

AUDIT REPORT

AUDIT YEAR 2022 - 23

**ON THE ACCOUNTS OF
LOCAL GOVERNMENTS
DISTRICT CHARSADDA**



AUDITOR GENERAL OF PAKISTAN

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



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



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ABBREVIATIONS AND ACRONYMS

AA	Administrative Approval	NC	Neighborhood Council
AD	Assistant Director	NER	Net Enrolment Rate
ADP	Annual Development Program	NSI	Non-Schedule Item
AG	Accountant General	OPD	Out Patient Department
AGP	Auditor General of Pakistan	PAC	Public Accounts Committee
AIR	Audit and Inspection Report	PAO	Principal Accounting Officer
AP	Advance Para	PCC	Plain Cement Concrete
APPM	Accounting Policies and Procedures Manual	PEC	Pakistan Engineering Council
BHUs	Basic Health Units	PESCO	Peshawar Electricity Supply Company
CCTV	Close Circuit Tele Vision	PFC	Provincial Finance Commission
CDs	Civil Dispensaries	PTC	Parent Teacher Council
CMD	Chief Minister Directives	RCC	Re-in forced Cement Concrete
CTR	Central Treasury Rules	RHCs	Rural Health Centres
DAC	Departmental Accounts Committee	SDEO	Sub Divisional Education Officer
DAO	District Accounts Office	SOPs	Standard Operating Procedures
DDO	Drawing and Disbursing Officer	TAC	Tehsil Accounts Committee
DEO	District Education Officer	THQ	Tehsil Headquarter
DFC	Divisional Forest Corporation	TMA	Tehsil Municipal Administration
DG	Director General	TS	Technical Sanction
DGHS	Director General Health Services	TT	Tetanus Toxoid
DHO	District Health Officer	VAC	Village Accounts Committee
DO	District Officer	VC	Village Council
DPO	District Police Officer	WSS	Water Supply and Sanitation
DSS	Double Shift Scheme	XEN	Executive Engineer
ECG	Electrocardiography	ZAC	Zilla Accounts Committee
E&SED	Elementary & Secondary Education Department		
EPI	Expanded Program on Immunization		
FP	Family Planning		
GER	General Enrolment Rate		
GGPS	Government Girls Primary School		
IHP	Integrated Health Project		
IMU	Independent Monitoring Unit		
INTOSAI	International Organization for Supreme Audit Institutions		
IT	Information Technology		
KP	Khyber Pakhtunkhwa		
KPPRA	Khyber Pakhtunkhwa Public Procurement Regulatory Authority		
LGE & RDD	Local Government Elections and Rural Development Department		
M&R	Maintenance and Repair		
M&T lab	Maintenance & Testing Laboratory		
MCC	Medicines Co-ordination Cell		
MFDAC	Memorandum for Departmental Accounts Committee		
MPA	Member Provincial Assembly		
NACs	Neighborhood 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 Charsadda 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.

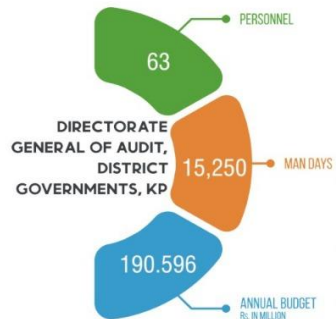
Some of the observations included in this report were finalized in the light of written replies of the departments whereas in most cases the departments did not submit written replies till the finalization of this report. DAC meetings were not convened despite reminders.

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) Peshawar, on behalf of the Directorate General of Audit District Government, Khyber Pakhtunkhwa carried out the audit of Local Government of five districts namely: Peshawar, Nowshera, Charsadda, Khyber and Mohmand.

This Directorate General of Audit 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 Charsadda consist of three tiers which perform their operations under the 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 Administrations;
- 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 of 11 devolved departments including Assistant Director Local Government Elections and Rural Development Department (AD LGE & RDD). The Tehsil Municipal Administrations have one PAO i.e. Tehsil Municipal Officer for each administration. There are three Tehsils administrations in district Charsadda. The Village and Neighborhood Councils have AD LGE & RDD as their Principal Accounting Officer. There are 149 VCs/NCs in district Charsadda.

A. SCOPE OF AUDIT

This office is mandated to conduct audit of 174 formations working under 05 PAOs. Total expenditure and receipts of these formations were Rs. 10,918.41 million and Rs. 675.743 million, respectively for the financial year 2021-22.

Audit coverage relating to expenditure for the current audit year comprises 08 formations of 05 PAOs having a total expenditure of Rs. 3851.678 million for the financial year 2021-22. In terms of percentage, the audit coverage for expenditure is 35.276 % of auditable expenditure.

Audit coverage relating to receipt for the current audit year comprises 03 formations of 03 PAOs (3 TMAs) having total receipt of Rs 675.743 million for the financial year 2021-22. In terms of percentage, the audit coverage for receipts is 100% of auditable receipt.

This report also includes audit observations resulting from the audit of expenditure of Rs.181.174 million for the financial year 2020-21 pertaining to 02 formations of one PAO.

In addition to this compliance audit report, the Directorate of District Audit conducted Financial Attest Audits, Performance Audit 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. 97.916 million was pointed out in this report.
Recovery amounting to Rs. 3.704 million was affected till the finalization of the report.



AUDIT RECOVERIES

RS. 97.916 MILLION
Recovery pointed out by the Audit

RS. 3.704 MILLION
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 inspection, 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 Governments' Offices in risk mitigation and improving the effectiveness and efficiency of their business processes;

- i.A recovery of Rs 3.704 million was affected;
- ii.Unauthorized payments through DDOs were reduced;
- iii.Some offices converted their bank account from current to Profit and Loss Sharing (PLS) mode and
- iv.Bank profit deposited into Government treasury.

E.COMMENTS ON INTERNAL CONTROL

Internal controls are designed to address risk and to provide reasonable assurance that in pursuit of entity's mission, its objectives are being achieved.

Comments on 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 and
- No internal Auditor was appointed. 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. 1,906.822 Million.	Recommendation: <ul style="list-style-type: none">• TMAs accounts need to be consolidated at DAO level.• Cheques are required to be issued to the suppliers/vendors instead of DDOs as per APPM.• 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.• Departments need to implement all the components of internal controls for ensuring effective and efficient utilization of public money.• Strenuous efforts need to be made by the departments to recover outstanding dues on account of rent of shops, revenue contracts and income tax• The DAC meetings should be held more frequently.
02	Unauthorized Cheques Payments To Ddos Instead Of Vendors- Rs 206.108 Million.	
03	HR/Employees Related Irregularities Were Noted In 09 Cases Amounting To Rs. 118.183 Million.	
04	Procurement Related Irregularities Were Noticed In 07 Cases Amounting To Rs 296.200 Million.	
05	Issues In Management Of Accounts With Commercial Banks Were Noted In 11 Cases Amounting To Rs. 66.044 Million.	
06	Value For Money & Service Delivery Issues Were Noticed In 13 Cases Amounting To Rs. 307.126 Million.	
07	Others, Including Cases Of Accidents, Negligence Etc. Were Noticed In 30 Cases Amounting To Rs. 211.016 Million.	





CHAPTER-01

PUBLIC FINANCIAL MANAGEMENT



CHAPTER-1

Public Financial Management

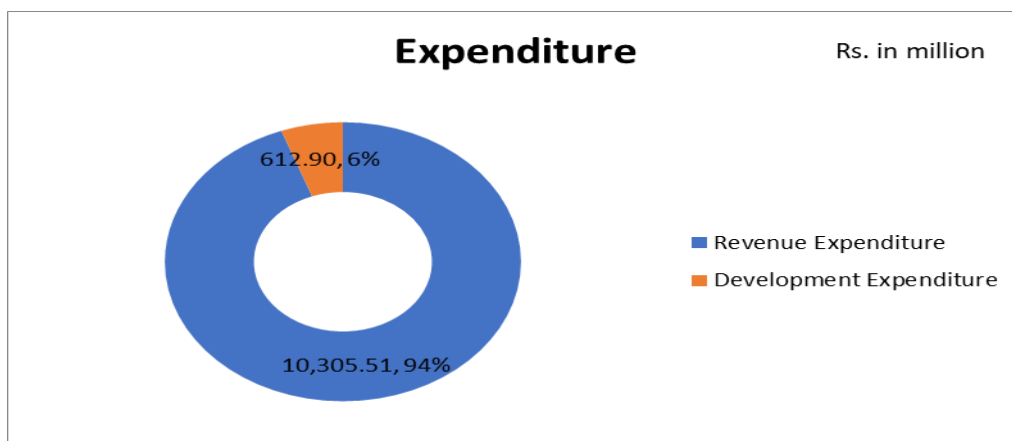
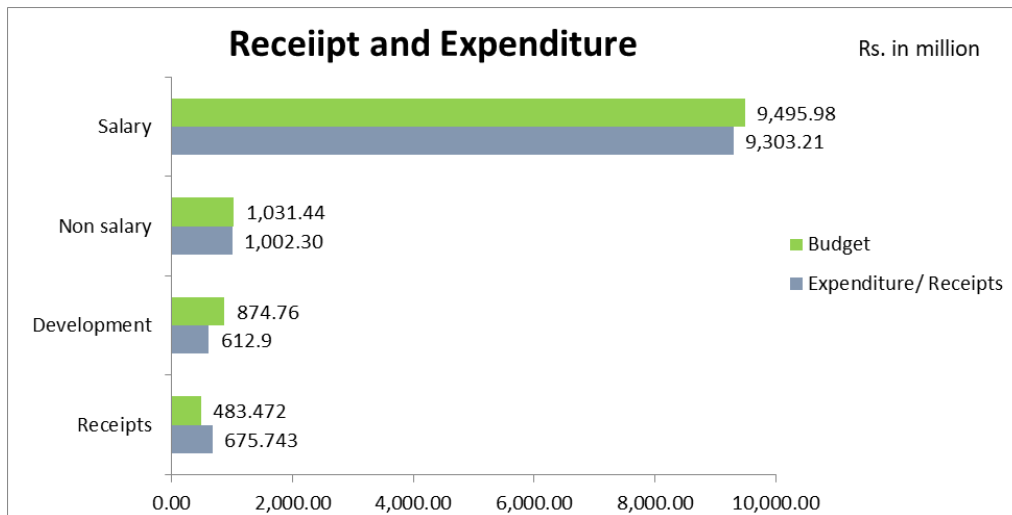
1.1 Sectoral Analysis

In compliance to the Notification of Local Government, Election and Rural Development Department, Khyber Pakhtunkhwa issued on 4th September, 2019, councils of all tiers of District Government were stood dissolved on the culmination of their respective tenures on 29th August 2019. The same notification authorized Deputy Commissioners, Tehsil/Town Municipal Officers and Assistant Directors (LGE&RDD) to perform functions of their respective Nazimeen as envisaged under the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 till the instillations of newly elected Local Governments. In the light of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019, District Charsadda is headed by Deputy Commissioner who is Principal Accounting Officer of the budget grant allocated to the 11 offices devolved at District level. Similarly, Tehsil Municipal Administration is headed by Tehsil Municipal Officer who is also its Principal Accounting Officer. Moreover, Assistant Director LGE&RDD is the Principal Accounting Officer for Village/Neighborhood Councils.

In District Charsadda, funds amounting to Rs. 11,402.18 million were allocated to 174 formations working under 05 PAOs. Out of which, expenditure of Rs. 10918.41 million was made resulting into saving of Rs 483.77 million. Receipts of Rs.675.743 million were collected through these formations (TMAs) during the financial year 2021-22. Audit coverage relating to expenditure for the current audit year comprises 08 formations of 05 PAOs having a total expenditure of Rs. 3851.678 million for the financial year 2021-22. In terms of percentage, the audit coverage for expenditure is 35.276 % of auditable expenditure. Similarly, audit coverage for receipts is 100%.

(Rs in million)

2021-22	Budget	Actual Expenditure/ Receipts	Excess/ (Saving)	Expenditure audited	%age
Salary	9,495.98	9,303.21	(192.77)	3851.678	35.276
Non-salary	1,031.44	1,002.30	(29.14)		
Development	874.76	612.90	(261.86)		
Total	11,402.18	10,918.41	(483.77)	3851.678	35.276
Receipts	483.472	675.743		675.743	100%



According to Section 36(3) of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019, the District Accounts Officer was required to consolidate accounts of Local Government on quarterly and annual basis. However, District Accounts Officer, Charsadda did not reflect Rs. 1,906.822 million into the consolidated financial statement of Local Government, Charsadda which resulted into qualified opinion on the accounts of the Local Government, Charsadda.

District Government, Charsadda was found lagging behind in many areas envisioned as integral component of the Local Government in the Khyber

Pakhtunkhwa Local Government (Amendment) Act, 2019. The District Government could not establish & maintain Public Fund account as required under section 30 of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. Similarly, it also did not prepare, present and approve the budget estimates of receipts from district council for District Government, Charsadda as required under section 34 of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. The receipts collected as taxes/fees/rents under section 42 of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 were also not credited to the district fund. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Accounts Office, Charsadda 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 qualified 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 the 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. Statistics show that there are 1,060 primary, 155 middle, 140 secondary and 32 higher secondary schools in District Charsadda. The estimated Teacher Student Ratio is 1:31 at primary, 1:30 at middle, 1:30 at secondary and 1:20 at the level of higher secondary schools. District Charsadda literacy rate is 43.09%, the Gross Enrollment Rate (GER) is 90% and the Net Enrollment Rate (NER) is 88% at the primary level. On budgetary front, District Education office, Charsadda succeeded in spending 71.91% of District ADP and 79.6 % of non-salary budget.

District Education Offices in Charsadda enrolled 132,073 and 107,786 children in government male and government female schools respectively. Similarly, annual average of teacher's attendance rate and student attendance rate as per Independent Monitoring Unit (IMU) data were approximately 85 % & 90 % respectively at primary level. Furthermore, 87.3% schools in district

Charsadda 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 43% against the assigned targets.

Health

Health is another important sector of District Charsadda with a total of 58 health facilities spread across the district, among which 10 are urban while the rest are rural based. Their further break-up is 45 BHUs, 07 CDs, 02 THQ Hospitals, 04 RHCs and 01 Category-D hospital with the total catchment area population of approximately 1,616,198 as per survey carried out by 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, 4,096 babies were born in primary and secondary health facilities. Out of them, 02 infant deaths were recorded. Lab investigations and diagnostic facilities were also fully utilized as 969 lab tests, 52,652 X-rays, and 16,856 ultrasounds were done in both primary and secondary health facilities in district Charsadda. Figures of immunization from EPI register are also very impressive as 29,295 pregnant women received TT-2 vaccines, 42,062 kids under 12 months received full immunization, 52,065 children under 12 months received 1st measles vaccines and 49,060 kids under 12 received 3rd pentavalent vaccine. 12,428 families were provided family planning services as evident from FP register. 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.

In the welfare home based in Charsadda, 48 beggar kids were admitted with the objective to rehabilitate them through imparting vocational training. Rehabilitation center for drug addicts in Charsadda has 15 beds and it had treated 150 patients during the year. Furthermore, various vocational and industrial trainings were provided by the Social Welfare Department. However, keeping in view the spread of drug use and incidence of poverty, the efforts made by Social Welfare office are not likely to bring about any visible improvement in the short or long run unless more resources are diverted to this sector.

Municipal Services

Tehsil Municipal Administrations, District Charsadda did not fulfill some primary requirements envisioned as essential component of Local Government in the 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 the 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 the 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 Accounts Office, Charsadda 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 qualified opinion on 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 the 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 AUDIT PARAS (Financial Attest Audit)

1.2.1 Non compilation/Consolidation of Accounts of Local Governments – Rs. 1,906.822 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.

During certification audit of the accounts of the DAO Charsadda for the financial year 2021-22, audit observed incompleteness and incorrect presentation of the financial statements as DAO Charsadda did not consolidate into the quarterly and annual accounts of the district government and local resources, as required under section-36(3) of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. Receipts and expenditure of Rs. 1906.822 million, of the TMAs were not reflected in accounts. Same was the case with the receipts and expenditure of the VCs/NCs, the figures of which were not available at the time of audit.

Provisions of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 by Local Governments in District Charsadda were not complied with.

Due to non-consolidation of accounts of TMAs and VCs/NCs the financial statements of local governments remained incomplete which led to qualification of audit opinion.

As per decision of DAC meeting held in September 2022, Para stands till compilation of accounts.

Audit recommends consolidation/compilation of Local Government Accounts in light of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019.

1.2.2 Unauthorized cheques payments to DDOs instead of vendors – Rs. 206.108 million

According to Para 2.3.2.8 of the directions of APPM, the 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 employees/ vender concerned) instead of payment through DDOs. Furthermore, Finance Department Letter No: BO (W&M) /6-5/2019-20 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.

District Accounts Officer Charsadda paid Rs. 206.108 million to various DDOs instead of issuance crossed cheques to vendors/payees Accounts.

The lapse occurred due to non-compliance of rules and instructions which resulted in unauthorized issuance of cheques to DDOs instead of vendors.

As per decision of DAC meeting held in September 2022, Para stands for investigation of the matter and appropriate action.

Audit recommends that the matter should be investigated and regularized by ensuring payments to the suppliers/vendors instead of DDOs as per APPM.



CHAPTER-02

DISTRICT GOVERNMENT



CHAPTER 2

District Government Charsadda

2.1 Introduction

A. Under 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.

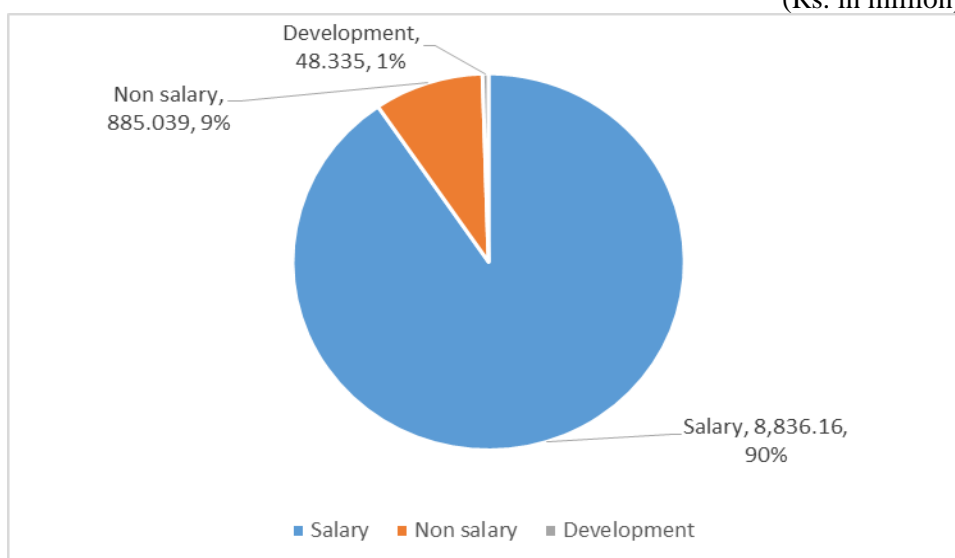
Audit Profile of the District Government Charsadda

(Rs. in million)

S.No.	Description	Total Nos.	Audited	Expenditure audited FY 2021-22	Revenue/ Receipts audited FY 2021-22
1	Formations	10	04	3851.678	Nil
Total		10	04	3851.678	Nil

B. Comments on Budget and Accounts (Variance Analysis)**(Rs. in million)**

2021-22	Budget	Actual Expenditure/ Receipts	Excess (+)/ Saving (-)	%age Excess/Saving
Salary	8,991.972	8,836.161	-155.811	1.733
Non-salary	901.123	885.039	-16.084	1.785
Development	53.986	48.335	-5.651	10.467
Total	9,947.081	9,769.535	-177.546	1.785

EXPENDITURE 2021-22**(Rs. in million)**

The savings of Rs 177.546 million indicate weakness in the capacity of District Government Departments to utilize the allocated budget. Furthermore, the salary component was 90%, non-salary was 9% and development was 1% of the total expenditure respectively. Less development expenditure by the district Government was due to insufficient release and lack of interest of the Provincial Government towards development at District level. As a result, less development activity, job opportunities were not adequately provided to the larger population. Business operations were not increased and ultimately standard 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 the Rules of Business 2015.

2.2 Classified Summary of Audit observations

Audit observations amounting to Rs. 806.33 million were raised as a result of this audit. This amount also included recoverable of Rs. 21.801 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	92.182
B	Procurement related irregularities	296.200
C	Management of Accounts with commercial bank	39.129
2	Value for money and service delivery issues	307.126
3	Others, including cases of accidents, negligence etc.	71.693
Total		806.33

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 is 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 did not exist, Audit Report not prepared.
14	2015-16	District Government did not 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 Irregular recruitment and doubtful payment on account of Double Shift Scheme- Rs. 78.764 million

According to Govt. of KP E&SED (Reforms & Implementation Wing) note attached with letter No. SO (Reforms)/R&I/DSS-Release/1-24/2021-22 dated 09/06/2022 “as per Minister E&SED decision dated 14th February, 2022, no government teacher may be hired under Double Shift Scheme (DSS) after February 2022. Furthermore, according to notification No. MD-II/ESRU/D-Shift/2021 dated 01/03/2021 of the Government of Khyber Pakhtunkhwa E&SE Department, Eligibility Criteria for DSS Schools, the second shift may be started for those classes only where the minimum students strength in the second shift class is 20 and for the same class in the first shift the enrolled students are not less than 40. At least twenty students shall be required for a class in the double shift. Students shifting from morning shift will not count towards the bench mark of 20 students. If the students’ dropout increases and the number fall below the bench mark of 20 students, then those students may be shifted to the morning shift in the same school or nearest school as the case may be.

According to Govt. of KP E&SED (Reforms & Implementation Wing) vide letter No. SO (Reforms)/R&I/DSS-2021 dated 29/11/2021, Monthly progress of each DSS to be shared by DEO office with the Department within first seven days of each month without fail, specifying performance, attendance of teachers, ministerial staff and students.

DEO (Male & Female) Charsadda received fund and transferred to PTC accounts of schools and expenditure amounting to Rs. 29.964 million and Rs.4.880 million was incurred for hiring of teachers and other staff under Double Shift Scheme respectively during 2021-22. Audit observed following:

- Teachers were hired where no student was enrolled in second shift as in case of GHS Shakardhand, GHSS Rajjar No.2, GMS Umarzai, GPS Dargai, GPS Daulat Pura, GPS Islamabad, GPS Mandizai, GPS Rehmatullah Khan.

- Teachers were hired in schools for students in various classes where number of students were less than 20 in violation of criteria. As evident in case of GHSS Muslimabad Shakoor where 13 teachers were hired in double shift for just 11 students. And principal, clerical staff and class-IV were also paid out of the fund.
Similarly, Teachers were hired in schools for students in various classes where number of students were less than 20 in violation of criteria. As evident in case of GGHSS Utmanzai where 9 teachers were hired in double shift for just 20 students. And principal, clerical staff and class-IV were also paid out of the fund. Similarly, GGMS Faqirabad Majooki for 11 students 7 teachers hired and also 1 clerk and 1 class-IV was paid.
- Cash withdrawal was made in almost all schools instead of direct payment to their bank accounts.
- Merit list as per "Talent Pool" at the time of appointment was not followed.
- Attendance of teachers and students were not provided for verification.
- Regular teacher was also paid out of DSS in violation of criteria i.e Mst. Fauzia of GHSS Tangi, SST, BPS 16 (Regular) was appointed as DM in DSS.
- While as per complaint registered through Citizen Portal the number of teachers hired by DEO Female were more than the students available in the school. Total number of students were less than 10. Similar was the case in GGHSS Harichand as per CM complaint Cell KPK.
- The scheme was for overcrowded schools, however this aspect was not observed as the ratio of teacher to students was less than 1:40 in the morning in selected schools which is violation of criteria.
- Teachers were also paid during summer vacations and Covid-19.
- Monthly progress of each DSS was not shared by DEO office and was not available on record of each month specifying performance, attendance of teachers, ministerial staff and students.
- Students were not shifted from morning to 2nd shift rather a few fresh students were enrolled in the 2nd shift.

The irregularity occurred due to non-compliance of government instructions and policies, which resulted in irregular recruitment and doubtful payment on account of Double Shift Scheme.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record. No reply was submitted 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 stoppage of payment on account of double shift in absence of fulfillment of laid down criteria, besides framing of internal control to minimize the risk of recurrence of this irregularity. Audit also recommends probe in the matter and fixing of responsibility on the person(s) at fault.

AIR Para No. 1 (2021-22)

2.4.1.2 Non-deduction of HRA, 5% maintenance charges & Conveyance Allowance- Rs 1.480 million

According to Rule FR 45(c) the Government servants, who have been provided with official designated accommodation, are not entitled for the drawl of house Rent Allowance. Furthermore, according to S.No 24(1) of Government of Khyber Pakhtunkhwa Administration Department Notification No. EO (Admn) 34-M dated 07.01.2015, the allottee of the Government accommodation shall not be allowed House Rent and Conveyance Allowance who are living in the jurisdiction of office premises and 5% of the basic pay shall be charged as maintenance charges.

District Health Officer Charsadda failed to deduct Rs. 1,480,110 on account of House Rent Allowance, 5% maintenance charges & Conveyance Allowance from the pay of Staff to whom Government accommodations were allotted within the premises of Category-C Hospital Shabqadar during 2021-22. Details given at annexure-2.

The lapse occurred due to non-adherence to government rules and instructions, which resulted in non-deduction of HRA, 5% maintenance charges & Conveyance Allowance. The similar observation was also pointed out during the financial years 2017-18, 2019-20 and 2020-21 amounting to Rs. 4,709,000, Rs. 3,981,118 and 2,430,620 respectively. However, no corrective measures were taken.

When pointed out in August, 2022, management stated that detail reply would be furnished after scrutiny of record.

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

Audit recommends immediate stoppage of the house rent & conveyance allowances, recovery of inadmissible allowances from officials/officers concerned.

AIR Para No. 02 (2021-22)

2.4.1.3 Unauthorized payment on account of 25% Doctor Share –Rs. 1.321 million

According to Government of Khyber Pakhtunkhwa Health Department letter No.SOB-I/HD/1-27/PR/Vol-IV dated 13.08.2021, 25% shares of doctors is admissible only to the qualified doctors posted in the health facilities in his/her relevant specialty of Pathologist and Radiologist. Otherwise, the 25% shares would be deposited to the Government treasury/hospital receipts.

DHO Charsadda paid 25% doctor share amounting to Rs 1,321,311 on account of Radiology and Pathology to the Medical Officers of the Category-C Hospital Tangi and Category-C Hospital Shabqadar during FY 2021-22. The payment was held irregular as there was no Pathologist and Radiologist posted in both hospitals. The amount was required to be recovered and deposited into government treasury. Details given at annexure-3.

The lapse occurred due to non-compliance of government instructions and policies, which resulted in unauthorized payment of doctor shares. Similar observation was also pointed out during the financial year 2020-21 amounting to Rs. 1, 403,036. However, no corrective measures were taken.

When pointed out in August, 2022, management stated that 25% share in respect of radiology and pathology would be recovered, however no progress was furnished 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 25% doctor share from the concerned doctors and framing of monitoring mechanism as internal control to mitigate the risk of recurrence.

AIR Para No. 03 & 12(2021-22)

2.4.1.3.1 Irregular payment of pay and allowances through DDO – Rs. 7.453 million

According to direction 4.6.1.1 of Accounting Policies and Procedures Manual, “employees shall be paid by direct credit into their bank account regardless of their grade level”. Similarly, direction 4.6.3.1 of APPM states that “The normal method of payment of monthly salaries of all government employees shall be by direct credit transfer into the bank account nominated by the employee.”

DHO, Charsadda withdrew an amount of Rs. 7,453,039 on account of pay & allowances of different staff from Government Treasury through DDO during 2021-22. Moreover, further disbursement to the payees was not shown to audit. Therefore, veracity of the expenditure remained doubtful. Details given at annexure-4.

The lapse occurred due to non-compliance of rules, which resulted in irregular payment of pay & allowances of staff through DDO. The same observation was also pointed out during the financial years 2017-18 and 2018-19 amounting to Rs.1,483,768 and Rs.1,918,350 respectively. However, no corrective measures were taken.

When pointed out in August, 2022, management stated that salaries would be converted into the respective bank accounts of staff. However, no progress was intimated 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 transfer of salaries from DDO to bank accounts and framing of internal controls in DDO section.

AIR Para No. 06(2021-22)

2.4.1.5 Wasteful expenditure on pay & allowances of Mobile Service Unit staff-Rs.3.164 million

According to Rule 3(7) of Khyber Pakhtunkhwa Delegation of Financial Powers Rules, 2018, every officer entrusted with financial powers shall observe the principles of economy i.e. getting full value for money, spending money for the specified purpose and in the manner prescribed by relevant law and rules. Furthermore, according to Rule 4(2) of District Govt. Budget Rules 2016, the Head of Offices shall be responsible for ensuring that (i) adequate provisions exist for systematic internal checks to prevent and detect errors and irregularities in the financial proceedings of his subordinate offices,(ii) the internal controls are effectively applied, (iii) guarding against waste and loss of public money and (iv) satisfactory arrangements exist for systematic and proper maintenance of office accounts and other ancillary record.

District Officer Population Welfare, Charsadda paid salaries of Rs 3,164,448 to the staff of two Mobile Service Units during the FY 2020-21. However, both the Mobile Services Units were non-functional since long but no efforts were made to make these MSU functional. Therefore, the services of the staff could not be utilized for the purpose for which the project was launched.

The lapse occurred due to weak internal controls, which resulted in wasteful expenditure on pay & allowances of Mobile Service Unit staff.

When pointed out in February 2022, management stated that detailed reply would be submitted after scrutiny of record. However, no reply was received till finalization of this report.

Request for convening the DAC meeting was made in February 2022, which could not be convened till finalization of this report.

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

AIR Para No. 02 (2021-22)

B. Procurement related irregularities

2.4.1.6 Non-acquisition of land –Rs 158.923 million and parking of public money in designated bank account

According to Para 11.B of Land Acquisition Act 1894, the whole process of acquisition of land should be completed within a period of six months from the date of notification under section 4, or where it is not completed within the

stipulated period, the reason for delay shall be explained by the Collector in his award, which, if not satisfactory, may hold him personally responsible for the delay and may result in disciplinary proceedings against him”.

Deputy Commissioner Charsadda paid an amount of Rs 158.923 million to Tehsildar Charsadda for the acquisition of land during the financial year 2021-22. These funds were lying in the designated bank account of the Tehsildar Charsadda. However, the acquisition and disbursement process were not completed till date of audit in July 2022. Detail is given at annexure-5.

The irregularity occurred due to weak internal controls, which resulted in non-acquisition of land and parking of public money in designated bank account.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record. No reply was submitted 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 timely acquisition of land and disbursement of payment to the land owners and mutation of in the name of Government.

AIR Para No.7 (2021-22)

2.4.1.7 Irregular expenditure on account of advance payment and supply of substandard furniture -Rs. 101.192 million

According to clause 3.1 of the contract agreement, payment will be made after completion of delivery and verification (quality and quantity) certificate. Furthermore, as per supply order vide endorsement no. 12876 dated 21/09/2021 “the inspection committee will examine the furniture, items and payment will be made after the approval of the inspection committee”.

As per Directorate of E&SE KP Peshawar letter no.526-81 F.No./DD (P&D)/Furniture dated 01/12/2021 addressed to DEOs “you are directed to make arrangement of drawal for payment to the contractors/bidders on the production of furniture to the concerned schools after verification and inspection of the District Inspection Committee as per the agreement made by you with the contractors.”

DEOs Male and Female Charsadda made payment of Rs.48.860 million and Rs.52.332 million respectively on account of purchase of furniture for schools prior to supply and the approval of inspection committee without advance payment sanction of the Finance Department KP during 2021-22. After making advance payment CDRs were taken from contractors which were lying there till date of audit (which was evidence of the advance payment). The chairs supplied were substandard, there were cracks in the planks fitted in writing table, were attacked and damaged by termites, very rough and low quality polished as evident from the pictures taken during physical verification and also report of DEO female.

The irregularity occurred due to breach of agreement, government policy and instructions, which resulted in irregular advance payment and supply of substandard furniture. Similar observation was also pointed out during the financial years 2018-19 and 2019-20 amounting to Rs. 40.799 million and Rs. 15.01 million respectively. However, no corrective measures were taken.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record. No reply was submitted 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 in the matter and fixing responsibility on the person(s) at fault.

AIR Para No. 13&12 (2021-22)

2.4.1.8 Non-supply of medicines- Rs 26.901 million and non-imposition of penalty – Rs 1.883 million

According to clause 22(b) of the standard contract agreement as mentioned in Para-C of the MCC Guidelines, circulated vide Director General Health Services, Khyber Pakhtunkhwa letter No: 5044-5244/ MCC Dated: 23/09.2021 which states that in case of delay in supply beyond 7 weeks after the cutoff date, (30 days for local and 60 days for imported items), the Supply Order shall stand cancelled to the extent of non-supplied items, Bid Security/ Performance Guarantee would be forfeited and selected items/ suppliers/ firms would be debarred/ blacklisted. Moreover, penalty @ 1% per week up to maximum of 7% for 7 weeks, of the total quoted price shall be imposed.

District Health Officer, Charsadda withdrew Rs 47,657,144 on account of purchase of medicines for various sub-ordinate units during 2021-22. Out of which medicines worth Rs 23,564,228 were not supplied till the date of audit i.e

August, 2022. Moreover, the management did not impose the maximum penalty calculated @ Rs7% amounting to Rs 1,649,496 on the defaulted suppliers. Similarly, medicines worth Rs. 3,336,842 were not supplied to Category-C Hospital, Shabqadar by supplier and penalty amounting to Rs.233,718 was not imposed on supplier. Details given at annexure-6.

The irregularity occurred due to non-compliance with agreement, which resulted in non-supply of medicines and non-imposition of penalty. The same observation was also pointed out during the financial years 2018-19, 2019-20 and 2020-21 amounting to Rs. 40.905 million, Rs. 9.056 million and Rs. 41.738 million respectively. However, no corrective measures were taken, resultantly advance payment and non-supply of medicines of Rs. 119.00 million was made.

When pointed out in August, 2022, management stated that supply of medicines would be ensured and penalty would be imposed on late supplies. However, no progress was 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 ensuring supply of medicines besides imposition of 7% penalty on late supply.

AIR Para No. 04(2021-22)

2.4.1.9 Irregular expenditures on account of purchase of medicines-Rs 3.298 million

According to Clause-6 of the agreement of Govt. M.C.C contract agreement, the procuring entity shall arrange to obtain samples from each batch of the supplied drugs/medicine through notified Drug Inspectors concerned and send to the concerned Drug Testing Laboratory (DTL) for test/Analysis.

District Officer Population Welfare, Charsadda spent Rs 3,298,530 on account of purchase of medicines during the FY 2020-21 as per details given below: -

S.No.	DDO code	Amount (Rs)
1.	CA 6202	2,199,848
2.	CA6203	429,867
3.	CA 6225	398,870
4.	CA 6267	269,945
Total		3,298,530

However, clearance of samples of medicines from Government Drug Testing Laboratory (DTL) was not obtained before issuance of medicines to centers.

The irregularity occurred due to non-compliance of government instructions, which resulted in irregular expenditure. Similar observation was also pointed out during the financial years 2017-18 and 2019-20 amounting to Rs. 6.108 million and Rs. 37.153 million respectively. However, no corrective measures were taken.

When reported in February 2022, management stated that detailed reply would be submitted after scrutiny of record.

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

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

AIR Para No. 04 (2021-22)

2.4.1.10 Irregular and Unverified expenditure on purchase of agriculture inputs – Rs. 1.624 million

According to para 19 (i & ii) of GFR Vol.-I, terms of contract must be precise and definite and there must be no room for ambiguity and misconstruction therein. Legal and financial advice may be taken in drafting of contract before they are finally entered into. Furthermore, according to rule 9 (2) (f) of Khyber Pakhtunkhwa, District and City District Governments, Budget Rules 2016, the function of Drawing & Disbursing officer are the maintenance of relevant records both accounting and operational up to date and in an orderly manner.

District Director Agriculture, Charsadda incurred expenditure of Rs.1,624,550 on account of purchase of different agriculture inputs for use in demonstration plots during Financial Year 2020-21. Audit observed the following irregularities;

- i. No agreement for demonstration plots with farmers was signed.
- ii. Identity of farmers could not be verified as NICs of the farmers were not available on record.
- iii. Acknowledgement / recipient signatures of farmers were not available.
- iv. No criterion for selection of plots of the beneficiaries was available on record
- v. Disbursement of seeds, fertilizer etc. were not confirmed as acknowledgment of the end users was not available on record.
- vi. Report of Technical / Inspection Committee for quality and quantity was not available.
- vii. The local office failed to produce complete/detail list of demonstration plots in the district.
- viii. Whereabouts of outputs from the demonstration plots was also not produced to Audit.

The irregularity occurred due to non-compliance of government rules, which resulted in irregular and unverified expenditure.

When reported in February 2022, management stated that detailed reply would be submitted after scrutiny of record. However, no reply was received till finalization of this report.

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

Audit recommends inquiry besides fixing responsibility against the person(s) at fault.

AIR Para No. 16 (2021-22)

2.4.1.11 Blockage of Government fund on account of purchase of medicines – Rs.2.341 million

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.

District Officer Population Welfare, Charsadda purchased medicines for Rs. 2,341,460 during Financial Year 2020-21. However, the medicines remained

unissued to the family welfare centers till date of audit i.e. 01/2022. Therefore, audit hold that Government funds were blocked on purchase of medicines.

The irregularity occurred due to non-adherence with government rules, which resulted in blockage of Government funds.

When reported in February 2022, management stated that detailed reply would be submitted after scrutiny of record.

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

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

AIR Para No. 06 (2021-22)

2.4.1.12 Unauthorized expenditure on rent without sanction of competent authority-Rs.1.920 million

Khyber Pakhtunkhwa Delegation of Financial Powers Rules, 2018 Second Schedule - Powers Common to All Rule 2(e) provides that category-II officer is vested power under occupancy cost of Rs. 100,000 at a time. 3. Rent of Land is subject to the rent reasonability certificate given by an officer of the Revenue Department exercising the powers of the Collector under the KP Land Revenue (Amendment) Act, 2014.

District Population Welfare Officer Charsadda made payment of Rs.1.920 million on account of rent of office building with effect from July 2019 to June 2021. However, sanction for incurring expenditure beyond 100,000 at a time was not obtained from competent authority. No objection certificate from Communication & Works Department for non-availability of office accommodation was not obtained.

The irregularity occurred due to non-adherence with government rules, which resulted in unauthorized expenditure on rent without sanction of competent authority.

When reported in February 2022, management stated that detailed reply would be submitted after scrutiny of record.

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

Audit recommends regularization of expenditure from competent authority besides taking action against the person(s) at fault.

AIR Para No. 407 (2021-22)

C. Management of Accounts with commercial Banks

2.4.1.13 Loss due to non-conversion of current bank account into PLS mode-Rs. 2.447 million

According to Finance Department, Government of Khyber Pakhtunkhwa, Peshawar's letter No.2/3-(F/L)/FD/2007-08/Vol-IX dated 10/02/2014; Finance Department has instructed to convert current bank accounts into PLS mode and the profit earned be deposited into the government treasury.

Deputy Commissioner Charsadda received funds during Financial Year 2021-22 under various object heads and kept these funds in current bank accounts instead of Profit and Loss sharing accounts. Hence, due to non-conversion of bank accounts from current mode into PLS mode, Government sustained a loss of Rs.2,447,672 by non-generating profit on the funds lying in designated bank account as per detail at annexure-7.

The irregularity occurred due to non-compliance of government instructions, which resulted in depriving the government treasury from earning profit on deposits lying in bank accounts. Similar observation was also pointed out during the financial year 2019-20 amounting to Rs. 2.844 million. However, no corrective measures were taken.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record. The department did not furnish reply 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 conversion of current bank accounts into PLS mode and action against the person(s) at fault.

AIR Para No. 1 (2021-22)

2.4.1.14 Non-deposit of bank profit into government treasury - Rs. 3.704 million

According to Finance Department, Government of Khyber Pakhtunkhwa, Peshawar's letter No.2/3-(F/L)/FD/2007-08/Vol-IX dated 10/02/2014; Finance Department has instructed to convert current bank accounts into PLS mode and the profit earned be deposited into the government treasury.

Deputy Commissioner Charsadda earned a profit of Rs. 3,704,943 during the financial year 2021-22 on the amounts deposited in the bank account maintained in Bank of Khyber, Charsadda. The amount was retained in bank instead of depositing it into the government treasury.

The irregularity occurred due to non-compliance of government instructions, which resulted in non-deposit of bank profit in government treasury.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

Audit recommends immediate deposit of profit into government treasury besides framing of internal control to minimize the risk of recurrence of this irregularity.

AIR Para No.2 (2021-22)

2.4.1.15 Irregular cash withdrawal from designated bank account -Rs 11.04 million

According to the instructions circulated vide Government of Khyber Pakhtunkhwa Finance Department letter No.BO(W&M)6-5/2019-20 dated 19th February 2020, in order to eliminate cash payments and reduce issuance of open Cheques by Accountant General Khyber Pakhtunkhwa and to stop payments in cash, all Principal Accounting Officers and DDOs were advised to stop all unnecessary cash payments and open Cheques except critical payments in unavoidable circumstances. Furthermore, according to Para 4.2.9.9 of directions of Accounting Policies and Procedures Manual, the Cheque payments should be

released to the payee or personally collected by the payee or his authorized agent. Cheque payments made by registered post should have cheque envelopes bearing a direction to return the unclaimed cheque (i.e. unclaimed post) to the issuing department.

District Education Officers/SDEOs Male and Female Charsadda drew Rs. 4,182,955 and Rs.6,858,000 from the designated bank accounts maintained in National bank of Pakistan Tehsil Bazar Charsadda branch respectively in cash during the financial year 2021-22 instead of crossed cheques in the name of vendors/suppliers. Further disbursements of the cash from the bank were not available on record.

The lapse occurred due to weak internal controls and non-compliance with government rules, which resulted in irregular cash withdrawal from designated bank account.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

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

**2.4.1.16 Loss due to non-conversion of current bank account into PLS mode
- Rs.2.261 million**

According to Finance Department, Government of Khyber Pakhtunkhwa, Peshawar's letter No.2/3-(F/L)/FD/2007-08/Vol-IX dated 10/02/2014; Finance Department has instructed to convert current bank accounts into PLS mode and the profit earned be deposited into the government treasury.

District Education Officer Female Charsadda received funds under various heads and kept in current accounts instead of Profit and Loss sharing accounts maintained in bank in violation of Finance Department notification during Financial Year 2021-22. There was a closing balance of Rs. 22,616,306. Hence, due to non-conversion of current accounts into PLS mode, Government

sustained loss of Rs.2,261,630 by non-generating profit on the funds lying in designated bank account.

The irregularity occurred due to non-compliance of government instructions, which resulted in depriving the government treasury from earning profit on deposits lying in bank accounts.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

Audit recommends immediate conversion of current bank accounts into PLS mode.

AIR Para No. 18 (2021-22)

2.4.1.17 Loss due to non-conversion of current bank account into PLS mode – Rs. 0.97 million

According to Finance Department, Government of Khyber Pakhtunkhwa, Peshawar's letter No.2/3-(F/L)/FD/2007-08/Vol-IX dated 10/02/2014; Finance Department has instructed to convert current bank accounts into PLS mode and the profit earned be deposited into the government treasury.

District Officer Population Welfare, Charsadda placed public funds amounting to Rs 9.7 million in current designated bank account during financial year 2020-21. However, the designated account was not converted into PLS mode. Hence, due to non-conversion of current accounts into PLS mode, Government sustained loss of Rs. 970,000 by non-generating profit on the funds lying in designated bank account.

The lapse occurred due to weak internal controls, which resulted in non-conversion of account into PLS mode.

When reported in February 2022, management stated that detailed reply would be submitted after scrutiny of record.

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

Audit recommends immediate conversion of current bank accounts into PLS mode and action against the person(s) at fault.

AIR Para No. 07 (2021-22)

2.4.1.18 Non-reconciliation of closing balance in designated bank account –Rs.2.064 million

According to Government of Khyber Pakhtunkhwa, Finance Department letter No 2/3/(F/L)/FD/2018Vol-XII dated 03.07.2019, all the departments are required to reconcile the closing balances in all designated bank accounts with Finance Department latest by 15th July, 2019 along with duly verified bank statements for 2018-19.

District Director Agriculture, Charsadda did not reconcile the closing balance of Rs 2,064,242 laid in designated bank account as on 30th June, 2021 with the finance department which resulted in violation of government instructions. Detail is given below:

Name of office	A/C.No	Bank	Closing Balance on 30/6/2021 (Rs.)
District Director Agriculture Charsadda	4109928087	NBP	2,064,242

The lapse occurred due to weak internal control, which resulted in non-reconciliation of closing balance in designated bank account.

When reported in February 2022, management stated that detailed reply would be submitted after scrutiny of record.

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

Audit recommends reconciliation of the closing balances with the finance department and action against the person(s) at fault.

AIR Para No. 01 (2021-22)

2.4.1.19 Irregular cash withdrawal from designated bank account – Rs.13.809 million

According to Para 2.3.2.8 of the directions of APPM, the 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 employees/ vender concerned) instead of payment through DDOs.

Finance Department Letter No: BO (W&M) /6-5/2019-20 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.

District Director Agriculture, Charsadda drew Rs 13,809,051 from designated bank account No. 4097465600 in cash during the financial year 2020-21 instead of crossed cheques in the name of vendors/suppliers. Further disbursements of the cash from the bank were not available on record.

The lapse occurred due to weak internal controls and non-compliance with government rules.

When pointed out in February 2022, the management stated that detailed reply would be furnished after consulting original record.

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

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

AIR Para No. 09 (2021-22)

2.4.1.20 Irregular retention of receipts into bank account-Rs. 2.834 million

According to Serial No.14, of the Government of Khyber Pakhtunkhwa, Finance Department letter No. No.BO.I/FD/5-8/2017-18 dated 30-06-17, “No department shall retain receipts in bank account, the department must remit all receipts to provincial account forthwith where departments/facilities have been specifically permitted under some statute/Act”.

District Government Budget Rules 2016, Part XI Revenue and Receipts Management Rule (69) Revenue and Receipts Management¹, provides that the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the District Fund under the proper receipt head.

District Director Agriculture Charsadda realized receipt of Rs.2,834,129 from two types of machinery and agriculture inputs. The receipt was retained in

bank account and was not transferred to government treasury. Detail is given below:

S.No.	Head of receipt	Amount (Rs.)
1	Tractor	2,285,679
2	Wheat Binder/Harvester	290000
3	Profit from agriculture inputs	258450
Total		2,834,129

The lapse occurred due to weak internal controls, which resulted in irregular retention of receipts into bank account.

When reported in February 2022, management stated that detailed reply would be submitted after scrutiny of record.

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

Audit recommends immediate deposit of receipts into government treasury and action against the person(s) at fault.

AIR Para No. 434 (2021-22)

2.4.2 Value for money and service delivery issues

2.4.2.1 Non deposit of 10% forensic science laboratory fee of restricted bore weapons–Rs 939,000

According to Para 9 of the Restricted Bore Weapons, Arms & Ammunition Licensing Policy 2018 of Khyber Pakhtunkhwa Notification No.SO (Arms)/HD 432(RB)/18 dated 25-01-2018 “On the issuance of Restricted Bore Weapons at Rs 30000, 10% or Rs3000 should be deducted for Forensic Science Laboratory Peshawar.”

Deputy Commissioner Charsadda during financial year 2021-22 received an amount of Rs.939,000 @ Rs. 3,000 per license in cash as forensic science laboratory fee of restricted bore weapons. 71 licenses were issued during the year while 242 licenses were issued previously but the amount realized was not credited to the quarter concerned. The amount was required to be credited to the Forensic Service Laboratory Peshawar or to be deposited in private bank account but office of the Deputy Commissioner retained it in cash form, therefore chances of misappropriation could not be ruled out. Detail is as under:

Restricted Bore License issued during 2021-22	Restricted Bore License issued previously	License issuance Fee per Number of RBW	10% Share of Forensic Service Laboratory Peshawar per License	Total Amount in Cash Received @ Rs 10% of Total Amount of RBWs (Rs.)
71	242	30,000	3,000	939,000

The lapse occurred due to non-compliance of government policy which resulted in non- deposit of amount to the quarter concerned.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

Audit recommends immediate deposit of cash into bank account and onward credit to the quarter concerned and fixing responsibility on the person(s) at fault.

AIR Para No. 10 (2021-22)

2.4.2.2 Irregular diversion of funds to designated bank account and non-disbursement of Rehmat-ul-lilalameen scholarship-Rs. 4.00 million

Government of Khyber Pakhtunkhwa Elementary & Secondary Education Department vide letter No. SO (Imp-I)/R&I/1-55/RLA/2021 dated 29.11.2021 in the Revise Concept Note on Rehmat Ul Lil Alameen Scholarship has informed District Education Officers Khyber Pakhtunkhwa that Budget to be released to District Account IV for further release to concerned BISEs.

Deputy Commissioner Charsadda received Rs. 4,000,000 from Government of Khyber Pakhtunkhwa during February 2022 for transfer and payment to deserving students. The fund was required to be transferred to the Board of Intermediate and Secondary Education Peshawar (BISEP). However, the fund was diverted from account- IV to the designated bank account of the Deputy Commissioner. Audit observed that the said scholarship had not been paid to the deserving students/candidates till the date of audit i-e. July 2022. Thus, the students remained deprived of the timely benefit of the scholarship.

The irregularity occurred due to non-compliance of government policy, which resulted in irregular diversion and non-disbursement of Rehmat-ul-lilalameen scholarship.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

Audit recommends disbursement of scholarship timely within the deserving students.

AIR Para No. 20 (2021-22)

2.4.2.3 Non disbursement of honoraria/financial assistance to Aima Karam of Jamia Masajid – 231.535 million

Para 12 of the General Financial Rules Volume I requires that a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are

expended in the public interest and upon objects for which the money was provided.

Deputy Commissioner Charsadda received Rs. 325,080,000 from Government of Khyber Pakhtunkhwa during 2021-22 for payment of honoraria/financial assistance to Aima Karam of Jamia Masjid. However, the said honoraria/financial assistance amounting to Rs.231,535,183 was not paid among the Aima karam till the date of audit i.e July 2022. Thus, the Aima remained deprived of the timely benefit of the financial assistance/stipend. Furthermore, cash book was not maintained for the proper maintenance of accounts record.

The lapse occurred due to weak internal controls, which resulted in non-disbursement of honoraria/financial assistance and deprived the beneficiaries from timely benefit of the assistance.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

Audit recommends timely disbursement of stipend to Aima of Masjid, besides proper cash book and other related record be properly kept.

AIR Para No. 14 (2021-22)

2.4.2.4 Illegal Occupation of government/state land measuring 656 kanals 14 marlas

According to para 23 of GFR Vol.-I, “every Government officer is personally responsible for any loss sustained by Government through fraud or negligence either on his part or on the part of his subordinate staff”.

During the audit of Deputy Commissioner Charsadda for the year 2021-22, it was noticed that private persons occupied and encroached government land measuring 656 kanals and 14 marlas. No sincere efforts were made to take action against these land grabbers and illegal occupants.

The lapse occurred due to weak internal controls, which resulted in illegal occupation of government/state land.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

Audit recommends taking stern action against illegal occupants.

AIR Para No. 19 (2021-22)

2.4.2.5 Wasteful expenditure on account of needless hiring of teachers on stop-gap arrangement-Rs.1.00 million

According to instruction for hiring of teachers in needy schools circulated vide Directorate of E&SE KP letter No.9674-9722 F.No./DD (P&D)/Hiring of teachers dated 25/03/2021: under the project Provision for innovative solution to improve quality and access to education in KP (SBSE) teachers may be hired through PTC on fixed stipend under the project as stop-gap arrangement in order to provide teachers in short time in needy schools.

DEO (Male) received fund on account of hiring of teachers as stop-gap arrangement and transferred Rs.1.00 million to PTC accounts of schools GPS Dando Asilo Killi, GPS Muhammad Israil MianKilli, GPS Salgaro Killi during 2021-22. But the record revealed that all the sanctioned posts were filled in these schools and there was no need of hiring of teachers on stop-gap arrangement.

The lapse occurred due to non-compliance of government policy, which resulted in wasteful expenditure on account of needless hiring of teachers on stop-gap arrangement.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

Audit recommends a thorough probe in the matter and fixing responsibility on the person(s) at fault for transferring of funds where it was not needed.

AIR Para No. 20 (2021-22)

2.4.2.6 Non-execution of development schemes and irregular blockage of District ADP Fund-Rs.3.628 million

According to the Deputy Commissioner Charsadda letter No. DO(F&P)/CHD/BE 2018-19/Release/Dev/3429-31 dated 15/04/2019, it may be ensured that the expenditure involved be incurred on the items for which the budget has been allocated in the current financial year 2018-19. Furthermore, progress report along with 100% utilization certificate must be provided.

DEO (Male) Charsadda did not utilize district ADP fund amounting to Rs. 3,680,000 which was released to various schools in their PTC accounts since long i.e 4 to 5 years ago for various missing facilities like electrification, wash rooms, solar system and etc. Audit is of the view that non-execution of work timely deprived the students from the benefit on one hand and the schemes might also be not executed due to escalation of prices of materials on other hand.

The lapse occurred due to non-compliance of government instructions, which resulted in non-execution of development schemes and irregular blockage of District ADP Fund.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

Audit recommends inquiry in the matter for fixing responsibility on the person(s) at fault besides ensuring timely execution of developmental schemes and provision of facilities to students.

AIR Para No. 8 (2021-22)

2.4.2.7 Loss due to extra demand of free text books – Rs 10.196 million

According to Provincial Coordinator for Provision of Free Text Books (PFTB), the information regarding Free Text Books laying in districts were extra

demand by District Education Officers (Male/Female) vide Reminder No. III letter No. PFTB/ES&ED/Old Books/2019-20 dated 17-06-2020.

District Education Officer (Male) Charsadda demanded 119,185 extra books which were more than the actual demand during the year 2021-22 as per record. Audit observed that the public resources were wasted blatantly without considering the actual need assessment of students. The wrong and fake data of enrollment resulted in loss to public exchequer for Rs10,196,050 approximately as detailed below:

Level	Excess demand of books	Average Rate per Book (Rs.)	Total Loss (Rs)
Primary	102,654	80	8,212,320
Secondary	16531	120	1,983,730
Total			10,196,050

It is worth mentioning here, that syllabi have also been changed and books demanded could not be utilized. Further the Khyber Pakhtunkhwa Free Text Book Board has also refused to accept the old stock again, and clearly stated in their letter vide No. SW/77239 dated 8.7.2019, "Once the books are sold/issued to Elementary &Secondary Education Department (E&SED) as per the demand received from DEOs, the same become the property of Government/E&SE Department."

The lapse occurred due to non-compliance of government instructions, which resulted in loss.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

Audit recommends inquiry, fixing responsibility on the person(s) at fault besides making recovery of loss.

AIR Para No. 11 (2021-22)

2.4.2.8 Loss due to non-functional schools due to non-mutation of land- Rs.103.895 million

Clause (b) of section public service delivery units of agenda No.18 of the minutes of the meeting with all divisional commissioners and deputy commissioners under the chairmanship of chief Secretary, Khyber Pakhtunkhwa circulated vide No.PSO/CS/KPK/PMRU/2019 dated 7th November 2019, directed all deputy commissioners/secretary health, Local govt and E&SE to mutate schools/BHUs & other Government Buildings land.

District Education Officer (Male and Female) Charsadda incurred expenditure of Rs. 103.985 million on the construction of following schools and took over as per PC-IV of the schemes from executing agency as per detail given below. However, the schools were neither made functional nor mutated in the name of government till date of audit. Detail is given below:

S#	Name of school	Date of completion	Total cost in million
1	GPS Kuladhand Bala	12-11-2017	11.01
2	GPS Behram Dheri	30-06-2017	11.402
3	GPS Muftiabad No.2	03-09-2019	10.517
4	GGPS Gaggar	11/6/2018	12.94
5	GGPS Sreikh	20-05-2020	12.33
6	GGPS Khyberi Koroona	1/7/2020	12.40
7	GGPS Mazara	18-08-2020	12.940
8	GGMS Aranda	10/12/2009	2.288
9	GGPS Khan Mir Killi	19-04-2011	2.122
10	GGHS Turnab	2018	12.833
11	GGPS Mirza Dher	19-04-2011	3.113
Total			103.895

The lapse occurred due to non-compliance of government policy, which resulted in non-functioning of the schools and depriving the students from education facility.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

Audit recommends functionalizing the schools concerned and completion of mutation without any further delay.

AIR Para No. 12 and 10 (2021-22)

2.4.2.9 Irregular double expenditure on installation of CCTV Cameras- Rs.12.611 million

Para 12 of the General Financial Rules Volume I requires that a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided. Furthermore, according to minutes of meeting under the chairmanship of Additional Deputy Commissioner Relief and HR date 09.12.2021 “the CCTV Cameras already installed other than most sensitive polling stations to be taken into account for installation in most sensitive polling stations in order to ensure that necessary number of CCTV cameras are purchased to avoid unnecessary expenditure of Govt. exchequer.

DEO (Male and Female) Charsadda incurred an expenditure of Rs.10,473,000 and Rs.2,138,580 respectively on procurement and installation of CCTV Cameras in schools for Local Bodies Elections in December, 2021. Audit observed that:

- PTC fund was irregularly utilized for procurement of cameras instead of receiving funds from concerned authorities for the purpose.
- Open tender was not invited in order to make the procurement transparent and competitive in violation of KPPRA Rules 2014.
- Cameras were also installed during General Election 2018 by Education department Charsadda in various schools. Thus, double expenditure of Rs.1,045,775 was incurred.
- The fund spent was not recouped for the purpose for which it was allocated.
- These cameras were not taken on stock register.
- Cameras were also installed in polling stations other than schools at a cost of Rs.670,000 out of PTC funds.

The lapse occurred due to non-compliance of government rules and instructions, which resulted in irregular double expenditure on installation of CCTV Cameras.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

Audit recommends inquiry in the matter and fixing responsibility on the person(s) for incurring of expenditure on second time in the same schools and early recovery of the amount.

AIR Para No. 17 (2021-22)

2.4.2.10 Wasteful expenditure on non-feasible school-Rs. 6.536 million

According to feasibility report for establishment of Primary School, population of catchment plain area (minimum) was required 1000 number of students (5-9 years) age minimum 160 numbers and distance of nearest primary school (if available) 1.5 KM.

In the office of SDEO Male Charsadda for the year 2021-22 it was revealed that GPS Ahmad Yar Kili Charsadda was established in the year 1999. And since its establishment till date of audit i.e. July 2022 only 177 students were enrolled during the past 23 years. Out of which only 04 students got passing certificates during the last 23 years.

In light of above it is concluded that GPS was not feasible according to terms and conditions of feasibility report. Thus, the expenditure to the tune of Rs.6,536,460 on account of Pay & Allowances of one teacher and one Chowkidar for the last five years.

The lapse occurred due non-compliance of government policy, which resulted in wasteful expenditure due to non-feasible school.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

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

AIR Para No. 22 (2021-22)

2.4.2.11 Non-utilization of conditional grant due to non-supervision by administration-Rs.1.700 million

According to PTC Guide chapter “Responsibilities of the Elementary & Secondary Education Department Officers” Clause No.08 The ASDEO Circle will collect & submit quarterly reports of all primary schools in the circle to SDEO while DDEO concerned will collect monthly report from middle, high and higher secondary schools and will submit to DEO after consolidation which shall submit the same to directorate.

DEO Female Charsadda transferred conditional grant fund amounting to Rs.1.700 million to the PTC accounts of schools for construction of Group Latrine and Boundary Walls in 05/2021 but there was no progress report of the work executed and inspection reports available on record. When asked it was communicated the fund has not been utilized so far.

The lapse occurred due to weak internal controls, which resulted in non-utilization of fund and non-supervision. Similar observation was also pointed out during the financial year 2020-21 amounting to Rs. 12.109 million. However, no corrective measures were taken.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

Audit recommends proper supervision and ensuring timely utilization of fund.

AIR Para No. 7 (2021-22)

2.4.2.12 Non-deposit of receipts -Rs. 2.052 million

According to Government of KPK, Health Department Notification No: SOB-II/HD/4-27/PCMC-HMCs Dated: 4.11.2021, 90% of the revenue generated by secondary and primary health care facilities shall be retained in their designated banks accounts and utilized through Hospital Management Committees (HMCs) and Primary Healthcare Management Committees (PCMCs)

for improvement of health service delivery and the remaining 10% revenue shall be channeled to public exchequer.

District Health Officer Charsadda collected an amount of Rs. 6,970,298 through Category-C Hospital Shabqadar during 2021-22. It was required to deposit the receipts @ 10% share into government treasury and 90% share into the PCMCs designated Bank Account. However, an amount of Rs. 4,918,203 was deposited into Government treasury and designated bank account, whereas an amount of Rs. 2,052,095 was not deposited as per detail at annexure-9.

The lapse occurred due to weak internal control in receipt collection section of the hospital which resulted in non-deposit of revenue in Government treasury and bank account. Similar observation was also pointed out during the financial year 2017-18 amounting to Rs. 1.412 million. However, no corrective measures were taken.

When pointed out in August, 2022, management stated that detail reply would be furnished after scrutiny of record. However, no reply was furnished 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 deposit of receipts into Government treasury and action against the person(s) at fault.

AIR Para No. 01 (2021-22)

2.4.2.13 Wasteful Expenditure due to non-utilization/dumping of expensive medical equipment and machinery worth million of rupees

According to Para 1 of the DG Health services letter No. 2110-60/Proc: Cell dated 21.07.2017, before issuing of supply orders to the firms offices shall ensure that: i. Availability of Human Resources (HR) ii. Availability/completion of Infrastructure iii. Availability of Power (Electricity) iv. There is no dumping of the said equipment.

DHO Charsadda purchased valuable machinery and equipment (Operation Theater) which were lying un-utilized in the main store of Category-D hospital Jamalabad due to non-availability of human resource and non-completion of infrastructure/ non-availability of electricity in the concerned health facility during 2021-22. Audit holds that the purchase of these highly valuable machinery

and equipment and their non-utilization is deteriorating without serving the purpose on which the government money was spent.

The lapse occurred due to weak internal controls, which resulted in non-utilization of machinery and equipment and also caused loss of millions of rupees to the public exchequer due to its deterioration.

When pointed out in August 2022, management stated that due to non-availability District surgeon and Gynecologist, the machines cannot be utilized.

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

Audit recommends secure placement of all purchased machinery, initiation of case for posting of doctors and technical staff besides reporting the matter both to Dy. Commissioner and Director General Health & Secretary Health Department Khyber Pakhtunkhwa.

AIR Para No. 18(2021-22)

2.4.3 Others, including cases of accidents, negligence etc.

2.4.3.1 Non-supervision of the district ADP schemes-Rs. 48.335 million

According to Para No. 47 (9) of LG&RDD Khyber Pakhtunkhwa District Government budget rules 2016, the Nazim District Government and Deputy Commissioner each shall visit not less than 10 percent of the projects being funded through District ADP.

Deputy Commissioner, Charsadda released funds of Rs. 185.363 million under District Annual Development Program in the district against which an expenditure of Rs 48.335 was incurred by the executing agencies during 2021-22. However, at least 10 percent of the projects being funded through District ADP were not visited. Detail is given at annexure-10.

The lapse occurred due to non-adherence with government rules, which resulted in non-supervision of schemes.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record. No reply was submitted 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 devising of monitoring mechanism as internal control.

AIR Para No. 10 (2021-22)

2.4.3.2 Non-maintenance of students funds record and non-conducting of internal inspection-Rs 8.983 million

Non-transfer of outstanding Scouts Registration and Affiliation Fee-Rs.1.873 million

According to Provincial Commissioner Pakistan Girls Guides Association Khyber Pakhtunkhwa Peshawar office letter No. 690-PGGA/K.P.K. dated 23-02-2012, "Girls Guides per head fee was increased from Rs 03 to Rs 12.

According to the KP Boy Scouts Association letter no.5-2/186-211 dated 08.06.2022 the DEO Male is asked to deposit the outstanding amount.

According to Directorate of E&SE Khyber Pakhtunkhwa Peshawar Notification No.4204-33/F. No. P-7/P-Fund/General/DD(F&A) dated 29.04.2010, Sports, Examination, Poor, Red Crescent, Medical, Shaheen, Boys Scouts and Girls Guide funds should be collected from students at prescribed rates.

(Amount in Rs.)

Student Level	Sport Fund	Exam Fund	Medical Fund	Poor Fund	Red Crescent	Scout/GG Fund	Shaheen Fund	Total Fund
Primary Boys	3	2	1	2	10	0	2	10
Primary Girls	3	2	1	2	10	0	0	8
Middle Male	30	40	8	8	10	25	0	113
Middle Female	30	40	8	8	10	12	0	100
High Male	40	50	10	10	10	25	0	137
HSSC Male/ Female	40	50	10	10	10	12	0	124

District Education Officer (Male and Female), Charsadda collected various types of funds amounting to Rs.5,329,518 and Rs. 3,653,996 respectively in various schools from students during 2021-22 as per enrolment of schools and EMIS data. Neither record, nor cash book was maintained for these funds. Further no verification and internal inspection was conducted to ensure its proper collection and utilization.

Furthermore, Rs 1,873,658 was outstanding against DEO Male Charsadda as per KP Boys and Scouts Association above quoted letter as the amount was not transferred to the quarter concerned. Non transfer of fund deprived the concerned quarters from further activities. Detail is given at annexure-11.

The lapse occurred due to absence of internal controls, which resulted in the non-maintenance of record, non-conducting of inspection.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

Audit recommends deposit of recovered amount to the quarter concerned and proper internal check on the fund.

AIR Para No. 8 & 9 (2021-22)

2.4.3.3 Non-credit of students' funds-Rs. 1.547 million

According to Provincial Commissioner Pakistan Girls Guides Association Khyber Pakhtunkhwa Peshawar office letter No. 690-PGGA/K.P.K. dated 23-02-

2012, “Girls Guides per head fee was increased from Rs 03 to Rs 12. Furthermore, according to Directorate of E&SE Khyber Pakhtunkhwa Notification No.4204-33/F.No. P-7/P-Fund/General/DD(F&A) dated Peshawar 29.04.2010, Sports, Examination, Poor, Red Crescent, Medical, Shaheen, Boys Scouts and Girls Guide funds should be collected from students at prescribed rates.

(Amount in Rupees)

Student Level	Red Crescent	Scouts	Shaheen Fund	Total Fund
Primary Boys	10	0	2	10
Primary Girls	10	0	0	8
Middle Male	10	25	0	113
Middle Female	10	12	0	100
High Male	10	25	0	137
HSSC Male/Female	10	12	0	124

District Education Officer (Male), Charsadda collected Red Crescent, Scouts and Shaheen Funds amounting to Rs.1,547,327 as per enrolment of schools of EMIS data as per detail given at annexure-12. The collected fund was not credited to the quarter concerned. Further no record, cash book was maintained for these funds.

The lapse occurred due to non-adherence with government instructions and policies, which resulted in non-credit of students funds.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record.

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

Audit recommends to deposit the collected funds to the quarter concerned besides detail internal inquiry of student’s fund.

AIR Para No. 10 (2021-22)

2.4.3.4 Illegal Occupation of School buildings by land donors/owners

Para 23 of the General Financial Rules Volume I requires that every Government Officer should realize fully and clearly that he will be held

personally responsible for any loss sustained by Government through fraud or negligence on his part.

In the office of District Education Officer (Female) Charsadda, it was observed during 2021-22 that following 06 schools were illegally occupied by the land donors/owners as per monitoring reports. The education department failed to vacate the schools from the illegal occupiers and functionalize these schools. The honorable High Court Peshawar has issued judgment that land must be acquired for schools buildings and mutated in the name of education department instead of building schools on donated lands. Non adherence to this decision created the situation.

S.No	Name of School	Year of occupation
1	GGPS Dagwall Nisatta	2020
2	GGPS ZarbabGarhi	2020
3	Habqad	2020
4	GGPS SharaShabqadar	2020
5	GGPS Sara Koroona	2019
6	GGHSS Tarnab	2010

The lapse occurred due to weak internal controls, which resulted in illegal occupation of school buildings by land donors/owners.

When pointed out in July 2022, the management stated that detailed reply would be furnished after consulting original record. No reply was submitted 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 taking necessary legal action against the illegal occupiers and early restoring the educational activities in these schools.

AIR Para No. 11 (2021-22)

2.4.3.5 Unauthorized and Irregular expenditure under PCMCs– Rs. 12.828 million

According to direction No.2 of the Guidelines and an operational manual for Primary Care Management Committees (PCMCs) that “two community

members each for RHC and BHU would be nominated by DHO and Assistant Commissioner respectively”. Furthermore, according to direction No.3 (b) that “Based on the needs identified the PCMCs will develop annual plan, budget”. Moreover, according to direction No. 4.2 (b) that “PCMCs will maintain record i.e. Cash book, stock register, inspection register/ visitor book in the facility”.

According to direction No. 4.3 (I) that PCMCs will follow relevant Khyber Pakhtunkhwa Regulatory Authority (KPPRA) Rules 2014”.

According to direction No. 4.3 (k) of the manual that “the payments for RHCs and BHUs above PKR 50,000 and PKR 25,000 respectively shall be made through cross cheques”.

District Health Officer Charsadda utilized fund amounting to Rs 12,828,938 which was directly credited by Provincial Government in the Primary Care Management Committees (PCMCs) bank accounts of various Health Facilities during 2021-22. The expenditure was incurred on repair and maintenance of the Health Facilities. Details given at annexure-13.

The following irregularities were noticed:

1. The community members of the committee were not nominated by DHO and Assistant Commissioner;
2. Need based annual plan, budget was not developed by the PCMCs;
3. No record i.e. Cash book, stock register, inspection register/ visitor book was maintained by the health facilities;
4. The amount was utilized without adopting open tender system;
5. Payments for RHCs and BHUs above PKR 50,000 and PKR 25,000 respectively through cross cheques was not adopted in true spirit.

The lapse occurred due to weak internal controls which resulted in unauthorized and irregular expenditure.

When pointed out in August, 2022, management stated that Guidelines regarding PCMC would be followed in future.

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

Audit recommends implementation of Guidelines and an operational manual for Primary Care Management Committees (PCMCs), besides regular internal inspection of PCMCs funds.

AIR Para No. 07(2021-22)



CHAPTER-03

TEHSIL MUNICIPAL ADMINISTRATIONS



CHAPTER- 3

Tehsil Municipal Administrations

3.1 Introduction

A) District Charsadda has three Tehsils Municipal Administrations i.e. TMA Charsadda, TMA Tangi and TMA Shabqadar. Each Tehsil Office is managed by a Tehsil Municipal Officer who is further assisted by a Tehsil Officer (Finance), Tehsil Officer (Infrastructure) and Tehsil Officer (Regulation).

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

- a) Monitor and supervise the performance of functionaries of Government offices located in the Tehsil and hold them accountable by making inquiries and reports to the district government or, as the case may be, Government for consideration and action.
- b) Prepare spatial plans for the Tehsil including plans for land use and zoning and disseminate these plans for public enquiry.
- c) Execute and manage development plans for improvement of municipal services and infrastructure.
- d) Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commercial markets, shopping centers; residential, recreation, parks, entertainment, passenger and freight transport and transit stations.
- e) Enforce municipal laws, rules and bye-laws.
- f) Prevent and remove encroachments.
- g) Regulate affixing of sign-boards and advertisements.
- h) Provide, manage, operate, maintain and improve municipal services.
- i) Prepare budget, long term and annual municipal development programs.
- j) Maintain 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.
- k) Collect taxes, fines and penalties provided under this Act.
- l) Organize sports, cultural, recreational events, fairs and shows.
- m) Organize cattle fairs and cattle markets.

- n) Co-ordinate and support municipal functions amongst village and neighbourhood councils.
- o) Regulate markets and services, issue licenses, permits, grant permissions and impose penalties for violation thereof.
- p) Manage municipal properties, assets and funds.
- q) Develop and manage schemes, including sitedevelopment in collaboration with district government.

Audit profile of TMAs of District Charsadda

(Rs. in million)

Sr. No	Description	Total Nos	Audited	Expenditure audited FY 2021-22	Revenue/Receipts audited FY 2021-22
1.	Formations	03	03	999.858	675.743

B) Comments on Budget and Accounts (Variance Analysis)

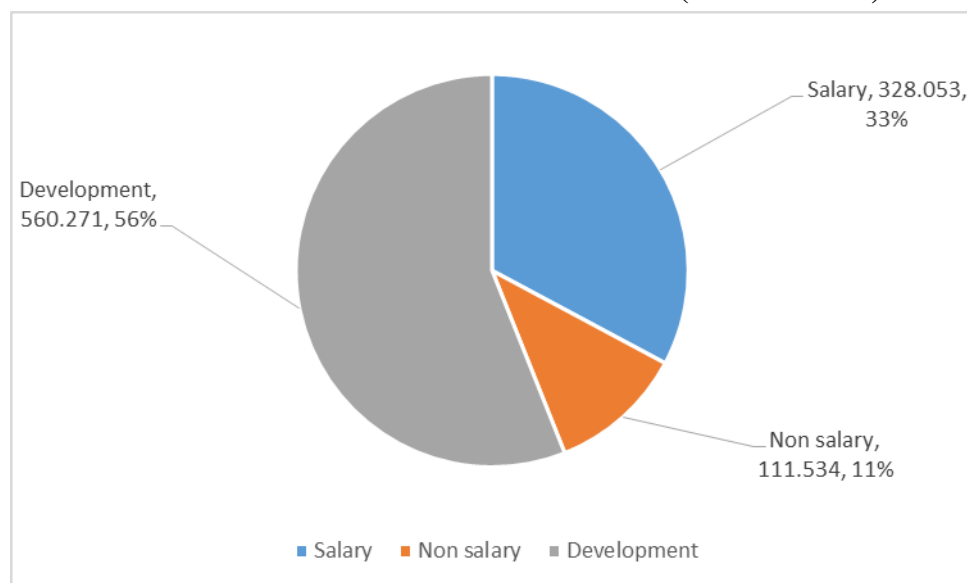
The budget and expenditure position of Tehsil Municipal Administrations in District Charsadda for the year 2021-22 is as under:

(Rs. in million)

Description	Budget	Expenditure	Excess/ (Saving)	%age
Salary	381.961	328.053	53.908	14.113
Non-salary	124.344	111.534	12.81	10.302
Development	814.519	560.271	254.248	31.214
Total	1320.824	999.858	320.966	24.300
Receipts	483.472	675.743	0	0

EXPENDITURE 2021-22

(Rs. in million)



The savings of Rs. 320.966 million indicates weakness in the capacity of these local institutions to utilize the allocated budget.. Furthermore, the savings in salary and non-salary components were 14.113% and 10.302% respectively which shows over estimation of budget. Whereas, the savings of 31.214% in development budget shows inefficiency in utilization of fund on the part of the management.

3.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 171.479 million were raised as a result of this audit. This amount also includes recoverable of Rs 60.021 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Irregularities	
A	HR/human resource related irregularities	26.001
B	Management of bank	13.754
2	Others, including cases of accidents, negligence etc.	131.724
Total		171.479

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.	2016-17	Not Convened
7.	2017-18	Not Convened
8.	2018-19	Not Convened
9.	2019-20	Not Convened
10.	2020-21	Not Convened
11.	2021-22	Not Convened

3.4 AUDIT PARAS

3.4.1 Irregularities

A. HR/ Employees related irregularities

3.4.1.1 Unauthorized expenditure on account of salaries of contingent paid staff – Rs 16.746 million

According to Para 10 of the Economy/Austerity Measures for the financial year 2021-22, circulated vide Government of Khyber Pakhtunkhwa Finance Department Letter No. BO-I/FD/5-8/2020-21/Austerity Measures dated Peshawar the 30.07.2021, no appointment of contingent paid/fixed pay staff shall be made without prior approval of Finance Department during the course of the financial year 2021-22.

TMO Charsadda paid Rs. 16,746,000 on account of salary to contingent paid staff during FY 2021-22. Audit observed that contingent paid staff was hired without the prior approval from Finance Department as no such evidence was shown to audit for verification. Furthermore, hiring of contingent paid staff in the presence of sufficient regular staff was also not justified. And their muster rolls were not maintained.

The lapse occurred due to non-adopting the austerity measures and government policy, which resulted in unauthorized expenditures on account of contingent paid staff. Similar observation was also pointed out during the financial year 2017-18 amounting to Rs. 5.034 million. However, no corrective measures were taken.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends inquiry into the matter for fixing responsibility for unauthorized appointment of contingent paid staff and action against the person(s) at fault.

AIR Para No. 03/2021-22

3.4.1.2 Unauthorized expenditure on account of salaries of contingent paid staff – Rs. 1.634 million

According to Para 10 of the Economy/Austerity Measures for the financial year 2021-22, circulated vide Government of Khyber Pakhtunkhwa

Finance Department Letter No. BO-I/FD/5-8/2020-21/Austerity Measures dated Peshawar the 30.07.2021, no appointment of contingent paid/fixed pay staff shall be made without prior approval of Finance Department during the course of the financial year 2021-22.

TMO Tangi paid Rs. 1,634,426 on account of salary to contingent paid staff during FY 2021-22. Audit observed that contingent paid staff was hired without the prior approval from Finance Department as no such evidence was shown to audit for verification. Furthermore, hiring of contingent paid staff in the presence of sufficient regular staff was also not justified. And their muster rolls were not maintained.

The lapse occurred due to non-adopting the austerity measures and government policy which resulted in unauthorized expenditures on account of contingent paid staff.

When pointed out in November 2022, management stated that detailed reply would be furnished after scrutiny of record.

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 for fixing responsibility for unauthorized appointment of contingent paid staff and action against the person(s) at fault.

AIR Para No. 09/2021-22

3.4.1.3 Unauthorized expenditure on account of salaries of contingent paid staff – Rs 7.621million

According to Para 10 of the Economy/Austerity Measures for the financial year 2021-22, circulated vide Government of Khyber Pakhtunkhwa Finance Department Letter No. BO-I/FD/5-8/2020-21/Austerity Measures dated Peshawar the 30.07.2021, no appointment of contingent paid/fixed pay staff shall be made without prior approval of Finance Department during the course of the financial year 2021-22.

TMO Shabqadar paid Rs. 7,621,440 on account of salary to contingent paid staff during FY 2021-22. Audit observed that contingent paid staff was hired without the prior approval from Finance Department as no such evidence was shown to audit for verification. Furthermore, hiring of contingent paid staff in the presence of sufficient regular staff was also not justified. And their muster rolls were not maintained.

The lapse occurred due to non-adopting the austerity measures and government policy which resulted in unauthorized expenditures on account of contingent paid staff. The same observation was also pointed out during the financial year 2020-21 amounting to Rs. 2.524 million. However, no corrective measures were taken.

When pointed out in November 2022, management stated that detailed reply would be furnished after scrutiny of record.

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 for fixing responsibility for unauthorized appointment of contingent paid staff and action against the person(s) at fault.

AIR Para No. 12/2021-22

B. Management of Accounts with commercial Banks

3.4.1.4 Non-deposit of bank profit into government treasury-Rs 0.593 million

According to Finance Department Khyber Pakhtunkhwa Peshawar letter No. 2/3-(F/L)/FD/2007-08/vol-IX dated 10.02.2014 Finance Department has allowed sanction of bank accounts in commercial banks for various departments/autonomous/corporation in KP. Now such accounts may be converted into PLS mode and profit earned may be deposited into government treasury.

Tehsil Municipal Officer, Charsadda earned Rs 593,274 as profit during the financial year 2021-22 on the amounts deposited in the bank account. The amount was retained in bank instead of depositing it to government treasury.

The lapse occurred due to weak internal controls, which resulted in non-deposit of bank profit into government treasury.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends deposit of bank profit into Government treasury.

AIR Para No. 05/2021-22

3.4.1.5 Irregular cash withdrawal from bank account –Rs. 4.322 million

According to Rule-157 of Treasury Rules Vol-I the cheque for more than Rs 200/- drawn in favor of local bodies, firms private persons or Government servants (in respect of their personal Claims) shall be crossed “Payees A/C Only”.

TMO Shabqadar withdrew Rs. 4,321,694 from the designated bank account during 2021-22 as detailed at annexure-14. The following irregularities were observed:

- i. Purpose for which the amount was withdrawn was not shown to audit.
- ii. Payment record in support of withdrawal i-e. Actual Payee's receipts etc. was not available on record.
- iii. Record in support of withdrawal of amount from government treasury was also not shown to audit.

Audit observed that withdrawal in cash was not only violation of Federal Treasury Rules.

The lapse occurred due to negligence of management and violation of rules which resulted in irregular cash withdrawal.

When pointed out in November 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

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

AIR Para No. 01/2021-22

3.4.2 Others, including cases of accidents, negligence etc.

3.4.2.1 Non recovery of contractual amount – Rs. 3.646 million

Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 clause 45 (collection and recovery of taxes, etc) sub-clause (1) requires that failure to pay any tax and other money claimable under this Act shall be an offense, and clause (ii) states that all arrears of taxes, rents and other moneys claimable by a Local Council under this Act shall be recoverable as arrears of land revenue.

According to clause 5 of the contract agreement the contractor shall deposit the amount in 11 equal installments.

Tehsil Municipal Officer, Charsadda awarded the contract of various public places to different contractors worth Rs 10,909,666 during Financial Year 2021-22. Out of the total contractual amount, the local office recovered Rs 7,259,172 while the balance amount of Rs 3,646,492 was remained unrecovered till the date of audit i.e 10/2022. Detail is given at annexure-15.

The lapse occurred due to weak internal controls, which resulted in non-recovery of contractual amount. Similar observation was also pointed out during financial years 2017-18, 2019-20 and 2020-21 amounting to Rs. 1.144 million, Rs.16.837 million and Rs.3.465 million respectively. However, no corrective measures were taken.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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 outstanding dues and action against the person(s) at fault.

AIR Para No. 06/2021-22

3.4.2.2 Irregular expenditure for non-schedule items without rate analysis – Rs.2.687 million

According to clause 12 of the standard contract agreement, if the work includes any class of work for which no rate is mentioned in the schedule of rates of the district, then the contractor shall within seven days of the date of his receipt of the order to carry out the work, inform the engineer in-charge to fix the rate.

Tehsil Municipal Officer, Charsadda paid Rs 2,686,822 to a contractor in a developmental scheme against non-scheduled items of work in support of which no market rate assessment/analysis were available/produced to audit for confirmation/authentication. In absence of which, the expenditure so incurred was held irregular. Detail is given below:

S. No	Name of Scheme	Item of work	Amount (Rs.)
1	Solar lights at Main Farooq Azam Chowk	Transformer 100 KVA	964,822
		Foundation for Pool	1,722,000
Total			2,686,822

The lapse occurred due to weak internal controls, which resulted in irregular expenditure.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends regularization of expenditure and action against the person(s) at fault.

AIR Para No. 11/2021-22

3.4.2.3 Irregular expenditure on development schemes without Technical Sanction – Rs 70.100 million

According to Para 56 of CPWA Code, no work shall be executed without Administrative Approval /Technical Sanction and Budget allotment.

Tehsil Municipal Officer, TMA Charsadda spent Rs 70,100,000 on execution of three (03) developmental schemes during Financial Year 2021-22 without obtaining technical sanctions from the competent authority. Detail is given below:

S.No.	Name of scheme	Contractor	Appr./Cost (Rs)	Expenditure (Rs)
1.	Sanitation Scheme in UC DheriZardad	Sarbiland Khan	28,735,000	26,064,000
2.	Sanitation Scheme in UC Rajjar-I&II	Sarbiland Khan	18,900,000	17,705,000
3.	Sanitation Scheme in UC DosehraShieko	Sarbiland Khan	28,644,000	26,331,000
Total			76,279,000	70,100,000

The lapse occurred due to weak internal controls, which resulted in irregular expenditure.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends obtaining technical sanctions from the competent authority and action against the person(s) at fault.

AIR Para No. 13/2021-22

3.4.2.4 Non-recovery of rent of shops – Rs 8.404 million

Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 clause 45 (collection and recovery of taxes, etc.) sub-clause (1) requires that failure to pay any tax and other money claimable under this Act shall be an offense, and clause (ii) states that all arrears of taxes, rents and other moneys claimable by a Local Council under this Act shall be recoverable as arrears of land revenue.

Tehsil Municipal Officer, Charsadda failed to recover Rs 8,404,320 on account of rent of shops outstanding against various tenants during Financial Year 2021-22. Detail is given at annexure-16.

The lapse occurred due to weak internal controls, which resulted in non-recovery of rent. Similar observation was also pointed out during the financial year 2020-21 amounting to Rs. 6.157 million. However, no corrective measures were taken.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

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

AIR Para No. 16/2021-22

3.4.2.5 Excess execution of work over approved PC-I/ BOQ – Rs 6.284 million

It is incumbent upon the person responsible for measurements in the Measurement Book to record the correct and actual figures according to Para 209 (d) of CPWA Code.

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

Tehsil Municipal Officer, Charsadda paid Rs 14,491,237 to M/S Sarbiland Khan Government Contractor for execution of an item of work “PCC 1:2:4” in scheme “Sanitation scheme in UC Dheri Zardad”. Audit observed that the quantities were executed on site in excess than quantities approved in PC-I/ BOQ which resulted in excess expenditure of Rs 6,284,345 over PC-I. Moreover, the scheme was also not technically sanctioned despite incurrence of more than 80% expenditure. Detail is given below:

Qty. as per PC-I/ BOQ (M ³ /)	Qty. paid (M ³ /No.)	Excess qty. paid (M ³ /No.)	Rate (Rs)	Overpayment (Rs)
955.69	1687.50	731.81	8,587.40	6,284,345

The lapse occurred due to weak internal controls, which resulted in excess payment over and above the PC-I/BOQ.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends inquiry into the matter for fixing responsibility, recovery and action against the person(s) at fault.

AIR Para No. 20/2021-22

3.4.2.6 Non-recovery on account of Water charges – Rs. 8.598 million

According to Para 8 and 26 of the General Financial Rules Volume-I, each administrative department to see that the dues of the government are correctly and promptly assessed, collected and paid into Government Treasury

Tehsil Municipal Officer, Tangi failed to recover Rs.8,598,045 on account of water charges from total number of 2022 consumers accumulated up to 30.06.2022. Detail is given below:

S#	Particulars	Amount (Rs)
1	Outstanding arrears on 30.06.2021	8,494,575
2	Water user charges for FY 2021-22	103470
Total outstanding amount		8,598,045

The lapse occurred due to weak internal controls, which resulted in non-recovery. Similar observation was also pointed out during the financial years 2019-20 and 2020-21 amounting to Rs. 24.478 million and Rs. 8.579 million respectively. However, no corrective measures were taken.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends recovery of outstanding waster charges and action against the person(s) at fault.

AIR Para No. 01/2021-22

3.4.2.7 Loss to government due to non-recovery of sales tax on services – Rs. 800,768

According to entry at S.No. 6 of the second schedule of KP Finance Act, 2019, service tax @ 10% is deductible on “lending or leasing sign boards for the purpose of advertisement”.

TMO Tangi leased out the contract of Sign Board Fee to M/s Ijaz & Co. at recovery of receipts of Rs.8,007,686. Audit observed that service tax @ 10% amounting to Rs. 800,768 was not recovered from the contractor.

The lapse occurred due to weak internal controls, which resulted in non-recovery of sales tax on services from the contractor.

When pointed out in November 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends recovery of service tax from the contractor and action against the person(s) at fault.

AIR Para No. 02/2021-22

3.4.2.8 Non recovery of contractual amount – Rs. 2.208 million

Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 clause 45 (collection and recovery of taxes, etc) sub-clause (1) requires that failure to pay any tax and other money claimable under this Act shall be an offense, and clause (ii) states that all arrears of taxes, rents and other moneys claimable by a Local Council under this Act shall be recoverable as arrears of land revenue.

According to clause 5 of the contract agreement the contractor shall deposit the amount in 11 equal installments.

Tehsil Municipal Officer, Tangi awarded the contracts of various receipts to different contractors during Financial Year 2021-22. The local office did not recover Rs. 2,208,461 till the date of audit i.e 11/2022. Detail is given at Annexure-17.

The lapse occurred due to weak internal controls, which resulted in non-recovery of contractual amount. Similar observation was also pointed out during the financial years 2018-19, 2019-20 and 2020-21 amounting to Rs. 6.179 million and Rs. 5.125 million and Rs. 2.436 million respectively. However, no corrective measures were taken.

When pointed out in November, 2022, management stated that detailed reply would be furnished after scrutiny of record.

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 outstanding dues and action against the person(s) at fault.

AIR Para No. 03/2021-22

3.4.2.9 Loss due to non- recovery of income tax – Rs.3.145 million

According to section 236A of Income Tax Ordinance 2001, 10% Income Tax (Filer) shall be deducted on sale by auction from the successful bidders.

Tehsil Municipal Officer, Tangi awarded the contract of various receipts to different contractors during Financial Year 2021-22. However, during scrutiny of the relevant record, it was observed that the local office did not recover Rs.3,145,284 on account of income tax from the successful bidders at the prescribed rate till date of audit i.e 11/2022. Detail is given at annexure-18.

The lapse occurred due to weak internal controls, which resulted in less recovery of income tax.

When pointed out in November, 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends recovery of income tax, its deposit into proper head of account and action against the person(s) at fault.

AIR Para No. 04/2021-22

3.4.2.10 Unauthentic and un-justified expenditure on a/c of repair of transformers - Rs 3.00 million

According to Government of KP, Local Government & Rural Developmental Department, Peshawar letter No. 24-05-2016, PESCO will carry out repair of transformers in their approved workshops.

Tehsil Municipal Officer, Tangi awarded the scheme “Repair of transformers at PK-56” with estimated cost of Rs 3,000,000 to M/S Habib Ullah Khan & Brother, government contractor during Financial Years 2021-22. Audit raised the following observations.

1. Repair of transformers was not verified from the WAPDA authority, hence chance of double drawl on the same repair cannot be ruled out.
2. Payment was made on some non-schedule items, however, Market Rate Analysis thereof was not available on record.
3. Documentary evidence regarding work shop of the contractor duly approved by the WAPDA was not available on record.
4. Demand from the community and Site/ specific location where repair was carried out not available on record.
5. After repair the transformer was not checked by the committee including representative of PESCO, regarding all the technical tests and ensure the quality of repair of transformer & M&T Lab checking before installation.

The lapse occurred due to weak internal controls, which resulted in unauthentic expenditure. Similar observation was also pointed out during the financial years 2019-20 and 2020-21 amounting to Rs. 5.00 million and Rs. 16.839 million respectively. However, no corrective measures were taken.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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 for fixing responsibility and action against the person(s) at fault.

AIR Para No. 05/2021-22

3.4.2.11 Irregular expenditure on developmental schemes without Technical Sanction – Rs 24.357 million

According to Para 56 of CPWA Code, no work shall be executed without Administrative Approval /Technical Sanction and Budget allotment.

Tehsil Municipal Officer, Tangi spent Rs 24,357,206 on execution of developmental schemes during Financial Year 2021-22 without obtaining technical sanctions from the competent authority despite incurrence of more than 60% expenditure. Detail is given below:

S.No.	Name of scheme	Contractor	Appr. /Cost (Rs)	Expenditure (Rs)
1.	Installation of Street Lights on main road Tangi	Friends Const. Co	13,720,000	11,913,888
2.	Const. of Road Shehzad Shaheed Landaki Biyar Gari	Friends Const. Co	11,170,000	10,553,318
3.	Sanitation Scheme Ganderi	WaseefUllah	1,890,000	1,890,000
Total			26,780,000	24,357,206

The lapse occurred due to weak internal controls, which resulted in irregular expenditure.

When pointed out in November, 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends obtaining technical sanctions from the competent authority and action against the person(s) at fault.

AIR Para No. 15/2021-22

3.4.2.12 Non-imposition of penalty for non-completion of works – Rs 1.309 million

According to clause 2 of the Contract Agreements and work orders, penalty of 1% per day and up to maximum of 10% of the bid cost shall be imposed for delay in completion of work.

Tehsil Municipal Officer, Tangi awarded contracts of three (03) schemes worth Rs 13,086,800 to various contractors. Audit observed that contractors did not complete the schemes within the stipulated period of time. The local office was required to take action to speed up the works besides imposing penalty of Rs 1,308,680 @10% on bid cost of the works, which was not done. Details are given below:

S.No.	Name of Scheme	Contractor	Bid/Cost	Due date	Actual date	Penalty (Rs)
1.	Const. of Road Shehzad Shaheed Landaki Biyar Gari	Friends Const. Co	9,382,800	05.10.2021	In progress (11/2022)	938,280
2.	Sanitation Scheme Ganderi	Waseef Ullah	1,890,000	13.01.2022	07.02.2022	189,000
3.	AOM&R at Tangi	Muhammad Afzal	1,814,000	13.01.2022	06/2022	181,400
Total			13,086,800			1,308,680

The lapse occurred due to weak internal controls, which resulted in non-imposition of penalty. The same observation was also pointed out during the financial year 2020-21 amounting to Rs. 2.40 million. However, no corrective measures were taken.

When pointed out in November, 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends immediate completion of developmental schemes and recovery of penalty besides action against the person(s) at fault.

AIR Para No. 16/2021-22

3.4.2.13 Irregular expenditure on purchase of transport -Rs 2.071 million

As per Rule 21 of Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014 “The procuring entity may ask for a performance guarantee from the contractor, which shall not exceed 10 percent of the bid value, as would be specified in the standard bid solicitation documents or standard bidding document.” As per Rule 30 of Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014. “Each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders in accordance with section 22 of the Act.”

Tehsil Municipal Officer, Shabqadar paid Rs. 2,070,900 vide cheque no. A348706 dated 16.06.2022 on account of purchase of tractor and other machinery out of local fund during Financial Year 2021-22. Audit observed the following irregularities:

1. Payment was made in advance of supply without obtaining advance payment sanction from Finance Department KP.
2. Performance guarantee (bank guarantee) was not obtained to safeguard the public funds.
3. Agreement was also not executed with the contractor.
4. 17% GST amounting to Rs. 300,900, income tax @ 4.5% amounting to Rs. 93,190 and Rs. 207,090 as 1% stamp duty were not deducted from the supplier.
5. Supply was not completed till the date of audit i-e. November 2022 as no delivery challan, handing over report, inspection report of purchase/technical committee and stock entry was provided to audit.

The lapse occurred due to non-adherence of rules, which resulted in irregular expenditure.

When pointed out in November 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends that the government dues shall be recovered and deposited into government treasury besides ensuring supply at the earliest and action against the person(s) at fault.

AIR Para No. 02/2021-22

3.4.2.14 Non-imposition of penalty for non-completion of developmental schemes – Rs. 0.750 million

According to clause 2 of the Contract Agreements and Para No.2 of the work orders, penalty of 1% per day and up to maximum of 10% of the bid cost shall be imposed for delay in completion of work.

Tehsil Municipal Officer, Shabqadar awarded various developmental schemes to different contractors during FY 2021-22. The work orders were issued well in time but neither the works were completed within stipulated period of time nor maximum penalty @10% amounting to Rs 750,846 imposed/recovered from the concerned contractors. Details are given below:

Name of Scheme	B/Cost (Rs)	Contractor	Due date	Actual date	Penalty (Rs)
Pavt: of Streets at MC-I & II Rashaki	2,987,500	M/S Sheraz	29.11.2020	16.09.2021	298,750
Pavt. Of Streets at MashoKhawar	1,941,975	Wajid Ali	10.06.2021	07.02.2022	194,198
PCC Streets at SroKaly to Mian Kaly	1,554,734	Naveed Khan	30.05.2021	07.02.2022	155,473
PCC Streets at SroKaly Rashaki	1,024,250	Wajid Ali	30.05.2021	07.02.2022	102,425
Total					750,846

The lapse occurred due to weak internal controls, which resulted in non-completion of work and non-recovery of penalty.

When pointed out in November 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

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

AIR Para No. 03/2021-22

3.4.2.15 Irregular expenditure on development schemes without Technical Sanction – Rs 3.095 million

According to Para 56 of CPWA Code, no work shall be executed without Administrative Approval /Technical Sanction and Budget allotment.

Tehsil Municipal Officer, Shabqadar spent Rs 3,095,056 on execution of developmental schemes during Financial Year 2021-22 without obtaining technical sanctions from the competent authority despite incurrence of more than 60% expenditure. Detail is given below:

S.No.	Name of scheme	Contractor	Appr./Cost (Rs)	Expenditure (Rs)
1.	PCC AmanTabar Street UC Rashaki	WaseefUllah	924,800	835,568
2.	PCC Streets at MashoKhawar UC Rashaki	Wajid Ali	3,150,000	2,259,488
Total				3,095,056

The lapse occurred due to weak internal controls, which resulted in irregular expenditure.

When pointed out in November 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends obtaining technical sanctions from the competent authority and action against the person(s) at fault.

AIR Para No. 06/2021-22

3.4.2.16 Irregular award of contract amounting to Rs 4.00 million

According to KPPRA Notification No. S.R.O. (13)/Vol: 1-21/2020-21/5335-48 dated 15.09.2021, in case a contractor quotes more than 30% below on the engineering estimates, the procuring entity shall, in addition to additional

security, require the contractor to produce detailed rate analysis of his bid price in relation to any or all of item of bill of quantity, scope of work and allocation of risk etc.

Tehsil Municipal Officer, Shabqadar advertised various developmental schemes wherein contractors offered lowest rate of more than 37% below on MRS. The management of TMA accepted these rates without detailed rate analysis/ work plan from the contractors. In audit point of view the subject rate was non-workable rate and might result in execution of sub-standard work. In most cases the rates were accepted ranging from 30% below to 40% below on MRS which were unjustified. Details are given below:

S.No.	Name of scheme	E/cost (Rs.)	Lowest rate accepted	Contractor
1	Sanitation Scheme at Daryab Korona	1,000,000	38.88% below	Eagle Mashwani
2	Sanitation Scheme at Sokhta	1,000,000	38.88% below	Eagle Mashwani
3	Sanitation Scheme at Gorangy	1,000,000	38.00% below	WaseefUllah
4	Sanitation Scheme at Shara MC-I	1,000,000	37.88% below	Eagle Mashwani
Total		4,000,000		

The lapse occurred due to weak internal controls, which resulted in irregular award of contract.

When pointed out in November 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends physical verification of the schemes to prove the authenticity and factual position of the work done and action against the person(s) at fault.

AIR Para No. 08/2021-22

3.4.2.17 Non recovery of outstanding dues – Rs 10.671 million

According to Rule 51 of TMA Budget Rules 2016, the primary obligation TO(R) shall be to ensure that all revenue due is claimed, realized and credited immediately into the Tehsil Fund under proper head of account.

Tehsil Municipal Officer, Shabqadar failed to recover Rs 10,670,650 outstanding on account of various contracts of receipts pertaining to the financial year 2021-22. Detail is given at annexure-19.

The lapse occurred due to weak internal controls, which resulted in non-recovery of outstanding dues. Similar observations were also pointed out during the financial years 2019-20 and 2020-21 amounting to Rs. 2.163 million and Rs.1.677 million respectively. However, no corrective measures were taken.

When pointed out in November 2022, management stated that detailed reply would be furnished after scrutiny of record. Which was not received 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 besides fixing responsibilities on person(s) at fault.

AIR Para No. 10/2021-22

3.4.2.18 Irregular expenditure on account of repair of transformer-Rs.10.306 million

According to SOPs for execution of repair of transformers Scheme, “On receipt of written report from zilla council member regarding a damaged transformer the representative of PESCO will personally inspect the transformer and will write the detail of transformer i.e. Make, Serial no, PO No, Date and Year of manufacturing location capacity and fault in separate register to be maintained for this purpose. And after repair the transformer will be checked by the committee including representative of PESCO, & Zilla council member concerned regarding all the tests and ensure the quality of repair of transformer.

According to LCB letter no AO (Planning)/LCB/TMA/T-II,Pesh:/12/2016 dated 09-04-2018, successful bidders must be bound to repair the transformers from the Approved workshops of PESCO available throughout Khyber Pakhtunkhwa.

During special audit of SDGs' fund, it was observed that office of the Tehsil Municipal Officer Charsadda paid Rs. 10.306 million during 2020-21 to the contractors for the work "repair of transformers" at NA 24. However, neither NOC was obtained from Superintending Engineer circle PESCO nor repair of transformers done from the approved workshop of PESCO in violation of rules, which was held irregular.

The lapse occurred due to weak financial control which resulted in irregular expenditure

When pointed out in December 2021, no reply was submitted.

PAO was requested to convene DAC meeting in December 2021, which could not be convened till finalization of this report.

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

AIR Para 1 (2021-22)

3.4.2.19 Loss due to Non-imposition of Penalty – Rs 0.300 million

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

During special audit of SDGs' fund, it was observed that office of the Tehsil Municipal Officer Charsadda awarded the work namely, "Repair of damage transformer MC-1, MC-2, MC-3 MC-4, Maira Prang with estimated cost of Rs. 3.00 million" and issued the work order on 16.01.2021 under SDGs during the financial year 2020-21. The work was required to be completed upto 15 July 2021 as per work order. However, the work was not completed upto December

2021 as evident from progress report. The local office was required to recover the penalty from the defaulter contractor for Rs 300,000 as detailed below:

Name of Work	Date of W/O	Date of Comp	E/C (Rs in million)	10% Penalty
Repair of damage transformer MC-1, MC-2, MC-3 MC-4, Maira Prang	16.01.2021	15/07/2021	3.00	300,000

Non imposition of penalty resulted in loss to public exchequer.

When pointed out in December 2021, no reply was submitted till finalization of this report.

PAO was requested to convene DAC meeting in December 2021, which could not be convened till finalization of this report.

Audit recommends recovery besides fixing responsibility against person(s) at fault

AIR Para 2 (2021-22)

3.4.2.20 Irregular repair of transformer schemes without TS -Rs 10.306 million

According to Para 2.4 of B&R Department Code, no work shall be started without administrative approval, technical sanction.

During special audit of SDGs' fund, it was observed that office of the TMO Charsadda incurred expenditure Rs. 10.306 million on repair of 06 number transformers at NA 24 to contractors under SDGs during the financial year 2020-21. However, Technical Sanctions from the competent authority were not obtained before making the payment.

Irregularity occurred due to weak internal controls, which resulted violation of rules.

When pointed out in December 2021, no reply was submitted till finalization of this report.

PAO was requested to convene DAC meeting in December 2021, which could not be convened till finalization of this report.

Audit recommends obtaining of technical sanction and justifications.

AIR Para 3 (2021-22)

3.4.2.21 Irregular expenditure on account of repair of transformer-Rs 6.565 million

According to SOPs for execution of repair of transformers Scheme, “On receipt of written report from zilla council member regarding a damage transformer the representative of PESCO will personally inspect the transformer and will write the detail of transformer i.e. Make, Serial no, PO No, Date and Year of manufacturing location capacity and fault in separate register to be maintained for this purpose. And after repair the transformer will be checked by the committee including representative of PESCO, & Zilla council member concerned regarding all the tests and ensure the quality of repair of transformer.

According to LCB letter no AO(Planning)/LCB/TMA/T-II,Pesh:/12/2016 dated 09-04-2018, successful bidders must be bound to repair the transformers from the Approved workshops of PESCO available throughout Khyber Pakhtunkhwa.

During special audit of SDGs’ fund, it was observed that office of the Tehsil Municipal Officer Shabqadar paid Rs. 6,565,000 to the contractors for the work “repair of transformers” at NA 23. However, neither NOC was obtained from Superintending Engineer circle PESCO nor repair of transformers done from the approved workshop of PESCO in violation of rules, which was unjustified.

The lapse occurred due to weak internal controls, which resulted in irregular expenditure.

When pointed out in December 2021, no reply was submitted till finalization of this report.

PAO was requested to convene DAC meeting in December 2021, which could not be convened till finalization of this report.

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

AIR Para 1 (2021-22)



CHAPTER-04

ASSISTANT DIRECTOR LGE & RDD



CHAPTER 4

Assistant Director, LGE & RDD

4.1 Introduction

A) Assistant Director, Local Government Election and Rural Development Department in District Charsadda has 146 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 Charsadda.

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, Local Government Elections & Rural Development Department.

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

Functions and powers of the Village Council or Neighbourhood Council:

- i. Functions of the village and neighbourhood council, as the case may be, shall be to:
- ii. Monitoring and supervision of the performance of functionaries of all government offices located in the area of the respective village council or neighbourhood 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;
- iii. Providing effective forum for out of court amicable settlement of disputes and, for this purpose, constitute panels of members as conciliators;
- iv. Registration of births, deaths and marriages;
- v. Implementation and monitoring of village level development works;
- vi. Improving water supply sources, maintain water supply distribution system and take measures to prevent contamination of water;
- vii. Maintain village level infrastructure, footpaths, tracks, streets, prevent and abate nuisances and encroachments in public ways, public streets and public places
- viii. Maintain and improve collective property including playgrounds, graveyards, funeral places, eid-gah, parks, public open spaces and community centres;
- ix. Identifying development needs of the area for use by municipal administration and district government in prioritizing development plans;
- x. Make arrangements for sanitation, cleanliness, disposal of garbage and carcasses, drainage and sewerage system;
- xi. Displaying land transactions in the area for public information;
- xii. Mobilizing community for maintaining public ways, public streets, culverts, bridges and public buildings, de-silting of canals and other development activities;
- xiii. Develop sites for drinking and bathing of cattle;
- xiv. Organizing cattle fairs and agriculture produce markets;
- xv. Organizing sports teams, cultural and recreational activities;
- xvi. Organizing watch and ward in the area;

- xvii. Promoting plantation of trees, landscaping and beautification of public places;
- xviii. Regulate grazing areas, establish cattle ponds and provide protection against stray animals and animal trespass;
- xix. Consider and approve annual budget presented by the respective Nazim, village council or neighbourhood council;
- xx. Facilitating the formation of co-operatives for improving economic returns and reduction of poverty;
- xxi. Elect an Accounts Committee and review its recommendations on the annual statement of accounts and audit reports; and
- xxii. Report cases of handicapped, destitute and of extreme poverty to district government.

Audit Profile of AD LGE & RDD District Charsadda

(Rs. in million)

S. No	Description	Total Nos	Audited	Expenditure audited FY 2021-22	Revenue /Receipts audited FY 2021-22
1	Formations	01	01	149.01	Nil
	Total	01	01	149.01	Nil

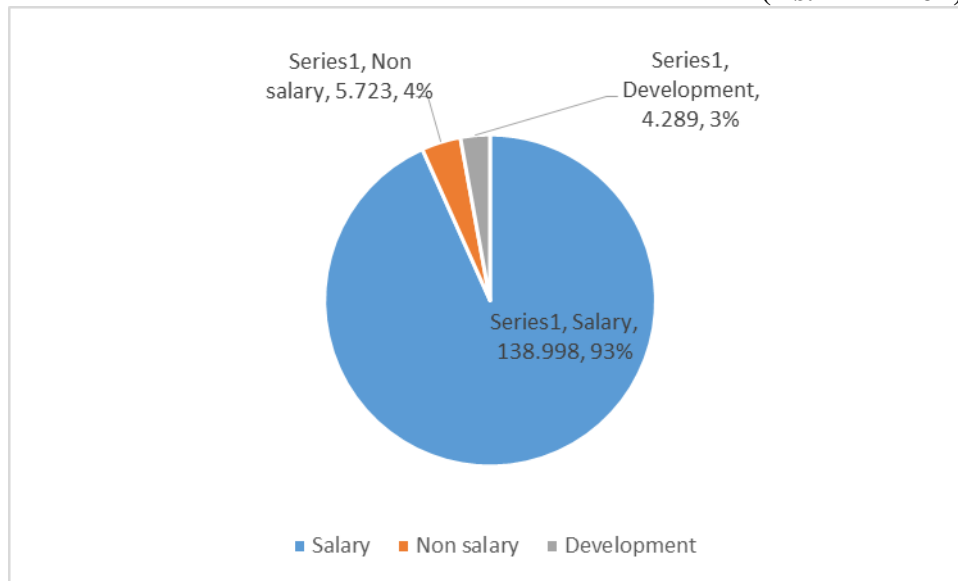
B) Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

AD LGE & RDD				
2021-22	Budget	Expenditure/ Receipts	Excess/ (Saving)	%age
Salary	122.043	138.998	16.955	13.893
Non salary	5.977	5.723	(0.254)	4.249
Development	6.250	4.289	(1.961)	31.376
Total	134.27	149.01	14.74	10.977

EXPENDITURE 2021-22

(Rs. in million)



The excess of Rs. 14.74 million indicates weakness in the capacity of the local institution to utilize the allocated budget. Furthermore, the savings in non-salary component was 4.249% which shows over estimation of budget. Whereas, the savings of 31.376% in development budget shows inefficiency in utilization of fund on the part of the management.

4.2 Classified Summary of Audit Observations

Audit observations amounting to Rs.20.76 million were raised in this audit report. This amount also includes recoverable of Rs.16.093 million as pointed out by the audit. Summary of the audit observations classified by nature is as under: -

Sr. No.	Classification	Amount (Rs. in million)
1	Irregularities	-
A	HR/Human resource related irregularities	7.599
C	Management with Commercial Bank	13.161
Total		20.76

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 VACs / NACs 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 Irregularities

A. Human Resource/ Employees related irregularities

4.4.1.1 Irregular appointment of Class-IV staff

According to Finance Department Government of KPK letter No. BO.I/FD/5-8/2016-17 dated 04.07.2016, there shall be complete ban on creation of posts. No appointment shall be made against leave and vacant posts without prior approval from Finance Department KPK and obtaining NOC from the concerned Surplus Pool.

According to clause A(iii) of Notification No. SOS 6(E&AD) 1-3/2007 dated 22.03.2007 issued by Administration Department (Regulation Wing) Govt. of KPK, “a Departmental Selection Committee will be bound to recruit employees from BPS 1 to 4 through District Employment Exchange. In absence of District Employment Exchange, the recruitment will be made through Departmental Selection Committee after vacancies have been advertised in newspapers.

Assistant Director, LGE & RDD Charsadda appointed 07 Class-IV staff in BPS-03 during the financial year 2021-22. Audit noticed the following irregularities:

1. The appointments were neither advertised nor were made through Employment exchange.
2. Police clearance certificates from local police station were also not available on record as required in the appointment order.
3. The appointments were made without prior approval from Finance Department KPK and obtaining NOC from the concerned Surplus Pool.

The lapse occurred due to weak internal controls, which resulted in irregular appointment.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

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

AIR Para No. 12/2021-22

B. Management of Accounts with Commercial Banks

4.4.1.2 Non-deposit of bank profit into government treasury-Rs13.161 million

According to Finance Department Khyber Pakhtunkhwa Peshawar letter No. 2/3-(F/L)/FD/2007-08/vol-IX dated 10.02.2014 Finance Department has allowed sanction of bank accounts in commercial banks for various departments/autonomous/corporation in KP. Now 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.

Secretaries Village/Neighborhood Councils working under the administrative control of Assistant Director LG & RDD Charsadda during the financial year 2021-22 earned Rs13,161,308 as profit on funds placed in the designated bank accounts of the NCs/VCs up to 30-06-2022 but did not deposit the profit into government treasury.

The lapse occurred due to weak internal controls, which resulted in non-deposit of bank profit into government treasury. Similar observations were also pointed out during the financial years 2018-19 and 2020-21 amounting to Rs. 24.079 million and Rs.15.414 million respectively. However, no corrective measures were taken.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends deposit of bank profit into Government treasury under proper head of account.

AIR Para No. 01/2021-22

4.4.2 Others, including cases of accidents, negligence etc.

4.4.2.1 Non deposit of Government taxes –Rs. 2.932 million

Para 8 and 26 of the General Financial Rules Volume I require each administrative department to see that the dues of the government are correctly and promptly assessed, collected and paid into Government Treasury.

Secretaries Neighborhood/ Village Councils under the administrative control of Assistant Director LGE & RDD Charsadda deducted Rs.2,932,431 on account of income tax, DPR, stamp duty and professional tax from different contractors/suppliers during the financial year 2021-22 but the amounts were not deposited into government treasury. Detail is given below

S.No	Particulars	Amount (Rs.)
1	Income tax	2,446,196
3	DPR	412,407
4	Stamp duty	65,788
5	Professional Tax	8,040
Total		2,932,431

The lapse occurred due to weak internal controls which resulted in non-deposit of receipt in Government treasury. The similar observations were also pointed out during the financial years 2018-19 and 2020-21 amounting to Rs. 12.781 million and Rs. 3.812 million respectively. However, no corrective measures were taken.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends immediate deposit of amount into government treasury and action against the person(s) at fault.

AIR Para No. 02/2021-22

4.4.2.2 Unauthentic payment on account of Polio Honoraria-Rs. 1.062 million

Rule 174 of CTR Vol-I states, that all payment must be supported with acknowledgement.

Treasury Rule 205 mandates that vouchers for the withdrawal of money from the government account be submitted setting forth clear and full particulars for the withdrawal.

AD LGE&RDD Charsadda received Rs. 1,062,000 and shown disbursed on 16.11.2021 on account of polio honoraria during 2021-22 as per cashbook. However, no record of its receipt and disbursement was provided due to which the authenticity of payment remained unverified.

The lapse occurred due to weak internal controls, which resulted in unauthentic payment.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends inquiry and action against the person(s) at fault besides providing the detailed record for audit.

AIR Para No. 05/2021-22

4.4.2.3 Irregular expenditure on developmental schemes without Technical Sanction – Rs 3.605 million

According to Para 56 of CPWA Code, no work shall be executed without Administrative Approval /Technical Sanction and Budget allotment.

AD LGE & RDD, Charsadda spent Rs 3,604,000 on execution of three (03) developmental schemes without obtaining technical sanctions from the competent authority during Financial Year 2020-21. Detail is given below:

S.No.	Name of scheme	Contractor	E/Cost (Rs)	Expenditure (Rs)
1.	Cosnt. of PCC Streets at VC HisaraNehri	Asif& Bro.	1,000,000	997,105
2.	Const. of streets at NHC Arat Kandi	Eagal Mashwani	1,040,000	1,019,625
3.	Const. of Streets at VC Hisara Nehri Payan	Javeed Khan	1,600,000	1,587,774
Total			3,640,000	3,604,504

The lapse occurred due to weak internal controls, which resulted in irregular expenditure.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends obtaining technical sanctions from the competent authority and action against the person(s) at fault.

AIR Para No. 14/2021-22

4.4.2.4 Irregular expenditure-Rs 1.709 million and non-recovery of fine-Rs.0.200 million

According to Para 32 of CPWA Code and Para 178 of GFR Volume-I, no work shall be executed without Administrative Approval / Technical Sanction and Budget allotment. According to the contractor agreement, the work shall be completed within the stipulated period of time otherwise, 10% penalty shall be imposed on default contractors for delay in completion of works.

AD LGE & RDD, Charsadda incurred expenditure of Rs 1,709,417 on execution of a scheme “Construction of streets, drains at Mohallah Tarkanah Marozai” against estimated cost of Rs. 2,000,000 during Financial Year 2021-22. However, the scheme was not technically sanctioned by the competent authority till the date of audit i.e October, 2022. Moreover, the work order was issued on due date with stipulated completion period upto 04.08.2019, while the scheme was completed on 30.11.2021, as evident from the completion certificate. Neither further time extension was obtained from the competent authority nor penalty @ 10% amounting to Rs 200,000 was imposed on the contractor for late completion.

The lapse occurred due to weak internal controls, which resulted in irregular expenditure and non-imposition of penalty.

When pointed out in October 2022, management stated that detailed reply would be furnished after scrutiny of record.

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

Audit recommends regularization of expenditure by obtaining technical sanction from the competent authority and recovery of fine from the contractor concerned besides action against the person(s) at fault.

AIR Para No. 17/2021-22

ANNEXURES

Annexure-1

MFDAC

S.No	Department	Title of the Para	Amount in million
1	Deputy Commissioner Charsadda	Irregular expenditures due to non- maintenance of stock on proper format for furniture and machinery/equipments and non-conducting physical verification	0.11892
2	-do-	Un-verified expenditure on Polio Campaign–	0.23979
3	-do-	Irregular release of additional grant on account of polio fund from district fund	0.5260
4	-do-	Unverified outstanding Polio fund	0.1403
5	-do-	Illegal occupation of residential bungalows by police department & loss to government due to non-deduction of HRA & 5% maintenance charges	-
6	-do-	Less imposition of Fine on account of violation of rules	1.907
7	-do-	Difference of figures between Bank and Accounts record	97.507
8	-do-	Doubtful payment of compensation fund to the out district residents.	0.588
9	-do-	Non-renewal of Arms dealers licenses and non-generation of receipts therefrom	0.990
10	-do-	Illegal Petrol Pumps/Gasoline stations without NOC	
11	-do-	Non-release of fund for purchase of school furniture funded by USAID	4.00
11	-do-	Irregular Cash disbursement and unverified expenditure of fund received from Election Commission	0.43405
12		Non surrender of huge amount under RDI fund resulting in laps of funds	0.29390
13		Unnecessary allocation of fund without need assessment	0.484518
14		Blockage of fund due to release of fund to unclear schemes	20.00
15	DEO Male Charsadda	Unnecessary transfer and irregular blockage of fund on account of hiring of teachers	0.600
13		Irregular disbursement of fund of incentive for the best performing school	1.800
14	-do-	Irregular expenditure on account of hiring of teachers	3.780
15	-do-	Irregular procurement and non-stock taking of PC Tablets	3.900
16	-do-	Non-utilization of conditional grant due to non-supervision by administration	0.8380
17	-do-	Non-execution of development schemes and irregular blockage of District ADP Fund	3.628

18	-do-	Non-maintenance of students funds record and non-conducting its internal check	5.329
19	-do-	Non-conducting of Physical verification / stock taking	
20		Irregular appointment of teaching staff	
21	-do-	Irregular expenditure on account of District ADP	1.457
22	-do-	Un-verified expenditures of PTC fund	0.18620
23	-do-	Irregular and unjustified payment on account of TA/DA-	0.290
24	-do-	Irregular operation of Bank account in Current mode and expected loss to Government-	0.300
25	-do-	Irregular and unjustified payment on account of TA/DA.	0.490
26	-do-	Unauthorized expenditure on account of POL and repair of transport on private vehicle	0.22
27	-do-	Un-authorized deposit of government fund and cash withdrawal from designated bank account	0.557
28	-do-	Irregular and unjustified payment on account of TA/DA	0.650
29	-do-	Irregular operation of Bank account in Current mode and expected loss to Government	0.300
30	-do-	Irregular and unjustified payment on account of TA/DA	0.490
31	-do-	Unauthorized expenditure on account of POL and repair of transport on private vehicle	0.227
32	-do-	Un-authorized deposit of government fund and cash withdrawal from designated bank account	0.557
33	-do-	Irregular and unjustified payment on account of TA/DA	0.650
34	DEO Female Charsadda	Irregular blockage of fund on account of hiring of teachers-Rs.	0.960
35	-do-	Irregular disbursement of fund of incentive for the best performing school	6.300
36	-do-	Irregular procurement and non stock taking of PC Tablets	2.280
37	-do-	Irregular expenditure on account of repair of vehicle-	0.204
38	-do-	Un-verified expenditures of PTC fund	11.300
39	-do-	Irregular and unjustified payment on account of TA/DA	0.160
40	-do-	Irregular and unjustified payment on account of TA/DA	0.300
41	-do-	Unauthorized expenditure on account of POL and repair of transport on private vehicle.	0.255
42	District Health Officer	Loss due to non-imposition of penalty	0.092
43	-do-	Loss to Government due to Non-deduction of HPA and CA during leave period	0.031
44	-do-	Non deduction of Income Tax on payments made through PCMCs	0.898
45	-do-	Irregular expenditure on account of POL	0.239

46	-do-	Non supply of Medical Equipment and Furniture	0.559
47	-do-	Loss to Government due to non-conversion of Bank Account into PLS mode	0.629
48	-do-	Illegal occupation on residential accommodations	
49	-do-	Irregular appointment of staff on Daily wages basis	
50	-do-	Wasteful expenditure on account of Android Phones	1.476
51	-do-	Unauthorized payment on account of non-practicing	1.011
52	AD LGE&RDD Charsadda	Unjustified Occupation of Local Government Land	
53	-do-	Unauthentic payment on account of Polio Honoraria-	1.062
54	-do-	Non-deposit of Bank profit into government treasury	0.110
55	-do-	Non conversion of current bank account into saving resulting loss to exchequer.	0.608
56	-do-	Non-imposition of penalty for non-completion of works	0.224
57	-do-	Loss to Government due to non-deduction of voids	0.126
58		Overpayment	0.122
59	TMA Charsadda	Non-deposit of bank profit into government treasury-	0.593
	-do-	Unknown whereabouts of bricks	0.638
60	-do-	Irregular release of additional security amounting to	0.225
61	-do-	Non-deduction of service tax from payment to legal advisor-	0.117
62	-do-	Loss due to less recovery of income tax –	0.584
63	-do-	Loss to Government due to non-deduction of voids	0.192
64	-do-	Loss due to Non-recovery of Professional Tax & DPR Funds	0.283
65	TMA Tangi	Non-deposit of bank profit into government treasury-	0.208
66	-do-	Irregular expenditures without open tendering system	0.958
67	-do-	Non recovery of annual fee from CNG & Petrol pumps	0.600
68	-do-	Irregular advance payment without execution of activity/work	0.752
69	-do-	Overpayment due to allowing higher rates	0.262
70	TMA Shabqadar	Non-imposition of penalty for non-completion of works	0.750
71	-do-	Non-deposit of bank profit into government treasury	0.141
72	-do-	Irregular release of additional security amounting	0.256
73	-do-	Irregular & unjustified payment to LCB on a/c of 1% T.S cost of	0.108

Annexure-2

Non-deduction of 5% Maintenance, HRA & CA from the date of Occupation (Amount in Rupees)

S	Allot	Name of	P	B	Design	Hou	B	B	B	H	C	H	C	5	Tot	Remarks
	ate	Employee	l		ion	Ban								M	Am	
							2	2	2							
10	21.02.2	DR,IFTIKH	70	B	district				7	1	1	8	6	75	2045	2 months
20	20.4.20	AMAN	003	B	senior cli	bangl	2	2	4					8	32,1	26 months
30	20.4.20	JAMAL	002	B	senior cli	bangl	2	2	5					0	50,9	26 months
41	01.03.2	ADNAN	009	B	word	class			1			2	1		36,7	16 Months
52	01.01.2	GHULAM	004	B	senior m	bangl			1					36	36,2	6 Months
60	20.4.20	FAHEEM	005	B	senior cli	bangl	1	1	2					32	23,7	26 months
73	01.10.2	NABILA	001	B	charge	class			4			4	5	20	311,	105 Months
83	01.10.2	TAMANNA	001	B	charge	class			4			4	5	23	311,	105 Months
91	01.10.2	AFSHA	005	B	charge	class			3			4	5	16	96,4	9 Months
12	01.02.2	TABASSU	002	B	charge	class			8			4	5	41	66,0	5 Months
13	01.10.2	RESHMA	006	B	charge	class			2			4	5	13	311,	105 Months
G-TOTAL AMOUNT															1,410	

Annexure-3

Para 2.4.1.3

Detail of Un-authorized drawl of 25% Doctor shares of Category C Hospital**Tangi**

Month/year	25% Doctor share	Admin share	Total (Rs.)
July-2020	50805	6096	56901
Aug-20	39870	4784	44654
Sep-20	44550	5346	49896
Oct-20	44640	5356	49996
Nov-20	45090	5410	50500
Dec-20	50085	6010	56095
Jan-21	60840	7300	68140
Feb-21	58095	6971	65066
Mar-21	64440	7732	72172
Apr-21	47925	5751	53676
May-21	0	0	0
Jun-21	0	0	0
Jul-21	36225	4347	40572
Aug-21	33570	4028	37598
Sep-21	63855	7662	71517
Oct-21	37125	4455	41580
Nov-21	38250	4590	42840
Dec-21	36135	4336	40471
Total	751500	90174	841674

Detail of Un-authorized drawl of 25% Doctor shares of Category C Hospital**Shabqadar**

Month	ECG	ECHO	Pathology	Total (Rs.)
07.2021	7,434	3,825	17,489.25	28,748
08.2021	7,416	3,263	20,119.50	30,798
09.2021	6,084	3,938	15,715.13	25,737
10.2021	4,149	4,050	14,212.25	22,411
11.2021	5,108	2,925	16,111.25	24,144
12.2021	4,698	3,938	13,714.20	22,350
01.2022	4,005	4,050	27,237.38	35,292
02.2022	5,859	6,075	57,832.88	69,767
03.2022	6,651	8,663	67,137.75	82,451
04.2022	3,996	2,250	37,631.00	43,877
05.2022	5,391	4,163	24,390.00	33,944
06.2022	5,166	5,063	49,889.25	60,118
Total	65,957	52,200	361,480	479,637

Annexure-4

Para 2.4.1.4

Statement showing detail of salaries paid through DDO

(Amount in Rupees)

Payment of salary through DDO					
S.No	Cheque No	Salary Paid	Amount	Name of employee	Center
21-Jul	1130023	162720	162720	Dr.Zaima Sana Ullah	Shabqadar
		121625		Dr.Rabia Kausar	Jamal Abad
	1130026	21527	143152	Murad Ali Driver	M. Nari
	1130027	125250	125250	Dr.Israr Malik	BHU
21-Aug		176121	176121	Kubra Amin CN	Tangi
		38162		Mazullah Late	RHC
		117450	1773018	Dr.Fahim Ur Rahman	RHC
		21706		Murad Ali Driver	RHC
		169495	169495	Dr.Usman Ali	BHU
21-Sep	1130333	150347	150347	Dr.Israr Malik	BHU
	1130334	129658	303092	Kaneez Fatima CN	Tangi
		173434		Dr.Khushbo Sadaf	Tangi
21-Oct		235383	235383	Dr.Habib Ur Rahman	RHC
		109419	109419	Dr.Israr Malik	BHU
21-Nov		121074		Dr.Sajjad Haidar	RHC
		64671	300227	Ashfaq Ullah Tech	RHC
		114532		Dr.Habib Ur Rahman	RHC
21-Dec	1212870	518075	518075	Dr.Sajjad Haidar	RHC
	1212869	338877	464303	Ulfat CN	Tangi
		125426		Abdar Tech	Tangi
	1212860	122995	122995	Khudija Shah Tech	DFS
22-Jan		277580	277580	Dr.Usman Ali	BHU
		476213		Dr.Kalsoom	RHC
		118836	595049	Dr.Khalid Ullah	RHC
22-Feb		162480	162480	Muhammad Suliman Tech	Adman
22-Mar		806660	806660	Dr.Yasir Murad PMO	Tangi
		17176	17176	Waseem Chow	BHU
22-May		158320	158320	Dr.Miraj Aleem	Tangi
22-Jun	1263787	682177	682177	Dr.Muhammad Shoiab	RHC
Total			7,453,039		

Annexure-5**Para 2.4.1.6****Detail of Non-acquisition of land**

S/No.	Name of Department	Area	Cheque No and date	Awarded or not	Purpose	Amount. (Rs)
1	TMA Charsadda	50 Kanal	A-189368 dated 14/03/2022	Under process	Acquisition of land for establishment of dumping ground at Maira Prang Charsadda	88,799,420
2	KPHA	105.11 K M	249335878 dt 01/03/2022	Awarded on 24/06/2022	Improvement and widening of Takht Bhai Rajjar Road (14.00 KM)	70,124,449
	Total					158,923,869

Annexure-6**Para 2.4.1.8****Detail of non-supplied medicines and non-imposition of penalty**

S.NO	NAME OF FIRM	DDO	AMOUNT	CHEQ.NO & DATE	Remarks	Required Penalty (Rs.)
1	Stallion Pharma	BHU	1660000	1263281 03/06/22	Incomplete Supply	116200
2	Glaxo Smith Kline	BHU	1510000	1263285 08/06/22	Incomplete Supply	105700
3	Zafa Pharma	BHU	873200	1263294 08/06/22	Total Supply Pending	61124
4	MKB Pharma	BHU	1282700	1263299 08/06/22	Total Supply Pending	89789
6	Heal Pharma	BHU	2209500	1263282 08/06/22	Total Supply Pending	154665
7	Novamed Pharma	BHU	1350000	1263284 08/06/22	Total Supply Pending	94500
8	Shaigan Pharma	BHU	174500	1263288 08/06/22	Total Supply Pending	12215

9	Stanley Pharma	BHU	597750	1263295 08/06/22	Total Supply Pending	41842.5
10	Karim Pharma	BHU	815464	1263277 08/06/22	Total Supply Pending	57082.48
11	Cure Lab	RHC	1012462	1263686 06/06/22	Total Supply Pending	70872.34
12	Silver Surgical	RHC	898500	1263296 08/06/22	Total Supply Pending	62895
13	MKB Pharma	RHC	1292000	1263299 08/06/22	Total Supply Pending	90440
14	Heal Pharma	RHC	156000	126300 15/06/22	Total Supply Pending	10920
15	Bosch Pharma	Tangi	107960	1263297 05/06/22	Incomplete Supply	7557.2
16	Amson Vaccine	Tangi	175000	1263722 17/06/22	Total Supply Pending	12250
17	Bosch Pharma	Tangi	204750	1263594 15/06/22	Total Supply Pending	14332.5
18	Hashir Surgical	Tangi	486900	1263293 08/06/2022	Total Supply Pending	34083
19	Pharmasol Pharma	Tangi	294800	1263289 08/06/200	Total Supply Pending	20636
20	Zafa Pharma	Tangi	208240	1263294 08/06/22	Total Supply Pending	14576.8
21	IBL Health Care	Tangi	480000	1263607 15/06/22	Total Supply Pending	33600
22	Silver Surgical	Tangi	1497500	1263296 08/06/22	Total Supply Pending	104825
23	Macter International	Tangi	1530000	1263292 08/06/22	Total Supply Pending	107100
24	Heal Pahrma	CD	217000	1263725 17/06/22	Total Supply Pending	15190
25	MKB Pharma	CD	2962450	1263597 15/06/22	Total Supply Pending	207371.5
26	Macter International	MCH	600000	1263721 17/06/22	Total Supply Pending	42000
27	Amson Pharma	BHU	98475	1263609 15/06/22	Total Supply Pending	6893.25
28	Paktex Industries	BHU	869077			60835.39
	TOTAL		23,564,228			1649495.96

Annexure-7**Para 2.4.1.13****(Amount in Rupees)**

S.#	Title of Account	Account No.	Bank Name	Closing Balance as on 30.06.2022
1.	DC office	4109891189	NBP	13,896,617
2.	DC Office	4109891778	NBP	615,267
3	ADC Relief	3001688258	BOK	2,836,679
3.	Tehsildar Shabqadar	10511101	NBP	1407682.00
4	TehsildarTangi	015800306007	BOK	2,254,105.00
5	Tehsildar Charsadda	011115448005	BOK	3,466,378.14
Total				24,476,728.14

Annexure-8**Para 2.4.1.19****Un-verified cash withdrawal from designated bank account**

S. No	Date	Cheque No.	Amount (Rs.)
1	04.07.2019	18748752	35,114
2	04.07.2019	18748749	27,300
3	04.07.2019	18748750	78,300
4	04.07.2019	18748754	1,321,384
5	08.07.2019	18748755	5,000
6	10.07.2019	18748756	6,000
7	22.07.2019	18748760	10,580
8	10.08.2019	18748767	160,723
9	10.08.2019	18748765	29,977
10	10.08.2019	18748766	78,258
11	10.08.2019	18748768	39,153
12	01.10.2019	18748772	31,339
13	10.12.2019	18748776	12,388
14	23.01.2020	18748777	138,964
15	03.02.2020	18748782	111,000
16	04.02.2020	18748778	1,200,000
17	06.02.2020	18748781	669,600
18	11.02.2020	18748779	1,092,000

19	13.02.2020	18748783	164,768
20	25.02.2020	18748785	37,500
21	25.02.2020	18748786	22,500
22	25.02.2020	18748788	12,160
23	25.02.2020	18748784	1,023,600
24	25.02.2020	18748787	52,500
25	22.04.2020	18748789	294,000
26	22.04.2020	18748791	68,916
27	30.04.2020	18748792	46,100
28	09.06.2020	18748795	3,900
29	25.06.2020	18748805	97,868
30	25.06.2020	18748804	100,000
31	26.06.2020	18748806	82,870
32	29.06.2020	18748808	131,760
33	07.06.2020	18748814	20,916
34	07.06.2020	18748813	63,196
35	07.06.2020	18748816	14,000
36	10.07.2020	18748811	55,800
37	22.07.2020	18748809	146,400
38	28.07.2020	18748821	50,000
39	28.07.2020	18748822	49,876
40	13.08.2020	18748825	40,000
41	13.08.2020	18748824	75,000
42	19.08.2020	18748823	135,000
43	26.08.2020	18748829	42,827
44	07.09.2020	18748830	265,250
45	08.09.2020	18748831	88,493
46	08.09.2020	18748833	24,682
47	11.09.2020	18748835	41,500
48	30.09.2020	18748836	223,250
49	29.12.2020	18748841	25,700
50	29.12.2020	18748840	49,600
51	29.12.2020	18748839	31,662
52	11.01.2021	18748842	10,400
53	11.01.2021	18748845	99,000
54	19.01.2021	18748846	198,000
55	20.01.2021	18748848	75,000
56	26.01.2021	18748850	88,368
57	26.01.2021	18748851	168,000
58	27.01.2021	18748853	42,706
59	27.01.2021	18748852	30,783
60	19.02.2021	18748856	71,700
61	22.02.2021	18748857	67,764
62	24.02.2021	18748858	95,000
63	24.02.2021	18748860	42,794

64	01.03.2021	18748862	147,165
65	09.03.2021	18748863	60,000
66	17.03.2021	18748864	12,470
67	30.03.2021	18748865	99,000
68	13.04.2021	18748867	75,000
69	18.05.2021	18748870	50,700
70	24.05.2021	18748872	90,000
71	24.05.2021	18748871	51,244
72	27.05.2021	18748874	59,436
73	04.06.2021	18748885	26,364
74	04.06.2021	18748882	43,000
75	04.06.2021	18748893	610,360
76	09.06.2021	18748877	473,616
77	09.06.2021	18748878	269,464
78	09.06.2021	18748894	313,560
79	14.06.2021	18748897	49,600
80	14.06.2021	18748898	23,260
81	14.06.2021	18748899	35,778
82	14.06.2021	18748896	90,000
83	15.06.2021	18748903	36,630
84	15.06.2021	18748902	81,372
85	15.06.2021	18748900	85,500
86	18.06.2021	18748905	21,736
87	21.06.2021	18748908	99,000
88	21.06.2021	18748907	83,700
89	25.06.2021	18748912	106,379
90	25.06.2021	18748910	152,000
91	25.06.2021	18748909	115,000
92	26.06.2021	18748911	397,078
93	28.06.2021	18748913	37,582
94	28.06.2021	18748914	127,468
95	28.06.2021	18748915	192,400
96	30.06.2021	18748915	75,000
Total			13,809,051

Annexure-9**Para 2.4.2.12****Non-Deposit of receipts into Govt Treasury and PCMC Bank Account****(Amount in Rupees)**

Month	Amount collected	Amount Deposited in Treasury	Amount Deposited in Bank	Total amount deposited (Treasury + Bank)	Amount not deposited
Nov-21	702101	586925	0	586925	115176
Dec	770002	67066	0	67066	702936
January	595205	136520	418989	555509	39696
Feb	1068692	106870	815151	922021	146671
March	1185555	118555	682234	800789	384766
April	952743	95725	712274	807999	144744
May	678867	64186	598305	662491	16376
June. 22	1017133	101505	413898	515403	501730
Total	6970298	1277352	3640851	4918203	2,052,095

Annexure-10**Para 2.4.3.1****Detail of Unverified ADP schemes****(Amount in million)**

S.No	Developmental Fund	Balance	Release During 2021-22	Total	Expenditure	Balance as on 30.06.2022
1	SUSTAINABLE DEVELOPMENTAL GOALS	59.616	1028.73	1088.346	958.116	130.230
2	REGIONAL DEVELOPMENT INITIATIVE	0.000	64.044	64.044	45.506	18.538
3	TOBACCO DEVELOPMENT CESS	1.640	44.337	45.977	35.680	10.297
4	ACCRUED LIABILITIES OF UMBRELLA SCHEMES OF REGIONAL DEVELOPMENT INITIATIVES	0.000	65.106	65.106	43.448	21.658
5	DISTRICT DEVELOPMENT PLAN	0.000	881.630	881.630	847.639	33.991
6	DISTRICT UPLIFT & BEAUTIFICATION	0.000	229.000	229.000	149.814	79.186
7	DISTRICT ADP	185.363 (previous year)	0.000	185.363	48.335	137.028
Grand total:		246.619	2312.847	2559.466	2128.538	430.928

Annexure-11

Para 2.4.3.2

Detail of Non-maintenance of students funds record and non-conducting of internal inspection

DEO (Male Charsadda)

Level	Class es	Enrollm ent as per EMA April, 2022	Sports Fund		Exam Fund		Medical Fund		Poor Fund	
Primary	1st-5th	70468	70468 x 3 =	211404	70468 x 2 =	140936	70468 x 1 =	70468	70468 x 2 =	140936
Middle	6th-8 th	5393	5393 x 30 =	161790	5393 x 40 =	215720	5393 x 8 =	43144	5393 x 8 =	43144
High	6th-8 th	16378	16378 x 30 =	491340	16378 x 40 =	655120	16378 x 8 =	131024	16378 x 8 =	131024
	9th-10 th	8037	8037 x 40 =	321480	8037 x 50 =	401850	8037 x 10 =	80370	8037 x 10 =	80370
Higher Secondary	6th-8 th	8084	8084 x 30 =	242520	8084 x 40 =	323360	8084 x 8 =	64672	8084 x 8 =	64672
	9th-10 th	4965	4965 x 40 =	198600	4965 x 50 =	248250	4965 x 10 =	49650	4965 x 10 =	49650
	11th-12 th	4119	4119 x 60 =	247140	4119 x 70 =	288330	4119 x 40 =	164760	4119 x 40 =	164760
Total		117444		1874274		2273566		389678		674556
Grand Total=5,329,518										

DEO (Female) Charsadda

Level	Class es	Enrollme nt	Sports Fund (Rs.)	Exam Fund(Rs.)	Medical Fund(Rs.)	Poor Fund(Rs.)
Primary	1st-5th	50798	152394	101596	50798	101596
Middle	6th-8 th	4260	127800	170400	34080	34080

High	6th-8 th	11103	333090	444120	88824	88824
	9th-10th	5797	231880	289850	57970	57970
Higher Secondary	6th-8 th	5859	175770	234360	46872	46872
		2956	118240	147800	29560	29560
	9th-10th	2189				
	11th-12th		131340	153230	87560	87560
	Total		1270514	1541356	395664	446462

Annexure-12

Para 2.4.3.3

Detail of Scouts, Shaheen and Red crescent fund of DEO (Male) Charsadda 2021-22

(Amount in Rupees)

Level	Classes	Enrollment as per EMA April, 2022	Scout Fund		Shaheen Fund		Red Fund	Crescent
Primary	1st-5th	70468	70468 0=	x 0	70468 x 2=	140936	70468 x 0=	0
Middle	6th-8th	5393	5393 25=	x 134825	5393 x 0=	0	5393 x 2=	10786
High	6th-8th	16378	16378 25=	x 409450	16378 x 0=	0	16378 x 2=	32756
	9th-10 th	8037	8037 25=	x 200925	8037 x 0=	0	8037 x 2=	16074
Higher Secondary	6th-8th	8084	8084 25=	x 202100	8084 x 0=	0	8084 x 2=	16168
	9th-10 th	4965	4965 25=	x 124125	4965 x 0=	0	4965 x 2=	9930
	11th-12 th	4119	4119 30=	x 123570	4119 x 0=	0	4119 x 2=	8238
Total		117444		1194995		140936		93952
Grand Total	1,547,327							

Annexure-13**Para 2.4.3.5****Unauthorized and Irregular expenditure under PCMCs****(Amount in Rupees)**

S. No.	Name of Health Facility	Funds Transferred	Funds Utilized
1	BHU Landi Shah	1,112,830	1,108,660
2	BHU Hassan Zai	553,000	424,610
3	BHU Utmanzai	553,000	475,276
4	BHU Sheikho	552,572	550,000
5	BHU Zarin Abad	100,000	0
6	BHU Agra	453,000	409,455
7	BHU Daulatpura	911,000	820,000
8	BHU Dhakki	453,000	450,000
9	BHU Akhundheri	911,000	847,000
10	BHU Kot	553,000	210,000
11	BHU Ibrahimzai	553,000	557,173
12	BHU Gulabad	100,000	100,000
13	BHU Katozai	1,250,000	795,350
14	BHU Kangra	550,000	365,540
15	BHU Daman Pir Qilla	1,250,000	1,335,244
16	BHU Baz Mian Kili	553,000	552,520
17	BHU Matta	911,000	768,765
18	BHU Bagh e Bakhtiyar	553,000	553,000
19	RHC Mohmmad Nari	953,000	784,345
20	RHC Sherpao	2,075,000	1,722,000
	Total	14,900,402	12,828,938

Annexure-14**Para 3.4.1.5****Detail of irregular cash withdrawal from designated bank account**

S#	Date	Amount (Rs.)
1.	24.01.2022	68,674
2.	25.01.2022	68,674
3.	08.02.2022	87,210
4.	10.02.2022	344,881
5.	10.02.2022	66,859
6.	18.02.2022	92,649
7.	24.02.2022	89,549
8.	04.03.2022	116,208
9.	04.03.2022	333,391
10.	28.03.2022	89,986
11.	06.04.2022	56,204
12.	06.04.2022	126,000
13.	12.04.2022	56,844
14.	18.04.2022	318,000
15.	19.04.2022	57,250
16.	28.04.2022	71,800
17.	28.04.2022	108,235
18.	12.05.2022	328,692
19.	16.05.2022	573,741
20.	26.05.2022	54,700
21.	27.05.2022	47,571
22.	27.305.2022	48,170
23.	31.05.2022	154,369
24.	07.06.2022	150,000
25.	07.06.2022	177,576
26.	13.06.2022	107,410
27.	13.06.2022	90,818
28.	16.06.2022	63,913
29.	22.02.2022	100,400
30.	01.06.2022	271,920
	Total	4,321,694

Annexure-15**Para 3.4.2.1****Detail of outstanding contractual amount during F.Year 2021-22****(Amount in Rs.)**

S.#	Name of Sources	Name of Contractor	Bid Amount (Rs)	Amount recovered (Rs)	Outstanding (Rs)
1	Cattle Fare Utmanzai	Jehangir Khan	3,690,000	2,132,450	1,557,550
2	Cattle Fare Charsadda	Nasir Khan s/o Gul Muhammad	2,146,000	1,928,700	217,300
3	Stop Fee Utmanzai	Jehangir Khan	1,633,333	780,660	852,671
4	Stop Fee Sardaryab	Jehangir Khan	933,333	314,682	618,651
5	Signboard	Sun Rise & Co	2,500,000	2,102,680	397,320
Total			10,902,666	7,259,172	3,643,492

Annexure-16**Para 3.4.2.4****Detail of outstanding rent of shops during FY 2021-22****(Amount in Rupees)**

S.No.	Market	Nos. of Shops	Total Demand	Collection	Outstanding
1	Mardan Road	40	1695890	758010	937880
2	Peshawar Road near Police Plaza	21	403200	380800	22400
3	Municipal Plaza Tangi Road	38	6400000	0	6400000
4	Nowshera Road (Ground Floor)	57	4045240	3654200	391040
5	Nowshera Road (1st Floor)	28	862100	376600	485500
6	Prang Road	36	1711700	1544200	167500
	Total	220	15118130	6713810	8,404,320

Annexure-17
Para 3.4.2.8

Detail of non-recovery of contractual amount

(Amount in Rupees)

S.No.	Contract	Contractor	Contractual amount Outstanding	Contractor	Contractual amount Outstanding	Contractor	Contractual amount Outstanding
			2019-20	2020-21		2021-22	
1	Cattle fair Tangi	Noor Rehman	863741	Asadullah Jan	744262	Adil	1498800
2	Cattle fair Ziam	Ridwanullah	252080	Asadullah Jan	618100	Adil	348000
3	Cattle fair Harichand	Jan Muhammad	117534	Asadullah Jan	542600	Adil	0
4	Cattle fair Sherpao	-	0	-	0	Adil	0
5	GBS Tangi	Asadullah Jan	1169960	Sajid Khan	383694	-	0
6	GBS Harichand	Asadullah Jan	2080000	Sajid Khan	258190	-	0
7	TehBazari		0		0	Sheriyar	71032
8	Sign Board		0		0	Ijaz& Co.	290629
	Total		4483315		2546846		2208461

Annexure-18
Para 3.4.2.9

Detail of Loss due to non-recovery of income tax

(Amount in Rupees)

S.No	Contract	Contractor	Income tax outstanding	Contractor	Income tax outstanding	Contractor	Income tax outstanding
		2019-20		2020-21		2021-22	
1	Cattle fair Tangi	Noor Rehman	53200	Asadullah Jan	359864	Adil	681,100
2	Cattle fair Ziam	Ridwanullah	252602	Asadullah Jan	272100	Adil	331,000
3	Cattle fair Harichand	Jan Muhammad	8000	Asadullah Jan	0	Adil	82,000
4	Cattle fair Sherpao	-	0	-	0	Adil	33,133
5	GBS Tangi	Asadullah Jan	122900	Sajid Khan	42555	-	0
6	GBS Harichand	Asadullah Jan	191000	Sajid Khan	55190	-	591,000
7	TehBazari		0		0	Sheriyar	69,640
8	Sign Board		0		0	Ijaz& Co.	0
	Total		627702		729709		1787873

Annexure-19
Para 3.4.2.17

Detail of non-recovery of outstanding dues pertaining to Financial Year 2019-20

(Amount in Rupees)

S.No.	Name of Source/Contract	Bid Amount	Income Tax 2019-20	Total Amount due	Total Deposited amount	Recoverable amount
1	General Bus Stand (228 days)	9601000	980100	10781100	5630200	5,150,900
2	Cattle Fair	5688000	568800	6256800	4064500	2,192,300
3	Cattle Fare (01.11.2020 - 30.06.2021 (35 Fairs)	3151000	315100	3466100	138650	3,327,450
Total outstanding						10,670,650
