



**AUDIT REPORT
ON
THE ACCOUNTS OF
LOCAL GOVERNMENTS
DISTRICT CHARSAKDA**

AUDIT YEAR 2021-22

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AA	Administrative Approval
AD	Assistant Director
ADEO	Assistant District Education Officer
ADP	Annual Development Program
AG	Accountant General
AIR	Audit and Inspection Report
AP	Advance Para
APPM	Accounting Policies and Procedures Manual
BHUs	Basic Health Units
C&W	Communication & Works
CCTV	Close Circuit Tele Vision
CDs	Civil Dispensaries
CMD	Chief Minister Directives
CTR	Central Treasury Rules
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DDEO	Deputy District Education Officer
DDO	Drawing and Disbursing Officer
DEO	District Education Officer
DFC	Divisional Forest Corporation
DG	Director General
DGHS	Director General Health Services
DHO	District Health Officer
DHO	District Health Officer
DO	District Officer
DPO	District Police Officer
ECG	Electrocardiography
EPI	Expanded Program on Immunization
FP register	Family Planning register
GER	General Enrolment Rate
GGPS	Government Girls Primary School
IHP	Integrated Health Project
IMU	Independent Monitoring Unit
INTOSAI	International Organization for Supreme Audit Institute
IT	Information Technology
KP	Khyber Pakhtunkhwa
KPPRA	Khyber Pakhtunkhwa Public Procurement Regulatory Authority

KV	Kilo Volt
LGA	Local Government Act
LGE & RDD	Local Government Election 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
NC	Neighborhood Council
NER	Net Enrolment Rate
NSI	Non-Schedule Item
OPD	Out Patient Department
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCC	Plain Cement Concrete
PEC	Pakistan Engineering Council
PESCO	Peshawar Electricity Supply Company
PFC	Provincial Finance Commission
PHE	Public Health Engineering
PST	Primary School Teacher
PTC	Parent Teacher Council
RCC	Re-in forced Cement Concrete
RHCs	Rural Health Centres
SDEO	Sub Divisional Education Officer
SDO	Sub Divisional Officer
SOPs	Standard Operating Procedures
SST	Secondary School Teacher
TAC	Tehsil Accounts Committee
THQ	Tehsil Headquarter
TMA	Tehsil Municipal Administration
TS	Technical Sanction
TT	Tetanus Toxoid
UPS	Uninterrupted Power Supply
VAC	Village Accounts Committee
VC	Village Council
WSS	Water Supply and Sanitation
XEN	Executive Engineer
ZAC	Zilla Accounts Committee

Preface

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 and 12 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 37 of Khyber Pakhtunkhwa Local Government Act, 2013, require the Auditor General of Pakistan to conduct audit of the account 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, in District Charsadda for the financial year 2020-21. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2021-22 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 the Annex-1 of the Audit Report. The audit observations listed in the Annex-1 shall 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 also 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 Khyber Pakhtunkhwa Local Government Act, 2013 for causing it to be laid before the appropriate legislative forum.

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General 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 DG 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 has a human resource of 61 officers and staff with a total of 15,250 man-days. The annual budget amounting to Rs 172.467 million was allocated to the office during FY 2021-22. The office is mandated to conduct regularity audit, financial attest audit, performance audit and special studies etc.

Local Governments of District Charsadda consist of three tiers which perform their operations under Khyber Pakhtunkhwa Local Government Act, 2013. 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. Top Tier – 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 AD Local Government Election & Rural Development Department. The second Tier–Town/Tehsil Municipal Administrations have one PAO i.e. Tehsil Municipal Officer for each administration. There are three Tehsils administrations in district Charsadda. The third Tier – 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 receipts¹ of these formations were Rs. 8,113.24 million and Rs. 677.509 million, respectively for the financial year 2020-21.

Audit coverage relating to expenditure for the current audit year comprises 08 formations of 05 PAOs having a total expenditure of Rs. 4,706.04

¹ District Government have no receipt

million for the financial year 2020-21. In terms of percentage, the audit coverage for expenditure is 58.004% of auditable expenditure.

Audit coverage relating to receipt for the current audit year comprises 03 formations of 03 PAOs (3 TMAs) having a total receipt of Rs 677.509 million for the financial year 2020-21. In terms of percentage, the audit coverage for expenditure is 100% of auditable receipt.

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. 86.054 million was pointed out in this report. No recovery was affected till the finalization of this reported.

c. Audit Methodology

Audit was conducted according to INTOSI 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

A recovery of Rs 86.054 million was pointed out by audit; however, positive audit impact depends on the management's willingness to implement an internal control framework and the recommendations of audit

e. Comments on Internal Control and Internal Audit department

Internal control is 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 LGA 2013;

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; and

No system of monitoring was found to track the progress of District Government towards its objectives. No internal Auditor was appointed. Annual Review of internal control was also not carried out.

f. Key audit findings of the report

- i. Non compilation/Consolidation of Accounts of Local Governments of receipts and expenditures – Rs. 1,418.079 million.²
- ii. Unverified payment of arrears of pay and allowances - Rs 219.482 million.³
- iii. HR/human resource related irregularities were noted in 07 cases amounting to Rs. 16.29 million.⁴
- iv. Procurement related irregularities were noticed in 03 cases amounting to Rs 55.307 million.⁵
- v. Issues in management of accounts with commercial banks were noted in 05 cases amounting to Rs. 51.603 million.⁶
- vi. Value for money & Service delivery issues were noticed in 07 cases amounting to Rs. 166.753 million.⁷
- vii. Others, including cases of accidents, negligence etc. were noticed in 16 cases amounting to Rs. 107.822 million.⁸

g. Recommendations

- i. TMAs accounts need to be consolidated at DAO.
- ii. 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.

² Para no. 1.2.1

³ Para no. 1.2.2

⁴ Para no. 2.5.1.1 to 2.5.1.4, 3.5.1.1 to 3.5.1.2 & 4.5.1.1

⁵ Para no. 2.5.1.5 to 2.5.1.7

⁶ Para no. 2.5.1.8, 4.5.1.2 to 4.5.1.5

⁷ Para no. 2.5.2.1 to 2.5.2.7

⁸ Para no. 2.5.3.1, 3.5.2.1 to 3.5.2.15

- iii. Departments need to implement all the components of internal control for ensuring effective and efficient utilization of public money.
- iv. Strenuous efforts need to be made by the departments to recover outstanding dues on account of rent of shops, revenue contracts and income tax
- v. The DAC meetings should be held more frequently.

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 Local Government Act, 2013 till the instillations of newly elected Local Governments. In the light of LGA 2013, 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. 9,351.38 million were allocated to 174 formations working under 05 PAOs. Out of which, expenditure of Rs. 8,113.24 million was made resulting into saving of Rs 543.38 million. Receipts of Rs.677.509 million were collected through these formations (TMAs) during the financial year 2020-21. Audit coverage relating to expenditure for the current audit year comprises 10 formations of 05 PAOs having a total expenditure of Rs. 4,706.04 million for the financial year 2020-21. In terms of percentage, the audit coverage for expenditure is 58.004% of auditable expenditure. Similarly, audit coverage for receipts is 100%.

(Rs. in million)

2020-21	Budget	Actual Expenditure/ Receipts	Excess/ (Saving)	Expenditure audited	%age
Salary	7,856.76	7,672.50	-184.26	4,706.04	58.0044769
Non-salary	937.635	900.292	-37.34		
Development	556.979	235.201	-321.78		
Total	9,351.38	8,113.24	-543.38	4,706.04	58.0044769
Receipts	677.509	677.509		677.509	100%

According to Section 36(3) of Local Government Act 2013, 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. 677.509 million into the consolidated financial statement of 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 Act, 2013. The District Government could not establish & maintain Public Fund account as required under section 30 of LGA 2013. 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 LGA 2013. 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 disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA 2013, 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 LGA 2013.

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.

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 house 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 Act, 2013 .. The Local Government could not establish & maintain Tehsil Public Fund Account as required under the section 30 of LGA. 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 LGA. Financial Statements, Finance Account and Appropriation Accounts of the TMAs were not prepared accordingly. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, 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 disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA 2013, 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 LGA 2013.

1.2 AUDIT PARAS

1.2.1 Non compilation/Consolidation of Accounts of Local Governments receipts and expenditures – Rs. 1,418.079 million

According to section 36(3) of Local Government Act 2013, 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 2020-21, 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 Local Government Act, 2013. Receipts and expenditure of Rs. 817.264 million and Rs. 600.814 million respectively, of the TMAs were are 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 Local Government Act 2013 by Local Governments in District Charsadda were not complied.

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

Necessary action needs to be taken for the consolidation of Local Government Accounts into District Accounts.

1.2.2 Unverified payment on account of arrears of pay and allowances - Rs219.482 million

Para 134 of GFR states that all claims in respect of Government employees shall be submitted to DAO/AG/AGPR duly complete in all respects and supported by relevant verifiable evidence (as mentioned in CTR 177) in respect of the claim. Similarly section 4.6.5.5 of APPM prescribes that any

change in employees allowances and deductions shall be notified (by the DDO) through the changes statement to DAO/AG/AGPR.

Finance Department Letter No: BO (W&M) /6-5/2019-20 dated 19/02/2020, provides 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.

During certification audit of Charsadda for the year 2020-21 while analyzing HR data it was noticed that arrears of pay and allowances of Rs 219,481,950 was paid, however, local office could not produce supporting documents for verification to audit.

The irregularity occurred due to non- availability of the relevant supporting of the arrears claim duly complete in all respects.

Payments of arrear of pay and allowances without supporting documents led to unfair and un-true financial statements which lead to qualification of audit opinion.

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

CHAPTER 2

District Government Charsadda

2.1 Introduction

Under Khyber Pakhtunkhwa Local Government Act 2013 (LGA 2013) ., 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 Act 2013, 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 2020-21	Revenue/ Receipts audited FY 2020-21
1	Formations	10	04	4,111.252	Nil
Total		10	04	4,115.252	Nil

2.2 Comments on Budget and Expenditure (Variance Analysis)

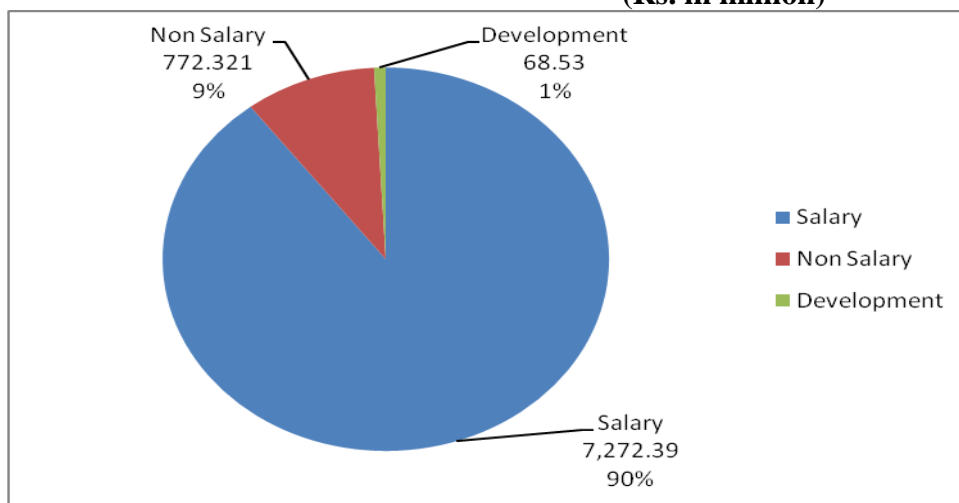
(Rs. in million)

2020-21	Budget	Actual Expenditure/ Receipts	Excess (+)/ Saving (-)	%age Excess/Saving
Salary	7,449.94	7,272.39	-177.55	2.3832
Non-salary	784.273	772.321	-11.95	1.52396
Development	87.579	68.53	-19.05	21.7506
Total	8,321.792	8,113.241	-208.55	2.506

The savings of Rs. 208.55 million indicates weakness in the capacity of District Government Departments to utilize the allocated budget.

EXPENDITURE 2020-21

(Rs. in million)



2.3 Classified Summary of Audit observations

Audit observations amounting to Rs. 397.775 million were raised as a result of this audit. This amount also included recoverable of Rs. 86.054 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/Employees related irregularities	16.29
B	Procurement related irregularities	55.307

C	Management of Accounts with commercial bank	51.603
2	Value for money and service delivery issues	166.753
3	Others, including cases of accidents, negligence etc.	107.822
Total		397.775

2.4 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	Not convened
14	2015-16	Not convened
15	2016-17	Not convened
16	2017-18	Not convened
17	2018-19	Not convened
18	2019-20	Not convened

2.5 AUDIT PARAS

2.5.1 Irregularities

A. HR/Human Resource related irregularities

2.5.1.1 Non-recovery of House Rent & conveyance allowance - Rs.2.430 million

According to Rule-32 (Chapter-VIII) of Khyber Pakhtunkhwa Residential Accommodation at Peshawar (Procedure, for allotment) Rules, 2018, normal rent, total amount equal to the house rent allowance plus five percent of running monthly basic pay of an allottee, shall be charged from the allottees, for a residential accommodation or designated accommodation, as the case may be.

The office of the District Health Officer Charsadda did not deduct HRA and conveyance allowances amounting to Rs 2,430,620 from employees to whom government accommodations were allotted during the financial year 2020-21. Detail is given at Annexure-2.

Non-recovery on account of House Rent and conveyance Allowance occurred due to non-adherence to government instructions and policies which resulted in loss to government.

When reported in August 2021, management stated that detailed reply will 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 August 2021, which could not be convened till finalization of this report.

Audit recommends taking appropriate action, to ensure recovery of government due from the date of occupation from the officers/official concerned.

AIR Para No. 243/2020-21

2.5.1.2 Unauthorized distribution of user charges-Rs 1.403 million

Existing formula for distribution of User Charges in the teaching/other hospital of KPK was revised vide No.SOB-1/HD/1-27/PR/VOL-III dated 15-04-2019 by the health department Peshawar as per following formula.

S#	Nature of operation	Revised Rates Rs.	Remarks
1	Depreciation charges	50%	Which shall be deposited into government treasury in separate account specifically maintained for the purpose
2	Cost of material kits	5%	
3	Divisible pool	45%	

45% divisible pool shall be distributed as per following details

1	Government share	70%
2	Concerned specialist/doctor share	12%
3	Para-medics	10%
4	Administrative staff	02%
5	Repair and maintenance	03%

Further, in case of non-availability of specialist in the health facility, the respective MS/DHO shall send the name of suitable doctor posted in the unit for allocation of doctor's share for approval of the competent authority on case-to-case basis. Without any such authorization, MS/other doctors cannot take such share and the same will be deposited into govt treasury.

The office of the District Health Officer Charsadda paid Rs1, 403,036 on account of user charges to medical officers during the financial year 2020-21, however, audit noticed the following irregularities: -

1. Instead of paying 12% share out of 45% divisible pool as per criteria, 25% share was paid to Medical Officers out of total amount.
2. No specialists were available in the health facilities however, specialist share were paid to medical officers without approval of the competent authority instead of depositing into government treasury. Detail is given at Annexure-3.

Un-authorized payment occurred due to weak internal control which resulted in loss to government.

When reported in August 2021, management stated that detailed reply will 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 August 2021, which could not be convened till finalization of this report.

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

AIR Para No. 230/2020-21

2.5.1.3 Irregular drawl of Non-Practicing Allowance - Rs 1.011 million

According to Health Department, Government of Khyber Pakhtunkhwa letter No. SO(H) iV/1-90/78 dated 19.06.1990, all those drawing Non-Practicing Allowance will have to execute a bond to the effect that they will not engage themselves in private practice and in case of violation, the defaulter will be proceeded against under the Efficiency and Discipline Rules 1973.

Office of District Health Officer, Charsadda paid Rs 1,011,097 to various doctors on account of Non-Practicing Allowance during FY 2020-21. However, affidavits of non-practicing on stamp papers duly countersigned by the Oath Commissioner were not available on record. Detail is below: -

S#	Particular	Expenditure (Rs)
1.	CA6112-Admn	150,000
2.	CA6117-CDs	18,000
3.	CA6226-THQ Shabqadar	336,000
4.	CA6269-THQ Tangi	162,194
5.	CA6270-RHCs	152,903
6.	CA6271-BHUs	192,000
Total		1,011,097

Irregular payment of non-practicing allowance occurred due to weak internal control which resulted in loss to public exchequer.

When reported in August 2021, management stated that detailed reply will 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 August 2021, which could not be convened till finalization of this report.

Audit recommends acquiring requisite affidavits from the Medical Officers else wise recovery to be made effected under intimation to audit.

AIR Para No.242/2020-21

2.5.1.4 Irregular appointment of class-IV staff

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.

The office of the District Education Officer Male Charsadda appointed 39 class-IV staff in various schools without advertisement of the posts in the newspapers during the FY 2020-21. Moreover, NOC from District Employment Exchange was also not obtained.

The lapse occurred due to non-observance of rules and regulation which resulted in irregular appointment of Class-IV staff.

When pointed out in August 2021, management stated that the appointments were made through employment exchange office. Reply was not convincing as no substantial evidence was produced in this regard.

Request for convening the DAC meeting was made in August 2021, which could not be convened till finalization of this report.

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

AIR Para No.293/2020-21

B. Procurement related irregularities

2.5.1.5 Unauthorized advance drawls of funds from government treasury on account of purchase of medicines –Rs. 41.738 million

According to clause 22 of Government MCC rate contract agreement issued vide Director General Health Services Khyber Pakhtunkhwa Peshawar letter No. 1805-1909/DD(Preq/Reg/Drugs) dated 11.09.2018. The supply of the

ordered goods under agreement shall be completed by the supplier within thirty (30) days after the receipts of supply orders from the purchasing Agency.

Rule 379 of FTR Vol-I, prohibits the drawl of money from government treasury in advance of supply.

The office of the District Health Officer, Charsadda drew Rs. 41,738,787 from government treasury on account of purchase of medicines and deposited into the designated account of DHO in advance during the FY 2020-21. However, no order for supply of medicine was made till the date of audit i.e. July 2021.

The irregularity occurred due to weak internal control which resulted in advance drawl from government treasury.

When pointed the management stated that detailed reply will be submitted after scrutiny of record.

Request for convening the DAC meeting was made in August 2021, which could not be convened till finalization of this report.

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

AIR Para No. 233/2020-21

2.5.1.6 Sub-standard construction of class rooms under conditional grant fund -Rs 1.6 million

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. (PTC guidelines)

The office of District Education Officer (Female) Charsadda paid Rs. 1,600,000 to GGHS Shah Afzal Abad for construction of two additional class rooms during FY 2020-21. The enquiry report of Deputy District Education Officer (Female) Charsadda revealed that construction of classrooms was not as per specifications and prescribed standards. However, no action was taken till the date of audit i.e. August 2021.

The lapse occurred due to weak internal control which resulted in sub-standard construction of classrooms.

When pointed out in August 2021, management stated that an inquiry is under process and the outcome will be shared with audit. However, no progress was shown till finalization of this report.

Request for convening the DAC meeting was made in August 2021, which could not be convened till finalization of this report.

Audit recommends inquiry and disciplinary action against persons at fault

AIR Para No.354/2020-21

2.5.1.7 Non-supply of medicines –Rs. 11.147 million

Non-imposition of penalty – Rs.0.822 million

According to clause 22 of Government MCC rate contract agreement issued vide Director General Health Services Khyber Pakhtunkhwa Peshawar letter No. 1805-1909/DD(Preq/Reg/Drugs) dated 11.09.2018. supply shall be completed by the supplier within thirty (30) days after the receipts of supply orders from the purchasing Agency. According to clause I (a) of the bidding documents, recovery from the supplier may be made effected as stipulated in the relevant purchase order/contract agreement, equivalent to 0.067% per day (2% per month) for the total value of contract, in case of failure to deliver as per agreed timeline. Total penalty shall not be imposed beyond maximum 10% of the contract value.

Clause 18(ii) of the MCC notification states that upon delay in the supply from (46 to 60 days), a lump sum total penalty amounting to 7% of the total amount of the supply order for total number of items ordered in the same supply order issued to the supplier, shall be levied through deduction the total amount of penalty from the total pre-tax payable billed amount by the purchasing entity irrespective of the number of items supplied late.

Further clause 18(iii) states that after the expiry of these extended periods (46 to 60 days), the order shall stand cancelled to the extent of non-supplied items and the purchaser will have the right to debar the supplier from future participation, forfeiture of performance guarantee, and black l.

The office of the District Health Officer, Charsadda placed supply orders in the months of May & June for Rs. 11,147,887 during the FY year 2020-21. However, the medicines were not supplied within 30 days by the suppliers. Moreover, medicines for Rs.16,330,892 were late supplied by the suppliers however; penalty for Rs 822,274 @7% was not imposed & recovered. Detail is given at Annexure-4 & 5.

Audit observed that non-supply of medicines occurred due to weak internal control which resulted in blockage of government funds.

When reported in August 2021, management stated that detailed reply will 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 August 2021, which could not be convened till finalization of this report.

Audit recommends supply of medicines besides imposition of penalties under intimation to audit.

AIR Para No. 237&247/2020-21

C. Management of Accounts with commercial Banks

2.5.1.8 Unauthorized utilization of government funds without revival – Rs.12.207 million

Government of Khyber Pakhtunkhwa Finance Department vide letter No. 2/3(F/L)/FD/2018 / Vol-Xii dated: 03.07.2019 stated that closing balances in all designated bank accounts falling in the purview of the department concerned with respective Budget / Development Sections of Finance Department latest by July 15th, 2020. Moreover, the balances in the bank accounts, if any, remaining on June 30th, 2020 shall not be available for use without its prior revival by Finance Department.

According to Finance Department Khyber Pakhtunkhwa letter No. SOR.III (FD) 6-1/90/XIII dated 29.06.1991 and No. 5/24/FD/SOR-III/1983 dated 22.11.1983, no amount should be kept in any commercial bank by any Drawing and Disbursing Officer unless expressly authorized by the Finance Department. Such amount lying in commercial banks should be drawn and credited to

Government immediately. Failure to comply with these instructions shall be taken seriously and stern disciplinary action will be taken.

According to rule 290 of Treasury Rules, “no money should be drawn from Treasury unless required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demand or to prevent lapse of budget grant”.

The office of DC Charsadda carried over Rs 12,207,232 from the previous year as unspent balances during the FY 2020-21. However, the case for its prior revival was not sent to the Finance Department before utilization.

(Amount in Rupees)

S.#	Title of Account	Account No.	Bank	Closing Balance as on 30.06.2020
1.	DC office	4109891189	NBP	10,528,883
2.	DC Office	4109891778	NBP	68,942
3.	Tehsildar Shabqadar	0024-00-6	BOK	1,609,407
Total				12,207,232

The lapse occurred due to weak financial management resulting in non-reflection of true and fair picture of financial information.

When reported in August 2021, management replied that the instructions have been noted & compliance will be shown to audit.

In the DAC meeting it was decided that clarification from the finance department will be obtained and action will be taken accordingly however, no progress was reported till finalization of this report.

Audit recommends that proper case for revival of funds to be sent to Finance Department for approval along with valid justification for retaining this amount in the designated bank accounts.

AIR Para No.218/2020-21

2.5.2 Value for money and Service delivery issue

2.5.2.1 Un-authentic payments on account of polio campaign– Rs12.381 million

According to 2.3.2.8 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.

The office of the Deputy Commissioner, Charsadda paid Rs 12,381,000 to DPO & DHO Charsadda on account of Polio campaign during the financial year 2020-21. However, actual payment receipts as proof of payment was not available on record. Detail is given below:

S.No	Particular	Payee	Cheque No	Dated	Amount
1	Security cost of Khyber Pakhtunkhwa polio SNID-1 & II August 2020 Phase-VII	DPO Charsadda	152522998	02-12-2020	1,149,000
2	Security cost of Khyber Pakhtunkhwa polio SNID-2 September 2020 Phase-VII (21-09-2020 to 24-09-2020)	DPO Charsadda	152522999	02-12-2020	1,217,000
3	Payment of enhanced per Diem to polio workers for strengthening of polio eradication imitative in Khyber Pakhtunkhwa	DHO Charsadda	Various cheques	31-05-2021	10,015,000
Total					12,381,000

The lapse occurred due to non-observance of rules, resulting in irregular releases of funds leading to un-authentic payment.

When reported in August 2021, management stated that the DPO & DHO has been requested to provide actual payee receipts of the payments to this office for production to audit. The reply was not correct as evidence in support of reply was not produced.

In the DAC meeting, the departments produced partial record however; complete record was not provided for verification till finalization of this report.

Audit recommends production of complete record for verification to audit.

AIR Para No. 210/2020-21

2.5.2.2 Non-deposit of domicile fee into government treasury - Rs.1.601 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”.

The office of the Deputy Commissioner, Charsadda during the financial year 2020-21 retained accumulated receipts of Rs 1,601,356 in designated bank account as sale of domicile form fee, instead of deposit into government treasury under relevant head of account.

Non-deposit of domicile form fee occurred due to lack of internal control which resulted in blockage of government money.

When reported in August 2021, management stated that the pendency has occurred on technical grounds & record for the same will be produced to audit. The reply was not correct as no steps were shown taken for the deposit of government receipts into treasury.

In the DAC meeting, the department was directed to provide Challan of the deposit of the amounts into government treasury for verification. However, no record was produced to audit till finalization of this report.

Audit recommends production of Challan for the deposit of the amounts into government treasury.

AIR Para No. 209/2020-21

2.5.2.3 Non-disbursement of land acquisition fund–Rs 124.140 million

According to Land Acquisition Act 1894 Para 11.B the whole process of land acquisition should be completed within six months by the collector otherwise, he will be personally responsible for delay may result in disciplinary proceeding against him/her.

The office of the Deputy Commissioner Charsadda paid Rs 124.140 million to Tehsildar shabqadar on account of payment to land owners for acquisition of land for government projects during the financial years 2018-19 &

2020-21. However, the disbursement process was not completed till date of audit. Detail is given at Annexure-6.

The irregularity occurred due to lack of internal control which resulted in non-disbursement of funds.

When reported in August 2021, management stated that the delay has been made due to some technical issues during the acquisition of land; detail record would be produced after scrutiny of the record. The reply was not correct as reason for the delay in payment was not shown to audit.

In the DAC meeting, the record of disbursement of funds for acquisition of land was produced for verification. Record of disbursement for Rs 102 million was verified by DAC on the spot whereas record of disbursement for Rs 22 million was still pending against the department.

Audit recommends disbursement of the remaining amounts to the concerned under intimation to audit.

AIR Para No. 212/2020-21

2.5.2.4 Unauthorized usage of electricity of THQ Hospital Shabqadar- Rs 9.925 million

According to Rule 74 of the District or City District Government Budget Rules 2016 states that every officer incurring or authorizing expenditure from district fund shall be guided by high standards of financial propriety. Among the principles on which generally greater emphasis is laid are (a) every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money (d) Public moneys should not be utilized for the benefit of a particular person or section of the community unless the amount of expenditure involved is insignificant.

The office of the DHO paid Rs 9,925,000 to PESCO on account of electricity charges of THQ Hospital Shabqadar, district Charsadda during the financial year 2020-21. However, staff of THQ Hospital Shabqadar also using government accommodations of the hospital and utilizing electricity of the hospital illegally since long, which is also evident from the report of the Medical Superintendent of THQ Shabqadar.

The lapse occurred due to weak internal controls resulting in unauthorized usage of electricity of THQ Hospital Shabqadar.

When reported in August 2021, management stated that detailed reply will be submitted after scrutiny of record.

Request for convening the DAC meeting was made in August 2021, which could not be convened till finalization of this report.

Audit recommends recovery of the electricity charges besides fixing responsibility against the person(s) at fault.

AIR Para No. 238/2020-21

2.5.2.5 Irregular expenditures on account of polio eradication campaign – Rs. 5.3 million

According to Rule 9(2) (f) of the Khyber Pakhtunkhwa, District or City District Governments, Budget Rules 2016, the functions of the Drawing and Disbursing Officer are the maintenance of relevant records both accounting and operational upto date and in an orderly manner.

The office of the DHO Charsadda drew Rs 5.3 million from government treasury vide cheque No.0992531 dated 08-10-2020 on account of polio vaccination campaign during the financial year 202-21.

Audit observed that:

1. The amount was drawn from government treasury and deposited in the designated account of DHO Charsadda instead of payment to concerned quarters.
2. Attendance/tour program in respect of officials & officers who participated in the campaign was not available on record.
3. Rs 3,900,000 were paid to Deputy Commissioner Charsadda vide cheque No.3559734 dated 20-10-2020 however, actual payee receipts were not available on record.
4. The DHO office did not maintain proper record of payments for the remaining amount Rs 1.4 million.

The lapse occurred due to weak internal control and financial management resulting in un-verified expenditures.

When reported in August 2021, management stated that detailed reply will 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 November 2021, which could not be convened till finalization of this report.

Audit recommends production of APRs and other relevant record in support of the payment to audit.

AIR Para No.240/2020-21

2.5.2.6 Unauthorized payments to DDOs instead of crossed cheques- Rs.1.297 million

According to 2.3.2.8 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.

The office of the District Education Officer Male Charsadda during the financial year 2020-21 drew Rs1,297,591 from government treasury through DDO instead payment through crossed cheques to Vender/Payees Accounts.

The irregularity occurred due to weak internal controls which resulted in unauthorized payments to DDOs which makes the veracity of the expenditures doubtful.

When pointed out in August 2021, management stated that DDO payment was made to proscribed organization as per directions of higher ups. Reply was not convincing as no documentary proof was produced.

Request for convening the DAC meeting was made in August 2021, which could not be convened till finalization of this report.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

AIR Para No.284/2020-21

2.5.2.7 Blockage of Government fund –Rs 12.109 million

As per Notification of Elementary & Secondary Education Department issued vide No. MO-I/ESRU/E&SED/Monitoring/CG/2017-18, dated 17.11.2017, District Validation/ Re-adjustment Committee for conditional grant program is constituted at district level for ensuring authentic/ valid information/ data received in respect of missing facilities and their re-adjustment from various ends. The committee is the sole approving authority of inter-school transfer of conditional grants funds in the District Education offices.

The office of the District Education Officer (Male) Charsadda released conditional grant funds Rs 12,109,991 to various schools during the FY 2020-21 however, the funds were neither utilized by these schools nor were re-appropriated to other needy schools. Detail is given at Annexure-7.

The irregularity occurred due to weak internal controls which resulted in blockage of Government fund.

When reported in August 2021, management stated that detailed reply will 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 August 2021, which could not be convened till finalization of this report.

Audit recommends that proper M&E Framework may be devised to ensure timely utilization of funds under intimation to audit.

AIR Para No.295/2020-21

2.5.3 Others, including cases of accidents, negligence etc.

2.5.3.1 Irregular release of funds under conditional grants to rented school- Rs 830,000

According to Rule 74 of the District or City District Government Budget Rules 2016 states that every officer incurring or authorizing expenditure from district fund shall be guided by high standards of financial propriety. Among the principles on which generally greater emphasis is laid are (a) every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money (d) Public moneys should not be utilized for the benefit of a particular person or section of the community unless the amount of expenditure involved is insignificant.

The office of the District Education Officer Female Charsadda released funds worth Rs 830,000 under conditional grant to the rented school GGPS Mirza Dher on 25.07.2016 for construction of one class room and group latrine. However, instead of returning back the amount to respective education office, the PTC drew the money illegally from its designated bank account and retained it till date of audit i.e. August 2021.

Lapse occurred due to weak internal control which resulted in loss to Government.

When pointed out in August 2021, management stated that matter will be inquired and results will be shared with audit however, no progress was intimated till finalization of this report.

Audit recommends enquiry and recovery of the amount besides action against the person(s) at fault.

AIR Para No.255/2020-21

CHAPTER- 3

Tehsil Municipal Administrations

3.1 Introduction

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 Local Government Act, 2013 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 site development in collaboration with district government.

Audit profile of TMAs of District Charsadda

(Rs. in million)

Sr. No	Description	Total Nos	Audited	Expenditure audited FY 2020-21	Revenue/Receipts audited FY 2020-21
1.	Municipal services	03	03	590.791	677.509

3.2 Comments on Budget and Accounts (Variance Analysis)

The budget and expenditure position of Tehsil Municipal Administrations in District Charsadda for the year 2020-21 is as under:

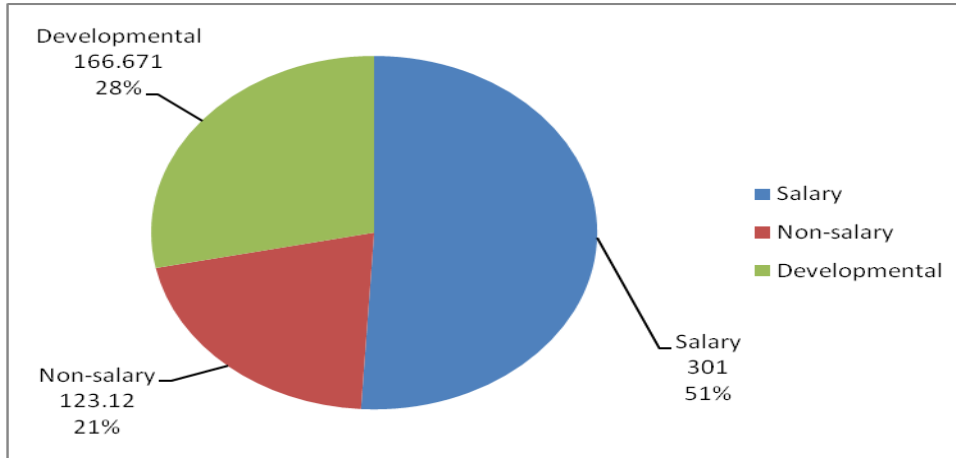
(Rs. in million)

Description	Budget	Expenditure	Excess/ (Saving)	%age
Salary	306	301	(5)	1.633
Non-salary	147.03	123.12	(23.91)	16.262
Developmental	469.4	166.671	(302.729)	64.49
Total	922.43	590.791	(331.639)	35.95
Receipts	677.509	677.509	0	0

The savings of Rs. 331.639 million indicates weakness in the capacity of these local institutions to utilize the allocated budget.

EXPENDITURE 2020-21

(Rs. in million)



3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 108.629 million were raised as a result of this audit. This amount also includes recoverable of Rs 59.575 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	4.037
2	Others, including cases of accidents, negligence etc.	104.592
Total		108.629

3.4 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

3.5 AUDIT PARAS

3.5.1 Irregularities

A. HR/Human Resource employees related irregularities

3.5.1.1 Irregular expenditure on account of contingent paid staff – Rs2.524 million

According to Para 6 read with Para 1(a) of Finance Department Government of KPK letter No. BO.I/ FD/ 5-8 /2018-19/Austerity measures dated 29.10.2018 read with No. BO.I / FD/5-8/2019-20/Austerity measures No. 01.07.2019, no appointment of contingent paid staff shall be made during the course of financial year 2020-21 unless recommended by the committee comprising of Secretaries of GoKP, Finance, Establishment & Administration, P&D Departments well as concerned department and approved by the Chief Minister, KP.

Office of Tehsil Municipal Administration Shabqadar paid Rs. 2,524,036 on account of pay to contingent paid staff without approval of Finance Department Khyber Pakhtunkhwa during Financial Year 2020-21. Moreover, detail of the staff with regard to place of duty and attendance was not provided to audit. Further, the Payment was made in cash and APR also not found obtained on record violation of the above-mentioned criteria.

Irregular payment to contingent paid staff occurred due to weak financial controls which resulted in violation of rules.

When reported in November 2021, management stated that detailed reply will 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 November 2021, which could not be convened till finalization of this report.

Audit recommends for regularization of appointments from the competent forum and action against the person(s) at fault.

AIR Para No390/2020-21

3.5.1.2 Irregular payment of Pay and Allowances through DDO – Rs.1.513 million

According to Rule-157 of Treasury Rules Vol-I the cheques 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”. This Rule will however not apply to Federal Govt. Servants in r/o pay and allowances up to Rs. 2000/- per month. In this regard the Accountant General Office and all other concerned have also issued instructions for payment of pay and allowances to Govt. employees through their bank accounts only.

Para 4.6.3.1 of APPM requires that the normal method of payment of monthly salaries of all government employees shall be by credit transfer directly to a bank account nominated by the employee.

Office of Tehsil Municipal Administration Charsadda paid Rs. 1,512,876 on account of Pay & Allowances to employees through DDO instead of direct credit advice to their respective bank accounts during FY 2020-21. Moreover, Actual Payee’s Receipts were also not available. Detail is given below.

S#	Name of employee	Per month Amount	Total for the year 2020-21
1	TMO	96,073	1,152,876
2	Legal adviser	30,000	360,000
Total			1,512,876

Payment of pay and allowances through DDO occurred due to weak financial controls which resulted in unverified expenditure.

Request for convening DAC meeting was made in August, 2021, however DAC meeting could not be convened till finalization of this report.

Audit recommends payment of pay and allowances through direct credit advice instead of DDOs and action against the person(s) at fault.

AIR Para No.333/2020-21

3.5.2 Others, including cases of accidents, negligence etc

3.5.2.1 Non-recovery of outstanding dues – Rs 3.465 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.

Office of the Tehsil Municipal Officer Charsadda, did not recover Rs 3,465,525 from the contractors during the FY 2020-21 on account of outstanding receipts. Moreover, no serious efforts were shown to audit to recover outstanding amount from the defaulting contractors. Detail is produced below:

S.No	Name of Contractor	Total Amount outstanding
1	Asad Ullah Khan	1,739,885
2	Noor Rehman	770,450
3	Nasir Khan	445,480
4	Sajid Khan	380,100
5	Daud Jan	129,610
Total		3,465,525

The non-recovery occurred due to weak internal controls which resulted in loss to government.

When pointed out in November 2021, management stated that detailed reply will be submitted after scrutiny of the record. However, no progress was shown till finalization of this report.

Request for convening the DAC meeting was made in November 2021, which could not be convened till finalization of this report.

Audit recommends recovery besides fixing responsibilities on person(s) at fault

AIR Para No. 322/2020-21

3.5.2.2 Non-recovery of rent of shops & cabins -Rs 6.157 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.

Office of the Tehsil Municipal Officer Charsadda did not recover Rs 6,157,300 on account of rent of shops during the FY 2020-21. Moreover, no

serious efforts were shown to audit to recover outstanding amount from the defaulting shopkeepers. Detail is produced below:

(Amount in Rs)

S.No	Particular	Receipts Demand	Recovery	Outstanding
1	Rent of Shops & cabins Charsadda	14,882,790	8,866,490	6,016,300
2	Rent of Shops & cabins Utmanzai	4,914,00	350,400	141,000
Total				6,157,300

Non-recovery of outstanding dues occurred due to weak internal controls which resulted in loss to government

When pointed out in November 2021, management stated that detailed reply will be submitted after scrutiny of the record. However, no progress was shown till finalization of this report.

Request for convening the DAC meeting was made in November 2021, which could not be convened till finalization of this report.

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

AIR Para No.326/2020-21

3.5.2.3 Loss due to non-auction of contract of receipt–Rs 9.617 million

According to clause 17 of contract agreement between owner of the property of the site of GBS shabqadar and TMA shabqadar, if no contractor take part in the bid process of the auction of the receipt contract of GBS, the owner of the property will take the receipt contract on the cost 20% above the last year contract.

According to clause 41(1) of LGA 2013, every official or servant of a local government, every member of a local council, and every person charged with administration and management of property of a local government shall be personally

Office of the Tehsil Municipal Officer, Shabqadar did not auction the contract of general bus stand which resulted in loss of Rs 9,616,786 to government during the financial year 2020-21. Detail is below:

Contract	Due recovery (20% above over last year actual amounts)	Departmenta collection	Deficit in collection	Add 10% withholding tax	Total loss
General Bus Stand Shabqadar	1,787,0760	1,0041,050	7,829,710	1,787,076	9,616,786

The irregularity occurred due to weak internal control which resulted in loss to government exchequer.

When reported in November 2021, management did not furnish reply

Request for convening the DAC meeting was made in November 2021, which could not be convened till finalization of this report.

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

AIR Para No.378/2020-21

3.5.2.4 Irregular expenditure on account of repair of transformer-Rs3.697 million

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

According to Chief Minister KPK letter No. SOV/CMS/KPK/E&P/2016/14586 dated 11.11.2016 addressed to all Chief Executives PESCO KPK, TMA will carry out repair of Transformers in cases in which TMA has already transferred the funds. The repair may be outsourced through PESCO pre-qualified/approval workshops and quality oil and accessories should be used to avoid recurrent repair.

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. Made, 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 and representative of the owner of workshop and will sign the job/ inspection report. Approved PESCO Workshop will provide warranty for one year as PESCO SOP.

The repaired transformers will be installed at the same location by the concerned SDO PESCO and in the presence of representative of Deptt/TMA concerned.

Office of the Tehsil Municipal Officer, Charsadda incurred expenditures of Rs 3,697,019 on account of repair of transformers against the estimated cost of Rs 9.4 million during the financial year 2020-21. Details are at Annex-8

The following irregularities were noticed.

1. The transformers were the WAPDA's assets and repair of the said was the responsibility of WAPDA. Hence, the repair of transformers in private workshops through contractor was unauthorized and illegal.
2. Payment was made on non-schedule items, however, Market Rate Analysis thereof was not available on record.
3. Technical sanction was accorded by the Engineer Civil for which he was not competent, the sanction was required to be obtained from the engineer electrical having experience/specialty in the relevant field.
4. Report regarding inspection by PESCO and the detail of transformer i.e. Made, Serial No, PO No date and year of manufacturing, location capacity and fault in separate register was not maintained as required.
5. The repaired transformers were not checked by the Committee including representative of PESCO, & Tehsil member concerned and representative of the owner of workshop.
6. Documentary evidence regarding work shop of the contractor duly approved by the WAPDA was not available on record.
7. Demand from the community and Site/ specific location where repair was carried out not available on record.

Award of contract of repair of transformers and expenditure thereon occurred due to weak internal control which resulted in unauthorized expenditure.

When pointed out in November 2021, management stated that detailed reply will be submitted after scrutiny of the record. However, no progress was shown till finalization of this report.

Request for convening the DAC meeting was made in November 2021, 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.328/2020-21

3.5.2.5 Wasteful expenditures on account of construction of shops on disputed land -Rs 3.952 million

Section 41 of Local Government Act 2013 provides, “every official or servant of a local government, every member of a local council, and every person charged with administration and management of property of a local Government shall be personally responsible for any loss or waste, financial or otherwise, of any property belonging to a local Government which is a direct consequence of decisions made by him personally or under his directions in violation of this Act or any other law for the time being in force or which accrues Khyber Pakhtunkhwa Local Government Act, 2013 as a result of his negligence or misconduct, and shall be liable to pay such surcharge as may be determined by the respective Accounts Committee and such amount shall be recoverable as arrears of land revenue.

Office of the Tehsil Municipal Officer, Charsadda incurred expenditures of Rs 3,952,130 on account of construction of shops at Utmanzai Charsadda during the financial year 2020-21. however, the under construction market was occupied by miscreants, who claimed ownership of the land. Government could not vacate illegal occupation from its property till the date of audit i.e. November 2021. Thus expenditure made so far on construction of market gone wasted.

The lapse occurred due weak administration which resulted in loss to the government.

When pointed out in November 2021, management stated that detailed reply will be submitted after scrutiny of the record. However, no progress was shown till finalization of this report.

Request for convening the DAC meeting was made in November 2021, which could not be convened till finalization of this report.

Audit recommends immediate vacation of government property and resumption of construction of the market under intimation to audit.

AIR Para No.334/2020-21

3.5.2.6 Non-recovery of scrutiny fee from housing societies -Rs 3.454 million

According to Clause 49 of the LGA, 2013, taxation rules, all taxes and other charges levied by a local government shall be imposed, assessed, leased, compounded, administered and regulated in such a manner as may be prescribed by rules which may, among other matters, provide for the obligation of the tax payer and the duties and powers of the officials responsible for the assessment and collection of taxes.

Office of the Tehsil Municipal Officer, Charsadda during the financial year 2020-21 did not recover scrutiny fee Rs 3.454 million @Rs 500 per kanal from housing societies measuring 6,908 Kanals land falling under its jurisdiction.

The irregularity occurred due weak financial control which resulted in loss to government.

When pointed out in November 2021, management stated that detailed reply will be submitted after scrutiny of the record. However, no progress was shown till finalization of this report.

Request for convening the DAC meeting was made in November 2021, which could not be convened till finalization of this report.

Audit suggests immediate recovery of outstanding dues and inquiry along with action against the person(s) at fault.

AIR Para No.340/2020-21

3.5.2.7 Irregular expenditures on account of AOM&R -R 2million

According to Para 15 of the austerity measures for the financial year 2020-21 circulated by the government of Khyber Pakhtunkhwa Local Government, Elections and Rural Development, Local Council Board Letter No. AO/LCB/Economy Measures/TMAs/2020 dated 19-08-2020, No fund will be

utilized on account of annual & special repair of such roads and buildings (AOM&R) which have been repaired/rehabilitated during last three years except food, earth quack effected government infrastructure. To ensure the scope of standard of such works director general evolution M&E shall inspect the sites periodically and provide a report to P&D and finance department, the concerned SDEO shall submit a certificate to the effect that no fund have been utilized for the repair & maintenance of the concerned road and building in the last three years.

According to sub-section 14(xiii) of second schedule of the Khyber Pakhtunkhwa District Government Rules of Business, 2015, "Planning, designing, construction, maintenance, annual/special repair of all offices and residential buildings is the responsibility/duty of C&W department".

Office of the Tehsil Municipal Officer, Charsadda incurred expenditures of Rs 2 million on account of AOM&R during the year 2020-21 out of 30% PFC fund however, audit noticed the following irregularities: -

1. Periodical report of the Director General M&E was not available on record.
2. SDEO certificate regarding non utilization of fund for the repair & maintenance of the concerned road and building in the last three years was not available on record.
3. Funds for the repair was utilized out of PFC 30% developmental share however, there was no provision in criteria for utilization of the PFC fund for AOM&R therefore, the expenditures were un-authorized.
4. The expenditures were not incurred on AMO&R of roads & buildings.
5. Estimate/detailed PC-1 was not prepared instead tendered was floated without giving quantities to be executed at site which shows that the expenditures were incurred just to utilize the available funds.

The irregular expenditures occurred due to weak internal control which resulted in loss to government.

When pointed out in November 2021, management stated that detailed reply will be submitted after scrutiny of the record. However, no progress was shown till finalization of this report.

Request for convening the DAC meeting was made in November 2021, which could not be convened till finalization of this report.

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

AIR Para No.353/2020-21

3.5.2.8 Non-recovery of outstanding dues – Rs 2.436 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.

Office of the Tehsil Municipal Officer Tangi did not recover Rs 2,436,356 from contractors during FY 2020-21. However, no serious efforts were shown to audit to recover outstanding amount from the defaulting contractors. Detail is below: -

S.No	Name of Contract	Total Amount outstanding
1	Cattle fair tangi	744,262
2	Cattle fair ziam	618,100
3	General Bus stand Tangi	383,694
4	General Bus stand Harichand	690,300
Total		2,436,356

The irregularity occurred due to weak internal control which resulted in non-recovery of the contractual amounts.

When pointed out in November 2021, management stated that detailed reply will be submitted after scrutiny of the record. However, no progress was shown till finalization of this report.

Request for convening the DAC meeting was made in November 2021, which could not be convened till finalization of this report.

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

AIR Para No.357/2020-21

3.5.2.9 Irregular expenditure on account of repair of transformer- Rs16.839 million

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

According to Chief Minister KPK letter No. SOV/CMS/KPK/E&P/2016/14586 dated 11.11.2016 addressed to all Chief Executives PESCO KPK, TMA will carry out repair of Transformers in cases in which TMA has already transferred the funds. The repair may be outsourced through PESCO pre-qualified/approval workshops and quality oil and accessories should be used to avoid recurrent repair.

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. Made, 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 and representative of the owner of workshop and will sign the job/ inspection report. Approved PESCO Workshop will provide warranty for one year as PESCO SOP. The repaired transformers will be installed at the same location by the concerned SDO PESCO and in the presence of representative of Deptt/TMA concerned.

Office of the Tehsil Municipal Officer, Tangi awarded the 03 works of “Repair of transformer at various locations” and incurred expenditure of Rs 16,838,962 against the estimated cost of Rs 29.8 million

The following irregularities were noticed.

1. The transformers were the WAPDA’s assets and repair of the said was the responsibility of WAPDA. Hence, the repair of transformers in private workshops through contractor was unauthorized and illegal.
2. Payment was made on non-schedule items, however, Market Rate Analysis thereof was not available on record.

3. Technical sanction was accorded by the Engineer Civil for which he was not competent, the sanction was required to be obtained from the engineer electrical having experience/specialty in the relevant field.
4. Report regarding inspection by PESCO and the detail of transformer i.e. Made, Serial No, PO No date and year of manufacturing, location capacity and fault in separate register was not maintained as required.
5. The repaired transformers were not checked by the Committee including representative of PESCO, & Tehsil member concerned and representative of the owner of workshop.
6. Documentary evidence regarding work shop of the contractor duly approved by the WAPDA was not available on record.
7. Demand from the community and Site/ specific location where repair was carried out not available on record.

Award of contract of repair of transformers and expenditure thereon occurred due to weak internal control which resulted in unauthorized expenditure.

When pointed out in November 2021, management stated that detailed reply will be submitted after scrutiny of the record. However, no progress was shown till finalization of this report.

Request for convening the DAC meeting was made in November 2021, 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.358/2020-21

3.5.2.10 Non recovery of water charges – Rs 8.579 million

According to Clause 49 of the LGA, 2013. Taxation rules, all taxes and other charges levied by a local government shall be imposed, assessed, leased, compounded, administered and regulated in such a manner as may be prescribed by rules which may, among other matters, provide for the obligation of the tax payer and the duties and powers of the officials responsible for the assessment and collection of taxes.

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.

Office of Tehsil Municipal Officer, Tangi did not recover the outstanding dues on account of water charges Rs 8,579,749 against the defaulters during FY 2020-21.

Loss occurred due to weak internal control which resulted in financial management.

When pointed out in November 2021, management stated that a detailed reply will be submitted after scrutiny of the record. However, no progress was shown till finalization of this report.

Request for convening the DAC meeting was made in November 2021, which could not be convened till finalization of this report.

Audit recommends recovery under intimation to audit.

AIR Para No.359/2020-21

3.5.2.11 Non-imposition of penalty due to non-completion of work—Rs2.4 million

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

Office of the Tehsil Municipal Officer Tangi awarded a work repair of transformer at union council Sherpao ziam etc at an estimated cost of Rs 24 million with completion time of 360 days w.e.f 19-12-2018 however, the contractors did not complete the works within stipulated period of time. The TMA did not impose a penalty @10% for Rs 2,400,000.

Non imposition of penalty occurred due to weak internal control which resulted in delayed completion of developmental schemes.

When pointed out in November 2021, management stated that a detailed reply will be submitted after scrutiny of the record. However, no progress was shown till finalization of this report.

Request for convening the DAC meeting was made in November 2021, which could not be convened till finalization of this report.

Audit recommends completion of works besides imposition of penalty under intimation to audit.

AIR Para No.369/2020-21

3.5.2.12 Irregular expenditures on account of AOM&R -R 2.5 million

According to Para 15 of the austerity measures for the financial year 2020-21 circulated by the government of Khyber Pakhtunkhwa Local Government, Elections and Rural Development, Local Council Board Letter No. AO/LCB/Economy Measures/TMAs/2020 dated 19-08-2020, No fund will be utilized on account of annual & special repair of such roads and buildings (AOM&R) which have been repaired/rehabilitated during last three years except food, earth quack effected government infrastructure. To ensure the scope of standard of such works director general evolution M&E shall inspect the sites periodically and provide a report to P&D and finance department, the concerned SDEO shall submit a certificate to the effect that no fund have been utilized for the repair & maintenance of the concerned road and building in the last three years.

According to sub-section 14(xiii) of second schedule of the Khyber Pakhtunkhwa District Government Rules of Business, 2015, “Planning, designing, construction, maintenance, annual/special repair of all offices and residential buildings is the responsibility/duty of C&W department”.

Office of the Tehsil Municipal Officer, Tangi incurred expenditures of Rs.2.5 million on account of AOM&R of office building during the year 2020-21 out of 30% PFC fund however, audit noticed the following irregularities: -

1. According to rules AOM&R of office building was the responsibility of the C&W department however, the local office overlooked the government rules and executed the AOM&R of office without engagement of the C&W department which needs justification.
2. Periodical report of the Director General M&E was not available on record which shows that no AOM&R of the office building was required.

3. SDEO certificate regarding non utilization of fund for the repair & maintenance of the concerned road and building in the last three years was not available on record.
4. Sales Tax @17% was also not deducted from the supplier which needs to be calculated and deposited into government treasury.

The irregular expenditures occurred due to weak internal control which resulted in loss to government.

When pointed out in November 2021, management stated that detailed reply will be submitted after scrutiny of the record. However, no reply was furnished till finalization of this report.

Request for convening the DAC meeting was made in November 2021, which could not be convened till finalization of this report.

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

AIR Para No.376/2020-21

3.5.2.13 Loss due to non-recovery of water charges – Rs 33.807 million

According to Clause 49 of the LGA, 2013. Taxation rules, all taxes and other charges levied by a local government shall be imposed, assessed, leased, compounded, administered and regulated in such a manner as may be prescribed by rules which may, among other matters, provide for the obligation of the tax payer and the duties and powers of the officials responsible for the assessment and collection of taxes.

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.

Office of the Tehsil Municipal Officer Charsadda, did not recover the water charges for Rs 33,807,749 from defaulter consumers during the year 2020-21. Detail is given below:

S No	Name of Scheme	Outstanding dues as on 30.06.21
1	Charsadda Scheme	12932710
2	Tehsil	8050800
3	Prang Scheme	8921170

4	Utmanzai Scheme	3903069
Total Rs		33,807,749

The non-recovery occurred due to weak internal control which resulted in loss to government

When pointed out in November 2021, management stated that detailed reply will be submitted after scrutiny of the record. However, no progress was shown till finalization of this report.

Request for convening the DAC meeting was made in November 2021, which could not be convened till finalization of this report.

Audit recommends recovery under intimation to audit.

AIR Para No. 325/2020-21

3.5.2.14 Irregular expenditure on account of repair of transformer-Rs.6.412 million

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

According to Chief Minister KPK letter No. SOV/CMS/KPK/E&P/2016/14586 dated 11.11.2016 addressed to all Chief Executives PESCO KPK, TMA will carry out repair of Transformers in cases in which TMA has already transferred the funds. The repair may be outsourced through PESCO pre-qualified/approval workshops and quality oil and accessories should be used to avoid recurrent repair.

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. Made, 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 and representative of the owner of workshop and will sign the job/ inspection report. Approved PESCO Workshop will provide warranty for one year as PESCO SOP.

The repaired transformers will be installed at the same location by the concerned SDO PESCO and in the presence of representative of Deptt/TMA concerned.

Office of the Tehsil Municipal Officer, Shabqadar awarded a work “Repair of Damage transformer at NA-23” and incurred expenditure of Rs 6,412,200 against the estimated cost of Rs 10 million.

The following irregularities were noticed.

1. The transformers were the WAPDA’s assets and repair of the said was the responsibility of WAPDA. Hence, the repair of transformers in private workshops through contractor was unauthorized and illegal.
2. Payment was made on non-schedule items, however, Market Rate Analysis thereof was not available on record.
3. Technical sanction was accorded by the Engineer Civil for which he was not competent, the sanction was required to be obtained from the engineer electrical having experience/specialty in the relevant field.
4. Report regarding inspection by PESCO and the detail of transformer i.e. Made, Serial No, PO No date and year of manufacturing, location capacity and fault in separate register was not maintained as required.
5. The repaired transformers were not checked by the Committee including representative of PESCO, & Tehsil member concerned and representative of the owner of workshop.
6. Documentary evidence regarding work shop of the contractor duly approved by the WAPDA was not available on record.
7. Demand from the community and Site/ specific location where repair was carried out not available on record.

Award of contract of repair of transformers and expenditure thereon occurred due to weak internal control which resulted in unauthorized expenditure.

When reported in November 2021, management did furnish reply.

Request for convening the DAC meeting was made in November 2021, 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.379/2020-21

3.5.2.15 Non-recovery of outstanding dues -Rs 1.677 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, TMA Shabqadar during the financial year 2020-21 did not recover the outstanding amount of Rs 1,677,368 on account of rent of shops/ cabins accumulated for and up to June 2021.

The irregularity occurred due to weak internal control which resulted in non-loss to government.

When reported in November 2021, management did not furnish reply

Request for convening the DAC meeting was made in November 2021, which could not be convened till finalization of this report.

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

AIR Para No.380/2020-21

CHAPTER 4

Assistant Director, LGE & RDD

4.1 Introduction

Assistant Director, Local Government Election and Rural Development Department in District Charsaddahas 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 Act 2013, 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 ADLG&RDD District Charsadda

(Rs. in million)

S. No	Description	Total Nos	Audited	Expenditure audited FY 2020-21	Revenue /Receipts audited FY 2020-21
1	Formations	01	01	65.09	Nil
	Total	01	01	65.09	Nil

4.2 Comments on Budget and Accounts (Variance Analysis)

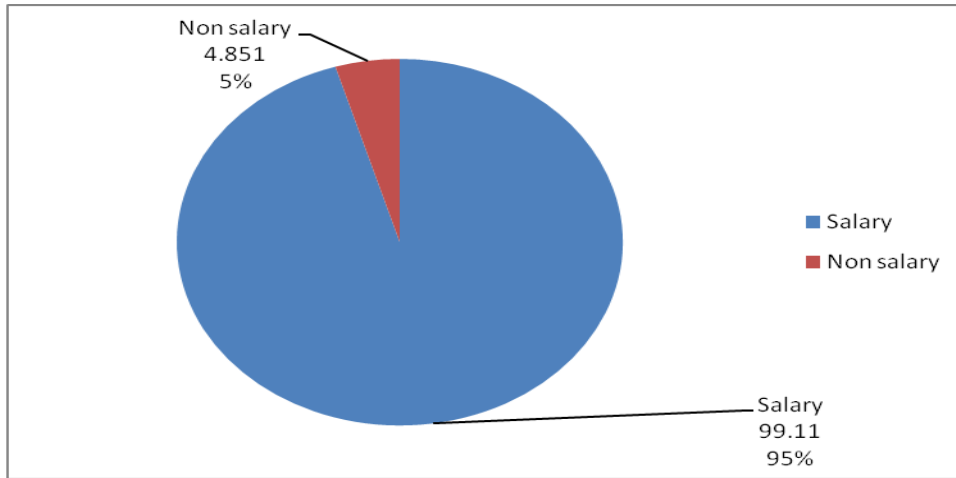
(Rs. in million)

AD LGE&RDD				
2020-21	Budget	Expenditure/Receipts	Excess/(Saving)	%age
Salary	100.823	99.110	1.713	1.69
Non salary	6.332	4.851	1.481	23.39
Development	0	0	0	0
Total	107.155	103.961	3.193	2.97

The savings of Rs. 3.193 million indicates weakness in the capacity of these local institutions to utilize the allocated budget.

EXPENDITURE 2020-21

(Rs. in million)



4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs.46.805 million were raised in this audit report. This amount also includes recoverable of Rs.19.226 million as pointed out by the audit. Summary of the audit observations classified by nature is as under: -

Sr. No.	Classification	Amount (Rs.)
1	Irregularities	-
A	HR/Human resource related irregularities	7.409
C	Management with Commercial Bank	39.396
Total		46.805

4.4 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

4.5 AUDIT PARAS

4.5.1 Irregularities

A. Human Resource employees related irregularities

4.5.1.1 Irregular payment of Pay and Allowances through DDO – Rs.7.409 million

According to Rule-157 of Treasury Rules Vol-I the cheques 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”. This Rule will however not apply to Federal Govt. Servants in r/o pay and allowances up to Rs. 2000/- per month. In this regard the Accountant General Office and all other concerned have also issued instructions for payment of pay and allowances to Govt. employees through their bank accounts only.

Para 4.6.3.1 of APPM requires that the normal method of payment of monthly salaries of all government employees shall be by credit transfer directly to a bank account nominated by the employee.

Office of the Assistant Director LGE & RDD Charsadda paid Rs 7,409,777 on account of Pay & Allowances to employees through DDO instead of direct credit advice to their respective bank accounts during FY 2020-21. Moreover, Actual Payee’s Receipts were also not available.

Payment of pay and allowances through DDO occurred due to weak financial controls which resulted in unverified expenditure.

When reported in October 2021. Management stated that detailed reply will 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 November 2021, which could not be convened till finalization of this report.

Audit recommends payment of pay and allowances through direct credit advice instead of DDOs and action against the person(s) at fault.

AIR Para No.308/2020-21

B. Management of Accounts with Commercial Banks

4.5.1.2 Unauthorized retention of funds in designated bank account—Rs. 6.162 million

According to Finance Department Khyber Pakhtunkhwa letter No. SOR.III (FD) 6-1/90/XIII dated 29.06.1991 and No. 5/24/FD/SOR-III/1983 dated 22.11.1983, no amount should be kept in any commercial bank by any Drawing and Disbursing Officer unless expressly authorized by the Finance Department. Such amount lying in commercial banks should be drawn and credited to Government immediately. Failure to comply with these instructions shall be taken seriously and stern disciplinary action will be taken.

According to rule 290 of Treasury Rules, “no money should be drawn from Treasury unless required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demand or to prevent lapse of budget grant”.

Office of Assistant Director Local Government & Rural Development Department Charsadda retained Rs.6,162,797 as unspent balances in the designated bank of the local office as on 30.06.2021. However, neither the amount was surrendered to Government nor authorization from Finance Department was taken for paying off previous liabilities. Detail is given below: -

S.No	Bank	Account No	Amounts
1	NBP Tehsil Bazar branch Charsadda	4109891330	787,959
2	BOK	00056-00-6	3,137,999
3	BOK	16139-00-4	2,236,839
Total			6,162,797

Unauthorized retention of funds occurred due to volition of rules which resulted in loss to Government.

When pointed out in October 2021, management stated that detailed reply will 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 November 2021, which could not be convened till finalization of this report.

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

AIR Para No.309/2020-21

4.5.1.3 Non deposit of Government Taxes –Rs. 3.812 million

According to Section 41 of LGA, 2013, every official or servant of a local Government, every member of a local council, and every person charged with administration and management of property of a local Government shall be personally responsible for any loss or waste, financial or otherwise, of any property belonging to a local government.

Secretaries Neighborhood/ Village Councils under the administrative control of Assistant Director LG & RDD Charsadda deducted Rs 3,812,763 on account of income tax, KPRA tax on services, stamp duty and DPR fund from different contractors against execution of development schemes during the financial year 2020-21 but the amounts were not deposited into government treasury. Detail is below:

S.No	Particulars	Amount
1	Income tax	3,564,825
2	KPRA tax on services @ 2%	95,062
3	DPR	9506
4	Stamp duty	143,370
Total		3,812,763

The lapse occurred due to weak internal controls which resulted in undue retention of government dues.

When reported in October 2021. Management stated that compliance will be made and progress will be shown to audit. The reply was evasive as no progress was received till finalization of this report.

Request for convening the DAC meeting was made in November 2021, 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. 304/2020-21

4.5.1.4 Non-transfer of fund of defunct union councils to successor VCs/NCs – Rs. 14.008 million

According to the Guidelines issued vide letter No. PDA/LG/5-11/2015 dated 15.06.2015; the fund of the former Union Councils shall be transfer to the

successor Village Council.

Secretaries under the administrative control of the Assistant Director LGE & RDD Charsadda did not transfer the unspent funds of Rs. 14,008,037 of the defunct Union Councils to their successor VC/NCs. Detail is given at Annex-9.

The lapse occurred due to weak internal control which resulted in blockage of funds.

When reported in October 2021. Management stated that compliance will be made and progress will be shown to audit. The reply was incorrect as no progress was received till finalization of this report.

Request for convening the DAC meeting was made in November 2021, which could not be convened till finalization of this report.

Audit recommends transfer of funds to the successor NCs/VCs besides inquiry and action against the person(s) at fault.

AIR Para No. 302/2020-21

4.5.1.5 Non-deposit of bank profit into government treasury-Rs15.414 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 earned profit of Rs. 15,414,560 on the public funds placed in various banks during financial year 2020-21. However, the same was retained in the banks till the date of audit (July, 2021) instead of deposit into Government treasury.

Non-depositing of profit into Government treasury occurred due to weak financial control and violation of rules which resulted in loss to the Government.

When pointed it was replied that compliance will be made and progress will be shown to audit. However, no progress was reported till finalization of this report.

Request for convening the DAC meeting was made in November 2021, which could not be convened till finalization of this report.

Audit recommends immediate depositing of the profit into Government treasury and action against the person(s) at fault.

AIR Para No303/2020-21

ANNEXURES

Annex-1

MFDAC

(Rs. in million)

S.No	AIR No.	Department	Title of the Para	Amount in million
1	213	Deputy Commissioner	Illegal occupation of residential bungalows by police department & loss to government due to non-deduction of HRA & 5% maintenance charges	0
2	214	-do-	Irregular expenditures on account of Gas charges of circuit house- Rs1.176 million	1.176
3	216	-do-	Unauthorized payments in cash instead of crossed cheques to vendors – Rs 4.883 million	4.883
4	217	-do-	Inadmissible expenditure on POL/Repair of vehicles – Rs 3.058 million	3.058
5	219	-do-	Non-disbursement of compensation fund - Rs 1.660 million	1.660
6	220	-do-	Unauthorized cash retention due to non-deposit of 10% forensic science laboratory fee of restricted bore weapons-Rs 360,000	0.360
7	221	-do-	Non-adjustment of surplus staff of defunct Ehtesab Commission and FAT12development authority	0
8	222	-do-	Illegal collection of funds in the name of Social Security/Red Crescent Fund – Rs 452,000	0.452
9	225	-do-	Less imposition of Fine on account of violation of rules– Rs 713,000	0.713
10	226	-do-	Irregular expenditure on account of POL Rs 583,827	0.583
11	227	-do-	Irregular expenditure on the purchase of food packages -Rs 410,430	0.410
11	228	-do-	Non-deposit of government receipt into treasury– Rs 51,20	0.051
12	229	-do-	Unpreparedness to tackle the pandemic of Corona	0
13	231	District Health Officer	Misappropriation on account of government receipts– Rs 337,061	0.337
14	234	-do-	Excess drawl of HPA by Doctors performing duties in urban area - Rs 1.160 million	1.160
15	235	-do-	Non-recovery of outstanding electricity charges from occupant of Bungalow and Quarters at THQ Tangi- Rs 1.126 million	1.126
16	236	-do-	Wastage of government funds on account of construction of maternity hospital -Rs 2.951 million	2.951

17	239	-do-	Non-recovery of pays & allowances from doctors who resigned from service-Rs 477,966	0.477
18		-do-	Irregular expenditures on provision of medical Gas to emergency- Rs. 911,550	0.911
19	248	-do-	Less deposit of OPD receipts - Rs 1.444 million	1.444
20	250	-do-	Non-recovery of pays & allowances for the absent period-Rs 105,454	0.105
21	279	DEO Male Charsadda	Irregular expenditure without Parent Teachers Council approvals on account of conditional grant fund Rs 1.6 million	1.6
22	280	-do-	Loss to Government due to non-deduction of taxes -Rs 520,558	0.520
23	282	-do-	Unauthentic expenditure on account of play area fund Rs 5.80 million	5.80
24	283	-do-	Irregular transfer of play area fund to schools without required land Rs 240,000	0.240
25	284	-do-	Unauthorized payments on DDO instead of crossed cheques to vendors - Rs - 1.297 million	1.297
26	285	-do-	Doubtful withdrawal from boy scouts fund bank account Rs-114,310	0.114
27	286	-do-	Irregular retention of PC tablets amount -Rs 45,000	0.045
28	287	-do-	Non recovery of pay from absent teachers and staff Rs- 40,590	0.040
29	288	-do-	Illegal occupation of Government schools.	0
30	289	-do-	Non disbursement of district performance incentive funds-Rs 525,673	0.525
31	290	-do-	Irregular transfer of conditional grant fund to schools without need Rs 840,000	0.840
32	292	-do-	Non-recovery of Shaheen Fund Rs. 178,678	0.178
33	294	-do-	Irregular retention of unspent balances- Rs 794,746	0.794
34	297	-do-	Irregular payment on account of Enrolment campaign -Rs 307,000	0.307
35	298	-do-	Unauthentic expenditure on POL & repair of vehicles due to non-maintenance of log books - Rs 758,912	0.758
36	300	-do-	Non imposition of teacher's rationalization policy	0
37	253	DEO Female Charsadda	Non recovery of pay from absent teachers and staff Rs- 814,200	0.814
38	255	-do-	Misappropriation on account of release/drawl of conditional grant fund to rented school Rs 830,000	0.830
39	256	-do-	Doubtful expenditure on account of conditional grant fund Rs 4.20 million	4.2
40	257	-do-	Irregular purchase of solar system on single	0.766

			bill-Rs 766,000	
41	259	-do-	Non-recovery of Girls guide Fund Rs. 620,470	0.620
42	260	-do-	Irregular Appointment of 50 Nos Class-IV employees	0
43	261	-do-	Doubtful payment on account of conveyance charges to ASDEOs Rs 960,000	0.960
44	262	-do-	Blockage of Government fund –Rs 1.811 million	1.811
45	264	-do-	Irregular expenditure without Parent Teachers Council approval on account of conditional grant fund Rs 1.260 million	1.260
46	265	-do-	Loss to Government due to non-deduction of taxes -Rs 631,928	0.631
47	267	-do-	Unauthentic expenditure on account of play area fund Rs 840,000	0.844
48	268	-do-	Irregular purchases without open tender system -Rs 440,000	0.440
49	270	-do-	Irregular retention of PC tablets fund–Rs 465,000	0.465
50	271	-do-	Irregular transfer of conditional grant fund to schools without need Rs 1.3 million	1.3
51	272	-do-	Non utilization of conditional grant funds Rs 0.3 million	0.3
52	275	-do-	Unauthentic expenditure on POL & repair of vehicle due to non-maintenance of log book-Rs 403,500	0.403
53	277	-do-	Non imposition of teacher’s rationalization policy	0
54	324	TMA Charsadda	Loss due to non recovery of withholding Tax-Rs 0.724 Million	0.724
55	327	-do-	Non recovery of Rs 0.825 million	0.825
56	329	-do-	Irregular purchase of transport amounting to Rs 1.970 million	1.970
57	330	-do-	Irregular and unverified expenditure on account of POL and repair of vehicle- Rs 7.106 million	7.106
58	332	-do-	Irregular expenditure on account of Pay& Allowances Rs 1.513 million	1.513
59	336	-do-	Non-imposition of penalty due to non-completion of scheme-Rs 800,000	0.800
60	339	-do-	Blockage of government funds due to incomplete scheme-Rs 1 million Non-imposition of penalty-Rs 100,000	1
61	343	-do-	Non-recovery of outstanding loan –Rs105,000	0.105
62	347	-do-	Wasteful expenditures on account of supply and spreading of shingle etc-R 0.460 million	0.460
63	348	-do-	Non-recovery of HRA & 5% maintenance charges from occupants of residential	0.318

			accommodation-Rs 0.318 million	
64	354	-do-	Overpayment of Rs 1.236 million and wasteful expenditure of Rs 0.3 million	1.236
65	361	TMA Tagi	Excess payment on account of 2% LCB share-Rs 1.889 million	1.889
66	363	-do-	Loss due to non-recovery of withholding Tax-Rs 0.629 million	0.629
67	364	-do-	Irregular expenditure on account of financial assistance Rs 1.20 million	1.20
68	365	-do-	Unverified expenditure on account of COVID-19- Rs 2.268 million	2.268
69	366	-do-	Un-authentic expenditure of Rs 2.022 million	2.022
70	372	-do-	Loss to government due to non-deduction of KPRA tax-Rs 820,000	0.820
71	373	-do-	Non-deduction of government taxes from contractors' payments-Rs 358,500	0.385
72	377	-do-	Non recovery of annual fee from CNG & Petrol pumps Rs 600,000	
73	381	TMA Shabqadar	Irregular purchase of transport for Rs 2.350 million	0.6
74	382	-do-	Loss to Government due to irregular payment to defaulter contractor-Rs 884,900	0.884
75	383	-do-	Non recovery of outstanding dues – Rs 0.795 million	0.795
76	384	-do-	Less realization of targeted receipts -Rs. 2.107 million	2.107
77	385	-do-	Un-authentic expenditure of Rs 1.897 million	1.897
78	386	-do-	Excess payment than approved PC-1 quantities-Rs 1.338 million	1.338
79	387	-do-	Irregular payment on account of construction of municipal road –Rs 2.617million	2.617
80	389	-do-	Overpayment due to allowing incorrect item rate-Rs 371,186	0.371
81	392	-do-	Loss to government due to less deduction of KPRA tax and non-deposit into govt treasury-Rs 724,915	0.724
82	393	-do-	Irregular expenditure on account of Pay& Allowances Rs 2.255 million	2.255
83	394	-do-	Non recovery of Rs 0.270 million	0.270
84	396	-do-	Unverified expenditure on account of COVID-19- Rs 0.765 million	0.765
85	397	-do-	Overpayment due to allowing incorrect item rate-Rs 371,186	0.371

Annex-2
Para 2.5.1.1

Detail of non-recovery of House Rent & conveyance allowance

S #	Name of employee, Designation	Monthly HRA	Monthly CA	No of Months	Annual Amount to be recovered
1	Dr. Ali Haidar	4,433	5,000	12	113,196
2	Dr. Muhammad Aqeel Akbar, MO	4,433	5,000	12	113,196
3	Dr. Israr Malik, MO	4,433	5,000	12	113,196
4	Dr. Danial Tahir	4,433	5,000	12	113,196
5	Imran Hameed	4,433	5,000	12	113,196
6	Shamsher Ali, MT	-	2,856	12	34,272
7	Muhammad Farooq, MT	-	2,856	12	34,272
8	Kishwar Khan, Chowkidar	1,458	1,758	12	38,916
9	Maknoon Begum, LHV	-	2,856	12	34,272
10	Muhammad Wali, Chowkidar	1,458	1,785	12	38,916
11	Gul Akbar, Chowkidar	1,458	1,785	12	38,916
12	Amjid Ali, Chowkidar	-	1,785	12	21,420
13	ShahnazGul, LHV	-	2,856	12	34,272
14	Iftikhat Ali, Chowkidar	-	1,785	12	21,420
15	MohtasibUllah, Chowkidar	1,413	1,785	12	38,376
16	Ahmad Ali, Chowkidar	1,413	1,785	12	38,376
17	WaseemUIHaq, Chowkidar	1,413	1,785	12	38,376
18	Shah Zeb, Chowkidar	1,413	1,785	12	38,376
19	NabiGul, Chowkidar	1,413	1,785	12	38,376
20	Nisar Muhammad MT	1,961	2,856	12	73,044
21	Deeba LHV	1,961	2,856	12	73,860
22	Abdul Amin Chowkidar	1,458	1,785	12	37,376
23	BushraRasheed LHV	1,961	2,856	12	57,804
24	Aziz Ur Rahman MT	1,961	2,856	12	57,804
25	IrfanUllah MT	1,961	2,856	12	57,804
26	Anwar Ali MT	1,961	2,856	12	57,804
27	Mukamil Khan Chowkidar	1,337	1,785	12	37,464
28	WajeedUllah MT	1,961	2,856	12	57,804
29	Zafar Ali MT	1,961	2,856	12	57,804
30	Muhammad Ayaz MT	2,727	5,000	12	92,724
31	NaeemUllah MT	1,961	2,856	12	57,804
32	KifayatUllahBeheshti	1,413	1,785	12	38,376
33	Ismail MT	1,961	2,856	12	57,804
34	Niaz Muhammad Chowkidar	1,413	1,785	12	38,376
35	Shagufta LHV	1,961	2,856	12	57,804

36	Nasar Khan MT	1,961	2,856	12	57,804
37	Sadaqat LHV	1,961	2,856	12	57,804
38	Muhammad Kamal MT	1,961	2,856	12	57,804
39	Hanif Jan MT	1,961	2,856	12	57,804
40	Mahjehan LHV	1,961	2,856	12	57,804
41	Hasham Khan MT	1,961	2,856	12	57,804
42	Nishat LHV	1,961	2,856	12	57,804
43	Dr. Mohammad Riaz, PMO	-	5,000	12	60,000
Total					2,430,620

Annex-3

Para 2.5.1.2

Details of irregular payment of user charges-Rs 1.403 million

A. ECG SHARE SHABQADAR 2020-21

Share	July	August	September	October	November	December	January	February	March	April	May	June	Total
25%	0	0	0	0	0	0	4810	4750	5013	4500	4725	6282	30,080

ULTRASOUND SHARE SHABQADAR 2020-21

Share	July	August	September	October	November	December	January	February	March	April	May	June	Total
25%	30294	42363	41472	34223	28471	51678	52285	47547	57348	44671	41634	65650	537,636

X-RAY SHARE SHABQADAR 2020-21

Share	July	August	September	October	November	December	January	February	March	April	May	June	Total
25%	9150	9891	10804	19372	13797	0	0	6804	5591	4221	5339	8331	93,300

Total payments made by THQ Shabqadar A= Subtotal=Rs 661,016

A. ULTRA SOUND TANGI 2020-21

Share	July	August	September	October	November	December	January	February	March	April	May	June	Total
25%	50,805	39,870	44,550	44,604	45,090	50,085	60,840	58,095	64,440	47,925	38,025	56,430	600,759

X-RAY SHARE TANGI 2020-21

Share	July	August	September	October	November	December	January	February	March	April	May	June	Total
25%	2,657	13,245	14,725	16,112	12,678	13,875	23,872	10,440	6,277	16,065	4,385	6,930	141,261

Total 3% repair charges Laboratory =Rs 24,450

Share	July	August	September	October	November	December	January	February	March	April	May	June	Total
25%	7249	22163	21660	16501	14247	18258	21564	15565	18508	16182	15800	17183	204880
3%	869	2650	2599	1980	1709	2191	2587	1867	2221	1940	1895	2062	24570
2%	2579	1773	1732	1320	1139	1460	1725	1245	1480	1294	1264	1375	18386
Total													42,956

B= Subtotal=Rs 742,020 Grand total A+B = Rs 1,403,03

Annex-4

Para 2.5.1.7

LIST OF NON-SUPPLY OF MEDICINES BY CONTRACTOR

S.#	Name of firms	Date of supply order	Total order
1	M/S Hamaz Pharma Multan	No. 5931-36 dated 09.06.2021	175,800
2	M/S Hamaz Pharma Multan	No. 5937-42 dated 09.06.2021	338,000
3	M/S Hamaz Pharma Multan	No. 5299-304 dated 31.05.2021	34,000
4	M/S Hamaz Pharma Multan	No. 5352-57 dated 31.05.2021	34,000
5	M/S Brookes Pharma (Pvt) Ltd., Karachi	No. 5373-78 dated 31.05.2021	145,800
6	M/S Brookes Pharma (Pvt) Ltd., Karachi	No. 5317-22 dated 31.05.2021	145,800
7	M/S Fynk Pharma Sheikupura	No. 6091-96 dated 09.06.2021	1,648,750
8	M/S Fynk Pharma Sheikupura	No. 5367--72 dated 31.05.2021	8,31000
9	M/S Fynk Pharma Sheikupura	No. 6067--72 dated 09.06.2021	6,72000
10	M/S Fynk Pharma Sheikupura	No. 5971--76 dated 09.06.2021	16,48750
11	M/S Fynk Pharma Sheikupura	No. 6025--30 dated 09.06.2021	779,500
12	M/S Karim Pharma	No.5895- 5900dated09/06/2021	193,100
13	M/S Essity Phrama	No.6019-24 dated 09/06/2021	210,250
14	M/S Bosch Pharma	No.5983-88 dated 09/06/2021	601,695
15	M/S Stanley Pharma	No.6031-36 dated 09/06/2021	1,095,000
16	M/S Stanley Pharma	No.5421-26 dated 31/05/2021	52,500
17	M/S Zafa Pharma	No.5215-20 dated 31/05/2021	192,400
18	M/S Stanley pharma	No.5191-96 dated 31/05/2021	210,000
19	M/S Karim Indus pharma	No.5163-68 dated 31/05/2021	229,900
20	M/S Karim Indus pharma	No.5227-32 dated 31/05/2021	162,946
21	M/S Essity pharma	No.5275-80 dated 31/05/2021	211,856
22	M/S Frontier dextrose pharma	No.5311-16 dated 31/05/2021	182,760
23	M/S Karim Indus pharma	No.5281-86 dated 31/05/2021	445,350
24	M/S Essity pharma	No.5323-28 dated 31/05/2021	278,620
25	M/S Frontier dextrose pharma	No.5358-63 dated 31/01/2021	182,760
26	M/S Karim Indus pharma	No.5329-34 dated 31/05/2021	445,350
Total			11,147,887

Annex-5

Para 2.5.1.8

Details of non-imposition of penalty due to late supply of medicines

S.No	Firm	Order No & date	Supply date	Supply order amount	Period of late supply	Penalty
1	M/S Fynk Pharma	3768-71 dated 8-6-20	05-08-20	1,459,400	60 days	43,782
2	M/S Fynk Pharma	3768-71 dated 8-6-20	14-07-20	340,038	More than 30 days	23,802
3	M/S Alhamd Enterprises	1467 dated 27-02-2020	9-10-2020	953,629	More than 2 months	66,754
4	M/S Alhamd Enterprises	1473-76 dated 27-02-2020	9-10-2020	851,962	More than 2 months	59,637
5	M/S Stainly Pharma	3760-63 dated 8-06-2020	12-08-202	2,611,700		182,820
6	Karim Industries	8819-24 24/11/2020	04/01/2021	650,700	45 days	19,521
7	Karim Indus	8940-45 24/11/2020	04/01/2021	548,900	45 days	16,467
8	Stanley pharma	8862-67 24/11/2020	14/01/2021	2,578,740	45 days	77,362
9	GSK	8880-85 24/11/2020	26/01/2021	1,689,600	2months	118,272
10	ZafaPharma	8916-21 24/11/2020	26/01/2021	705,000	-do-	49,350
11	Heal Pharma	8910-15 24/11/2020	06/01/2021	1,408,650	45 days	42,260
12	Wilshire	8868-73 24/11/2020	25/01/2021	807,840	2 months	56,548
13	Stanlypharma	8794-99 24/11/2020	14/01/2021	711,793	45 days	21,353
14	GSK pharma	8788-93 24/11/2020	26/01/2021	354,000	2 months	24,780
15	ZAfaPharma	8764-69 24/11/2020	20/01/2021	329,000	46 days	9,870
16	Heal Pharma	8752-57 24/11/2020	06/01/2021	329,940	45 days	9,898
Total				16,330,892		822,476

Annex-6**Para2.5.2.3****Detail of non-disbursement of land acquisition fund–Rs 124.140 million**

S.No	Name of mauza	Award No &date	Total area acquired K M	Total amount
1	Shabqadar	291/DC/LAB-227-A dated 30-4-2018	48 14	47,114,902
2	Attaki	417/DC/LAB-227-C dated 30-4-2018	16 15	12,989,424
3	Ochawala	301/DC/LAB-227-C dated 30-04-2018	31 12	27,042,008
4	Dalazak	306/DC/LAB-227-D dated 20-02-2019	30 17	18,201,500
5	Dalazak	346/DC/LAB-227-E dated 20-02-2019	Structure	4,030,811
6	Daman Shabqadar	65/DC/LAB-227-F dated 17-07-2020	06 06	2,026,612
7	Dalazak	161/DC/LAB-G dated 27-05-2021	02 13	1,352,322
8	Rashakai	178/DC/LAB/DWSS dated 16-06-2021	11 00	10,028,047
9	Norani	178/DC/LAB/DWSS dated 16-06-2021	01 00	912,141
10	Rashakai & Norani	186/DC/LAB/DWSS dated 16-06-2021	Crop/trees	442,755
Total				124,140,522

Annex-7**Para 2.5.2.7****Details of blockage of Government fund –Rs 12.109 million**

S. No.	EMIS Code	School	Available balance on 30 June 2021
1	36198	GHSS MANDANI	495,493
2	34317	GMS TARKHA FAQIR ABAD	804,002
3	36201	GHS SATTI ABAD	487,208
4	13474	GPS MANDANI COLONY	831,530
5	36673	GHSS DHAKKI	535,430
6	36197	GHS MIRZADHER	1,307,407
7	36671	GHSS UTMANZAI	534,268
8	28766	GPS BAR BAHRAM DHERI	821,923
9	36184	GHS HARICHAND	2,422,358
10	36191	GHSS MUHAMMAD NARI	545,070
11	28779	GPS ZUHRAB GUL NO.2	905,216
12	34298	GMS DAB BANDA	591,480
13	13435	GPS DANDO ASILO KILLI	1,007,115
14	13046	GPS SARDARYAB KOROONA	821,491
Total			12,109,991

Annex-8**Para 3.5.2.4****Details of irregular expenditure on account of repair of transformer**

S#	Name of scheme	Estimated cost	Expenditure
1	Repair of Transformer at UC dosehra	1.4	784000
2	Repair of Transformer at UC Behlola	0.6	0
3	Repair of Transformer at UC Muhammad Nari	1	295140
4	Repair of Transformer Khan mai	1	439380
5	Repair of Transformer Dargai	1.2	672000
6	Repair of Transformer Rajjar-I	1.5	732750
7	Repair of Transformer Rajjar-II	1.5	773749
8	Repair of Transformer-Hisara Yasinzai	0.6	0
9	Repair of Transformer-Turangzai	0.6	0
Total		9.4	3,697,019

Annex-9**Para 4.5.1.5****Details of non-transfer of fund of defunct union councils to successor****VCs/NCs**

S.No	Union council name	AC#	Bank	Closing balance	As on
1	Sarki Tetara	23118	UBL	1,451,064	Aug 2021
2	MC-IV CHD	4472-01	-	265,063	Dec 2020
3	Behlola	3374-00-9	BOK	717,027	Nov,2014
4	Sheiko	0014	Allied Bank	22,422	Oct 2021
5	MC-1 CHD	6243		97,285	-
6	Dheri zardad	3380-9	-	685,511	Nov-2015
7	Mera Nisstat	9701	HBL	3,109,221	June 2016
8	Hisar Yasinzai	3362-00-1	BOK	1,050,564	Jan-2016
9	UC Rajar	9183	BOK	336,173	30-6-2021
10	Tarnab	3412	-do-	626,644	Dec-2015
11	Khanmai	3405	-do-	982,385	Aug-2015
12	Utmanzai	10429533	-do-	602,910	-
13	Nisatta	7901	-do-	7885	Nov-2015
14	Hisara Nahri Tangi	3548	-do-	2,493,252	-
15	Mandani		-do-	656,125	-
16	Tarnab		-do-	682,290	-
17	Muhammad nari		-do-	222,216	-
Total				14,008,037	