



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
TEHSIL MUNICIPAL ADMINISTRATION  
CHITRAL**

**AUDIT YEAR 2013-14**

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**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS AND ACRONYMS**

ADP	Annual Development Programme
CMD	Chief Minister Directives
CSR	Composite Schedule Rates
DAC	Departmental Accounts Committee
DDO	Drawing and Disbursing Officer
DG	District Government
IPSAS	International Public Sector Accounting Standards
KP	Khyber Pakhtunkhwa
LG&CD	Local Government and Community Development
LGO	Local Government Ordinance
LG	Local Government
MFDAC	Memorandum for Department Accounts Committee
PK	Provincial Khyber Pakhtunkhwa
TKP	Tameer Khyber Pakhtunkhwa
TMA	Town Municipal Administration
TMO	Town Municipal Officer
UAs	Union Administrations
UCs	Union Councils
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-115 of the Khyber Pakhtunkhwa Local Government Ordinance, 2001(as amended) and Section 168 of Local Government Act 2012 require the Auditor-General of Pakistan to conduct audit of the receipts and expenditure of Local Fund and Public Account of Tehsil/Town Municipal Administrations.

The report is based on audit of the accounts of Tehsil Municipal Administration Chitral for the Financial Year 2012-13. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa, Peshawar conducted audit on test check basis during 2013-14 with a view to reporting significant findings to the relevant stakeholders.

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.

The observations included in this Report have been finalized in the light of written replies of the Departments. DAC meetings could not be convened despite repeated requests.

The Audit Report is submitted to the Governor of Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 115 of Khyber Pakhtunkhwa Local Government Ordinance, 2001 (as amended) to be laid before appropriate legislative forum.

Islamabad  
Dated:

**(Muhammad Akhtar Buland Rana)**  
**Auditor General of Pakistan**

## EXECUTIVE SUMMARY

The Directorate General Audit, District Governments, Khyber Pakhtunkhwa, Peshawar, is responsible to conduct the audit of all District Governments in Khyber Pakhtunkhwa, Tehsil/Town Municipal Administrations (TMAs) and Union Administrations (UAs). Its Regional Directorate of Audit Swat has audit jurisdiction of District Governments, TMAs and UAs of five Districts i.e. Swat, Shangla, Dir Lower, Dir Upper and Chitral.

The Regional Directorate has a human resource of 10 officers and staff, constituting 3030 man days and a budget of about Rs 12.680 million was allocated during 2013-14. It has the mandate to conduct financial attest audit, audit of sanctions, audit of compliance with authority and audit of receipts as well as the performance audit of entities, projects and programs. Accordingly Regional Director Audit Swat carried out audit of the accounts of TMA Chitral for the Financial Year 2012-13 and the findings included in the Audit Report.

Tehsil Municipal Administration Chitral conducts its operations under Khyber Pakhtunkhwa Local Government Ordinance, 2001 (as amended) and Local Government Act 2012. It comprises one Principal Accounting Officer (PAO) covering three groups of offices i.e. Tehsil Office Finance, Tehsil Office Infrastructure and Services and Tehsil Office Regulation. Financial provisions of the Ordinance describe the Government as Tehsil Local Fund and Public Account for which Annual Budget Statement is authorized by the Tehsil Nazim / Tehsil Council / Administrator in the form of budgetary grants.

Tehsil Municipal Administration Chitral comprises Tehsil Nazim, Niab Tehsil Nazim and Tehsil Municipal Officer/Administrator.

### **a. Scope of audit**

Out of total expenditure of TMA Chitral, for the Financial Year 2012-13, the auditable expenditure under the jurisdiction of RDA was Rs 105.920 million. Out of this, RDA Swat audited an expenditure of Rs 64.611 million which, in

terms of percentage, was 61% of auditable expenditure. Sample size selected in the audited formations ranged between 15% to 30%.

The receipts of Tehsil Municipal Administration Chitral for the Financial Year 2012-13, were Rs 5.313 million. Out of this, RDA Swat audited receipts of Rs 5.313 million which, in terms of percentage, was 100% of auditable receipts.

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

Recovery of Rs 14.970 million was pointed out during the audit. However, no recovery was effected till the finalization of this report.

**c. Audit Methodology**

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

**d. Audit Impact**

On pointation of audit, the management of the Tehsil Municipal Administration Chitral agreed to conduct physical verification of the Government assets. The management also agreed to deposit various Government dues into Government Treasury. Audit stressed upon reconciliation of receipts and expenditure with the respective accounts office to which the department agreed.

**e. Comments on Internal Control and Internal Audit department**

The purpose of internal control system is to ensure effective operation of an organization. It consists of measures employed by the management to achieve

objectives, safeguard assets, ensure accuracy, timeliness and reliability of financial and accounting information for decision making.

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

**f. Key Audit Findings of the reports:**

- i. Non production of record of Rs 5.450 million was noted in one case<sup>1</sup>.
- ii. Irregularity & Non-compliance of Rs 13.474 million was noted in four cases<sup>2</sup>.
- iii. Weak Internal Control of Rs 7.722 million was noted in four cases<sup>3</sup>.

Audit paras for the audit year 2013-14 involving procedural violations including internal control weaknesses and irregularities not considered worth reporting to the PAC were included in Annex-1 (MFDAC).

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<sup>1</sup> Para 1.2.1.1

<sup>2</sup> Para 1.2.2.1, 1.2.2.2, 1.2.2.3 & 1.2.2.4

<sup>3</sup> Para 1.2.3.1, 1.2.3.2, 1.2.3.3 & 1.2.3.4



**g. Recommendations**

- i. Disciplinary action needs to be taken for non production of record as well as violation of the rules and regulations in spending the public money.
- ii. Concerted efforts need to be made to recover long outstanding dues.
- iii. All sectors of TMA/District Council need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc to ensure that reported lapses are preempted and fair value for money is obtained from public spending.
- iv. Deduction of taxes on supplies and contracts need to be ensured.
- v. Inquiries need to be held to fix responsibility for losses, irregular payments and wasteful expenditure.
- vi. Inquiries need to be held to fix responsibility for losses, irregular payments and wasteful expenditure.

## SUMMARY TABLES AND CHARTS

**Table 1: Audit Work Statistics**

S. No	Description	(Rs in million)	
		No.	Budget
1	Total Entities (PAOs) in Audit Jurisdiction	01	111.233
2	Total formations in audit jurisdiction	01	111.233
3	Total Entities (PAO) Audited	01	69.924
4	Total formations Audited	01	69.924
5	Audit and Inspection Reports	01	69.924
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

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

S. No	Description	(Rs in million)	
		Amount placed under audit observation	
1	Unsound asset management	-	
2	Weak financial management	-	
2	Non production	5.450	
3	Weak Internal controls relating to financial management	7.722	
4	Violation of rules	13.474	
5	Others	-	
<b>Total</b>		<b>26.646</b>	

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

<b>S. No</b>	<b>Description</b>	<b>Expenditure on Acquiring Physical Assets (Procurement)</b>	<b>Civil Works</b>	<b>Receipts</b>	<b>Others</b>	<b>Total for the year 2012-13</b>	<b>Total for the year 2010-11</b>
1	Outlays audited	-	40.055	5.313	24.556	69.924	103.611
2	Amount placed under audit observation / irregularities	-	14.076	4.079	8.491	26.646	62.010
3	Recoveries pointed out at the instance of Audit	-	1.1 63	4.079	9.728	14.970	2.575
4	Recoveries accepted / established at Audit instance	-	1.163	-	1.237	2.400	-
5	Recoveries realized at the instance of Audit	-	-	-	-	-	-

**Table 4: Irregularities pointed out**

		<b>(Rs in million)</b>
<b>S. No</b>	<b>Description</b>	<b>Amount placed under Audit observation</b>
1	Violation of rules and regulations, principle of propriety and probity in public operation.	14.571
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	0
3	Accounting Errors (accounting policy departure from NAM, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	0
4	Quantification of weaknesses of internal controls systems.	4.225
5	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies.	2.400
7	Non-production of record	5.450
8	Others, including cases of accidents, negligence etc.	0
<b>Total</b>		<b>26.646</b>

**Table 5: Cost-Benefit**

<b>Sr. No</b>	<b>Description</b>	<b>Amount (Rs in million)</b>
1	Outlays Audited (Items 1 of Table 3)	69.924
2	Expenditure on Audit	0.177
3	Recoveries realized at the instance of Audit	
	<b>Cost-Benefit Ratio</b>	<b>1 : 6</b>

## CHAPTER-1

### 1.1 Tehsil Municipal Administration, Chitral District Chitral

#### 1.1.1 Introduction

Chitral is the Tehsil of District Chitral. Tehsil Municipal Administration Chitral consists of Tehsil Nazim, Tehsil Naib Nazim and Tehsil Municipal Officer/Administrator. TMA Chitral comprises two Drawing and Disbursing Officers i.e. Tehsil Municipal Administrator and Tehsil Officer Finance. According to 1998 population census, the population of Tehsil Chitral is 365,789.

#### 1.1.2 Comments on Budget and Accounts (Variance Analysis)

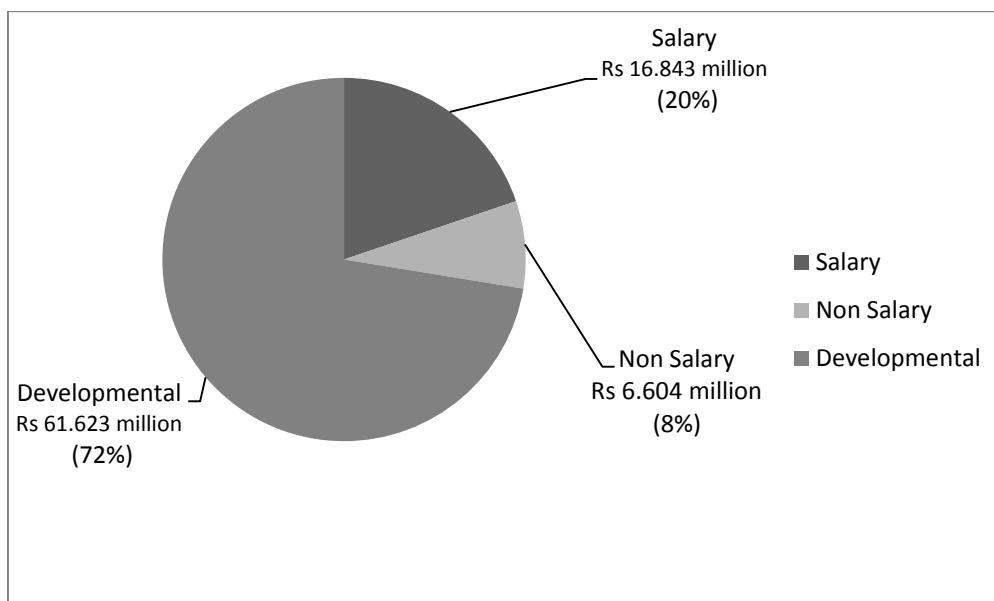
(Amount in Rs)

2012-13	Budget	Expenditure	Excess / Savings	%age
Salary	27,479,571	16,843,299	10,636,272	39
Non Salary	11,214,000	6,604,465	4,609,535	41
Developmental	67,226,000	61,623,002	5,602,998	08
<b>Total</b>	<b>105,919,571</b>	<b>85,070,766</b>	<b>20,848,805</b>	

A budget of Rs 105.920 million was allocated against which an expenditure of Rs 85.071 million was incurred by Tehsil Municipal Administrator, Chitral with a saving of Rs 20.849 million during 2012-13.

## EXPENDITURE 2012-13

(Rs in million)



Detail is given at Annex-3

### 1.1.3 Brief comments on the status of compliance with PAC / ZAC Directives

The audit reports on the accounts of Tehsil Municipal Administration Chitral, have not yet been discussed in PAC/ZAC.

## **1.2 AUDIT PARAS**

### **1.2.1 Non production of Record**

#### **1.2.1.1 Non-Production of auditable record-Rs 5.450 million**

According to Section 14 (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, any person or authority hindering the auditorial functions of the Auditor-General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

Tehsil Municipal Officer Chitral executed 256 schemes worth Rs 39,800,000 under CMD special package during the Financial Year 2012-13, out of which record of 20 schemes worth Rs 3,850,000 was not produced. Similarly, record of 04 schemes worth Rs 1,600,000 executed under TKP fund were not produced to audit for verification. Hence, developmental record worth Rs 5,450,000 (3,850,000+1,600,000) remained unverified, which needs justification.

Audit observed that non production of record was a violation of government rules, which resulted in non authentication of public spending.

When pointed out in February 2014, management stated that files were missing; the same would be recovered and would be shown to audit. However, no record was shown to audit till finalization of this report in November 2014.

Requests for convening DAC meeting was made in March 2014, which could not be convened till finalization of this report.

Audit recommends fixing responsibility and action against the person(s) at fault under intimation to audit besides immediate production of record for audit.

AP 61 (2012-13)

## 1.2.2 Irregularity & Non Compliance

### 1.2.2.1 Non recovery of penalty –Rs 8.491 million

According to Sub-Section IV(b) Part-II of the Terms and Conditions of Contract, notified vide Local Government Department Khyber Pakhtunkhwa memo No.AO-II/LCB/6-11/2009 dated 12-01-2009, the contractor will have to deposit the monthly installment on the last day of the month failing which penalty of 1% per day for the late deposit will be imposed.

Tehsil Municipal Officer Chitral did not impose penalty of Rs 8,490,960 @ 1% per day for non deposit of monthly installments of Permit Fee and Bus Stand Chitral fee in time resulting in loss to Government. Detail at Annex-4.

S. No	Description of contract	Name of contractor	Penalty (Rs)
1	Permit Fee	Shahab-ud-Din	4,309,200
2	Bus Stands	Bashir Ahmad	4,181,660
<b>Total penalty recoverable</b>			<b>8,490,860</b>

Audit observed that non recovery of penalty was a deviation from rules, which resulted into loss to Government.

When pointed out in February 2014, management stated that several notices have been issued to contractors for payment of outstanding amount. Reply was not tenable as the local office did not take any initiative for collection of penalty.

Requests for convening DAC meeting was made in March 2014, which could not be convened till finalization of this report.

Audit recommends imposition and recovery of penalty from the defaulter besides action against the person(s) at fault.

AP 44 (2012-13)



### 1.2.2.2 Unauthorized approval and execution of repair schemes out of developmental fund -Rs 2.600 million

According to serial No III (b) of the revised guidelines for Tameer-e-Khyber Pakhtunkhwa and Special packages circulated vide Local Government Election and Rural Development Department letter No. Director (LG) 2-4/TKPP/Guidelines dated Peshawar, 8<sup>th</sup> February 2013, Rehabilitation/Repair works in deserving cases would be undertaken out of the developmental fund provided that the total cost of such rehabilitation would not be more than 25% of the allocation of the concerned constituency.

During audit of the accounts of Tehsil Municipal Administration Chitral, it was noticed that Rs 40,000,000 were allocated for PK-89 Chitral for developmental schemes under Special Package Chief Minister Directives (CMD) during 2012-13. The MPA concerned notified 258 schemes in PK-89 out of which 93 Rehabilitation/Repair schemes amounting to Rs 12,600,000 which were executed by TMA Chitral. The amount expended on these 93 schemes comes to 31.50% of the total allocation as against 25% mandatory allocation.

(Amount in Rs)

a) Total Allocation for PK-89 Chitral during 2012-13	= <b>40,000,000</b>
b) Amount 25% allocation for Rehabilitation schemes as per criteria	=10,000,000
c) Actual allocation for 93 rehabilitation/repair schemes (Detail at Annex-5)	=12,600,000
d) Excess allocation/Expenditure for rehabilitation/repair in PK 89	= <b>2,600,000</b>

Audit observed that excess expenditure was a deviation from rules, which resulted in loss to Government.

When pointed out in February 2014, management stated that detail reply would be given after scrutiny of record. However, no reply was received till finalization of this report in November 2014.

Requests for convening DAC meeting was made in March 2014, which could not be convened till finalization of this report.

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

AP 51 (2012-13)

### **1.2.2.3 Unauthorized payment for non-schedule items without market rate analysis –Rs 1.972 million**

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

Tehsil Municipal Officer Chitral, paid Rs 1,971,500 for purchase of electrical steel polls, hand pumps, submersible pump, 100 KV transformer and generator on non scheduled rates in seven different schemes executed under CMD special package and TKP during 2012-13. The non schedule items rates were allowed without any market analysis to get the economical rates, which caused unauthorized payment of Rs 1,971,500 as per detail given at Annex-6

Audit observed that unauthorized payment was due to violation of rules, which resulted in loss to Government.

When pointed out in February 2014, management stated that detail reply would be given after scrutiny of record. However, no reply was received till finalization of this report in November 2014.

Requests for convening DAC meeting was made in March 2014, which could not be convened till finalization of this report.

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

AP 59 (2012-13)

### **1.2.2.4 Excess payment due to allowing higher rate –Rs 0.412 million**

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

Tehsil Municipal Officer Chitral, paid Rs 566,745 to a project leader on account of supply and fixing of HDPE 20mm pipes for quantity of 7079 meters @ Rs 80.06/meter in a scheme “ Pipe Lines in different areas of Chitral” executed under 30%ADP fund during 2012-13. The project leader only supplied the pipe to the local office, which were further distributed among the people of various areas of District Chitral. The local office was required to pay only rate for supply of the pipes, which was Rs 36.96/meter as the pipes were not installed by the project leader. Allowing full rate of Rs 80.06/meter for supply and fixing of pipes caused in a loss to Government Rs 411,892 as per detail given below;

<b>Quantity (Meter)</b>	<b>Rate due (Rs)</b>	<b>Rate paid (Rs)</b>	<b>Rate in Excess (Rs) (3 -2)</b>	<b>Amount (Rs) (1 x 4)</b>	<b>15% cost factor (Rs) (5x15%)</b>	<b>20% Premium (Rs) (5x20%)</b>	<b>Total (Rs) (5+6+7)</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
7079	36.96	80.06	43.10	305,105	45,766	61,021	<b>411,892</b>

Audit observed that excess payment was a deviation from CSR, which resulted in loss to Government.

When pointed out in February 2014, management stated that detail reply would be given after scrutiny of record. However, no reply was received till finalization of this report in November 2014.

Requests for convening DAC meeting was made in March 2014, which could not be convened till finalization of this report.

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

AP 57 (2012-13)

### **1.2.3 Internal Control Weaknesses**

#### **1.2.3.1 Loss to Government due to cancellation of contract –Rs 2.520 million**

According to Para 8 and 26 of the General Financial Rules Volume I, each administrative department/controlling officer to see that the dues of the Government are correctly and promptly assessed, collected and paid into Government Treasury/Public Account.

Tehsil Municipal Officer Chitral awarded the contract of Permit Fee to Mr. Shahab-ud-Din Government Contractor for Rs 3,720,000 per annum after approval of the Secretary Local Council Board Khyber Pakhtunkhwa Peshawar during 2012-13. The contractor deposited Rs 1,200,000 as earnest money and two installments up to 09/2012. However, the local office stopped collection of permit fee after 09/2012 without approval of the competent forum. This caused a loss of Rs 2,520,000 to the Government as detailed below:

i)	Total Amount of Contract	=Rs 3,720,000
ii)	Amount recovered upto 09/2012	<u>=Rs 1,200,000</u>
iii)	Balance outstanding amount	=Rs 2,520,000

Audit observed that loss was due to weak performance and controls, which resulted loss Government.

When pointed out in February 2014, management stated that the then Chief Secretary Khyber Pakhtunkhwa during his visit stopped collection of permit fee on food and vegetable items. As such contract was abandoned. Reply was not valid as Government revenue could not be left uncollected.

Requests for convening DAC meeting was made in March 2014, which could not be convened till finalization of this report.

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

AP 41 (2012-13)

### **1.2.3.2 Non deposit of Government receipts -Rs 1.163 million**

According to Para 7 of the Treasury Rules read with Para 5 of the GFR Vol-1 and Para 66 of CPWA Code, the Government monies realized should be deposited into Government Treasury immediately.

Tehsil Municipal Officer Chitral realized stamp duty amounting to Rs 491,000 against 388 schemes executed under TKP, Special package and CM Directives and other funds during 2012-13 and Rs 671,600 were realized against 506 schemes during 2011-12. The local office was required to deposit the same into Government Treasury, which was not done till date of audit i.e 31.01.2014. Detail at Annex-7.

Audit observed that non deposit of Government receipts was a violation of government rules, which caused loss to Government.

When pointed out in February 2014, management stated that the same would be deposited into relevant account and receipt would be shown to audit. Reply was not tenable as no deposit was shown to audit.

Requests for convening DAC meeting was made in March 2014, which could not be convened till finalization of this report.

Audit recommends that the amount of stamp duty be deposited into Government Treasury under intimation to audit.

AP 50 (2012-13)

### **1.2.3.3 Non collection of Adda Tax –Rs 1.559 million**

According to Paras 8 and 26 of the General Financial Rules Volume I, each administrative department is to see that the dues of the Government are correctly and promptly assessed, collected and paid into accounts.

Tehsil Municipal Officer Chitral awarded the contract of Bus stands to Mr. Bashir Ahmad Government Contractor at cost of Rs 2,760,000 after approval

of the Secretary Local Council Board Khyber Pakhtunkhwa Peshawar. The contractor deposited Rs 1,201,000 as earnest money and two installments during 2012-13. The remaining amount of Rs 1,559,000 was outstanding till date of audit and the local office did not take any initiatives for collection of dues which caused a loss to the Government.

Audit observed that non collection of receipts was due to weak performance and violation of government rules, which resulted into loss to Government.

When pointed out in February 2014, management stated that the contractor has submitted a case for remission in LCB which has not yet been decided. Reply was not tenable as the local office did not take any initiatives for collection of Adda Tax.

Requests for convening DAC meeting was made in March 2014, which could not be convened till finalization of this report.

Audit recommends recovery of the outstanding amount from the concerned and action against the person(s) at fault under intimation to audit.

AP 42 (2012-13)

#### **1.2.3.4 Excess/unjustified payment –Rs 2.480 million**

According to CSR 2009, the labour rate of item No 08-01-a “RRM dry stone” is Rs711/M<sup>3</sup> and Rs208/M<sup>3</sup> for “P/L of stone boulder dry filling behind R/W” vide CSR 2009 item No.08-15. Further, according to Para 220 and 221 of CPWA Code, the Officer, before making payments to the contractors is required to compare the quantities in the bills and see that all the rates are correctly entered and that all the calculations have been checked arithmetically.

Tehsil Municipal Officer Chitral executed 32 schemes including repair, construction of roads and play grounds under CMD package and TKP fund during 2012-13. Record of these schemes revealed that an item of work “Excavation in gravel formation and cutting of rock not requiring blasting” was

executed for 9995M<sup>3</sup>, which could easily provide minimum of 30% stone i.e.2998M<sup>3</sup> at site for filling purpose. However, the local office was required to pay only labor rates i.e. Rs 711/M<sup>3</sup> and Rs 208/M<sup>3</sup> for available stone used for filling of side and retaining walls. This resulted loss to Government Rs 2,480,236 as per detail at Annex-8.

Audit observed that excess payment was a deviation from CSR 2009, which resulted in loss to Government.

When pointed out in February 2014, management stated that detail reply would be given after scrutiny of relevant documents/record. However, no reply was received till finalization of this report in November 2014.

Requests for convening DAC meeting was made in March 2014, which could not be convened till finalization of this report.

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

AP 54 (2012-13)

## ANNEXURE

### Annex-1

#### Detail of MFDAC Paras

S. No	AP No.	Caption	(Rs in million)
			Amount
1	43	Loss due to non award of contract	10.000
2	45	Non-credit of audit fee to Local Government Receipts	0.456
3	46	Non transfer of pension contribution/CP fund to Local Council Board	0.316
4	47	Non deposit of income tax	0.209
5	48	Non-transfer of Pool Grant to the Local Council Board	0.106
6	49	Non adjustment/deposit of legal charges	0.150
7	52	Overpayment due to allowing higher rate and wrong calculation	0.123
8	53	Excess payment due to allowing higher non-schedule rate for HDPE pipe	0.417
9	56	Overpayment due to allowing additional cost factor and premium on non schedule rates	0.179
10	60	Unauthorized execution of schemes out of developmental fund	0.970



**Audit Impact Summary for Financial Year 2012-13**

<b>S.No</b>	<b>Rules/System/Procedure</b>	<b>Audit Impact</b>
1	According to GFR, physical verification of store/assets should be carried out once in a year.	Increase probability for safeguarding the Government assets and stock
2	According to Financial and Treasury rules all dues of the government should be correctly and promptly assessed, collected and paid into Government Treasury.	Increase in revenue collection on account of Government dues
3	According to GFR, receipts and expenditure should be reconciled.	To ensure that the departmental accounts are sufficiently accurate and render an effective Departmental control of expenditure and receipts.

## TMA Chitral, District Chitral

### Annex-3 Budget and Expenditure Summary for Financial Year 2012-13

<b>Head</b>	<b>Budget (Rs)</b>	<b>Expenditure (Rs)</b>	<b>Excess / Savings (Rs)</b>	<b>%age</b>
Salary	27,479,571	16,843,299	10,636,272	20
Non Salary	11,214,000	6,604,465	4,609,535	8
Development	67,226,000	61,623,002	5,602,998	72
<b>Total</b>	<b>105,919,571</b>	<b>85,070,766</b>	<b>20,848,805</b>	<b>100</b>
<b>Revenue</b>				<b>5,313,492</b>

**Annex-4**  
**(DP # 1.2.2.2)**

**Detail of penalty recoverable**

<b>Penalty due to non deposit of permit fee</b>				
<b>Installment No</b>	<b>Amount of installment (Rs)</b>	<b>Due date</b>	<b>Delay in days upto 30.06.2013</b>	<b>Penalty @1%/day (Rs)</b>
1	339,000	2.10.2012	268	908,520
2	339,000	2.11.2012	238	806,820
3	339,000	2.12.2012	208	705,120
4	339,000	2.01.2013	178	603,420
5	339,000	2.02.2013	148	501,720
6	339,000	2.03.2013	118	400,020
7	339,000	2.04.2013	88	298,320
8	147,000	2.05.2013	58	85,260
<b>Total (A)</b>				<b>4,309,200</b>

<b>Penalty due to non deposit of adda tax</b>				
<b>Installment No</b>	<b>Amount of installment (Rs)</b>	<b>Due date</b>	<b>Delay in days upto 30.06.2013</b>	<b>Penalty @1%/day (Rs)</b>
1	251,000	2.08.2012	328	823,280
2	251,000	2.09.2012	298	747,980
3	251,000	2.10.2012	268	672,680
4	251,000	2.11.2012	238	597,380
5	251,000	2.12.2012	208	522,080
6	251,000	2.01.2013	178	446,780
7	251,000	2.02.2013	148	371,480
<b>Total (B)</b>				<b>4,181,660</b>
<b>Grant Total (A+B)</b>				<b>8,490,860</b>

**Annex-5**

**Detail of repair schemes**

(DP # 1.2.2.3)

<b>Detail of repair schemes from developmental fund under CMD during 2012-13</b>			
<b>S.No</b>	<b>AA S.No</b>	<b>Name of scheme</b>	<b>Cost (Rs)</b>
1	5	Repair of Irrigation Channel Zareen Bagh	100,000
2	11	Repair of Irrigation Channel Nila Tota Arandu Gol	100,000
3	12	Repair of Irrigation Channel Mirakbat Arandu Gole	100,000
4	15	Repair of Irrigation Channel Patudam	100,000
5	16	Repair of Water tank Kotgahgole	100,000
6	18	Repair of water channel Jinjirate Kuh	100,000
7	19	Repair of water channel Ashraite (Mursaleen)	100,000
8	20	Repair of water Channel at Ursoon (isarar)	100,000
9	34	Repair of link Road at Azurdam	200,000
10	36	Repair of irrigation channel potoniandeh	100,000
11	41	Repair of GMPS Drosh gole	100,000
12	42	Repair of WSS Ariyana Beori Drosh (Hussain)	100,000
13	46	Repair of Link Road Drosh Gole (Sher Jahan)	100,000
14	48	Repair of link Road Osiak (Mobin Haji)	200,000
15	54	Repair of Masjid Ariyan Dap Drosh	100,000
16	61	Repair of WSS Hussain Abad Madaklahst	100,000
17	62	Repair of water tank Madaklasht No.1	100,000
18	63	Repair of Office of Volunteers at Madak lahst	100,000
19	65	Repair of link road from Birga to Madak Lasht	400,000
20	66	Repair of Road from Shishi to Pursat	400,000
21	69	Repair of power House Birga (A Rahim)	200,000
22	72	Repair of link road Arkari with Bridge (Qalandar Shah)	200,000
23	78	Repair of WSS Oveer Lasht	150,000
24	79	Repair of irrigation Channel thiol Arkari (shah Wali)	100,000
25	80	Repair of jeep able bridge at Momi (saifullah)	100,000
26	81	Repair of WSS Momi (Councilor)	100,000
27	87	Repair of irrigation Channel at Nichagh Siwakht	100,000
28	92	Repair of Link Road Gazal Payeen (Hussain)	100,000
<b>Continued</b>		<b>Detail of repair schemes from developmental fund under CMD during 2012-13</b>	
<b>S.No</b>	<b>AA S.No</b>	<b>Name of scheme</b>	<b>Cost (Rs)</b>

29	93	Repair of Irrigation Channel at Mogh	100,000
30	94	Repair of irrigation Channel Norkorat	100,000
31	97	Repair of irrigation Channel Konelasht Uchugole	200,000
32	98	Repair of Irrigation Channel Rabat Arkari Pahlawan Shah	100,000
33	100	Repair of Karimabad Road Hasanabad to Hinjil Area	500,000
34	101	Repair of Karimaabad Road Nichagh Area	500,000
35	105	Repair of irrigation Channel Sonich (A Murad)	100,000
36	109	Repair of irrigation Channel Persan Beshgram (Yousaf)	100,000
37	110	Repair of Link Road Gram Haji Khan	150,000
38	112	Repair of Irrigation Channel Galeh	100,000
39	113	Repair of Irrigation Channel Shah Gole (Hussain)	100,000
40	115	Repair of Irrigation Channel Loligram Rahmat Shah	100,000
41	116	Repair of Irrigation Channel Bohtuli Goli Sifat Baig	100,000
42	117	Repair of Link Road Bohtuli Area Meherban Shah	100,000
43	118	Repair of Link Road Kilishpi (Afzal Aman)	100,000
44	120	Repair of Power House persan (Muzafar)	150,000
45	122	Repair of link Road Kharchom (Wori Master	100,000
46	125	Repair of Irrigation Channel Dronil	100,000
47	130	Repair of link Road at postaki (Hamid)	200,000
48	133	Repair of link Road from Gestini to High School	150,000
49	137	Repair of link Road Gufti	100,000
50	141	Repair of Irrigation Channel Zitoor (Murad)	150,000
51	146	Repair of link Road Yourjogh Area (Nawaz	150,000
52	149	Repair of Irrigation Channel Munoor Payeen	100,000
53	150	Repair of Irrigation Channel Munoor Bala	100,000
54	152	Repair of Irrigation Channel Bechoch area (Gul Shah)	150,000
55	153	Repair of Bridge and link Road Thonik (Itibar Khan)	150,000
56	154	Repair of Irrigation Channel at Gobore Bak (Abdullah jan)	100,000
57	168	Repair of Link Road Khorkashandeh	150,000
58	178	Repair of WSS at Kore Broze (Zia shah)	200,000
59	180	Repair of Madrassa Tordeh Chumurkone	100,000
60	183	Repair of Irrigation Channel Chumurkon (Mohd Ishaq)	100,000
61	190	Repair of Link Road Sahan Ayun (Rehman)	100,000
62	192	Repair of 2 Jashtakan Rumboor	200,000
<b>Continued</b>		<b>Detail of repair schemes from developmental fund under CMD during 2012-13</b>	
<b>S.No</b>	<b>AA S.No</b>	<b>Name of scheme</b>	<b>Cost (Rs)</b>
63	193	Repair of Link Road Sultan Abad Bumburate	200,000

64	194	Repair of Link road Anizh Bumburate	100,000
65	196	Repair of Irrigation Channel Ayun (Najeeb)	100,000
66	197	Repair of Link Road Birir	200,000
67	198	Repair of Irrigation Channel Bakarabad Bala	100,000
68	199	Repair of link Road Syed Abad Dawashish	100,000
69	209	Repair of Water tank at Gazandeh Bala	100,000
70	213	Repair of link road Khorandok Kari	100,000
71	215	Repair of Link Road at Kaju Bala	100,000
72	216	Repair of Irrigation Channel Joghour (Anis)	100,000
73	218	Repair of Pipe Line at Sahlidain	150,000
74	222	Repair of Irrigation Channel Jang Bazar	100,000
75	223	Repair of Ziarat Zinda Peer Jang bazaar	100,000
76	226	Repair of Channel Jang Bazar Payeen	100,000
77	229	Repair and extension of WSS Chewdok	100,000
78	230	Repair of Channel at Rehankot	100,000
79	233	Repair of Irrigation Channel lotdeh Singoor	100,000
80	234	Repair of Masjid Lotdeh singoor	150,000
81	238	Repair of Irrigation Channel Bilphok	150,000
82	239	Repair of Irrigation Channel Shali	100,000
83	241	Repair of Drains Zargarandeh Syed SP	100,000
84	242	Repair of Masjid Kalan Koghuzi	100,000
85	243	Repair of WSS Muldeh Bala Koghuzi	100,000
86	246	Repair of Link road at Barghuzi	100,000
87	247	Repair of Link road Morulu Mroi	100,000
88	248	Repair of Link Road prayet Bala	100,000
89	251	Repair of Link Road at Baranis	100,000
90	252	Repair of WSS Lasht Torin Mori	100,000
91	254	Repair of Water channel shoghore Mori	200,000
92	256	Repair of new Irrigation Channel Koghuzi	200,000
93	257	Repair of Link Road Shekly Payeen	200,000
<b>Total</b>			<b>12,600,000</b>

Total Allocation for PK-89 Chitral during 2012-13	40,000,000
25% allocation for Rehabilitation as per criteria	10,000,000
Actual allocation for rehabilitation/repair	12,600,000
Excess allocation/approval for rehabilitation/repair in PK-89	<b>2,600,000</b>

**Annex-6**

**Detail of non schedule items**

**(DP # 1.2.2.4)**

**Detail of non schedule items for which no rate analysis was made**

<b>CMD 2012-13</b>				
<b>S.No</b>	<b>AA.No</b>	<b>Name of scheme</b>	<b>Item of work</b>	<b>Cost (Rs)</b>
1	99	Provision of steel poll to Arkari Velly	HT Steel Polls	594,000
2	131	Provision and Installation of steel polls Cluster Org: Wahat	HT Steel Polls	486,000
3	169	Constt: of Dug well Bariki deh Faizabad	Hand Pump	33,000
4	169	Constt: of Dug well Bariki deh Faizabad	Submersible pump	15,000
5	187	Constt; of Dug Well Masjid ramandeh Ayun	Hand Pump	40,000
<b>Total (A)</b>				<b>1,168,000</b>
<b>TKP 2012-13</b>				
6	1	Provision of 100 KV transformer to Ochust	100 KV transformer with Accessories	508,500
7	10	Reh: of mini power stations at Karimabad	Generator	295,000
<b>Total (B)</b>				<b>803,500</b>
<b>Grant Total A+B</b>				<b>1,971,500</b>

## Annex-7

## Detail of stamp duty

(DP # 1.2.3.2)

<b>Detail of stamp duty under various developmental funds during 2012-13</b>				
<b>S.No</b>	<b>Description</b>	<b>No. of Schemes</b>	<b>Rate (Rs)</b>	<b>Amount (Rs)</b>
1	Temer Khyber Pakhtunkhwa fund	37	1,250	46,250
2	Temer Khyber Pakhtunkhwa fund	9	1,850	16,650
3	Chief Minister Directives (CMD Package)	258	1,250	322,500
4	Temer Khyber Pakhtunkhwa fund	9	1,250	11,250
5	District ADP	9	1,250	11,250
6	District ADP	1	1,850	1,850
7	People Works Programme (PWP)	51	1,250	63,750
8	Temer Khyber Pakhtunkhwa fund	12	1,250	15,000
9	30% Tehsil ADP	2	1,250	2,500
<b>Total</b>		<b>388</b>		<b>491,000</b>
<b>Detail of stamp duty under various developmental funds during 2011-12</b>				
<b>S.No</b>	<b>Description</b>	<b>No. of Schemes</b>	<b>Rate (Rs)</b>	<b>Amount (Rs)</b>
1	Temer Khyber Pakhtunkhwa fund	157	1,250	196,250
2	Temer Khyber Pakhtunkhwa fund	1	1,850	1,850
3	Chief Minister Directives (CMD Package)	27	1,250	33,750
4	Chief Minister Directives (CMD Package)	10	1,850	18,500
5	Chief Minister Directives (CMD Package)	1	6,250	6,250
6	District ADP	5	300	1,500
7	District ADP	52	1,250	65,000
8	District ADP	1	1,850	1,850
9	People Works Programme (PWP) -I	11	1,250	13,750
10	People Works Programme (PWP) -I	2	1,850	3,700
11	People Works Programme (PWP) -II	174	1,250	217,500
12	People Works Programme (PWP) -II	16	1,850	29,600
13	People Works Programme (PWP) -II	5	6,250	31,250
14	30% Tehsil ADP	5	300	1,500
15	30% Tehsil ADP	38	1,250	47,500
16	30% Tehsil ADP	1	1,850	1,850
<b>Total</b>		<b>506</b>		<b>671,600</b>
<b>Grant total A+B</b>				<b>1,162,600</b>



**Detail of excess/unjustified payment due to non utilization of available stones**

Chief Minister Directives- special package 2012-13									
S #	AA No	Name of scheme	Cutting (M <sup>3</sup> )	Minimum Availibility of stone (30%) M <sup>3</sup>	Stone borrowed for filling M <sup>3</sup>	Excess Rate paid/M <sup>3</sup>	Amount (Rs) (3x4)	15% and 20% CF and Premium (Rs)	O/payment (Rs) (5+6)
			1	2	3	4	5	6	7
1	30	Leveling of Play groud at Lawi	84	25	17	805	13,685	4,790	18,475
2	31	Extension of Link Road at Lawi (Mustafa)	191	57	40	805	32,200	11,270	43,470
3	48	Repair of link Road Osiak (Mobin Haji)	93	28	26	1038	26,988	9,446	36,434
4	65	Repair of link road from Birga to Madak Lasht	421	126	42	805	33,810	11,834	45,644
5	82	Extension of link Road Shoghore Deh	77	23	23	805	18,515	6,480	24,995
6	96	Constt: of link Road Gomleshti Norkoret	334	100	100	805	80,500	28,175	108,675
7	100	Repair of Karimabad Road Hasanabad to Hinjil Area	515	155	104	805	83,720	29,302	113,022
8	101	Repair of Karimaabad Road Nichagh Area	369	111	85	805	68,425	23,949	92,374
9	109	Repair of irrigation Channel Persan	135	41	41	805	33,005	11,552	44,557
10	110	Repair of Link Road Gram Haji Khan	252	76	63	805	50,715	17,750	68,465

Continued		Detail of excess/unjustified payment due to non utilization of available stones							
S#	AA No	Name of scheme	Cutting (M <sup>3</sup> )	Minimum Availability of stone (30%) M3	Stone borrowed for filling M <sup>3</sup>	Excess Rate paid/M <sup>3</sup>	Amount (Rs) (3x4)	15% and 20% CF and Premium (Rs)	O/payment (Rs) (5+6)
11	114	Constt; of link Road Dardai Kariabad	272	82	82	805	66,010	23,104	89,114
12	121	Constt: of play ground Persanq	424	127	20	805	16,100	5,635	21,735
13	130	Repair of link Road at postaki (Hamid)	235	71	71	805	57,155	20,004	77,159
14	134	Leveling of play ground at Rui (Arif)	424	127	38	805	30,590	10,707	41,297
15	135	Constt; of link Roat Aghoti to Gohik Penin	159	48	48	805	38,640	13,524	52,164
16	144	Extension of Link Road Bashqeer payeen	222	67	67	805	53,935	18,877	72,812
17	194	Repair of Link road Anizh Bumburate	50	15	15	805	12,075	4,226	16,301
18	197	Repair of Link Road Birir	100	30	30	805	24,150	8,453	32,603

19	208	Leveling of Land for Masjid Shomokoch	216	65	65	805	52,325	18,314	70,639
20	215	Repair of Link Road at Kuju Bala	62	19	19	805	15,295	5,353	20,648
21	255	Constt; of Link Road Rashandeh Mori	244	73	64	805	51,520	18,032	69,552
22	258	Repair of link road Shekhin Payeen	77	23	23	805	18,515	6,480	24,995
23	8	Const. of link road shrga	327	98	98	805	78,890	27,612	106,502
24	12	Const. of link road Owrik to Birzegh	350	105	105	805	84,525	29,584	114,109
25	16	Const. of link road Niwest Bala	425	128	128	805	103,040	36,064	139,104
26	23	Const. of link road Murdan	280	84	84	805	67,620	23,667	91,287
27	25	Const. of link road at Belch bala	297	89	89	805	71,645	25,076	96,721
28	32	Extension of link road Uchogole	431	129	112	805	90,160	31,556	121,716
29	34	Const. of link road Utrai gole murdan	1150	345	296	805	238,280	83,398	321,678
30	41	Repair of play ground	181	54	22	1731	38,082	-	38,082
31	44	Repair of Gaboor Road	161	48	45	1731	77,895		77,895

								-	
32	45	Const. of link road Nog Dok	1436	431	173	805	139,265	48,743	188,008
<b>cutting in rock and gravel formation and availability of stone</b>			5038 M <sup>3</sup>	1511M <sup>3</sup>					
<b>Total cutting in rock and gravel formation and availability of stone</b>			<b>9995 M<sup>3</sup></b>	<b>2998M<sup>3</sup></b>					
<b>Total overpayment due to allowing full rate of Rs1,516/M3 instead of Rs711/M3 as labour charges (B)</b>									<b>1,295,101</b>
<b>Grant total A +B</b>									<b>2,480,236</b>