

AUDIT REPORT

AUDIT YEAR 2022 - 23

ON THE ACCOUNTS OF LOCAL GOVERNMENTS DISTRICT BUNER



AUDITOR GENERAL OF PAKISTAN

SERVING THE NATION BY PROMOTING ACCOUNTABILITY, TRANSPARENCY AND GOOD GOVERNANCE IN
THE MANAGEMENT AND USE OF PUBLIC RESOURCES

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

“ IN THE NAME OF ALLAH THE MOST BENEFICENT THE MOST MERCIFUL ”



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ABBREVIATIONS AND ACRONYMS

AD	Assistant Director
AIR	Audit & Inspection Report
BHU	Basic Health Unit
CA	Conveyance Allowance
CD	Civil Dispensary
DAC	Departmental Accounts Committee
DAO	District Accounts Officer
DC	Deputy Commissioner
DDO	Drying and Disbursing Officer
DEO	District Education Officer
DG	Directorate General
DHO	District Health Officer
DO	District Officer
DTL	Drug testing Laboratory
ECG	Electro cardiogram
EPI	Expanded Program of Immunization
FY	Financial Year
GBS	General Bus stand
GER	Gross Enrollment Ratio
INTOSAI	International Organization of Supreme Audit Institute
HPA	Health Professional Allowance
HR	Human Recourse
HRA	House Rent Allowance
KP	Khyber Pakhtunkhwa
LGE & RDD	Local Government Election and Rural Development Department
MFDAC	Memorandum for Departmental Accounts Committee
PAO	Principal Accounting Officer
PLS	Profit and Loss Sharing
PTC	Parent Teacher Council
RDA	Regional Directorate of Audit
RHC	Rural Health Center
TAC	Tehsil Accounts Committee
TMA	Tehsil Municipal Administration
ZAC	Zilla Accounts Committee



PREFACE

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 and 12 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 37 of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 require the Auditor General of Pakistan to conduct audit of the accounts of receipts and expenditure of Local Governments of each District of the Khyber Pakhtunkhwa.

The report is based on audit of the accounts of offices of the District Government, Tehsil Municipal Administrations, Assistant Director Local Government Elections and Rural Development Department in District Buner for the financial year 2021-22. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2022-23 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes systemic issues and significant audit findings. Relatively less significant issues are listed in Annexure-1 of the Audit Report. The audit observations listed in Annexure-1 will be pursued with the Principal Accounting Officers at the DAC level. In all cases where Principal Accounting Officers do not initiate appropriate action, the audit observations will be brought to the notice of appropriate legislative forum through the next year's Audit Report.

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

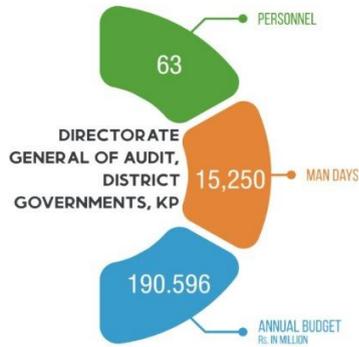
Some of the observations included in this report were finalized in the light of written replies of the departments whereas in most cases the departments did not submit written replies till the finalization of this report. DAC meetings were not convened despite reminders.

The Audit Report is submitted to the Governor, Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 37 of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 for causing it to be laid before the appropriate legislative forum.

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor General of Pakistan

SUMMARY



The Directorate General of Audit District Governments, Khyber Pakhtunkhwa carries out the audit of Local Governments in 35 Districts of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Mardan, on behalf of the DG Audit District Governments, Khyber Pakhtunkhwa carried out the audit of local Governments of four District Governments namely Mardan, Swabi, Malakand and Buner.

This Directorate General has a human resource of 63 officers and staff with a total of 15,250 man-days. The annual budget amounting to Rs 190,596 million was allocated to the office during FY 2022-23. The office is mandated to conduct regularity audit, financial attest audit, performance audit and special studies. Local Governments of District Buner consist of three tiers which perform their operations under Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. Financial provisions of the Act describe the Local Consolidated Fund and Public Account for which annual Budget Statement is approved by the respective councils in the form of budgetary grants.

The Local Government has the following three Tiers:

- i District Government;
- ii Tehsil Municipal Administration;
- iii Village and Neighborhood Councils

The District Government comprises one Principal Accounting Officer (PAO) i.e. Deputy Commissioner for the District Government, who is officer in charge (Administrator) of 11 devolved departments including Assistant Director Local Government Election & Rural Development Department (AD LGE & RDD). The Tehsil Municipal Administrations have one PAO i.e. Tehsil Municipal Officer, the (Administrator) for each administration. There are four Tehsils administrations in district Buner. The village and neighborhood Councils have AD LGE & RDD as their Principal Accounting Officer. There are 105 VCs/NCs in District Buner.

A. SCOPE OF AUDIT

This office is mandated to conduct audit of 134 formations working under 6 PAOs. Total expenditure and receipts of these formations were Rs . 6,708.52 million and Rs 179.979 million respectively for the financial year 2021-22.

Audit coverage relating to expenditure for the current audit year comprises 09 formations of 06 PAOs having a total expenditure of Rs 3,781.185 million for the financial year 2021 -22. In terms of percentage, the audit coverage for expenditure is 56.36% of auditable expenditure.

Audit coverage relating to receipts for the current audit year comprises 05 formations of 05 PAOs (04 TMAs) having a total Receipts of Rs 179.979 million for the financial year 2021 -22. In terms of percentage, the audit coverage for receipts is 100% of auditable receipts.

This audit report also includes audit observations resulting from the audit of expenditure of Rs 65.458 million for the financial year 2020 -21 pertaining 02 formations of 01 PAO.

In addition to this compliance audit report, Directorate of District Audit conducted Financial Attest audits, Performance audits and Special Studies for which reports are being published separately.



B. RECOVERIES AT THE INSTANCE OF AUDIT

As a result of audit, recovery of Rs 30.634 million was pointed out in this report. No recovery was affected till finalization of the report.



AUDIT RECOVERIES

RS. 30.634 MILLION
Recovery pointed out by the Audit

RS. NIL
Recovery verified by the Audit

C. AUDIT METHODOLOGY

Audit was conducted according to INTOSAI guidelines for Compliance Audit and Financial Audit Manual of AGP.

Audit procedure employed to obtain evidence were inspections, analytical procedures, observations and computation.

D. AUDIT IMPACT

As a result of the audit, control environments of audited entities have been effectively strengthened by facilitating Local Government's offices in risk mitigation and improving the effectiveness and efficiency of their business processes:

- i A recovery of Rs 30.634 million was pointed out;
- ii Unauthorized payments through DDOs were reduced;
- iii Some offices converted their bank accounts from current to Profit & Loss Sharing (PLS) mode and
- iv Bank Profit deposited into Government treasury

E. COMMENTS ON INTERNAL CONTROLS

Internal controls are designed to address risks and to provide reasonable assurance that, pursuit of entity's mission, its objectives are being achieved. Comments on the five components of internal control are given below:

- The organizational structure followed in the local Government Offices was according to the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019.
- No activity i.e. risks identification, risk evaluation and appropriate responses were carried out in the local government.
- Accounts were not submitted by TMAs concerned to the DAO. No review was carried out of the performances.
- TMAs did not follow the accounting procedure given in the APPM.
- No system of monitoring was found to track the progress of District Government towards its objectives. No internal Auditor was appointed. An annual Review of internal control was also not carried out.



F.Key Audit Findings of the Report .

- 01 Non Compilation/consolidation Of Accounts Of Local Governments-rs 527.398 Million
- 02 Unauthorized Cheques Payments To Ddos Instead Of Vendors Rs 66.451 Million
- 03 Hr/ Employees Related Irregularities Were Noticed In 03 No Of Case Amounting To Rs 26.063 Million
- 04 Procurement Related Irregularities Were Noticed In 04 No Of Cases Amounting To Rs 51.146 Million
- 05 Issues With Management Of Accounts With Commercial Banks Were Noticed In 04 No Of Cases Amounting To Rs 19.624 Million
- 06 Issues Relating To Value For Money And Service Delivery Issues Were Noticed In 07 Cases Total Amounting To Rs 102.186
- 07 Others, Including Cases Of Accidents, Negligence Etc. Were Noticed In 6 Cases Total Amounting To Rs 151.128 Million

Recommendation:

- Tma Accounts Needs To Be Consolidated At Dao Level.
- Cheques Required To Be Issued To The Suppliers/vendors Instead Of Ddos As Per Requirement Of Ppm.
- Disciplinary Actions Need To Be Taken To Stop The Practice Of Violation Of The Rules And Regulations In Spending The Public Money.
- Recoveries On Account Of Overpayments Of Various Need To Be Made By The Departments.
- Departments Need To Strengthen Internal Controls I.e. Financial, Managerial, Operational, Administrative And Accounting Controls Etc. To Ensure That Lapses Of The Kind Reported In This Audit Report Are Pre-empted And Fair Value For Money Is Obtained From Public Spending.
- Bank Profit Needs To Be Deposited In Government Treasury.
- The Dac Meetings Should Be Held More Frequently.





CHAPTER-01

PUBLIC FINANCIAL MANAGEMENT



CHAPTER-1

Public Financial Management

1.1 Sectoral Analysis

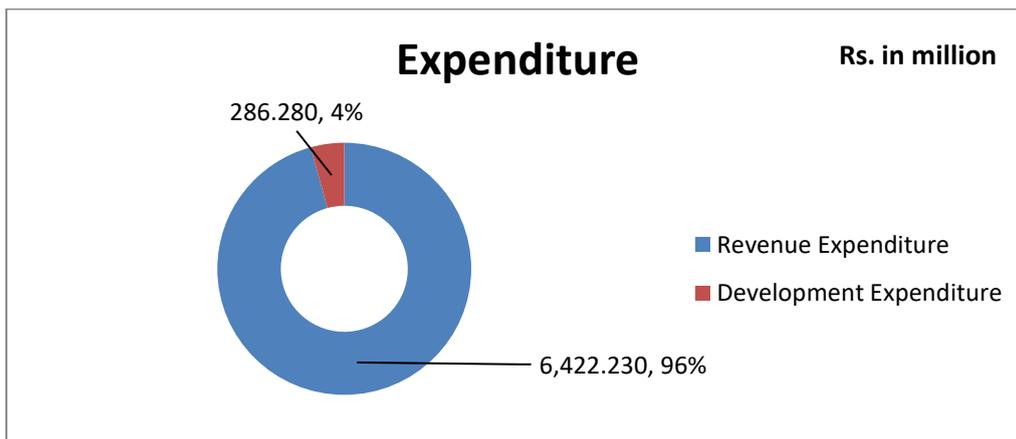
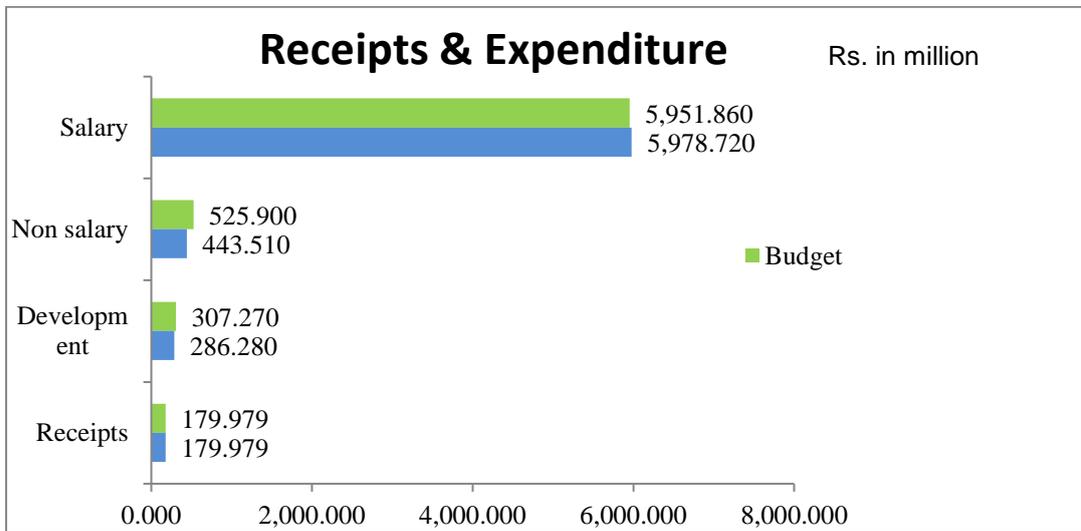
In compliance to the Notification of Local Governments, Election and Rural Development Department (LGE & RDD) issued on 04.09.2019, Councils of all tiers of the District Government were stood dissolve on the culmination of their respective tenure on 29.08.2019. The same notification authorized Deputy Commissioner, Tehsil/Town Municipal Officers, and Assistant Director LGE & RDD to perform functions of respective Nazimeens as envisaged under Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019, till the instillation of newly elected Local Governments. In the light of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019, District Buner is headed by Deputy Commissioner who is Principal Accounting Officer of the budget grant allocated to the 08 offices devolved at District level. Similarly, Tehsil Municipal Administration is headed by Tehsil Municipal Officer who is its Principal Accounting Officer. Furthermore, Assistant Director LGE& RDD is the Principal Accounting Officer of Village/ Neighborhood Councils.

In District Buner, funds amounting to Rs 6,785.02 million were allocated to 134 formations working under 06 PAOs. Out of which, expenditure of 6,708.52 million was made resulting into saving of Rs 76.50 million. Receipts of Rs 179.98 million were collected through these formations during the financial year 2021-22. Audit coverage relating to expenditure for the current audit year comprises 10 formations of 06 PAOs having a total expenditure of Rs 3,781.185 million for the financial year 2021-22. In terms of percentage, the audit coverage for expenditure is 56.36% of auditable expenditure. Similarly, audit coverage for receipts is 100%.

(Rs. in million)

District Buner					
2021-22	Budget	Expenditure/ Receipts	Excess/(Saving)	Expenditure/ Receipts Audited	%age
Salary	5,951.86	5,978.72	26.86	3,781.185	56.36
Non salary	525.9	443.51	(82.39)		
Development	307.27	286.28	(20.99)		

Total	6,785.03	6,708.51	26.86	3,781.185	56.36
Receipts	179.979	179.979	0	179.979	100



According to Section 36 (3) of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019, the District Accounts Officer was required to consolidate accounts of the Local Government on quarterly and annual basis. However, District Accounts Officer, Buner did not reflect Rs 527.398 million into the consolidated financial statement of Local Government, Buner, which resulted

in qualified opinion of the accounts of the local Government Buner.

District Government, Buner was found lagging behind in many areas envisioned as integral component of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. The District Government could not establish & maintain Public Fund account as required under section 30 of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. Similarly, it also failed to prepare, present and approve the budget estimates of receipts from district council for District Government, Buner as required under section 34 of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Buner with prescribed format and necessary trainings to compile the accounts of TMAs and Village/Neighborhood councils and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019, as internal auditors were not posted in the District and Tehsil Councils. In addition, Asset management by District Government was yet another area it could not address as required under section 38 of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019.

The Local Government provided services in the following sectors.

Education

The education sector is one of the major sectors devolved at district level. Funds to the tune of Rs 3,592.29 million were provided to elementary & secondary education headed by District Officers. Expenditure of Rs 3,337.44 million was incurred, out of which expenditure of Rs 2,830.203 million was audited, thus 84.80% of expenditure was audited.

Statistics show that there are 1171 primary & middle schools, 122 secondary and 55 higher secondary schools in District Buner. The estimated Teacher Student Ratio is 1:30 at primary, middle, secondary and at the level of higher secondary schools. District Buner literacy rate is 38%, the Gross Enrollment Rate (GER) is 61%, and the Net Enrollment Rate (NER) is 52% at the

primary level. On budgetary front, District Education office, Buner succeeded in spending 100% of District ADP and 95 % of non-salary budgets.

District Education Offices in Buner were given target of enrolment of 132,096 children for year 2021-22 against which 46,117 kids were enrolled; wherein, DEO (male) and DEO (female) enrolled 105,171 and 91,171 children respectively. Annual average of teacher's attendance rate and student attendance rate as per independent Monitoring Unit (IMU) data were approximately 90% & 80 % respectively. Furthermore, 84% schools in district Buner were provided with all basic facilities like classrooms, water supply, group latrine, boundary walls and electrification. However, administrative visits of DEO, DDEO and SDEO were only 40% against the assigned targets.

Health

Health is another important sector of District Buner with a total of 34 health facilities spread across the district, among which 30 are urban while the rest are rural based. Their further break-up is 18 BHUs, 9 CDs, 6 RHCs and 1 Category-D with the total catchment area population of approximately 897,319 as per survey carried out by the Health Department in 2016-17.

The Department of Health has established an "Independent Monitoring Unit" for continuous monitoring of the performance of health facilities through its field-based Data Collection Assistants and District Monitoring Officers. Department twice examines data collected through various sources to improve efficiency and effectiveness in the business processes of service delivery.

On mother and child health care front, 12,740 babies were born in primary and secondary health facilities. Lab investigations and diagnostic facilities were also fully utilized as 57,630 lab tests, 5,730 X-rays, 1,840 ultrasounds, and 72 ECGs were done in both primary and secondary health facilities in district Buner. Figures of immunization from EPI register were also very impressive as 16,680 pregnant women received TT-2 vaccines, 21,120 kids under 12 months received full immunization, 34,1791 children under 12 months received 1st measles vaccines and 34,130 kids under 12 received 3rd pentavalent vaccine. 107,312 families were provided family planning services as evident from FP register.

Human resource data from facility records revealed that these health

facilities were amply provided with medical officers and paramedics as only very few positions were found vacant. As these facilities were frequently visited by patients so they also generated good revenue from OPD services, indoor patients' treatment and other lab investigations etc.

Social Welfare

In Social Welfare and Women Empowerment sector, budgetary allocations were focused on providing social cushion to the deprived and marginalized segments of society especially, women and children. In the proposed development plan, the department had continued to proceed with its ongoing projects which included schemes for the wellbeing and safeguarding of destitute women, orphans, beggars, drug addicts and special persons.

There is no Panagah or Darual Kafalas are available for the beggars in District Buner. Rehabilitation center for drug addicts are not existed in District Buner. However, Welfare home for orphans was constructed on two kanal of land and a center for children with physical and intellectual challenges is going to be started on rented buildings after provision of the requisite staff by the high office. Three female vocational centers are working in rented buildings.

Municipal Services

Tehsil Municipal Administrations, District Buner did not fulfill some primary requirements envisioned as integral component of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. The Local Government could not establish & maintain Tehsil Public Fund Account as required under the section 30 of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. Similarly, Tehsil Account Officers were not appointed in TMAs. The accounts of receipt and expenditure were also not maintained in such form as prescribed by Auditor General of Pakistan and required under section 36 of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. Financial Statements, Finance Account and Appropriation Accounts of the TMAs were not prepared accordingly. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Buner with prescribed format and necessary trainings to compile the accounts of TMAs and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by

the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019, as internal auditors were not posted in the TMAs to support the Council. In addition, Asset management by tehsil councils was yet another area it could not address as required under section 38 of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019.

1.2.1 AUDIT PARAS (Financial Attest Audit)

1.2.1 Non compilation/Consolidation of Accounts of Local Governments – Rs.527.398 million

According to section 36(3) of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019, the District Accounts officer shall, quarterly and annually consolidate the accounts of local Governments in the District separately for receipts from the Government and local resources and send a copy to the Government, Accountant General and Nazim District Council.

Office of the DAO Buner did not compile/consolidate the accounts of receipts from the Government and local resources of the Local Governments i.e TMAs, VCs and NCs amounting to Rs 527,398,466 for the financial year 2021-22 as required under the rules. Detail as below:

S. No	Entity	Government Sources Receipts (Rs)	Own Sources Receipts (Rs)	Total (Rs)
1	TMA Mandar	10,186,900	36,108,962	46,295,862
2	TMA Daggar	57,872,000	51,296,822	109,168,822
3	TMA Gagra	111,409,000	72,744,452	184,153,452
4	TMA Chagarzi	51,500,000	465199	51,965,199
5	TMA Khadukhel	11,188,000	19,682,837	30,870,837
6	TMA Gadezai	35,758,000	47,065,751	82,823,751
7	NCs/VCs Buner	22,044,000	76,543	22,120,543
	Total	299,957,900	227,440,566	527,398,466

Due to non-consolidation of accounts of TMAs, the financial statements of local government remained incomplete which led to qualification of audit opinion. The similar observation was also pointed during the financial years 2018-19, 2019-20 and 2020-21 amounting to Rs. 228,225,000, Rs. 284,834,270 and Rs. 1,109,776,000 respectively. However, no corrective measures were taken, resultantly a total irregularity of Rs. 1,622,835,270 was occurred.

When pointed out in September 2022, the management stated that as per Government KP rules and procedure in vogue TMAs are operating financial matters through PLA being autonomous body and as such, DAO is unable to maintain their A/C of Receipt and Payment as required under Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 unless the provincial

Government promulgates Financial Rules and procedure in lieu of PLA for TMAs. Reply was not satisfactory as per rules consolidation of accounts on district level should be carried out.

Audit recommends compilation of accounts in the light of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019.

1.2.2 Unauthorized cheques payments to DDOs instead of vendors – Rs.66.451 million

According to Para 2.3.2.8 directions of APPM requires that accounting system shall improve controls to minimize the risk of fraud and corruption. This objective shall be addressed by issue of payment through direct bank transfer and cheques to vendor concerned instead of payment through DDOs. Furthermore, Finance Department Letter No: BO (W&M) /6-5/2021-22 Dated 19/02/2020 states that in order to streamline the management in public account and observe fiscal discipline, it has been decided to stop forthwith all payments through open cheques or cash payments.

Office of the District Accounts Officer Buner, paid Rs 66.451 million to various DDOs instead of issuance of crossed cheques to Vendor/Payees Accounts, which was unauthorized. Audit holds that the observation is a repetitive nature and the department did not initiate any action to comply the audit observation.

The irregularity occurred due to violation of APPM rules and weak administrative controls, which resulted in unauthorized payments to DDOs. The similar observation was also pointed during the financial years 2019-20 and 2020-21 amounting to Rs. 341,041,157 and Rs. 92,331,021 respectively. However, no corrective measures were taken, resultantly a total irregularity of Rs. 433,372,178 was occurred.

When pointed out in September 2022, the management stated that the amount pointed out in the para represents payment of 1st salary to the newly appointed employees. Reply was not convincing as all the payments should be made through banks instead of through DDOs.

DAC directed in its meeting held in September 2022 that the matter should be investigated.

Audit recommends fact finding inquiry besides ensuring payments to vendors through crossed cheques.



CHAPTER-02

DISTRICT GOVERNMENT



CHAPTER-2

District Government Buner

2.1 Introduction

A. Under the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 activities of District Government are managed through offices of Deputy Commissioner and District Officers. Each group of District Offices is headed by a District Officer (DO). The DO according to Rules of Business of District Government, 2015 distributes the work among the officers, branches, and/or sections of each district office. The offices which manage the activities of District Government are Deputy Commissioner (DC), District Officers Education, Health, Agriculture, Fisheries, Population Welfare, AD LGE& RDD, Sports, Live Stock & Dairy Development, Cooperation and Social Welfare.

According to section 13 of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 the authority and responsibilities of the District Government have been given as under:

- i The authority of district government shall comprise the operation, management and control of offices of the departments which are devolved to it; provided that district government shall exercise such authority in accordance with general policy of Government.
- ii Every order in district government shall be expressed to be made in the name of the district government and shall be executed by a duly authorized officer.
- iii The district government shall be responsible to the people and the Government for improvement of governance and delivery of services within the ambit of authority devolved to it.

Audit profile of the District Government Buner

(Rs in million)

S.No	Description	Total Nos	Audited	Expenditure audited FY 2021-22	Revenue /Receipts audited FY 2021-22
1	Formations	10	05	3,429.915	Nil
	Total	10	05	3,429.915	Nil

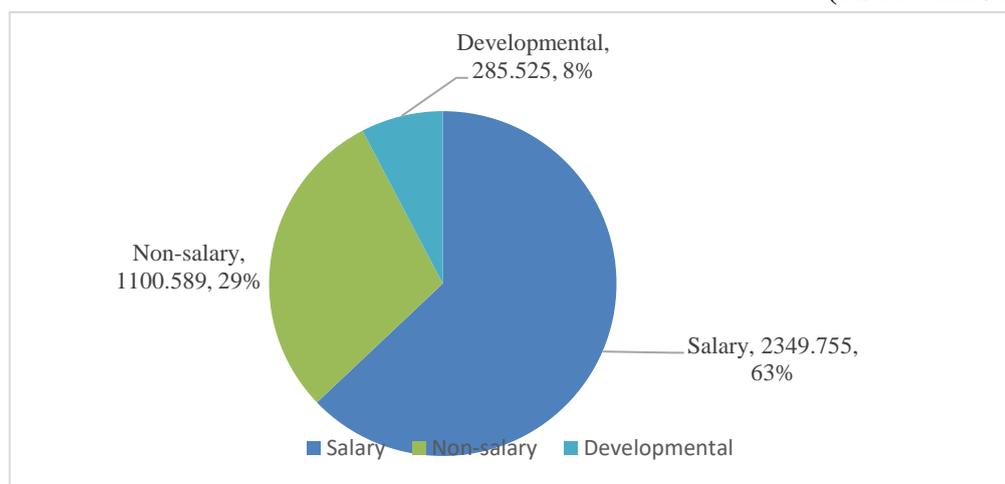
B. Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

2021-22	Budget	Actual Expenditure/ Receipts	Excess(+) / (Savings) (-)	%age Excess/ Savings
Salary	5,632.54	5,801.97	169.425	3.01%
Non-Salary	359.078	371.757	12.679	3.53%
Developmental	170.646	183.522	12.877	7.55%
Total	6,162.27	6,357.25	194.981	3.16%

EXPENDITURE 2021-22

(Rs in million)



The excess of Rs 194.981 million indicate weakness in the capacity of District Government Departments to utilize the allocated budget. Furthermore, the salary component was 91% whereas; non-salary component was 5% and development component was 4% respectively of the total expenditure. Less development expenditure by the district Government was due to insufficient release of fund and lack of interest of provincial government towards development at district level. As a result, no development activity, job opportunities were not adequately provided to the larger population. Business operations were not increased and ultimately slandered of living of the people was not improved and role of the District Government could not be seen in the development functions as required under Rules of Business 2015.

2.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 211.935 million were raised in this audit report. This amount also includes recoverable of Rs 13.203 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Table: Classified summary of audit observations

(Rs. in million)

Sr. No.	Classification	Amount
1	Irregularities	-
	A HR/Employees related irregularities	26.063
	B Procurement related irregularities	51.146
	C Management of Accounts with Commercial Banks	2.193
2	Value for Money and Services Issues	56.568
3	Others including cases of accidents, negligence	75.965
Total		211.935

2.3 Comments on the status of compliance with Zilla Accounts Committee Directives

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

S #	Audit Year	ZAC meeting
1	2002-03	Not Convened
2	2003-04	Not convened
3	2004-05	Not convened
4	2005-06	Not convened
5	2006-07	Not convened
6	2007-08	Not convened
7	2008-09	Not convened
8	2009-10	Not convened
9	2010-11	Not convened
10	2011-12	Not Convened
11	2012-13	Not convened
12	2013-14	Not convened
13	2014-15	District Government didn't exist. Audit Report not prepared

14	2015-16	District Government didn't exist. Audit Report not prepared
15	2016-17	Not convened
16	2017-18	Not convened
17	2018-19	Not convened
18	2019-20	Not convened
19	2020-21	Not convened
20	2021-22	Not convened

2.4 AUDIT PARAS

2.4.1 Irregularities

A HR/Employees related irregularities

2.4.1.1 Illegal retention of Teachers' Incentive fund in designated bank account– Rs 4.875 million

According to Treasury Rule 290 no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants.

Office of the District Education Officer (Female) Buner received an amount of Rs 4,875,000 for the purchase of IT equipment and PC tablets for school teachers during financial year 2021-22. However, the amount was retained in their designated bank account till the date of audit (July, 2022) and no process of the purchase of IT equipment and PC tablets was started. Detail is given below:

S. No	Cheque No. and dated	Particulars	Amount (Rs)
1	1232336/ 15-6-2022	Teachers incentives	3,150,000
2	1232337/ 15-6-2022	PC Tablets	1,725,000
Total			4,875,000

The irregularity occurred due to violation of Treasury Rules and weak financial controls, which resulted in illegal retention of public money.

When pointed out in July 2022, the management stated that the amount as pointed out will be disbursed soon to whom it relates and progress will be shown to audit. No progress was received till finalization of this report.

PAO was requested to convene DAC meeting in August 2022, which could not be convened till finalization of this report.

Audit recommends inquiry into the matter and action against the persons responsible.

AIR Para No. 03(2021-22)

2.4.1.2.1 Unverified expenditure on account of Stipend fund for Hiring of teachers through PTC – Rs 17.288 million

According to PTC guidelines, PTC shall maintain complete record of receipts and payments and shall also submit copies thereof to the DEO concerned at the closer of financial year. Moreover, detail of vouchers, cashbook etc. will be maintained by the EDO/DO and inspection will be carried out by the inspection committee.

Office of the District Education Officer (Male) Buner transferred an amount of Rs 17,288,000 to the PTCs accounts of 56 schools for stipend of teachers hired through PTC accounts during FY 2021-22. However, the local office did not produce the list of selected/ appointed teachers or actual payee receipts /acknowledgements and hence the audit could not verify the expenditure. Detail is given below:

S. No	Cheque No. / dated	No. of Schools	Amount (Rs)
1	1232721/ 27-06-2022	34	1,5224,000
2	1232461/ 16/06/2022	22	2,064,000
Total		56	17,288,000

The irregularity occurred due to violation of PTC guidelines and weak administrative and financial controls, which resulted in unverified expenditure of fund.

When pointed out in July 2022, the management stated that the record would be collected from schools and progress will be shown to audit. However, no progress was intimated till finalization of this report.

PAO was requested to convene DAC meeting in August 2022, which could not be convened till finalization of this report.

Audit recommends verification of the expenditure and action against the persons responsible.

AIR Para No. 05 (2021-22)

2.4.1.2.2 Overpayment on account of Health Professional Allowance – Rs.3.900 million

According to Government of Khyber Pakhtunkhwa Finance Department Notification No FD (SOSR-II)8-18/2016 dated 07.01.2016, Health Professional Allowance is admissible @ Rs 82,000 in urban areas of category C District.

Office of the District Health Officer Buner overpaid Rs 3,900,000 due to allowing higher rates of Health Professional Allowance (HPA) at rural rates @ Rs 95,000 per month instead of 82,000 to the doctors serving in urban areas during the year 2021-22 for which they were not entitled. Detail in given at Annexure-2.

The irregularity occurred due to violation of financial rules and weak administrative controls, which resulted in overpayment of HPA. The similar observation was also pointed during the financial years 2017-18, 2018-19 and 2019-20 amounting to Rs 3,035,230, Rs. 1,835,700 and Rs. 3,390,314 respectively. However, no corrective measures were taken, resultantly a total loss of Rs. 8,261,244 was occurred.

When pointed out in July 2022, the management stated that detailed reply would be given after scrutiny of record and recovery if any would be made. Reply was not satisfactory as documentary evidence was not shown to audit till finalization of this report.

PAO was requested to convene DAC meeting in August 2022, which could not be convened till finalization of this report.

Audit recommends recovery of overpayment from the doctors concerned and action against the persons responsible.

AIR Para No. 09 (2021-22)

B. Procurement related irregularities

2.4.1.2.3 Un-authorized advance Payment to the supplier and non-supply of furniture –Rs 11.157 million

According to Para 3 of Clause 1 of agreement of DEO Female Buner with the supplier M/S Danyal Traders Timergara that payment would be made after completion of delivery of furniture and verification of quality and quantity

certificates.

Office of the District Education Officer (Female) Buner made an advance payment of Rs 11,156,689 for the procurement of furniture during FY 2021-22 to the supplier M/S Danyal Traders Timergara despite the fact that the said furniture was not supplied till the date of audit (July, 2022). Detail is given below:

S. No	Cheque No. /dated	Amount (Rs)
1	1232139/ 14-06-2022	1,754,621
2	1232140/ 14-06-2022	4,652,048
3	1232141/ 14-6-2022	4,750,020
Total		11,156,689

The irregularity occurred due to violation of Contract Agreement and weak administrative controls, which resulted in advance payment and non-supply of furniture within the stipulated time period and putting the public money at risk.

When pointed out in July 2022, the management stated that the supply would be completed soon and progress will be shown to audit. Reply was not convincing as per agreement no advance payment is permissible.

PAO was requested to convene DAC meeting in August 2022, which could not be convened till finalization of this report.

Audit recommends inquiry into the matter and action against the persons responsible.

AIR Para No. 07 (2021-22)

2.4.1.2.4 Un-authorized advance payment to the supplier and non-supply of furniture –Rs 34.821 million

According to Para 3 of Clause 1 of agreement of DEO Male Buner with the supplier M/S Danyal Traders Timergara that payment would be made after completion of delivery of furniture and verification of quality and quantity certificates.

Office of the District Education Officer (Male) Buner made an advance payment of Rs 34,821,765 to a supplier M/S Danyal Traders Timergara on account of procurement of furniture vide cheque number 1232460 dated 16-06-2022 despite the fact the furniture was not supplied till the date of audit (July, 2022).

The irregularity occurred due to violation of Contract Agreement and weak administrative controls, which resulted in advance payment and non-supply of furniture within the stipulated time period and putting the public money at risk.

When pointed out in July 2022, the management stated that supply would be completed soon and progress will be shown to audit. No progress was received till finalization of this report.

PAO was requested to convene DAC meeting in August 2022, which could not be convened till finalization of this report.

Audit recommends inquiry into the matter and action against the persons responsible.

AIR Para No. 08 (2021-22)

2.4.1.2.5 Non-supply of medicine Rs 2,178 million and non-recovery of penalty –Rs 152,526

According to standard contract agreement, the supply of the ordered goods under this agreement shall be completed by the suppliers within thirty (30) days after the receipt of supply orders from the Purchasing Entity, instead 7% penalty shall be imposed.

Office of the District Health Officer Buner paid Rs 2,178,935 to the (04) firms for supply of medicines during financial year 2021-22, however, the firms failed to complete the supply the medicine within the stipulated time period. Moreover, 7% penalty amounting to Rs 152,526 was also not recovered from the suppliers. Detail given below:

S. No	Supplier	Cost of Medicine (Rs)	Supply order date (Rs)	Penalty 7% (Rs)
1	Barrett Hodgso	126,180	30.3.2022	8,833
2	Novo Nordisk Pharma	430,000	20.05.2022	30,100
3	Shaigan Phrma	699,955	20.05.2022	48,997
4	Hashir Surgical	922,800	20.05.2022	64,596
Total non-supply		2,178,935	Total penalty	152,526

The irregularity occurred due to violation of Contract Agreement and weak administrative controls, which resulted in non-supply of medicines in time and putting the public money at risk.

When pointed out in July 2022, the management stated that notices would be issued to the firms for completing supplies and recoveries of penalties. Reply was not satisfactory as supply of medicines and imposition of penalty were not made till finalization of this report.

PAO was requested to convene DAC meeting in August 2022, which could not be convened till finalization of this report.

Audit recommends ensuring supply of medicine besides recovery of penalty from the persons responsible.

AIR Para No. 01 (2021-22)

2.4.1.7 Irregular expenditure on account of cost of other store –Rs 2.99 million

According to Rule 1 of Chapter-III of Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs 100,000/ rupees one hundred thousand. According to Rule 174 of CTR Vol-I, all payment must be supported with acknowledgement.

Office of the District Director Agriculture, Buner incurred expenditure of Rs 2,999,336 on purchase of seeds, fertilizers and pesticides etc. for demonstration plots during financial year 2020-21. However, open tender system was not adopted and purchases were made without rate assessment. Similarly, acknowledgements of farmers were not available on record.

The lapse occurred due to violation of Procurement Rules and weak administrative controls, which resulted in irregular expenditure. The similar observation was also pointed during the financial years 2017-18 and 2020-21 amounting to Rs. 5,998,890 and Rs. 2,633,110 respectively. However, no corrective measures were taken, resultantly a total irregularity of Rs. 8,632,000 was occurred.

When pointed out in February 2022, the management stated that detailed reply would be given after scrutiny of record however; reply was not given till finalization of this report.

PAO was requested to convene DAC meeting in March 2022, however, meeting of DAC could not be convened till finalization of this report.

Audit recommends fixing of responsibility for violating KPPRA rules and action against the persons responsible.

AIR Para No. 05 (2020-21)

C. Management of Accounts with Commercial Banks

2.4.1.8. Non-conversion of current bank account to PLS Mode -Rs 2.193 million

According to Finance Department Khyber Pakhtunkhwa Peshawar vide letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10.02.2014, has allowed sanction of bank accounts in commercial banks for various departments/ autonomous/ corporation in KP and directed that such accounts may be converted into PLS mode and profit earned may be deposited into government treasury under the relevant head of account not later than a week when declared by the bank.

Office of the District Population Welfare Officer, Buner retained an amount of Rs. 2,193,867 during financial year 2021-22 in current bank accounts instead of Profit and Loss sharing accounts violating the above rules. Details given below:

S.No.	Account Title	Bank	Account No.	total credit balance transaction during FY 2020-21 (Rs)
1.	District Population Welfare Officer	NBP	4016195376	2,193,867

The irregularity occurred due to violation of financial rules and weak administrative controls, which resulted in non-conversion of bank account into PLS mode. The similar observation was also pointed during the financial years 2016-17 amounting to Rs. 1,709,316. However, no corrective measures were taken, resultantly a total loss of Rs. 1,709,316.

When pointed out in February 2022, the management stated that compliance would be made and progress would be shown to audit. Reply was not satisfactory as documentary evidence was not shown to audit till finalization of this report.

PAO was requested to convene DAC meeting in March, 2022, however meeting of DAC could not be convened till finalization of this report.

Audit recommends conversion of Account to PLS mode and fixing responsibilities against the persons responsible.

AIR Para No. 02(2020-21)

2.4.2 Value for Money and Service Delivery Issues

2.4.2.1 Non-disbursement of land acquisition fund -Rs 42.590 million

According to Treasury Rule 290 provides that no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants.

Office of the Deputy Commissioner Buner transferred Rs 42,589,885 to Assistant Commissioners, Chagharzai and Gadezai on account of acquisition of land for further disbursement among the land owners during financial year 2021-22. The concerned offices were directed for immediate payments to the land owners and mutation of land in the name of acquiring departments. The local offices failed to disburse the amount and mutate the land in the name of acquiring departments till date of audit i.e July 2022. Detail is given below:

S.No	Name of scheme	Amount transferred (Rs)	Transferred to
1	Acquisition of land in r/o GGHS Batara	2,617,189	AC Chagherzai
2	Acquisition of land for police station Elam	9,347,249	AC Gadezai
3	Purchase of land for construction of Degree college Gardazai	24,107,180	AC Gadezai
4	Purchase of land for belandary road	6,518,267	AC Chagherzai
Total		42,589,885	

Non disbursement of land acquisition funds and non-mutation of land occurred due to non-adherence of government rules and weak administrative rules, which resulted in blockage of funds and depriving the land owners from their due rights.

When pointed out in July 2022, the management stated that the disbursement report would be obtained from the concerned offices and would be shown to audit. Reply was not satisfactory as documentary evidences were not shown to audit till finalization of this report.

PAO was requested to convene DAC meeting in August 2022, which could not be convened till finalization of this report.

Audit recommends immediate disbursement of funds and mutation of land in the name of acquiring departments and action against the persons responsible.

AIR Para No. 17(2021-22)

2.4.2.2.1 Illegal parking of public money on account of Conditional Grants - Rs 5.624 million

According to Treasury Rule 290 no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants.

During audit of the accounts of record of District Education Officer (Female) Buner for the financial year 2021-22, it was noticed that an amount of Rs 5,623,728 is lying as unspent in different schools as on 30-06-2022. The local office stated that the said amount is an unspent balance of Conditional Grants which was released during the years 2015-16 and 2017-18 and remained unspent till date (July 2022). Detail is given below:

Sr. No	School name	Account Number	Balance as on 30-06-2022 (Rs)	Purpose of fund
1	GGCM Bampokha	1140-0003425-01	752,560	Unknown
2	GGPS Giro	MCB 303180201004330	1,373,741	Unknown
3	GGPS Hassan Khel	HBL 113079001265-03	1,678,115	Unknown
4	GGPS Pacha Kali	HBL 0440-00066230-01	1,177,164	Unknown
5	GGPS Pacha Kali No. 1	HBL 044000066048-01	642,148	Unknown
Grand Total			5,623,728	

Illegal parking of public money occurred due to violation of Treasury Rules and weak administrative controls, which resulted in blockage of funds on one hand and its utilization in due course of time on the other hand.

When pointed out in July 2022, the management stated that instructions have been issued by the higher ups regarding utilization of these funds and as the amount is utilized the progress would be shown to audit. Reply was not convincing as the amount should be recouped and should be deposited into Government treasury.

PAO was requested to convene DAC meeting in August 2022, which could not be convened till finalization of this report.

Audit recommends inquiry into the matter and immediate transfer of funds into government treasury and action against the persons responsible.

AIR Para No. 08 (2021-22)

2.4.2.3 Illegal parking of public money in bank accounts - Rs 4.428 million

According to Treasury Rule 290 no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants.

Office of the District Education Officer (Male) Buner retained an unspent balance of Rs 4,428,434 in two bank accounts during FY 2021-22. The amount was lying in the P & D bank account of Rs 3,992,645 pertains to the penalty imposed on the supplier of IT equipment since 2018 and the purpose of remaining balance of Rs 435,789 in designated bank account was not known. Thus, the Government money was blocked and need to be deposited into Government treasury. Detail is given below:

Sr No	Bank	Account Number	Balance as on June 2022 (Rs)	Purpose of fund
1	NBP	4016186082 (P & D)	3,992,645	Penalty imposed on supplier
2	NBP	4016181381 (Designated)	435,789	Not known
Grand Total			4,428,434	

Illegal retention of public money occurred due to violation of Treasury Rules and weak administrative controls, which resulted in illegal parking of funds and declining of provincial consolidated fund for further budgeting.

When pointed out in July 2022, the management stated that the amount would be deposited into government treasury soon. However, no progress was received till finalization of this report.

PAO was requested to convene DAC meeting in August 2022, which could not be convened till finalization of this report.

Audit recommends immediate depositing of public money into Government treasury and action against the persons responsible.

AIR Para No. 09 (2021-22)

2.4.2.4 Loss to Government due to land compulsory acquisition charges – Rs.3.926 million

According to section 23(2) of Land Acquisition Act 1894, "in addition to the market value of the land as above provided, the court shall in every case award a sum of 15% on such market value, in consideration of the compulsory nature of the acquisition". According to Section 3(d) of the Act "Court" means a Principal Civil Court of original jurisdiction, unless the Provincial Government has appointed a special judicial officer within any specified local limits to perform the functions of the Court under this Act. Furthermore, according to Section 18(1) & (2) of Land Acquisition Act 1894, any person interested who has not accepted the award may, by written application (application shall state the grounds on which objection to the award is taken) to the collector, the matter be referred by the collector for the determination of the Court, whether his objection be to the measurement of the land, the amount of the compensation, the person to whom it is payable or the apportionment of the compensation among the persons interested.

Office of the Deputy Commissioner Buner allowed an amount of Rs 3,926,250 as 15% compulsory acquisition charges for acquisition of land without observing the due legal process and other codal formalities as per following details:

1. Compulsory acquisition charges were allowed without any court order as required under section 23(2) read with section 3(d) of Land Acquisition Act 1894.
2. No written objection, obstruction, refusal or appeal made to the Collector/Court by the owners as required under section 18 (1) & (2) of the Act.

In light of above-mentioned points audit holds that the allowing 15% compulsory acquisition charges was in violation of Act, which resulted in loss of Rs 3,629,873. Audit further holds that the said observation is a repetitive nature for the last many years and the management did not show any response comply the audit observation. Detail given below:

S. No	Project	Cost of land	Compulsory acquisition charges
1	Acquisition of land in r/o GGHS Batara	2,236,743	335,511
2	Acquisition of land for police station Elam	7,987,392	1,198,109
3	Purchase of land for construction of Degree college Gardazai	20,604,000	3,090,600
4	Purchase of land for Belandary road	5,570,997	835,650
Totals		36,399,132	3,926,250

The irregularity occurred due to violation of Land Acquisition Act 1894 and weak financial controls, which resulted in loss to the Government. The similar observation was also pointed during the financial years 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 amounting to 3,132,000, Rs 6,325,117, Rs.7,470,103 Rs. 9,453,000 and Rs. 4,413,257 respectively. However, no corrective measures were taken, resultantly a total loss of Rs. 30,793,477 was occurred.

When pointed out in July 2022, the management stated that detail reply will be obtaining from land acquisition branch and will be shown to Audit. However, no progress was shown till finalization of this report.

PAO was requested to convene DAC meeting in August 2022, which could not be convened till finalization of this report.

Audit recommends recovery of 15% compulsory charges and action against the persons responsible.

AIR Para No. 01 (2021-22)

2.4.3 Others, including cases of accidents, negligence etc.

2.4.3.1 Non reconciliation of PTC fund – Rs 10.485 million

According to Para 89(4) (viii-2) of GFR Vol.-I the main object of the reconciliation is to ensure that the departmental accounts are sufficiently accurate to render possible and efficient departmental control of expenditure. Furthermore, according to Rule 9(2) (f) of the Khyber Pakhtunkhwa, District or City District Governments, Budget Rules 2016, the functions of the Drawing and Disbursing Officers are to maintenance the relevant records both accounting and operational up to date and in an orderly manner.

Office of the DEO (Female) Buner paid an amount of Rs 10,485,000 on account of Petty Repair and CRC to different primary schools under jurisdiction during FY 2021-22 through banks, however, neither of these payments were reconciled with concerned banks nor with the schools to authenticate the disbursement of funds to the PTCs accounts. Detail is given below:

S. No	Name of SDEO	Petty Repair (Rs)	CRC (Rs)	Total (Rs)
1	Mandanr	1,398,000	1,165,000	2,563,000
2	Khadukhel	1,140,000	950,000	2,090,000
3	Gagra	1,362,000	1,170,000	2,532,000
4	Daggar	1,800,000	1,500,000	3,300,000
Grand Total		5,700,000	4,785,000	10,485,000

The irregularity occurred due to violation of financial rules and weak administrative controls, which resulted in non-reconciliation of PTC fund.

When pointed out in July 2022, the management stated that the concerned banks & SDOs would be informed about the matter and progress will be shown to audit. However, no progress was intimated till finalization of this report.

PAO was requested to convene DAC meeting in August 2022, which could not be convened till finalization of this report.

Audit recommends reconciliation of PTC fund and inquiry to fix responsibility for such negligence on the persons responsible.

AIR Para No. 06 (2021-22)

2.4.3.2.1 Non reconciliation of Petty Repair, CRC and Stipend funds – Rs.39.459 million

According to Para 89(4) (viii-2) of GFR Vol.-I the main object of the reconciliation is to ensure that the departmental accounts are sufficiently accurate to render possible and efficient departmental control of expenditure. Furthermore, according to Rule 9(2) (f) of the Khyber Pakhtunkhwa, District or City District Governments, Budget Rules 2016, the functions of the Drawing and Disbursing Officers are to maintenance the relevant records both accounting and operational up to date and in an orderly manner.

Office of DEO (Male) Buner released an amount of Rs 17,288,000 on account of stipend to 356 teachers of schools and an amount of Rs 22,171,000 on account of Petty Repair and CRC to different primary schools through SDEOs during FY 2021-22, however, neither of these releases were reconciled with the concerned banks nor with the schools till the date of audit (July 2022). Detail is given below:

S. No	Name of SDEO	Petty Repair (Rs)	CRC (Rs)	Total (Rs)
1	Mandanr	3,000,000	2,350,000	5,350,000
2	Khadukhel	1,698,000	1,790,000	3,488,000
3	Gagra	3,558,000	2,966,000	6,524,000
4	Daggar	3,714,000	3,095,000	6,809,000
Total		11,970,000	10,201,000	22,171,000
Transfer of fund to Primary /Middle/ High/ schools for stipend				17,288,000
Grand Total				39,459,000

The irregularity occurred due to violation of financial rules and weak administrative controls, which resulted in non-reconciliation of PTC fund.

When pointed out in July 2022, the management stated that the concerned SDEOs and Banks would be informed accordingly. However, no progress was intimated till finalization of this report.

PAO was requested to convene DAC meeting in August 2022, which could not be convened till finalization of this report.

Audit recommends reconciliation of PTC fund besides initiating inquiry to fix responsibility for such negligence on the persons responsible.

AIR Para No. 07 (2021-22)

2.4.3.3 Non-reporting of clinical efficacy of medicines worth -Rs 24.256 million

According to Para-H of the Director General Health Services Khyber Pakhtunkhwa Peshawar letter No 5044-5244/MCC dated 23.09.2021, in consultation with the end users, Purchasing Entities shall submit mandatory quarterly reports regarding the clinical efficacy and/or other parameters of the relevant items in MCC list as used at their end, on a prescribed format. In case of failure, disciplinary action may be initiated against the in-charge of the Purchasing Entity.

Office of the District Health Officer Buner purchased medicines amounting to Rs 24,256,089 during 2021-22 from various suppliers for issuance to various health facilities. However, the clinical efficacy reports and other parameters of the medicines were not submitted to the quarter concerned which was contrary to the above instructions. Detail is given at Annexure-03.

The irregularity occurred due to violation of MCC rules and weak internal controls, which resulted in non-compliance of government orders.

When pointed out in July 2022, the management stated that the subject report would be collected from the concerned and would be shown to audit. Reply was not satisfactory as documentary evidence was not shown to audit till finalization of this report.

PAO was requested to convene DAC meeting in August 2022, which could not be convened till finalization of this report.

Audit recommends provision of efficacy reports and action against the persons responsible.

AIR Para No. 09 (2021-22)

2.4.3.4 Irregular disbursement of fund through DDO – Rs 1.765 million

According to Para 4.2.9.9 of direction of APPM requires that cheque payments should be released to the payee or personally collected by the payee or his authorized agent.

Office of the District Director Agriculture, Buner paid Rs 1,765,131 from treasury through DDO instead of vendors and disbursed in cash during financial year 2020-21. Detail Annexure-4.

The lapse occurred due to violation of APPM rules and weak financial controls, which resulted in irregular expenditure.

When pointed out in February 2022, the management stated that payments were made to the concerned payees. However, point is noted for future compliance. Reply was not satisfactory as documentary evidence was not shown to audit till finalization of this report.

PAO was requested to convene DAC meeting in March, 2022, however meeting of DAC could not be convened till finalization of this report.

Audit recommends fact finding inquiry into the matter against DDO by the PAO for fixing responsibility against the persons responsible.

AIR Para No. 04(2020-21)



CHAPTER-03

TEHSIL MUNICIPAL ADMINISTRATIONS



CHAPTER-3

Tehsil Municipal Administrations

3.1 Introduction

A. District Buner has four Tehsils i.e. Daggar, Gagra, Khadukhel (Totalai) and Mandanr. The office of a Tehsil Municipal Administration is managed by the Tehsil Municipal Officer. He is assisted by a Tehsil Officer (Finance), a Tehsil Officer (Regulation) and a Tehsil Officer (Infrastructure).

According to section 22 of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 the functions and powers of TMAs are briefly given as under:

- (a) Monitoring and supervising the performance of functionaries of Government offices located in the Tehsil,
- (b) Land management in the Tehsil, provision of municipal services, execution and management of development plans for improvement of municipal services and infrastructure.
- (c) Enforcing municipal laws, rules and bye-laws, Preventing and removing encroachments, regulate affixing of sign-boards and advertisements;
- (d) Financial management of the Tehsil such as, Preparation of budget and annual municipal development programmes, collection of revenue such as taxes, penalties, fines etc. manage municipal properties, assets and funds, and liaison with the district government in all these matters.
- (e) Maintaining a comprehensive data base and information system on services in the Tehsil municipal record and archives and provide public access to it on nominal charges;
- (f) Organizing sports, cultural, recreational events, fairs, cattle fairs and cattle markets;
- (g) Co-ordinate and support municipal functions amongst village and neighborhood councils;
- (h) Regulate markets and services, issue licenses, permits, grant permissions and impose penalties for violation thereof;

Audit profile of TMAs of the District Buner

(Rs. in million)

SrNo	Description	Total Nos	Audited	Expenditure audited FY 2021-22	Revenue /Receipts audited FY 2021-22
1	Authorities/Autonomous Bodies etc under thePAO	4	4	273.35	179.903

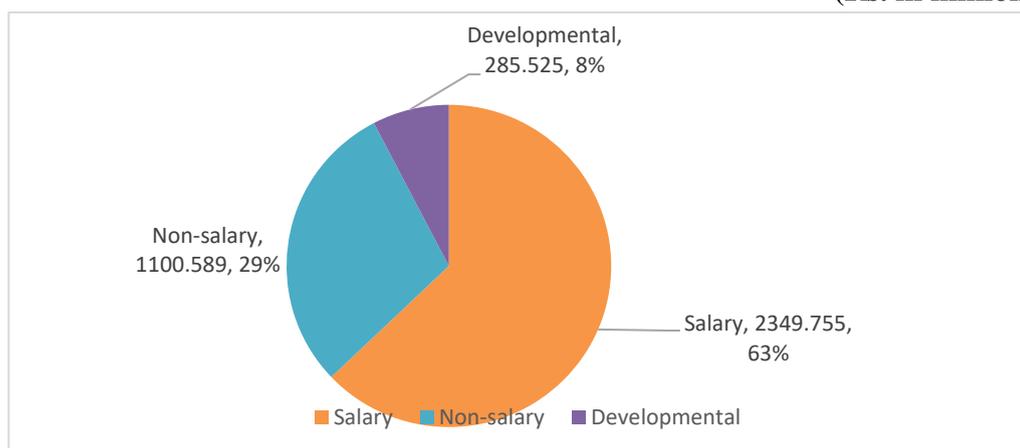
B. Comments on Budget and Accounts (Variance Analysis) TMAs

(Rs. in million)

Particulars	Budget	Expenditure	Excess/(Savings)	%age Excess/ (Savings)
Salary	271.56	106.51	(165.049)	(60.78)%
Non Salary	162.782	68.133	(94.649)	(58.14)%
Developmental	125.821	98.707	(27.113)	(21.55)%
Total	560.16	273.35	(286.811)	(51.20)%
Receipts		179.903		0

EXPENDITURE 2021-22

(Rs. in million)



The savings of Rs. 286.811 million indicates weakness in capacity of Tehsil Administrations to utilize the allocated budget. Furthermore, the savings in salary and non-salary components were 60.78% and 58.14% respectively which over estimation of budget. Whereas; the savings of 51.20% in the development expenditure shows inefficiency in utilization of fund on the part of the

management.

3.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 28.056 million were raised in this report. This amount also includes recoverable of Rs. 17.431 million pointed out by the audit. Summary of the audit observations classified by nature is as under:

Table: Classified Summary of Audit Observations

(Rs. in million)

Sr. No.	Classification	Amount
1	Irregularities	-
	A Management of accounts with Commercial Banks	17.431
2	Value for Money and Services Issues	9.328
3	Others, including cases of accidents, negligence etc.	1.297
	Total	28.056

3.3 Comments on the status of compliance with Tehsil Accounts Committee Directives

The audit reports pertaining to following years have been submitted to the Governor of Khyber Pakhtunkhwa. Detail of TAC meetings are given below:

Sr. No.	Audit Year	TAC meeting
1.	2009-10	Not Convened
2.	2010-11	Not Convened
3.	2011-12	Not Convened
4.	2012-13	Not Convened
5.	2013-14	Not Convened
6.	2014-15	Not Convened
7.	2015-16	Not Convened
8.	2016-17	Not Convened
9.	2017-18	Not Convened
10.	2018-19	Not Convened
11.	2019-20	Not Convened
12.	2020-21	Not Convened
13.	2021-22	Not Convened

3.4 AUDIT PARAS

3.4.1 Irregularities

A. Management of Accounts with Commercial Banks

3.4.1.1 Non-deposit of Bank profit into Government treasury - Rs 4.936 million

According to Finance Department Khyber Pakhtunkhwa Peshawar letter No. 2/3-(F/L)/FD/2007-08/vol-IX dated 10.03.2018, has allowed sanction of bank accounts in commercial banks for various departments/autonomous/semi-autonomous /corporation in KP and directed that such accounts may be converted into PLS mode and profit earned may be deposited into government treasury.

Office of the Tehsil Municipal Officer TMA Gagra, Buner realized Rs4,936,421 on account of bank profit for the financial year 2021-22, however, profit earned was not deposited into government treasury.

The irregularity occurred due to violation of Government rules and weak administrative controls, which resulted in non-deposit of bank profit into government treasury. The similar observation was also pointed during the financial years 2019-20 and 2020-21 amounting to Rs. 11,122,157 and Rs. 8,205,113 respectively. However, no corrective measures were taken, resultantly a total loss of Rs. 19,327,366 was occurred.

When pointed out in October 2022, the management stated that in this regard opinion would be obtained from LCB. Reply was not satisfactory as opinion from LCB was not shown to audit till finalization of this report.

PAO was requested to convene DAC meeting in November 2022, which could not be convened till finalization of this report.

Audit recommends depositing of profit into Government treasury and action against the persons responsible.

AIR Para No. 06(2021-22)

3.4.1.2 Non-deposit of profit into Government treasury – Rs 8.189 million

According to Finance Department Khyber Pakhtunkhwa Peshawar letter No. 2/3-(F/L)/FD/2007-08/vol-IX dated 10.03.2018, has allowed sanction of

bank accounts in commercial banks for various departments/autonomous/semi-autonomous /corporation in KP and directed that such accounts may be converted into PLS mode and profit earned may be deposited into government treasury under the relevant head of account not later than a week when declared by the bank

Office of the Tehsil Municipal Officer TMA Daggar, Buner realized Rs.8,188,647 on account of bank profit for the financial year 2021-22. However, profit earned was not deposited into government treasury.

The irregularity occurred due to violation of Government rules and weak administrative controls, which resulted in non-deposit of bank profit into government treasury.

When pointed out in October 2022, the management stated that detailed reply would be given after clarification from the provincial government. No reply was furnished till finalization of this report.

PAO was requested to convene DAC meeting in November 2022, which could not be convened till finalization of this report.

Audit recommends depositing of profit into Government treasury and action against the persons responsible.

AIR Para No. 06(2021-22)

3.4.1.3 Non-deposit of Bank profit into Government treasury – Rs 4.306 million

According to Finance Department Khyber Pakhtunkhwa Peshawar letter No. 2/3-(F/L)/FD/2007-08/vol-IX dated 10.03.2018, has allowed sanction of bank accounts in commercial banks for various departments/autonomous/semi-autonomous /corporation in KP and directed that such accounts may be converted into PLS mode and profit earned may be deposited into government treasury under the relevant head of account not later than a week when declared by the bank

Office of the Tehsil Municipal Officer TMA Totalai, Buner realized Rs.4,306,201 on account of bank profit for the financial year 2021-22, however, profit earned was not deposited into government treasury.

The irregularity occurred due to violation of Government rules and weak administrative controls, which resulted in non-deposit of bank profit into government treasury.

When pointed out in October 2022, the management stated that detailed reply would be given after clarification from the Provincial Government. No reply was furnished to audit till finalization of this report.

PAO was requested to convene DAC meeting in November 2022, which could not be convened till finalization of this report.

Audit recommends deposit of profit into Government treasury and action against the persons responsible.

AIR Para No. 05(2021-22)

3.4.2 Value for Money and Services Issues

3.4.2.1 Blockage of Government fund -Rs 5.328 million

According to Para 95 of General Financial Rules volume I provides that all anticipated savings should be surrendered to Government well before close of financial year. No savings should be held in reserve for possible future excesses.

Office of the TMO Mandanr Buner retained Rs 5,328,159 in PLA as unspent balance of Government funds released under District ADPs and share of District Council. Audit holds that unspent balance of Government fund was lying in PLA of TMA sing long and needs to be spent on the purpose for which the funds were released otherwise should be surrendered to the quarter concerned. Detail is given below:

S#	Name of fund	Opening balance as on 01.7.2021	Closing balance as on 30.6.2022
1	Share of District Council	1,383,246	1,383,246
2	District ADP 2015-16	1,324,891	1149875
3	District ADP 2016-17	846,926	846,926
4	District ADP 2017-18	1,778,829	1,778,829
5	District ADP 2018-19	169,283	169,283
Total			5,328,159

The irregularity occurred due to violation of GFR and weak administrative controls, which resulted in blockage of government fund.

When pointed out in October 2022, the management stated that detailed scrutiny would be made in the matter would be solved accordingly. Reply is not convincing as no progress was shown to audit till finalization of this report.

PAO was requested to convene DAC meeting in November 2022, which could not be convened till finalization of this report.

Audit recommends that funds should be utilized on the purpose for which the funds were released otherwise should be surrendered to the quarter concerned.

AIR Para No. 12(2021-22)

3.4.2.2 Non-recovery of outstanding loan –Rs 4.00 million

According to the Secretary LCB Khyber Pakhtunkhwa letter No. AO/LCB/Grant/MCs-DCs/2014 dated 11.4.2014. the competent authority has

been pleased to accord sanction for release of funds to Municipal Committee Lachi Rs 4.00 million for payment of outstanding monthly salaries on loan basis out of local fund of MC Totalai, as and when special grant release by the finance department, the amount will be refunded.

Office of the Tehsil Municipal Officer Khadukhel Buner lent an amount of Rs. 4,000,000 vide Cheque No 1847135 dated 14.4.2014 to MC Lachi Karak, which was not recovered till date of audit i.e. October, 2022.

The irregularity occurred due to violation of LCB directives and weak administrative controls, which resulted in non-recovery of loan.

When pointed out in October 2022, the management stated that reminder would be issued to the TMA concerned for early recovery. Reply was not satisfactory as recovery was not made till finalization of this report.

PAO was requested to convene DAC meeting in November 2022, which could not be convened till finalization of this report.

Audit recommends recovery of the loan and action against the persons responsible.

AIR Para No. 01(2021-22)

3.4.3 Others including cases of accidents and negligence

3.4.3.1 Non-recovery of outstanding dues from the contractor – Rs 1.297 million

According to Para 6 of TMA budget rules 2016 ensuring all sums due to the TMA are regularly and promptly assessed, realized and duly credited in the Tehsil Fund.

During financial year 2021-22, Office of the Tehsil Municipal Officer TMA Gagra, Buner failed to recover outstanding dues amounting to Rs 1,296,800 from the contractor of cattle fair Swari pertaining to the financial year 2019-20.

The irregularity occurred due to violation of Budget Rules and weak administrative controls, which resulted in non-recovery of outstanding dues. The similar observation was also pointed during the financial years 2019-20 and 2020-21 amounting to Rs. 2,223,000 and Rs. 1,557,234 respectively. However, no corrective measures were taken, resultantly a total loss of Rs. 3,780,234 was occurred.

When pointed out in October 2022, the management stated that notices would be issued to the contractor. Reply was not satisfactory as no recovery was made till finalization of this report.

PAO was requested to convene DAC meeting in November 2022, which could not be convened till finalization of this report.

Audit recommends recovery from the contractor and action against the persons responsible.

AIR Para No. 01(2021-22)



CHAPTER-04

ASSISTANT DIRECTOR LGE & RDD



CHAPTER-4

AD LGE & RDD

4.1 Introduction

A. Assistant Director Local Government, Election and Rural Development Department in District Buner have 105 VCs/NCs. Each VC/NC has a Secretary. Assistant Director Local Government Election & Rural Development Department is Drawing and Disbursing Officer (DDO) for his office and PAO for VCs/NCs of the District Buner.

According to section 29 of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019, the authority and responsibilities of the District Government have been given as under:

Functions and Powers of Assistant Director, LGE&RDD includes:

- i. Providing secretarial support to the Council, matters relating to Local Government Commission
- ii. Coordination and supervision of village and neighborhood councils
- iii. Matters related to local taxes, grants, budget of village and neighborhood councils
- iv. Coordination of activities relating to local council elections, population census and surveys in the district
- v. Rural Development Works including water supply, rural access roads, embankment and drainage works
- vi. Overseeing registration of births, deaths and marriages in village and neighborhood councils
- vii. Review, evaluation and assessment of local government system, processes and procedures in the district particularly at the village and neighborhood level
- viii. Collection, compilation and dissemination of primary data Training and research in the areas of local governance.

Functions and Powers of the Village Council or Neighborhood Council includes:

- i. Monitoring and supervision of the performance of functionaries of all government offices located in the area of the respective village council or neighborhood council, including education, health, public health engineering, agriculture, livestock, police and revenue, and hold them accountable by making inquiries and reports to the Tehsil municipal administration, district government or, as the case may be, the Government for consideration and action;
- ii. Providing effective forum for out of court amicable settlement of disputes and, for this purpose, constitute panels of members as conciliators;
- iii. Registration of births, deaths and marriages;
- iv. Implementation and monitoring of village level development works;
- v. Improving water supply sources, maintain water supply distribution system and take measures to prevent contamination of water;
- vi. Maintenance of village level infrastructure, footpaths, tracks, streets, playgrounds, graveyards, funeral places, Eid-gah, parks, public open spaces and community centers.
- vii. Identifying development needs of the area for use by municipal administration and district government in prioritizing development plans;
- viii. Making arrangements for sanitation, cleanliness, disposal of garbage and carcasses, drainage and sewerage system;
- ix. Displaying land transactions in the area for public information;
- x. Mobilizing community for maintaining public ways, public streets, culverts, bridges and public buildings, de-silting of canals and other development activities;
- xi. Organizing cattle fairs and agriculture produce markets;
- xii. Organizing sports teams, cultural and recreational activities;
- xiii. Organizing watch and ward in the area;
- xiv. Promoting plantation of trees, landscaping and beautification of public places;
- xv. Regulating grazing areas, establish cattle ponds and provide

- protection against stray animals and animal trespass;
- xvi. Considering and approving annual budget presented by the respective Nazim, village council or neighborhood council;
 - xvii. Facilitating formation of voluntary organizations for assistance in functions assigned to it;
 - xviii. Facilitating the formation of co-operatives for improving economic returns and reduction of poverty;
 - xix. Electing an Accounts Committee and review its recommendations on the annual statement of accounts and audit reports; and
 - xx. Reporting cases of handicapped, destitute and of extreme poverty to district government.

Audit profile of LGE & RDD District Buner

(Rs in million)

Sr No	Description	Total Nos	Audited	Expenditure audited FY 2021-22	Revenue /Receipts audited FY 2021-22
1	Formations	01	01	77.920	0.076
	Total	01	01	77.920	0.076

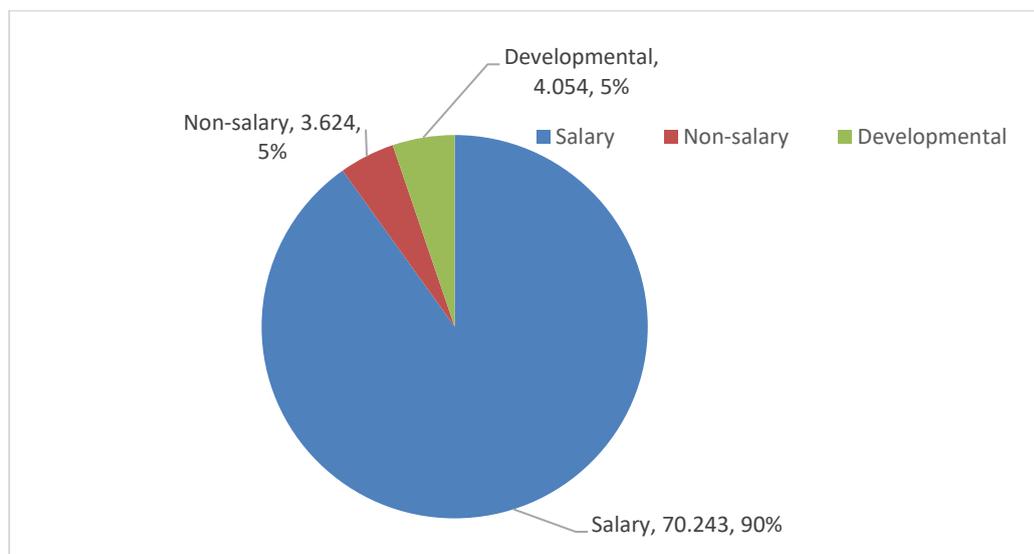
B. Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

2021-22	Budget (Rs)	Actual Expenditure	Excess/(Savings)	%age Excess/(Savings)
Salary	47.755	70.243	22.49	47.09%
Non-Salary	4.035	3.624	(0.411)	(10.19)%
Developmental	10.8	4.054	(6.746)	(62.46)%
Total	62.589	77.920	15.33	24.49%
Receipts		0.076		0

EXPENDITURE 2021-22

(Rs in million)



The excess of Rs. 15.33 million indicates weakness in capacity of AD LGE & RDD to utilize the allocated budget. Furthermore, the excess payment in salary and savings in non-salary components were 47.09% and 10.19% respectively which over/above estimations of budget. Whereas; the savings of 62.46% in the development expenditure shows inefficiency in utilization of fund on the part of the management.

4.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 110.156 million were raised in this audit report. Summary of the audit observations classified by nature is as under:

Table: Classified Summary of Audit Observations

(Rs. in million)

Sr. No.	Classification	Amount
1	Value for Money and Services Issues	36.290
2	Others including cases of accidents, negligence	73.866
Total		110.156

4.3 Comments on the status of compliance with Village/Neighborhood Accounts Committee Directives

The audit reports pertaining to following years have been submitted to the Governor of Khyber Pakhtunkhwa. Detail of VAC/NAC meetings are given below:

Sr. No.	Audit Year	VACs/NACs meeting
1.	2002-03	N/A
2.	2003-04	N/A
3.	2005-06	N/A
4.	2006-07	N/A
5.	2007-08	N/A
6.	2008-09	N/A
7.	2009-10	N/A
8.	2010-11	N/A
9	2011-12	N/A
10	2012-13	N/A
11	2013-14	Not Convened
12	2016-17	Not Convened
13	2017-18	Not Convened
14	2018-19	Not Convened
15	2019-20	Not Convened
16	2020-21	Not Convened
17	2021-22	Not Convened

4.4 AUDIT PARAS

4.4.1 Value for Money and Services Issues

4.4.1.1 Irregular retention of developmental funds due to non-utilization– Rs.36.290 million

According to Rule 75(3-4) of the Khyber Pakhtunkhwa-District-or-City-District-Governments-Budget-Rules-2016, The total expenditure shall be kept within the limits of the authorized appropriations.4) It shall be ensured that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

Office of the Assistant Director Local Government Elections & Rural Development Department Buner did not utilize developmental funds amounting to Rs 36,290,169 during financial year 2021-22 and was parking in the designated bank account No. 4016180855 NBP till date of audit i.e. October 2022, which caused irregular retention and non-utilization of developmental funds.

The lapse was occurred due to violation of Khyber Pakhtunkhwa District or City District Governments Budget Rules 2016 and weak administrative controls, which resulted in irregular retention of developmental funds.

When pointed out in October 2022, the management stated that funds would be utilized in the current financial year (2022-23) and progress would be shown to audit. Reply was not satisfactory as no progress was shown to audit till finalization of this report.

PAO was requested to convene DAC meeting in November 2022, which could not be convened till finalization of this report.

Audit recommends justification/ corrective action in the matter and action against the persons responsible.

AIR Para No. 02(2021-22)

4.4.2 Others including cases of accidents, negligence

4.4.2.1 Non-reconciliation of expenditure– Rs 73.866 million

According to Rule 9 (i) Part-II of the Government of Khyber Pakhtunkhwa District or City District Government Budget Rules 2016, the Drawing and Disbursing Officer will make regular monthly reconciliations of expenditure and revenues with the District Accounts Officer. Furthermore, according to Rule 644 of CTR all kind of transactions should be reconciled with treasury / district accounts office.

Office of the Assistant Director Local Government Elections & Rural Development Department, Buner incurred expenditure of Rs 73,866,933 on account of salary, non-salary heads during financial year 2021-22, however, reconciliations were not made with the DAO Buner to authenticate the expenditure.

The irregularity occurred due to violation of CTR and weak administrative controls, which resulted in non-reconciliation of expenditure.

When pointed out in October 2022, the management stated that reconciliation would be made with the DAO and would be shown to audit. Reply was not satisfactory as reconciliation with the DAO Buner was not shown to audit till finalization of this report.

PAO was requested to convene DAC meeting in November 2022, which could not be convened till finalization of this report.

Audit recommends inquiry into the matter, reconciliation of the expenditure and action against the persons responsible.

AIR Para No. 03(2021-22)

ANNEXURES

Annexure-01

Detail of MFDAC Paras

S. No	AIR No	Department	Subject	(Rs in million)
1	1	Deputy Commissioner	Loss to Government due to compulsory acquisition charges –Rs 3.926 million	3.926
2	2	-do-	Loss to government due to non-achievement of receipt target –Rs 172.669 million	172.669
3	3	-do-	Irregular placement of fund under lump sum provision – Rs 48.622 million	48.622
4	4	-do-	Loss to government due to non-deposit of Bank profit into Government Treasury–Rs 334,112	0.334
5	5	-do-	Loss to government due to non-deposit of stamp duty–Rs 727,983	0.727
6	6	-do-	Non revival of closing balance in designated bank account –Rs 77.210 million	77.21
7	7	-do-	Unauthentic expenditure on account of POL -Rs. 11,540 million	11.54
8	8	-do-	Non-Auctioning of condemn vehicles	0
9	9	-do-	Non-Auction of confiscated 260 Weapons	0
10	10	-do-	Irregular repair of transport Rs 119,000	0.119
11	11	-do-	Unauthentic Arms Licenses receipts - Rs. 15.109 million	15.109
12	12	-do-	Unverified ADP schemes worth - Rs. 5.662 million	5.662
13	13	-do-	Non-reconciliation of expenditure Rs. 35.641 million	35.641
14	14	-do-	Non-reconciliation of receipts – Rs 657,300	0.657
15	15	-do-	Non-conversion of current bank account into PLS	0
16	16	-do-	Unauthorized payment of fund through DDO instead of crossed cheques to vendors - Rs – 7.438 million	7.438
17	3	-do-	Non-recovery of penalty for late	0.295

			supply of medicines –Rs 295,918	
18	4	-do-	Unauthentic purchase of medicines without obtaining DTL reports–Rs 1.818 million	1.818
19	5	-do-	Non-deduction of Income Tax on supply of medicines-Rs 351,677	0.351
20	6	-do-	Non-deduction of HRA, Conveyance Allowance and 5% charges–Rs 973,662	0.973
21	7	-do-	Overpayment on account of pay and allowances – Rs 141,441	0.141
22	8	-do-	Non reconciliation of expenditure–Rs 559.828 million	559.828
23	10	-do-	Irregular expenditure on account of pay & allowances of staff – Rs 1.943 million	1.943
24	11	-do-	Unauthorized payment through DDO – Rs 6.520 million	6.52
25	12	-do-	Non deposit of Bank profit into Government Treasury –Rs 50,559	0.0505
26	13	-do-	Unauthentic expenditure on account of POL –Rs 689,174	0.689
27	14	-do-	Non conversion of current bank accounts into PLS mode	0
28	15	-do-	Irregular retention of funds in designated bank account–Rs 2.454 million	2.454
29	16	-do-	Irregular repair of transport Rs 119,950	0.119
30	17	-do-	Irregular purchase of medicines Rs 132,200	0.132
31	18	-do-	Non reconciliation of health receipts – Rs 116,000	0.116
32	19	-do-	Loss to government due to non-deposit of receipts into government treasury –Rs 634,286	0.634
33	1	DEO Female	Unauthentic and unreconciled disbursement of Stipend fund - Rs 55.927 million	55.927
34	2	-do-	Non collection of Girls’ Guide and Red Crescent fund –Rs 220,850	0.22
35	5	-do-	Loss to Government due to placement of public funds in current bank accounts	0
36	6	-do-	Non reconciliation of PTC fund – Rs 10.485 million	10.485

37	9	-do-	Non-Submission of Performance Guarantee on account of purchase of furniture –Rs 3.137 million	3.137
38	10	-do-	Irregular payment on account of furniture without inspection report – Rs 31.050 million	31.05
39	11	-do-	Irregular purchase on account of furniture due to improper invoicing – Rs 31.367 million	31.367
40	1	DEO Male	Illegal retention of public money in designated bank account– Rs 3.570 million	3.57
41	2	-do-	Unverified and irregular expenditure on account of Petty Repair and CRC fund– Rs 22.171million	22.171
42	3	-do-	Non deposit of outstanding of Scouts Registration & Affiliation Fee – Rs 919,283	0.919
43	4	-do-	Non-depositing of bank profit earned on placement of public funds in designated bank accounts – Rs 179,039	0.179
44	6	-do-	Loss to Government due to placement of public funds in current bank accounts	0
45	10	-do-	Non-Submission of Performance Guarantee for the purchase of furniture –Rs 11.259 million	11.259
47	12	-do-	Irregular purchase on account of furniture due to improper invoicing – Rs 112.592 million	112.592
48	1	DO Social Welfare	Irregular expenditure on account of Pay and Allowances to the employees of non-functional centres – Rs 1.897 million	1.897
49	2	-do-	Non-reconciliation of closing balances with the Finance Department	0
50	3	-do-	Excess expenditure in non-salary heads over & above revised budgetary grants –Rs 214,780	0.214
51	4	-do-	Irregular purchase without open tender system and unauthentic purchase due to non-maintenance of stock registers - Rs 344,780	0.344
52	5	-do-	Unauthorized payments to DDO instead of vendors - Rs 1.113 million	1.113

53	6	-do-	Illegal appointment of Class – IV	0
54	1	TMA Dagger	Non-recovery of long outstanding dues from contractor –Rs 941,000	0.941
55	2	-do-	Non-imposition of Penalty for delay in completion of Schemes- Rs 400,000	0.40
56	3	-do-	Unauthorized payment for non-scheduled item without rate analysis –Rs 216,000	0.216
57	4	-do-	Non-deposit of stamp duty, DPR fund and Professional tax -Rs 299,450	0.299
58	5	-do-	Irregular execution of schemes without location coordinates –Rs 1.700 million	1.70
59	7	-do-	Irregular execution of scheme without agreement - Rs 2.00 million	2.00
60	8	-do-	Non-submission of Accounts of Local Government –Rs 109.945 million	109.95
61	9	-do-	Non-recovery of Annual Tax from Petrol Pumps - Rs 400,000	0.40
62	10	-do-	Irregular expenditure without material test –Rs 3.142 million	3.142
63	11	-do-	Irregular expenditure on developmental schemes without technical sanction -Rs 11.600 million	11.60
64	1	TMA Mandnr	Unauthorized payment through DDO - Rs 272,510	0.272
65	2	-do-	Unverified expenditure on repair of vehicle -Rs 98,500	0.098
66	3	-do-	Non deposit of Bank profit into Government Treasury –Rs 518,274	0.518
67	4	-do-	Blockage of government money due to non-utilization of fund –Rs 3.154 million	3.154
68	5	-do-	Non-imposition of penalty for non-completion of works Rs 226,700	0.226
69	6	-do-	Irregular execution of work without Technical Sanction-Rs 12.280 million	12.128
70	7	-do-	Overpayment due to allowing excess quantity than approved BOQ Rs 1.594 million	1.594
71	8	-do-	Non surrender of Saving-Rs 3.871 million	3.87

72	9	-do-	Less collection of receipts from Bus Stand Ambela-Rs 355,830	0.355
73	10	-do-	Non deposit of 3% RTA Share-Rs 105,019	0.105
74	11	-do-	Non-payment of 2% LCB Share to Government-Rs 1.220 million	1.22
75	13	-do-	Non recovery of Annual Tax and NOC Fee from Petrol Pumps - Rs 1.625 million	1.625
76	14	-do-	Irregular lease of land without rent reasonability certificates -Rs 1.512 million	1.512
77	15	-do-	Non deposit of stamp duty, Professional Tax & Disable Persons Rehabilitation fund-Rs 169,050	0.169
78	16	-do-	Non-submission of Accounts of Local Government -Rs 189.478 million	189.478
79	2	TMA Gagra	Non-imposition of Penalty for delay in completion of Schemes- Rs 805,000	0.805
80	3	-do-	Unauthorized payment for non-scheduled items without rate analysis -Rs 29,659	0.029
81	4	-do-	Non deposit of stamp duty, DPR fund and Professional tax -Rs 101,050	0.101
82	5	-do-	Irregular execution of schemes without location coordinates -Rs 2.250 million	2.25
83	7	-do-	Irregular execution of schemes without agreements - Rs 5.600 million	5.60
84	8	-do-	Non-submission of Accounts of Local Government -Rs 837.649 million	837.65
85	9	-do-	Non transfer of 3% Regional Transport Authority share of General Bus Stand -Rs 360,970	0.36
86	10	-do-	Irregular expenditure on execution of PCC without material test -Rs 755,432	0.76
87	11	-do-	Irregular expenditure on developmental schemes without technical sanction -Rs 5.200 million	5.20
88	12	-do-	Irregular retention of developmental funds -Rs 26.464 million	26.464

89	13	-do-	Unauthorized opening of bank accounts without approval of the Government	0
90	14	-do-	Non-recovery of Annual Tax from Petrol Pumps - Rs 500,000	0.50
91	2	-do-	Non-imposition of Penalty for delay in completion of Schemes- Rs 810,000	0.81
92	3	-do-	Non-deposit of stamp duty, DPR fund and Professional tax -Rs 165,800	0.165
93	4	-do-	Irregular execution of schemes without location coordinates –Rs 8.550 million	8.55
94	6	-do-	Irregular execution of scheme without agreement - Rs 890,000	0.89
95	8	-do-	Irregular expenditure without material test –Rs 2.498 million	2.498
96	9	-do-	Irregular expenditure on developmental scheme without technical sanction -Rs 1.200 million	1.2
97	10	-do-	Irregular retention of developmental funds due to non-utilization–Rs 27.113 million	27113
98	1	AD Buner	Non-conversion of current bank accounts into PLS Mode.	0
99	4	-do-	Irregular expenditure on developmental schemes without technical sanction -Rs 1.400 million	1.4
100	5	-do-	Non-imposition of Penalty for delay in completion of Schemes- Rs 70,000	0.07
101	6	-do-	Unauthorized payment for non-scheduled items without rate analysis –Rs 62,389	0.062
102	7	-do-	Irregular execution of schemes without location coordinates –Rs 1.100 million	1.10
103	8	-do-	Irregular execution of scheme without agreements - Rs 7.00 million	7.00
104	9	-do-	Irregular expenditure without material test –Rs 3.851 million	3.85

Annexure–2

PDP No. 2.4.1.3

Detail showing overpayment on account of HPA due to allowing higher rate

S. No	Name	Designation	HPA Paid (Rs)	HPA admissible (Rs)	Difference / month (Rs)	Amount (Rs)
1	Dr. Sardeep Kumar	PMO	95,000	82,000	13000* 12	156,000
2	Dr. Amir Saeed	Medical Officer	95,000	82,000	13000* 12	156,000
3	Dr. Mohammad Hamid	Medical Officer	95,000	82,000	13000* 12	156,000
4	Dr. Mohammad Ayoub	Dental Surgeon	95,000	82,000	13000* 12	156,000
5	Dr. Jehan Said	Medical Officer	95,000	82,000	13000* 12	156,000
6	Dr. Abidullah	Medical Officer	95,000	82,000	13000* 12	156,000
7	Dr. Mehmooda Ahmad	Dental Surgeon	95,000	82,000	13000* 12	156,000
8	Dr. Saeedullah Khan	Medical Officer	95,000	82,000	13000* 12	156,000
9	Dr. SyedSajid Ali	Medical Officer	95,000	82,000	13000* 12	156,000
10	Dr. Ibrar Khan	Cardiologist	95,000	82,000	13000* 12	156,000
11	Dr. Adnan Shah	Medical Officer	95,000	82,000	13000* 12	156,000
12	Dr. SyedImtiaz Ali Shah	Medical Officer	95,000	82,000	13000* 12	156,000
13	Dr. AliaBibi	WMO	95,000	82,000	13000* 3	156,000
14	Dr. RehmanZeb	Medical Officer	95,000	82,000	13000* 12	156,000
15	Dr. Ishtiaq Ali	Medical Officer	95,000	82,000	13000* 12	156,000
16	Dr. Ziaur Rahmman	Medical Officer	95,000	82,000	13000* 12	156,000
17	Dr. Bahrur Rahman	Medical Officer	95,000	82,000	13000* 12	156,000
18	Dr. Mian Tahir	Medical	95,000	82,000	13000*	156,000

	Shah	Officer			12	
19	Dr. Wajid	Medical Officer	95,000	82,000	13000* 12	156,000
20	Dr. Mohammad Arif	Medical Officer	95,000	82,000	13000* 12	156,000
21	Dr. SyedKazim Ali Shah	Medical Officer	95,000	82000	13000* 12	156,000
22	Dr. Ali	Medical Officer	95,000	82,000	13000* 12	156,000
23	Dr. Abdul Wahid	Medical Officer	95,000	82,000	13000* 12	156,000
24	Dr. Mohammad Inayatullah	Medical Officer	95,000	82,000	13000* 12	156,000
25	Dr. Sirajul Mulk	Medical Officer	95,000	82,000	13000* 12	156,000
Total						3,900,000

Annexure-3
PDP No. 2.4.3.3

Detail showing non-reporting of clinical efficacy of medicines

Cost center	Company Name	Name of drugs / medicines	Rate (Rs)	Quantity per pack	Amount (Rs)
BD- 6212 Cat D Pacha Kalay	ICI Pakistan	inj. ARV 0.5mg	639	1,500	958,500
	Asian Continental Pharma	Tab Diclofenic sodium enteric coated 50mg	1.44	200,000	288,000
	Asian Continental Pharma	INJ Tranexmic Acid 250mg	27.5	3,000	82,500
	Heal Pharma	Tab Citrazine 10mg	0.78	200,000	156,000
	Heal Pharma	Syp. Citrazine 5mg/5ml 60ml	20.85	20,000	417,000
	Heal Pharma	Tab Amlodipine 5mg	0.85	168,000	142800
BHUs Tehsil Dagger	Macter	Cap Amoxilline 500mg	5.1	200,000	1020,000
	Macter	Cap Cefixime 400mg	24	40,000	960,000
	Bosch Pharma	Tab Amoxilline+Clavulanic Acid 1gm	19.2	38,625	741,600
	Bosch Pharma	Inf. Paracetamol 1000mg/100ml	69.6	4,000	278,400
BHUs Tehsil Gaggra	Novo Nordisk Pharma	Inj. Insuline 70/30	400	1,000	400,000
	Stallion Pharmaceuticals	Amoxycillin Susp.125mg/5ml. 60ml	38	20,000	760,000
	Stallion Pharmaceuticals	Cap. Amoxycillin.250mg	3	150,000	450,000
BHUs Tehsil Mandanr	Stanly Pharma	Syp Acefylline 120ml	39.85	12,000	478,200
BHUs Tehsil Mandanr	Stanly Pharma	Susp. ibuprofen200mg/5ml,60 ml	55	9,830	540,650
BHUs Tehsil Mandanr	Martin Dow Limited	Tab Glibenclamide 5mg	1.29	200,000	258,000
BHUs Tehsil Mandanr	Pharmasol Pharma Pvt. Ltd	Inj. Dexamethasone 4mg/ml, 1ml	9.49	36,100	342,589
BHUs Tehsil Mandanr	Efroze Chemical Industries	Tab Bisoprolol 5mg	2.51	50,000	125,500
BHUs Tehsil Mandanr	Pharmedic Laboratories	Tab Metformin 500mg	1.04	150,000	156,000
BHU Tehsil Khudo	Hakeem Sons	Inj. Rhophylac 300 mcg	5500	90	495,000

Khail					
BD- 6212 Cat D Pacha Kalay	ICI Pakistan	Inj. ARV 0.5mg	639	1,000	639,000
	Heal pharma	Tab Metronidazole 400mg	1.65	200,000	330,000
		Susp Metronidazole200mg	31	13,900	430,900
RHC Jowar	Heal pharma	ORS	9.25	60,000	555,000
		Syp. Sulbutamol 2mg/5ml,60ml	14.75	8,000	118,000
		Cap. Fluconazole 150mg	11.85	6,490	76,906
BHU Daggar	Global Pharma	Inj. Metacolpramide 5mg/2ml	5.6	15,800	88,480
	ZafaPharma	Inj. Diclofenic sodium 75mg/3ml	5.5	60,000	330,000
		Tab sulbutamol 4mg	0.99	31,000	30,690
		Inj. Ketorolac 30mg/1ml	14.8	8,000	118,400
	M/S FDL	Inf Metronidazole 500mg/100ml	29.66	8,000	237,280
		inf ciprofloxin 200mg/100ml	36.55	8,000	292,400
		inf Ringer lactate500ml	34.77	20,000	695,400
		inf Normal saline 500ml	33.62	8,600	289,132
		infmannitol 500ml	120.69	200	24,138
	Next Pharma	Tab Domperidone 10mg	0.98	181,785	178,149
CD, Daggar	Novo Nordisk Pharma	Inj. Insuline 70/30	400	750	300,000
BHU Gaggra	Stanly Pharma	Tab. Kamic fort 500mg	2.18	150,000	327,000
		Tab Albendazole 200mg	6	20,000	120,000
		Susp. Alendazole 200mg/5ml,10ml	19	5,920	112,480
		Tab. Kamic 250mg	1.3	174,231	226,500
	GSK Pharam	Polymyxin B sulphate+BacitracinPol yFex Eye Ionment	26.44	5,000	132,200
		Susp. Septran 200+40mg/5ml,50ml	38	10,000	380,000
		Polymyxin B sulphat,lagnocane HCL Propylene glycol (Lidosporine)	21	1,000	21,000

	Abbott Labs	Tab. Cecon 500mg	2.68	80,000	214,400
	NabiqasimPharma	Syp. Zinc sulphate 20mg/5ml, 60ml	26.63	4,000	106,520
		Tab Folic Acid 5mg	0.54	200,000	108,000
		Syp. Chlophenraminemaleate 2mg/5ml, 120ml	39.07	4,518	176,518
CH Totalai	ICI Pakistan	Purified Vero Cell Rabies Vaccine (Abhayrab)	639	900	575,100
	Geofman Pharma	Clotrimazole cream 1% 10gm	21.2	8,000	169,600
		Inj. Gentamycine Sulphate 80mg/2ml	11.48	8,000	91,840
		Inj. Oxytocine 5 IU	7.95	6,000	47,700
	Macter International	Cap. Amoxilline 500mg	5.1	61,000	311,100
	Scilife Pharma	Tab. Clopidogrel 75mg	2.81	15,000	42,150
CH Chamla	Amson Vaccine	Inj. Hydrocartosone 250mg	70	4,000	280,000
		Inj. Amitate 0.5ml	45.8	4,000	183,200
	Rock Pharma Risalpur,	Tab Pantoprazole. 20 mg	3.99	200,000	798,000
	Heal pharma	Tab Metronidazole 400mg	1.65	200,000	330,000
		Susp. Metronidazole 200mg	31	12,000	372,000
		Tab Amlodipine 10mg	1.45	200,000	290,000
	Novo Nordisk Pharma	Inj. Insuline 70/30	400	1,075	430,000
	Hudson Pharma (Pvt.) Ltd. Karachi	Cholecalciferol (Vitamin D3) Inj . 200000 IU IM/ Oral. 1ml	24.5	8,700	213,150
	Frontier Dextrose Limited. Haripur,	Inf. Metronidazole 500mg/100ml	29.66	6,500	192,790
		Inf. ciprofloxin 200mg/100ml	36.55	4,000	146,200
		Inf. Ringer lactate 500ml	34.77	5,000	173,850
		Inf. Normal saline 500ml	33.62	6,000	201,720
BHU Khudokhail	Sami Pharma	Inj. Nalbuphine 20mg	62	800	49,600
		Cap Tranexamic Acid 500mg	11.75	20,000	235,000
		Inj. paracetamol 300mg Provas	17	12,717	216,189
RHC Nagrai	stanley	Syp. paracetamol 120mg/5ml, 60ml	21.5	18,000	387,000

		Tab paracetamol 500mg	1.29	320,000	412,800
RHC Sargala	Bosch Pharma	Tab Amoxilline+Clavulanic Acid 1gm	19.2	41,600	798,720
RHC DIWANA BABA	Heal Pharma	Syp. Sulbutamol 2mg/5ml,60ml	14.75	6,000	88,500
		Cap. Fluconazole 150mg	11.85	6,500	77,025
	MKB Pharma	Susp. Cefpodixime 40mg/5ml	98.33	7,000	688,310
		Iron Polymaltose Complex 50mg/5ml	24.95	6,000	149,700
		Cap Cephadrine 500mg	12.92	46,100	595,612
Total					24,256,089

Annexure-4**PDP No. 2.4.3.4****Detail showing irregular disbursement through DDO**

Cheque #	Date	Payee	Amount (Rs)
971858	8/27/2020	District Director Agriculture	73,744
971966	9/16/2020	District Director Agriculture	17,809
972018	9/24/2020	District Director Agriculture	13,715
972064	10/1/2020	District Director Agriculture	5,710
972082	10/6/2020	District Director Agriculture	23,940
972148	10/16/2020	District Director Agriculture	17,949
972441	11/6/2020	District Director Agriculture	11,450
972462	11/9/2020	District Director Agriculture	2,380
972463	11/9/2020	District Director Agriculture	10,000
972492	11/13/2020	District Director Agriculture	6,300
972545	11/20/2020	District Director Agriculture	6,100
972559	11/23/2020	District Director Agriculture	15,220
972572	11/24/2020	District Director Agriculture	11,000
972600	11/24/2020	District Director Agriculture	41,000
972710	12/3/2020	District Director Agriculture	10,991
972765	12/11/2020	District Director Agriculture	10,307
972820	12/21/2020	District Director Agriculture	84,085
972953	12/29/2020	District Director Agriculture	21,047
972980	1/6/2021	District Director Agriculture	6,700
1047119	1/21/2021	District Director Agriculture	81,360
1047172	1/26/2021	District Director Agriculture	3,570
1047241	1/29/2021	District Director Agriculture	18,670
1047300	2/9/2021	District Director Agriculture	67,000
1047304	2/9/2021	District Director Agriculture	135,600
1047438	2/19/2021	District Director Agriculture	48,950
1047610	2/25/2021	District Director Agriculture	64,436
1047861	3/18/2021	District Director Agriculture	7,430
1048017	3/30/2021	District Director Agriculture	1,700
1048029	3/30/2021	District Director Agriculture	34,644
1048202	4/16/2021	District Director Agriculture	54,633
1048280	4/21/2021	District Director Agriculture	7,430
1048373	4/26/2021	District Director Agriculture	16,000
1048375	4/26/2021	District Director Agriculture	57,500
1048521	4/29/2021	District Director Agriculture	18,505
1048616	5/5/2021	District Director Agriculture	20,800
1049048	5/28/2021	District Director Agriculture	10,000
1049145	5/31/2021	District Director Agriculture	89,250

1049197	6/1/2021	District Director Agriculture	26,349
1049409	6/4/2021	District Director Agriculture	38,400
1049445	6/7/2021	District Director Agriculture	85,100
1044545	6/8/2021	District Director Agriculture	175,940
1044624	6/10/2021	District Director Agriculture	41,430
1044676	6/11/2021	District Director Agriculture	40,500
1045007	6/17/2021	District Director Agriculture	230,487
Total			1,765,131