

# AUDIT REPORT

AUDIT YEAR 2022 - 23

**ON THE ACCOUNTS OF  
LOCAL GOVERNMENTS  
DISTRICT CHITRAL LOWER**



**AUDITOR GENERAL OF PAKISTAN**

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

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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



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## ABBREVIATIONS AND ACRONYMS

AD	Assistant Director	Institutions	
ADEO	Assistant District Education Officer	KP	Khyber Pakhtunkhwa
ADP	Annual Development Plan	KPPRA	Khyber Pakhtunkhwa Public Procurement Regulatory Authority
AIR	Audit and Inspection Report	LGE&RDD	Local Government, Elections & Rural Development Department
AKHSP	Agha Khan Health Service, Pakistan	MCH	Mother & Child Health
APPM	Accounting Policies and Procedures Manual	MFDAC	Memorandum for Departmental Accounts Committee
ASDEO	Assistant Sub -Divisional Education Officer	MRS	Market Rate System
BHUs	Basic Health Units	NC	Neighborhood Council
BOD	Board of Directors	NER	New Enrollment Rate
C & W	Communication & Works	NOC	No Objection Certificate
CD	Civil Dispensary	OPD	Out Door Patients
CDR	Call Deposit Receipt	PAC	Public Accounts Committee
CHM	Clearing House Meeting	PAO	Principal Accounting Officer
CTR	Central Treasury Rules	PHE	Public Health Engineering
DAC	Departmental Accounts Committee	PLS	Profit & Loss Sharing
DAC	District Accounts Committee	POL	Petrol Oil Lubricant
DAO	District Accounts Office	PTC	Parents Teachers Council
DC	Deputy Commissioner	RDA	Regional Directorate of Audit
DDEO	Deputy District Education Officer	RHC	Rural Health Center
DDO	Drawing and Disbursing Officer	SDEO	Sub -Divisional Education Officer
DEO	District Education Officer	TAC	Tehsil Accounts Committee
DEO	District Education Officer	TBC	Tuberculosis Control
DG	Director General	THQ	Tehsil Head Quarter
DHO	District Health Officer	TMA	Tehsil Municipal Administration
ECG	Electrocardiogram	TMO	Tehsil Municipal Officer
EMIS	Education Management Information System	TS	Technical Sanction
FTR	Federal Treasury Rules	VC	Village Council
GER	Gross Enrollment Rate	ZAC	Zilla Accounts Committee
GFR	General Financial Rules		
GHS	Government High School		
GPO	Government Post Office		
IMU	Independent Monitoring Unit		
INTOSAI	International Organization of Supreme Audit		



## PREFACE

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

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

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

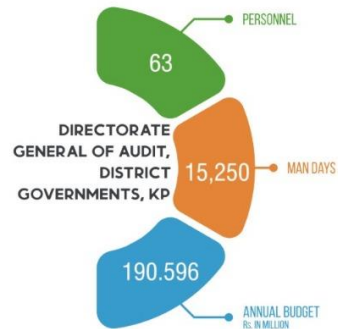
Some of the observations included in this report were finalized in the light of written replies of the departments whereas in most cases the departments did not submit written replies till the finalization of this report. DAC meetings were not convened despite reminders.

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

Islamabad  
Dated:

(Muhammad Ajmal Gondal)  
Auditor General of Pakistan

## SUMMARY



The Directorate General of Audit District Governments, Khyber Pakhtunkhwa carries out the audit of Local Governments in 35 Districts of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Swat, on behalf of the Director General Audit District Governments, Khyber Pakhtunkhwa carried out the audit of Local Governments of seven Districts namely: Swat, Shangla, Dir Lower, Dir Upper, Chitral Lower, Chitral Upper and Bajaur.

This Directorate General of Audit has a human resource of 63 officers and staff with a total of 15250 man-days. The annual budget amounting to Rs 190,596 million was allocated to the office during FY 2022-23. The office is mandated to conduct regularity audit, financial attest audit, performance audit and special studies.

Local Governments of District Chitral Lower consist of three tiers, which perform their operations under the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 Financial provisions of the Act describe the Local Consolidated Fund and Public Account for which annual budget statement is approved by the respective councils in the form of budgetary grants.

The local government has the following three tiers:

- i. District Government;
- ii. Town Municipal Administrations;
- iii. Village and Neighborhood Councils.

The District Government comprises one Principal Accounting Officer (PAO) i.e. Deputy Commissioner for the District Government, who is Officer in charge of 11 devolved departments including AD Local Government Election & Rural Development Department (AD LGE&RDD). The Tehsil Municipal Administrations have one PAO i.e. Tehsil Municipal Officer for each Administration. There are two Tehsil Administrations in District Chitral Lower. The Village and Neighborhood Councils have AD LGE & RDD as their Principal Accounting Officer. There are 61 VCs/NCs in District Chitral Lower.

## A. SCOPE OF AUDIT

This office is mandatory to conduct audit of 227 formations working under four (04) PAOs. Total expenditure and receipts of these formations were Rs 3954.144 million and Rs 260.577 million respectively for the financial year 2021-22.

Audit coverage relating to expenditure for the current audit year comprises seven (07) formations of four (04) PAOs having a total expenditure of Rs 2121.51 million for the financial year 2021-22. In terms of percentage, the audit coverage for expenditure is 54% of auditable expenditure.

Audit coverage relating to receipts for the current audit year comprises 02 formations of 02 PAOs (2 TMAs) having a total receipt of Rs 260.577 million for the financial year 2021-22. In terms of percentage, the audit coverage for receipts is 100% of auditable receipts.

This audit report also includes audit observations resulting from the audit of expenditure of Rs 79.810 million for the financial year 2020-21 pertaining to 02 Formations of 01 PAO.

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



#### **B.RECOVERIES AT THE INSTANCE OF AUDIT**

As a result of audit, a recovery of Rs 76.899 million was pointed out in this report. No recovery was effected till finalization of the report.



#### **AUDIT RECOVERIES**

**RS. 76.899 MILLION**  
Recovery Pointed Out By The Audit  
**RS. NIL**  
Recovery Verified By The Audit

#### **C.AUDIT METHODOLOGY**

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

Audit procedures employed to obtain evidences were inspection, analytical procedures, observations and computation.

#### **D.AUDIT IMPACT**

As a result of the audit control environments of audited entities have been effectively strengthened by facilitating local government offices in risk mitigation and improving the effectiveness and efficiency of their business processes.

#### **A.COMMENTS ON INTERNAL CONTROL**

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

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





#### F.Key Audit Findings of the Report .

- |   |   |
|---|---|
| <p><b>01</b> Non Compilation/consolidation Of Accounts Of Local Governments- Rs. 232.488 Million.</p>                       | <p><b>Recommendation:</b></p> <ul style="list-style-type: none"><li>• TMAs accounts need to be consolidated at AG level.</li><li>• Cheques are required to be issued to the suppliers/ vendors instead of DDOs as per APPM</li><li>• Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.</li></ul> |
| <p><b>02</b> Procurement Related Issues Were Noticed In 09 Cases Amounting To- Rs 54.962 Million.</p>                       | <ul style="list-style-type: none"><li>• Recoveries on account of overpayment of various allowances need to be made by the departments.</li></ul>  |
| <p><b>03</b> Management Of Banks Accounts With Commercial Banks Were Noticed 10 Cases Amounting To - Rs 164.53 Million.</p> | <ul style="list-style-type: none"><li>• Departments need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc. to ensure that lapses of this kind reported in this audit report are pre-empted and fair value for money is obtained from public spending</li></ul>   |
| <p><b>04</b> Value For Money And Service Delivery Issues Were Noticed In 17 Cases Amounting To- Rs 143.35 Million.</p>      | <ul style="list-style-type: none"><li>• Bank profit need to be deposited into Government Treasury under proper heads of accounts and,</li></ul>   |
| <p><b>05</b> Other Issues Of Accidents And Negligence Etc Were Noticed In 25 Cases Amounting To Rs 565.93 Million.</p>      | <ul style="list-style-type: none"><li>• The DAC meetings should be held more frequently.</li></ul>  |





## CHAPTER-01

# PUBLIC FINANCIAL MANAGEMENT



## CHAPTER-1

### Public Financial Management

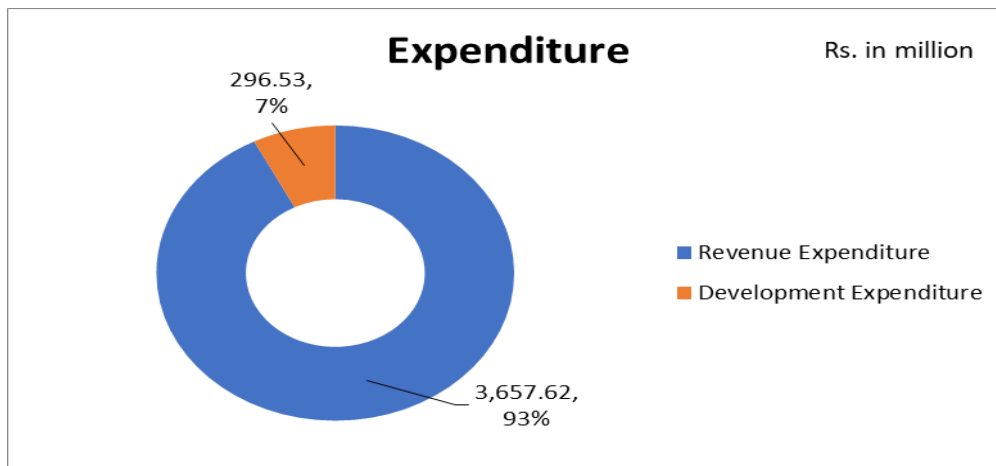
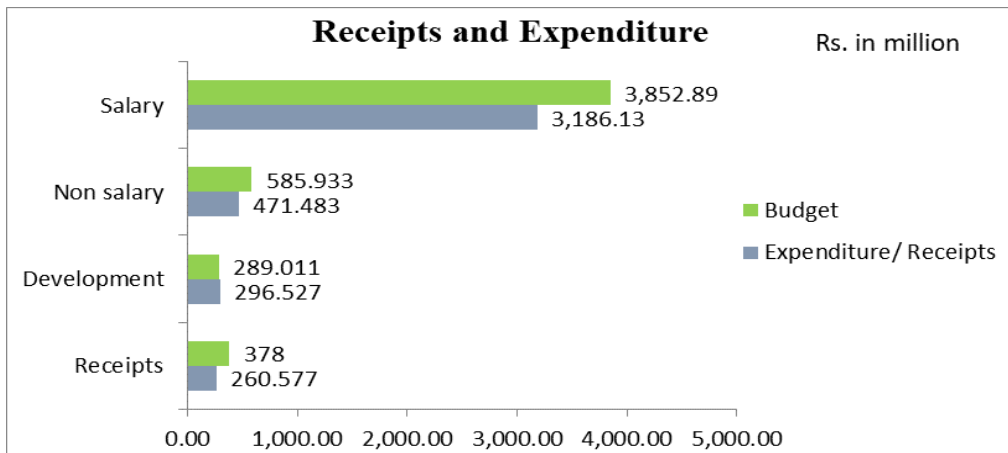
#### 1.1 Sectoral Analysis

In compliance to the Notification of Local Government, Election and Rural Development Department issued on 4<sup>th</sup> September, 2019, councils of all tiers were stood dissolved on the culmination of their respective tenures on 29<sup>th</sup> August, 2019. The same notification authorized Deputy Commissioners, Tehsil/Town Municipal Officers and Assistant Directors (ADs) LG&RDD to perform functions of respective Nazameen as envisaged under Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 till the instillation of newly elected local Governments. In the light of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 District Chitral Lower is headed by Deputy Commissioner who is Principal Accounting Officer of the budget grant allocated to the 10 offices devolved at district level. Similarly, Tehsil Municipal Officer who is the Principal Accounting Officer for the Tehsil Municipal Administration whereas Assistant Director LGE&RDD is the Principal Accounting Officer for Village/Neighborhood Councils heads Tehsil Municipal Administration.

In District Chitral Lower, funds amounting to Rs 4727.836 million were allocated to 113 formations working under 04 PAOs. Out of which, expenditure of 3954.144 million was made resulting into saving of Rs 773.692 million. Receipts of Rs 19.99 million were collected through these formations during the financial year 2021-22. Audit coverage relating to expenditure for the current audit year comprises seven (10) formations of four (04) PAOs having a total expenditure of Rs. 2121.51 million for the financial year 2021-22. In terms of percentage, the audit coverage for expenditure is 54% of auditable expenditure. Similarly, audit coverage for receipts is 100%.

(Rs in million)

2021-22	Budget	Actual Expenditure/ Receipts	(Saving)/ Excess	Expenditure Audited	%age
Salary	3,852.892	3,186.134	666.758		
Non-salary	585.933	471.483	114.450		
Developmental	289.011	296.527	-7.516	2,121.51	54%
<b>Total</b>	<b>4,727.836</b>	<b>3,954.144</b>	<b>773.692</b>	<b>2,121.51</b>	<b>54%</b>
<b>Receipts</b>	<b>378.000</b>	<b>260.577</b>	<b>137.413</b>	260.577	100%



According to Section 36 (3) of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 the District Accounts Officer Lower Chitral was required to consolidate accounts of Local Government on quarterly and annual basis. However, District Accounts Officer, Chitral lower did not reflect Rs 232.488 million into the consolidated financial statement of Local Government, Chitral Lower.

District Government, Chitral Lower was found lagging behind in many areas envisioned as integral component of the Local Government in the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. The District Government could not establish & maintain Public Fund account as required under the section 30 of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. Similarly, it also failed to prepare, present and approve the budget

estimates of receipts from the provincial Government for District Government, Chitral Lower as required under section 34 of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 and accordance with the Rule 67 of the District Government Budget Rules, 2016 as tenure of the District Council was expired and dissolved vide Government of Khyber Pakhtunkhwa Local Government, Election and Rural Development department in its notification dated 4<sup>th</sup> September, 2019. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Chitral Lower with prescribed format and necessary trainings to compile the accounts of TMAs and Village/Neighborhood councils and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 as internal auditors were not posted in the District Government to support the Council. In addition, Asset management by District Government was yet another area it could not address as required under section 38 of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019.

The Local Government provided services in the following sectors.

### **Education**

The education sector is one of the major sectors in district Chitral like other districts. Statistics show that there are 271 primary, 44 middle, 46 secondary, 09 higher secondary schools in District Chitral Lower. The estimated Teacher Student Ratio is 1:40 at primary, 1:14 at middle, 1:21 at secondary and 1:226 at the level of higher secondary schools. District Chitral Lower literacy rate is 67%, the Gross Enrollment Rate (GER) is 67 %, and the Net Enrollment Rate (NER) is 55 % at the primary level. On budgetary front, District Education office, Chitral utilized 100 % allocated budget of Provincial ADP of furniture and 88% non-salary budget during the year. District Education Offices in Chitral enrolled 30,118 in boys schools while 22,601 students were enrolled in female Government schools. Similarly, annual average student attendance rate as per Independent Monitoring Unit (IMU) data was approximately 81%. Furthermore, 95% schools in district Chitral Lower were provided with all basic facilities like

classrooms, water supply, group latrine, boundary walls and electrification against the target of 97%, which shows that the target of provision of basic facilities was, not achieved which ultimately suffered the poor students of 05% schools without provision of all basic facilities. Moreover, administrative visits of DEO, DDEO and SDEO were 100%.

## **Health**

Health is another important sector of District Chitral Lower with 39 health facilities spread across the district rural based. Their further break-up is 09 BHUs, 20 CDs, 2 MCH Centers, 3 TB Clinics, 2 THQ Hospitals and 3 RHC with the total catchment area population of approximately 310,478. 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 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, 3769 babies were born in health facilities. Out of them, 25 infant and 07 maternal deaths were recorded. Lab investigations and diagnostic facilities were also utilized as 62975 lab tests, 14256 X-rays, 5678 ultrasounds and 2389 ECGs were done in both primary and secondary health facilities in district Chitral Lower. Figures of fully immunization from EPI register shows 4465/73% women and children received full immunization during 2021-22. 5722 families were provided family planning services. Human resource data from facility records revealed that these health facilities were not provided the required medical officers and paramedics’ as 56 doctors and 18 paramedics’ positions were found vacant which shows that most of health units are running without doctors. Moreover, the revenue target of OPD services, indoor patients’ treatment and lab investigations for Rs 13 million were not achieved, as total revenue generated was Rs 7.8, which resulted in a shortfall of Rs.5.2 million.

## **Social Welfare**

In the 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.

Panagah(s) were established under Ehsaas Program of the Federal Government, in order to provide valued but temporary/overnight stay with two-time meals to the needy individuals seeking bed and breakfast in pursuit of employment. Panagah(s) were established in major cities/Divisional Districts based on need assessment in 1<sup>st</sup> phase. However, panagah services were not existed in District Chitral Lower.

There is no Dar-ul-Kafala for beggars and no centre for rehabilitation of drug addict people was established. However, keeping in view the spread of drug use and incidence of poverty, more resources are required to be diverted to this sector.

## **Municipal Services**

Town Municipal Administrations, District Chitral Lower did not fulfill some primary requirements envisioned as integral component of Local Government in the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. The Local Government could not establish & maintain Tehsil Public Fund Account as required under the section 30 of Local Government Act. The accounts of receipt and expenditure were also not maintained in such form as prescribed by the Auditor General of Pakistan and required under section 36 of Local Government Act. 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, Chitral with prescribed format and necessary trainings to compile the accounts of TMAs and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by

the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 as internal auditors were not posted in the TMAs to support the Council. In addition, Asset management by Tehsil Councils was yet another area it could not address as required under section 38 of the Local Government (Amendment) Act, 2019.1.2 AUDIT PARAS



## **1.2 AUDIT PARAS (Financial Attest Audit)**

### **1.2.1 Non compilation of accounts of Local Councils - Rs 232.488 million**

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

During certification audit of the accounts of the DAO Chitral Lower for the financial year 2021-22, audit observed incompleteness and incorrect presentational the financial statements as the DAO failed to consolidate them into the quarterly and annual accounts of the district, both government and local resources, are required under section-36(3) of the Local Government Act, 2019. Receipts and expenditure of Rs.240.587 million and Rs. 447.512 million respectively, of the TMAs were also not reflected in accounts. Same is the case with the receipts and expenditure of the VCs/NCs, the figures of which were not available at the time of audit.

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

Due to non consolidation of accounts of TMAs and VCs/NCs the financial statements of Local Government remained incomplete which led to qualification of audit opinion. The similar observation was also pointed out during the financial years 2018-19, 2019-20 and 2020-21 amounting to Rs 85.651million, Rs 334,364 and Rs 4.50.845 million respectively. However, no corrective measures were taken.

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

Audit recommends compilation of accounts.



**CHAPTER-02**

**DISTRICT GOVERNMENT**



## CHAPTER-2

### District Government Chitral Lower

#### 2.1 A. Introduction

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

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

(1) 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 the Government.

(2) 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.

(3) 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 Chitral Lower

(Rs. in million)

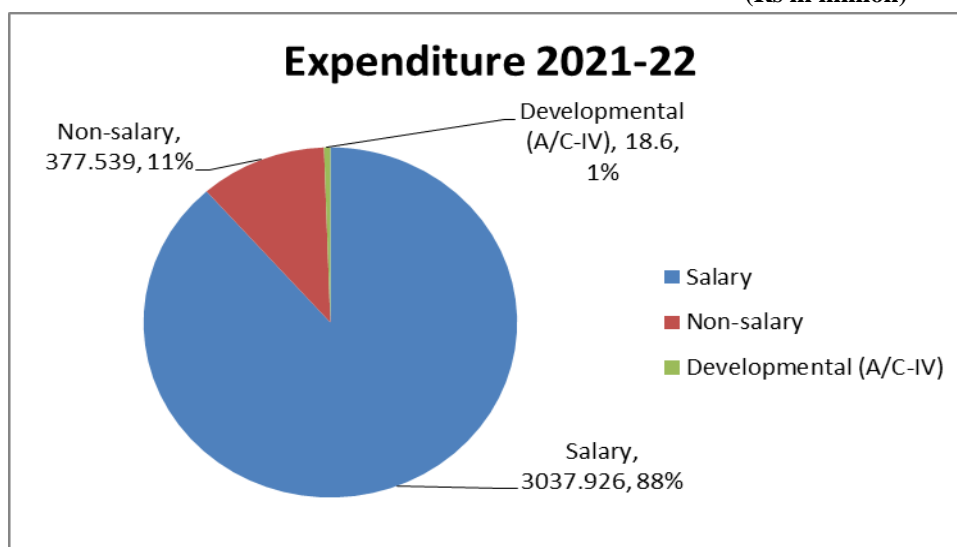
S. No	Description	Total Nos	Audited	Expenditure audited FY 2021-22	Revenue / Receipts audited FY 2021-22
1	Formations	10	4	1601.427	0
	<b>Total</b>	<b>10</b>	<b>4</b>	<b>1601.427</b>	<b>0</b>

## 2.1 B. Comments on Budget and Accounts (Variance Analysis)

(Rs in million)

District Government Chitral Lower				
2021-22	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	3640.101	3037.926	602.175	17%
Non-salary	405.538	377.539	27.999	7%
Developmental	24.471	18.6	5.871	24%
<b>Total</b>	<b>4070.11</b>	<b>3434.065</b>	<b>636.045</b>	<b>16%</b>
<b>Receipts</b>		<b>19.99</b>		<b>0</b>

(Rs in million)



The savings of Rs.636.045 million indicate weakness in the capacity of District Government Departments to utilize the allocated budget. Furthermore, The salary component was 17% whereas; non-salary component and development expenditure was only 7% and 24% respectively of total expenditure. Less development expenditure by the District Government was due to insufficient release and lack of interest of the Provincial Government towards development at District level. As a result, less development activity, job opportunities were not adequately provided to the larger population. Business operations were not increased and ultimately standard of living of the people was not improved and role of the District Government could not be seen in the development functions as required under Rules of Business 2015.

## 2.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 671.356 million were raised as a result of this audit. This amount also includes recoverable of Rs 70.279 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

**TABLE: Classified Summary of Audit Observations**

Sr. No.	Classification	Amount (Rs)
1	Non production of record	-
2	Misappropriation, Fraud, embezzlement	-
3	Irregularities:	-
A	HR/Employees related irregularities	-
B	Procurement related irregularities	41.66
C	Management of Accounts with commercial bank	150.4
4	Value for money and service delivery issues	77.396
3	Others including accident, negligence etc	401.9
<b>Total</b>		<b>671.356</b>

## 42.3 Comments on the status of compliance with Zilla Accounts Committee Directives

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

S#	Audit Year	ZAC Meeting
1	2002-03	Not Convened
2	2003-04	Not Convened
3	2005-06	Not Convened
4	2006-07	Not Convened
5	2007-08	Not Convened
6	2008-09	Not Convened
7	2009-10	Not Convened
8	2010-11	Not Convened
9	2011-12	Not Convened
10	2012-13	Not convened
11	2013-14	Not Convened
12	2014-15	District government didn't exist. Audit report didn't prepare
13	2015-16	District government didn't exist. Audit report didn't prepare
14	2016-17	Not Convened

15	2017-18	Not Convened
16	2019-20	Not Convened
18	2020-21	Not Convened
19	2021-22	Not Convened

## **2.4 AUDIT PARAS**

### **2.4.1 Irregularities:**

#### **A Procurement related irregularities**

##### **2.4.1.1 Irregular/advance payment on account of purchase of furniture Rs6.92 million**

According to Notification No. SO(IMP-1)R&I/E&SED/2021/FURNITURE PURICURTMENT dated 28.01.2022 issued by Secretary to KP for Elementary & Secondary Education Department, the following Inspection Committee will check and verify physically the quality and quantity of newly procured furniture as per approved specification.

1. Mr. Abdul Akram Additional Secretary (General)
2. DMO Abbottabad
3. DMO Swat
4. M&E officer (Malakand & Hazara), E&SED Division
5. Additional Director Establishment E&SED
6. Representative of DC concerned
7. Section Officer (Litigation) E&SED

According to letter No.SO(IMP-1)R&I/E&SED/2021/FURNITURE-20-21 dated 01.12.2021 issued by Elementary & Secondary Education Department, the DC concerned will notify a committee at district level for inspection of newly procured furniture for Government Schools, Further more clause 3.1& 3.1(a) of the agreement between the DEO (M) Chitral Lower and M/S Danyal Traders dated 20.09.2021, payment will be made after completion of delivery and verification (quality and quantity) certificate and no advance payment shall be made.

Office of the DEO (Male) Lower Chitral incurred expenditure of Rs 2,692,000 on account of purchase of furniture from M/S Daniyal Trader Timergara during the F.Y 2021-22.during scrutiny of record the following observation were raised .

1-The expenditure was incurred from AC-IV therefore; financial sanction was required to be obtained from Deputy Commissioner Chitral which was not done. Thus, the expenditure incurred without obtaining sanction from the competent authority was held irregular

2- The inspection report of the committees regarding supply and verification of the furniture was not available. In the absence of inspection report, the supply was unauthentic. In addition, stock register, and satisfactory supply reports from the concerned principals and head mistress of the schools were also not available.

3- As per agreement executed between The DEO and Daniyal Trader the payment shall be made after completion of delivery and verification of (quality and quantity) and no advance payment shall be made to the supplier. The supply has not been completed and the payment has already been made to the contractor, which was clear violation of the agreement.

Irregularity occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in August 2022, management stated that the concerned report will be provided in next DAC meeting.

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

Audit recommends inquiry into the probable cause of irregularity payment besides fixing responsibility on person(s) at fault.

**AIR No. 02.02 & 03 (2021-22)**

#### **2.4.1.2 Purchase of sub-standard medicines without Batch number's Rs 5.97 million**

Batch number is designation given to a product made in same manufacturing run, it consists numerals, letters, or symbols, and it allows the items to be traced after they have been distributed,

Office of the DHO Lower Chitral drew Rs 5974474 on account of Purchase of Medicines during the F.Y 2021-22.on scrutiny of record it was observed that no Batch No's were mentioned in the invoices, thus purchase of medicines without batch No's leads to be substandard as without Batch No the medicines cannot be traced after distribution. Detail is as per annexure-2.

Irregularity occurred due to due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.



When pointed out in August 2022, management stated that the medicines have already been sent to drug regularity authority for testing, result is still awaited. Reply was not convincing as irrelevant reply was given by the local office.

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

Audit recommends to justify the purchase of medicines without batch number.

**AIR No. 23(2021-22)**

**2.4.1.3 Irregular/advance payment on account of purchase of furniture Rs4.547 million**

According to Notification No. SO(IMP-1)R&I/E&SED/2021/FURNITURE PURICURTMENT dated 28.01.2022 issued by Secretary to KP for Elementary & Secondary Education Department, the following Inspection Committee will check and verify physically the quality and quantity of newly procured furniture as per approved specification.

1. Mr. Abdul Akram Additional Secretary (General)
2. DMO Abbottabad
3. DMO Swat
4. M&E officer (Malakand & Hazara), E&SED Division
5. Additional Director Establishment E&SED
6. Representative of DC concerned
7. Section Officer (Litigation) E&SED

According to clause 3.1& 3.1(a) of the agreement between the DEO (F) Chitral Lower and M/S Danyal Traders dated 20.09.2021, payment will be made after completion of delivery and verification (quality and quantity) certificate and no advance payment shall be made.

Office of the DEO (Female) Lower Chitral incurred expenditure of Rs 4,547,000 on account of purchase of furniture from M/S Daniyal Trader Timergara during the F.Y 2021-22 during scrutiny of record the following observation were raised.

1-The expenditure was incurred from AC-IV therefore; financial sanction was required to be obtained from Deputy Commissioner Chitral which was not done. Thus, the expenditure incurred without obtaining sanction from the competent authority was held irregular

2- The inspection report of the committees regarding supply and verification of the furniture was not available. In the absence of inspection report the supply was unauthentic. In addition, stock register, and satisfactory supply reports from the concerned principals and head mistress of the schools were also not available.

3- As per agreement executed between The DEO and Daniyal Trader the payment shall be made after completion of delivery and verification of (quality and quantity) and no advance payment shall be made to the supplier. The supply has not been completed and the payment has already been made to the contractor, which was clear violation of the agreement.

Irregularity occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in August 2022, management stated that the concerned report will be provided in next DAC meeting.

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

Audit recommends inquiry into the probable cause of irregularity payment besides fixing responsibility on person(s) at fault.

**AIR No. 02.03 & 04 (2021-22)**

#### **2.4.1.4 Irregular expenditure on account of Purchase of Furniture – Rs1.49 million**

According to Rule 11 (2) of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, For all purchases, other than those being covered in rules 3, 10 and sub rule (1) of rule 11 of these rules, shall be advertised in print media, appearing in at least one national English and one Urdu daily newspaper with nationwide circulation along with advertising the same on the procuring entity's website and Authority's website, respectively.

Office of the Deputy Commissioner Chitral Lower incurred expenditure of Rs 1490380 on account of Purchase of Furniture during the F.Y2021-22. On scrutiny of record, it was observed that the supply order was placed to the SIDB instead of open bidding the local office was required to placed advertisement in print media, appearing in at least one national English and one Urdu daily newspaper with nationwide circulation along with advertising the same on the procuring entity's website and Authority's website, respectively but the local office did not so. Thus, the expenditure was held irregular.

Irregularity occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in August 2022, management stated that the purchase has been made from Government organization as per standing order and no need to purchase through open bidding.

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

Audit recommends to justify the irregular purchase.

**AIR No. 10(2021-22)**

#### **2.4.1.5 Irregular Purchase of Furniture – Rs1.12 million**

According to Rule 11 (2) of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, For all purchases, other than those being covered in rules 3, 10 and sub rule (1) of rule 11 of these rules, shall be advertised in print media, appearing in at least one national English and one Urdu daily newspaper with nationwide circulation along with advertising the same on the procuring entity's website and Authority's website, respectively.

Office of the District Health Officer Lower Chitral incurred expenditure of Rs1,123,977 on account of Purchase of Furniture during the F.Y2021-22. On scrutiny of record, it was observed that the supply order was placed to the SIDB instead of open bidding the local office was required to placed advertisement in print media, appearing in at least one national English and one Urdu daily newspaper with nationwide circulation along with advertising the same on the procuring entity's website and Authority's website, respectively but the local office did not so. Thus, the expenditure was held irregular.

Irregularity occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in August 2022, management did not respond to the observation.

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

. Audit recommends to justify the irregular purchase.

**AIR No. 24(2021-22)**

**2.4.1.6 Irregular purchase without open tender system - Rs 0.999 million and unauthentic payment to irrelevant persons - Rs 612,644**

According to Rule 1 of Chapter-III of Khyber Pakhtunkhwa Public procurement of Goods, Works and Services Rules, 2014, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs 100,000/ (rupees one hundred thousand).

According to Rule 75 (8) a, b & c, Part-XII of the Government of Khyber Pakhtunkhwa District or City District Government Budget Rules 2016, purchases must be made in the most economical manner in accordance with the definite requirements of the public service. Purchase orders should not be split up to avoid the necessity for obtaining the sanction of higher authority with reference to the total amount of orders. All material received should be examined, counted, measured or weighted, quality and quantity be checked and entered into a stock register.

District Director Agriculture Chitral Lower spent Rs 999,994 on purchase of "Other Stores" during the year 2020-21 without open tender system, which was irregular. Detail of expenditure is given at the annexure-2. Audit further held that:

1. Cheques of Rs 612,644 were issued to irrelevant persons instead of issuance to the concerned dealers/suppliers as per detail given at the annexure-2.
2. Further issue/utilization of the purchased items could not be verified due to non-provision of disbursement/utilization record.

Irregularity occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in February 2022, management did not furnish reply.

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

Audit recommends fixing responsibility on the person(s) at fault for non-observance of open tender system besides provision of relevant stock registers.

**(Lean Period) AIR Para No. 01/2020-21**

## **B. Management of Accounts with commercial bank**

### **2.4.1.7 Non conversion of current bank account in to PLS account Rs - 61.391 million**

According to Government of Khyber Pakhtunkhwa Finance Department letter No 2/3-(F/L)-FD/2007-2008/Vol-IX dated:10-02-2014, current bank accounts may be converted into PLS mode and profit earned on the balances in these accounts be deposited into Government treasury.

Office of Deputy Commissioner Lower Chitral maintain current designated bank accounts with balance of Rs61391298 instead of PLS account during the F.Y 2021-22 which, was clear violation of the government instruction. Detail as Detail is as under.

<b>S. No.</b>	<b>Name of Bank</b>	<b>Account No.</b>	<b>Amount</b>
1	National Bank of Pakistan Chitral	4051593923	46,194,568
2	National Bank of Pakistan Chitral	4051578217	15,196,730
<b>Total</b>			<b>61,391,298</b>

Non-conversion of bank account occurred due to non compliance of government instruction and policy which resulted in loss to government.

When pointed out in August 2022, management stated that needful will be done as per as per direction of audit party.

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

Audit recommends to convert of current accounts into PLS mode.

**AIR No. 02(2021-22)**

**2.4.1.8 Unauthorized retention of money in designated bank account Rs-42.08 million**

According to S.No V of the Government of Khyber Pakhtunkhwa Finance Department letter No. 2/3(F/L)/FD/2019-20/Vol.-XIII dated 3-2-2020 “The unspent balance in the designated bank account, if any, remaining on June 30<sup>th</sup> of respective F.Y shall not be available without its revival in the next F.Y by Finance Department.

Office of the DHO Lower Chitral drew Rs 42085650 from Government treasury on account of purchase of medicines and other items during the F.Y 2021-2022. All the Cheques were crossed which could neither be cashed nor deposited in any other bank account except the bank accounts of the suppliers/companies concerned. Even then all the Cheques were deposited in designated bank account of the DHO which were not only unauthorized on the part of DHO office, but the bank as well. The retention of huge amount in designated bank account needs justification. Detail is as under:

S.No	Name of Bank	Account No	Closing Balance (Rs)
1	MCB	0110002010038932	12,502,195
2	NBP	4051576595	29,583,455
<b>Total</b>			<b>42,085,650</b>

Unauthorized retention of money occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in August 2022, management stated that after completion of the supply of medicines, penalty will be deducted for late supply then payment will be made through bank draft and copy of the bank draft will be presented to audit.

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

Audit recommends justifying retention of money in Bank.

**AIR No. 05(2021-22)**

#### **2.4.1.9 Non-conversion of current bank account in to PLS Rs 29.583 million**

According to Para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10<sup>th</sup> February 2014, Khyber Pakhtunkhwa Finance Department has from time to time allowed sanctioned Bank accounts in the commercial bank for various Departments/Autonomous/Semi- Autonomous Bodies/Corporations in Khyber Pakhtunkhwa for particular and specific purposes. Such accounts may be converted to PLS mode and the profit earned be deposited in Government Treasury under relevant head of account immediately and not later than a week when declared by the concerned bank.

Office of the DHO Chitral Lower maintain current Bank account instead of PLS account with balance of Rs 29,583,455 during the F.Y 2021-22, which was clear violation of the above-mentioned order of the finance Department.

Non-conversion of bank account occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in August 2022, management stated that needful will be done as per as per direction of audit party.

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

Audit recommends conversion of current accounts into PLS mode.

**AIR No. 25(2021-22)**

#### **2.4.1.10 Non-conversion of current bank account in to PLS account – Rs 12.8 million**

According to Para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10<sup>th</sup> February 2014, Khyber Pakhtunkhwa Finance Department has from time to time allowed sanctioned Bank accounts in the commercial bank for various Departments/Autonomous/Semi- Autonomous Bodies/Corporations in Khyber Pakhtunkhwa for particular and specific purposes. Such accounts may be converted to PLS mode and the profit earned be deposited in Government Treasury under relevant head of account immediately and not later than a week when declared by the concerned bank.

Office of the DEO (Male) Lower Chitral maintain current bank account instead of PLS account with balance of Rs 12844346 during the F.Y 2021-22, which was clear violation of the above-mentioned order.

Non-conversion of bank account occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in August 2022, management stated that as per this report the bank will be requested to convert the current account in PLS account.

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

Audit recommends to convert current accounts into PLS mode.

**AIR No. 06(2021-22)**

#### **2.4.1.11 Non conversion of current bank account into PLS account – Rs 2.34 million**

According to Government of Khyber Pakhtunkhwa Finance Department letter No 2/3-(F/L)-FD/2007-2008/Vol-IX dated:10-02-2014, current bank accounts may be converted into PLS mode and profit earned on the balances in these accounts be deposited into Government treasury.

Office of the DEO (female) Lower Chitral maintained current bank account instead of PLS account with balance of Rs 2,344,015 during the F.Y 2021-22, which was clear violation of the above-mentioned order handsome amount of Rs 2,344,015 was available in the designated bank accounts without profit.

Non-conversion of bank account occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules. The same observation was also pointed out during the F.Y2020-21 amounting to Rs 29,583,000. However, no corrective measures were taken resultantly violation of rules.

When pointed out in August 2022, management stated that in future the account will be converted into PLS Account.

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

Audit recommends conversion of current account into PLS account.

**AIR No. 10(2021-22)**



#### **2.4.1.12 Non deposit of Bank profit earned in Government treasury Rs- 1.29 million**

According to Finance Department Khyber Pakhtunkhwa Peshawar letter No. 2/3-(f/l) /FD/2007-08/Vol-IX dated 16.03.2018 read with even no dated 10.02.2014, the interest / profit amounts accrued/earned on the funds placed in Government Banks (PLS mode) may be deposited into government treasury.

Office of the DHO Lower Chitral earned profit of Rs 1292809 on the public fund placed in designated bank account during the F.Y 2021-22. However, the same was retained in the bank till the date of audit (July, 2022) and not deposited into the Government treasury.

Non deposit of bank profit current bank account occurred due to non-compliance of rules, regulation and administrative control, which resulted in loss to government.

When pointed out in August 2022, management stated that Profit will be deposited into government treasury and challan will be presented to audit.

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

Audit recommends deposit of Bank profit into Government treasury.

**AIR No. 07(2021-22)**

#### **2.4.1.13 Unauthorized withdrawal through DDO Cheques - Rs 0.929 million**

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

District Population Welfare Officer Chitral Lower, during the year 2020-21 withdrew Rs 929,992 from Government Treasury through DDO Cheques for purchase of medicines without sanction of the competent authority and deposited the same in designated bank account instead of issuing crossed cheques in the name of vendors. Moreover, physical verification of the purchased quantity was not arranged by the monitoring committees constituted at Directorate General, Population Welfare Department.

Unauthorized payment occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

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

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

Audit recommends provision of sanction of the competent authority and detailed record of further payment to the concerned firms.

**AIR Para No. 01/2020-21**

## **2.4.2. Value for money and service delivery issues**

### **2.4.2.1 Non submission of 10% performance guarantee-Rs 26.929 million**

According to clause 15(xxx) of the agreement between the DEO (M) Lower Chitral and M/S Daniyal Trader Timergara dated 20.09.2021, an amount equal to 10% of the agreement value in the shape of Bank guarantee shall be submitted as performance guarantee by the supplier within one month of the signing of the agreement.

Office of the DEO (Male) Chitral paid Rs 26,929,000 to M/S Daniyal Trader Timergara on account of purchase of furniture during F.Y2021-22. The supplier was required to submit 10% guarantee/bank guarantee in original to the local office but no original bank guarantee was available on record of the local office, which was clear violation of the agreement.

Irregularity occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in August 2022, management stated that CDR has been deposited. Reply was not convincing 10% was not submitted.

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

Audit recommends to justify non deposit of 10% bank guarantee.

**AIR No. 01(2021-22)**

### **2.4.2.2 Non surrender of Government fund – Rs 20.00 million**

Para 95 of General Financial Rules Volume I provides that all anticipated saving should be surrendered well before close of financial year.

Office of the Deputy Commissioner Lower Chitral drew Rs 20,000,000 vide Cheque No. 2143251 dated 03-06-2021 for on ward payment to Chitral Chamber of commerce during the F.Y 2021-22, on scrutiny of record it was observed that the said amount was neither utilized nor surrendered till the date of audit and was held irregular.

Non surrender of fund account occurred to non-compliance of rules, regulation and administrative control, which resulted in loss to government.

When pointed out in August 2022, management stated that the payment will be done on completion of codal formalities on part of Chitral chamber of commerce.

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

Audit recommends the matter for corrective action.

**AIR No. 05(2021-22)**

#### **2.4.2.3 Non recovery on account of loan for redemption of mortgaged trees – Rs 10.653 million**

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

Office of the Deputy Commissioner Lower Chitral Lower did not recover Rs 10,653,000 on account of loan for redemption of mortgaged trees in Kalash Valley during the F.Y2021-22. Audit observed that Rs 12,300,000 were disbursed and Rs 1,647,000 were recovered and the remaining amount was still outstanding against the people of the Kalash valley.

Non-recovery of loan occurred due to non-compliance of rules, regulation and administrative control, which resulted in loss to government.

When pointed out in August 2022, management stated that the outstanding loan will be recovered and will be presented in DAC.

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

Audit recommends to recover the outstanding amount.

**AIR No. 06(2021-22)**

#### **2.4.2.4 Irregular Disbursement of Government Money in cash – Rs 9.188 million**

According to the instructions circulated vide Government of Khyber Pakhtunkhwa Finance Department letter No. BO(W&M)6-5/2019-20 dated 19<sup>th</sup> February 2020, in order to eliminate cash payments and reduce issuance of open

cheques by Accountant General Khyber Pakhtunkhwa and to stop payments in cash, all Principal Accounting Officers and DDOs were advised to stop all unnecessary cash payments and open cheques except critical payments in unavoidable circumstances.

Office of the DHO Lower Chitral drew Rs 9188350 on account of remuneration of Covid19 vaccination during the F.Y2021-22. On scrutiny of record, it came to notice that cash payment was made to the vaccinators instead of cheque, which was clear violation of the above-mentioned criteria.

Irregular disbursement occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in August 2022, management stated that payment has been through cash signature/Acquaintance roll will be shown to audit.

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

Audit recommends to justify the cash disbursement.

**AIR No. 02(2021-22)**

**2.4.2.5 Loss to government due to non imposition of penalty – Rs 6.43 million**

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

Office of the DHO Lower Chitral paid Rs 66,431,000 on account of purchase o and repair of Furniture and Machinery and equipment and petty repair during the F.Y2021-22. Scrutiny of record revealed that the contractor neither supplied the purchase items nor made any repair so for. The local office was required to cancelled the order or impose penalty @ 10% amounting to Rs.6,643,100 but failed to do so. Detail is as under:

S.No	Particular	Amount	Penalty
1	Petty Repair	54,990,000	5,499,000
2	Repair of M&E	11,441,000	1,144,100
<b>Total</b>		<b>66,431,000</b>	<b>6,643,100</b>

Non imposition of Penalty account occurred due to non-compliance of rules, regulation and administrative control, which resulted in loss to government.

When pointed out in August 2022, management stated that works are in progress completion report will be presented to audit.

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

Audit recommends to recover the amount from the concern.

**AIR No. 20(2021-22)**

**2.4.2.6 Non deposit of health receipt in government treasury -1.73 million**

According to clause 10.4 of the Agreement between the Khyber Pakhtunkhwa Health Foundation through its Chairman Board of Governors (BoGs) and Tehsil Headquarter Hospital through the District Health Officer Lower Chitral and Agha Khan Health Services, Pakistan through its Chief Executive Officer, the third party (AKHSP) may generate revenues through user fee from various diagnostic services like outdoor and indoor receipts, x-ray, laboratory, private rooms and major investigations etc. the user fee for the above diagnostic services shall not be beyond the limit as determined by Government by time to time, will be treated as per Government rules.

Office of the THQ Hospital Garam a health facility under the administrative control of DHO Lower Chitral, it was noticed that health receipts of OPD, indoor, Laboratory, X-ray, ECG and Ultrasound fee amounting to Rs1,732,917 were collected during F.Y 2021-22 was not deposited into Government Treasury but retained in designated bank account of Agha Khan Hospital Service, Pakistan, (AKHSP) in violation of the agreement.

Non-deposit of receipts occurred due to violation of agreement, which resulted in loss to the Government.

When pointed out in August 2022, management stated that Para will be intimated to AKHSP.

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

Audit recommends to recover the amount and deposit into Government treasury.

**AIR No. 06(2021-22)**

**2.4.2.7 Non disbursement of student scholarship fund– Rs 1.000 million**

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

Office of the Deputy Commissioner Lower Chitral drew Rs 1,000,000 vide Cheque No. 1247139 dated 30-06-2022 on account of student scholarship during the F.Y2021-22. During scrutiny of record, it was observed that the amount was not disbursed among the students as Actual Payee Receipts to the support of the payment were not available to verify the actual disbursement and was held irregular.

Non disbursement of stipend occurred due to non-compliance of rules, regulation and administrative control, which resulted loss to government.

When pointed out in July, 2022, management stated that delay in process is due to non-completion on the part of education Department and will be paid as and when codal formalities fulfilled.

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

Audit recommends to regularize the expenditure.

**AIR No. 04(2021-22)**

**2.4.2.8 Non deposit of Government receipts – Rs 0.881**

According to Para 8 of GFR Vol-I, it is the duty of the Revenue or Administrative Department concerned to see that the dues of Government are correctly and promptly assessed collected and paid into the treasury.

According to Para 28 of GFR Vol-I, no amount due to Government should be left outstanding without sufficient reason and where any dues appear to

be irrecoverable the orders of Competent authority for their adjustment must be sought.

District Health Officer Chitral collected an amount of Rs 880,626 on account of various receipts as during 2017-18. However, the amount was not deposited into government treasury.

S.No	Name of unit	Particular	Amount (Rs)
01	Ambulance receipts	41779 79272x8	634,176
02	THQ Booni	Lab	72,640
03	RHC Ayun	OPD	173,810
<b>Total</b>			<b>880,626</b>

Non deposit of receipts occurred due to non-compliance of the rules, regulation and administrative control which resulted money not utilized efficiently due to devaluation of currency if the amount had been spent in time.

When pointed in August 2018, management stated that required documents would be produced in DAC. No progress was shown to audit.

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

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

**MFDAC AIR Para No. 14 (2017-18)**

#### **2.4.2.9 Loss to Government due to non deduction of stamp duty – Rs 0.582**

As per Revenue & Estate Department (Stamps Wing) KPK's letter no. 13023 AS(S)3/240/C-III dated 02/7/2010, Stamps Duty on store and material shall be charged @ 1% in the Provincially Administered Tribal Area.

District Education Officer (M) Chitral paid Rs 581,813 on account of purchase Furniture and other items to various suppliers during the financial year 2018-19, but stamp duty @ of 1% Rs 581,809 were not deducted from the suppliers. Detail is as per annexure-3

Non-deduction of stamp duty was occurred due to non-compliance of rules, regulation and administrative control, which resulted in loss to government.



When pointed out in August 2019, management stated that the said amount will be recovered from the contractors and will be deposited into government treasury. Reply was not convincing as no evidence of recovery was shown to audit.

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

Audit recommends to recover the amount from the person(s) at fault.

**MFDAC AIR Para No. 08 (2018-19)**

### **2.4.3 Others, including cases of accidents, negligence etc**

#### **2.4.3.1 Irregular retention of money in Designated Bank account and non maintenance of cash book for paid amount -Rs 146.081 million**

According to Para 15 of GFR Volume I, every one whose duty is to prepare and render any accounts or returns in respect of public money or store is personally responsible for their completeness and strict accuracy and their dispatch within the prescribed date.

Deputy Commissioner Chitral paid Rs 146,081,629 on account of land compensation during the financial year 2017-18, however, cash book was not maintained. Furthermore, the amount of land compensation was kept in designated bank account instead of transfer into Government revenue. Bank statement was not produced to audit for verification. Therefore, authenticity of payment and receipts could not be ensured.

Unauthentic payment occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed in July 2018, management stated that since the observation of audit party the process has been regularized and the amount on account of land acquisition is being deposited in the revenue head G-11215. The cash book will be maintained and shown to next audit party.

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

Audit recommends that proper cash book be maintained and shown to audit.

#### **MFDAC AIR Para No. 09 (2017-18)**

#### **2.4.3.2 Unauthentic payment on account of land compensation- Rs 77.584 million**

According to Rule 283 (I) of the CTR Vol- I, maintain acquaintance roll on Form TR 28 in support of payments.

Deputy Commissioner Chitral paid Rs 77,584,716 to Assistant Commissioner Chitral and Mastuj on account of land compensation for onward disbursement to the land owners, however actual payee receipts/acquaintance rolls of the land owners were not available to verify the payment. Detail is as per annexure-4.

Unauthentic payment was occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed in July 2018, management stated that the actual payee's receipt/acquaintance roll is available with the concerned Assistant Commissioners which will be shown to audit party as and when demanded.

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

Audit recommends investigation and action against the persons at fault.

**MFDAC AIR No. 08(2017-18)**

### **2.4.3.3 Irregular Award of Contracts without observing KPRA Rules - Rs 73.00 million**

According to KPRA Rules 2014, all procurement opportunities over Rupees two million should be advertised on the authority website as well as in other print media or newspaper having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies one in English and one in Urdu.

Office of the DHO lower Chitral incurred expenditure of Rs73,731,000 under various head in the F.Y 2021-22. On scrutiny of record, it was observed that open tender system was not adopted. The advertisement in the newspapers shall principally appear in at least two national dailies one in English and one in Urdu, but the local office failed to do so. Thus, the expenditure was irregular. Detail is as under:

<b>S.No</b>	<b>Particular</b>	<b>Name of Contractor</b>	<b>Amount</b>
1	Petty Repair	Mughal Baz	54,990,000
2	Transportation of goods	Mughal Baz	7,300,000
3	Repair of M machinery and Equipments	Mughal Baz	11,441,000
<b>Total</b>			<b>73,731,000</b>

Irregularity occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in July, 2022, management stated that open tender system was adopted. Reply was not convincing as the above criteria was not fulfilled.

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

Audit recommends to justify the irregular award of works.

**AIR No. 19(2021-22)**

#### **2.4.3.4 Irregular expenditure on account of Petty Repair Rs 54.99 million**

Para 2.4 of B&R Department Code requires that no work shall be started without administrative approval, technical sanction and allotment of funds. moreover, According to Government of Khyber Pakhtunkhwa, Local Government, Election and Rural Development Department, Local Council Board letter No.AO (Planning)/LCB/Gen/Inst/4-10/2016 dated 31.01.2019.

- PC-1 should be on proper format ensuring all requisite details of quantities and costs.
- District Monitoring Officers of concerned Districts should visit all developmental schemes and submit detail report.

Office of the DHO Lower Chitral drew of Rs 54,990.000 on account of petty repair works in various health units during the F.Y201-22. On scrutiny of record the following irregularities were pointed out.

- 1- Work was started without administrative approval and technical sanction of the competent authority.
- 2- Execution of work was not recorded in Measurement Book
- 3- Contract was not executed with the contractor
- 4- PC-1 should be on proper format was not prepared for ensuring all requisite details of quantities and costs.
- 5- Monitoring report of District Monitoring Officers of concerned Districts was also not available on the record of the local office.

Detail is as under:

<b>S.No</b>	<b>Particular</b>	<b>Unit</b>	<b>Amount (Rs)</b>
1	Petty Repair	THQ. RHC's. BHU's and CD's	54,990,000

Irregularity occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in July, 2022 management stated that TS. AA would be obtained after completion of the work.

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

Audit recommends regularization of payment by obtaining the TS, AA.

**AIR No. 17(2021-22)**

**2.4.3.5 Unverified expenditure/payment to Agha Khan Health Services Pakistan– Rs 15.01 million**

According to clause 11 of the Agreement between the Khyber Pakhtunkhwa Health Foundation through its Chairman Board of Governors (BOGs) and Tehsil Headquarter Hospital through the District Health Officer Lower Chitral and Agha Khan Health Services, Pakistan through its Chief Executive Officer, the Fund of the Assigned Health Facility may be annually audited by the Auditor General of Pakistan. Moreover, according to the clause 11.2 of the agreement *ibid*, the third party (AKHSP) shall get its project financial statements audited from the external audit firm within 6 months of close of Financial Year and submit it to the first and second party i.e. Khyber Pakhtunkhwa Health Foundation and DHO Lower Chitral. According to clause 11.4 of the Agreement *ibid*, the AKHSP (third party) shall maintain a clear, accurate and complete record in respect of the funds received under this agreement. The books and records shall be maintained in such a manner that the receipts and expenditures of the Assigned Health Facility are shown separately on such books and records in clear and precise manner.

Office of the DHO Lower Chitral transferred Rs 15019062 to Agha Khan Health Services, Pakistan on account of salary and non-salary budget during F.Y2021-22 but relevant record for the said year was not provided to audit. According to the agreement, the AKHSP was bound to maintain clear, accurate and complete record for annual audit by the Auditor General of Pakistan. Audit further held:

1. Neither financial statements were prepared for the Assigned Health Facility nor such accounts were annually audited by the external audit firm during the entire period as such reports and statements were not shared with the second party i.e. DHO as required under clause 8.8.2 (c, e & f) of the agreement.
2. Government funding was not kept in separate bank account to ascertain actual position of receipts and expenditure since 2013.

Unverified Payment occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in July, 2022, management stated that the Manager AKHSP will be approached for provision of record.

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

Audit recommends to provide relevant record for verification.

**AIR No. 04(2021-22)**

**2.4.3.6 Unauthentic expenditure on account of petty repair Rs 12.7 million**

According to Para-58 of the CPWD code read with para-178 (iii) of GFR Vol-I, that no work should be commenced until administrative approval has been obtained, and a properly detailed design and estimate have been sanctioned. Moreover, Para 208 of CPWA Code, payments for all work done otherwise than by daily labour and for all supplies, are made to the suppliers/contractors on the basis of measurements recorded in measurement books.

Office of the Deputy Commissioner Lower Chitral incurred expenditure of Rs12,700,000 on account of petty repair works in various offices during the F.Y 2021-22. On scrutiny of record the following deficiencies were noted.

- 1- The technical sanction was not obtained from the competent authority before commenced of work, which was clear violation of the above-mentioned rules.
- 2- Work was started without obtaining Administrative Approval of the competent authority.
- 3- Work was not recorded in the measurements book. Thus, the payment on civil work without MB remained unauthentic which need justification.

Unauthentic expenditure occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

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

Audit recommends obtaining of TS and AA for regularization of payment.

**AIR No. 11(2021-22)**

#### **2.4.3.7 Un-verified expenditure on account of PTC fund Rs12.39 million**

According to the Financial Procedure for incurrence of expenditure by parents-Teacher Council (PTCs) notified vide Government of Khyber Pakhtunkhwa Finance Department letter No.BO-V/FD/3-10/2006-07 dated 9th June 2007, serial NoB(6) the vouched account shall be subject to inspection by the functionaries of the School & Literacy Department and to third party validation PTC shall maintain complete record of income and expenditure and shall also submit copies thereof to the DEO concerned at the closure of financial year.

Office of the DEO (Male) lower Chitral transfer Rs12,398,000 to PTCs' bank accounts to the school for Petty repair and Class consumable items during F.Y 2021-22. Further utilization by the PTCs and relevant record was not produced to audit for detail verification. Therefore, expenditure was remained unverified detail is as under

<b>S.No</b>	<b>Particular</b>	<b>Amount (Rs)</b>
1	Class Room Consumable	5,084,000
2	Petty Repair	7,314,000
<b>Total</b>		<b>12,398,000</b>

Unverified expenditure occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in August 2022, management stated that records are available at school level and will be produced in DAC.

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

Audit recommends to provide record for verification.

**AIR No. 08(2021-22)**

#### **2.4.3.8 Non-Disbursement of Stipend of Girls students Rs 12.09 million**

S/No.9 of Disbursement Guidelines for Stipend provides that the office of the Post Master will provide receipts duly signed by the students and countersigned by the Principals/HMs to the EDO S&L for record and audit purposes. However, it would be the responsibility of the EDO S&L to check through cross checks and effectively monitor that the funds are not misused/misappropriated and the stipend are distributed in time.

Para 8 and 26 of GFR Vol-I requires that each administrative department to see that the dues of the Government are correctly assessed, promptly collected and paid into Government Treasury.

Office of the DEO (Female) Chitral Paid Rs 12,095,000 to Post Master GPO Chitral vide cheque No 1247201 dated 22/6/2022 for onward distribution among the girls students during the F.Y 2021-22. On scrutiny of record it was observed that the amount of stipend was not distributed among the student so for .till August 25 2022 without any cogent reason. Therefore, on one hand the students were deprived from the stipend and on other hand the government money was blocked. it appears clearly that post office deposited such amount in designated bank account for earning profit. The local office also did not take any interest to ask from the Post office about such abnormal delay.

Non-Disbursement of stipend occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in August 2022, management stated that Cheque of 2<sup>nd</sup> installment handed over to GPO on 30-6-2022 but not yet distributed.

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

Audit recommends to justify non disbursement of the stipend.

**AIR No. 09(2021-22)**

#### **2.4.3.9 Unauthorized advance withdrawal on purchase of medicines due to non-availability of batch Nos on invoices– Rs 11.069 million**

According to Para 10 (i) of GFR Volume-I, 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.

District Health Officer Lower Chitral incurred expenditure of Rs 16,518,764 on purchase of medicines during financial year 2020-21 out of which 43 invoices of medicines of Rs 11,069,087 of different companies were without



batch Nos. Audit is of the view that funds were withdrawn in advance on fake invoices without actual supply of medicines at the time of furnishing invoices as batch Nos are allotted to each medicine before its production and without allotment of batch Nos a single tablet could not be produced.

Unauthorized advance withdrawal occurred due to non-compliance of rules, regulation and administrative control, which put the government money at risk.

When pointed out in August 2021, management stated that batch Nos are available on Delivery Challans not on demand bills which will be presented to audit. Management reply was not convincing as batch Numbers to each lot of medicine are allotted before production of medicines in the factory therefore these batch numbers should have been mentioned in the invoices. In the absence of which audit is of the view that the amounts were withdrawn from government treasury on fake invoices.

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

Audit recommends fixing responsibility for withdrawal of public money without supply and shifting of funds from government treasury to designated bank account.

**MFDAC AIR No. 67(2020-21)**

#### **2.4.3.10 Non reporting of clinical efficacy of medicines.9.61 million**

According to MCC rules 2021-22 clinical efficacy report is mandatory to collect by the head of the office for onward submission to headquarter concerned.

Office of the DHO Chitral Lower issued medicines of Rs **9,611,252** to various health units for the treatment of patients during the F.Y2021-22. As per MCC rules 2021-22 the head of the office was required to collect clinical efficacy report quarterly from the health units for onward submission to the quarter concerned to know the effectiveness of the medicines issued to the patients, but

the local office failed to do so, which was clear violation of the MCC rules Detail is as per Annexure-5.

Irregularity occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in July, 2022 management stated that the clinically efficacy report will be obtained from the concerned doctors.

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

Audit recommends to justify the irregularity.

**AIR No. 13(2021-22)**

**2.4.3.11 unauthentic payment of stipend to the hired teacher of Double Shift-Rs 9.058 million**

According to rule 174 of FTR Vol-I, all payment must be supported with acknowledgement. moreover, according to treasury Rule 205, vouchers for the withdrawal of money from the government account be submitted setting forth clear and full particulars for the withdrawal.

Office of the DEO (Female) lower Chitral sent Rs 9,058,165 to PTCs' bank accounts for payment of stipend to hired teachers, principals/head masters/head mistresses/head teachers and ministerial staff of double shift schools during F.Y2021-22. Audit could not authenticate the payment due to non-availability of the following documents.

1. Actual Payee Receipts from the concerned PTCs.
2. Bank statements of the concerned PTCs.
3. Copies of the crossed cheques issued in the name of teachers hired for double shift/ masters/head mistresses/head teachers and ministerial staff of double shifts schools.
4. Attendance of the hired teachers as well as students of the double shift schools.

Unauthentic payment on account of stipend occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in August 2022, management stated that will be submitted along with full documents in next DAC meeting.

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

Audit recommends provision of the required record for verification.

**AIR No. 05(2021-22)**

**2.4.3.12 Unjustified expenditure without performing functions Rs 7.379 million**

According to Rule 7 of the Khyber Pakhtunkhwa District Rules of Business 2015, Cooperatives department will perform the following functions:

- i. Promotion of Cooperative movement and organization, registration, audit and regulation of cooperative societies and associations in the district.
- ii. Capacity building of staff, office bearers and members in cooperative societies.
- iii. Encouraging organization and networking of communities in sector specific cooperatives.
- iv. Introducing and encouraging Cooperative Farming and constitution of producer associations and consumer societies.
- v. Support services, including agricultural loans and subsidies for farmers.
- vi. Crop insurance in the district.
- vii. Collection, compilation and dissemination of primary data.

Assistant Registrar Cooperative Societies Chitral spent Rs 7,379,342 during financial year 2017-18 on account of salary and non-salary components without performing functions as required under Khyber Pakhtunkhwa District Rules of Business 2015 referred to above.

Audit observed that unjustified expenditure occurred due to lack of administrative decisions to take functions from the staff of the department which resulted in loss to the Government.

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

Audit recommends making decision for adjustment of the staff to perform functions in the public interest as they are drawing pay and allowances without some work.

**MFDAC AIR Para No. 01 (2017-18)**

**2.4.3.13 Unauthentic Expenditure on account of Transportation Charges Rs7.3 million**

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

Office of the DHO Chitral Lower incurred expenditure of Rs7300000 on account of transportation charges during the F.Y2021-220. The expenditure was showed on transportation of medicines from Main stores to various health units situated in the district on Scrutiny of record the following observation were raised.

- 1- Actual Payee receipts/ Acknowledgement of the health units were not available on the record of the local office
- 2- Date of supply of medicines was not recorded in any documents.
- 3- Quantities of medicines were also not shown.
- 4- Distance was not mentioned in the bill
- 5- The hiring charges seem much more than market rate.
- 6- Extraordinary high rates than market rates were approved per trip of jeep up to Rs 29000 within Lower Chitral due to which loss of millions was occurred.
- 7- Normally, medicines and other goods were issued to health facilities on quarterly basis thus claim of excess trips need justification.
- 8- No contract was executed with the contractor which also needs justification.

Unauthentic Expenditure occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in July 2022, management stated that all the relevant documents will be obtained.

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

Audit recommends to provide the relevant documents for verification.

**AIR No. 14(2021-22)**

**2.4.3.14 Unverified expenditure on account of PTC fund Rs 4.84 million**

According to the Financial Procedure for incurrence of expenditure by parents-Teacher Council (PTCs) notified vide Government of Khyber Pakhtunkhwa Finance Department letter No.BO-V/FD/3-10/2006-07 dated 9th June 2007, serial No.B(6) the vouched account shall be subject to inspection by the functionaries of the School & Literacy Department and to third party validation PTC shall maintain complete record of income and expenditure and shall also submit copies thereof to the DEO concerned at the closure of financial year.

Office of the DEO (Female) lower Chitral transfer Rs 4,845,000 to PTCs' bank accounts to the school for Petty repair and Class consumable items during F.Y 2021-22. Further utilization by the PTCs and relevant record was not produced to audit for detail verification. Moreover, most of the PTC accounts were current account instead of PLS account which also need conversion in PLS Bank account detail is as under.

S.No	Particular	Amount (Rs)
1	Class Room Consumable	1,845,000
2	Petty Repair	3,000,000
<b>Total</b>		<b>4,845,000</b>

Unverified expenditure occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules. The same observation was also pointed out during the F.Y 2019-20 amounting to 24,851,000. However, no corrective measures were taken, resultantly losses Rs 24,851,000 to the government.

When pointed out in August 2022, management stated that relevant record will be produced in DAC meeting

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

Audit recommends to provide the relevant documents for verification.

**AIR No. 06(2021-22)**

#### **2.4.3.15 Overpayment on account of 15% compulsory charges on acquisition of land – Rs3.449 million**

Section 18 (1) of Land Acquisition Act 1894 provides that any person interested who has not accepted the award may, by written application to the collector, require that the matter be referred by the collector for the determination of the Court, whether his objection be to the measurement of the land, the amount of the compensation, the person to whom it is payable or the apportionment of the compensation among the persons interested.

Section 18(2) the Act requires that the application shall state the grounds on which objection to the award is taken.

Section 20 a & b of Land Acquisition Act 1894 requires that the court shall thereupon cause a notice specifying the day on which the court will proceed to determine the objection, and directing their appearance on that day to be served on the applicant and all persons interested in the objection.

According to section 23(2) of Land Acquisition Act 1894, "in addition to the market value of the land as above provided, the court shall in every case award a sum of 15% on such market value, in consideration of the compulsory nature of the acquisition".

Office of the Deputy Commissioner Lower Chitral paid an amount of Rs 29,364,884 on account of acquisition of land and overpaid thereon Rs3,499,94 @ 15% compulsory acquisition charges during 2021-22. Audit observed the following points that:

1. Compulsory acquisition charges were allowed at initial stage of acquisition.
2. No written objection, obstruction, refusal or appeal made to the Collector/Court by the owner.
3. 15% compulsory acquisition charges shall be allowed by the court under section 23(2) of the Act, not by the other authority. Under section 3(d) of the Act "Court" means an additional District Judge is judge of Principal Civil Court of original jurisdiction, an Additional District Judge, like the District Judge himself, is a judge of such court, and as such he competent to hear and dispose of the reference under the Land

Acquisition Act which are over to him for disposal by the District Judge. The expression "Court" does not include Collector.

4. The cases were neither referred to Court nor any proceeding was undertaken/carried out under section 20(a) & (b) mentioned in the criteria. Detail of compulsory acquisition. Details is as per annexure-6:

Over Payment occurred due to non-compliance of rules, regulation and administrative control, which resulted in loss to government. The same observation was also pointed out during the F.Y2017-18, 2018-19 amounting to 1,581,000 and 13,500,000 respectively. However, no corrective measures were taken, resultantly total losses Rs 15,081,000 to the government.

When pointed out in July 2022, management stated that compulsory acquisition charges @15is being assessed at the initial stage of assessment before award.

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

Audit recommends to recover the amount from the concerned.

**AIR No. 01(2021-22)**

#### **2.4.3.16 Irregular cash withdrawal from the designated bank account - Rs 0.312 million**

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

District Population Welfare Officer Chitral Lower withdrew cash of Rs 311,850 through Cheque No. 12443101 dated 2/04/2021 from designated bank account but its further payment could not be verified as the same was not entered in cashbook.

UN authentic Payment occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

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

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

Audit recommends clarification of cash withdrawal and provision of detailed record of further payments.

**(Lean Period) AIR Para No. 02/2020-21**





## CHAPTER-03

# TEHSIL MUNICIPAL ADMINISTRATIONS



## **CHAPTER-3**

### **Tehsil Municipal Administration**

#### **3.1. A Introduction**

District Chitral Lower has two Tehsils i.e. Chitral and Drosh. The office of a Tehsil Municipal Administration is managed by the Tehsil Municipal Officer. He is assisted by a Tehsil Officer (Finance), a Tehsil Officer (Regulation) and a Tehsil Officer (Infrastructure).

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

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

### Audit profile of TMAs of District Chitral Lower

(Rs. in million)

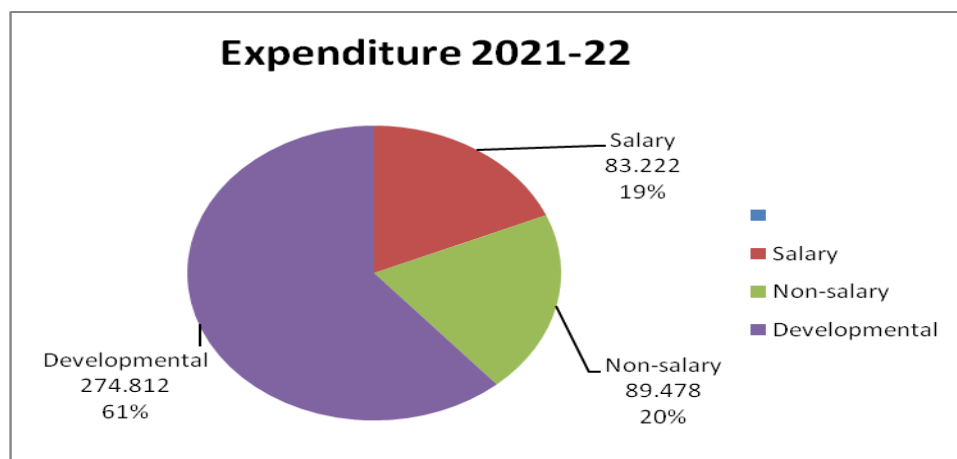
S. No	Description	Total Nos	Audited	Expenditure audited FY 2021-22	Revenue /Receipts audited FY 2021-22
1	Formations	2	2	447.12	240.587
	<b>Total</b>	<b>2</b>	<b>2</b>	<b>447.12</b>	<b>240.587</b>

#### 3.1.b Comments on Budget and Accounts (Variance Analysis)

(Rs. in million)

2020-21	Budget	Actual Expenditure/ Receipts	(Saving)/ Excess	%age
Salary	147.805	83.222	64.583	43.69 %
Non-salary	172.353	89.478	82.875	48.08 %
Developmental	279.54	274.812	4.728	1.69 %
<b>Total</b>	<b>599.698</b>	<b>447.512</b>	<b>152.186</b>	<b>22.80</b>
Receipts	378.00	240.587	137.413	36.35 %

(Rs in million)



The savings of Rs.152.186 million indicate weakness in the capacity of District Government Departments to utilize the allocated budget. Furthermore, the salary component was 43.69% whereas; non-salary component and development expenditure was only 48.08% and 1.69% respectively of total expenditure. Less development expenditure by the District Government was due to insufficient release and lack of interest of the Provincial Government towards development at District level. As a result, less development activity, job opportunities were not adequately provided to the larger population. Business

operations were not increased and ultimately standard of living of the people was not improved and role of the District Government could not be seen in the development functions as required under Rules of Business 2015.

### 3.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 238.348 million were raised in this audit report. This amount also includes recoverable of Rs 6.62 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs. in million)
1	Irregularities:	0
A	Procurement related irregularities	13.303
B	Management of Accounts with Commercial Banks	2.492
2	Value for money and service delivery issues	64.412
3	Other, including cases of accidents, negligence etc	158.141
	<b>Total</b>	<b>238.348</b>

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

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

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

### 3.4 AUDIT PARAS

#### 3.4.1 Irregularities:

##### A. Procurement related irregularities

#### 3.4.1.1 Irregular expenditure on installation of GI and HDPE pipes – Rs.7.212 million

According to circular No11/Dev-14/PHE (N) dated 14-7-2015 in order to stop the entry of the sub-standard product the field staff must be instructed to adopt the following quality assurance steps for compliance

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No./Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original
- iv. Code No, on Product (year, month, date)

Office of the TMA Chitral Lower incurred an expenditure of Rs 7,212,800 on account of supply and fixing GI and HDPE pipes in various water supply schemes during the F.Y2021-22. On scrutiny of record, it was observed that that the local office did not adopt the following quality assurance steps to ensure the quality of pipes as well as the health of the people of locality.

- i. Original Manufacturer/confirmation through his letter head and seal
- ii. Gate Pass No./Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original
- iv. Code No, on Product (year, month, date).

In the absence of the above-mentioned documents the entry of substandard Pipes cannot be rolled out. Detail is as under:

S. No.	Name of Scheme	E.Cost	Bid Cost	Payment
1	Provision of Pipes TMA Chitral	3,500,000	2,800,000	2,552,800
2	Provision of Pipes UC Ayun	2,000,000	1,660,000	1,660,000
3	Provision of Pipes UC 1-11 Ayun	3,000,000	2,490,000	3,000,000
<b>Total</b>				<b>7,212,800</b>

Irregular expenditure occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules. The same

observation was also pointed out during the F.Y2018-19 and 2019-20 amounting to 4,162,000 and 2,160,000 respectively. However, no corrective measures were taken,

When pointed out in October 2022, management stated that the invoices would be obtained from the concerned. Reply was not convincing, as such record was not provided for verification.

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

Audit recommends to produce the relevant documents.

**AIR No. 04 (2021-22)**

### **3.4.1.2 Irregular payment without Factory Acceptance test – Rs 3.722 million**

FAT test was required to be carried out before commencement of work regarding solarization of the water Supply Schemes.

Office of the TMA Chitral Lower incurred an expenditure Rs 3,722,256 on solarization during the F.Y2021-22. On scrutiny of record, it was observed that FAT test was not carried out before commencement of work. Audit held that in the absence of Factory Acceptance Test, the solarization of the schemes could not be verified that the work of installation was according to the approved specification or otherwise. Such test was required before the commencement of the installation work, but the local office failed to do so. Detail is as under:

<b>S. No.</b>	<b>Name of Scheme</b>	<b>E.Cost</b>	<b>Bid Cost</b>	<b>Payment</b>
1	DWSS Gang Gahriath	1,500,000	1,245,000	1,075,738
2	Solar System Kipr & Seen Khulum	1,400,000	1,162,000	1,011,990
3	Solor System Birbolok	1,400,000	1,160,000	1,012,228
4	Golan Solor	1,000,000	622,300	622,300
<b>Total</b>				<b>3,722,256</b>

Irregular Payment occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in October 2022, management stated that the said test would be obtained from the concerned contractor. Reply was not convincing as the FAT tests were not provided to audit.

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

Audit recommends to produce the FAT test.

**AIR No. 03 (2021-22)**

### **3.4.1.3 Irregular expenditure on installation of HDPE pipe – Rs 2.369 million**

According to circular No11/Dev-14/PHE (N) dated 14-7-2015 in order to stop the entry of the sub-standard product the field staff must be instructed to adopt the following quality assurance steps for compliance

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No./Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original
- iv. Code No, on Product (year, month, date)

Office of the TMA Drosh incurred an expenditure of Rs 2,369,254 on account of supply and fixing HDPE pipes in various water supply schemes during the F.Y2021-22. On scrutiny of record, it was observed that that the Local office did not adopt the following quality assurance steps to ensure the quality and health of the people of locality.

- i. Original Manufacturer/confirmation through his letter head and seal.
- ii. Gate Pass No./Sales Tax invoice.
- iii. Confirmation that manufacturers all documents are original
- iv. Code No, on Product (year, month, date).

In the absence of the above-mentioned documents, the execution of substandard pipes could not be ruled out. Detail is as under:

S. No.	Name of Scheme	Amount (Rs)
1	Provision of pipe VC Ashirate	350,000
2	Provision of pipe VC Arandu	488,130
3	Irrigation channel at Tingel Gole	443,034
4	Repair of WSS Kalkatak	766,090
5	Repair of pipeline village Godibar	322,000
<b>Total</b>		<b>2,369,254</b>

Irregular expenditure occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules. The similar observation was also pointed out during the F.Y2020-21 amounting to 2369000. However, no corrective measures were taken,

When pointed out in October 2022, management stated that the requisite invoices would be obtained and would be shown to audit. Reply was not tenable as the relevant record was not provided for verification.

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

Audit recommends to produce the relevant documents.

**AIR No. 04 (2021-22)**

## **B. Management of Accounts with commercial bank**

### **3.4.1.4 Non-deposit of bank profit into Government treasury – Rs.1.335 million**

According to Finance Department Khyber Pakhtunkhwa Peshawar letter No. 2/3-(F/1) /FD/2007-08/VOL-IX dated 16.03.2018 read with even no dated 10.02.2014, the interest / profit amounts accrued/earned on the funds placed in government banks (PLS mode) may be deposited into government treasury.

Office of TMA Drosh lower Chitral earned profit of Rs. 1,335,522 on the public funds placed in designated bank account during FY 2021-22. However, the same was retained in the bank till the date of audit (October, 2022) and not deposited into the Government treasury.

Non deposit of bank profit occurred due to non-compliance of rules, regulation and administrative control, which resulted in loss to government.

When pointed out in October 2022, management stated that the profit as per rule, would be deposited into Government treasury. Reply was not convincing as the profit has not been deposited into Government treasury.



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

Audit recommends deposit of profit into Government treasury.

**AIR No. 12 (2021-22)**

#### **3.4.1.5 Non-deposit of bank profit into Government treasury – Rs 1.157 million**

According to Finance Department Khyber Pakhtunkhwa Peshawar letter No. 2/3-(F/L) /FD/2007-08/Vol-IX dated 16.03.2018 read with even No dated 10.02.2014, the interest / profit amounts accrued/earned on the funds placed in Government Banks (PLS mode) may be deposited into Government Treasury.

Office of TMA lower Chitral earned profit of Rs.1,157,233 on the public funds placed in designated bank account during FY 2021-22. However, the same was retained in the bank until the date of audit (October, 2022) and not deposited into the Government treasury.

Non deposit of bank profit occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in October 2022, management stated that the amount would be deposited into the concerned head of account. Reply was not convincing as progress was not shown to audit.

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

Audit recommends deposit of profit into Government treasury.

**AIR No. 13(2021-22)**

### **3.4.2 Value for money and service delivery issues**

#### **3.4.2.1 Irregular Award of civil works on abnormal below rate - Rs 49.075 million**

According to letter No.PO (LG)KPPRA/2017-18 dated 10/7/2017 abnormal below tender 40%-65% be discourage in order to achieve the objective laid down in Section 2 (q)of the KPPRA Rules

Office of the TMA Chitral Lower awarded various developmental schemes to the contractors with estimated cost of Rs49,075,000 during the F.Y2021-22. During scrutiny of record, it came to notice that contractors offered abnormal below rates which were accepted by the local office without analyzing /evaluating the lowest rate, which was clear violation of the above-mentioned criteria. The abnormal below rate was a questionable mark on the specification and standardization of the work. Detail is as per Annexure-7.

Irregular Award of works occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules. The similar observation was also pointed out during the F.Y 2019-20 amounting to1,668,000. However, no corrective measures were taken, resultantly losses Rs1,668,000 to the government.

When pointed out in October 2022, management stated that the awards have been made according to KPPRA Rules. Reply was not convincing as maintenance of quality work could be achieved in such abnormal below rates.

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

Audit recommends inquiry into the probable cause of irregularity.

**AIR No. 08 (2021-22)**

#### **3.4.2.2 Non-imposition of penalty for delay in completion of works – Rs.6.343 million**

According to clause 2 of the conditions of contract agreement, 1% should be deducted from the contractor's bill for every day delay. The penalty is subject to maximum of 10%.

Office of the TMA Chitral Lower awarded contracts of various developmental schemes to different contractors with estimated cost of Rs 6,343,200 during the F.Y2021-22. The schemes were not completed in stipulated period of time even till the dates of audit i.e. October 2022. The local office neither granted time extension to the contractors nor penalty @10% amounting to Rs 6,343,200 was imposed. Detail is as per annexure-8.

Non imposition of Penalty occurred due to non-compliance of rules, regulation and administrative control, which resulted in loss to government. The similar observation was also pointed out during the F.Y 2018-19 and 2019-20 amounting to 1,910,000 and 1,699,000 respectively. However, no corrective measures were taken, resultantly total losses Rs 3,600,000 to the government.

When pointed out in October 2022, management stated that extension would be obtained from the concerned forum otherwise the amount would be recovered from the concerned.

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

Audit recommends recovery from the persons at fault.

**AIR No. 09 (2021-22)**

#### **3.4.2.3 Irregular Award of schemes on abnormal below rates – Rs.6.000 million**

According to letter No.PO(LG)KPPRA/2017-18 dated 10/7/2017 abnormal below tender 40%-65% be discourage in order to achieve the objective laid down in Section 2 (q)of the KPPRA Rules

Office of the TMA Drosh awarded schemes with estimated cost of Rs 6,000,000 during the F.Y2021-22. During scrutiny of record, it was observed that the contractors offered abnormal below rates from 41% to 46% and the schemes were awarded to them. The local office was required to evaluate the bids to ensure the quality and standard of execution of schemes. Moreover, rate analysis for such abnormal below was also not carried out. Detail is under:

S. No.	Name of Scheme	Amount (Rs)	Remarks
1	Link road Ashirate Drosh	5,000,000	46.75% Below
2	Irrigation channel Pranol	500,000	45.50% Below
3	Repair of link road Biori	500,000	41.56% Below
<b>Total</b>		<b>6,000,000</b>	

Irregularity occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in October 2022, management stated that the schemes have been awarded to the lowest bidders as per KPPRA Rules. Reply was not convincing as maintenance of quality work could be achieved in such abnormal below rates.

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

Audit recommends to justify the award of works on abnormal below rates.

**AIR No. 09 (2021-22)**

#### **3.4.2.4 Non imposition of penalty on late completion of developmental schemes – Rs 1.300 million**

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

Office of the TMA Drosh did not impose 10% penalty of Rs 1,300,000 during 2021-22 on various contractors for late completion of developmental schemes. The estimated cost of the schemes was Rs 13,000,000. Detail is as per annexure-9.

The lapse occurred due to non-compliance of rules, regulation and administrative control, which resulted in loss to government.

When pointed out in October 2022, management stated that the extension would be obtained before DAC meeting or the amount would be recovered from the concerned contractors. Reply was not tenable as progress was not shown to audit.

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

Audit recommends recovery of penalty.

**AIR No. 03 (2021-22)**

**3.4.2.5 Non imposition of penalty on late completion of scheme – Rs.900,000**

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

Office of the TMO Chitral did not impose 10% penalty of Rs.900,000 during the F.Y2014-15 on contractor for late completion of developmental scheme. Detail is as under:

S. No.	Scheme	W/order date	Due date of Completion	Actual date of completion	Cost (Rs)	10%Penalty (Rs)
1	Installation of Solar street Lights in Chitral Bazaar	04-06-2015	04-02-2016	In Progress	9,000,000	900,000
<b>Total</b>						<b>900,000</b>

The lapse occurred due to non-compliance of rules, regulation and administrative control, which resulted in loss to government.

When pointed out in January 2022, management stated that during the anti-encroachment campaign, the Deputy Commissioner removed the installed solar poles and the contractor re-installed the same poles. Apart from this, the working season was very short due to snow bound area. Reply was not tenable as this was a government scheme and the poles should have been installed on the right places, so removal of the poles during anti-encroachment was not justified.

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

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

**(MDGs) AIR Para No. 02(2020-21)**

#### **3.4.2.6 Non transfer of profit to Provincial Government – Rs 794,057**

According to Finance Department Government of Khyber Pakhtunkhwa letter No.2/3-(F/L) FD/20017-08/Vol-IX dated 10-02-2014, “no funds shall be placed in any commercial banks from the PLA or Assignment Accounts without prior approval of the Finance Department and all existing current accounts duly sanctioned by Finance Department should be converted into PLS mode and the profit earned be deposited in Government treasury under relevant head of account immediately and not later than a week when declared by the concerned bank”

Tehsil Municipal Officer Chitral did not deposit in to government treasury Rs 794,057 on account of profit earned on PLS Account No. 3051547037 NBP Chitral during the financial year 2018-19.

Non-deposit of bank profit occurred due to non-compliance of rules, regulation and administrative control, which resulted in loss to government.

The matter was reported to the Management in October 2019, but did not respond to the observation.

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

Audit recommends to deposit the profit into government treasury.

**MFDAC AIR Para No. 08 (2018-19)**

### **3.4.3 Others, including cases of accidents, negligence etc**

#### **3.4.3.1 Irregular expenditure on account of developmental schemes – Rs.57.400 million**

According to Government of Khyber Pakhtunkhwa, Local Government, Election and Rural Development Department, Local Council Board letter No.AO (Planning)/LCB/Gen/Inst/4-10/2016 dated 31.01.2019.

- Before and after pictures of developmental schemes should be the part of concerned file.
- District Monitoring Officers of concerned Districts should visit all developmental schemes and submit detail report.

Office of the TMA Chitral Lower awarded various developmental schemes with estimated cost of Rs 57,400,000 during the F.Y 2021-22. Audit observed the following shortcomings;

1. Before and after pictures of developmental schemes were not available.
2. Monitoring of schemes was not done by District Monitoring Officers, as no monitoring report of developmental scheme was available. Detail is as per Annexure-10.

The lapse occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in October 2022, management stated that the above-mentioned documents would be obtained from the concerned engineer. Reply was tenable as no such documents were provided to audit for verification.

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

Audit recommends to regularize the expenditure.

**AIR No. 05 (2021-22)**

#### **3.4.3.2 Irregular expenditure without Technical Sanction – Rs 56.375 million**

According to Para 32 of CPWD Code, no work shall be executed without Administrative Approval/Technical Sanction and Budget allotment. Further, according to Para 56 of CPWD Code, if subsequent to the grant of technical

sanction, material structural alterations are contemplated, orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.

Office of the TMA Chitral incurred an expenditure of Rs,56,375,000 against various developmental schemes during the financial year 2021-22. On scrutiny of record, it was observed that Technical Sanctions were not obtained from the competent authority before commencement of work. Thus, the expenditure made was held irregular. Detail is as per annexure-11.

Irregular expenditure without TS occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules. The similar observation was also pointed out during the F.Y 2018-19 and 2019-20 amounting to Rs 8,098,000 and 179,000,000 respectively. However, no corrective measures were taken, resultantly total losses Rs 25,998,000 to the government.

When pointed out in October 2022, management stated that Technical Sanctions would be obtained from the competent authority. Reply was not tenable, as Technical Sanctions were not obtained from the competent authority before commencement of works.

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

Audit recommends obtaining technical sanctions from the competent forum.

#### **AIR No. 02 (2021-22)**

#### **3.4.3.3 Irregular payment due to non-obtaining of satisfactory/ completion certificate – Rs 20.136 million**

According to the condition No. 03 of work order issued to the contractor, final payment will be made after obtaining satisfactory/completion certificate from the concerned MNA.

According to S. No. xvii of Guidelines issued by the Cabinet Secretariat dated 15.01.2015, the PAO/ACS (Dev) shall prepare completion certificate on PC-IV proforma within three months of the project completion sending copies to the Cabinet Division, P & D Division and Finance Division.



Tehsil Municipal Officer Chitral paid Rs 20,136,472 on account of execution of 24 No. developmental schemes during the F.Y2014-15 & 2015-16. The amount paid was held irregular as satisfactory/completion certificate from the concerned MNA was not obtained. Moreover, satisfactory/ completion certificate was not sent by the PAO to Cabinet Division, P & D Division and Finance Division which was clear violation of the above-mentioned criteria.

Irregular Payment occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in November 2022, management stated that work completion certificates of 24 No. have been obtained and final bills have been paid to the contractors.

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

Audit recommends justification in the matter and action against the person(s) at fault.

**AIR Para No. 03 & 04 (2020-21)**

**3.4.3.4 Irregular execution of works without technical sanction – Rs.7.782 million**

Para 32 of CPWA code states that no work shall be executed without obtaining technical sanction and administrative approval.

Tehsil Municipal Officer Chitral executed a developmental work “Installation of Solar Street Lights in Chitral Bazaar” Under Pak MDGs Community Development Programme and paid Rs 7,782,476 during the F.Y2014-15. During scrutiny of record, it was observed that Technical Sanction was not obtained from the competent authority. Therefore, the expenditure on the execution of work was held irregular.

Irregularity occurred due non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in January 2022, management stated that final bill has not yet been paid to the contractor and TS would be obtained before payment of final bill.

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

Audit recommends fixing responsibility on the person(s) responsible for incurrence of expenditure without technical sanctions.

**(MDGs) AIR Para No. 01(2020-21)**

**3.4.3.5 Irregular expenditure due to Non conducting of water quality test - Rs 7.212 million**

According to Para 7.10 (ii) of the Khyber Pakhtunkhwa Drinking Water Supply Policy 2015, each organization /Department will establish water quality testing laboratories and arrange required resources to ensure regular water quality Monitoring and provision of safe water to the communities.

Office of the TMA Chitral Lower for the F.Y2021-222, it was noticed that the local office incurred an expenditure of Rs7,212,800 on the establishment of water supply schemes in the district. As per policy, the local office was required to test the quality of the water in order to provide safe water to the communities, but the local office failed to do so, which was clear violation of the Government Drinking water Policy. Detail is as under:

S. No.	Name of Scheme	E. Cost	Bid Cost	Payment
1	Provision of PipesTMA Chiotral	3,500,000	2,800,000	2,552,800
2	Provision of Pipes UC Ayun	2,000,000	1,660,000	1,660,000
3	Provision of Pipes UC 1-11 Ayun	3,000,000	2,490,000	3,000,000
<b>Total</b>				<b>7,212,800</b>

Irregularity occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in October 2022, management stated that the test would be conducted and the report would be submitted to audit. Reply was not convincing as progress was not shown to audit.

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

Audit recommends to conduct the tests.

**AIR No. 06 (2021-22)**

### **3.4.3.6 Unauthorized execution of schemes without T.S – Rs 7.000 million**

Para 56 of CPWA code and Para 178 of GFR Vol-I provides that, no works can be started/executed without administrative approval and Technical Sanction.

The Government of KPK Works & Services Department in their letter No. SO (E) C&W/13-7/77, dated: 23/11/1993, Para-II clearly stated” that it has become a common practice within C&W Department that T.S of the work are issued after the completion of works which is wrong. It was decided in the meeting that technical sanction for each project should be issued from the start of the actual work and the T.S number should be recorded in the NIT of the same work and must contain a certificate with regard to structural soundness of the project.

Office of the TMA Drosh awarded schemes amounting to Rs 7,000,000 during the F.Y2021-22, but the schemes were started / executed without technical sanction. Thus, resulting into violation of Government instruction as well as CPWA Code. Detail is as per annexure-12

Irregularity occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in October 2022, management stated that Technical Sanctions would be obtained from the competent authority and would be shown to audit. Reply was not convincing as Technical Sanctions were not obtained from the competent authority.

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

Audit recommends to obtain the Technical Sanction from the competent authority.

**AIR No. 01 (2021-22)**

### 3.4.3.7 Unauthentic execution of PCC without laboratory tests – Rs.2.236 million

According to Para 1.58 of B&R Department Code, the Divisional Officer is responsible to organize and supervise the execution of works and to see that they are suitably and economically carried out with material of good quality.

Office of the TMA Drosh paid Rs 2,236,000 on account of PCC 1:2:4 & P.C.C. 1:3:6 in execution of various developmental schemes during F.Y2021-22 without carrying out authentic and proper laboratory test. Detail is as under:

S. No.	Name of scheme	Nature of P:C:C	Amount (Rs)
1	Sanitation at Langa	P:C:C (1:2:4)	627,155
2	Repair of Pedestrian bridge at Baradam Ashirate	P:C:C (1:2:4)	254,904
3	Link road Kaldam	P:C:C (1:2:4)	736,466
4	Protection wall Agar Kalkatak	P:C:C (1:3:6) with 50% Boulders	617,475
<b>Total</b>			<b>2,236,000</b>

Irregularity occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed out in October 2022, management stated that the matter would be conveyed for corrective action. Reply was not convincing as the relevant record was not available in the local office.

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

Audit recommends to conduct the test.

**AIR No. 07 (2021-22)**



## CHAPTER-04

**ASSISTANT DIRECTOR LGE & RDD**



## CHAPTER-4

### Assistant Director LGE &RDD

#### 4.1. A Introduction

Assistant Director Local Government, Election and Rural Development Department in District Chitral Lower have 61VCs/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 Chitral.

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

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

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

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

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

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

**Audit profile of LGE&RDD Chitral Lower**

(Rs. in million)

Sr No	Description	Total Nos	Audited	Expenditure audited FY 2020-21	Revenue /Receipts audited FY 2020-21
1	Formations	1	1	72.567	-
	<b>Total</b>	<b>1</b>	<b>1</b>	<b>72.567</b>	<b>-</b>

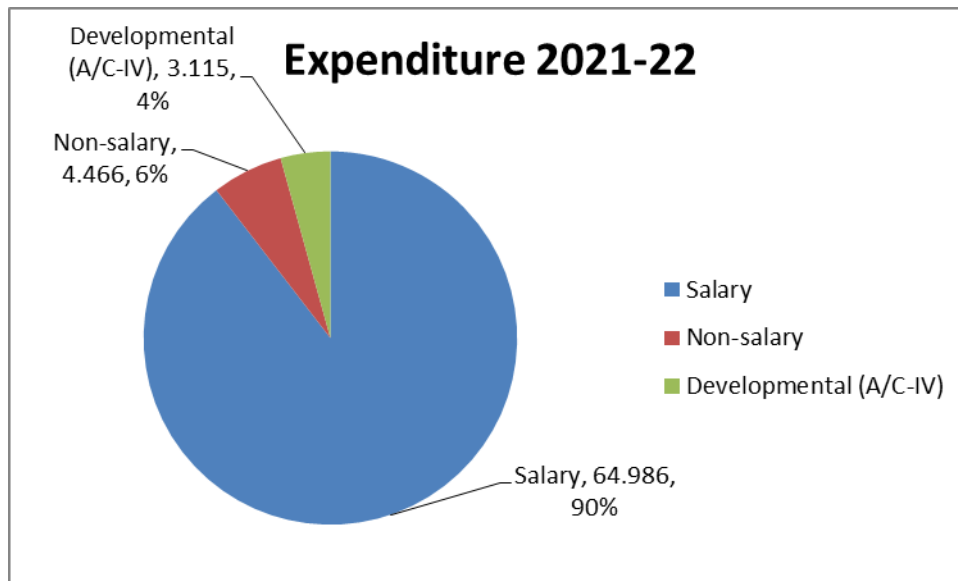
**4.1 B. Comments on Budget and Accounts (Variance Analysis)**

(Rs in million)

2020-21	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	64.986	64.986	00	0
Non-salary	8.042	4.466	3.576	44.46
Developmental	5.00	3.115	1.885	37.7
<b>Total</b>	<b>78.028</b>	<b>72.567</b>	<b>5.461</b>	<b>7</b>
Receipts				

(Rs. in million)





The savings of Rs.5.461million indicate weakness in the capacity of District Government Departments to utilize the allocated budget. Furthermore, the salary component was 44.46% whereas; non-salary component and development expenditure was only 0% and 37.7% respectively of total expenditure. Less development expenditure by the District Government was due to insufficient release and lack of interest of the Provincial Government towards development at District level. As a result, less development activity, job opportunities were not adequately provided to the larger population. Business operations were not increased and ultimately standard of living of the people was not improved and role of the District Government could not be seen in the development functions as required under Rules of Business 2015.

#### **4.2 Classified Summary of Audit Observations**

Audit observations amounting to Rs 20.172 million were raised in this audit report. No recovery was pointed out by the audit. Summary of the audit observations classified by nature is as under:

<b>Sr. No.</b>	<b>Classification</b>	<b>Amount (Rs. in million)</b>
1	Irregularities:	0
A	Management of Accounts with Commercial Banks	11,628
B	Value for money and service delivery issues	1,544
2	Others, including cases of accidents, negligence etc	5,915
	<b>Total</b>	<b>19.087</b>

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

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

<b>Sr. No.</b>	<b>Audit Year</b>	<b>VACs/NACs meeting</b>
1.	2002-03	N/A
2.	2003-04	N/A
3.	2004-05	N/A
4.	2005-06	N/A
5.	2006-07	N/A
6.	2007-08	N/A
7.	2008-09	N/A
8.	2009-10	N/A
9.	2010-11	N/A
10.	2011-12	N/A
11.	2012-13	N/A
12.	2013-14	Not Convened
13.	2016-17	Not Convened
14.	2017-18	Not Convened
15.	2018-19	Not Convened
16.	2019-20	Not Convened
17.	2020-21	Not Convened
18.	2021-22	Not Convened

#### **4.4 Audit Paras**

##### **4.4.1 Irregularities**

##### **A. Management of Accounts with Commercial Banks**

##### **4.4.1.1 Unauthorized retention of Government money in Private Bank – Rs11.628 million**

According to Finance Department Government of Khyber Pakhtunkhwa letter No.2/3-(F/L) FD/20017-08/Vol-IX dated 10-02-2014 that no funds shall be placed in any commercial banks from the PLA or Assignment accounts without prior approval of the Finance Department and all existing current accounts duly sanctioned by Finance Department should be converted into PLS mode and the profit earned be deposited in Government treasury under relevant head of account immediately and not later than a week when declared by the concerned bank.

Office of the AD LG&RDD Chitral received Rs 11,628,054 on account of Developmental fund which was deposited in the Bank of Khyber under Account No 00943-00-3 instead of PLA which was contrary to the above rules.

Unauthorized retention occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed in November 2022, the management stated did not respond to the audit observation.

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

Audit recommends to justify the unauthorized retention of Government money in Private Bank

**AIR Para No 4 (2021-22)**

### **3.4.2. Value for money and service delivery issues**

#### **4.4.2.1 Non deposit of profit earned on Government funds into Government treasury Rs 1.145 million**

According to Finance Department Khyber Pakhtunkhwa Peshawar letter No. 2/3-(f/1) /FD/2007-08/VOL-IX dated 16.03.2018 read with even no dated 10.02.2014, the interest / profit amounts accrued/earned on the funds placed in Government Banks (PLS mode) may be deposited into government treasury.

Office of AD LGE &RDD Lower Chitral earned profit of Rs. 1,145,000 on the public funds placed in designated bank account during FY 2021-22. However, the same was retained in the bank till the date of audit (November 2022,) and not deposited into the Government treasury

Non deposit of profit occurred due to non-compliance of rules, regulation and administrative control, which resulted in loss to government.

When pointed in November 2022, the management stated that the amount will be deposit and challan will be shown to audit. Reply was not satisfactory as no progress was shown to audit.

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

Audit recommends deposit of profit into Government treasury.

**AIR Para No 2 (2021-22)**

#### **4.4.2.2 Non deposit of bank profit into Government Treasury – Rs.398,705**

According to Finance Department Government of Khyber Pakhtunkhwa letter No.2/3-(F/L) FD/20017-08/Vol-IX dated 10-02-2014, “no funds shall be placed in any commercial banks from the PLA or Assignment Accounts without prior approval of the Finance Department and all existing current accounts duly sanctioned by Finance Department should be converted into PLS mode and the profit earned be deposited in Government treasury under relevant head of account immediately and not later than a week when declared by the concerned bank”.

Assistant Director LG&RDD Chitral during financial year 2017-18 realized an amount of Rs 398,705 as bank profit on the developmental fund lying in Khyber Bank under Account No 00943-00-3. However, the same amount was

not deposited into Government Treasury, which was required to be credited to Government revenue.

Non-deposit of Profit to Government treasury occurred due to non-compliance of rules, regulation and administrative control, which resulted in loss to government.

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

Audit suggests deposit of bank profit into Government Treasury and action against the person(s) at fault.

**MFDAC AIR Para No. 04 (2017-18)**

#### 4.4.3 Others, including cases of accidents, negligence etc

##### 4.4.3.1 Unauthorized expenditure without Technical Sanction –Rs 3.115 million

According Para 178 of GFR read with Para 56 of CPWD Code provides that no work should be commenced or liability incurred until administrative approval and sanction has been obtained from the competent authority, a properly detailed design and estimate has been sanctioned and funds to cover the charge have been provided by the competent authority. Furthermore, according to Khyber Pakhtunkhwa PPRA letter No. KPPRA/M&E/ suggestions/4-16/2014-15/539 dated 22.05.2015, addressed to all Secretaries of the Departments, cost estimates of Non MRS items including Solar Energy and other such new technologies should be rationalized/ revised after careful market analysis by bringing those down for justification and matching to the market rates which results huge losses to the Government.

Office of the AD LG&RDD Chitral Lower incurred an expenditure of Rs 3,115,577 on various developmental scheme” during 2021-22 without obtaining technical sanction from the competent authority and market rate analysis. Detail is given below.

S.No	Particular	E/Cost (Rs)	Expenditure (Rs)
1	Construction of PCC Road at Tehngshion	1,000,000	230,898
2	Repair & Improvement of link Road Madashil to Parson	2,000,000	980,643
3	Protection wall karkal	2,000,000	1,904,036
<b>Total</b>			<b>3,115,577</b>

Unauthorized expenditure occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules The similar observation was also pointed out during the F.Y 2018-19, 2019-20 2020-21 and 2021-22 amounting to Rs16,239,000, Rs18,556,000, Rs3,115,000 and 16,750,000 respectively. However, no corrective measures were taken, resultantly total irregularities of Rs 34,795,000 to the government.

When pointed in November 2022, the management stated that technical sanction will be obtained from the competent forum and will show to the next audit party. Reply was not satisfactory as no progress was shown to audit.

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

Audit recommends to justify the expenditure without TS.

**AIR Para No 1 (2021-22)**

#### **4.4.3.2 Blockage of Government money - Rs 2.80 million**

According to Para 23 of GFR Volume-I, every controlling officer will personally be responsible for the loss sustained by Government through negligence or fraud on his part or on the part of his subordinate.

Office of the AD LGE&RDD Chitral Lower for the F.Y2021-22, it was observed that the works with estimated cost of Rs 2,800,000 were awarded to the contractors, but the work were not yet started and completed during stipulated period of time which resulted in blockage of Government money. Detail is as under:

<b>S. No.</b>	<b>Name of work</b>	<b>Status of the Scheme till date of audit i.e. October 2022</b>	<b>Estimated cost (Rs)</b>
2	WSS Muldeh Ayun	Not Yet Started	1.80
3	Link Road Sahan Bala Grave Yard	Not Yet Started	1.00
<b>Total</b>			<b>2.80</b>

Blockage of Government occurred due to non-compliance of rules, regulation and administrative control, which resulted in violation of rules.

When pointed in November 2022, the management stated that the schemes were not executed due to site dispute and final progress will be shown to audit. Reply was not satisfactory as no documentary evidence was shown to audit.

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

Audit recommends to justify the matter.

**AIR Para No 3 (2021-22)**



## ANNEXURES

### Annexure-1

#### Detail of MFDAC Paras

S. No	AIR No	Department	Gist of Para	Amount (Rs in million)
1	03	DC	Non reconciliation of Revenue Deposit	29.364
2	07	DC	Non recovery on account of Abyana	1.095
3	08	DC	Unauthentic expenditure on repair of vehicles	4.28
4	09	DC	Irregular award of works without Contract Agreements	12.00
5	12	DC	Irregular expenditure without sanction of the competent Authority	1.86
6	01	DHO	Overpayment of Health Professional Allowance and Conveyance Allowance during the period of leave	0.197
7	3	DHO	Irregular expenditure on purchase of android Mobiles	2.7
8	8	DHO	Loss government due to non deduction of Income tax	0.699
9	9	DHO	Purchase of medicines without observing MCC rules	17.47
10	10	DHO	Non-supply of medicine	4.2
11	11	DHO	Loss to Government due to non imposition of penalty	0.428
12	12	DHO	Unjustified retention and non-issue of medicines	5.10
13	13	DHO	Non reporting of clinical efficacy of medicines	9.61
14	15	DHO	Unauthorized purchase of official vehicles without obtaining NOC.	1.30
15	16	DHO	Irregular payment on account of repair of machinery & equipments	11.44
16	18	DHO	Non deduction of DPR fund	0.143
17	19	DHO	Irregular Award of Contracts without observing KPRA Rules	73.00
18	20	DHO	Loss to government due to non imposition of penalty	6.43
19	21	DHO	Non-Submission of quarterly income and expenditure report By AKHRSP	15.19
20	22	DHO	Advance payment without actual repair of machinery and equipment	4.27
21	05	DEO M	Unauthentic payment of stipend to the hired teacher of Double Shift	14.09
22	7	DEO M	Unauthorized cash payments from designated bank	5.70
23	8	DEO M	Over payment on Account of TA/DA.	1.8
24	10	DEO M	Non-supply of Furniture	8.4
25	11	DEO M	Unauthorized drawl through DDO	0.390
26	12	DEO M	Non-Disbursement of money drawl from government treasury	2.72
27	13	DEO M	Unauthorized drawl of 15% DRA	6.5
28	14	DEO M	Unauthorized drawl through DDO	0.161

29	15	DEO M	Unauthorized drawl of 15% DRA	0.161
30	01	DEO F	Non submission of 10% performance guarantee	0.255
31	07	DEO F	Over payment on Account of TA/DA	1.2
32	08	DEO F	Non-supply of Furniture	0.478
33	09	DEO F	Non-Disbursement of Stipend of Girls students	12.09
34	11	DEO F	Unauthorized issuance of cheque /Cash payment from designated bank	0.277
35	12	DEO F	Unauthorized drawl of 15% DRA without Budgetary	1.78
36	13	DEO F	Unauthorized drawl through DDO	0.191
37	14	DEO F	Irregular expenditure on account of Repair of Vehicle and POL	0.108
38	15	DEO F	Irregular expenditure on account of Repair of Vehicle and POL	0.111
39	16	DEO F	Unauthorized drawl of 15% DRA	0.185
40	17	DEO F	Unauthorized drawl through DDO	0.161
41		TMA Drosh	Non deposit of stamp dutyNon deposit of professional tax	0.057
42		TMA Drosh	Unauthorized advance payment on account of fake measurement	0.076
43		TMA Drosh	Loss to Government due non deduction of 10% voids	0.131
44	13	TMA Drosh	Irregular expenditure without pre-audit	4.200
45		TMA Chitral	Unauthentic expenditure on repair of vehicle	0.589
46		TMA Chitral	Unauthentic expenditure on account of sanitation Charges	0.493
47		TMA Chitral	Irregular payment to the contractors without rate analysis	5.840
48		TMA Chitral	Non-deposit of income tax into Government treasury	0.113
49		TMA Chitral	Loss to Government due to non-recovery of water charges	0.973
50		TMA Chitral	Loss to Government due to ignoring lowest bid rates	1.278

**Annexure-2**  
**Para No. 2.4.1.2**

**Purchase of sub-standard medicines without Batch number's**

S.No	Name of firm	Amount (Rs)
1	Zafa Phrama	112,464
2	Macter international	663,000
3	Brook Phrama	117,000
4	Vikor Health	126,900
5	Frontier Dextrose	306,000
6	Stanley Phrama	1,156,500
7	Frontier Dextrose	1,114,260
8	Heal Phrama	1,451,750
9	Macter international	157,550
10	ArsonsPhrama	117,680
11	Zafa Phrama	260,350
12	Nabi Qasim	344,170
13	Macter international	46,850
	<b>Total</b>	<b>5,974,474</b>

**Annexure-3**

**Para No. 2.4.2.09**

**Loss to Government due to non deduction of stamp duty**

Particular	Name of firm	Total Amount	1% stamp duty
School Furniture	Raza Trader	25243675	252436
School Furniture	Danyal Traders	25259825	252598
Office Furniture	Noor Zaman Khan	644645	6446
Office Furniture	M/S AzazAli Shah	318355	3183
Science Equipments	Ali Scientific Store Lahore	819737	8197
Science Equipments	Frontier Trading Batkhela	241074	2410
Science Equipments	New Rahmat Trader Swat	5117774	51177
IT Equipments	IDS Chitral	281000	2810
IT Equipments	Malakand Trader	255251	2552
	<b>Total</b>	<b>58,181,336</b>	<b>581,809</b>

**Annexure-4**  
**Para No. 2.4.3.2**

**Detail of unauthentic payment on account of land compensation**

SNo	Cheque No	Date	Amount(Rs)
1	809389	23.1.18	2,322,540
2	809393	14.2.18	796,257
3	809379	7.10.2017	7,165,098
4	809391	12.2.18	3,791,022
7	809377	25.10.17	63,509,799
<b>Total</b>			<b>77,584,716</b>

**Annexure-5**  
**Para No. 2.4.3.10**

**Detail of unauthorized advance withdrawal on purchase of medicines**

SR #	NAME OF FIRM	DATE OF SUPPLY ORDER	AMOUNT OF BILL
01	M/S MKB PESHAWAR	22.11.2021	164139
24	M/S GLOBAL	24.3.2022	28000
27	M/S HEAL PHAR	24.3.2022	1451750
28	M/S GSK	24.3.2022	689800
32	M/S BOSH	15.04.2022	139200
36	M/S STANLY	24.03.2022	1156500
37	M/S PHARMASOLE	24.3.2022	87430
38	M/S USMAN CO	---do---	20880
39	M/S MACTER	---do---	663000
40	M/S MARTEN DOW	---do---	64500
42	M/S IBL	---do---	360000
43	M/S MKB	---do---	417050
45	M/S ALHMD	24.3.2022	64645
46	M/S NISAR ENTER	02.06.2022	949500
47	M/S VISION ENTER	02.06.2022	348210
48	M/S NIsar enterprises	02.6.2022	210000
49	M/S ICI PAKISTAN LTD	24.3.2022	99654
50	M/S PHARMASOL PVT LTD	2.6..2022	182450
54	M/S BROOKS PHARMA	2.6.2022	117000
57	M/S BIOMED ENGINEER	15.5.2022	90000
58	M/S HEAL PHARMA	02.06.2022	115000
60	M/S ZAFI PHARMA	02.06.2022	112464
61	M/S SILVER SURGICAL	02.06.2022	119800
63	M/S ASTELLASS	02.06.2022	167080
01	M/S TAKE CARE	15.6.2022 (DENTAL METERIALS/LAB CHEMICALS)	545260
02	M/S NOVAMED	15.6.2022(MEDICINES)	45000
03	M/S GSK	----DO----	57831
04	M/S R/BANKIZER	---DO---	7850
05	M/S ZAFI PHARMA	---DO---	55350
06	M/S PHARMASOL PVT LTD	-----DO----	10145
07	M/S KARIM INDUSTRIES	- ---DO---	20640

08	M/S MACTER	-----DO----	123000
09	M/S HEAL PHARMA	----DO----	48800
10	M/S VIKOR	----DO----	21150
11	M/S STANLY	---DO---	77100
12	M/S BENSONS	---DO---	48191
13	M/S MKB	---DO---	39320
14	M/S STALLION	----DO----	124000
15	M/S PAK TAKS	---DO---	22517
16	M/S ASTELLASS	---DO---	97871
17	SILVER SUGICAL	---DO---	29950
18	M/S IBL	---DO---	96000
19	M/S AMSONS	----DO---	4980
20	M/S FDL	---DO---	163985
21	M/S BOSCH PHARMA	---DO---	126180
22	M/S HASHIR	---DO---	13680
23	M/S ASIAN CONTINENTAL	---DO---	14400
<b>TOTAL</b>			<b>9611252</b>

**Annexure-6**  
**Para No. 2.4.3.15**

**Detail of Overpayment on account of 15% compulsory charges**

S. No	Title of the Scheme	Acquiring Department	Date of Award	Cost of Land	15% Compulsory Acquisition Charges
1	Acquisition of Land for Dumping Ground at Dondigar Drosh Tehsil Drosh	Tehsil Municipal Officer Drosh Lower Chitral	07-01-2021	1,429,320	214,398
2	Acquisition of Land for Construction of Building for GPS Milk Jalat Shekhananeh Bumbrate Tehsil Chitral	District Education Officer (Male), Lower Chitral	15-07-2021	2,627,980	394,197
3	Acquisition of Land for Construction of RCC Bridge at Ayun Tehsil Chitral	Executive Engineer C & W Division Lower Chitral	15-07-2021	150,878	22,632
4	Acquisition of Land for Stoppage of Drainage water in newly constructed building Category-D Hospital Drosh	District Health Officer Lower Chitral	15-07-2021	46,224	6,934
5	Acquisition of Land for Construction of Bridge at Shoghore Tehsil Chitral.	Executive Engineer C & W Division Lower Chitral	24-08-2021	3,464,129	519,619
6	Acquisition of Land for Construction of Bridge at Hasanabad Tehsil Chitral	Executive Engineer C & W Division Lower Chitral	24-08-2021	141,993	21,299
7	Purchase of Land for Construction of Road at Nagar Patee	Tehsil Municipal Officer Drosh, Lower Chitral/ Wazir Zada M.P.A Chitral	15-11-2021	2,604,441	390,666
8	Purchase of Land for Playground at Ghocharkuh Ayun	Tehsil Municipal Officer Drosh, Lower Chitral/ Wazir Zada M.P.A Chitral	22-11-2021	12,867,976	1,930,196
<b>Total</b>				<b>23,332,94</b>	<b>3,499,9</b>

**Annexure-07****3.4.2.1****Detail of Irregular Award of civil works on abnormal below rate**

<b>. No.</b>	<b>Name of Scheme</b>	<b>Below rate</b>	<b>E. Cost</b>
1	Link Road at Bakarabad	44.00	600,000
2	Road Work Jughore	40.00	500,000
3	Link Road at Zondran	46.75	500,000
4	Maintenance of BrozeRoad	44.00	600,000
5	Link Road Muldeh Ayun	41.70	900,000
6	Link Road Muldeh Chitral	41.55	900,000
7	Protection of wall at Guldor	43.10	1,000,000
8	Link Road at balach	43.10	900,000
9	Link Road at Dinan Ghatak	43.66	900,000
10	Link Road at Khurkashandeh	43.78	1,000,000
11	Link Road at Mori	46.70	9,000,000
12	Link Road atb toren Prayet	43.00	500,000
13	Link road at atani	47.30	900,000
14	Link road at Broaz	44.75	500,000
15	Reh/reconstruction of irrigation system at Golain	40.00	5,375,000
16	Reconstruction of jeepable Bridge at Izghore Golain	41.70	20,000,000
17	Reconstruction of jeepable Bridge at Izghore Golain	51.00	5,000,000
<b>Total</b>			<b>49,075,000</b>

**Annexure-08**  
**Para No. 3.4.2.2**

**Non imposition of penalty on late completion of developmental schemes**

<b>S. No.</b>	<b>Name of Scheme</b>	<b>Date of work order</b>	<b>Date of completion</b>	<b>Amount (Rs)</b>	<b>10% penalty (Rs)</b>
1	Sewerage at Langa Drosh	25-10-2021	25-04-2022	700,000	70,000
2	Protection Wall at Touheed Abad	20-01-2022	20-06-2022	500,000	50,000
3	Internal work Masjid Khairabad	20-01-2022	20-06-2022	500,000	50,000
4	Link road Main Masjid to Dhap	26-11-2021	26-05-2022	800,000	80,000
5	Beatification of Masjid Drosh Bazar	19-01-2022	19-06-2022	500,000	50,000
6	Link road Ashirate Drosh	08-09-2020	08-03-2021	5000000	500000
7	Power house Ursoon	08-09-2020	08-03-2021	1000000	100000
8	Construction of stairs at village Sher Zarin Madak Lasht	08-09-2020	08-03-2021	500000	50000
9	Link road at Kalkatak	08-09-2020	08-03-2021	1500000	150000
10	Internal work power house Pattigal	10-09-2021	10-02-2022	500000	50000
11	Channelization Jinjirate	10-09-2021	10-02-2022	500000	50000
12	Link road at Birga	08-09-2020	08-03-2021	500000	50000
13	Repair of link road Bioli	12-10-2020	12-04-2021	500000	50000
14	Link road at atani	11/8/2021	180	900,000	90,000
15	Dug well at sangoor	11/8/2021	180	600,000	60,000
16	Reh/reconstruction of irrigation system at Golain	20/8/2020	365	5,375,000	537,500
17	Reconst: of MHP at IzghoreG/Vally	2-9-2020	365	5,000,000	500,000
18	AC Camp Office	13-9-21	365	8,557,000	855,700
19	Reconsitration of jeepable Bridge at Izghore Golain	7-09-2-20	365	20,000,000	2,000,000
20	R/R of MHP Bakha at Golain	2-9-2020	365	5,000,000	500,000
21	R/R of road at Izghore Golain villy Chitral	15-7-20	365	5,000,000	500,000
<b>Total</b>				<b>63,432,000</b>	<b>6,343,200</b>



**Annexure-9**  
**Para No. 3.4.2.4**

**Non imposition of penalty on late completion of developmental schemes**

<b>S. No.</b>	<b>Name of Scheme</b>	<b>Date of work order</b>	<b>Date of completion</b>	<b>Physical status</b>	<b>Amount (Rs)</b>	<b>10% penalty (Rs)</b>
1	Sewerage at Langa Drosh	25-10-2021	25-04-2022	In Progress	700,000	70,000
2	Protection Wall at Touheed Abad	20-01-2022	20-06-2022	In Progress	500,000	50,000
3	Internal work Masjid Khairabad	20-01-2022	20-06-2022	In Progress	500,000	50,000
4	Link road Main Masjid to Dhap	26-11-2021	26-05-2022	In Progress	800,000	80,000
5	Beatification of Masjid Drosh Bazar	19-01-2022	19-06-2022	In Progress	500,000	50,000
6	Link road Ashirate Drosh	08-09-2020	08-03-2021	In Progress	5000000	500000
7	Power house Ursoon	08-09-2020	08-03-2021	In Progress	1000000	100000
8	Construction of stairs at village Sher Zarin Madak Lasht	08-09-2020	08-03-2021	In Progress	500000	50000
9	Link road at Kalkatak	08-09-2020	08-03-2021	In Progress	1500000	150000
10	Internal work power house Pattigal	10-09-2021	10-02-2022	In Progress	500000	50000
11	Channelization Jinjirate	10-09-2021	10-02-2022	In Progress	500000	50000
12	Link road at Birga	08-09-2020	08-03-2021	In Progress	500000	50000
13	Repair of link road Bioli	12-10-2020	12-04-2021	In Progress	500000	50000
<b>Total</b>					<b>13,000,000</b>	<b>1,300,000</b>

**Annexure-10**  
**Para No. 3.4.3.1**

**Detail of irregular expenditure on account of developmental schemes**

<b>S. No.</b>	<b>Name of scheme</b>	<b>Expenditure (Rs)</b>
1	Const/Rehab of Masjid and Madrasa Hanifia kari Chitral	8,000,000
2	Link Road at Chumurkhone	800,000
3	Link Road at Chumurkhone Bodi Khan	1,300,000
4	Protection Wall Shot Jughoor	1,500,000
5	DWSS Gang Gahriath	1,500,000
6	Solar System Kipr & Seen Khulum	1,400,000
7	Solor System Birbolok	1,400,000
8	Const/Rehab of Masjid and Madrasa Hanifia kari Chitral	8,000,000
9	Provision of PipesTMA Chiotral	3,500,000
10	Provision of Pipes UC Ayun	2,000,000
11	Provision of Pipes UC-1 Ayun	3,000,000
12	Reconstruction of jeepable Bridge at Izghore Golain	20,000,000
13	R/R of MHP Bakha at Golain	5,000,000
<b>Total</b>		<b>57,400,000</b>

**Annexure-11**  
**Para No. 3.4.3.2**

**Irregular expenditure without Technical Sanction**

<b>S. No.</b>	<b>Name of scheme</b>	<b>Expenditure (Rs)</b>
1	Const/Rehab of Masjid and Madrasa Hanifia kari Chitral	8,000,000
2	Link Road at Chumurkhone	800,000
3	Link Road at Chumurkhone Bodi Khan	1,300,000
4	Protection Wall Shot Jughoor	1,500,000
5	DWSS Gang Gahriath	1,500,000
6	Solar System Kipr & Seen Khulum	1,400,000
7	Solor System Birbolok	1,400,000
8	Const/Rehab of Masjid and Madrasa Hanifia kari Chitral	8,000,000
9	Provision of PipesTMA Chiotral	3,500,000
10	Provision of Pipes UC Ayun	2,000,000
11	Reh/Reconstruction of irrigation system at Golain	5,375,000
12	Provision of Pipes UC 1-11 Ayun	3,000,000
13	Const: of community Jarga hall Balach Chitral	18,600,000
		<b>56,375,000</b>

**Annexure-12**  
**Para No. 3.4.3.6**

**Detail of unauthorized execution of schemes without T.S**

<b>S. No.</b>	<b>Name of Scheme</b>	<b>Amount</b>
1	Link Road at Shahidar to Kaldam	1,200,000
2	Protection Wall at Touheed Abad	500,000
3	Repair of Metari Irrigation Channel	700,000
4	Dug Well & Water Tank at Shahnigar Payeen	1,000,000
5	Dug well at Kessu	1,500,000
6	Link road at Koru Drosh	800,000
7	Pipe irrigation at Madak Lasht	500,000
8	Link road Main Masjid to Dhap	800,000
<b>Total</b>		<b>7,000,000</b>