21	2,432,447,000	60	2,432,447,060	2,272,349,464	-160,097,596
Total		2,432,447,000	60	2,432,447,060	2,272,349,464	-160,097,596

Development

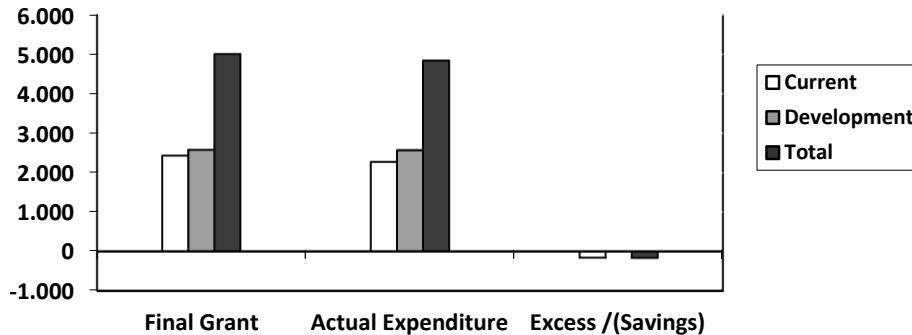
(Rs.)

Grant # 50 (Prov) NC12 & 22 and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
Agriculture	NC22	3,841,999,000	2,187,576,990	1,294,422,010	1,291,744,643	-2,677,367
	NC22	2,828,568,000	1,822,627,990	1,005,940,010	1,001,886,964	-4,053,046
	NC12	134,001,000	138,365,000	272,366,000	272,769,695	403,695
	NC12	22,000,000	19,688,000	2,312,000	2,312,000	0
Total		6,826,568,000	4,168,257,980	2,575,040,020	2,568,713,302	-6,326,718

Overview of expenditure against the final grant

(Rs. in million)

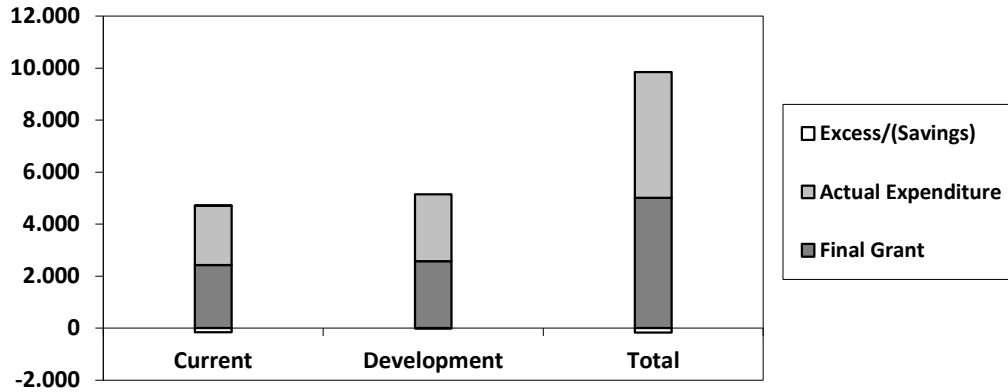
Grant Type	Final Grant	Actual Expenditure	Excess/(Savings)	Variance %
Non-Development	2,432.447	2,272.349	-160.097	6.58
Development	2,575.040	2,568.713	-6.326	0.29
Total	5,007.487	4,841.062	-166.423	3.32



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol-I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Agriculture Department administering the above grant did not surrender anticipated savings of Rs.166.423 million thus preventing the government from utilizing the funds

elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



2.3 Brief comments on the status of compliance with PAC directives:-

S#	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
1.	2001-02	Agriculture	20	20	-	-
2.	2002-03	-do-	10	-	06	04
3.	2003-04	-do-	06	-	05	01
4.	2004-05	-do-	09	-	02	07
5.	2005-06	-do-	02	-	-	02
6.	2007-08	-do-	06	-	03	03
7.	2008-09	-do-	06	-	04	02
8.	2009-10	-do-	13	-	03	10
9.	2010-11	-do-	33	-	17	16
10.	2011-12	-do-	07	-	06	01
11.	2012-13	-do-	04	-	02	02

2.4 Audit Paras

2.4.1 Non-production of record - Rs.17.230 million

According to para 17 of GFR Vol-I read with Section 14 of the Auditor General's Ordinance 2001, no information nor any book or other documents, to which the Auditor General has a statutory right of access, may be withheld from the Director General Audit.

During the financial year 2013-14 and 2014-15, in the office of Peshawar Market Committee (PMC), it was noticed that a sum of Rs.17.230 million was shown drawn from PMC Bank Account as detailed below for civil works. The local office did not produce detailed record in support of expenditure i.e. PC-I, Administrative Approval, Technical Sanction, MBs, deduction of income tax record, security, running bills and work completion certificate etc of the civil work viz:

Cheque No.	Date	Amount (Rs)
147856	08.07.2013	6,257,019
147995	13.11.2013	2,597,159
0566830	28.02.2014	2,693,994
566857	23.06.2014	3,800,998
566887	11.11.2014	1,881,251
Total		17,230,421

Audit held that non-production of auditable record was a serious violation of the mandate of Auditor General of Pakistan.

When pointed out in June 2016, it was stated that detailed record will be dig out in the PMC office and will be produced to audit.

The observation was intimated to the department vide letter dated 06.07.2017 for convening DAC meeting however, no DAC was convened till finalization of this report.

Audit recommends production of record for scrutiny.

AP 495(2015-16)

2.4.2 Misappropriation on account of sale of shops and plots of Peshawar Market Committee - Rs.111.810 million

According to paras 23& 26 of GFR Vol-1, every government officer will be personally responsible for any loss or fraud on his part or on the part of his subordinate. It is the duty of the departmental controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account.

During the financial years 2007-08 to 2015-16, in the office of Peshawar Market Committee Fund, it was noticed that shops and plots were allotted/transferred on ownership basis to allottees of Fruit & Vegetable Market, Inqilab Road, Peshawar amounting Rs.132,233,000. Scrutiny of the Peshawar Market Committee accounts record revealed that a sum of Rs.20,422,925 was shown deposited in government treasury (Annex-E) but no evidence of the deposit of remaining amount of Rs.111,810,075 was shown.

Audit held that the balance amounted Rs.111,810,075 was misappropriated.

(Rs)

Total Amount	Deposited Amount	Total Un-deposited amount
132,233,000	8,201,125	111,810,075
	12,221,800	
	20,422,925	

The lapse occurred due to financial mismanagement.

When Pointed out in June 2016, the management stated that the matter will be investigated in detail and recovery of public money will be made from the person(s) responsible.

The observation was intimated to the department vide management letter dated 06.07.2017, but no DAC convened till finalization of this report.

Audit stress upon recovery of balance amount of Rs.111,810,075.

AP 487(2007-16)

2.4.3 Misappropriation on account of auction deckshops to the allottees - Rs. 6.12 million

According to paras 23& 26 of GFR Vol-1, every government officer will be personally responsible for any loss or fraud on his part or on the part of his subordinate. It is the duty of the departmental controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Government treasury.

During the financial year 2015-16, in the office of Peshawar Market Committee Fund, it was noticed that auction deck shops was allotted to 206 allottees, for Rs.30,000 each on 17.02.2012 by the Chairman PMC. Further record revealed that only a sum of Rs.60,000 was deposited into government treasury resulting in less deposit of Rs.6,120,000.

The lapse occurred due to financial mismanagement.

When pointed out in June 2016, the management stated that the matter shall be investigated in detail and recovery of public money will be made from the person(s) responsible.

The observation was intimated to the department vide letter dated 06.07.2017 for convening DAC meeting, but no DAC was convened till finalization of this report.

Audit stress upon recovery of Rs.6.120 million.

AP 488(2011-12)

2.4.4 Non-recovery of provincial share - Rs.1.034 million

According to Sr.No.4 of implementation of Inter Provincial Coordination Committee (IPCC) decision dated 18.09.2006 retrieval of fishing rights of Chashma barrage from WAPDA to Punjab Province it was decided that Government of Punjab Fisheries will be responsible to satisfy N.W.F.P. Govt. in case of any reservation as 3.16% area of reservoir falls into N.W.F.P. Province.

During the financial year 2015-16,in the office of Director Fisheries Khyber Pakhtunkhwa Peshawar, it was revealed that Fishing Rights of KP in Chashma Barrage amounted to Rs. 516,906 @ 3.16% share per annum. The verification of record show that lease money as share of KP for the period 2015-16 and 2016-17 amounting Rs.(516,906 x 2 = 1.034 million) has not yet been recovered.

The lapse occurred due to weak internal controls.

When pointed out in Jan 2017, the management furnished no reply.

In the DAC meeting held in March 2017, wherein it was decided that para stands till completion of recovery of KPs share. No further progress was reported till finalization of this report.

Audit stress upon recovery as decided by DAC.

AP 374 (2015-16)

Chapter – 3

Administration Department

3.1 Introduction

As per Rules of Business 1985 (amended to-date), the department has been assigned the business of:

- ❖ It shall be the responsibility of the Chief Secretary to coordinate the work of all Departments of Government.
- ❖ The Chief Secretary may call for any case or information from any Department or Attached Department.
- ❖ The Establishment and Administration Department shall be responsible for:
 - the determination of the principles of control of Government servants, including recruitment, conditions of service and discipline;
 - the coordination of the policy of all Departments with respect to services under their control so as to secure consistency of treatment;
 - securing to all Government servants the rights and privileges conferred on them by or under any law for the time being in force; and
 - determining the strength and the terms and conditions of services of the personal staff of Ministers.
- ❖ No Department shall without the concurrence of the Establishment and Administration Department authorize any orders, other than orders in pursuance of any general or special delegation made by the Establishment and Administration Department, which involve:
 - reduction or extension in the scope of functions of a Department as given in Schedule-II or the transfer of such functions from one Department to another;
 - re-organization or change in the status of offices in the Secretariat or Attached Departments;
 - interpretation of rules and orders relating to service matters other than rules and orders issued by the Finance Department; and
 - any change in the terms and conditions of service or the statutory rights and privileges of Government servants.

- ❖ No order in respect of the emoluments, promotion or conditions of service of any officer employed in the Finance Department shall be passed and no expenditure proposal relating to that Department sanctioned without prior concurrence of the Establishment and Administration Department. The Chief Secretary shall exercise, in respect of such matters, the functions of the Secretary, Finance Department.

3.2 Comments on budget and accounts (variance analysis)

Summary of the Appropriation Accounts:

The summarized position of actual expenditure 2016-17 against the total of grants/appropriation was as follows:

Non Development

(Rs.)

Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual expenditure	Excess / (Savings)
2-General Administration	NC21	3,053,983,000	340	3,053,983,340	2,097,187,061	-956796,280
2-General Administration	NC24	497,715,000	40	497,715,040	379,402,161	-118,312,879
Total		3,551,698,000		3,551,698,380	2,476,589,222	-1,075,109,159

Development

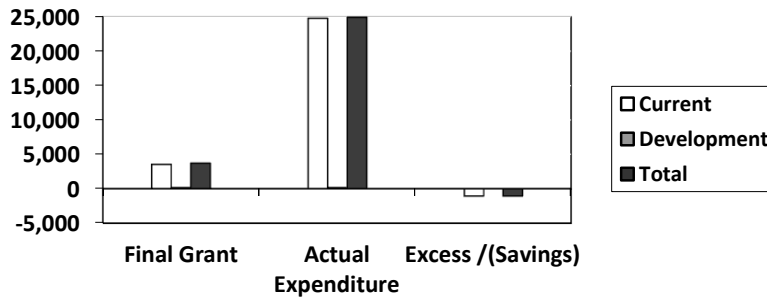
(Rs.)

Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant/Re-appropriation	Final Grant	Total Actual Expenditure	Excess / (Savings)
Establishment, Services, General Administration	NC22	75,000,000	67,533,000	7,467,000	7,467,377	377
	NC22	125,004,000	65,542,000	59,462,000	59,463,133	1,137
	NC22	125,814,000	41,475,990	84,338,010	85,379,225	1,041,215
Total		325,818,000	174,550,990	151,267,010	152,309,735	1,042,729

Overview of expenditure against the final grant

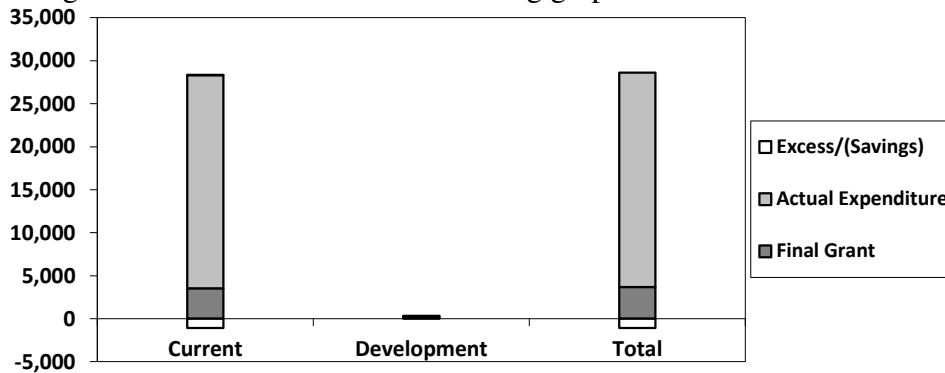
(Rs. in million)

Grant Type	Final Grant	Total Actual Expenditure	Excess/(Savings)	Variance %
Non-Development	3,551.698	24,765.89	-1,075.109	30
Development	151.267	152.309	1.042	1
Total	3,702.965	24,918.199	-1,074.067	29



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Administration Department administering the above grant did not surrender anticipated savings of Rs.1074.067 million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



3.3 Brief comments on the status of compliance with PAC directives:-

SNo.	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
1	2001-02	Establishment & Administration	14	14	-	-
2	2002-03	-do-	12	-	11	01
3	2003-04	-do-	06	06	-	-
4	2004-05	-do-	03	-	01	02
5	2005-06	-do-	04	-	03	01
6	2007-08	-do-	03	-	01	02
7	2008-09	-do-	14	-	05	09
8	2009-10	-do-	32	-	09	23
9	2010-11	-do-	25	-	08	17
10	2011-12	-do-	20	-	08	12
11	2012-13	-do-	08	-	06	02
12	2013-14	-do-	03	-	-	03

3.4 Audit Paras

3.4.1 Loss due to illegal occupation of room at Khyber Pakhtunkhwa House, Islamabad - Rs.2.839 million

According to Govt of Khyber Pakhtunkhwa Administration Department letter No.EO (Admn) 89M- KPK House Islamabad dated 24.03.2017, addressed to AG KP, and MS to Governor KP, the Assistant Protocol Officer of Governor House had illegally occupied Room No.19,S-II Block at KP House, Islamabad since 01.04.2013 and requested to recover the outstanding room rent.

During the financial years 2015-16 and 2016-17, in the office of Secretary Administration Department, it was noticed that Room No.19, Block S-II of KP House Islamabad was illegally occupied by an Assistant Protocol Officer of Governor's Secretariat w.e.f. 01.04.2013 till the date of audit i.e. 16.08.2017. The total liability of rent as worked out is Rs.2,838,600 which needs recovery.

Period		Rate	Total Amount (Rs)
From	To		
01.04.2013	16.08.2017	1,400	2,838,600

The lapse occurred due to financial mismanagement.

When pointed out in August 2017, the management furnished no reply.

The observation was issued to the department for arranging the DAC meeting vide letter dated 04.12.2017, however, DAC meeting was not arranged till finalization of this report.

Audit stress upon recovery.

AP117(2016-17)

3.4.2 Loss due to un-authorized utilization of Government vehicles- Rs.50.370 million

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

During the financial years 2015-16 and 2016-17, In the office of Secretary Administration KPK, it was noticed that 23 vehicles were handed over to different officers (Annex-H) however, after their postings and retirement, these vehicles were kept un-authorizedly by the officers and not handed over to the department resulting in loss of Rs.50.370 million as detailed below:

(Rs in million)			
Number of days	Rent per day (Market rate)	Number of vehicles	Total amount
730 (02 years)	3,000	23	50.37

The loss occurred due to weak internal controls.

When pointed out in August 2017, the management furnished no reply.

The observation was issued to the department for arranging DAC meeting vide letter dated 04.12.2017, however, no DAC was arranged till finalization of this report.

Audit stress upon recovery.

AP 134(2015-17)

3.4.3 Doubtful drawl on account of Hot & Cold charges – Rs.1.899 million

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

During the financial years 2015-16 and 2016-17, in the office of Secretary Administration Department, Khyber Pakhtunkhwa Peshawar, it was noticed that an amount of Rs.1,899,929 (bill attached) was drawn under head “Hot & Cold Charges” and paid to M/s Zeeva Enterprises for the purchase of charcoal which was unjustified because charcoal purchased could not be utilized in the office of secretary administration as electrical and gas heaters are installed since long. And there is no place in the present building for burning of charcoal for heating purpose.

The lapse occurred due to financial indiscipline and weak internal control.

When pointed out in August 2017, the management furnished no reply.

The observation was issued to the department for arranging DAC meeting vide letter dated 04.12.2017, however, no DAC was arranged till finalization of this report.

Audit recommends to discontinue the provision of funds for charcoal under the relevant head.

AP 119(2015-17)

Chapter – 4

Communication & Works Department

4.1 Introduction

As per Rules of Business 1985 (amended to-date), the department has been assigned the business of :

- ❖ Acquisition and development of sites for construction of government buildings
- ❖ Registration of contractors
- ❖ Implementation of various schemes of the provincial departments
- ❖ Construction of government owned buildings
- ❖ Maintenance and repair of government owned buildings
- ❖ Construction of provincial highways and roads
- ❖ Maintenance and repair of provincial highways and roads

4.2 Comments on budget & accounts (variance analysis)

Summary of the Appropriation Accounts:

A summary of grants allocated to Communication and Works Department and expenditure by the department in financial year 2016-17 is given below:

Non Development

(Rs.)

Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
14-Works & Services Department	NC21	995,018,000	50	995,018,050	855,174,083	-139,843,967
15-Roads, Highways, Bridges, Buildings and Structure (Repair)	NC21	3,463,985,000	0	3,463,985,000	1,273,741,977	-2,190,243,023
	NC24	4,015,000	0	4,015,000	4,014,456	-544
	Total	4,463,018,000		4,464,018,050	2,132,930,516	-2,330,087,734

Development

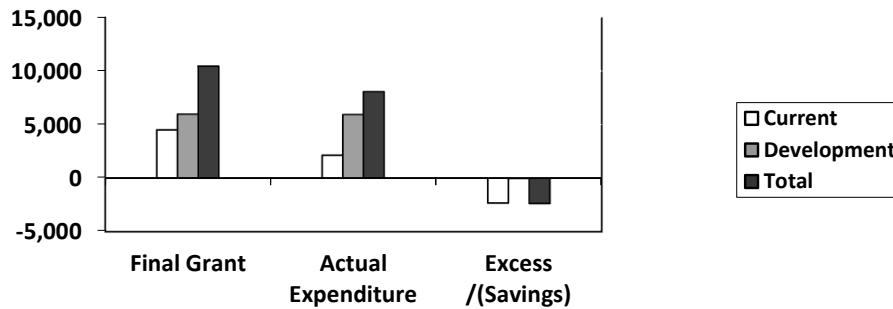
(Rs.)

Grant # 50 (Prov) NC12 and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
Building	NC12	1,439,000,000	346,460,000	1,092,540,000	1,092,939,969	399,969
Building & structure	NC12	6,118,332,000	1,402,023,000	4,716,309,000	4,667,131,430	-49,177,570
Building & structure	NC22	555,876,000	400,895,990	154,980,010	159,045,772	4,065,762
Total		8,113,208,000	2,149,378,990	5,963,829,010	5,919,117,171	-44,711,839

Overview of expenditure against the final grant

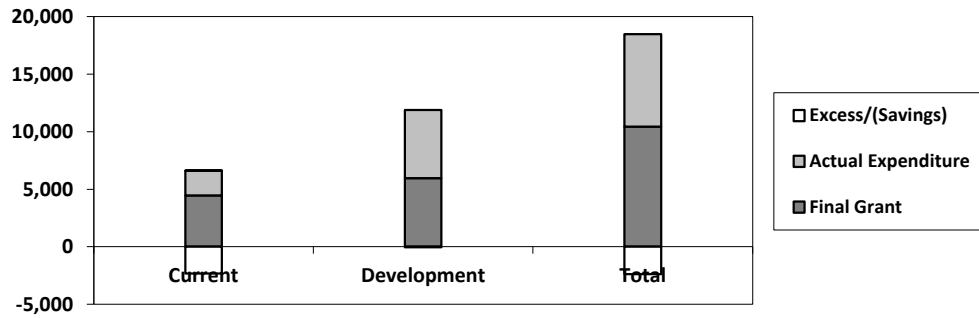
(Rs. in million)

Grant Type	Final Grant	Total Actual Expenditure	Excess/ (Savings)	Variance %
Non Development	4,464.018	2,132.931	-2,330.088	52.0
Development	5,963.829	5,919.117	-44.712	0.7
Total	10,427.847	8,052.048	-2,374.800	23



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Communication & Works Department administering the above grant did not surrender anticipated savings of Rs.2374.800 million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



4.3 Brief comments on the status of compliance with PAC directives

SNo.	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
1.	2001-02	C&W	40	-	28	12
2.	2002-03	-do-	20	-	09	11
3.	2003-04	-do-	20	-	09	11
4.	2004-05	-do-	28	-	13	15
5.	2005-06	-do-	15	-	10	05
6.	2007-08	-do-	03	-	02	01
7.	2008-09	-do-	06	-	04	02
8.	2009-10	-do-	14	-	11	03
9.	2010-11	-do-	38	-	23	12
10.	2011-12	-do-	07	-	06	01
11.	2012-13	-do-	10	-	04	06
12.	2013-14	-do-	30	10	-	20

4.4 Audit Paras

4.4.1 Loss due to non-return of shuttering material - Rs.36.770 million

According to S. No. 6-39-b of the Market Rate System 2013, the rate of item of work, "Erection & removal of formwork" comprises of 72.86% material cost and 27.14% labour rates including contractor over head & profit.

During the financial year 2016-17, in the office of XEN C&W Highway Division Mardan, Rs.50.465 million was paid to various contractors on account of an item of work, "Erection & removal of steel form work vertical".

Audit held that after completion of work the formwork material worth Rs.36.770 million ($50.465 \times 72.86\% = 36.770$) was Government property which was required to be returned to Government, However, this was not done, resulting in loss of Rs.36.770 million to Govt.

The loss occurred due to non-adherence with financial rules and regulations.

When pointed out in October 2017, it was stated that detailed reply will be submitted after consultation of record.

The observation was intimated to Department vide letter dated 29.11.2017 for convening DAC meeting, however, no DAC meeting was convened till finalization of this report.

Audit recommends investigation, fixing of responsibility and recovery of loss from the person(s) responsible.

AP 9(2016-17)

4.4.2 Loss due to abandonment of a scheme - Rs.33.10 million

According to clause 1.1 and 1.2 of Appendix – A, of the consultancy agreement, selection of roads, detailed designing, feasibility, survey, monitoring and evaluation of the project was the responsibility of the NESPAK Consultants.

During the financial year 2014-15, in the office of Project Director, Emergency Rural Road Rehabilitation Project C&W Department, the survey and feasibility of the "scheme Pabbi Internal Road, District Nowshera" was

carrird out by the NESPAK Consultants” and its contract was awarded to M/S Khattak Allied Construction Company at contract cost of Rs.66.18 million and expenditure of Rs.33.10 million were incurred upto June 2015. However, the scheme was abandoned vide Railway Authorities letter No.E-123/Misc-2/V.W/PSC/2012 dated 28.02.2014 on the ground that the railway land was encroached without obtaining NOC and non-observance of legal formalities, even then construction work was started on the work. Thus expenditure of Rs.33.10 million became wasteful and loss to the Government.

The loss occurred due to improper feasibility and faulty survey by the NESPAK Consultants.

When pointed out in March 2016, the department replied that road was approved in a meeting of 5th Project Steering Committee held on 19.10.2012 vide Chief Infrastructure letter dated 05.11.2012. Moreover, the concurrence of its approval was also accorded by JICA vide Senior Representative letter No.JICA/NOV-14002/Projects/2012 dated 14.11.2012.

In the DAC meeting held in October, 2016, it was decided that all relevant documents may be provided to Audit for verification within 07 days. However, no record was produced during verification in May, 2017.

Audit recommends thorough investigation and fixing responsibility for defective feasibility survey.

AP 314(2014-15)

4.4.3 Loss to the public exchequer due to non-utilization of available earth Rs. 29.494 million

According to clause 03-61-a of Market Rate System, the available earth from excavation be used in formation in embankment at labour rate whereas excavation material was not used and not declared unsuitable by any laboratory brought from borrow pit and period the contractor at full rate.

During financial year 2016-17 in the office of the Executive Engineer, C&W Highway Division Mardan it was observed that in three instances excavation was carried out but available earth was not used without conducting soil test and borrow excavation was carried out, resulting in loss of Rs.29.494 million. Details given below:

(Rs.)

Name of work	Name of contractor	Earth available	Earth borrow exc.	Rate	Amount
Reh: Bakhshali Chargulai	M. Ibrahim	10,294	6,550	698.06	4,572,293
Rajjar Salim Shah	Tahir Sadiq	3,911	910	497.59	452,806
Various works	Various contractor	57,438	34,970	700	24,469,000
				Total Rs.	29,494,099

The lapse occurred due to extending undue benefit to contractors.

When pointed out in October 2017, it was stated that detail reply will be submitted after consultation of record.

The observation was issued to Department vide letter No. Audit/DAC/C&W 2016-17/SIR-1-36/207 dated 29.09.2017 for arranging the DAC meeting. However DAC meeting was not convened till finalization of this report.

Audit stress upon recovery.

AP 10 & 11 (2016-17)

4.4.4 Loss to public exchequer due to non-application of de-escalation clause – Rs.14.668 million

According to Clause-5A of the contract agreement added vide Govt; of Khyber Pakhtunkhwa, Communication & Works Department Notification No.SOG/W&S/II-129/2005 dated 30/06/2005, where any variation (increase or decrease) to the extent of 5% or more in the price of specified items takes place after the acceptance of tender and before the completion of contract shall be adjustable to the extent of the actual variation in the cost of the item concerned.

During the financial year 2016-17, in the office of Executive Engineer Highway Division Mardan, a number of works awarded to contractors in 2014-15 and 2015-16 were completed in 2016-17. In the year 2015-16 and 2016-17 the rates of POL, Bitumen, cement and steel decreased however the local office did not apply de-escalation clause resulting loss of Rs.14.668 million.

The loss occurred due to financial indiscipline and weak internal controls.

When pointed out in October 2017, it was stated that detailed reply will be submitted after consultation of record.

The observation was intimated to Department vide letter dated 29.11.2017 for convening DAC meeting, however, no DAC meeting was convened till finalization of this Report.

Audit stress upon recovery.

AP 12 (2016-17)

4.4.5 Loss due to non-transparent award of contract on high rates - Rs.9.628 million

According to Para-89(a) (b), of CPWD Code, tenders must be invited in the most open and public manner. In cases where the lowest tender is not accepted, reasons should be recorded.

During the financial year 2016-17, in the office of Executive Engineer, Highway Division Mardan, it was noticed that the work, "Improvement & Rehabilitation of road from Dubai Ada to village Chiragah" was tendered on 03.04.2016 with opening date of 21.04.2016. In response 14 firms submitted their financial bids. M/S Awan Associates offered the lowest rate of Rs.72.883 million but 09 original bids were not included in the competition and the bid of M/S Jamal Khel Construction Co amounting to Rs.84.332 million was recommended to Chief Engineer for approval. The Chief Engineer did not approve the bid and directed the SE vide his letter No.953/1-G/Mardan dated 20/05/2016 that out of 40 prequalified contractor/firms, only 05 bids have received in the office of the XEN Highway Division Mardan. While 14 contractors/firms have submitted their duplicate copies of bidding documents to Circle Office which shows that some of the bids are missing from the office of the XEN Highways Division Mardan and needs investigation and report shall be submitted upto 23.05.2016. The Superintendent Engineer instead of conducting inquiry, recalled the bids and awarded the bid to M/S Awan Associates at his bid cost of Rs.82.511 million whereas in first tender the same contractor offer the bid of Rs.72.883 million. The contract was awarded to the same contractor offered the bid Rs.9.628 million above as compared to his previous quoted rates. The public exchequer sustained loss of Rs.9.627 million due to non-transparent award of contract to the same bidder on higher rate.

The lapse occurred due to non-adherence to financial rules.

When pointed out in October 2017, it was stated that detailed reply will be submitted after consultation of record.

The observation was intimated to Department vide letter dated 29.11.2017 for convening DAC meeting, however, no DAC meeting was convened till finalization of this Report.

Audit stress upon recovery.

AP 5 (2016-17)

4.4.6 Non-recovery of mobilization advances from the contractors - Rs.48.057 million

According to the clause No.74 of the contract agreements, mobilization advances were recoverable in four equal installments.

During the financial year 2015-16, in the office of the Project Director, Emergency Rural Roads Rehabilitation Project, mobilization advances of Rs.268,078,774 were paid to the contractors for execution of various project works. The recovery was not made in four equal installments. Recovery of Rs.220,022,275 was made from the contractors and Rs.48,056,499 was still outstanding and not recovered which needs immediate recovery. (Detail attached at Annex-F).

The non-recovery of government money occurred due to financial indiscipline.

When pointed out in March, 2017, the management replied that recovery will be made

The observation was reported to Principal Accounting Officer vide letters dated 13.12.2017 and dated 05.01.2018 for arranging the DAC meeting. However, the DAC meeting was not arranged till finalization of this report.

Audit stress upon recovery.

AP 146 (2015-16)

4.4.7 Non-recovery from the consultants due to defective survey and designing - Rs.3.045 million

According to clause 1.1 and 1.2 of Appendix – A, of the consultancy agreement, selection of roads, detailed designing, feasibility, survey, monitoring and evaluation of the project was the responsibility of the NESPAK Consultants.

During the financial year 2014-15, in the office of the Project Director Emergency Rural Road Rehabilitation Project C&W Department, the NESPAK Consultants made defective designing and the Project Director ordered recovery of Rs.3,045,753 from them in the following schemes.

(Rs)

S.No	LCB No	Name of work	Amount recoverable
1	29	Garam Chashma Road Section I	1,127,990
2	30	Garam Chashma Road Section II	902,392
3	31	Garam Chashma Road Section III	1,015,191
Total			3,045,573

The lapse occurred due to weak internal controls.

When pointed out in March 2016, it was stated that recovery has been made from the consultants.

In the DAC meeting held in October, 2016, it was decided that evidence of recovery may be provided to audit for verification. The verification carried out in May 2017 revealed that no recovery was made.

Audit recommends implementation of DAC decision.

AP 353 (2014-15)

4.4.8 Non-recovery of Disabled Persons Rehabilitation Fund- Rs.4.783 million

According to Directorate of Social Welfare & Women Development Department Peshawar letter No.DAB/28/DSW/9851-72 dated 30-05-2011 and Section-11 of the Disabled Person (Employment and Rehabilitation Ordinance 1981 and Rules 1991), Disable Persons Rehabilitation (DPR) Fund @ Rs.2,000/- each per million shall be deducted from all contractors for rehabilitation of disable persons.

During the financial year 2015-16, in the office of Project Director, "Up-gradation and Rehabilitation of road from Chakdara to Madyan on the right bank of River Swat" Rs.2,391.571 million was paid to Khattak Allied Construction Company as under:-

S.No	Details	Expenditure (Rs)
1	Package-I	67,021,5430
2	Package-II	84,508,1246
3	Package-III	65,119,1610
4	Package-IV	22,508,2758
Total		2,391,571,044

Disable Persons Rehabilitation (DPR) Fund amounting to Rs.4,783,142 (2,391.571 million *2000) was not recovered.

The lapse occurred due to financial mismanagement.

When pointed out in December 2016, the department replied that the contract was executed in September 2011 whereas the notification mentioned in the para is effective from 09-5-2012, therefore it is not applicable.

Reply is not convincing as all the payment to contractors were made after the issuance of notification.

The observation was reported to Principal Accounting Officer vide letters dated 12.01.2017 dated 05.01.2018 for arranging the DAC meeting. However, the DAC meeting was not arranged till finalization of this report.

Audit stress upon recovery.

AP 41 (2015-16)

4.4.9 Overpayment due to allowing full rates instead of labour rate- Rs.35.448 million

According to Market Rates System -2013(MRS), the item No.6-39-b Erecting & Removal of steel formwork for PCC (1:3:6) mass & other concrete, the rates of Rs.852.31 per m² comprises of 72.86% material cost, 6.14% labour cost and 21% contractor profit & overhead charges.

During the financial year 2015-16, in the office of the Project Director, "Up-gradation and Rehabilitation of road from Chakdara to Madyan on the right bank of River Swat", the contractor was paid Rs.83,470,603 @ Rs.852.31

per m² for an item of work, erecting & removal of steel formwork for PCC (1:3:6) mass & other concrete as under:-

(Rs)

S.No	Package No	Quantity	Rate	Amount
1	II	40851.245 m ²	852.31	34,817,925
2	III	42302.268 m ²	852.31	36,054,646
3	IV	14781.045 m ²	852.31	12,598,032
Total				83,470,603

The contractor was paid Rs.34.818 million @ Rs.852.31 per m² instead of Rs. 231.32 per m² for the item of work “Erecting & removal of steel formwork for PCC (1:3:6) mass concrete” in the Package-II & IV above as the steel shuttering and other accessories once used by the contractor in Package –I became the property of the C&W department, therefore labour rate of Rs.231.32 per m² should have been paid to the contractor in the subsequent packages but full of rate Rs.852.31 per m² was allowed to the contractor in Package-III & IV resulting in overpayment of Rs.35.448 million (detail below)

(Rs)

S.No	Package No	Quantity	Rate paid	Required	Difference	Overpayment
1	III	42302.268 m ²	852.31	231.32	620.99	26,269,285
2	IV	14781.045 m ²	852.31	231.32	620.99	9,178,881
Total						35,448,166

The lapse occurred due to non-adherence of financial rules.

When pointed out in December 2016, the department replied that this Authority has allowed rate for erection & removal of formwork for RCC or plain concrete vertical worked out / based on CSR 2013. The CSR clearly spell out the payment mechanism irrespective of material input.

Reply was not tenable. Since the steel shuttering and other accessories once used by the contractor became the property of the C&W department, therefore labour rate should have been paid.

The observation was reported to Principal Accounting Officer vide letters dated 12.01.2017 dated 05.01.2018 for arranging the DAC meeting. However, the DAC meeting was not arranged till finalization of this report.

Audit stress upon recovery.

AP 29 (2015-16)

4.4.10 Overpayment to the contractor at incorrect rates - Rs. 23.083 million

According item No.6-36-a of the Market Rate-2013, the rate for PCC (1:3:6) 50% boulders is Rs.3829.56 per m³ (3545.89*8% area factor).

During the financial year 2015-16, in the office of Project Director, "Up-gradation and Rehabilitation of road from Chakdara to Madyan on the right bank of River Swat" the contractor was paid Rs.129.865 million for an item of work, "PCC (1:3:6) in mass concrete less formwork using 50% boulders @ Rs. 4,657.39 per m³ as per detail below.

S. No	Package No	Quantity	Rate	Amount (Rs)
1	2	14,161.353 m ³	4,657.39	65,954,944
2	3	13,292.687 m ³	4,657.39	61, 909,228
3	4	429.558 m ³	4,657.39	2,000,619
Total		27,883.598 m³		129,864,791

The correct rate for this item of work, "PCC (1:3:6) in mass concrete less formwork using 50% boulders was Rs.3,829.56 per m³ whereas the contractor was paid @ Rs.4,657.59 per m³.This resulted an overpayment of Rs. 23.083 million (27883.598 * 827.83(4657.39-3829.56) to contractor.

The lapse occurred due to weak financial controls and violation of the schedule of rates.

When pointed out in December 2016, the department replied that the work was executed under item 6-36-c and not under item 6-36-a and correct rate has been allowed to the contractor. In the measurement sheet of the IPC it is clearly mentioned 30% boulders instead of 50% boulders as mentioned by the audit. The voucher is prepared from the IPC. Errors have occurred in some vouchers due to typing mistake, however correct item # 6-36-c has been mentioned in all the vouchers.

Reply was not satisfactory. The contractor had executed PCC (1:3:6) with 50% boulders in all vouchers whereas payment was made for PCC (1:3:6) 30 % boulders.

The observation was reported to Principal Accounting Officer vide letters dated 12.01.2017 dated 05.01.2018 for arranging the DAC meeting. However, the DAC meeting was not arranged till finalization of this report.

Audit stress upon recovery.

AP 33 (2015-16)

4.4.11 Overpayment due to incorrect calculation - Rs.17.440 million

According to detail technically sanctioned estimate for “Roadway excavation in surplus/unserviceable common material measurement for Cubic Meter should be (length x width x Depth).

During the financial year 2016-17, in the office of the Executive Engineer, C&W Highway Division Mardan, that Rs.16.545 million was overpaid due to incorrect measurement of items of works due to which a sum of Rs.12.101 million was overpaid as per detail below:-

(Rs)

	Name of item as executed at site	Length	Width	Depth	Total qty paid	Rate	Total
A	Formation of shoulders with permeable material	7,650	1.913	0	14,634.45	1,130.53	16,544,685
	Road excavation	7,650	2.008	0	15,361.20	309.89	4,760,282
						Total	2,130,4966
B	Applying the depth i.e. 0.47 the quantity as per TS	7,650	1.913	0.47	6,878.19	1,130.53	7,776,000
	Road excavation 0.3 metre as per TS	7,650	2.008	0.3	4,608.36	309.89	1,428,085
						Total	9,204,085
						Overpayment (A-B)	12,100,881

As the excavation of quantity 4608.36 was executed whereas the disposal of 12162 quantity was shown paid Rs.5.399 which also incorrect and needs recovery.

The loss occurred due to non-observance of financial rules and regulations.

When pointed out in Oct 2017, the management stated that detailed reply will be furnished after consultation of record.

The observation was issued to Department vide letter dated 29.11.2017 for arranging the DAC meeting. However DAC meeting was not convened till finalization of this report.

Audit stress upon recovery.

AP 1(2016-17)

4.4.12 Overpayment due to allowing excess rate - Rs.16.298 million

Rule-296 of CTR volume-I provides that the countersigning officer shall be responsible for seeing that the items of expenditure included in a bill are of obvious necessity, are at fair and reasonable rates and that the calculations are correct. According to S.No. 03-61-c of the Market Rate System 2015, the rate of “Formation of embankment from borrow excavation in common material including compaction by road roller” of Rs.828.72 PM³ includes all kind of leads.

During the financial year 2016-17, in the office of Engineer, C&W Highway Division Mardan, it was observed that an item of work, “Filter layer” was paid to contractor M/S Muhammad Ibrahim Associates under the work, “Mardan bypass road Rashakai Interchange to Jalala missing link 08 KM SH; Package-I from Rashakai Interchange to Western Bypass 04 Kms” as non-BOQ and non-schedule item @ Rs.1260/- PM³ vide voucher No.30-R-II dated 14.06.2017. The rate analysis of Filter layer revealed that the rate of item No.03-61-c (Formation of embankment from borrow excavation in common material including compaction by road roller) Rs.828.72 PM³ was inclusive of lead however, extra cost of lead upto 32 Kms Rs.432.05 PM³ was added. The contractor quoted rate of Rs.732.26 PM³ for Formation of embankment. in another work, “Construction of Road from Jalakai to Surukh Dheri” the contractor M/S Khalid Khan quoted rate of Rs.840/- PM³ for ‘Filter layer’. All kind of leads are included in the rate of schedule item No.03-61-c and in the rate of Filter Layer offered by M/S Khalid Khan. The allowing of unauthorized extra lead is extension of undue favour and financial benefit to the contractor which caused overpayment of Rs.8,571,700.

Similarly, the same item of work, “Filter layer” was also paid to contractor M/S Shaukat Khan & Co in package-II of the same work, “From Western Bypass to Shanoor Pul 08 Kms” as non-BOQ and non-schedule item @ Rs.1,260/- PM³ for a quantity of 14640 M³ which resulted in overpayment of Rs.7,726,114.

The loss occurred due to financial mismanagement.

When pointed out in October 2017, it was stated that detailed reply will be submitted after consultation of record.

The observation intimated to Department vide letter dated 29.11.2017, but no DAC meeting was scheduled till finalization of Audit Report.

Audit stress upon recovery.

AP 2(2016-17)

4.4.13 Overpayment due to incorrect calculation- Rs.12.237 million

According to Paras 209 and 220 of CPWA Code, all payments for work or supplies are based on the quantities recorded in the measurement book. It is incumbent upon the person taking the measurement to record the quantities clearly and accurately. The entries in the MB should be arithmetically checked. According to Measurement Sheet / Measurement Book, the thickness of the asphalt wearing course was 0.05M.

During the financial year 2014-15, in the office of Project Director, Emergency Rural Road Rehabilitation Project, C & W Department, the contractors were paid for an item of work “Prime Coat” upto 111,590 M² on which “Asphalt Wearing Course” for a quantity of 5,579 M³ was required to be executed on the basis of quantity of Prime Coat multiplied by 0.05 M thickness of asphalt wearing course. However, the project management could not multiplied the thickness of 0.05 M and paid the asphalt wearing course for a quantity of 6310 M³ instead of 5,579 M³ and thus the contractors were overpaid Rs.12,236,712 as detailed below:.

(Rs)

S.No.	Quantity Prime Coat (m2)	Rate	IPC	Asphalt Wearing Course Quantity Paid (m ³)	Asphalt required (Prime coat x 0.05)	Diff	Rate	Excess Payment
1	30,388	104.8	17	1,774	1,519	255	1,5940	4,064,700
2	20,931	250	06	1,062	1,047	15	2,2500	337,500
3	24,588	132	14	1,301	1,229	72	1,5694	1,129,968
4	21,240	132	11	1,338	1,062	276	1,5694	4,331,544
5	14,443	50	05	835	722	113	2,1000	2,373,000
	111,590			6,310	5,579	Total	Rate	12,236,712

The lapse occurred due to weak internal controls, violation of CPWA Code and incorrect measurement.

When pointed out in March 2016, the department replied that in IPC 17, the calculation of prime coat was erroneously done and correction has been made in IPC 18 and in other cases the discrepancies will be corrected in the forthcoming IPCs.

In the DAC meeting held in October 2016, it was decided that relevant record may be provided for verification within 07 days.

During verification of record in May 2017 it was found that no recovery was made.

Audit recommends implementation of DAC decision.

AP 316 (2014-15)

4.4.14 Overpayment due to loose measurement - Rs. 7.743 million

According to detailed technically sanctioned estimate the formation of embankment from borrows excavation for existing in common material must be converted into solid measurement.

During the financial year 2016-17, in the office of the Executive Engineer, C&W Highway Division Mardan an item of work “Earth filling/structure back fill” was carried out in different schemes however, the quantity of the said item was not converted into solid by multiplying it with 0.89, which resulted into an overpayment of Rs. 7.743 million.

The lapse occurred due to non-observance of standard works procedures.

When pointed out in October 2017, it was stated that detail reply will be submitted after consultation of record.

The observation was issued to Department vide letter dated 29.11.2017 for arranging the DAC meeting. However DAC meeting was not convened till finalization of this report.

Audit stress upon recovery.

APs 15&16 (2016-17)

4.4.15 Overpayment due to allowing escalation on defective work done - Rs.5.097 million

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

During the financial year 2016-17, in the office of Executive Engineer, C&W Highway Division Mardan, it was noticed that a sum of Rs.3.50 million was lying as security deposit of the contractor M/S Bannu Construction Co under above cited work vide item No.42/42 under the work, “Construction, Improvement, Black Topping of Road from Malandri Foot Hill to Masoom Baba 9.00 KM” even after completion of 03 years. It was learnt that the road

work has developed defects in various items. A sum of Rs.33.245 million was deducted from the contractor on account of defective mass concrete work and corresponding form work vide 29th running bill. However, in the same bill escalation of Rs.4,105,823 was paid on defective work. In 30th running bill a sum of Rs.991,179 was paid as escalation on mass concrete work of 3413 M³ although execution was not done. The cost of defective work done was required to be deducted before calculation of escalation but the local office included the same while calculating the escalation which caused overpayment of Rs.5,097,000.

The lapse occurred due to non-observance of financial rules and regulations.

When pointed out in October 2017, it was stated that detailed reply will be submitted after consultation of record.

The observation was intimated to Department vide letter dated 29.11.2017, but no DAC meeting was held till finalization of Audit Report.

Audit stress upon recovery.

AP 8 (2016-17)

4.4.16 Un-authorized payment due to non-execution of the items of work and payment of rent-Rs.10.706 million

According to clause 2.1 (xxx) of the Consultancy Agreement, the consultant shall be responsible for verification and recommendation of contractors Interim Payment Certificates (IPCs) for payments.

During the financial year 2015-16, in the office of the Project Director Emergency Rural Roads Rehabilitation Project C&W Department, the contractor neither executed the following items of work at site nor were verified by the consultant NESPAK in a scheme, "LCB-78 Shah Maqsood Maira Road Haripur". However, the project management made payment of Rs.9,607,582 in IPC No.8 to the contractor M/s Trand Construction Co. vide cheque No.9,687,170 dated 28.06.2016 which was unauthorized and needs recovery.

(Rs)

Bill No	Item	Quantity	Rates	Cost
46	RCC in raft foundation slab column 1:1:5:3 other structure	221.21 M ³	8,566.44 per M ³	1,894,982
46	S& F MS G-60	55.09 Tons	140,000 per ton	7,712,600
			Total	9,607,582

Moreover, Rs.2,363,344 was paid to M/s JHK Construction Co. vide cheque No. 5119040 dated 06.06.2016 and IPC-12 Final on account of rent of office in the work, "LCB-34 Pir Sabak to Misri Banda Road Nowshera" whereas the consultant NESPAK certified/verified an amount of Rs.1,265,194 in the IPC. As such, rent of Rs.1,098,150 was paid in excess of the certified bill which also needs recovery.

The unauthorized payment was made due to weak internal controls.

When pointed out in March, 2017, the department replied that the record will be checked.

The observation was reported to the Principal Accounting Officer vide letters dated 21.04.2017, dated 13.12.2017 and dated 05.01.2018 for arranging the DAC meeting. However, DAC meeting was not arranged till finalization of this report.

Audit stress upon recovery.

APs 143 & 153 (2015-16)

4.4.17 Excess payment of Rs.2.895 million

According to Para 10(i)(ii) of GFR Vol-I read with rule 296 of CTR Vol-I, every public officer incurring expenditure from public fund is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money. And public moneys should not be utilized for the benefit of a particular person or section of the community. The countersigning officer shall be responsible for seeing that the items of expenditure included in a bill are of obvious necessity, are at fair and reasonable rates and that the calculations are correct.

During the financial year 2016-17, in the office of Executive Engineer, C&W Highway Division Mardan, it was noticed that an expenditure of Rs.14.835 million were incurred on the construction supervision of the works under ADP No.948 to 956/2015-16 through DMC consultant.

Further verification revealed that the works have been completed before 12/2016 as the same were started in 05/2015 with completion period of 12 months and 18 months but the consultant was paid upto 06/2017 @ Rs.482,543 per month, causing excess payment of Rs.2,895,258 (482,543 x 6) which needs recovery under intimation to audit.

The loss occurred due to financial indiscipline.

When pointed out in October 2017, it was stated that detail reply will be submitted after consultation of record.

The observation was intimated to Department vide letter dated 29.11.2017 for convening DAC meeting, however, no DAC meeting was convened till finalization of this Report.

Audit stress upon recovery.

AP 18(2016-17)

4.4.18 Non-availability of the project vehicles - Rs.13.526 million

According to paras 23 and 159 of GFR vol-I, every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part or on the part of his subordinate and physical verification of all stores should be carried out at least once a year.

During the financial year 2015-16, in the office of the Project Director Emergency Rural Roads Rehabilitation Project C&W Department, the project was completed but whereabouts of the vehicles purchased at a cost of Rs.13.526 million were not made known to audit, as detailed below:

(Rs)

S.No	Cheque No & date		Type of vehicle	Amount
1.	5119063	15.06.2016	Toyota Hilux 4x4	3,270,700
2.	5119055	09.06.2016	Bolan Van VXR CNG	733,689
3.	44972697	22.04.2016	Bolan Van VXR	733,689
4.	43972688	13.04.2016	Suzuki Bolan VXR	674000
5.	43972688	13.04.2016	Suzuki Jemny	2,293,000
6.	44972696	22.04.2016	Bolan Van VXR CNG	733,690
7.	44972711	03.05.2016	Toyota Hilux 4x4	3,731,113
8.	44972723	11.05.2016	Bolan Van	674,000
9.	48787315	15.12.2015	Bolan Van VXR	683,000
Total				13,526,881

However neither annual physical verification of the project assets nor handing taking of the closed project was carried out by the management as required under the rules.

Then non-availability of project vehicles was due to weak internal controls.

When pointed out in March, 2017, the department replied that the record will be checked.

The observation was reported to Principal Accounting Officer vide letters dated 21.04.2017, 13.12.2017 and dated 05.01.2018 for arranging the DAC meeting. However, the DAC meeting was not arranged till finalization of this report.

Audit recommends investigation and fixing responsibility.

AP 140 (2015-16)

Chapter – 5

Education Department

5.1 Introduction

As per Rules of Business 1985 (amended to-date), the department has been assigned the business of:

- ❖ University Education.
- ❖ College Education.
- ❖ Secondary Education.
- ❖ Primary Education.
- ❖ Coordination of schemes for higher studies abroad.
- ❖ Grants of scholarship.
- ❖ Promotion of Scientific Research.
- ❖ Promotion of art and literature.
- ❖ Production and distribution of educational and scientific material.

Comments on budget and accounts (variance analysis)

5.2 Summary of the Appropriation Accounts:

A summary of grants/appropriation of Education Department and expenditure by the department in financial year 2016-17 is given below:

Non-Development

(Rs.)

Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
12-Higher Education Archives and Libraries	NC21	9,497,212,000	160	9,497,212,160	7,199,276,502	-2,297,935,658
46-elementary & Secondary Education	NC21	2,162,352,000	170	2,162,350,170	1,458,502,694	-703,849,476
	Total	11,659,564,000		11,659,562,330	8,657,779,196	-3,001,785,134

Development

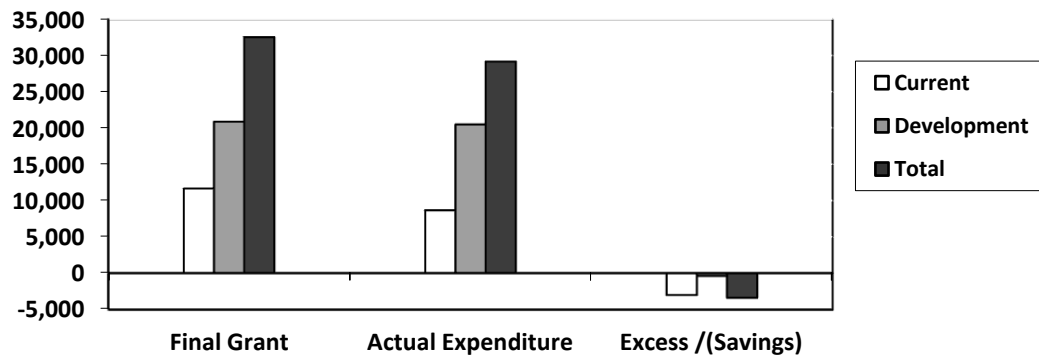
(Rs.)

Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
53-Education & Training	NC12 &22	17,237,000,000	3,628,349,010	20,865,349,010	20,496,923,482	-368,425,529
	Total	17,237,000,000	3,628,349,010	20,865,349,010	20,496,923,482	-368,425,529

Overview of expenditure against the final grant

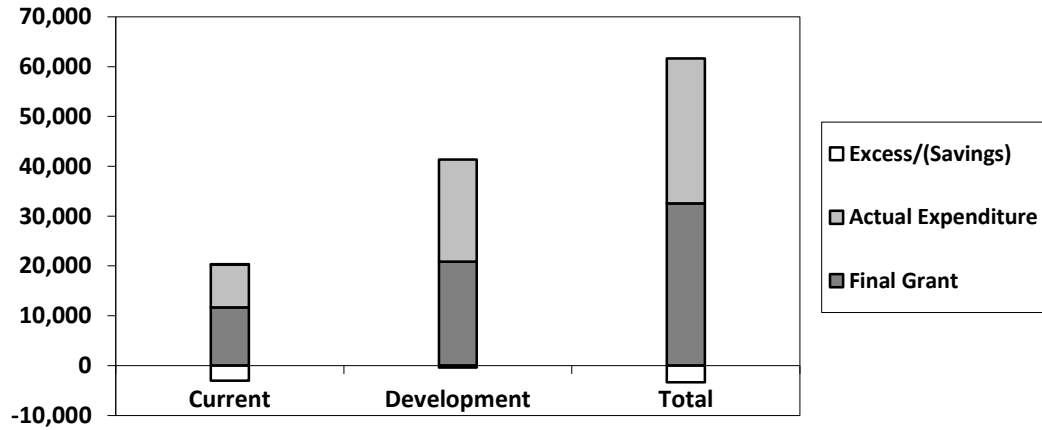
(Rs. in million)

Grant Type	Final Grant	Total Actual Expenditure	Excess/(Savings)	Variance %
Non-Development	11,659.562	8,657.779	-3,001.785	26
Development	20,865.349	20,496.923	-368.426	1.77
Total	32,524.911	29,154.702	-3,370.211	10



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Education Department administering the above grant did not surrender anticipated savings of Rs.3370.211 million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



5.3 Brief comments on the status of compliance with PAC directives:-

SNo.	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
1.	2001-02	Education	49	-	42	07
2.	2002-03	-do-	16	-	09	07
3.	2003-04	-do-	06	-	03	03
4.	2004-05	-do-	22	-	09	13
5.	2005-06	-do-	13	-	07	06
6.	2007-08	-do-	10	-	06	04
7.	2008-09	-do-	06	-	-	06
8.	2009-10	-do-	11	-	02	09
9.	2010-11	-do-	33	-	15	18
10.	2011-12	-do-	13	-	09	04
11.	2012-13	-do-	10	-	04	06
12.	2013-14	-do-	01	01	-	-

5.4 Audit Paras

5.4.1 Non-production of auditable record - Rs.4,011.923 million

According to Section 14 of the Auditor General's Ordinance 2001, no information nor any book or other documents, to which the Auditor General has a statutory right of access, may be withheld from the Audit. Any person or authority hindering the auditorial functions shall be subject to disciplinary action under relevant Efficiency and Discipline Rules applicable to such person.

During the financial year 2014-15, in the office of Project "Khyber Pakhtunkhwa Education Sector Program Elementary and Secondary Education Department, the record revealed that funds of Rs.4,011.923 million were released to the District Education Officers (Male & Female) by the provincial government for the following Parent Teacher Councils (PTCs) Projects. The DEO (Female) Peshawar was asked to produce relevant record for audit scrutiny. But, the said record was not produced. Hence, the record remained unverified and unaudited. Detail as under:-

(Rs. in million)

S.No.	Detail of PTCs funds	Amount
1	Construction of 500 Early child hood education rooms in existing primary schools in K.P	240.00
2	Construction of 500 additional class rooms in K.P.	346.011
3	Repair/Rehabilitation of 700 government primary middle high and higher secondary schools partially damage due to flood 2010 in Khyber Pakhtunkhwa	315.975
4	K.P Early childhood education Project	193.322
5	Missing facilities (under ADP schemes)	2,916.615
Total		4,011.923

The lapse occurred due to non-adherence to the provisions of the Constitution of Pakistan.

When pointed out in August 2017, it was replied that according PTC Guide Line, the PTC Funds is exempted from Audit vide Finance Department Notification No. BO.V/3-10/2006-07, dated 09.06.2007 page No. 18. However, audit of the PTC Fund will be carried out through third party validation, which has already been carried out and the report to this effect has been submitted to E & SE Department. The said Guide Line is still intact and not cancelled by the Government. The reply of the department is not tenable as the guidelines of any department cannot override the constitutional responsibilities of the Auditor General of Pakistan. In addition since the funds

are released from provincial consolidated fund hence it is auditable by the Audit under the provisions of the Constitution as well as the Ordinance as mentioned.

The observation was reported to Principal Accounting Officer vide letter dated 08.11.2017 followed by reminder dated 05.01.2018 for arranging the DAC meeting. However, the DAC meeting was not arranged till finalization of this report.

Audit stress upon production of record.

AP 190 (2014-15)

5.4.2 Embezzlement/ fraudulent drawl of funds from the bank - Rs.45.830 million

According to Para 23 of GFR Vol-1, every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part or on the part of his subordinate.

During the financial year 2013-14, in the office of Project Director Elementary Education Foundation Peshawar, Rs. 45.830 million was fraudulently drawn from Endowment Fund account maintained in Samba Bank Peshawar Cantt.

The embezzlement occurred due to weak internal controls and financial mismanagement.

When pointed out in August 2017, the Management replied that the case is under investigation in Ehtesab Commission while Secretary E&SE and all the stakeholders are updated of the process of the case including State Bank, FIA and Peshawar High Court.

The observations were reported to Principal Accounting Officer vide letter dated 04.12.2017 followed by reminder dated 05.01.2018 for arranging the DAC meeting. However, the DAC meeting was not arranged till finalization of this report.

Audit recommends inquiry, fixing of responsibility and recovery.

AP 196 (2013-14)

5.4.3 Embezzlement due to non-payment of stipends to the girls students-Rs.2.916 million

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

During the financial year 2015-16, in the office of the Project Coordinator for “Provision of Stipends to Girls Students of KP” Elementary & Secondary Education Department, it was revealed that stipends amounting to Rs.2.808 million were not paid to the girls students of GGHSS Kotkai Upper Dir and were embezzled by the Postman with the help of the Principal of the school. Similarly, 45 girl students of class 10th of the same school were also not paid 2nd installment of stipends amounting to Rs.108,000 as Actual Payees Receipts of the students were not provided to Audit. Thus, Rs.2.916 million was embezzled and needs recovery from the person(s) at fault.

The embezzlement occurred due to weak internal controls and financial mismanagement, which deprived the students from stipend released by the government.

When pointed out in June 2017, the project management furnished no reply.

The observation was reported to Principal Accounting Officer vide letter dated 05.12.2017 followed by reminder dated 05.01.2018 for arranging the DAC meeting. However, the DAC meeting was not arranged till finalization of this report.

Audit recommends fixing responsibility and recovery of the embezzled amount.

AP 138 (2015-16)

5.4.4 Loss due to non-recovery of expenses from the defaulting professors – Rs.15.826 million

According to clause (viii) of the agreement executed with the Scholars, “the scholar shall return to Pakistan immediately after the completion of the approved course for which he/she was sent abroad and shall serve in Pakistan/his parent department as the case may be for a period of five years. In case of breach of any of the terms and conditions of the agreement, the

guarantor is bound to pay all the expenses incurred on the scholar by the Govt”.

During the financial year 2015-16, in the Directorate of Higher Education (Colleges) Peshawar, four Professors/Lecturers were granted merit scholarship for acquiring Ph.D degree from Foreign Universities/Local Institutions. They were paid their salaries and scholarships amounting to Rs.15.825 million for their study. Three scholars left their parent departments before completing five years’ service after their Ph.D degrees. The forth one did not qualify the course.

Audit held that as they have breached conditions of their agreements therefore, the expenditure incurred on their studies should be recovered according to the agreement. Detail is given below:

Employee Name	Designation	Course Name	Expenditure (Rs)
Muhammad Naeem	A.P PG College Mardan	Ph.D in Maths from U.K	4,138,816
Ibrahim Qazi	Professor PCG Mardan	Ph.D in Physics from Sheffield U.K	3,360,182
Marjanud Din	Professor PCG Swabi	Ph.D in Mats from USA	6,363,966
Rafiullah	Lec: PGC Saidu	Abdul Salam School of Maths Punjab	1,962,593
Total			15,825,557

The loss to the public exchequer occurred due to weak internal controls.

When pointed out in June, 2017, the management furnished no reply.

The observation was issued to department vide this office letter dated 23.08.2017 with request for arranging the DAC meeting however DAC meeting was not arranged till finalization of this report.

Audit stress upon recovery.

APs 629, 630, 634 & 640 (2015-16)

5.4.5 Loss due to non- recovery of embezzlement - Rs.7.12 million

According to the Govt of Khyber Pakhtunkhwa Higher Education Department letter No. SO(C-IV) HE/ 19-1/Ministerial staff dated 12/5/2016 &No.23566-67/CA-V11/ Estt: Branch/A-167 dated 5/9/2016 as a result of inquiry recovery was ordered from some officers/officials involved in the embezzlement of funds.

During the financial year 2015-16, in the Govt. Degree College Agra, Malakand Agency and Govt. Degree College Kabal, Swat under the Directorate of Higher Education (Colleges) Peshawar, Rs.7,121,116/- was embezzled by Officers/Officials of the department during the period from 2004 to 6/2011 as confirmed in the inquiry conducted &following officers/officials were found involved in the embezzlement and recovery was ordered.

SNo	Name /Designation	Amount (Rs)
1	Muhammad Khalid S/Clerk, Directorate Higher Education, Peshawar	75,425
2	Muhammad Rehman Lab Asstt GDC Malakand	4,168,355
3	Prof: Hidayatullah, Ex Principal DDO GDC Agra	321,180
4	Prof: Fazal Wahid, Ex Principal GDC Agra Mkd	321,180
5	Muhammad Pervaiz S/Clerk, GDC Agra Mkd	321,180
6	Mr. Amanullah S/Clerk GC Kabal Swat	1,913,796
	Total	7,121,116

However, no recovery was effected till finalization of this report.

The irregularity occurred due to financial mismanagement.

When pointed out in June 2017, the management furnished no reply.

The observation was issued to department vide letter dated 23.08.2017 with request for arranging the DAC meeting however DAC meeting was not arranged till finalization of this report.

Audit stress upon recovery and fixing of responsibility against the person(s) at fault.

APs 627 & 639(2015-16)

5.4.6 Loss due to purchase of IT equipments at higher rate than approved PC-1 rate - Rs.2.563 million

According to Para 11 of GFR Vol.-I, each head of the department is responsible for enforcing financial order and strict economy at every step.

During the financial year 2014-15 & 2015-16, in the office of Vice Chancellor Haripur University M/S Astronotech was paid Rs.2,863,129 vide cheque No.9323113, dated 22.04.2014 for supply of Router to IT Department against the PC 1 provision of Rs.300,000 (100,000*3) This resulted in excess payment of Rs.2,563,129.

The lapse occurred due to weak financial controls.

When pointed out in February 2017, it was stated that reply will be submitted later on.

In DAC meeting held in November 2017, it was decided that provision for Router in PC-I was only Rs.300,000 for this purpose, hence recovery of Rs.2,563,129 should be made. However, no progress was intimated till finalization of this report.

Audit stress upon recovery.

AP 395 (2015-16)

5.4.7 Loss due to unauthorized drawl of Conveyance Allowance - Rs.2.174 million

According to Govt. of Khyber Pakhtunkhwa Finance Department instructions vide letter FD(SOSR-II)/8-52/2013 dated 02.03.2013 and Peshawar High Court decision dated 28.02.2013 in write petition No.304-P/2013, the staff living within the Office premises are not entitled to conveyance allowance.

During the financial year 2014-15 & 2015-16, in the Office of Vice Chancellor, Haripur University various employees were allotted residential accommodations within the University premises. They were paid Rs.2,174,790 on account of their conveyance allowance. As they were not entitled to conveyance allowance hence resulted in loss to the University.

The irregularity occurred due to non-adherence to financial rules and weak internal controls.

When pointed out in February 2017, the management stated that reply will be submitted later on.

In the DAC meeting held in Nov 2017, it was directed that the conveyance allowance should be recovered. However, no progress was intimated till the finalization of this report.

Audit stress upon recovery.

AP 353 (2015-16)

5.4.8 Loss due to non-recovery of lease money - Rs.1.896 million

According to condition No.03 of the lease order, the leasee will pay Rs.15,000 Per jerab or Rs.3750 per Kanal per year to the University.

During the financial year 2015-16, in Bacha Khan University, Charsadda, it was noticed that 407 kanal land was leased out during 2014-15 @ Rs.15,000 per jerab. However, an amount of Rs.1.896 million was not recovered which resulted in loss to University. (Detail as Annex-G)

The lapse occurred due to weak internal controls and financial mismanagement.

When pointed out in April 2017, it was stated that detail reply will be furnished after consulting the relevant record.

In the DAC meeting held in Jan 2018, it was decided that recovery be made. However, no progress was intimated till finalization of this report.

Audit recommends implementation of DAC decision.

AP 573 (2015-16)

5.4.9 Loss due to allowing special package to Vice Chancellor- Rs. 1.359 million

According to the Govt. of Khyber Pakhtunkhwa, Higher Education Deptt: Notification No. SO (U-I) HE/15-1/2012 dated 20.04.2012, the salary package of Vice Chancellor / Director will include all allowances/expenses. The incumbent will not be entitled to any other allowance.

During the financial year 2014-15 & 2015-16, in University of Swabi, payments to the extent of Rs.1,359,000 @ Rs.54,000/Rs.63,000 per month were made to the Vice Chancellor on account of special Package for Mess charges which was unauthorized. Therefore, loss of Rs.1,359,000 was sustained by the university exchequer which needs recovery.

(Rs)

S.No	Financial year	Amount paid	Remarks
1	2014-15	711,000	@ 54,000x11 @ 63,000x01
2	2015-16	648,000	@ 54,000x12
	Total	1,359,000	

The loss occurred due to financial indiscipline and weak internal controls.

The matter was reported to the management in March, 2017. The management stated that legal position of the expenditure will be ascertained.

The observation was communicated vide letters dated 13.04.2017, dated 25.08.2017 and dated 30.10.2017 for arranging the DAC meeting but the DAC meeting was not convened till finalization of this report.

Audit stress upon recovery.

AP 431 (2015-16)

5.4.10 Non-recovery of liquidated damages from the scholar-Rs.11.35 million

According to clause 4&6 of Surety Bond, the officer shall be bound to serve the university for a period of 5 years after his/her return from abroad on successful completion of study of training and in case of breach of contract agreement, liquidated damages is recoverable from the scholar.

During the financial year 2014-15, in University of Peshawar, Ms. Fardah Shahid (Faculty Development Program) was selected for scholarship in Biotechnology at University of Glasgow under the Project, "Strengthening & Enhancement of Academic Provision in the Faculty of Life & Environmental Sciences". However, the scholar did not complete her studies therefore, Rs.11.34 million were recoverable as liquidated damages in compliance of provision in the Surety Bond. However, no recovery has been effected.

The lapse occurred due to weak internal controls.

When pointed out in June 2017, the management furnished no reply.

In the DAC meeting held in Feb 2017, it was decided that recovery should be made. No progress was intimated till finalization of this report.

Audit stress upon recovery and inquiry for fixing responsibility.

AP 505(2014-15)

5.4.11 Un-authorized payment of salaries - Rs.1.352 million

According to the Haripur University Syndicate meeting held on 20.8.2014, Ex-Deputy Provost University of Haripur, Mr.Riaz Muhammad was allowed to re-join the Haripur University without regularizing his absent period.

During the financial years 2013-14, 2014-15 & 2015-16, in University of Haripur, Mr. Riaz Mohammad, Ex-Deputy Provost University of Haripur was relieved on 25.03.2014 to join Hazara University, Mansehra on his own request approved by the Chancellor. He remained absent & joined back the university on 23.09.2015. The university paid him salary for the whole absent period amounting to Rs.1,352,054 vide cheque No.50933159 dated 27.10.2015.

Audit held that as the officer remained absent therefore he was not entitled to draw the salary of his absent period. Hence, the payment of Rs.1,352,000 made is unauthorized and needs recovery.

The lapse occurred due to financial indiscipline.

When pointed out in February 2017, it was stated that reply will be submitted later on.

The DAC in its meeting held in Nov 2017, it was directed that recovery should be made. However, no progress was intimated till finalization of this report.

Audit recommends implementation of the DAC's directives.

AP 355 (2015-16)

5.4.12 Non-deduction of stamp duty- Rs.6.783 million

According to notification issued by Revenue & Estate Department KP vide No.AS(S)3/240/2014-15/310-70 dated 06/01/2015, stamp duty @ 1% shall be charged on purchase of all kind of stores.

During the financial year 2014-15 and 2015-16, in the office of the Project Director Pakhtunkhwa Education Sector Program, expenditure to the tune of Rs.678,264,105 was incurred on the purchase school furniture by District Education Officers. 1% stamp duty amounting to Rs.6,782,640 was not deducted from the contractors/ suppliers in violation of above mentioned notification causing loss to public exchequer.(Annex-H)

When pointed out in February 2017, the management furnished no reply.

The observation was reported to the Principal Accounting Officer vide letters dated 17.11.2017 and dated 05.01.2018 for arranging the DAC meeting. However, DAC meeting was not arranged till finalization of this report.

Audit stress upon recovery of stamp duty and its crediting to government account.

AP 167 (2014-15)

5.4.13 Non-deduction of income tax - Rs.18.355 million

According to Finance Act 2014, circulated vide letter No.RTO/(WHU-I)/23dated 24.7.2014, income tax @ 4.5% shall be deducted from the suppliers other than company.

During the financial year 2014-16, record of the project “Khyber Pakhtunkhwa Education Sector Program” revealed that an expenditure of Rs.1,010,710,000 was incurred on the purchase of school furniture by District Education Officers. However, income tax was either not deducted or less deducted causing a loss of Rs.18,354,593 to public exchequer.(Annex-I)

The lapse occurred due to weak internal controls, financial mismanagement and violation of the rules.

When pointed out in February 2017, the management furnished no reply.

The observation was reported to Principal Accounting Officer vide letter dated 17.11.2017 and dated 05.01.2018 for arranging the DAC meeting. However, the DAC meeting was not arranged till finalization of this report.

Audit stress upon recovery of income tax and its crediting to government account.

AP 168 (2014-16)

5.4.14 Non-deduction of House Rent- Rs.2.021 million

According to the standing orders of the Government of KP, the Government servants who have been provided with official accommodation, are not entitled for the drawl of House Rent Allowance (HRA) and 5% of their pay will also be deducted as maintenance charges.

During the financial year 2014-15 and 2015-16, in Haripur University, it was noticed that various employees of the University were provided residential accommodations, but house rent and 5% maintenance charges were not deducted from them. Thus, the University sustained a loss of Rs.2,021,550.

The irregularity occurred due to non-adherence to financial rules.

When pointed out in February 2017, the management stated that reply will be submitted later on.

In DAC meeting held in Nov 2017, it was decided that the house rent allowance be recovered. However, no progress was intimated till the finalization of this report.

Audit recommends to implement DAC's decision.

AP 354 (2015-16)

Chapter – 6

Energy & Power

6.1 Introduction

As per Rules of Business 1985 (amended to-date), the department has been assigned the business of:

- ❖ All relevant matters under Articles 154, 157, 158 & 161 of the Constitution and framing policies for the Province in their respect.
- ❖ Grant and revocation of licenses to the private electric undertaking, certificates of competency to electrical supervisors and licenses to electric contractors under the Electricity Act, 1910.
- ❖ Levy and collection of electricity duty under West Pakistan Finance Act, 1964.
- ❖ Monitoring of tariff of PESCO vis-à-vis other DISCOs for regulation of tariff.
- ❖ Administration of Pakhtunkhwa Energy Development Organization Act.
- ❖ All matters pertaining and auxiliary to hydel power stations of WAPDA or any other public/private sector agency located in KPK.
- ❖ Advising the Provincial Government on thermal, solar, wind, coal, nuclear, solar and any other kind of energy and power generation.
- ❖ Close coordination with the Federal Govt. in respect of grant of licenses for oil and gas exploration in KPK and cooperation with such companies and organizations undertaking such ventures in KPK.
- ❖ Matters relating to extension of gas by SNGPL in KPK.
- ❖ Matters relating to tariff on gas/CNG/petroleum products, royalty on gas and oil, gas development surcharge.

- ❖ Planning, designing and erection of Power generation units and supply of electricity load to the province as per its requirement.
- ❖ Representation of the Province on the boards of Directors of PESCO and other DISCOs in view of hydro electricity as major contributor to, and source of, energy.
- ❖ Formulate, regulate and review Provincial Power Policy.
- ❖ Investigation into fatal and non-fatal accidents due to electrocution

6.2 Comments on budget and accounts (variance analysis)

Summary of the Appropriation Accounts:

A summary of grants/appropriations and actual expenditure in financial year 2016-17 is given below:

Non-Development

							(Rs.)
Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)	
44-Energy & Power	NC21	68,226,000	4,486,000	72,712,000	55,576,633	-17,135,367	
Total		68,226,000	4,486,000	72,712,000	55,576,633	-17,135,367	

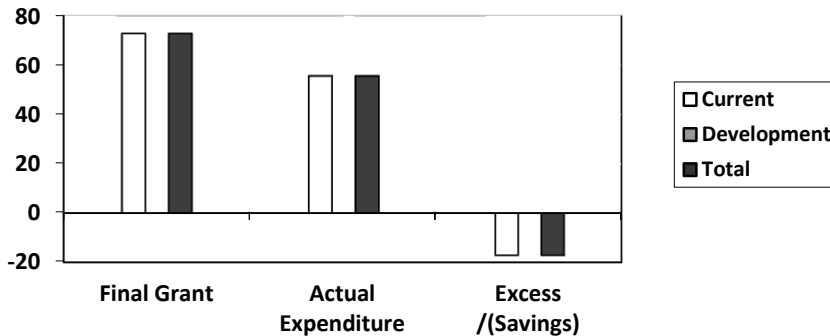
Development

							(Rs.)
Grant # (Prov) NC12 & 22 and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)	
Energy & Power	NC22	0	0	0	0	0	
	NC12	0	0	0	0	0	
Total		0	0	0	0	0	

Overview of expenditure against the final grant

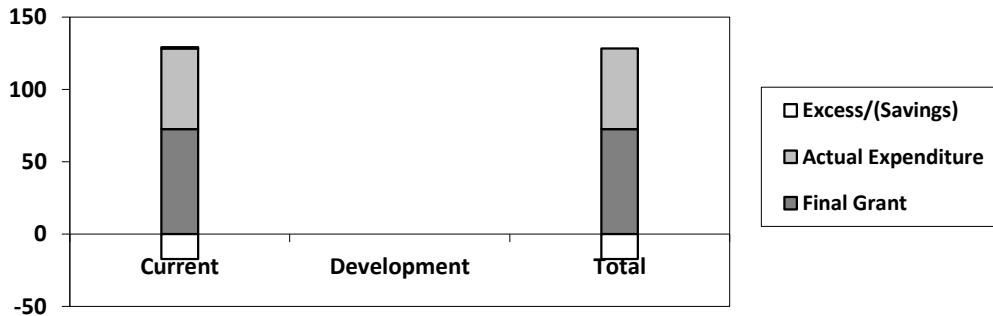
(Rs. in million)

Grant Type	Final Grant	Actual Expenditure	Excess/(Savings)	Variance %
Non-Development	72.712	55.576	-17.135	24
Development	0	0	0	
Total	72.712	55.576	-17.135	24



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol-I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Energy & Power Department administering the above grant did not surrender anticipated savings of Rs17.135 million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



6.3 Brief comments on the status of compliance with PAC directives:-

S#	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
1.	2010-11	Energy & Power	02	-	-	02
2.	2011-12	-do-	09	-	05	04
3.	2012-13	-do-	01	01	-	-

6.4 Audit Paras

6.4.1 Wasteful expenditure due to non-functioning of the completed Mini-Micro Hydro Power Stations- Rs 3,181.434 million

According to PC-I of the Project, construction of 356 Mini-Micro Hydropower Project in Northern Districts of KP, 356 Mini-Micro Hydropower Projects is to be completed at a cost of Rs.5,524.832 million with annual revenue of Rs.810.36 million.

During the financial year 2015-16 & 2016-17, in the project “356 Mini-Micro Hydropower Stations” under the control of PEDO Peshawar, it was observed that 205 mini power stations incurring expenditure of Rs.3,181.34 million were completed. However, till the date of audit all these completed power stations were non-functional resulting in loss of public expenditure. (Annex-J)

The lapse occurred due to poor management.

When pointed out in Dec 2017, the management furnished no reply.

The department was requested vide letter dated 04.01.2018 to convene DAC meeting, however, no DAC meeting was held till the finalization of this report.

Audit recommends inquiry and fixing responsibility.

AP 203(2016-17)

6.4.2 Loss due to less recovery of electricity charges from WAPDA- Rs.184.503 million

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

During the financial year 2014-15, in the Pakhtunkhwa Energy Development Organization (PEDO), it was noticed that Pehur Power Complex exported 48351240 units of the energy to WAPDA and the WAPDA paid rate

of Rs. 1 per unit despite the fact that NEPRA has approved rate of Rs. 4.8159 per unit for the first ten years including the year under audit.

Due to less recovery of Electricity charges public exchequer was put to a recurring loss of Rs 184.503 million per annum.

The lapse occurred due to financial mismanagement and weak internal controls.

When pointed out in June 2016, the management replied that due to the non-signing of Power Purchase Agreement, PESCO paying interim payment of Rs 1.0 KWH as per pre COD rate. When PEDO import electricity from PESCO during closure times, PESCO provide electricity from the national pool, therefore the energy consumed by Peshawar HPC will be charged as per PESCO Unit slab to maintain their cash flows. It's not possible to deduct import energy with Export energy; PESCO follows their payment slabs and deduct as approved by NEPRA. Reply is not satisfactory because neither the claims of the PESCO were checked nor amount collected as per approved tariff.

In the DAC meeting held in July 2017, the department informed that the power purchase agreement has been signed with the Federal Government and the difference will be recovered. Neither recovery has been made nor shown to audit till finalization of this report.

Audit stress upon recovery.

AP 636 (2014-15)

6.4.3 Loss due to Non/Less Realization of Income tax - Rs.176.96 million

According to the FBR notification duly endorsed by the Deputy Commissioner (IR) Withholding Unit –II Regional office No.WHU-II/RTO-PR/2015-16/469 dated 26/11/2015, Income Tax from contractors is required to be deducted at 7.5% ratio.

During the financial year 2015-16 & 2016-17, in the various projects of PEDO Peshawar it was observed that income tax was less/non deducted from the contractors/consultants as detailed below:

(Rs)

Name of Project	Name of firm	Date/upto	Expenditure	Required 7.5%	Deducted 7%	Difference
Koto HPP	Contractor	31/8/17	4,021,858,965	301,639,423	281,530,128	2,324,4829
Karora HPP Shangla	GRC Tried JV	30/6/17	43,6374,687	3,272,8102	0	3,272,8102
Mataltan HPP 84 Mw	Barqab Consulting	2015-16	14,266,259	106,9970	0	106,9970
Mataltan HPP 84 Mw	Contractor	30/6/17	8,843,297	66,3247	0	66,3247
Mataltan HPP 84 Mw	Barqab Consulting	2016-17	139,2619,111	10,444,6433	0	10,444,6433
Solarization of villages	Barg Engineering	2015-17	197,472,000	14,810,400	0	1,481,0400
						176962981

Audit held that recovery of income tax was required in light of rule *ibid*.

Due to non/ less recovery of income tax public exchequer was put to a loss of Rs 176.962 million.

The loss occurred due to weak internal control and extending undue favor to the contractors/consultants.

When pointed out in Dec, 2017, the management did not reply.

The department was requested vide letter dated 04.01.2018 to convene a DAC meeting but no DAC meeting held till the finalization of this report.

Audit stress upon recovery of income tax.

APs 205, 207, 215, 217 & 223 (2016-17)

6.4.4 Non-recovery of outstanding dues against central power purchasing agency WAPDA - Rs. 2,192.836 million

According to clause 9.5(a)(b), 9.6 (h) and 9.9 of power purchase agreement relating to 81.48 MW Malakand III Hydro Electric Power Generation Complex at Dargai KP between National Transmission and Despatch company limited through its Central Power Purchase Agency on behalf of Ex-Wapda Distribution Companies and Sarhad Hydel Development Organization, the power purchaser shall pay the Power Seller, the amount shown on an invoice within 30 days after its receipt.

During the financial year 2016-17, record of Pakhtunkhwa Energy Development Organization (PEDO) revealed that a sum of Rs 2,192.836 million of Malakand-III Hydro Electric Power General complex from July 2011 to June 2013 was outstanding against Central Power Purchase Agency (CPPA) on account of power purchase. No strenuous efforts were made to recover the long outstanding dues.

Audit held that due to non-recovery of outstanding dues from WAPDA provincial exchequer was put to a loss of Rs 2192.836 million.

The lapse occurred due to mismanagement and weak internal control.

Non-recovery was pointed out in November in 2017, the department replied that CPPA has not yet honored PEDO bills, however, efforts are underway to fulfill the required formalities of CPPA and the outcome would be share with audit.

The department was requested vide letter dated 04.01.2018 for holding of the DAC meeting, however DAC meeting was not convened till finalization of this report.

Audit stress upon recovery.

AP 230(2017-18)

6.4.5 Non-deposit of Government Revenue - Rs 51.43 million

According to para 28 of GFR Vol-I, all the money received by government on account of revenue should immediately be deposited in to government treasury and shall be included into the consolidated funds.

During the financial year 2016-17, in the office of Project Director Mini Micro Hydro Power Project under PEDO Peshawar, it was noticed that Sales Tax to the tune of Rs.51.43 million was deducted from the payments of the contractors/consultants but the amount was not deposited into government treasury. (Annex-K)

Audit held that due to non-deposit of sales tax into government treasury public exchequer was put to a loss of Rs.51.43 million.

The lapse occurred due to financial mismanagement.

When pointed out in Dec 2017, the management furnished no reply.

The department was requested vide letter dated 04.01.2018 to convene a DAC meeting but no DAC meeting held till the finalization of this report.

Audit recommends depositing of Rs.51.43 million into government revenue.

AP 209 (2016-17)

6.4.6 Non-deduction of DPR fund - Rs.15.30 million

According to Directorate of Social Welfare & Women Development Department Peshawar letter No.DAB/12/Mardan/13167-81 dated 31-10-2012 and Section-11 of the Disabled Person (Employment and Rehabilitation Ordinance 1981 and Rules 1991), DPR fund @ of Rs 2000/- per 1 million is to be recovered from the contractors.

During the financial years 2015-16 and 2016-17, in various projects of PEDO Peshawar, it was observed that Rs.7650.695 million was paid to contractors and consultants as detailed below.

(Rs)

SNo	Name of Project	Payment	Amount
1	Electrification of un electrified villages through Solar Energy, Phase-II	194,023,000	388,000
2	Electrification of un electrified villages through Solar Energy, Phase-I	6,000,000	12,000
3	O&M Machai	17,436,163	34,000
4	Koto HPP	3,341,901,396	6,682,000
5	Korara HPP	595,390,694	1,190,000
6	Mini Micro HPP	2,282,768,185	4,564,000
7	Mataltan HPP	1,213,176,019	2,426,000
	Total	7,650,695,457	15,296,000

However, deduction for DPR fund was not made from bills of the contractors/consultants.

The lapse occurred due to weak financial management.

Due to non-recovery of DPR fund the contractor/consultants were overpaid for Rs.15.30 million and the disable persons were deprived of the relief & rehabilitation activities.

Audit held that overpayment was made to the contractor/consultants due to weak internal control.

When pointed out in Dec 2017, the management furnished no reply.

The department was requested vide letter dated 04.01.2018 to convene DAC meeting but no DAC meeting held till the finalization of this report.

Audit stress upon recovery from the contractors/consultants.

AP 219 (2016-17)

Chapter – 7

Environment Department

7.1 Introduction

As per Rules of Business 1985 (amended to-date), the department has been assigned the business of :

❖ Environment:

- Environmental protection;
- Energy conservation

❖ Forests:

- Forest settlement.
- Afforestations
- Range management.
- Erosion.
- Denudation.
- Cooperatives in Guzara Forests.
- Ecology and Environmental factors.
- Watershed Management.
- Applied Research in forestry.
- Forest Training.

❖ Wildlife:

- Protection, preservation, conservation and management of wildlife including all matters falling within the purview of the North-West Frontier Province Wildlife (Protection, Preservation, Conservation and Management) Act, 1954, (NWFP Act V of 1975).
- Habitat improvement.
- Conservation education and training.
- Applied research on wildlife and its habitat

7.2 Comments on budget and accounts (variance analysis)

Summary of the Appropriation Accounts:

The summarized position of actual expenditure 2015-16 against the total of grants/appropriation was as follows:

Non Development

(Rs.)

Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual expenditure	Excess / (Savings)
21-Environment and Forestry	NC21	1,996,922,000	72,078,000	2,069,000,000	16,703,54,313	3986,45,687
22-Forestry (Wild Life)	NC21	395,280,000	29,720,000	425,000,000	403,356,934	216,43,066
Total		2,392,202,000	101,798,000	2,494,000,000	2,073,711,247	420,288,753

Development

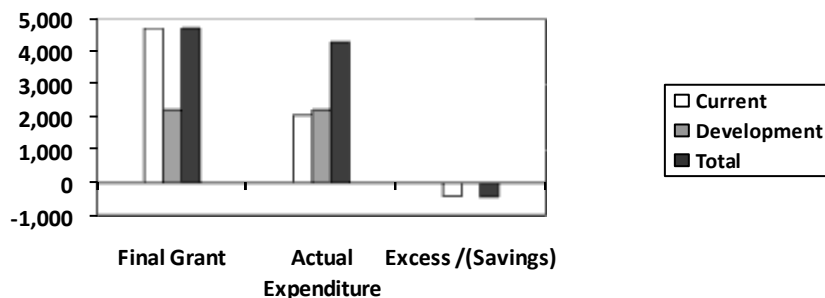
(Rs.)

Grant # 50 (Prov) NC 12 and Name of Department	Grant Type	Original Grant	Supplementary Grant/Re-appropriation	Final Grant	Total Actual Expenditure	Excess / (Savings)
Environment	NC22	57,000,000	24,330,000	32,670,000	32,654,853	-15,147
Forestry	NC22	1,997,000,000	197,185,000	2,194,185,000	2,192,068,559	-2,116,441
Forestry	NC12	10,000,000	6,309,000	3,691,000	3,691,000	0
Total		2,064,000,000	227,824,000	2,230,546,000	2,228,414,412	-2,131,588

Overview of expenditure against the final grant

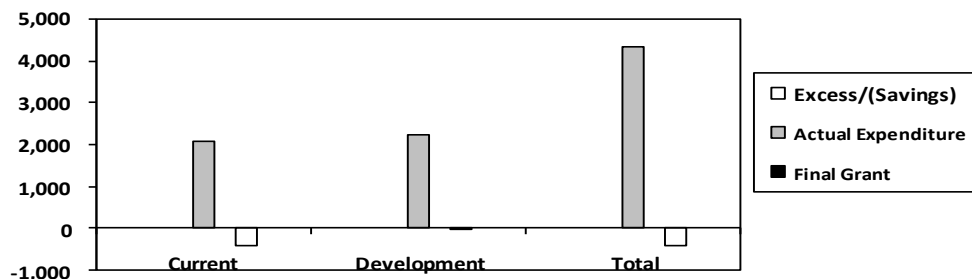
(Rs. In million)

Grant Type	Final Grant	Total Actual Expenditure	Excess/(Savings)	Variance %
Non-Development	2,494.000	2,073.711	-420.289	17
Development	2,230.546	2,228.414	-2.132	01
Total	4,724.546	4,302.125	-422.421	9



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Environment Department administering the above grant did not surrender anticipated savings of Rs.422.421million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



7.3 Brief comments on the status of compliance with PAC directives:-

SNo.	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
1.	2001-02	Environment	31	-	19	12
2.	2002-03	-do-	10	-	09	01
3.	2003-04	-do-	12	-	07	05
4.	2004-05	-do-	29	-	13	16
5.	2005-06	-do-	18	-	06	12
6.	2007-08	-do-	07	-	03	04
7.	2008-09	-do-	09	-	03	06
8.	2009-10	-do-	10	-	06	04
9.	2010-11	-do-	22	-	13	09
10.	2011-12	-do-	03	-	01	02
11.	2012-13	-do-	05	-	01	04
12.	2013-14	-do-	14	02	-	12

7.4 Audit Paras

7.4.1 Loss due to not reporting 5518.55 cft missing timber - Rs.10.579 million

Para 148 of General Financial Rules (GFR) Vol.-I provides that all material received should be examined, counted, measured, weighed as the case may be, when delivery is taken, and they should be taken on charge by a responsible government officer who should see that quantities are correct and their quality is good, and record a certificate to that effect

During the financial year 2015-16, in the office of Divisional Forest Officer Siran Mansehra, it was noticed that various court cases were decided in favor of the department. However, the record of the case property i.e. timber 5518.55 cft amounting to Rs.10.579 million was not shown and taken in concerned timber form 17 and timber form 07. (Annex-L)

Audit held that non-reporting of timber amounting to Rs.10.579 million resulted in loss to government.

The lapse occurred due to weak internal controls.

When pointed out in May 2017, it was replied that reply will be submitted later on.

In the DAC meeting held in Nov 2017, it was decided that the relevant record be verified from audit, however no progress was shown till finalization of this report.

Audit recommends investigating the matter and fixing responsibility.

AP 233 (2015-16)

7.4.2 Loss due to non-recording of 1160.35 cft timber - Rs.3.218 million

Para 23 of the GFR Vol-I requires that every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

During the financial year 2015-16, in the office of DFO Upper Dir, it was noticed that in confiscation case register the damage reports against various offenders were registered. However, neither the collected penalties were deposited in government treasury nor the quantity of damaged timber

recorded in timber register resulting in loss of Rs.3.218 million to government exchequer. (Annex-M)

The lapse occurred due to weak internal controls.

When pointed out in December 2016, the management stated that detailed reply will be given later on.

In the DAC meeting held in Nov 2017, it was decided to recover the amount. However, no progress was intimated by department till finalization of report

Audit recommends implementation of DAC decision.

AP 41 (2015-16)

7.4.3 Loss due to illicit cutting of 1421 trees 49728 cft Timber - Rs.89.510 million

Para 23 of the General Financial Rules Volume I requires that every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

During the financial year 2015-16, in the office of Divisional Forest Officer Siren Mansehra, it was noticed that an enquiry was conducted against the officers/officials of the local office for involvement in illicit cutting of 1421 trees measuring 49728 cft amounting to Rs.89.510 million in area of Mussar resulting in loss to the government.

The lapse occurred due to weak internal controls.

When pointed out in May 2017, the management furnished no reply.

In the DAC meeting held in Nov 2017, it was held that the case is already taken by anti-corruption department. Para stands till final decision of the case.

Audit stress upon recovery.

AP 232 (2015-16)

7.4.4 Less crediting of Government share to revenue- Rs. 122.434 million

According to Article 118 of the Constitution of Islamic Republic of Pakistan, Rule-7 of the Treasury Rules and Rule 26 of GFR Vol-I, all moneys received by or rendered to the Government Officers on account of revenues should be deposited in Government treasury in full without any delay and included in the Provincial Consolidated Fund.

During the financial year 2016-17, in the office of the Secretary Environment Department, the Appropriation Account revealed that Forest Development Corporation (FDC) has made payment of Rs. 171.261 million to Forest Department on account of 40% Government share in the timber auctioned whereas the Environment Department has credited Rs. 48.827 million under object head C03301 (Timber removed by FDC 40% Government share). Thus, Rs. 122.434 million was less credited to Government revenue which needs deposit into the government treasury.

Year	Payment shown by FDC under 40% share	Receipts under Timber Removed by FDC	Difference
2016-17	171.261	48.827	122.434
		Total	122.434

Less crediting of Government share to revenue occurred due to violation of rules.

When pointed out in 10.2017, it was replied that the Chief Conservator of Forests Malakand Forest Region-III Swat has been requested to justify the difference of Rs.122.434 million. The reply to the observation will be furnished to Audit when received from the office concerned.

The observation was discussed in the DAC meeting held on 30.10.2017 and it was decided that the position may be reconciled with FDC within three days.

The Department intimated that out of Rs. 171.261 million 50% i-e Rs.85.630 million were credited to Forest Development Fund (FDF), Rs.48.827 million has already been deposited and booked during the financial year 2016-17, while Rs. 36.806 million will be booked during the financial year 2017-18. However, no record in support of the reply produced.

Audit recommends crediting of Rs. 122.434 million into Government revenue.

AP 1.1.3 (2016-17)

Chapter – 8

Food Department

8.1 Introduction

As per Rules of Business 1985 (amended to-date), the department has been assigned the business of:

- ❖ Food procurement, rationing and distribution.
- ❖ Storage of food grain.
- ❖ Control over the price and distribution of sugar-cane.
- ❖ Control over the price and distribution of sugar and other matters under the Sugar Factories Control Act, 1950.
- ❖ Implementation of Sugarcane Development Cess Rules, 1964.
- ❖ Civil Supplies.
- ❖ Price of food items.
- ❖ Service matters, except those entrusted to the Establishment and Administration Department.

8.2 Comments on budget & accounts (variance analysis)

Summary of the Appropriation Accounts

A summary of the grants/appropriation allocated to Food Department and expenditure by the department in FY 2016-17 is given below:

Non-Development

							(Rs.)
Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)	
35-Subsidies Food	NC21	2,900,000,000	0	2,900,000,000	2,900,000,000	0	
49-State Trading in Food Grain & Sugar	NC11	85,805,000,000	30	85,805,000,030	18,292,912,955	-67,512,087,075	
	NC14	1,100,000,000	0	1,100,000,000	32,465,174	-1,067,534,826	
Total		89,805,000,000	30	89,805,000,030	21,225,378,129	-68,579,621,901	

Development

(Rs.)

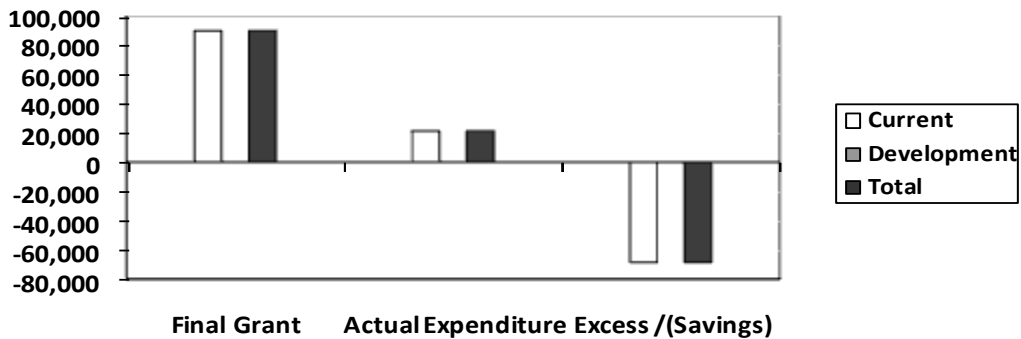
Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
Food (Wheat)	NC22	24,653,000	12,573,850	12,079,150	12,063,827	15,323
041401-Food (Wheat)	NC 12	707,347,000	669,913,150	137,433,850	137,433,850	0
Total		732,000,000	682,487,000	149,513,000	149,497,677	15,323

Overview of Expenditure against the Final Grant

(Rs. in million)

Grant Type	Final Grant	Total Actual Expenditure	Excess/(Savings)	Variance %
Non-Development	89,805.000	21,225.378	-68,579.622	76
Development	149.513	149.498	-0.015	0

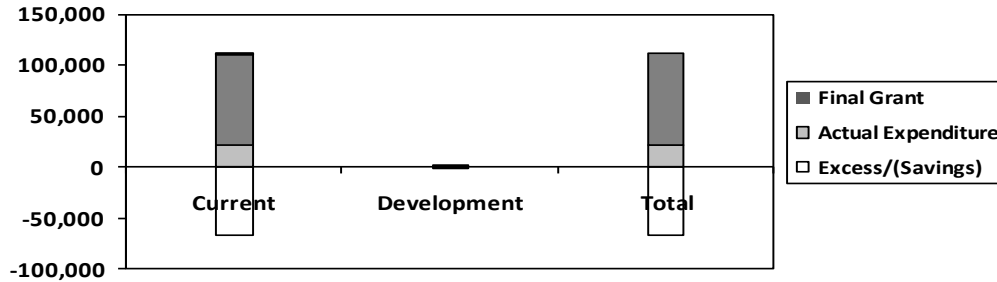
Total	89,954.513	21,374.876	-68,579.637	76
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Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case.

The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Food Department administering the above grant did not surrender anticipated savings of Rs.68,579.637million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



8.3 Brief comments on the status of compliance with PAC directives:-

SNo.	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
1.	2001-02	Food	21	-	12	09
2.	2002-03	-do-	12	-	07	05
3.	2003-04	-do-	02	-	-	02
4.	2004-05	-do-	11	-	08	03
5.	2005-06	-do-	02	-	-	02
6.	2007-08	-do-	05	-	04	01
7.	2008-09	-do-	10	-	08	02
8.	2009-10	-do-	15	-	07	08
9.	2010-11	-do-	40	-	13	27
10.	2011-12	-do-	12	-	09	03
11.	2012-13	-do-	06	06	-	-
12.	2013-14	-do-	10	06	-	04

8.4 Audit Paras

8.4.1 Loss due to less deposit of sale proceeds of wheat - Rs 8.733 million

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

During the financial year 2015-16, in the office of Storage & Enforcement Officer Peshawar, it was noticed that sale proceeds of wheat amounting to Rs 8.733 million was less deposited by the Flour Mill Owners resulting in loss to Government. (Detail annex- N)

Less deposit of sale proceeds occurred due to weak internal controls and non-observance of rules resulting in loss of Rs.8.733 million to government.

When pointed out in May 2017, it was stated that detailed reply will be furnished later on after consulting the original record.

The observation was intimated to the department vide letter dated 05.01.2018 for holding of DAC meeting however DAC meeting was not convened till finalization of this report.

Audit stress upon recovery.

AP 140 (2015-16)

8.4.2 Non-recovery of outstanding dues on account of wheat supplied to FATA - Rs.1,704.245 million

According to para 26 of GFR Vol-I, it is the duty of the departmental controlling officer to see that all sums due to government are regularly and promptly assessed, realized and duly credited in the Public Account.

During the financial year 2015-16, in the office of District Food Controller, D.I.Khan, it was observed that from 1990-91 to 2006-07 the local office has issued a quantity of 252775.400 M.Ton wheat to FATA. The cost of wheat amounting to Rs. 1,704,244,910 is still outstanding against FATA.

It was held that non-recovery of government dues was due to mismanagement and weak internal controls, sustaining loss to the public exchequer.

When pointed out in April 2017, it was stated by the management that efforts are being made to recover the outstanding dues against FATA. However, audit will be informed as and when the recovery is made.

The observation was intimated to the department vide letter dated 03.05.2017, for holding of DAC meeting; however DAC meeting was not convened till finalization of this report.

Audit stress upon recovery.

AP 109 (2015-16)

8.4.3 Overpayment due to decrease in rates of transportation - Rs.1.747 million

According to letter No.4195-96/AC-PFC dated 01.09.2015; issued by Directorate Food, Transportation rates were revised w.e.f 01.04.2015 due to reduction of POL prices with the directives to recover excess payment from the carriage contractors within seven days of the receipt of the notice.

During the financial year 2014-15, in the office of District Food Controller, Mardan, it was observed that Rs.1.747 million was recoverable from M/S Evergreen Trading Co. carriage contractor due to decrease in POL rates in 2014-15. The contractor was directed to deposit the said overpayment of Rs.1.747 million into the Government Treasury within seven days. However, the overpaid amount of Rs.1.747 million was not yet recovered.

Overpayment occurred due to weak financial controls.

When pointed out in May 2016, the management furnished no reply.

In the DAC meeting held in Nov 2017, it was decided to recover the amount from the security of the contractor.

Audit recommends implementation of DAC decision.

AP 163 (2014-15)

8.4.4 Overpayment on account of transportation charges - Rs. 1.359 million

According to the Food Department Khyber Pakhtunkhwa final notice No. 1477/AC-117/Decrease Rate, dated 21.03.2016, overpaid amount on account of transportation charges due to decrease in POL rates was outstanding against carriage contractor.

During the financial year 2015-16, in the office of District Food Controller Malakand, it was noticed that Rs.1.359 million on account of overpayment in transportation charges was outstanding against M/S Evergreen Trading Company Peshawar due to decrease in POL rates during 2014-15 as stated by DFC in March 2016, resulting in loss of Rs.1.359 million to government.

Non-recovery of overpaid amount occurred due to weak internal financial controls and non-observance of rules and regulations.

When pointed out in December 2017, it was stated that detailed reply will be furnished later on after consulting the record.

The observation was intimated through to the department vide letter 05.12.2017 however, till the finalization of this report, no DAC meeting was convened.

Audit stress upon recovery.

AP 36 (2016-17)

8.4.5 Non-deposit of profit earned on PLS account in Government Treasury - Rs 1.339 million

According to the Finance Department Khyber Pakhtunkhwa letter No.6-19(F/L)/2011/II dated 05.05.2015, profit earned on PLS bank accounts shall be deposited in Government Treasury under head "C01803-Interest of cash balances".

During the financial year 2016-17, in the office of Storage & Enforcement Officer Azakhel, Nowshera, it was noticed that profit earned on PLS bank account amounting to Rs.1.339 million was not deposited in Government Treasury despite aforementioned Finance Department Khyber Pakhtunkhwa directives. Non-deposit of profit earned resulted in loss of Rs.1.339 million to the government.

Non-deposit of profit into Treasury occurred due to weak internal controls.

When pointed out in August 2017, it was stated that detailed reply will be furnished after consulting the original record.

The observation was intimated to the Department vide letter dated 05.12.2017 for convening of DAC meeting, however DAC meeting was not convened till finalization of this report.

Audit recommends depositing the profit into Government Treasury.

AP 29 (2016-17)

Chapter – 9

Health Department

9.1 Introduction

As per Rules of Business 1985 (amended to-date), the department has been assigned the business of:

- ❖ Regulation of medical and other professional qualification and standards;
- ❖ Medical Registration including Medical Council;
- ❖ Indigenous system of medicines;
- ❖ Medical attendance of Government servants; and
- ❖ Levy of fees by Medical Officers.
- ❖ Medical and Nursing Council.
- ❖ Medical education including medical schools and colleges, and institution for dentistry.
- ❖ Control of Medical drugs, poisons and dangerous drugs (Drug Act and Rules)

9.2 Comments on budget & accounts (variance analysis)

Summary of the Appropriation Accounts

The Summarized position of actual expenditure 2016-17 against the total of grants/appropriation was as follows:

Non-Development

(Rs.)

Grant No. and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Saving)
13-Health	NC21	25,521,645,000	6,148,979,000	31,670,624,000	30,479,617,878	-1,191,006,123
Total		25,521,645,000	6,148,979,000	31,670,624,000	30,479,617,878	-1,191,006,123

Development

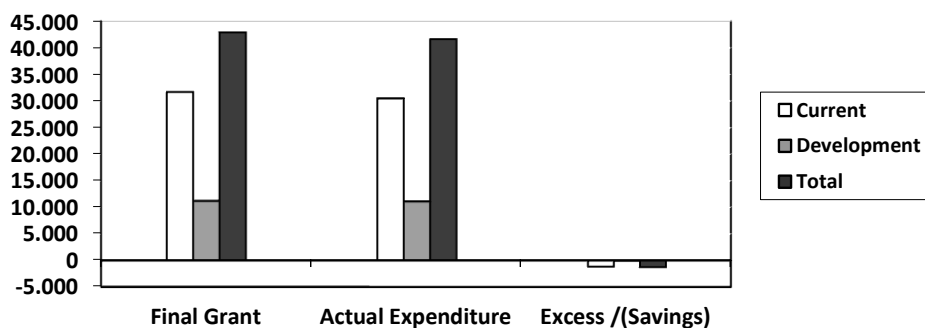
(Rs.)

Grant No. and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Saving)
54-Health Services	NC12-22	10,771,000,000	430,687,010	11,201,687,010	11,110,147,773	-91,539,237
Total		10,771,000,000	430,687,010	11,201,687,010	11,110,147,773	-91,539,237

Overview of expenditure against the final grant

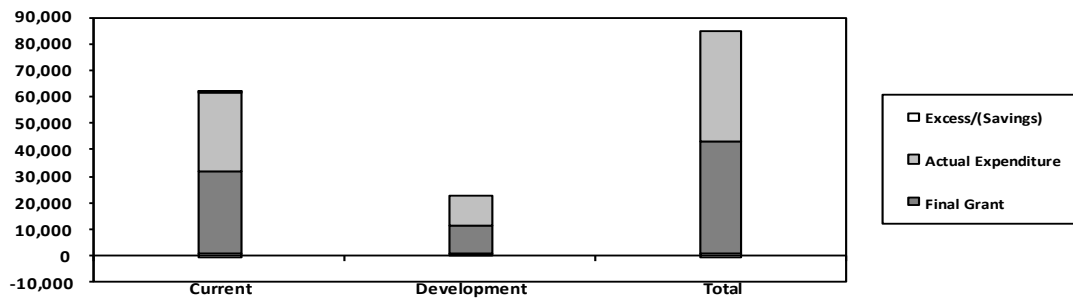
(Rs. in million)

Grant Type	Final Grant	Total Actual Expenditure	Excess/ (Saving)	Variance %
Non-Development	31,670.624	30,479.618	-1,191.006	4
Development	11,201.687	11,110.148	-91.539	1
Total	42,872.311	41,589.766	-1,282.545	3



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Health Department administering the above grant did not surrender anticipated savings of Rs.1,282.545 million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



9.3 Brief comments on the status of compliance with PAC directives:-

SNo.	Audit Year	Name of Department	Total No. of actionable points	Full Compliance	Partial compliance	Nil compliance
1.	2001-02	Health	31	-	21	10
2.	2002-03	-do-	18	-	14	04
3.	2003-04	-do-	11	-	06	05
4.	2004-05	-do-	42	-	10	32
5.	2005-06	-do-	12	-	06	06
6.	2007-08	-do-	18	-	05	13
7.	2008-09	-do-	16	-	07	09
8.	2009-10	-do-	23	-	12	11
9.	2010-11	-do-	19	-	07	12
10.	2011-12	-do-	33	-	18	15
11.	2012-13	-do-	14	-	09	05
12.	2013-14	-do-	46	22	-	24

9.4 Audit Paras

9.4.1 Embezzlement on account of cardiology receipts - Rs.1.541 million

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

During the financial years 2015-16 and 2016-17, in the office of Lady Reading Hospital, Medical Teaching Institute, it was noticed that an amount of Rs.1.541 million was received from patients for various procedures to be performed in cardiology department. Upon verification of record it was revealed that certain cases were marked "postponed", however the Catheterization Lab registers revealed that the procedures were actually performed, but the payment received was not deposited into hospital account rather embezzled by the dealing hands as confirmed in the departmental inquiry report as well causing loss of Rs.1.541 million.

Embezzlement occurred due to weak financial management.

When pointed out in November 2017, the management furnished no reply.

The observation was intimated to the department vide letter dated 05.01.2018, however, till the finalization of this report, no DAC meeting was held.

Audit stress upon recovery besides disciplinary action against person(s) responsible.

AP 175(2015-17)

9.4.2 Non-recovery of Health Professional Allowance (HPA) and Conveyance Allowance - Rs 1.915 million

According to Finance Department (Regulation Wing) notification No. FD (SOSR-II) 8-18/2016, dated 07.01.2016, Health Professional Allowance will not be admissible during earned leave and study leave etc.

During the financial year 2015-16, in the office of Medical Superintendent DHQ Teaching Hospital, Haripur, it was noticed that various Doctors/Nursing staff were paid Health Professional Allowance and Conveyance Allowance during their leave, which was inadmissible resulting in loss of Rs. 1.915 million to the government as tabulated below:

(Rs)				
S #	No. of employees	HPA	CA	Total
1	18	1,640,000	275,000	1,915,000

Payment of HPA & CA during leave period occurred due to non-adherence with rules and regulations.

When pointed out in Aug 2016, it was stated that detailed reply will be submitted after checking the relevant record.

The observation was intimated to the department vide letter dated, 4.10.2016, however, DAC meeting was not convened till finalization of this report.

Audit stress upon recovery of HPA & CA from officials concerned.

AP 72(2015-16)

9.4.3 Unauthorized payment of share of Blood Bank - Rs.1.652 million

As per Finance Department of K.P issued circular No.5-7/2011-12/Allowances dated 26.11.2014 that 50% deduction will be made from the total hospital receipts and remaining balance will be distributed as per share formula.

During the financial year 2015-16, in the office of Saidu Group of Teaching hospital, it was noticed that a sum of Rs. 7,343,496/- was received from blood bank as annual receipts. According to the formula, 25% of the total receipt, amounting to Rs.1.652 million was earmarked for the blood bank officer. However, as the post of blood bank officer was vacant, the said amount was paid to the then Medical Superintendant instead of being deposited in the government treasury. This unauthorized payment resulted in a loss of Rs.1.652 million to the government treasury.

The loss occurred due to misuse of the authority by the medical superintendent.

It was reported to the management in September 2016 and the department replied that the post of blood bank officer is vacant since long and MS is also performing the duty of blood bank officer. The reply was evasive as no such provision exists under the rules.

The observation was intimated to the department vide dated 21.10.2016, however, no DAC meeting was convened till the finalization of this report.

Audit stress upon recovery.

AP 121(2015-16)

9.4.4 Overpayment due to allowing Health Professional Allowance at a higher rates - Rs.15.498 million

As per Notification of Finance Department Khyber Pakhtunkhwa, No FD (SOSR-II)8-18/2016, dated 07-01-2016, the Provincial Cabinet of Khyber Pakhtunkhwa has been pleased to accord approval to the Incentive(Health Professional Allowance) for Doctors excluding those working in MTIs.

During the financial year 2015-16, in the office of Bacha Khan Medical College Mardan, it was observed that 54 doctors were allowed Health Professional Allowance at enhanced rates in contravention of the Finance notification, mentioned above. This overpayment w.e.f 01.01.2016 to 30.06.2016 resulted in a loss of Rs.15,498,000 to the government treasury.

The lapse occurred due to weak internal controls.

When pointed out in September 2016, it was replied that due to late receipt of notification timely action was not taken, recoveries will be started in easy installments.

The observation was intimated to the department vide letter dated 20.10.2016, however, till the finalization of this report, no DAC meeting was held despite a request to the department.

Audit stress upon recovery.

AP102 (2015-16)

9.4.5 Overpayment on account of staff share – Rs.1.985 million

According to the Finance Department letter No.BOVI/FD/1-1/2011-12, dated 29.04.2013, 50% of the amount received from the diagnostic services shall be utilized for repair and maintenance, which means that it is 50% of the total amount and not of the 60% share of the government.

During the financial year 2015-16, in the office of Medical Superintendent DHQ Teaching Hospital Haripur, it was noticed that procedures share amounting to Rs.1.985 million was overpaid to staff as tabulated below:

(Rs)

S#	Description	Revenue realized	50% cost of repair & maintenance	Doctor's & Staff share paid	authorized share of 40% (Doctors & staff)	Overpaid Share
1	DHQ Haripur	9,983,250	4,991,624	3,593,968	1,996,649	1,597,319
2	WCH Haripur	2,424,715	1,212,357	872,899	484,942	387,957
Total		12,407,965	6,203,981	4,466,867	2,481,591	1,985,276

The overpayment occurred due to non-adherence with rules and regulations pronounced by Finance Department.

When pointed out in August 2016, it was stated that notification regarding 50 % deduction from procedures has not been communicated by the Directorate General Health Services, KP, however point is noted for future guidance. Detail reply will be submitted later on.

The observation was intimated to the department vide letter dated 4.10.2016, however, DAC meeting was not convened till finalization of this report.

Audit stress upon recovery of the overpaid amount.

AP 71(2015-16)

9.4.6 Non-utilization of (Medical Relief) of Endowment Fund - Rs.540.273 million

The North West Frontier Province (Medical Relief) Endowment Fund Act, 2004 authorizes the establishment of fund and give guidelines for its use and management (investment) to provide relief to the needy and poor patients of the province. Clause 9 of the Act is specified for the keeping the accounts and conducting of audit of the Endowment Fund.

During the financial year 2016-17, in the office of DG Health Services, it was noticed that a sum of Rs. 340 million was earmarked in June, 2004 for Medical Relief Endowment Fund to provide free of cost health services to the needy and poor patients in all major hospitals of KPK (DI Khan, Peshawar, Swat, Mardan and Abbottabad). However, DG, Health instead of using this fund for providing health facilities to the poor patients as envisaged in the Act, kept the amount in PLS account of BOK, Hayatabad branch (Account number: 02561-00-8). At the time of audit the amount lying in the account amounted to Rs. 540.273 million. Only investment were made by installing RFA, MRI and CT Scan machine and opening a pharmacy shop in KTH to provide relief to the poor patients. However, no record of receipts from this investment is available with the department. This is clear violation of the clause 9 of the Endowment Fund act that provides for keeping the accounting record of the Fund.

Audit is of the opinion that the Endowment Fund of Rs. 540.273 million is not properly utilized and poorly managed.

When the observation is reported to the department in September 2017, no reply was given.

The observation was intimated to the department vide letter dated 12.12.2017, however, no DAC meeting was held till the finalization of this report.

Audit recommends a thorough overview of the fund in the light of its dismal performance so far.

AP 70 (2016-17)

Chapter – 10

Home & Tribal Affairs Departments

10.1 Introduction

As per Rules of Business 1985 (amended to-date), the department has been assigned the business of :

- ❖ Public Order and internal security.
- ❖ Political intelligence and censorship.
- ❖ Administration of Justice, constitution and organization of courts except the High Court.
- ❖ Criminal Law and Criminal
- ❖ Arms, ammunition and military stores.
- ❖ Crime report.
- ❖ Prisons, reformatories and similar institutions, classification and transfer of prisoners, state, political prisoners, Good Conduct Prisoners and Probationer Release Act.
- ❖ Extradition and Deportation.
- ❖ Question of domicile and application for Nationality certificates
- ❖ Registration of aliens.

10.2 Comments on budget & accounts (variance analysis)

Summary of the Appropriation Accounts:

The Summarized position of actual expenditure 2016-17 against the total of grants/appropriation was as follows:

Non-Development

(Rs.)

Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
8-Home & T.A	NC 21	1,535,153,000	561,974,000	2,097,127,000	1,395,746,916	-701,380,084
9- Jail & conviction	NC 21	1,796,333,000	100	1,796,333,100	1,560,030,029	-235,703,071
10- police	NC 21	32,938,065,000	2,922,897,000	35,860,962,000	33,797,671,990	-2,063,290,010
Total		36,269,551,000	3,484,871,100	39,754,422,100	36,753,448,935	-3,000,373,165

Development

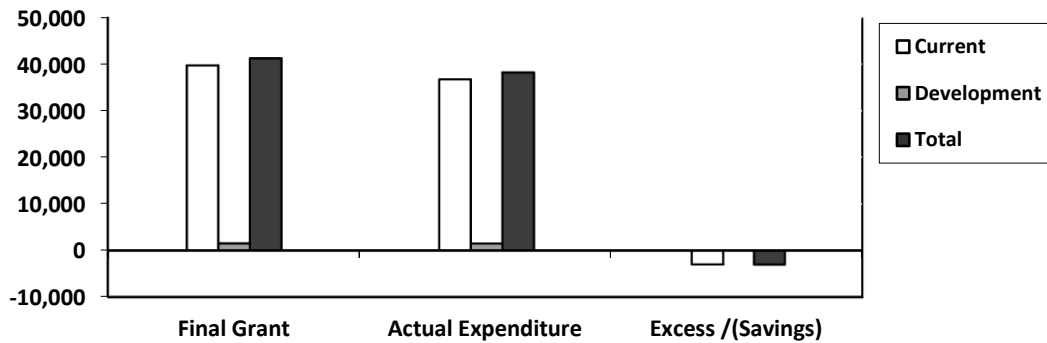
(Rs.)

Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
Home & TA	NC22	129,971,000	105,782,00	24,189,000	25,166,348	9,777,348
Home & TA	NC12	2,290,029,000	806,993,000	1,483,036,000	1,451,339,677	-31,696,326
Total		2,420,000,000	807,098,782	1,507,225,000	1,476,506,025	-21,918,978

Overview of expenditure against the final grant

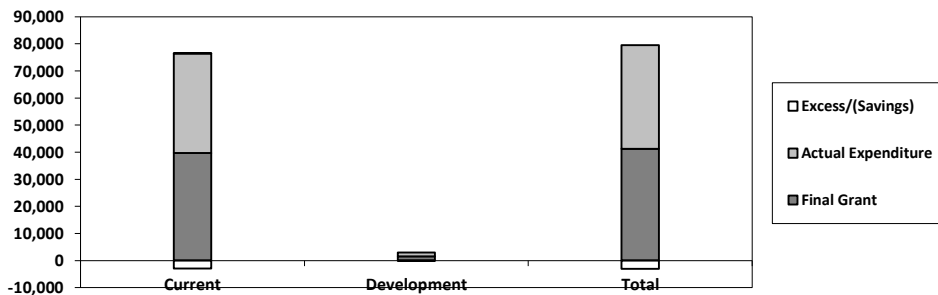
(Rs. in million)

Grant Type	Final Grant	Total Actual Expenditure	Excess/ (Savings)	Variance %
Non-Development	39,754.422	36,753.449	-3,000.373	7
Development	1,507.225	1,476.506	-21.919	1
Total	41,261.647	38,229.955	-3,022.292	7



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Home & TA Department administering the above grant did not surrender anticipated savings of Rs.3,022.292million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



10.3 Brief comments on the status of compliance with PAC directives:-

S#	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
01	2001-02	Home & TA	36	-	28	08
02	2002-03	-do-	18	-	08	10
03	2003-04	-do-	12	-	09	03
04	2004-05	-do-	37	-	24	13
05	2005-06	-do-	04	-	03	01
06	2007-08	-do-	04	-	03	01
07	2008-09	-do-	12	-	05	07
08	2009-10	-do-	13	-	06	07
09	2010-11	-do-	39	-	10	29
10	2011-12	-do-	27	-	15	12
11	2012-13	-do-	12	-	06	06
12	2013-14	-do-	19	08	-	11

10.4 Audit Para

10.4.1 Non-production of APRs on account of compensation to civilian victims of terrorism - Rs. 40.818 million

According to para 283 of Federal Treasury rules Vol-I, every head of an office is personally responsible for the amount drawn on a bill signed by him or on his behalf until he has paid it to the persons entitled to receive it and obtained a legally valid acquaintance on the office copy of the bill.

During the financial year 2016-17, in the office of Secretary Home & T.A Department, it was noticed that a sum of Rs.99.600 million was paid to various Commissioners of KPK for further payment to the legal heirs of the victims. Out of which Rs.68.418 million was shown disbursed and remaining Rs.31.182 million was shown surrendered as un-spent balances. Further scrutiny of record revealed that out of 68.418 million, APRs for 27.600 million were available on record but the Actual Payee's Receipts for Rs.40.818 million were not provided to audit for verification and civilian victim of terrorism remained deprived of their financial benefit.

The lapse occurred due to weak internal controls and financial mis-management.

When pointed out in July2017, it was stated that detailed reply will be submitted after consulting the record.

Audit requested the department, vide letter dated 01.08.2017 for holding DAC meeting, however, no DAC meeting was convened till finalization of this Report.

Audit recommends investigation and production of record.

AP 8(2016-17)

10.4.2 Non-auction of old vehicles/machinery

According to Para 167 of GFR Vol-I, store which are reported to be obsolete, surplus or unserviceable may be disposed off by the sale or otherwise under the orders of the authority competent to sanction.

During the financial year 2014-15, in the office of SSP Traffic Peshawar, it was observed that various unserviceable/auctionable vehicles and

machinery/equipments were reported for auction (detail below) however, no steps were taken for the disposal, thus depriving the government exchequer from its revenue.

Statement showing details of obsolete items of SSP Traffic during 2014-15			
S.No	Type of Vehicles	Quantity	Remarks
1	Motor Car	20	Also include condemn various items like generators, tyres, filters, fuel pumps, batteries, ladders, Barings, terminals, radiators, clutch palettes, and other valuable items.
2	Pickup	81	
3	Jeep	14	
4	Van	04	
5	Truck	06	
6	M.Cycle	18	

The loss occurred due to weak internal controls.

In the DAC meeting held in March 2017, it was stated that items worth Rs.36,000 were auctioned in 03.02.2015 however, no documentary evidence was shown. It is worth mentioning that the audit observation was raised in Nov 2015 after the date of auction of the above items worth Rs.36,000.

Audit stress upon auction of unserviceable items.

APs 198&199(2014-15)

Chapter – 11

Industries

11.1 Introduction

As per Rules of Business 1985 (amended to-date), the department has been assigned the business of:

- ❖ Planning development and control of industries, including cottage industries.
- ❖ Industrial Research
- ❖ Industrial training (including training of demonstration parties).
- ❖ Industrial exhibition within the country.
- ❖ Survey of industries.
- ❖ Trade and commerce, within the Province, including Government commercial undertakings, Merchandise Marks Act, railway freight, import and export, trade control, capital issue, Insurance Act, Registration of Accountants, Auditors Certificate Rules, Partnership Act, trade condition reports, trade enquiries and agreements.
- ❖ All cases relating to Boilers Act, Patent and Designs Act, Explosive Act and Companies Act.
- ❖ Registration of Joint Stock Companies, Firms, Societies.
- ❖ Store Purchase Department, purchase of stores and capital goods including stores for Government Presses and Public Works Department.
- ❖ The Provincial Advisory Panels for Industries and Minerals.
- ❖ Chambers and Associations of Commerce and Industry.

11.2 Comments on budget and accounts (variance analysis)

Summary of the Appropriation Accounts:

A summary of grants/appropriations and actual expenditure in FY 2016-17 is given below:

Non-Development

(Rs.)

Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
25-Industries	NC21	469,011,000	80	469,011,080	301,068,663	-167,942,417
Total		469,011,000	80	469,011,080	301,068,663	-167,942,417

Development

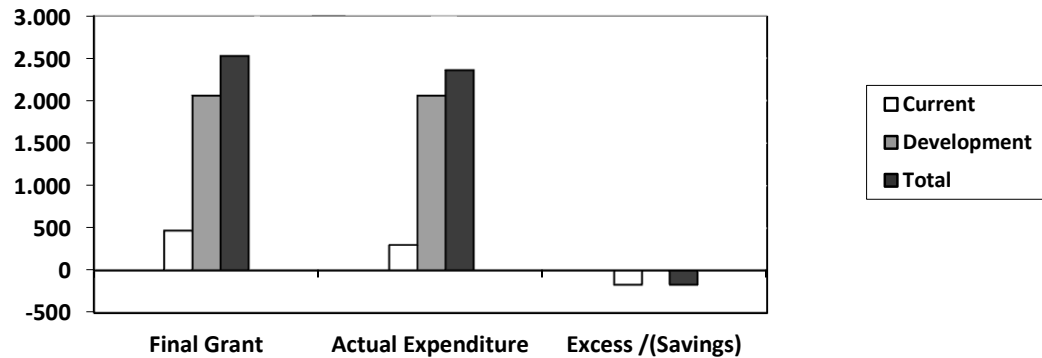
(Rs.)

Grant # (Prov) NC12 & 22 and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
Industries	NC22	1,176,452,000	349,242,990	827,209,010	827,202,056	-6954
	NC12	466,548,000	765,672,000	1,232,220,000	1,232,218,381	-1619
Total		1,643,000,000	1,114,914,990	2,059,429,010	2,059,420,437	-8573

Overview of expenditure against the final grant

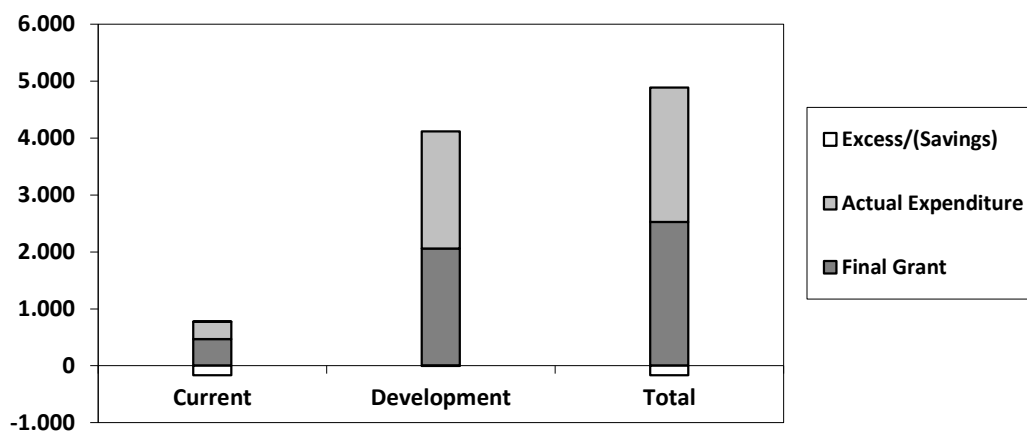
(Rs. in million)

Grant Type	Final Grant	Actual Expenditure	Excess/(Savings)	Variance %
Non-Development	469.011	301.069	-167.942	36
Development	2,059.429	2,059.420	-0.009	0
Total	2,528.44	2,360.489	-167.951	7



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol-I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Industries Department administering the above grant did not surrender anticipated savings of Rs.167.951million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



11.3 Brief comments on the status of compliance with PAC directives:-

S#	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
1.	2001-02	Industries	08	-	06	02
2.	2003-04	-do-	01	01	-	-
3.	2008-09	-do-	02	-	-	02
4.	2009-10	-do-	04	-	01	03

11.4 Audit Paras

11.4.1 Non-production of auditable record - Rs.22.454 million

According to Section-14 of the Auditor General's (Functions, Powers) Ordinance 2001, the Auditor General shall, in connection with the performance of his duties under this ordinance, have authority to inspect any office or accounts, under the control of the Federation or of a Province or of a District and anyone not providing record for audit shall be proceeded against under Efficiency and Discipline Rules.

During the financial year 2015-16, in the office of Project Director, Economic Revitalization in Khyber Pakhtunkhwa, Industries Department Peshawar, grant to the extent of Rs.22.454 million were paid to various Small & Medium Enterprises (SMEs), however the relevant record could not be provided to audit for verification. Thus, the expenditure remained unverified.

The lapse occurred due to non-adherence to the provisions of Constitution.

When pointed out in Nov 2016, the management furnished no reply.

In the DAC meeting held in December 2017, the department replied that during the audit 39 SMEs files were under the review of internal auditors in Lahore. DAC did not agree and directed to provide the relevant record to audit within a month. However, no record was produced to audit till finalization of this report.

Audit recommends production of record and fixing responsibility.

AP 100 (2015-16)

11.4.2 Non-recovery of unauthorized payment of grants from the ineligible Small & Medium Enterprises-Rs.0.664 million

According to paras 72-74 of Operations Manual of the project, the grant agreement will ensure that the assets procured through project funds may not be sold/closed during the project tenure. Grants shall be terminated prematurely, in case of utilization of funds in violation of the agreed plan, the grant paid would be recovered from them and legal action may be taken against the SMEs.

During the financial year 2015-16, in the office of Project Director, Economic Revitalization in Khyber Pakhtunkhwa, Industries Department

Peshawar, rehabilitation grant of Rs. 664,000 was disbursed to M/s Habib Indus Motors vide cheque No. 258172070 dated 30.11.2015. However, during monitoring visit by Project Management Unit, KP and Project Unit, Small & Medium Enterprises Development Authority and other monitoring bodies on 18.05.2016 it was reported that the business concerned did not exist on the mentioned address nor any other location. Audit held that the payment of Rs.0.664 million was unauthorized and needs immediate recovery.

The unauthorized payment occurred due to weak internal controls and financial mismanagement.

When pointed out in Nov 2016, the Project Management furnished no reply.

In the DAC meeting held in December 2017, it was decided to recover the amount.

Audit stress upon recovery and fixing responsibility.

AP 76 (2015-16)

Chapter – 12

Irrigation Department

12.1 Introduction

As per Rules of Business 1985 (amended to-date), the department has been assigned the business of:

- ❖ Implementation of irrigation policies
- ❖ Maintenance of irrigation channels
- ❖ Construction of small dams
- ❖ Maintenance of small dams

12.2 Comments on budget and accounts (variance analysis)

Summary of the Appropriation Accounts:

The summarized position of actual expenditure 2016-17 against the total of grants/appropriation was as follows:

Non-Development

(Rs.)

Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess /(Savings)
24-Irrigation	NC21	3,421,671,000	209,274,000	3,630,945,000	3,406,276,604	-224,668,396
Total		3,421,671,000	209,274,000	3,630,945,000	3,406,276,604	-224,668,396

Development

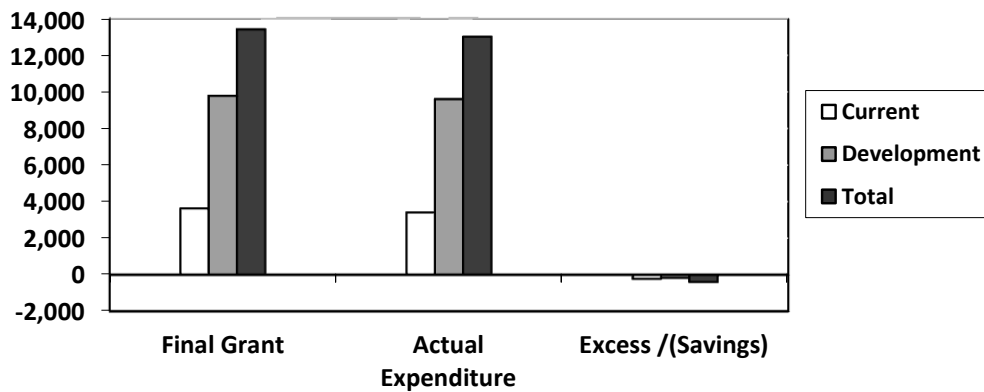
(Rs.)

Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess /(Savings)
55-Construction of Irrigation Works	NC12	6,967,000,000	2,817,966,000	9,784,966,000	9,609,955,265	-175,010,735
Total		6,967,000,000	2,817,966,000	9,784,966,000	9,609,955,265	-175,010,735

Overview of expenditure against the final grant

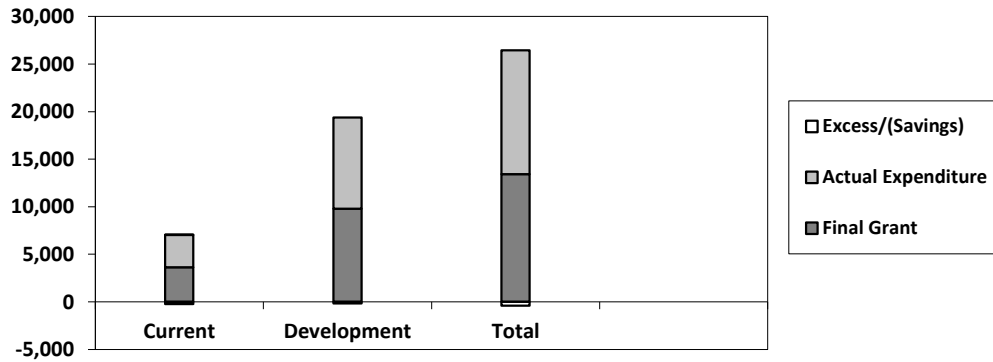
(Rs. in million)

Grant Type	Final Grant	Total Actual Expenditure	Excess /{(Savings)	Variance %
Non-Development	3,630.945	3,406.277	-224.668	6
Development	9,784.966	9,609.955	-175.011	2
Total	13,415.911	13,016.232	-399.679	3



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Irrigation Department administering the above grant did not surrender anticipated savings of Rs.399.679 million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



12.3 Brief comments on the status of compliance with PAC directives:-

SNo.	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
01	2001-02	Irrigation	31	-	13	18
02	2002-03	-do-	17	-	07	10
03	2003-04	-do-	07	-	05	02
04	2004-05	-do-	40	-	18	22
05	2005-06	-do-	07	-	02	05
06	2007-08	-do-	09	-	03	06
07	2008-09	-do-	08	-	05	03
08	2009-10	-do-	09	-	06	03
09	2010-11	-do-	14	-	11	03
10	2011-12	-do-	18	-	06	12
11	2012-13	-do-	10	-	07	03
12	2014-15	-do-	07	02	-	05

12.4 Audit Paras

12.4.1 Loss due to unauthorized execution of work - Rs.108.00 million

According to section 1.2 of specifications of contract agreement Cofferdam shall be constructed in accordance with the requirements shown on the Drawings and as specified herein or as directed by the Engineer. Locations of cofferdam and proposed typical cross-sections are shown on the Drawings. The Proposed cofferdam section may be modified by the contractor with the approval of the Engineer. The contractor may also increase the height of the cofferdam, if necessary, with the prior approval of the Engineer. All such constructions if carried out shall be at the Contractor's expense.

During the financial year 2015-16, in the office of Executive Engineer, Peshawar Canal Irrigation Division, it was noticed that an expenditure of Rs.708.095 million was incurred on the work, "Construction of Diversion Weir and Allied Structures (Package-I KRC)" Kabal River Canal vide voucher No.135/KRC dated 22.06.2016. However, the Directorate General Monitoring & Evaluation, P&D Department visited the site and reported vide their No.G-14/Irrig/2015-16/11325-31 dated 16.06.2016 that the quantity paid in excess to the contractor amounting to Rs.108 million for the width of the Cofferdam may be recovered from the contractor as there was no need of widening the cofferdam just to provide the turning radius for the vehicles.

The lapse occurred due to weak internal controls and financial indiscipline.

When pointed out in May 2017, the management furnished no reply.

The Department was requested to convene DAC meeting vide letters dated 21.08.2017 & dated 23.08.2017; however no DAC was arranged till the finalization of this report.

Audit recommends disciplinary action against the person(s) responsible and recovery.

AP 184(2015-16)

12.4.2 Overpayment due to non-utilization of available earth from excavation - Rs.92.048 million

According to clause 03-61-a of Market Rate System, the available earth from excavation be used in formation in embankment at labour rate whereas

excavation material was not used and not declared unsuitable by any laboratory brought from borrow pit and period the contractor at full rate.

During the financial year 2015-16, in the office of Executive Engineer, Peshawar Canal Irrigation Division, it was noticed that Rs.92.048 million was paid to the contractor in an item of work Borrow pit excavation in shingle or gravel without utilizing and conducting the lab test of the available quantity of 205819.16 M³, which resulted in overpayment of Rs.92,048,431 as shown below:

Quantity	Rate	Amount (Rs)
205819.16M ³	447.23 Per M ³	92,048,431

The lapse occurred due to weak internal controls.

When pointed out in May 2017, the management furnished no reply.

The Department was requested to convene DAC meeting vide letters dated 21.08.2017 & dated 23.08.2017; however no DAC was arranged till the finalization of this report.

Audit stress upon recovery.

AP181 (2015-16)

12.4.3 Loss to the public exchequer due to non-utilization of available earth from excavation - Rs.31.025 million

As per Contract agreement general condition the earth available from excavation must be used in formation if otherwise Govt, laboratory test should be made showing the material un- suitable for formation.

During the financial year 2015-16, in the office of Executive Engineer, Peshawar Canal Irrigation Division, it was noticed that expenditure was incurred on work Rs.35.462 Million on items of Borrow pit excavation shingle or gravel under the work “Construction of Flood embankment on right side of KRC(Reach-3)”.

However, 8732.41 M³ quantity of earth of same specification was made available from excavation of this available earth was not utilized without conducting and providing soil test to prove its suitability or otherwise. A quantity 65793.07 M³ was brought from borrow pit, non-using of available earth resulting in loss of Rs.31.025 as shown below.

Quantity	Rate	Amount (Rs in million)
65793.07M ³	471.56 Per M ³	31.025

The lapse occurred due to weak internal controls and financial mismanagement.

The matter was reported to the management in May 2017. The management furnished no reply.

The Department was requested to convene DAC meeting vide letters dated 21.08.2017 & dated 23.08.2017; however no DAC was arranged till the finalization of this report.

Audit stress upon recovery.

AP180 (2015-16)

12.4.4 Loss due to non-return of shuttering material - Rs.10.465 million

According to S. No. 6-39-b of the Market Rate System 2013, the rate of item of work, "Erection & removal of formwork" comprises of 95.77% material cost and 4.23% labour rates including contractor over head & profit.

During the financial year 2015-16, in the office of XEN Irrigation Division Charsadda, it was noticed that Rs.10.927 million was made to various contractors on account of an item of work, "Erection & removal of steel form work".

Audit held that after completion of work the formwork material worth Rs.10.465 million ($10.927 \times 95.77\% = 10.465$) being paid by Govt should have been returned to Govt. However, shuttering material was not returned by the contractor resulting in loss of Rs. 10.465 million to Govt.

The lapse occurred due to weak internal controls.

When pointed out in January 2017, it was stated that it is a schedule item of work and paid accordingly. Hence, no excess is involved as per CSR.

The management letter was issued vide letter dated 23.02.2017 for holding of DAC meeting, but No DAC meeting was arranged till the finalization of this report.

Audit stress upon recovery.

AP24 (2015-16)

12.4.5 Loss due to non-transparent award of contract and manipulation in the bids - Rs.10.142 million

According to Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014 do not put any limit on number of tenders/bids received in response to tender notices provided that the procurement opportunity has been advertised in the prescribed manner. The single bid may be considered if it meets the evaluation criteria expressed in tender notice and is not in conflict with any other rules, regulations or policy of the government. However, the procuring entity shall make a decision with due diligence and in the light of section 3 (General Principles of Public Procurement) of the KPPRA Act 2012.

During the financial year 2015-16, in the office of Executive Engineer, Peshawar Canal Irrigation Division, it was noticed that the work, “Upgradation and Widening of Canal Patrol Road along with KRC RD-72000 to 76000 on both banks, Providing Railing & Fencing” with an estimated cost of Rs.95.475 million was put to tender on 03.11.2014. Two firms M/S Pasham Khan and Cemcon offered bids amounting to Rs.85.927 million and Rs.83.508 Million respectively. The rates were 10% and 13% below on engineer estimate. The bid of M/S Cemcon was recommended by XEN and SE for approval to Chief Engineer. However, the Chief Engineer rejected the recommendations of Executive Engineer & Superintending Engineer without assigning any reason.

The work was retendered and this time three firms i.e. M/S Pasham Khan, Cemcon and Pir Muhammad Khan participated in the tender process and submitted rates of Rs.85.927 million, Rs.93.650 million & Rs.102.530 million respectively. The rates of M/S Pasham Khan were manipulated and enhanced to Rs.116.882 million to enable M/S Cemcon to win the tender at a cost of Rs.93.650 million. In addition, no signatures of the officer of the tender committee were available on the tender documents.

The retendering of work without assigning any reason and manipulation in the bids resulted into loss of Rs.10.142 million (Rs.93.650(-) Rs.83.508) to public exchequer.

The lapse occurred due to non-adherence to the financial rules and regulations.

The matter was reported to the management in May 2017. The management furnished no reply.

The Department was requested to convene vide letters dated 21.08.2017 & dated 23.08.2017 however no DAC was arranged till the finalization of this report.

Audit recommends inquiry, fixing responsibility and recovery.

AP170 (2015-16)

12.4.6 Loss on account of non-transparent award of contract - Rs.5.573 million

According to Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014 do not put any limit on number of tenders/bids received in response to tender notices provided that the procurement opportunity has been advertised in the prescribed manner. The single bid may be considered if it meets the evaluation criteria expressed in tender notice and is not in conflict with any other rules, regulations or policy of the government. However, the procuring entity shall make a decision with due diligence and in the light of section 3 (General Principles of Public Procurement) of the KPPRA Act 2012.

During the financial year 2015-16, in the office of XEN Peshawar Canals Division Peshawar, it was noticed that sub work “construction of black top road along Kabul River Canal to Village Palosai RD.00+00 to 6+00” was advertised and tender was opened on 17.12.2014 in which the bid of Rs.54,247,500 on the estimated cost of Rs. 60.275 million was offered by M/S Khalil Construction Co. Govt; contractor which was not accepted by the Chief Engineer concerned without assigning any reason and the work was re-advertised and awarded to M/S Obaid Ullah Co. Govt; Contractor at his bid cost of Rs.60,000,000 resulting in loss of Rs.5,752,500 to government exchequer.

The lapse occurred due to weak internal controls.

When pointed out in May 2017, the management furnished no reply.

The Department was requested to convene DAC meeting vide letters dated 21.08.2017 & dated 23.08.2017; however no DAC was arranged till the finalization of this report.

Audit stress upon recovery and fixing responsibility.

AP193 (2015-16)

12.4.7 Loss due to not accepting the lowest rates - Rs.2.126 million

According to Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2014 do not put any limit on number of tenders/bids received in response to tender notices provided that the procurement opportunity has been advertised in the prescribed manner. The single bid may be considered if it meets the evaluation criteria expressed in tender notice and is not in conflict with any other rules, regulations or policy of the government. However, the procuring entity shall make a decision with due diligence and in the light of section 3 (General Principles of Public Procurement) of the KPPRA Act 2012.

During the financial year 2015-16, in the office of Executive Engineer, Peshawar Canal Irrigation Division, Peshawar, the work, "Construction of Flood Protection Work along Shah Alam River Near Landi Daudzai" was put to tender on 01/2015 and M/S Zakirullah & Brothers submitted the lowest bid valuing Rs.20,773,592 (26% below) against the estimated cost of Rs.28,128,000. The bids were cancelled and the work was retendered and the rate of same contractor M/S Zakirullah & Brothers of Rs.22,900,000 was accepted. Due to violating of KPPRA Rule violation & non accepting the lowest evaluated rate in the first tender the public exchequer was put to loss of Rs.2,126,408.

The lapse occurred due to financial indiscipline.

When pointed out in May 2017, the management furnished no reply.

The Department was requested to convene DAC meeting vide letters dated 21.08.2017 & dated 23.08.2017, however no DAC was arranged till the finalization of this report.

Audit stress upon recovery.

AP194(2015-16)

12.4.8 Overpayment to consultant - Rs.3.325million

According to para-28 of TORs of Consultancy contract payment of the personnel employed for the each stage shall be made as per actually input to the project. Similarly, according to clause-3.6.1(iii) of special conditions of contract, the remuneration for the personnel shall be determined on the basis of time actually spent by such personnel in the performance of services.

According to clause-2.3 and 2.4 of general conditions of contract the consultant shall commence the services within fifteen (15) days of the effective date of the contract and in case of construction supervision stage, from the actual date of commencement of activities/ services relating to the construction of the Weir and allied works. The period of completion of detailed design will be 06 months and construction supervision 30 months i.e. completion of all services.

Accounts record of Executive Engineer, Peshawar Canal Irrigation Division, Peshawar for 2015-16 revealed that a sum of Rs.36,740,397/-was paid to Consultant M/S Pakistan Engineering Services for construction and supervision of the work, "Construction of Diversion Weir for KRC" w.e.f 12/2011 to 05/2016 @ Rs.566,183 per month plus escalation. Further verification revealed that all works were completed on 31/01/2016.However the consultant was over paid monthly remuneration and direct cost upto 31.05.2016 resulting in loss of Rs.3,325,252 as detail below:

Period	Rate of salary PM (Rs)	Amount(Rs)
2/2016 to 05/2016	831,313	3,325,252

The overpayment occurred due to non-adherence to financial rules and regulations.

The matter was reported to the management in May 2017. The management furnished no reply.

The Department was requested to convene DAC meeting vide letters dated 21.08.2017 & dated 23.08.2017, however no DAC was arranged till the finalization of this report.

Audit stress upon recovery.

AP189(2015-16)

12.4.9 Unjustified expenditure on accounts of sub grade preparation on existing road -Rs.3.994 million

According to Para-10 of GFR Vol-I every public officer incurring expenditure from public fund is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.

During the financial year 2015-16, in the office of Executive Engineer, Swabi Irrigation Division-II, it was noticed that expenditure to the extent of Rs.3,933,493 was incurred on an item of work, "Sub Grade preparation on existing roads" under various schemes, which was not required on existing roads.

The lapse occurred due to weak internal controls and financial mismanagement.

When pointed out in April 2017, the management stated that the roads were new one. Reply is incorrect because in the bills sub grade preparation was done on existing roads.

The department was requested vide letter dated 17.03.2017 for holding of the DAC meeting, however the DAC meeting was not arranged till the finalization of the report.

Audit stress upon recovery.

AP92(2015-16)

12.4.10 Overpayment - Rs.1.135 million

According to Para-10 of GFR Vol-I every public officer incurring expenditure from public fund is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.

During the financial year 2014-15, in the office of Executive Engineer, Irrigation Division-I, Swabi, it was noticed that a sum of Rs.11,35,410 was over paid in the scheme installation of Irrigation/Augmentation Tube Well and pump house PK-29 District Mardan vide VR No.86-G dated 25.06.2015. From the installation of PVC blind pipe and PVC strainers it is confirmed that the depth of the Tube Well is 37/38 meters. The same depth was further confirmed from the next items of the Tube Well shrouding with graded pack gravel (3/8 – 1/8) around the Tube Well.

Payments for the Tube Well boring was made for 190.81 meter, therefore, payment for the excess paid quantities may be recovered as per Annex-O.

The loss occurred due to financial mismanagement.

When pointed out in March2016, the management stated that detail reply will be given later on.

The department was requested vide letter dated 07.04.2016 for holding of the DAC meeting, but the DAC meeting was not arranged till the finalization of the report.

Audit stress upon recovery.

AP338(2014-15)

Chapter – 13

Local Government Department

13.1 Introduction

As per Rules of Business 1985 (amended to-date), the department has been assigned the business of :

- ❖ Planning and development including policy and procedure.
- ❖ Coordination work relating to the preparation of provincial annual development program relating to local government.
- ❖ Processing of all developmental schemes, program and proposals submitted by local government formations.
- ❖ Foreign Aided Projects.
- ❖ Coordination of technical assistance from abroad including training facilities, expert and advisory services and equipments.
- ❖ Appropriation and re-appropriation of developmental grants in the local government budget.

13.2 Comments on budget & accounts (variance analysis)

Summary of the Appropriation Accounts

The Summarized position of actual expenditure 2015-16 against the total of grants/appropriation was as follows:

Non-Development

(Rs.)

Grant No. and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Saving)
17-Local Government	NC21	5,329,360,000	96,289,000	5,425,649,000	3,838,446,895	-1,587,202,105
Total		5,329,360,000	96,289,000	5,425,649,000	3,838,446,895	-1,587,202,105

Development

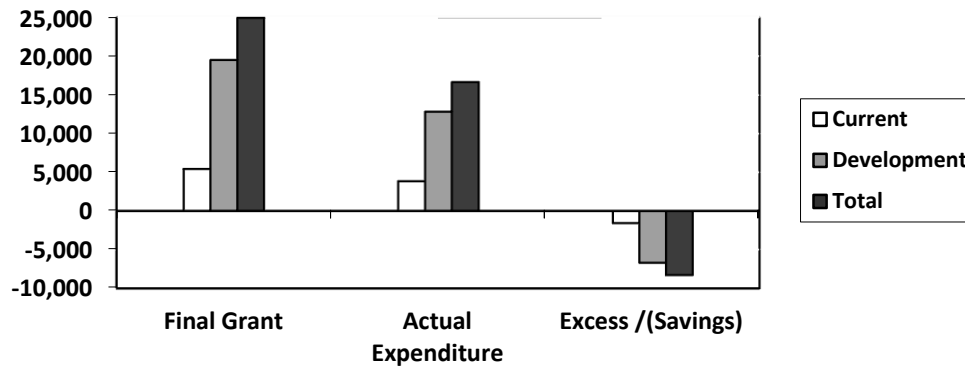
(Rs.)

Grant No. and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Saving)
51-Rural and Urban Development	NC12 & NC 22	19,171,000,000	344,578,000	19,515,578,000	12,816,425,827	-6,699,152,173
Total		19,171,000,000	344,578,000	19,515,578,000	12,816,425,827	-6,699,152,173

Overview of expenditure against the final grant

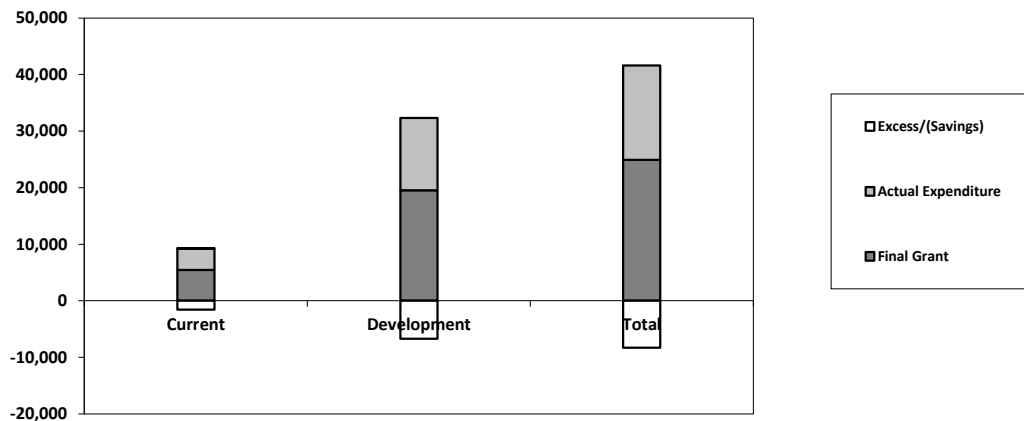
(Rs. in million)

Grant Type	Final Grant	Total Actual Expenditure	Excess/ (Saving)	Variance %
Non-Development	5,425.649	3,838.447	-1,587.202	29
Development	19,515.578	12,816.426	-6,699.152	34
Total	24,941.227	16,654.873	-8,286.354	33



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Local Government Department administering the above grant did not surrender anticipated savings of Rs.8286.354 million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



13.3 Brief comments on the status of compliance with PAC directives:-

SNo.	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
01	2001-02	Local Govt.	22	-	07	15
02	2007-08	-do-	01	-	-	01
03	2008-09	-do-	04	-	01	03
04	2009-10	-do-	02	-	01	01
05	2010-11	-do-	20	-	01	19
06	2011-12	-do-	09	-	02	07
07	2012-13	-do-	06	-	01	05

13.4 Audit Paras

13.4.1 Fraudulent payment to contractor on fake Interim Payment Certificate - Rs.11.115 million

According to clause No.74.1 of the contract agreement if the contractor is found to have violated or involved in violation of integrity pact signed by the contractor, an amount equivalent to ten time the sum of any commission, gratification, bribe, finder's fee or kickback given by the contractor or any of his subcontractor, agent or servant shall be recovered from the contractor.

During the financial year 2016-17, in the office of Project Director Municipal Services Delivery Program (Drains in 14UCS and G.T Road Sewer) Local Government Department, the record revealed an amount of Rs.24,199,295 was paid to the Contractor through fake IPC-05 vide cheque No. 75510037 dated 29.03.017 instead of actual payment of Rs. 13,084,275 vide the original IPC No.05 for actual work done. Thus, excess payment of Rs.11,115,020 was made to the contractor, which needs recovery.

The lapse occurred due to violation of contract agreement.

When pointed out in November 2017, it was replied that:

1. The contractor submitted fake IPC #5 to PMU as the original IPC lying with the consultant hence PMU process the fake IPC #5 submitted to PMU duly certified by the consultant.
2. Enquiry has been already ordered by LG & RD Department vide letter No.SO(LG-I)3-366/Inquiry/MSP/2017 Dated 31.10.2017 and action as per recommendation of the enquiry committee shall be taken up on finalization of the enquiry.
3. FIR has already been registered against the contractor while PEC, Concerned bank of the contractor and different department approached to recover the payment made to the contractor by submitted fake IPC.

The observation was reported to Principal Accounting Officer vide letters dated 01.01.2018 and dated 05.01.2018 for arranging the DAC meeting. However, the DAC meeting was not arranged till finalization of this report.

Audit recommends investigation, fixing of responsibility and recovery.

AP 256 (2016-17)

Chapter 14

Mines & Mineral Development Department

14.1 Introduction

As per Rules of Business 1985 (amended to-date), the department has been assigned the business of :

- ❖ Geological Survey
- ❖ Development of Mineral resources and regulation of mines
- ❖ Mineral Rules
- ❖ Grant and transfer of prospecting licenses and mining leases
- ❖ Import, purchase, distribution and price fixation of coal and coke.

14.2 Comments on budget & accounts (variance analysis)

Summary of the Appropriation Accounts

The Summarized position of actual expenditure 2016-17 against the total of grants/appropriation was as follows:

Non-Development

(Rs.)

Grant No. and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Saving)
26-Mines & Mineral Development Department	NC21	537,865,000.	140	537,865,140	279,068,538	-258,796.602
Total		537,865,000	140	537,865,140	279,068,538	-258,796.602

Development

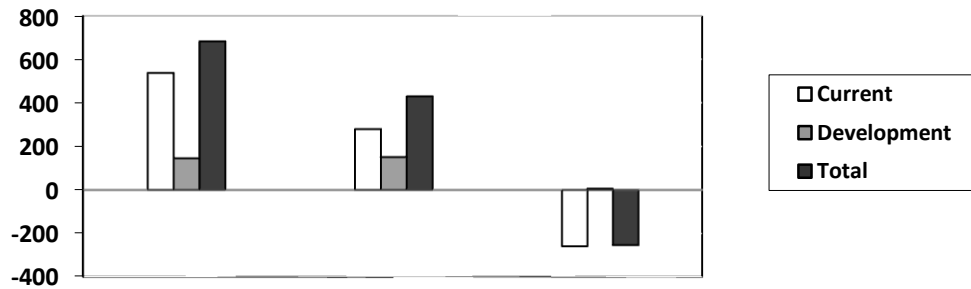
(Rs.)

Grant No. and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Saving)
26- Mines & Mineral Development Department	NC22	361,819,000	0	27,371,000	27,399,929	28,929
	NC 12	260,181,000	0	117,821,000	123,438,544	5,617,514
Total		622,000,000	0	145,192,000	150,838,473	5,646,443

Overview of expenditure against the final grant

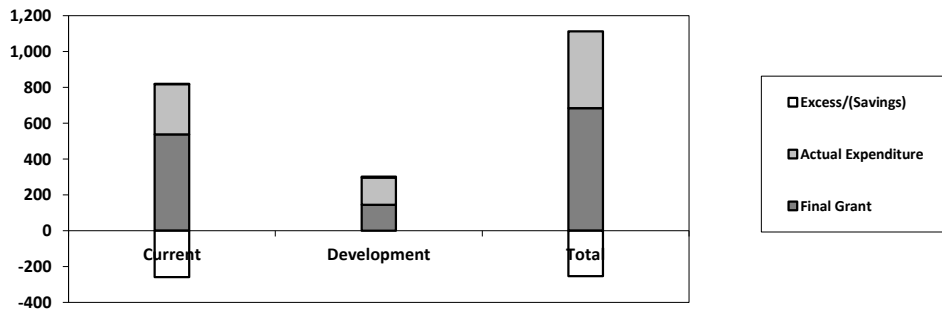
(Rs. in million)

Grant Type	Final Grant	Total Actual Expenditure	Excess/ (Savings)	Variance %
Non-Development	537.865	279.068	-258.796	-48.11
Development	145.192	150.838	+5.646	+3.888
Total	683.057	429.906	-253.150	-44.22



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Mines & Mineral Development Department administering the above grant did not surrender anticipated savings of Rs.253.150 million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



14.3 Brief comments on the status of compliance with PAC directives:-

SNo.	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
0	0	0	0	0	0	0

14.4 Audit Paras

14.4.1 Loss to Govt due to non-auction of minor mineral plots –Rs.141.15 million

According to DG Mines & Minerals Peshawar inspection report issued vide letter No.18945-DGMM/MM/HR/Plot No.2/2011-12 dated 22.11.2013 that the illegal transportation of minor minerals was also going on during the period.

During the financial year 2015-16, in the office of Assistant Director Mines and Minerals Abbottabad, it was noticed that Plot No. 02 near Gawari Ghazi was last time auctioned for Rs.47,050,000 on 19.06.2012 for one year i.e. 2012-13. Since then the plot had not been auctioned due to which government sustained a loss of $\text{Rs.}47,050,000 * 3 = 141,150,000$.

The loss occurred due to financial mismanagement.

The observation was pointed out in April 2017, the management furnished no reply.

Audit requested the management on 27.10.2017 followed by a reminder dated 17.11.2017 and a DO letter dated 21.12.2017 for holding of the DAC meeting, but it was not convened till finalization of this report.

Audit recommends inquiry, fixing responsibility and recovery.

AP 59(2015-16)

14.4.2 Loss due to non-recovery of royalty/other government dues at enhanced rate – Rs.61.151 million

According to DG Mines & Minerals KP Notification No.14988-92/MDW/R&R/HQ/Royalty Rates Enhanced, 2014-15 dated 12.12.2014 and Peshawar High Court decision dated 01.06.2016 upholding the above notification regarding revision of royalty rates of various minerals w.e.f 01.07.2014.

During the financial year 2015-16, in the office of Assistant Director Mines & Minerals Mardan, it was noticed that an amount of Rs.61.151 million was outstanding against various firms/cement factories/lease holders etc. due to non-recovery of royalty/other government dues as per details given below:

S.No.	Name/No of lessee	AP No	Recoverable amount (Rs)
1	7 cement factories	68	49,514,000
2	7 royalty defaulters	82	5,730,000
3	Mr.Noor Rehman	83	1,667,000
4	41 royalty defaulters	84	4,240,000
Total			61,151,000

The loss occurred due to non-adherence to financial rules.

When pointed out in April 2017, the management stated that reply will be given in due course of time after consulting the original record.

Audit requested the management on 27.10.2017 followed by a reminder dated 17.11.2017 and a DO letter dated 21.12.2017 for holding of the DAC meeting, but it was not convened till finalization of this report.

Audit stress upon recovery.

APs 68,82, 83&84(2015-16)

14.4.3 Loss due to illegal excavation of minerals –Rs.34.553 million

According to rule 137 of Mining Concession Rules 2005,if a lessee has carried out all the working obligations under these rules and implemented the development/exploitation scheme to the satisfaction of the Licensing Authority and if he has paid all the dues on account of rents, royalty, penalties, damages and surface rent as required under these rules, the Licensing Authority may grant further renewal of the lease for a period upto thirty years at a time, on the terms and conditions as prescribed in these rules.

During the financial year 2015-16, in the office of Assistant Director Mines & Mineral Development Mardan it was observed that Rs.34,553,985 were outstanding against the following illegal leaseholders since long. But no efforts were made for the recovery of outstanding dues as per detail given below:

SNo	Name of lease holders	Reference No.	Major/Minor Mineral (illegal excavation)	Outstanding dues (Rs)
1	Wisal Khan	MDW/MR/ML-Limestone (94)2006	Major	1,493,450
2	Zakir Hussain & Azam Khan	MDW/MR/ML-Limestone (34)90	Major	4,729,650
3	Zakir Hussain & Azam Khan	MDW/MR/ML-Limestone (34)90	Major	1,244,255
4	Abdul Akbar Khan	MDW/MR/ML-Dolomite (40)2003	Major	6,109,465
5	Azam Khan	Nil	Minor	12,861,375
6	Qasim Zia	Nil	Minor	8,115,790
Total				34,553,985

The loss occurred due to weak internal controls.

When pointed out in April 2017, the management replied that reply will be given in due course of time after consulting the original record.

Audit requested the management on 27.10.2017 followed by a reminder dated 17.11.2017 and a DO letter dated 21.12.2017 for holding of the DAC meeting, but it was not convened till finalization of this report.

Audit stress upon recovery.

AP79 (2015-16)

14.4.4 Loss due to non-recovery of government dues – Rs.21.071 million

According to the Mining Concession Rules 2005, the party will clear all the outstanding dues within three months prior to expiry of lease.

During the financial year 2015-16, in the office of Assistant Director Mines & Minerals Development Mardan, it was noticed that lease of Topaz at village Shaheed Ghundai Katlang Shamoza District Mardan was granted to Mr.Anar Jehan vide letter No.1703/MDW/MR/ML-Topaz(8)/2011 dated 02.08.2016 and MDW/MR/ML-ToPAZ/(09)/2011 dated 30.07.2011 respectively, However a sum of Rs.21.071 million was still outstanding against the contractor as per details given below:

Outstanding dues	Amount (Rs)
Security	580,000
Illegal mining	15,603,004
Auctioning money	4,652,000
Withholding tax	230,000
Demarcation fee	7,000
Total	21,072,004

The loss occurred due to financial mismanagement and weak internal controls.

When pointed out in April 2017, the management stated that reply will be given in due course of time after consulting the original record.

Audit requested the management on 27.10.2017 followed by a reminder dated 17.11.2017 and a DO letter dated 21.12.2017 for holding of the DAC meeting, but it was not convened till finalization of this report.

Audit stress upon recovery.

APs 72 & 76(2015-16)

14.4.5 Non-deposit of security -Rs. 9.411 million

According to Section 72 of KP Mines & Minerals Development and Regulation Ordinance 2016, all amounts payable under this Ordinance shall be deposited into Government Treasury or into any bank authorized by the Government for the purpose, under the specified Head of Account and the receipt shall, in original, be provided to the Licensing Authority.

During the financial year 2016-17, in the office of Director General Mines & Mineral, Pakhtunkhwa, it was noticed that contract for the collection of royalty of Malakand Division for the year 2016-17 period from 1st November 2016 to 30th June 2017 was put to auction and was awarded to Mr. Shah Feroz Khan vide letter No.75/MDW/R&R/HQ/Contract MKD-Division(91)/2016/17 dated 26.10.2016. Audit held the following observations:

1. That the contractor was directed to deposit Rs.9.411 million as 10% security within 3 days under proper head of account i.e. G-10107 Mineral Development which was not done till the completion of the royalty period.
2. Agreement was signed after lapse of seven months instead of 15 days, which needs justification.

The lapse occurred due to financial indiscipline.

When pointed out in November-2017, it was stated that detail reply will be submitted after consulting record.

Audit requested the management on 27.10.2017 followed by a reminder dated 17.11.2017 and a DO letter dated 21.12.2017 for holding of the DAC meeting, but it was not convened till finalization of this report.

Audit stress upon inquiry, recovery and fixing responsibility against the person(s) at fault.

AP 9(2016-17)

14.4.6 Non-recovery of outstanding Govt dues against contractors - Rs.3,146.840 million

According to clause 6 of Notice Inviting Tender, if Federal or Provincial Govt levies any Tax or increase Royalty Rates, the contractor will be bound to pay it.

During the financial year 2016-17, in the office of Director General Mines & Minerals Khyber Pakhtunkhwa, it was observed that five contract agreements were signed by DG Mines with contractors for collection of Royalty. However, scrutiny of record revealed that Govt of Khyber Pakhtunkhwa vide order No.9633-60/MDW/R&R/HQ/Royalty Rates Enhanced 2014-15 dated 18.07.2014 revised and enhanced the rates and issued letters to the following contractors to deposit the proportionate enhanced amounts in Govt treasury as detailed below:

S#	Name of Royalty Contractor	Proportionate enhanced amount 18.9.14 to 30.6.15 (Rs.)	10% of the proportionate amount as withholding tax (Rs.)	10% of the bid money as withholding tax (Rs.)	Proportionate amount of Professional Tax (Rs.)	Professional tax on bid money (Rs.)	Markup on proportionate enhanced royalty amount (Rs.)	Repayment of Royalty recovered during stay period (Rs.)	Markup on repayment of recovered amount (Rs.)	Total (Rs.)
1	Muzafar Hussain	49,514,322	4,951,433	6,319,100	30,000	-	540,697,248*	-	-	601,512,103
2	Habibullah Khan	29,791,190	2,979,119	1,901,000	30,000	25,000	325,319,904*	36,093,120	220,890,384	617,029,717
3	Ahmad Jan	29,249,800	2,924,980	-	30,000	-	319,407,816*	-	-	351,612,596
4	Haji Amanullah Khan	85,619,430	8,561,943	-	100,000	-	934,964,940*	-	-	1,029,246,313
5	Haji Zabita Khan	45,541,496	4,554,150	-	30,000	-	497,313,180*	-	-	547,438,826
	Total Outstanding Amount	239,716,238	23,971,625	8,220,100	220,000	25,000	2,077,005,840	36,093,120	220,890,384	3,146,839,555

In addition, mark up @ 1% on the principal amount per day shall be collected from the defaulters till clearance of the outstanding dues.

However, contractors failed to deposit the outstanding Govt dues till the date of audit i.e. Oct-2017.

The lapse occurred due to weak internal control and financial mis-management.

When pointed out in November 2017, it was stated that detail reply will be submitted after consulting record.

Audit requested the management on 27.10.2017 followed by a reminder dated 17.11.2017 and a DO letter dated 21.12.2017 for holding of the DAC meeting, but it was not convened till finalization of this report.

Audit stress upon recovery.

AP 01(2016-17)

14.4.7 Non-recovery of outstanding dues on account of concealment of production - Rs. 347.7 million

According to Assistant Director Mines & Minerals Development Abbottabad letter No.189/MDW/AD/Cement Factory/2016-17 dated 10.02.2017 the assessed amount against various factories were outstanding on account of concealment of production as determined by the technical committee vide letter No.19/DGMM/ADT/Inspection/2015 dated 25.06.2015.

During the financial year 2015-16, in the office of Assistant Director Mines and Minerals Abbott Abad, it was noticed that Rs.347.7 million was outstanding against factories upto 10.02.2017 as detailed below:

Sr.No.	Name of Factory	Outstanding Assessed amount (Rs)
01	M/S Bestway Hattar	91,569,907
02	M/S Bestway Farooqia	188,022,900
03	M/S Dewan Cement	68,113,900
Total		347,706,707

However, the local office did not recover the said amount from the respective factories resulting in loss of Rs. 347.7 million.

The lapse occurred due to non-observance of financial rules and weak internal controls.

The irregularity was pointed out in April 2017 but no reply was furnished.

In the DAC meeting held in February 2018, it was decided that para stands till complete recovery of government dues.

Audit recommends implementation of DAC decision.

AP 55(2015-16)

14.4.8 Non-recovery of outstanding Government dues from lease holders/defaulters - Rs. 104.496 million

According to Section 54 of Khyber Pakhtunkhwa Mineral Sector Governance Act, 2016, if any person, directly or indirectly, starts prospecting, exploring or mining any mineral outside the area granted to him under a mineral title or in any area for which he has not obtained a mineral title or if any person obstructs free access of a holder of a mineral title to the licensed or leased area or directly or indirectly tries to interfere with the prospecting or mining operations by a holder of a mineral title, he shall be punishable with imprisonment for a term which may extend to three years or with a fine which may extend to ten hundred thousand rupees (Rs.10,00,000) or with both.

During the financial year 2016-17, in the office of Director General Mines & Minerals Khyber Pakhtunkhwa, it was noticed that a sum of Rs.104,496,205 was outstanding against leaseholders and defaulters for unauthorized excavation/transportation of minor minerals as detailed below:

Sr.No	Name of lease holder/defaulters	Present status	Amount outstanding (Rs.)
1.	Ibtesam Nawaz & Brothers	Lease Cancelled	262,083
2.	Mr. Asif Khan S/O Azeem Khan	Lease Cancelled	212,483
3.	a) Mr. Shahzad S/O Sultan R/O Achini Payan b) Mr. Ahmad & Sanaullah S/O Dowran R/O Bannu House Ring Road Toll Plaza Peshawar	Defaulter for Unauthorized excavation/transportation of minor minerals	3,732,417
4.	Director (E.M) Peshawar Development Authority	-do-	40,115,689
5.	a) Mr. Lal Nabi S/O Lal Jalil Afridi b) Dr. Moeen S/O Shamal Gul Afridi R/O Tribe Shlobar, Qamber Khel, Khyber Agency	-do-	60,173,533
Total outstanding dues			104,496,205

These leaseholders and defaulters were directed by the Department to pay their outstanding dues within 2 to 4 weeks but no recovery was made till the date of audit i.e. October 2017.

The lapse occurred due to weak internal control and financial indiscipline.

When pointed out in November 2017, it was stated that detail reply will be submitted after consulting original record.

Audit requested the management on 27.10.2017 followed by a reminder dated 17.11.2017 and a DO letter dated 21.12.2017 for holding of the DAC meeting, but it was not convened till finalization of this report.

Audit stress upon recovery.

AP 02(2016-17)

14.4.9 Non-recovery of outstanding Govt dues against mining concessionaries - Rs. 66.815 million

According to Section 75 of Khyber Pakhtunkhwa Minerals Governance Act 2016, on the surrender, expiry or determination of a mineral title, the licensee or the lessee, as the case may be, shall be responsible for payment of all outstanding dues and other charges which in the event of non-payment, shall be recoverable as arrears of land revenue.

During the financial year 2015-16 and 2016-17, in the office of Director General Mines & Minerals Khyber Pakhtunkhwa, it was observed Rs.66.815 million were outstanding and recoverable from mining concessionaries in five divisions of KPK as detailed below:

S.No.	Name of Division	Assistant Director Mines & Minerals	Amount outstanding (Rs)
1	Malakand	Swat, Bunner, Timergara, Chitral	13,677,033
2	Peshawar	Peshawar, Nowshera	8,229,035
3	D.I.Khan	D.I.Khan, Bannu	8,079,567
4	Abbottabad	Abbottabad, Mansehra & Kohistan	4,701,645
4	Hazara	Abbottabad, Mansehra, Kohistan	19,549,000
5	Mardan	Mardan	12,579,644
		Total	66,815,924

The lapse occurred due to financial mismanagement.

When pointed out in April and November 2017, it was stated that detail reply will be submitted after consulting record.

Audit requested the management on 27.10.2017 followed by a reminder dated 17.11.2017 and a DO letter dated 21.12.2017 for holding of the DAC meeting, but it was not convened till finalization of this report.

Audit stress upon recovery.

APs 57 & 60 (2015-16) & 03 (2016-17)

14.4.10 Non-recovery on account of annual rent – Rs.13.613 million

According to Section 75 of Khyber Pakhtunkhwa Minerals Governance Act 2016, on the surrender, expiry or determination of a mineral title, the licensee or the lessee, as the case may be, shall be responsible for payment of all outstanding dues and other charges which in the event of non-payment, shall be recoverable as arrears of land revenue.

According to Assistant Director Mines & Mineral Mardan letter No.2193/MDW/MR/ML-Marble (181)2002 dated 30.09.2016, annual/deed rent was outstanding and needs to be deposited within 15 days failing which legal action shall be taken against the defaulters.

During the financial year 2015-16, in the office of Assistant Director Mines & Minerals Development Mardan, it was observed that a sum of Rs.13.613 million on account of annual/deed rent was outstanding against the leaseholders since long but the management failed to recover the government dues from the defaulters. (Detail in Annex-P)

The lapse occurred due to weak internal control and financial mismanagement.

When pointed out in April 2017, the management stated that detailed reply will be given in due course of time after consulting the original record.

In the DAC meeting held in February 2018, it was decided that the recovered amount may be got verified from audit and balance be recovered within 45 days.

Audit recommends implementation of DAC decision.

APs 73 & 80 (2015-16)

14.4.11 Non-deposit of 10% advance withholding tax -Rs. 4.516 million

According to section 236 A of Finance Act 2009, advance withholding tax @ 10% shall be recovered by the withholding agent against the gross value of contract amount.

During the financial year 2015-16, in the office of Assistant Director Mines and Minerals Abbottabad, it was noticed that the royalty contractor Haji Aman Ullah S/O Sami Ullah Khan was directed vide letter No.8348/MDW/R&R/HQ/Hazara Division dated 19.06.2014 to deposit 10% advance income tax amounting to Rs.4,516,044 but the contractor failed to deposit the advance withholding tax, which needs recovery.

The lapse occurred due to non-observance of financial rules and regulations.

The irregularity was pointed out in April 2017 but no reply was furnished.

In the DAC meeting held in February 2018, it was decided that para stands till complete recovery of government dues.

Audit recommends implementation of DAC decision.

AP 58(2015-16)

14.4.12 Non-recovery of outstanding dues - Rs.141million

According to DG Mines & Minerals letter No 2083-95/MDW/R&R/HQ/Impose Penalty/2016-17 dated 24.02.2017 it is mentioned that as per Section-66 (Sub-section-2) of the Khyber Pakhtunkhwa Minerals Sector Governance Act-2016 provides that “where any person has failed to pay any amount of royalty as required under sub-section (1), a mark-up calculated at the rate of one per centum per day on the amount or any part thereof from time to time remaining unpaid, shall be payable from the due date of payment until all outstanding amount is paid.”

During the financial year 2015-16, in the office of Assistant Director Mines & Mineral Development Mardan, it was observed that an amount of Rs.12,423,661 was outstanding against royalty concessionaries due to enhancement of royalty rates, the record further revealed that 1% per day markup on the principal amount is also outstanding as detailed below:

(Rs)

S.No	Name of District	Outstanding Royalty	Period	Days of delay	Penalty 1 per Centum	Penalty Amount	Total outstanding dues
1	Mardan	3,704,540	1-7-14 to 30-4-17	1035	37045x1035	38,341,575	42,046,115
2	Swabi	7,576,015	1-7-14 to 30-4-17	1035	75760x1035	78,411,600	85,987,615
3	Charsadda	1,143,106	1-7-14 to 30-4-17	1035	11431x1035	11,831,085	12,974,191
Total		12,423,661	0	0	0	128,584,260	141,007,921

The loss occurred due to financial indiscipline and weak internal controls.

When pointed out in April, 2017, the management replied that reply will be given in due course of time after consulting the original record.

Reply of the department is not tenable.

In the DAC meeting held in February 2018, it was decided that the recovered amount may be got verified from audit and balance be recovered within 45 days. Para stand.

Audit stress upon recovery.

APs 66 & 67 (2015-16)

Chapter – 15

Planning & Development Department

15.1 Introduction

As per Rules of Business 1985 (amended to-date), the department has been assigned the business of:

- ❖ Planning development and control of industries, including cottage industries.
- ❖ Industrial Research
- ❖ Industrial training (including training of demonstration parties).
- ❖ Industrial exhibition within the country.
- ❖ Survey of industries.
- ❖ Trade and commerce, within the Province, including Government commercial undertakings, Merchandise Marks Act, railway freight, import and export, trade control, capital issue, Insurance Act, Registration of Accountants, Auditors Certificate Rules, Partnership Act, trade condition reports, trade enquiries and agreements.
- ❖ All cases relating to Boilers Act, Patent and Designs Act, Explosive Act and Companies Act.
- ❖ Registration of Joint Stock Companies, Firms, Societies.
- ❖ Store Purchase Department, purchase of stores and capital goods including stores for Government Presses and Public Works Department.
- ❖ The Provincial Advisory Panels for Industries and Minerals.
- ❖ Chambers and Associations of Commerce and Industry.

15.2 Comments on budget and accounts (variance analysis)

Summary of the Appropriation Accounts:

A summary of grants/appropriations and actual expenditure in FY 2016-17 is given below:

Non-Development (Rs.)

Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
25-Industries	NC21	469,011,000	80	469,011,080	301,068,663	-167,942,417
Total		469,011,000	80	469,011,080	301,068,663	-167,942,417

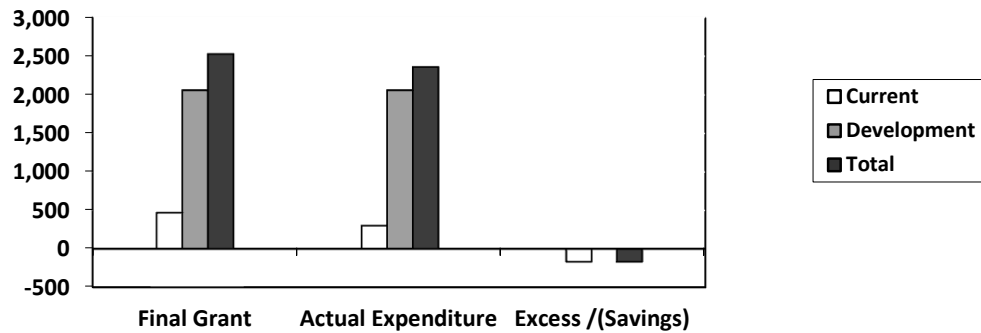
Development (Rs.)

Grant # (Prov) NC12 & 22 and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
Industries	NC22	1,176,452,000	349,242,990	827,209,010	827,202,056	-6954
	NC12	466,548,000	765,672,000	1,232,220,000	1,232,218,381	-1619
Total		1,643,000,000	1,114,914,990	2,059,429,010	2,059,420,437	-8573

Overview of expenditure against the final grant

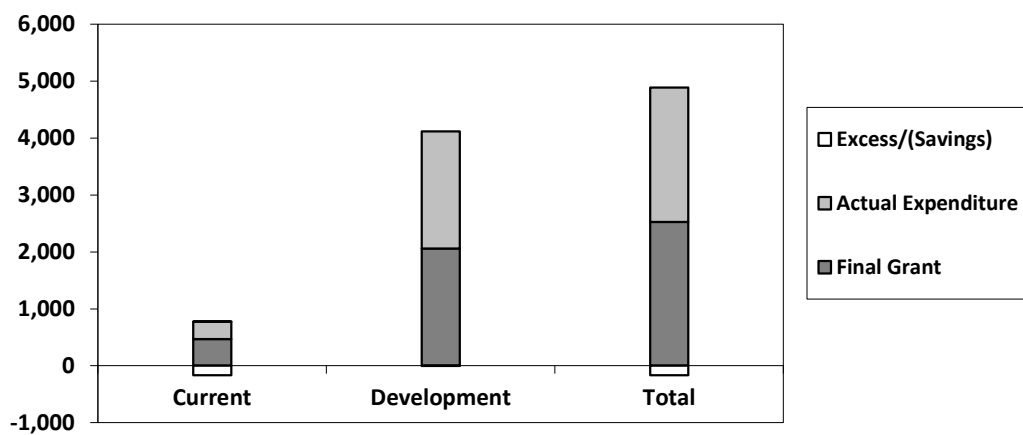
(Rs. in million)

Grant Type	Final Grant	Actual Expenditure	Excess/(Savings)	Variance %
Non-Development	469.011	301.069	-167.942	36
Development	2,059.429	2,059.420	-0.009	0
Total	2,528.44	2,360.489	-167.951	7



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol-I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Planning & Development Department administering the above grant did not surrender anticipated savings of Rs.167.951 million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



15.3 Brief comments on the status of compliance with PAC directives:-

S#	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
1.	2001-02	Planning & Development	08	-	06	02
2.	2003-04	-do-	01	01	-	-
3.	2008-09	-do-	02	-	-	02
4.	2009-10	-do-	04	-	01	03
5.	2010-11	-do-	0	0	0	0
6.	2011-12	-do-	10	06	-	04
7.	2012-13	-do-	24	11	-	13
8.	2013-14	-do-	02	01	-	01

15.4 Audit Paras

15.4.1 Unauthorized Payment on account of Medical Allowance - Rs.49.229 million

According to Establishment & Administration Department Letter No. SOR-VI/E&AD/1-25/2007 dated 17-10-2008 under section (a) the lump sum package for fresh/directly recruited staff will be as below with 5% annual increment upto the maximum:

Post Equaling to BPS-17	Rs. 45,000/-	to Rs. 50,000/- (Fixed Pay)
Post Equaling to BPS-18	Rs. 60,000/-	to Rs. 75,000/- (Fixed Pay)

During the financial year 2014-15 to 2016-17, in the office of Secretary P&D Department for it was noticed that an illegal and unauthorized payment of Rs.49,829,416 was made to the project staff as detailed below:

- i. In the office of PD CBP for the financial period 2014-15, 2015-16 & 2016-17 the project staff was appointed in 2012 and were allowed fixed pay of Rs. 69,000/- to BPS-18 staff and Rs. 51,750/- to BPS 17. Audit also noted that the project staff were allowed illegal medical allowance in 2014 which was also added up in the pay while fixing the pay in the revised enhanced project pay in 2015 which was also illegal, unauthorized. This resulted into excess payment of Rs. 24,608,416- as detailed in original Para (AP No.187/2016-17)
- ii. In the office of DG M&E Peshawar for the year 2014-15, 2015-16 & 2016-17 revealed that an amount of Rs. 23.40 Million was paid to the project staff on account of medical allowance of 15% Adhoc relief in violation of project policy & contract as detailed in original Para. (AP No.198/2016-17)
- iii. In the office of PD CBP of P&D department was paid Rs. 1500 & 1000 per month as Medical Allowance from 2014 in violation of project policy to the project officers of BPS-17 & 18 resulted into illegal & unauthorized payment as detail below:-

(Rs)				
Sr.#	No of Officers	Financial year	Per month amount	Total
1	38	2015	37,000	444,000
2	38	2016	37,000	444,000
3	38	2017	37,000	333,000
Total				1,221,000

The lapse occurred due to weak internal controls and miss-use of cheque drawing authority.

When pointed in November, 2017 the department replied payment was made as per govt. notification and PC-I.

The advance paras were issued to the department for arrangement of DAC within 10 days vide letter dated 22.12.2017 but no DAC could be arranged till finalization of the report.

Audit disagreed as the finance department has already Clearfield the similar case that payment should be made according to project policy vide letter No.SOR-VI/E&AD/1-25/2014/Vol-IV dated 09.12.2014.

Audit recommends the establishment of proper pre-audit system besides a detailed inquiry for incurrence of illegal expenditure, fixing the responsibility and recovery of the illegal payment and deposit in to treasury.

APs187,198 &190(2016-17)

Chapter - 16

Provincial Assembly

16.1 Introduction

The Khyber Pakhtunkhwa Assembly is the unicameral legislative body of the Khyber Pakhtunkhwa province in Pakistan. It was established under Article 106 of the Constitution of Pakistan. The Assembly has 124 elected members, 99 General/regular seats, 22 seats reserved for women and 3 seats for non-Muslims, committed to achieve excellence in the best parliamentary practices and legislation.

There are three main functions performed by the Assembly i.e. Legislation, management of public money and policy making. After the first meeting of the Assembly, the members take an oath. The Assembly elects, from amongst its members, a Speaker and a Deputy Speaker. After the election of the Speaker and the Deputy Speaker, the Assembly cannot transact any other business unless it elects the Chief Minister. The Chief Minister is elected in a special session, summoned by the Governor on a day specified by the President.

16.2 Comments on budget and accounts (variance analysis)

Summary of the Appropriation Accounts:

A summary of grants/appropriations and actual expenditure in FY 2016-17 is given below:

Non-Development

(Rs.)						
Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
1- Provincial Assembly	NC24	694,196,000	12,379,000	706,575,000	628,473,282	-78,101,718
	NC21	168,310,000	51,550,000	219,860,000	191,178,097	-28,681,903
Total		862,506,000	63,929,000	926,435,000	819,651,379	-106,783,621

Development

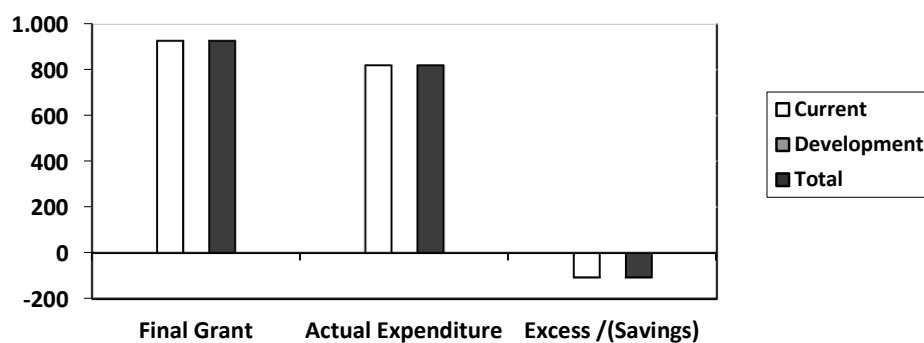
(Rs.)

Grant # 50 (Prov) NC12 & 22 and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
I-Provincial Assembly	NC22	0	0	0	0	0
	NC12	0	0	0	0	0
Total		0	0	0	0	0

Overview of expenditure against the final grant

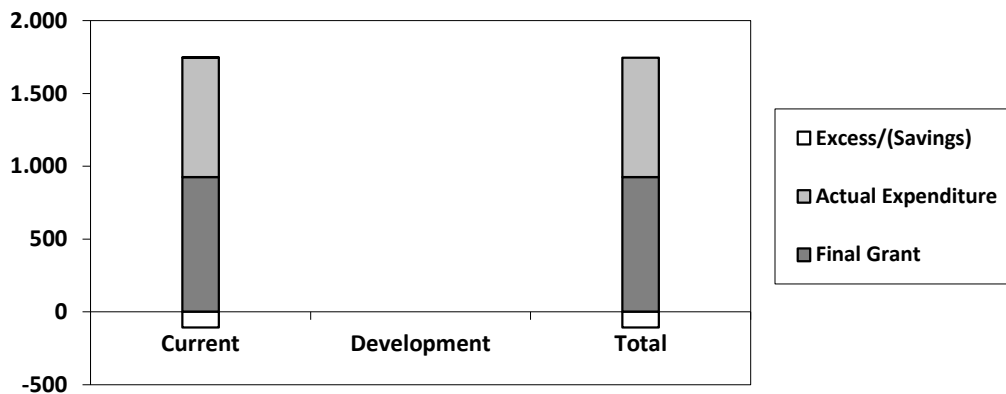
(Rs. in million)

Grant Type	Final Grant	Actual Expenditure	Excess/(Savings)	Variance %
Non-Development	926.435	819.651	-106.784	12
Development	0	0	0	0
Total	926.435	819.651	-106.784	12



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol-I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Provincial Assembly administering the above grant did not surrender anticipated savings of Rs. 106.784 million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



6.3 Brief comments on the status of compliance with PAC directives:-

S#	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
1.	2001-02	Provincial Assembly	0	0	0	0

16.4. Audit Paras

16.4.1 Non recovery of rent from allottees of MPA's Hostel - Rs.14.226 million

According to Notification No PA/KP/EO/2015/10701 dt.16-11-2015, room rent rate fixed for allottees of room in MPA hostel (Copy attached).

Non Member Rs.1200 per day for a suit and Rs.700/ per day for room. Parliamentary Secretary Rs.15000 for suit and Rs.12000 for room per month Rs.15000 for additional suit.

During the financial years 2015-16 & 2016-17, in the office of Secretary Provincial Assembly of KP, it was pointed out from record of MPA Hostel that rooms and suits were allotted to MPAs, Parliamentary Secretaries and non-members. In this connection room rent amounting to Rs.14,226,000 (detail attached) from concerned were not recovered.

The lapse occurred due to weak internal controls.

When pointed out in August 2017, the department replied that Record will be prepared and have to be worked out after the checking of record and actual A/R would be submitted for processing. Department accepted recovery in its reply.

The observation was communicated to the department vide letters dated 08.11.2017 and dated 14.12.2017 for convening DAC meeting, however, no DAC meeting was convened till finalization of this report.

Audit stress upon recovery.

AP 37 (2015-17)

Chapter – 17

Relief & Rehabilitation Department

17.1 Introduction

The Relief, Rehabilitation and Settlement Department was created during 2011-12 with a vision “Development of safer communities through an effective system for management and prevention of emergencies and disasters”.

The Relief, Rehabilitation and Settlement Department has the following attached departments.

1. Emergency Rescue Service (1122)
2. Directorate of Civil Defense
3. Provincial Disaster Management Authority (PDMA)

The policy of the Department to Development a safer disasters resilient community through proactive approach toward emergencies and disaster management, community awareness, training and to have positive socio-economic impact on the society by reducing disabilities and deaths due to injuries.

17.2 Comments on budget and accounts (variance analysis)

Summary of the Appropriation Accounts:

A summary of grants/appropriations and actual expenditure in FY 2016-17 is given below:

Non-Development

						(Rs.)
Grant # and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
47-Relief & Rehabilitation	NC21	4,753,060,000	130	4,753,060,130	728,824,261	-4,024,235,869
Total		4,753,060,000	130	4,753,060,130	728,824,261	-4,024,235,869

Development

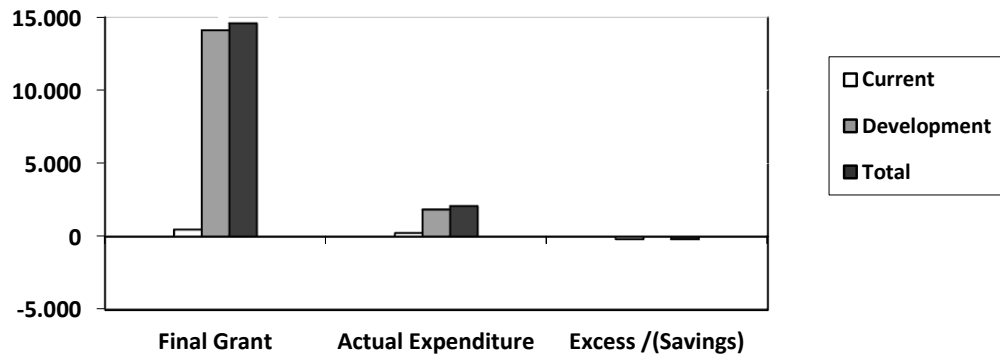
(Rs.)

Grant # (Prov) NC12 & 22 and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Savings)
Relief & Rehabilitation	NC22	1,381,370,000	122,154,040	1,503,524,040	1,488,749,369	-14,774,671
	NC12	833,630,000	782,680,000	50,950,000	50,950,000	0
Total		2,215,000,000	904,834,040	1,554,474,040	1,539,699,369	-14,774,671

Overview of expenditure against the final grant

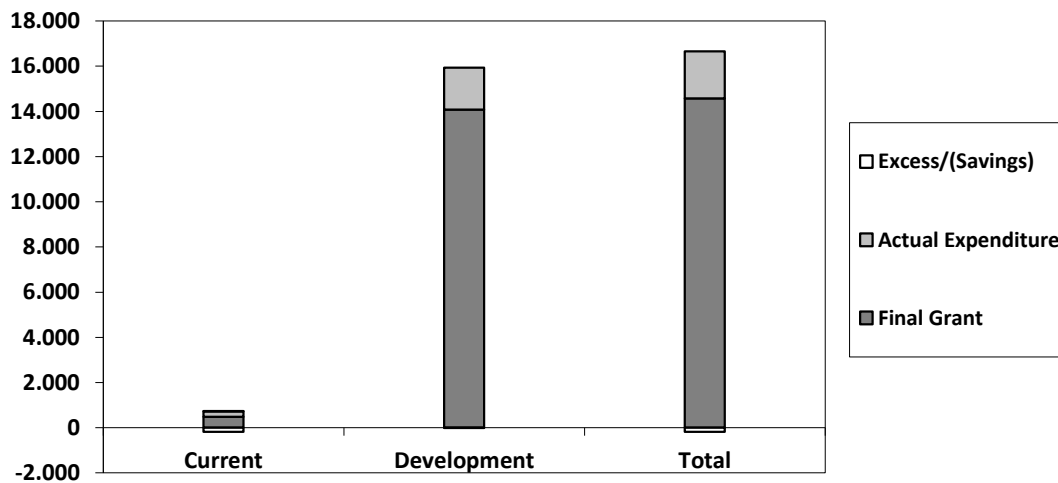
(Rs. in million)

Grant Type	Final Grant	Actual Expenditure	Excess/(Savings)	Variance %
Non-Development	4,753.060	728.824	-4,024.236	85
Development	1,554.474	1,539.699	-14.775	1
Total	6,307.534	2,268.523	-4,039.011	64



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol-I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Relief & Rehabilitation Department administering the above grant did not surrender anticipated savings of Rs. 4039.011million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



17.3 Brief comments on the status of compliance with PAC directives:-

S#	Audit Year	Name of Department	Total No. of actionable points	Full compliance	Partial compliance	Nil compliance
1.	2012-13	Relief & Rehabilitation	05	04	-	01
2.	2013-14	-do-	02	01	-	01

17.4 Audit Paras

17.4.1 Overpayment to contractors in violation of the agreement - Rs.4.239 million

According to the work orders and BOQ, 41% above on Composite Schedule of Rates (CSR) 2009 were not allowed/admissible to the contractors on items No.05 to 11 of the Bill of Quantities (BOQ).

During the financial year 2015-16, in the office of Executive Engineer, Public Health Engineering Department, Buner, under Malakand Reconstruction & Recovery Program, Relief, Rehabilitation and Settlement Department, the contractors were paid 41% premium on items No.05 to 11 which were not admissible as per the work orders and BOQ and thus Rs.4,239,316 (detail below) were overpaid to them which need recovery.

(Rs)

Vr. No. & Date	Name of Scheme	Name of Contractor	Amount of the bill	Premium allowed @ 41%	Zone Factor (9%)	Over Payment
2-T/ 15-6-16	DWSS Dargai	M/S Noor Wali Khan	950,003	389,501	35,055	424,556
01-B/ 4-4-16	DWSS Jowar Portion	M/S Saif ur Rehman	1,161,837	476,353	42,872	519,225
5-B/ 7-6-16	DWSS Dagar Maira	M/S Naimat Khan	1,827,464	749,260	67,433	981,166
12-B/24-3-16	DWSS Shal Bandi	M/S Gagra Const: Co.	4,271,732	1,751,410	157,627	2,293,493
8-B/ 17-2-16	DWSS Jangdara	M/S Misal Bacha	46,712	19,152	1,724	20,876
Total						4,239,316

The overpayment occurred due to violation of the contract agreement and financial mismanagement.

When pointed out in March 2017, the management stated that reply would be furnished after verification of record.

In the DAC meeting held in Sep 2017, the department replied that 41% premium has been approved on CSR 2009 by Finance Department vide Notification No.BO-I/FD/1-7/2010-11 CSR dated 22.03.2011. The DAC did not agree and observed that payments have not been made to the contractors according to the agreement and directed that recovery should be made from the contractors or person(s) responsible.

Audit recommends implementation of DAC decision.

AP 243 (2015-16)

17.4.2 Excess payment to consultants over and above the approved contract cost- Rs.21.776 million

According to Financial Proposal, Letter of Acceptance and Clause-4.3 of the agreement, the consultancy for Reconstruction and Rehabilitation of Militancy Damaged Schools and BHUs in Malakand Division was awarded to M/S Global Consultants, Peshawar at a cost of Rs.36.107 million.

During the financial year 2015-16, in the office of Project Director Malakand Reconstruction & Recovery Program-PaRRSA, Relief, Rehabilitation and Settlement Department, the consultancy services for "Reconstruction and Rehabilitation of Militancy Damaged Schools and BHUs under PaRRSA-USAID Programme in Malakand Division" was awarded to M/S Global Consultants Peshawar at a cost of Rs.36.107 million. However, the consultants were paid Rs.57.883 million upto 30.06.2016 without increase in the scope of work, which was unauthorized. This resulted in excess payment of Rs.21.776 million to the consultants which needs recovery.

The excess payment occurred due to weak internal controls and violation of the consultancy agreement.

When pointed out March 2017, the management replied that enhancement and extension of time limit was granted to the consultants.

In the DAC meeting held in June 2017, the department repeated the previous reply to which DAC did not agree and directed to constitute an inquiry committee headed by Deputy Secretary Relief Department with Programme Manager, PaRRSA and Deputy Director Finance PDMA as members to investigate the enhancement of the contract cost and report within a month. No progress was intimated till finalization of this report.

Audit stress upon recovery and fixing responsibility against the person(s) at fault.

AP 246 (2015-16)

Chapter – 18

Social Welfare Department

18.1 Introduction

As per Rules of Business 1985 (amended to-date), the Social welfare Department has been assigned the business of :

- ❖ Planning and co-ordination in the fields of Social Welfare.
- ❖ Charitable endowments.
- ❖ Standards of social work and education.
- ❖ Training and education of disabled.
- ❖ Custody, protection, treatment and rehabilitation of children involved in crimes, setting up and improvement of juvenile courts.
- ❖ Matters relating to formulation of public policies and laws to meet their special needs of women, ensuring that women's interests and needs are adequately represented in public policy formulation by various organs and agencies of Government.
- ❖ Registration of and assistance to women's organizations.
- ❖ Promotion and undertaking of projects for providing special facilities for women.
- ❖ Promotion and undertaking of research on the conditions and problems of women.

18.2 Comments on budget & accounts (variance analysis)

Summary of the Appropriation Accounts

The Summarized position of actual expenditure 2016-17 against the total of grants/appropriation was as follows:

Non-Development

(Rs.)

Grant No. and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Saving)
32-Social Welfare	NC21	719,781,000	10	719,781,010	317,368,622	402,412,388
33-Zakat and Ushr	NC21	218,844,000	30	218,844,030	166,692,398	52,151,632
Total		938,625,000	40	938,625,040	484,061,020	454,564,020

Development

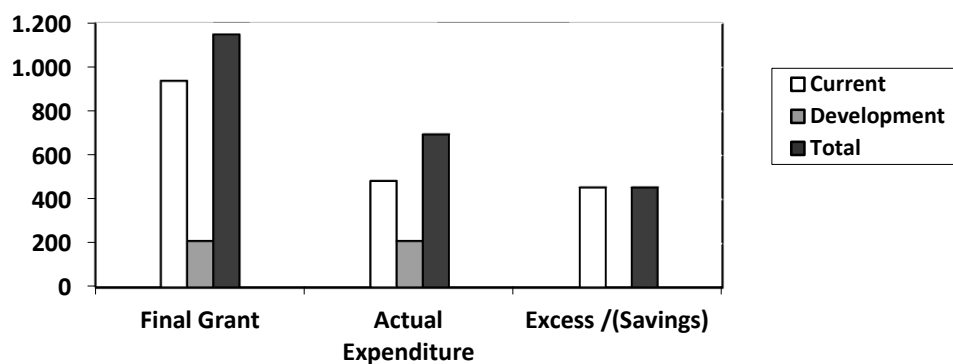
(Rs.)

Grant No. and Name of Department	Grant Type	Original Grant	Supplementary Grant	Final Grant	Total Actual Expenditure	Excess/ (Saving)
Social Welfare & Women Development	NC22	266,900,000	206,306,000	60,594,000	60,322,565	-271,435
S.W Measures	NC22	201,900,000	194,310,000	7,590,000	7,982,330	392,330
Social Welfare	NC12	193,100,000	50,185,000	142,915,000	142,913,399	-1601
Total		661,900,000	450,801,000	211,099,000	211,218,294	119,294

Overview of expenditure against the final grant

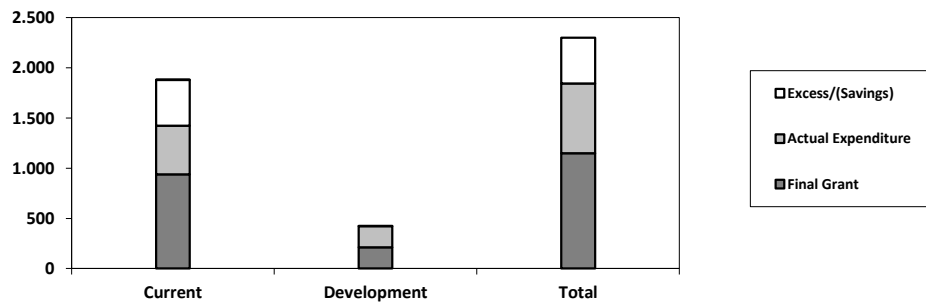
(Rs. in million)

Grant Type	Final Grant	Total Actual Expenditure	Excess/ (Saving)	Variance %
Non-Development	938.625	484.061	454.564	48
Development	211.099	211.218	0.119	0
Total	1149.724	695.279	454.683	39



Anticipated savings were not surrendered and lapsed

Para 95 of GFR Vol I states that all anticipated saving should be surrendered immediately but not later than 30th June of each year in any case. The rule operates to enable government to be informed of expected savings in time to allow it to divert funding to where ever needed and to remain abreast of changes in circumstances that necessitate the change in pattern of expenditure and address the situation. In contravention, the Social Welfare Department administering the above grant did not surrender anticipated savings of Rs.454.683 million thus preventing the government from utilizing the funds elsewhere and the considerable amount lapsed. The position of savings as well as percentage variance is shown in the following graphs.



18.3 Brief comments on the status of compliance with PAC directives:-

S.No	Audit Year	Name of Department	Total No. of actionable points	Full Compliance	Partial Compliance	Nil compliance
1	Nil	Social Welfare	Nil	Nil	Nil	Nil

18.4 Audit Paras

18.4.1 Overpayment on account of utility allowance - Rs 1.440 Million

According to the Government of Khyber Pakhtunkhwa, Finance Department letter No FD(SOSR-II)8-7/2011, dated 27.04.2011& clarification issued vide No. FD (SOSR-II)8-7/2009-11, dated 15.04.2016 the utility allowance has been discontinued w.e.f 07.04.2011.

During the financial year 2016-17, in the office of the Secretary Social Welfare, Khyber Pakhtunkhwa Peshawar, utility allowance @ Rs 20,000 PM was paid to Mr. Abdul Jabbar Khan, Secretary Social Welfare, Khyber Pakhtunkhwa. This resulted in overpayment of Rs 1.440 million

(Rs)

S#	Period	Months	UA PM	Overpayment
1	7/2011 to 6/2017	72	20,000	1,440,000

The overpayment made due to non-observance of rules and regulations.

When pointed out in July, 2017, it was stated that detail reply will be furnished later on after consulting the original record.

The observation was issued to the department vide letter dated 18.10.2017 for arranging the DAC meeting however the DAC meeting was not convened till finalization of this report.

Audit stress upon recovery.

AP 69(2016-17)

Annexure-A

MFDAC (AUDIT REPORT 2017-18)

(Rs)

S.No.	AP No.	Year	Department	Amount	Subject
1.	276	2015-16	DFO Wild Life Mansehra	962,442	Un-authorized/fictitious expenditure on construction of Cages.
2.	277	-do-	-do-	780,000	Miss-classification on account of pay and allowances
3.	280	-do-	-do-	405,236	Miss-appropriation on purchase of chicken meat for Cheetah
4.	281	-do-	-do-	349,200	Irregular expenditure on purchase of feed
5.	284	-do-	-do-	58,987	Non-production of record
6.	317	-do-	Chief conservator Wildlife Peshawar	93,246	Non-deduction of income tax
7.	330	-do-	-do-	75,000	Unnecessary payment
8.	173	-do-	Secretary Environment	249,645	Non-deduction of house rent & 5% maintenance charges
9.	319	-do-	Chief Conservator Wild Life Peshawar	100,800	Un-authentic payment
10.	321	-do-	-do-	196,068	Un-authorized payment
11.	323	-do-	-do-	187,600	Wasteful expenditure
12.	14	2015-16	Agricultural Engineering Malakand, Batkhela	538,854	Less deposit into public treasury realized on a/c of receipt from Bulldozer
13.	22	-do-	-do-	337,292	Unnecessary purchase of Furniture and Machinery
14.	41	-do-	Director Sugar Crops Research Institute Mardan	990,220	Fictitious expenditure on muster roll
15.	44	-do-	-do-	770,424	Unauthorized expenditure on purchase of various items without provision of budget
16.	104	-do-	AD Agriculture Engineering D.I.Khan	702,312	Irregular expenditure on a/c of repair of Govt vehicle
17.	107	-do-	-do-	167,535	Non-deduction of GST
18.	142	2016-17	DPO Kohat	285,000	Overpayment on account of transfer Grant.
19.	143	-do-	-do-	309,000	Less realization of income tax
20.	144	-do-	-do-	793,000	Non-deposit of confiscated cash
21.	147	-do-	-do-	798,000	Fictitious expenditure on account of hiring charges
22.	45	2015-16	Irrigation	488,000	Loss due to misappropriation of steel.
23.	47	2015-16	-do-	919,000	Doubtful payment on a/c of Bitumen prime coat
24.	48	2015-16	-do-	68,000	Un authorized drawl of conveyance allowance.
25.	49	2015-16	-do-	351,000	Loss due to payment at incorrect rate.
26.	52	2015-16	-do-	221,000	Loss due to doubtful payment on an item of work.

27.	88	2016-17	DFC DI Khan	540,000	Non recovery of professional tax.
28.	91	-do-	-do-	926,000	Non surrender of excess budget
29.	98	-do-	DFC Bannu	42,000	Overpayment due to allowing higher rates.
30.	100	-do-	-do-	72,000	Excess expenditure.
31.	104	-do-	-do-	200,000	Non auction of old material received from dismantling of Building.
32.	10	2016-17	Secretary Health	621,000	Irregular expenditure on account of AVR for MRI Machine
33.	11	2016-17	-do-	200,000	Fictitious expenditure on account of electricity work
34.	12	2016-17	-do-	525,000	Irregular and fictitious expenditure on account of POL
35.	84	2016-17	DG Health	876,000	Un-authorized drawl of non practicing allowance
36.	119	2016-17	DHQ Charsadda	686,348	Blockage of public money
37.	121	2016-17	-do-	730,000	Illegal allotment of private rooms and non recovery of room rent
38.	156	2016-17	Benazir Bhutto shaheed teaching hospital ,Abbotabad	503,000	Loss due to non-imposition of penalty on late supply of regular medicine.
39.	159	2016-17	-do-	650,000	Fictitious utilization of disposables items
40.	169	2016-17	-do-	740,000	Unauthorized expenditure on laboratory chemicals
41.	183	2016-17	LRH Peshawar	714,000	Unfair award of contract on account of purchase of equipments
42.	240	2016-17	-do-	675,000	Un-authorized payment on account of non transparent appointment
43.	620	2015-16	MS DHQ Hospital Kohat	725,000	Loss to govt due to non-supply of defibrillator
44.	669	-do-	Director Institute of Kidney Diseases Hayatabad Pesh	543,000	Less deposit of hospital receipts
45.	975	-do-	-do-	414,000	Loss to govt due to non-observing the MMC rates
46.	678	-do-	-do-	983,000	Misappropriation calculated on 3% of the total divisible receipts
47.	798	-do-	KGMC Peshawar	905,000	Irregular purchases of furniture
48.	33	2016-17	Secretary Health KP	752,000	Misappropriation on account of equipment procurement
49.	117	2015-16	C&W (PBMC)	756,000	Non-recovery of DPR charges for Rehabilitation of Disabled person.
50.	118	-do-	-do-	783,000	Overpayment on account of pay and allowances
51.	119	-do-	-do-	859,000	Loss due to non collection of rent.

52.	120	-do-	C&W (PBMC)	314,000	Loss due to non collection of rent.
53.	140	-do-	C&W (PBC-II)	568,000	Loss due to enhanced rates than quoted rates.
54.	152	-do-	-do-	795,000	Un-justified payment to the consultants on account of Income Tax.
55.	121	2015-16	C&W PMBC	959,000	Overpayment due to non-deduction of culverts
56.	27	2016-17	C&W Mardan	998,000	Overpayment due to non-deduction of culverts
57.	71	-do-	AD Mines & Minerals Mardan	675,000	Non-recovery of govt dues
58.	48	2016-17	DFC Dir Lower	642,887	Unjustified payment on account of salaries of Food grain inspectors
59.	49	-do-	-do-	798,250	Unauthentic expenditure on a/c of H&C weather charges
60.	50	-do-	-do-	230,289	Non-deduction of 1% stamp duty
61.	63	-do-	DFC Mardan	200,595	Loss due to non-renewal of food grain licenses
62.	64	-do-	-do-	97,788	Non-deduction of 1% stamp duty
63.	65	-do-	-do-	17,610	Incurring of expenditure in excess of allocation
64.	17	2016-17	DG Mines & Minerals	34,432	Less deduction of income tax
65.	19	-do-	-do-	1,236,500	Non-maintenance of cash book
66.	20	2016-17	-do-	221,511	Doubtful expenditure on a/c of POL
67.	21	-do-	-do-	117,683	Excess expenditure
68.	22	-do-	-do-	175,630	Irregular/unjustified expenditure on a/c of purchase of charcoal
69.	23	-do-	-do-	36,000	Doubtful expenditure on a/c of purchase of gas heater
70.	107	2016-17	Administration	656,340	Non-adjustment of TA/DA advance
71.	108	-do-	-do-	671,046	Irregular drawl on a/c of consumable items
72.	110	-do-	-do-	975,000	Non-reporting of loss to audit
73.	112	-do-	-do-	714,994	Irregular expenditure without adopting open tender system
74.	114	-do-	-do-	905,505	Doubtful expenditure on a/c of repair of vehicles
75.	122	-do-	-do-	672,183	Fictitious drawl
76.	126	-do-	-do-	900,000	Unjustified drawl
77.	131	-do-	-do-	150,000	Non-accountal of store articles
78.	33	2015-16	DG Excise & Taxation	424,850	Non-recovery of stamp duty
79.	34	-do-	-do-	117,825	Loss due to less deduction of income tax
80.	35	-do-	-do-	48,359	Loss due to less deduction of income tax
81.	36	-do-	-do-	36,600	Loss due to allowing higher rates
82.	37	-do-	-do-	36,550	Loss due to less deduction of income tax

ANNEX- B (DP # 1.1.1)

(Rs in million)

S#	Grant #	Cost Center	Name of office	Expenditure	Approp: A/Cs page #
1	2	PR-4985	Ehtesab Commission	194.142	7
	//	CL-4024	Liabilities of Ex-Methar Chitral	0.017	9
	//	DA-4012	Liabilities of Ex-Nawab Dir	1.961	10
2	6	DA-7001	Deputy Commissioners in Khyber Pakhtunkhwa	451.301	27
	//	PR-4047	District Land Management Peshawar	19.112	31
3	7	29 Cost Centers	Tax Management	584.523	34
	//	PR-7027	Lump Sum at the disposal of Finance Department	0.528	134
	//	PR-4789	Building & Structure	4.014	135
4	18	PR-4777	Transfer of Sugar Cess Fund	91.468	148
5	14	PR-4115	Dy: Director Building Construction	18.474	120
	//	AD-4426	Chief Engineer EQAA C&W	11.800	121
	//	Various	XEN Highways	196.164	121
	//	Various	Road Research Material Testing Laboratories	28.066	123
	//	PR-5225	XEN Prov: Building Maintenance Cell Peshawar	167.013	125
	//	DI-7019	XEN R&M	11.658	125
	//	AD-4341	SE C&W Circle Abbottabad	7.070	127
	//	BM-4137	XENC&W Circle Battagram	8.272	127
	//	BU-4430	SE C&W Circle Bannu	6.987	128
	//	DA-4267	SE C&W Circle Dir Lower	8.142	128
	//	DI-4367	SE C&W Circle DIK	8.845	129
	//	MR-4397	SE C&W Circle Mardan	8.502	129
	//	KT-4397	SE C&W Circle Kohat	7.987	130
	//	SW-4481	SE C&W Circle Swat	8.114	130
6	17	Various	Local Government	52.453	144
7	38	NA	District Sports Officer	0.010	237
		PR-4355	Director Sports (Part of Rs 87036186)	0.002	238
8	47	PR-5711	Provincial Reconstruction & Rehabilitation Authority (PARRSA)	728.824	262
9	24	BU-4134	SE Bannu Irrigation Circle	12.068	174
	//	PR-4883	SE Peshawar Irrigation Circle	16.690	175
	//	KT-4384	Dy: Dir: Planning & Const: Kohat	9.508	181
	//	DI-4384	SE DIK Irrigation Circle	7.211	182
	//	KT-4372	Executive Engineer (Part of Rs 24985024)	8.173	184

	//	Various	XEN Irrigation Divisions (R&M of canal)	241.980	185
	//	Various	XEN Irrigation Divisions (R&M of T/Wells)	27.283	185
	//	Various	XEN Irrigation Divisions (Others)	20.819	186
	//	Various	District Officer (RE) Collector	66.932	186
	//	Various	XEN (Flood & Drainage Control)	56.054	187
10	13	Various	Drug Control	29.764	79
	//	KK-7006	DHQ Other Hospital	0.880	80
	//	SU-7011	Bacha Khan Medical College Swabi	239.676	80
	//	Various	BHUs	0.525	88
	//	Various	DHO Dispensaries	0.017	89
	//	PR-4343	Sarhad Hospital for Psychiatry Diseases Pesh:	198.087	90
	//	AD-4415	Nursing School Abbottabad	29.999	104
	//	AD-4154	Public Health School Abbottabad	13.730	105
	//	AD-4155	DHDC Abbottabad	11.430	105
	//	BU-4149	Nursing School Bannu	13.182	106
	//	BU-4152	DHDC bannu	4.752	106
	//	AD-4414	Para Medical Institute Abbottabad	13.661	107
	//	CL-4013	DHDC Chitral	10.990	108
	//	DI-4202	Public Health School DIK	15.688	109
	//	DI-4184	Para Medical Institute DIK	11.018	109
	//	DI-4180	Nursing School DIK	25.647	110
	//	KT-4180	Nursing School Kohat	15.589	110
	//	MR-4219	Nursing School Mardan	27.131	111
	//	MR-4218	DHDC Mardan	8.398	111
Total				3,762.331	

ANNEX-C (DP #1.1.2)

(Rs)

S#	Grant #	Page #	Cost Centre	Object Classification	Final Grant	Expenditure	Excess Expenditure
1	2	5	PR-4009	AO3805-TA	1562300	1642692	80,392
	//	5	PR-4009	AO13-R&M	1802800	1899649	96,849
	//	5	PR-4010	AO3-Operating Expen:	1291000	1443262	152,262
	//	5	PR-4010	AO3805-TA	593700	603530	9,830
	//	7	PR-4012	AO3-Operating Expen:	81628813	82520999	892,186
	//	9	PR-4015	AO3-Operating Expen:	3853330	3923312	69,982
	//			AO3805-TA	912780	1709277	796,497
2	3	20	Various	AO3805 TA	12211063	12857063	646,000
3	6	29	PR-4045	A09-Physical Assets	81764110	83252106	1,487,996
	//		MA-4316	AO3 Operating exp	1551220	1571567	20,347
4	7	34	Various	AO3-Operating exp:	53798963	55918979	2,120,016
	//		Various	AO3805-TA	6199110	6581249	382,139
	//		Various	AO5-Grant Subsid:	4000000	4100000	100,000
5	8	38	DP-4170	A03-Operating Expenses	900000	3028286	2,128,286
	//	-do-	-do-	A03805-Travelling allowance	100000	150000	50,000
	//	-do-	-do-	A13-Repair & maintenance	55000	400000	345,000
6	9	42	Various Cost Centers	A05-Grant Subsidies	1600000	1801181	201,181
	//	-do-	-do-	A09-Physical Assets	471000	486960	15,960
	//	43	-do-	A03-Operating Expenses	19064600	20018483	953,883
7	10	48	PR4913	A03805-Travelling allowance	2420000	3165115	745,115
	//	50	PR5128	A03805-Traveling allowance	1260000	2258396	998,396
	//	55	Various C. Center	A06-Transfer	1364000	1663800	299,800
	//	58	PR4098	AO3-Operating Exp:	32291400	32478146	186,746
	11	62	Various	AO3805-TA	8384909	8386628	1,719
	//	-do-	-do-	AO13-R&M	6374791	6403491	28,700
	//	63	AD-4001	AO3805-TA	618820	619880	1,060
	//	60	Various	A03805-Travelling Allowances	2328392	2657428	329,036
	//	60	PR4005	A03805-Travelling allow	7500000	7733164	233,164

	//	-do-	-do-	A13-Repair & Maintenance	965000	1173298	208,298
	//	-do-	-do-	A13-Repair & Maintenance	6374791	6403491	28,700
	//	64	PR4959	A03-Operaiting Expenses	3979467	3982304	2,837
	//	67	Various	A03-Operating Expenses	6547840	7647413	1,099,573
	//	-do-	-do-	A03805-Travelling allowances	832276	1099678	267,402
	//	67	-do-	A03805-Travelin	23580905	24296576	715,671
	//	-do-	-do-	A13-Repair & maintenance	21823744	22023644	199,900
	//	-do-	PR4003	A09-Physical Assets	4626147	4818147	192,000
9	12	73	PR-4127	AO3805-TA	2900000	3397520	497,520
10	13	76	PR4308	A03-Operating Expenses	130316	177816	47,500
	//	79	MD7010	A03-Operating Expenses	36206667	72161353	35,954,686
	//			AO13_R&M	1998417	1999037	620
	//	82	PR-4338	AO6_Transfer	2210011520	2212979520	2,968,000
	//	84	Various Cost Centers	AO4-ERB	8000	92977	84,977
	//			A06-Transfers	580783000	581005904	222,904
	//	87	PR4343	A03-Operating Expenses	24320349	24446287	125,938
	//	-do-	-do-	A03805-Travelling allowance	99940	105340	5,400
	//	-do-	-do-	A05-Grants Subsidies	900000	1200000	300,000
	//	89	PR4330	A03-Operating Expenses	179228	441348	262,120
	//	93	SU4326	A09-Physical Assets	840856588	857113482	16,256,894
	//			AO3-Operating	5058565	5094400	35,835
	//	94	-do-	AO13-R&M	584132	591431	7,299
	//	101	PR4948	A03-Operating Expenses	52986525	53029365	42,840
	//	103	DI-4202	A03-Operating Expenses	2816570	2918946	1,02,376
	//	104	DI4180	A03-Operating Expenses	13746422	14920205	1,173,783
	//	-do-	-do-	A03805-Travelling allowance	196679	200000	3,321
	//	-do-	-do-	AO13-R&M	305211	345211	40,000
	//	-do-	KT4180	A03-Operating Expenses	5815767	6851247	1,035,480
	//	105	MR4218	A03-Operating	421189	451189	30,000
	//			AO3805-TA	32125	37300	5,175
	//	107	SW4328	AO13-R&M	203050	292850	89,800

	//	114	SW4327	A03-Operating Expenses	5586000	13484444	7,898,444
11	14	121	DA-4267	AO3-Operating	1059475	1062175	2,700
12	17	137	PR-5723	A3-R&M	71700	73220	1,520
	//	-do-	-do-	AO3805-TA	1873421	1876770	3,349
	//	-do-	-do-	A13-R&M	256165	287601	31,436
13	18	142	Various	AO9-Physical Asset	346440	396140	49,700
	//	144	Various	AO9-Physical Asset	5059997	5358847	298,850
	//	145	Various	AO3805-TA	4620459	4816159	195,700
	//		Various	AO5-Grant Subsid:	300000	600000	300,000
14	19	147	Various	AO9-Physical Asset	3515215	3564115	48,900
15	24	166	PR4487	A03-Operating Expenses	1145984	1158828	12,844
	//	-do-	-do-	A13-Repair & maintenance	178376	243580	65,204
	//	166	KT-4384	AO3805-TA	1382072	1385072	3,000
	//	168	Various	AO13-R&M	4431980	4436385	4,405
16	28	182	PR-4346	AO3-Operating Expen:	1205697	1403273	197,576
	28	182	PR-4346	AO13-R&M	358490	358816	326
17	30	194	Various	AO3805-TA	980313	981193	880
18	31	196	Various	AO6-Transfer	163959	175159	11,200
19	32	199	PR-4357	AO3805-TA	588719	608539	19,820
	//	-do-	-do-	AO5-Grant Subsid:	172475250	172476760	1,510
	//	201	PR-4359	AO3805-TA	688930	689430	500
	//	-do-	-do-	A03-Operating	2981360	2987868	6,508
20	33	203	-do-	AO9-Physical asset	377000	398900	21,900
21	38	215	PR4896-	A03-Operating Expen:	881800	4635515	3,753,715
	//	-do-	-do-	A03805-T A	420900	1024221	603,321
	//	-do-	-do-	A13-Repair & maintenance	244300	698708	454,408
22	45	227	PR-5102	AO3-Operating exp	2071049	2101029	29,980
	//	228	PR-5122	AO-3805 TA	200000	700000	500,000
23	47	234	PR4943	A13-Repair & Maint:	918025	929425	11,400
	//	236	PR-4978	AO13-R&M	1626175	1659935	33,760
	//	-do-	PR5711	107102-Rehabilitation & Resettlement	677778440	678140054	361,614
24	49	241	PR-4451	AO3-Operating	76000	76600	600
25	50	251	Develop:	Building & Structure	23328000	27399929	4,071,929
	//	252	-do-	H&TA	21007000	21984305	977,305
	//	253	-do-	Social Welfare	7590000	7982330	392,330
	//	254	-do-	Religious Affairs	4552000	4590489	38,489
	//	257	-do-	Livestock & D Dev:	163544000	164260854	716,854
	//	258	-do-	Agriculture Planning	37258000	37963656	705,656
	//	258	-do-	Fisheries	59462000	59463133	1,133
	//	258	-do-	Forestry	1737520000	1769453193	31,933,193

	//	260	-do-	Tourism	335900000	775221589	439,321,589
	//	264	-do-	Science & Technology	98879000	113013264	14,134,264
	//	264	-do-	Transport	84338010	85379225	1,041,215
	//	267	-do-	Provincial Program	892480000	893979077	1,499,077
	//	268	-do-	Mines & Mineral	92702000	108921153	16,219,153
	//	270	-do-	Law & Justice	27917000	34769930	6,852,930
	51	281	-do-	Finance	27788000	31090765	3,302,765
	//	282	-do-	Research & Develop:	404231000	529139811	124,908,811
	//	282	-do-	BOR	137680000	139185312	1,505,312
	//	283	-do-	Urban Policy	76550000	76611685	61,685
	//	283	-do-	Finance	6219000	19680391	13,461,391
	//	284	-do-	Finance	44736000	45736298	1,000,298
	//	285	-do-	Multy Sect: Dev:	1424978000	1425472139	494,139
	52	288	-do-	DWSS Program	1557000	2502099	945,099
	53	290	-do-	Secondary Education	592541000	607484459	14,943,459
	//	291	-do-	Colleges	712764000	1461208465	748,444,465
	//	294	-do-	Achieves Libraries	25000000	34539139	9,539,139
	56	305	-do-	PAKHA R & Bridges	14981647000	15041066000	59,419,000
Total					27101224232	28687459373	57,374,710,243

ANNEX-D (DP # 1.1.3)

(Rs)

S#	Grant#	Approp: A/Cs page #	Cost Center/ DDO	Object classification	Final Grant	Expenditure incurred	Difference
1	8	38	DP-4170	A05-Grant Subsidies	0	600000	600000
				A09-Physical Assets	0	150000	150000
2	11	65	PR4006	A09-Physical Assets	0	10000	10000
3	13	78	KK7006	A011-1 Pay of Officer	0	25440	25440
		80	PR5492	A12-Civil Works	0	1233665	1233665
4	15	127	PR-7027	A13-R&M	0	528060	528060
5	19	148	Various	AO9-Physical Asset	0	1555	1555
6	38	215	-do-	A06-Transfer	0	119629	119629
		217	-do-	A06-Transfer	0	100000	100000
7	46	231		AO3-Operating Expen	0	27660	27660
8	50 (Dev)	250	015101 NC-22	015101-Estab: Services	0	80805	80805
		263	015201 NC-22	015201-Planning Research & Develop:	0	312940	312940
		265	NC-12	015405- Centralized Data Processing	0	1553208	1553208
9	53 (Dev)	291	NC-12	092120-Others	0	4732000	4732000
		293	NC-12	University	0	296800000	296800000
10	54 (Dev)	295	NC-12	074103-Anti Tuberculosis	0	18740	18740
11	57 (Dev:)	308	NC-12	091103- Administrat:	0	645000	645000
12	59 (Dev)	315	Foreign Aided Projects	045702-Building & Structure NC-12	0	8000000	8000000
				Total	0	314938702	314938702

ANNEX-E (DP #2.4.2)

(Rs)

S.NO	Year of allotment	Block	Description	Size	No	Approved rate	Amount
1.	1998-99	ABC	Shops	15 x 30 feet	72	471000	33,912,000
2.	1998-99	D	Plots	15 x 30 feet	42	165000	6,930,000
3.	2005-2010	Malak Sohni	Mini Shop	12 x 15 feet	18	110000	1,980,000
		Weight bridge	Mini Shop	12 x 15 feet	25	110000	2750000
4	2006-2007 2011-12	Different Out gate & near mosque	Mini shops Mini shopt	10 x 12 x 12 x 15	182 40	90500 220000	16471000 8800000
5	2007-2008 & 2011-12	EFGH	Plots	20 x 40 feet	60	680000	40,800,000
6	2007-2008 & 2011-12	EFGH	Plots	30 x 60	12	1,307,500	1,5690,000
7	2011-12	Opposite block C	Plots	15 x 30	07	165000	1155000
8	2011-12	Out of gate	Plot	20 x 40	01	680000	680000
9	2011-12	Southern west corner	Plot	20 x 40	01	680000	680000
10	2011-12	ABCD	Plot	15 x 30	09	165000	1485000
11	2011-12	D	Shops	15 * 30 feet	02	450000	900,000
Total amount							132,233,000
Recovered amount							20,422,925
Misappropriated amount							111,810,075

ANNEX-F (DP # 4.4.6)

(Rs)

S.No.	Cheque No. & Date	Amount Granted	Contractor	Recoveries effected	Balance outstanding advance	Name of Work
1.	6794235 dated 12-12-2012	16,809,848	M/s Amin Brothers	30,572,295	2,570,272	LCB (i) Malakand bypass to village shah Beg (ii) Nisatta Road to Charsadda via Jalal kalli. (iii) Jandai Owana Khel.
	5058222 dated 22-11-2013	16,332,819	-do-			
	Total:	33,142,667		30,572,295	2,570,372	
					0	
3	6794230 dated 04-12-2012 & 3662503 dated 28-02-2013	14,915,157	M/s A.M & Co.	13,050,762	1,864,395	LCB-22 Kankawal Totalai Road Section-II Swat
4	6794230 dated 04-12-2012 & 662504 dated 28-02-2012	14,946,578	-do-	9,341,613	5,604,965	LCB-23 Kankawal Totalai Road Section-III Swat
5	6794266 dated 24-01-2013 & 6794268 dated 29-01-2013	12,970,792	M/S Muhammad Irshad & Co.	12,827,521	143,271	LCB-29 Garam Chashma Road Section-1 Chitral
6	3662506 dated 28-02-2013 & 3662508 dated 01-03-2013	8,161,826	M/s Khattak Allied Construction Co.	4,080,914	4,080,912	LCB-32 Pabbi Internal Road Nowshera
7	5058288 dated 02-01-2014 & 5456505 dated 07-02-2014	14,364,115	M/s Fazal Karim & Co.	11,732,222	2,631,893	LCB-37 Sair Tekegram Bish Banr Band Road Swat
8	6794285 dated 08-02-2013, 3662523 dated 07-03-2013 & 4601618 dated 270802913	19,786,003	-do-	18,286,003	1,500,000	LCB-43 Thana Chirat Palai Road Section-II Malakand
9	3662542 dated 04-04-2013 & 4309628 dated 17-06-2013	13,755,126	M/s Raja Sabir Khan & co.	6,877,562	6,877,564	LCB-49 Rabat Dara Road Dir Lower
10	4601610 dated 16-08-2013 & 15021079 dated 01-12-2014	23,196,504	m/S New Malik Afridi & Co.	16,098,252	7,098,252	LCB-70 Hassah Sohbrain Road Mansehra

11	5058225 dated 22-11-2013 & 5058230 dated 26-11-2013	16,603,908	M/s Haji Ibrahim & Sons	11,150,977	5,452,931	LCB-73 Baba Sarai Kinger Gali Road Buner
12	15021094 dated 05-12-2014 & 15021119 dated 19-12-2014	10,773,000	M/s JHK Construction Co.	6,886,500	3,886,500	LCB-75 Kurvi Road to Banda Sheikh Ismail Nowshera
13	15021126 dated 23-12-2014 & 15021142 dated 30-12-2014	11,191,498	M/s Trand Construction Co.	8,393,625	2,797,873	LCB-79 Darhi Sikandar Pur Road Including Link Roads
14	Invoice-1	74,271,600	M/s NESPAK	70,724,029	3,547,571	Construction supervision of all works.
	Total	234,936,107		189,449,980	45,486,127	

ANNEX-G (DP# 5.4.8)

(Rs)

S.No	Name of Leasee	Land	Sugar Cane	Wheat/Maiz	Shaftal	Total
1	Mr. M. Saeed	48	48	0	0	0
2	Mr. M. Ibrahim	28	8	20	0	0
3	Mr. RafatUllah	16	16	0	0	0
4	Mr. Jamshad Ahmad	54	24	24	6	0
5	Mr.Ahmadullah	40	12	20	8	0
6	Mr. Shamshad	8	0	0	8	0
7	Mr. Nadeem Ahmad	8	8	0	0	0
8	Mian Nadir Shah	20	4	16	0	0
9	Mr.AsifIqbal	8	8	0	0	0
10	Mr.Nadir Ali Khan	108	72	28	8	0
11	Mr.Nadeem Ahmad	4	0	4	0	0
12	Mr. Israr Ali	4	4	0	0	0
13	Mr. M. Saeed	20	0	20	0	0
14	Mr. Nasir Khan	6	6	0	0	0
15	Mr. MazzUllah	16	0	16	0	0
16	Mr. Saleem Khan	18	0	18	0	0
17	Mr. Asif Khan	1	0	0	1	0
18	Total	407	210	166	31	407
19	Lease amount due		787,500	622,500	116,250	1,526,250
21	Recovered		787,500	311,250	58,125	1,156,875
21	Difference		0	311,250	58,125	369,375
22	Same for 2015-16		787,500	622,500	116,250	1,526,250
	Total		787,500	933,750	174,375	1,895,625

ANNEX-H (DP #5.4.12)

(Rs)

S.No.	Name of Office	Expenditure	Stamp Duty	Name of firm	Financial Year
01	DEO M&F Nowshera	32,000,000	320,000	Fine Traders Peshawar	2014-15
02	DEO M&F Swat	117,100,000	1,170,000	Mardan, Raza & Ilyas Traders, Shama Furniture	2015-16
03	DEO M&F Buner	8,397,000	83970	Mehran Enterprises Karachi	2014-15
04	DEO M&F Tank	22,340,000	223,400	Mardan Trd & Burhan	2015-16
05	DEO M&F Chitral	19,000,000	190,000	Mehran Enterprises Karachi	2014-15
06	DEO M&F Bannu	31,532,000	315,320	Burhan Borthers	2015-16
07	DEO M&F Dir Lower	101,802,000	1,018,020	Danyal Traders	2015-16
08	DEO M&F Kohat	166,933,000	1,669,330	Asian Trading, Nazir & Co, Haseeb Enterprises	2014-16
09	DEO M&F Karak	64,360,000	643,600	Asian Trading, Mamoon and Malak Enterprises	2014-16
10	DEO M&F Mansehra	64,873,400	648,734	Asian Trading & Soofi	2015-16
11	DEO Female Mardan	20,926,705	209,267	Mardan & Pakistan Trder	2015-16
12	DEO M&F Charsadda	29,000,000	290,000	Asian Trading Co	2014-15
	Total	678,264,105	6,782,640		

ANNEX-I (DP #5.4.13)

(Rs)

S.No.	Name of DEO	Expenditure	Income Tax 4.5%	Deducted	Less deduction	Name of Firm	Financial Year
1.	Nowshera	32,000,000	1,440,000	1,280,000	160,000	Fine Traders	2014-15
2.	Swat	23,538,000	1,059,210	823,830	235,380	Mardan Traders	2015-16
3.	Swat	93,568,000	4,210,560	Nil	4,210,560	Raza & Ilyas Trd	2015-16
4.	Swat	30,340,000	1,365,300	1,213,600	151,700	TEVTA Punjab	2014-15
5.	Shangla	14,000,000	630,000	Nil	630,000	Mardan Trader	2014-15
6.	Shangla	31,900,000	1,435,500	Nil	1,435,500	Ittehad Traders	2015-16
7.	Buner	8,397,000	283,621	Nil	283,621	Mehran Enterpr	2014-15
8.	Tank	22,340,000	1,005,300	838,000	167297	Mardan Traders & Burhan Bros	2014-16
9.	Chitral	19,000,000	855,000	Nil	855,000	Mehran Enterpr	2014-15
10.	Dir Upper	54,000,000	2,430,000	Nil	2,430,000	Mardan Traders & Ilyas Traders	2014-16
11.	Bannu	31,532,000	1,418,940	945,960	472,980	Burhan Bros	2015-16
12.	Dir Lower	101,802,000	4,581,090	Nil	4,581,090	Danyal Traders & Raza Traders	2015-16
13.	Dir Lower	24,000,000	1,080,000	960,000	120,000	Mehran Enterpr	2014-15
14.	Kohat	166,933,000	7,511,985	6,677,320	834,665	Haseeb Traders & Nazir & Co	2014-15
15.	Karak	64,360,000	2,896,200	2,574,400	321,800	Asian, Mamoon & Malak Trader	2014-16
16.	Mardan	170,000,000	7,650,000	6,800,000	850,000	Asian Trading	2015-16
17.	Charsadda	123,000,000	5,535,000	4,920,000	615,000	Asian Trading & Trade Zon int	2014-16
	Total	,010,710,000	45,387,706	27,033,110	18,354,593		

ANNEX-J (DP # 6.4.1)

S. No	Name of Site/Village	Completion Date
1	KasQalandar (Revised)	18.08.15
2	Tarangarr, Battagram	21.08.15
3	Banna, Allai	22.08.15
4	Rashnag Proper	29.08.15
5	BeesaKhait (Revised)	03.09.15
6	Pitaw	28.10.15
7	Buzaigah	31.10.15
8	DinskGobar	31.10.15
9	Charma	30.11.15
10	GujaroKalay	30.11.15
11	Bashigram	30.11.15
12	Qala	30.11.15
13	MianganoKalay	30.11.15
14	Pia	30.11.15
15	Bela	30.11.15
16	Bar Bargain	30.11.15
17	Belalarai	30.11.15
18	KomalaiKarshat	30.11.15
19	Segimoos	30.11.15
20	Kero	30.11.15
21	SheshalKeyal	30.11.15
22	ZaidKhad	30.11.15
23	Phalkot, Abbotabad (Revised)	15.12.15
24	Patordam	28.02.16
25	NekoCruit	20.03.16
26	Bakote II	30.03.16
27	KatanBala, Jabar	30.03.16
28	Jabar Pain, Ushairi	30.03.16
29	AkroiGole	31.03.16
30	AkroiDarashot	31.03.16
31	Khararai, Amazai	15.04.16
32	Shagai	18.04.16
33	Ursoon	30.04.16
34	Bazigaran	30.04.16
35	BelaBala	30.04.16
36	Kochgah	30.04.16

37	Kamsai	30.04.16
38	Lalkoo	16.05.16
39	Gora	24.05.16
40	CharbaghTrand	25.05.16
41	Shunyal	26.05.16
42	Upper Molia	30.05.16
43	KuzGanshal	28.05.16
44	Sheri Dumrae	06.06.16
45	KuzParoo	06.06.16
46	Shang Janrai	06.06.16
47	Dor	10.06.16
48	BedaraTarangar	11.06.16
49	Sadiqabad	11.06.16
50	BandiQalash	12.06.16
51	KuzMeraBateela	18.06.16
52	Bari Nogram	19.06.16
53	Kun Shahi	19.06.16
54	Meeragram 1	21.06.16
55	Imran Nazeerabad	23.06.16
56	JhandrotiTajwal	24.06.16
57	Lower Phalkot	24.06.16
58	Seri Bansair	25.06.16
59	Tabka	25.06.16
60	BelaBateela	25.06.16
61	BanaQallah	25.06.16
62	Kasai	26.06.16
63	BersaPayeen	26.06.16
64	Chanal	27.06.16
65	KuzLashkar	27.06.16
66	Nammal	27.06.16
67	BandiKhwar	28.06.16
68	FatehPur II	28.06.16
69	DamkotSerai	28.06.16
70	Seri Khan Kalan	29.06.16
71	OnaDerai	01.07.16
72	ReenDaraKalas	01.07.16
73	Shahkot	01.07.16
74	Kutli	01.07.16

75	Ughuz Patti Meerani	01.07.16
76	Hill	26.07.16
77	JaraiKarai	26.07.16
78	Beshbanrh	27.06.16
79	Chinkalai	27.06.16
80	Khalkaray	28.06.16
81	Paruna	28.06.16
82	Swataee	28.06.16
83	Muneer Colony	28.06.16
84	Damnair	29.07.16
85	Batal	30.07.16
86	BestieArkari	31.07.16
87	BanenQala	31.06.16
88	Baja	31.06.16
89	MoraiPayeen	25.08.16
90	Borbunu	25.08.16
91	KuzhBala	25.08.16
92	GarambithGol	26.08.16
93	Nassafa	26.08.06
94	Shagai	27.08.16
95	Malak	30.08.16
96	Kushgram	30.08.16
97	Madyan III	30.08.16
98	BersaNallah	30.08.16
99	Amrait	30.08.16
100	Meerani	30.08.16
101	sangai	30.09.16
102	bakot I	30.09.16
103	Sarindi	30.09.16
104	BuramOveer	30.09.16
105	TarichBala	30.09.16
106	GoborBakh	30.09.16
107	Mirkhani	30.09.16
108	Kunda MHP	25.10.16
109	Gat Shower	25.10.16
110	Dhood Patti	27.10.16
111	BooniGol	30.10.16
112	Shershal	31.10.16

113	Tikni (Lower Dir)	31.10.16
114	Zulikha	31.10.16
115	Mani Ghat	31.10.16
116	BateelaBala	31.10.16
117	BelaTarla	31.10.16
118	Null	31.10.16
119	Laghrai	31.10.16
120	Shamshair	31.10.16
121	Noghor	31.10.16
122	Upper Birir	30.11.16
123	GumbasBroze	30.11.16
124	Kuja	30.11.16
125	Yourjogh	30.11.16
126	Bar Mutlia	30.11.16
127	Ushu	30.11.16
128	Gul Abad Gabral	30.11.16
129	Machar	30.11.16
130	Ghagoi	30.11.16
131	Kotal	30.11.16
132	Berai	31.12.16
133	Sori Paw	31.12.16
134	Shumaye	31.12.16
135	DobandyKar	31.12.16
136	SakargahKareen	31.12.16
137	GhantarPayeen	31.12.16
138	Mokaband	31.12.16
139	Koat	31.12.16
140	KuzNehar	31.12.16
141	Shekhandeh	31.12.16
142	Rabat	31.12.16
143	koghozi	31.12.16
144	MHP Kela	31.12.16
145	MHP Manao	31.12.16
146	Cham	31.12.16
147	Sulataar	31.12.16
148	KasonaMalam	31.12.16
149	Faqeer Abad	31.12.16
150	Jamra	31.12.16

151	Asharai	27.02.17
152	Sangar	31.03.17
153	Srapo	31.03.17
154	Sail Kas	31.03.17
155	Mia Barangola	31.03.17
156	KalasGangwal	31.03.17
157	Tailos	31.03.17
158	Pokal	31.03.17
159	KasGangwal	31.03.17
160	Rabat Kasai	31.03.17
161	LachigramDamel	31.03.17
162	Nagrai	31.03.17
163	Nartan	31.03.17
164	Kuz Bargain	31.03.17
165	Bulkarai	31.03.17
166	Opal	31.03.17
167	KaryanBaida	31.03.17
168	Shung	31.03.17
169	Khairabad	25.04.17
170	Kishroa	26.04.17
171	Nawazabad (Razika)	27.04.17
172	BelaDamorai	27.04.17
173	AijloKarshat	28.04.17
174	TapkaPayeen	28.04.17
175	Chalandray	27.04.17
176	Estara	25.04.17
177	Reshun	28.04.17
178	Sundal	27.04.17
179	Hattan	28.04.17
180	BaghKally	29.04.17
181	Bankhad	26.05.2017
182	Shaukat Abad	27.05.2017
183	KuzSharyal	28.05.2017
184	Jaag	28.05.2017
185	Dugah	29.05.2017
186	Haji Abad	30.05.2017
187	BelaBelkanai	31.05.2017
188	Matai	26.05.2017

189	DeraKotgala	27.05.2017
190	Tandol	30.05.2017
191	Kassi	29.05.2017
192	Gokand	29.05.2017
193	Koot	27.05.2017
194	DeraHathan	21.06.2017
195	ShahiBagh	21.06.2017
196	Shinghara	19.06.2017
197	Barkand	17.06.2017
198	Shunga	26.06.2017
199	Farhatabad	27.06.2017
200	Sagoo	27.06.2017
201	Chetai	29.06.2017
202	GoshoChakasar	19.06.2017
203	Kara	29.06.2017
204	Broghil	30.06.2017
205	AwiMandagh	28.06.2017
206	Dherai	29.07.2017
207	Kotkay	19.07.2017
208	JamraGabral	26.07.2017
209	Mataltan	27.07.2017
210	Shatyal	28.07.2017
211	Besh Gram	27.07.2017
212	Kairsurdam	28.07.2017
213	Dog Payeen	29.07.2017
214	Pander	26.07.2017
215	Sakargah	30.09.2017
216	BrunBuborate	19.09.2017
217	Rayeen	20.09.2017
218	aninGole	22.09.2017
219	Gor Koi	25.09.2017
220	ThailMaloo	25.09.2017
221	Kair	27.09.2017
222	Tormang 1	26.09.2017
223	Anakar	15.09.2017
224	ShanilAryana	18.09.2017
225	Lalkoo 2	20.09.2017
226	Chitkarai	22.09.2017

227	Madiyan 2	30.09.2017
228	Sanaila	21.09.2017
229	Chanj	24.09.2017
230	Eshni	25.09.2017
231	Ramal	28.09.2017
232	Siglo	28.09.2017
233	Kand	26.10.2017
234	OdeerMelp	28.10.2017
235	Inkip	30.10.2017
236	Pattan	30.10.2017
237	Balakot	28.10.2017
238	Qulandai	30.10.2017
239	Gangshal	27.10.2017
240	Bar Gohkand	31.10.2017

ANNEX- K (DP#6.4.5)

(Rs)

Description	Running Bill #	Total Amount	17% Sales Tax
JV Zaif Foundation FWF	10	9,915,919	1,685,706
SRSP	11	50,873,638	8,648,518
SRSP	10	18,072,975	3,072,406
SRSP	14	43,769,365	7,440,792
AKSRP	10	57,159,203	9,717,065
M/S GAP HASHER	11	19,310,188	3,282,731
SRSP	15	5,422,189	921,772
M/S DADO	10	23,350,814	3,969,638
M/S SRSP	13	30,182,966	5,131,104
M/S DADO/CCDP	03	3,635,178	617,980
M/S CONSULTING	29	810,729	8,107
M/S GAP HASHER	14	16,461,156	2,798,396
M/S SRSP	16	24,316,314	4,133,773
Total			51,427,988

ANNEX- L (DP#7.4.1)

(Rs)

S.No	PC/CC No.	Type of timber	Quantity (Cft)	Rate	Amount
1.	64/14-15	Chirh	269	1,800	484,200
2.	62/11-12		176	1,800	316,800
3.	58/14-15		86	1,800	154,800
4.	4/15-16		42.25	1,800	76,050
5.	76/10-11		130	1,800	234,000
6.	38/11-12		86	1,800	154,800
7.	35/11-12		113	1,800	203,400
8.	39/11-12		20.86	1,800	37,548
9.	13/10-11		54	1,800	97,200
10.	31/10-11		262	1,800	471,600
11.	37/11-12		132	1,800	237,600
12.	3/15-16		362	1,800	651,600
13.	104/13-14		136	1,800	244,800
14.	60/14-15		15.54	1,800	27,972
15.	38,41/14-15	Diyar/Deodar	538	3,000	1,614,000
16.	28/14-15	Chirh	132	1,800	237,600
17.	63/14-15		432	1,800	777,600
18.	62/14-15		974	1,800	1,753,200
19.	112/13-14		788	1,800	1,418,400
20.	87/13-14		391	1,800	703,800
21.	72/13-14		379	1,800	682,200
Total			5,518.65		10,579,170

ANNEX-M (DP #7.4.2)

(Rs)

S.No	Name of SDFO/Range	Name of Species	Damaged Report No.	Quantity (Cft)	Rate	Amount
1.	SDFO Dir Upper	F/Spruce	152/04	11.36	2,000	22,720
2.	-----do-----	F/Spruce	153/04	27	2,000	54,000
3.	-----do-----	Deodar	---do---	10	3,000	30,000
4.	-----do-----	Deodar	154/04	10	3,000	30,000
5.	-----do-----	Deodar	155/04	08	3,000	24,000
6.	-----do-----	Kail	156/04	4.37	2,500	10,925
7.	-----do-----	F/Spruce	157/04	127.50	2,000	255,000
8.	-----do-----	Deodar	159/04	3.50	3,000	10,500
9.	-----do-----	Deodar	160/04	70.00	3,000	210,000
10.	-----do-----	Deodar	537/11	19.9	3,000	59,700
11.	-----do-----	Deodar	538/11	236	3,000	708,000
12.	-----do-----	Kail	542/11	69.4	2,500	173,500
13.	-----do-----	F/Spruce	---do--	12.00	2,000	24,000
14.	-----do-----	Deodar	15/03	16	3,000	48,000
15.	-----do-----	Deodar	29/08	24	3,000	72,000
16.	-----do-----	Kail	47/25	76.80	2,500	192,000
17.	-----do-----	Deodar	--do---	56.52	3,000	169,560
18.	-----do-----	Deodar	51/25	359	3,000	1,077,000
19.	-----do-----	Kail	--do--	19	2,500	47,500
Total				1,160.35		3,218,405

ANNEX-N (DP #8.4.1)

(Rs)

SNo	Description	Wheat issued as per FG-7 register	Cost of wheat deposited as per challans	Difference
1	Tariq F M	54,947,860	54,945,860	2,000
2	Abid F M	46,476,695	46,043,415	433,280
3	Mohmand F M	56,737,720	56,735,710	2,010
4	Akhtar F M	52,189,165	51,918,365	270,800
5	Qureshi F M	35,510,055	35,066,620	443,435
6	New Peshawar F M	25,098,855	24,514,470	584,385
7	Peshawar F M	48,809,615	48,773,615	36,000
8	New Ahmad	40,564,200	40,562,200	2,000
9	Sadaat F M	55,563,905	55,253,740	310,165
10	Regi Lalma	58,105,755	57,672,475	433,280
11	Fahad F M	58,397,345	57,974,226	423,119
12	Prime F M	19,953,190	19,233,570	719,620
13	Shabqadar F M	56,354,780	55,163,260	1,191,520
14	Pakistan F M	56,915,930	56,333,710	582,220
15	Salim F M	48,129,230	46,593,830	1,535,400
16	Sadiq F M	36,766,485	36,764,485	2,000
17	Lucky Star F M	49,865,380	49,863,380	2,000
18	Rahmat F M	33,952,330	33,884,620	67,710
19	Central Jail Pesh:	16,925,000	15,232,500	1,692,500
Total		851,463,495	842,530,051	8,733,444

ANNEX-O (DP # 12.4.10)

(Rs)

Total paid quantity of Tube Well	Actual Work Done at Site	Excess quantity and excess payment	Divided by 3 for 3 types of classification/depth
190.81 m	37.19 m	153.62 ÷ 3	51.21 x 7,500 = 384,075
			51.21 x 3,500 = 179,235
			51.21 x 10,000 = 512,100
Total			1,075,410
Mobilization of plants equipment and camping arrangement etc and demobilization after completion admissible one job @ Rs.40,000/- but the local office paid two job. The payment of one job will be recovered.			40,000
Similarly logging of bore hole with electric equipment and furnishing report is one job but paid two job @ Rs.20,000/- per job. The payment of one job will be recovered.			20,000
Total			1,135,410

ANNEX-P (DP # 14.4.10)

(Rs)

S. No	Name of Lease Holder/ License holder with file No.	Outstanding amount of annual rent with period
1	M/S Sundas Corporation MDW/MR/MI-Marble(183)2002	72,000
2	Syed Ul Ibrar MDW/MR/ML-Marble(111)87	72,000
3	Haji Noor Rehman MDW/MR/ML/Marble(184)2002	72,000
4	Haji Noor Rehman MDW/MR/ML/Marble(137)91	359,666
5	Haji Noor Rehman MDW/MR/ML/Marble(138)91	695,300
6	Haji Noor Rehman MDW/MR/ML/Marble(179)2001	359,205
7	Muhammad Faifoor Khan S/O Ghulam Haider MDW/MR/ML/Marble(169)99	360,000
8	Mr Navid Ahmad S/O Irshad Khan MDW/MR/ML/Marble(145)91	138,000
9	Mr sami ullah khan S/o Habib Ullah khan MDW/MR/ML/Marble(165)99	200,400
10	Mr sami ullah khan S/o Habib Ullah khan MDW/MR/ML/Marble(197)95	333,600
11	Rahman Ghafoor Khan MDW/MR/ML/Marble(142)91	500,000
12	Mr Abdul Akbar Khan MDW/MR/ML/Marble(162)96	540,492
13	Mr Abdul Akbar Khan MDW/MR/ML/Marble(166)99	110,093
14	Mr Naseeb Dad MDW/MR/PL/Marble(509)2011	0
15	MR LIaqat Ali MDW/MR/ML/Marble(202)2007	0
16	MR FAzal Amion C/O Mazhar Mining Company MDW/MR/ML/Marble(177)2000	96,960
17	M/sSpinkay Mining Company MDW/MR/MI/Marble(173)2000	176,664
18	Rahman Ghafoor MDW/MR/ML-Marble(182)2002	156,000
19	Khaista Azam MDW/MR/ML-Marble(189)2003	450,928
20	Muhammad Shoib Khan MDW/MR/ML-Marble(194)2004	320,949

21	Syed Shahjehan MDW/MR/ML-Marble(170)99	172,800
22	Jaans Khan MDW/MR/MI-Marble(198)2005	72,600
23	Muhammad Zaib Khan MDW/MR/ML-Marble(176)2000	599,900
24	Muhammad Hayat MDW/MR/ML-Marble(205)2010	498.23 Acre
25	Muhammad Ayaz Khan MDW/MR/ML-Marble(152)93	292,044
26	Habib Ullah Khan MDW/MR/ML-Marble(181)2002	353,100
27	Zaman Khan MDW/MR/ML-Marble(180)2001	302,800
28	Zaman Khan MDW/MR/ML-Marble(135)90	139,000
29	Afsar Muhammad MDW/MR/ML-Marble(507)2010	199.53
30	Naseem Khan MDW/MR/ML-Marble(208)2011	360,500
31	Haji Arif Alam MDW/MR/ML-Marble(195)2005	680,300
32	Haji Arif Alam MDW/MR/ML-Marble(168)99	261,200
33	Hai Arif Alam MDW/MR/PL-Marble(470)2004	198.60
34	Syed Shahjehan MDW/MR/ML-Marble(192)2003	198,500
35	Wisal Khan & Company MDW/MR/ML-Marble(199)06	117,200
36	Sheheen Begam MDW/MR/ML-Marble(161)96	599,316
37	Smai Ullah MDW/MR/ML-Marble(204)2009	177,200
38	Raham Ghafoor MDW/MR/ML-Marble(141)91	183,100
39	M/S Khan Khel Miniong Company MDW/MR/ML-Limestone(79)98	72,000
40	Mr Mukamil Khan MDW/MR/ML-Limestone(87)2002	72,000
41	Umar Khitab S/O Itbar Khan MDW/MR/ML-Limestone(50)92	72,000
42	MR Said Muhammad S/O Muhammad Afzal MDW/MR/ML-Limestone(32)90	24,000
43	Wisal & Company MDW/MR/ML-Limestone(89)2003	1,171,476
44	Wisal & Company MDW/MR/ML-Limestone(100)2007	72,000
45	Wisal & Company MDW/MR/ML-Limestone(90)2003	72,000
46	Mr Ameer Khan S/O Tota Khan MDW/MR/ML-Limestone(95)2006	72,000
47	MR Faqeer Rehman S/O Zardullah Khan MDW/MR/ML-Limestone(40)91	72,000
48	Mr Naseeb Dad MDW/MR/ML-Limestone(103)2010	58,460
49	Mr Gul Rehan MDW/MR/ML-Limestone(85)2001	72,000
50	Mr Dilawar Khan MDW/MR/MI-Limestone(81)99	72,000
51	Mr Akbar Hussain MDW/MR/ML-Limestone(106)2011	72,000
52	Mr Fazal Hussain MDW/MR/MI-Limestone(06)85	72,000
53	Rustam Mining MDW/MR/MI-Limestone(102)2009	36,000
54	Naseem Khan MDW/MR/ML-Limestone(318)2012	72,000
55	Babur Khan MDW/MR/ML-Limestone(42)91	72,000
56	Mr Rafeeq Hussain MDW/MR/ML-Limestone(104)2010	72,000
57	Jahangir Khan MDW/MR/ML-Limestone(105)2010	53,000
58	Dawa Khan MDW/MR/ML-Limestone(55)92	72,000
59	Zahir Shah MDW/MR/ML-Limestone(96)2006	72,000
60	M Mehboob Khan MDW/MR/ML-Dolomite(41)2008	41,000
61	Said Muhammad MDW/MR/ML-Iron-ore(01)2012	24,000
62	MST Shaheen Begam MDW/MR/ML-Byrities(01)2005	231,945
Total		13,611,769