



**AUDIT REPORT  
ON THE ACCOUNTS OF  
DISTRICT GOVERNMENT  
CHITRAL**

**AUDIT YEAR 2016-17**

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**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS AND ACRONYMS**

AA	Administrative Approval
AP	Advance Para
ADP	Annual Development Plan
AOM&R	Annual Ordinary Maintenance and Repair
BOQ	Bill of Quantity
CPWA Code	Central Public Works Account Code
CPWD Code	Central Public Works Department Code
CSR	Composite Schedule of Rate
CTR	Central Treasury Rules
C&W	Communication and Works
DAC	Departmental Accounts Committee
DC	Deputy Commissioner
DDC	District Development Committee
DDWP	Departmental Development Working Party
DHO	District Health Officer
DSC	District Supervisory Committee
DSM	District Support Manager
DO	District Officer
F&P	Finance and Planning
GFR	General Financial Rules
HDPE	High Density Poly Ethylene
IPSAS	International Public Sector Accounting Standards
LGA	Local Government Act
MFDAC	Memorandum for Departmental Accounts Committee
MRS	Market Rate System
PAO	Principal Accounting Officer
PAC	Public Accounts Committee
PC-I	Planning Commission One
PEC	Pakistan Engineering Council
PPHI	President Programme for Health Initiatives
PCC	Plain Cement Concrete
PATA	Provincial Administrative Tribal Areas

PHE	Public Health Engineering
RCC	Reinforced Concrete Cement
RDA	Regional Directorate of Audit
RHC	Rural Health Center
R&E	Revenue and Estate
SAE	Schedule of Authorized Expenditure
THQ	Tehsil Head Quarter
TS	Technical Sanction
WSS	Water Supply Scheme
XEN	Executive Engineer
ZAC	Zilla Accounts Committee

## **Preface**

Articles 169 &170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections-8 and 12 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section-37 of Khyber Pakhtunkhwa Local Government Act 2013 require the Auditor General of Pakistan to conduct audit of the receipts and expenditure of District Fund and Public Account of District Governments.

The report is based on audit of the accounts of various offices of District Government, Chitral for the financial year 2015-16. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2016-17 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes the systemic issues and significant audit findings. Relatively less significant issues are listed in the Annexure-1 of the Audit Report. The audit observations shall be pursued with the Principal Accounting Officer at the DAC level. In all cases where the PAO does not initiate appropriate action, the audit observation will be brought to the notice of District Accounts Committee 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.

The observations included in this Report have been finalized in the light of written replies of the departments, however in some observations department did not submit written replies. DAC meetings were not convened despite repeated requests.

The Audit Report is submitted to the Governor, Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 37 of Khyber Pakhtunkhwa Local Government Act, 2013, for laying before the appropriate legislative forum.

**Islamabad**

**Dated:**

**(Rana Assad Amin)**

**Auditor General of Pakistan**

## EXECUTIVE SUMMARY

The Director General Audit District Governments, Khyber Pakhtunkhwa carries out the audit of 25 District Governments. Regional Directorate of Audit (RDA) Swat, on behalf of the DG Audit District Governments, Khyber Pakhtunkhwa carries out the audit of five District Governments namely Chitral, Dir Upper, Dir Lower, Shangla and Swat.

This Regional Directorate has a human resource of 7 officers and staff with a total of 1750 man-days. The annual budget amounting to Rs 10.618 million was allocated to this office during financial year 2016-17. The office is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audit of programs/ projects.

District Government, Chitral conducts its operations under Khyber Pakhtunkhwa Local Government Act 2013. It comprises one Principal Accounting Officer (PAO) covering eighteen groups of offices as mentioned in Chapter – 1 of this report. Financial provisions of the Act describe the Government fund as District Local Fund and District Public Account for which Annual Budget Statement is authorized by the District Council in the form of budgetary grants.

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

There are 184 formations in District Chitral out of which the accounts of four formations were examined in detail. These formations were selected for detailed audit by excluding the last year audited entities keeping in view the available man days.

The total expenditure of District Government Chitral for the Financial Year 2015-16 was Rs 3277.737 million. Out of this, RDA Swat audited an expenditure of Rs 1,327.379 million which, in terms of percentage, was 40% of auditable expenditure.

The receipts of District Government Swat, for the Financial Year 2015-16, were Nil.

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

Recovery of Rs 133.014 million was pointed out during the audit, which was not in the notice of the executive before audit.

**c. Audit Methodology**

Audit was conducted after understanding the business processes of District Government Chitral with respect to their functions, control structure and key controls. This helped auditors in understanding the systems, procedures, environment, and the audited entity before starting the audit. Audit used desk audit techniques for analysis of compiled data and review of actual vouchers called for scrutiny and substantive testing.

**d. Audit Impact**

Audit pointed out various irregularities of serious nature to the management. However, no impact was visible as the management failed to reply and the irregularities could not come to the light in the proper forum i.e. DAC.

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

The purpose of internal control system is to ensure effective operation of an organization. It consists of measures employed by the management to achieve objectives, safeguard assets, ensure accuracy, timeliness and reliability of financial and accounting information for decision making.

Another basic component of internal control, as envisaged under section 37(4) of LGA 2013, is internal audit which was not found in place in the domain on District Government.

**f. Key audit findings of the report;**

- i. Fraud / Misappropriation of Rs 97.999 million was noted in two case <sup>1</sup>
- ii. Non-Production of Record of Rs 40.881 million was noted in one case. <sup>2</sup>
- iii. Irregularities / non-compliance of Rs 793.967 million were noted in fifteen cases. <sup>3</sup>

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<sup>1</sup> 1.2.1.1, 1.2.1.2

<sup>2</sup> 1.2.2.1

- iv. Internal Control Weakness of Rs 219.967 million were noted in twenty two cases <sup>4</sup>

Minor irregularities/weaknesses pointed out during the audit are being pursued separately with the authorities concerned, as detailed at Annex-1.

**g. Recommendations**

- i. Corrective actions/ Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- ii. Strenuous efforts need to be made by the departments to recover long outstanding dues on account of water charges, earnest money, penalty, taxes and overpayment.
- iii. Departments need to strengthen internal controls mechanisms to ensure that lapses of the kind reported in this audit report are preempted and fair value for money is obtained from public spending.
- iv. Inquiries need to be held to fix responsibility for losses, irregular payments and wasteful expenditure.

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<sup>3</sup> 1.2.3.1 to 1.2.3.15

<sup>4</sup> 1.2.4.1 to 1.2.4.22



## SUMMARY TABLES & CHARTS

**Table 1: Audit Work Statistics** **(Rs in million)**

Sr. No.	Description	No.	Budget		
			Expenditure	Receipt	Total
1	Total Entities (PAO) in Audit Jurisdiction	01	3277.737	-	3277.737
2	Total formations in audit jurisdiction	184	3277.737	-	3277.737
3	Total Entities (PAO) Audited	01	1,327.379	-	1,327.379
4	Total formations Audited	04	1,327.379	-	1,327.379
5	Audit & Inspection Reports	04	1,327.379	-	1,327.379
6	Special Audit Reports	-	-	-	-
7	Performance Audit Reports	-	-	-	-
8	Other Reports	-	-	-	-

**Table 2: Audit observations Classified by Categories** **(Rs in million)**

Sr. No.	Description	Amount Placed under Audit Observation
1	Unsound asset management	0
2	Weak financial management	793.971
3	Weak Internal controls relating to financial management	219.963
4	Others	138.880
<b>Total</b>		<b>1152.814</b>

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

S. No	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total Current year 2015-16	Total last year 2014-15
1	Outlays Audited	0.315	881.068	0	445.996	1,327.379	0
2	Amount Placed under Audit Observations /Irregularities of Audit	0	849.60	0	303.214	1152.814	0
3	Recoveries Pointed Out at the instance of Audit		119.487	0	13.527	133.014	0
4	Recoveries Accepted /Established at the instance of Audit	-	-	-	-	-	-
5.	Recoveries Realized at the instance of Audit	-	-	-	-	-	-

**Note:** No audit was conducted during 2014-15.

**Table 4: Table of Irregularities pointed out (Rs in million)**

S. No	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations, principle of propriety and probity in public operation	522.077
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources	97.999
3	Accounting Errors (accounting policy departure from NAM <sup>5</sup> , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	0
4	Quantification of weaknesses of internal control systems.	219.963
5	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies	133.014
6	Non-production of record	40.881
7	Others, including cases of accidents, negligence etc.	138.880
<b>Total</b>		<b>1152.814</b>

**Table 5: Cost Benefit Ratio****(Rs in million)**

S #	Description	Amount
1	Outlays Audited (item 1 of Table 3)	1,327.379
2	Expenditure on audit	0.660
3	Recoveries realized at the instance of audit	0
	Cost-Benefit Ratio	0

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<sup>5</sup> The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan which are IPSAS(Cash).

## CHAPTER 1

### 1.1 District Government Chitral

#### 1.1.1 Introduction

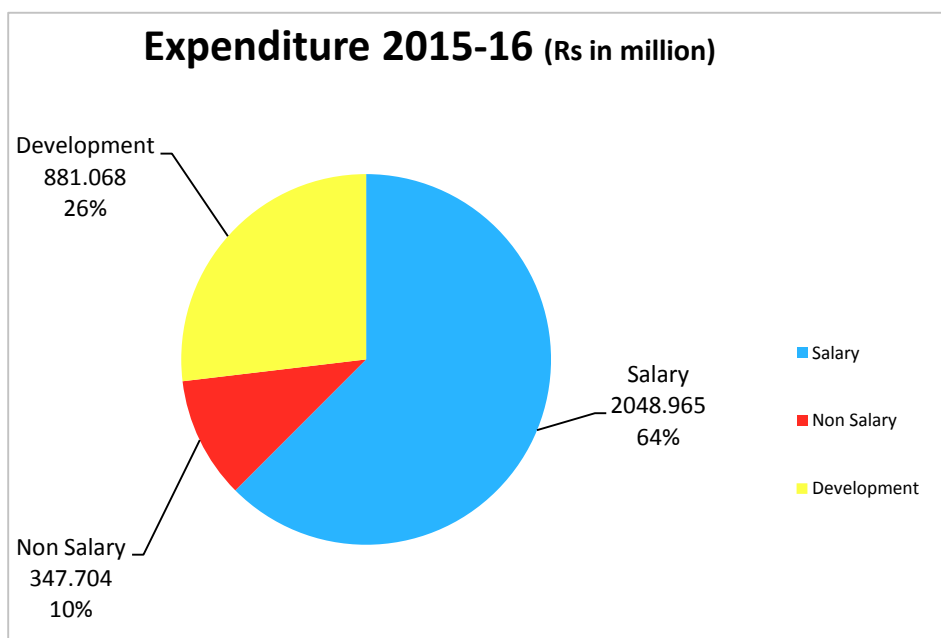
Activities of District Government are managed through offices of Deputy Commissioner and District Officers under Khyber Pakhtunkhwa Local Government Act 2013 (LGA 2013). Each group of District Offices is headed by District Officer (DO). The DO by means of a standing order distributes the work among the officers, branches, and/or sections of each district office. The offices which manage the activities of District Government are Deputy Commissioner (DC), XEN C&W, XEN Public Health Engineering, District Officers Agriculture, Education, Health, Water Management, Fisheries, Population Welfare, LG & RDD, Sports, Enterprises & Investment Promotion, Live Stock & DD, Soil Conservation, Cooperation, Social Welfare, Public Transport and Municipal Services.

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

(Rs in million)

2015-16	Budget	Actual Expenditure/Receipts (Rs)	Saving/Excess	%age Excess / Saving
Salary	1,574.36	2048.965	474.60	30%
Non-salary	1,004.35	347.704	656.65	65%
Developmental A/C-IV	98.562	52.321	46.24	46%
Developmental A/C-I	973.072	828.747	144.325	14%
<b>Total:</b>	<b>3,650.344</b>	<b>3277.737</b>	<b>1321.815</b>	<b>36%</b>
<b>Receipts</b>	<b>0</b>	<b>0</b>	<b>0</b>	

The savings of Rs 1,321.815 million indicate weakness in the capacity of the District Government Departments to utilize the amount allocated.



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

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

Sr. No.	Audit Year	PAC/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

## 1.2 AUDIT PARAS

### 1.2.1 Misappropriation / Fraud

#### 1.2.1.1 Unjustified payment on account of construction of baily bridge – Rs 90.082 million

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

XEN C & W Building and Road Division Chitral paid Rs 90,082,200 on account of construction of 03 No. baily bridges during 2015-16, as per detail given below:

S. No.	Name of work	Quantity	Amount (Rs)	Remarks
01	Shughoor Bridge	27.43 m span	48,821,200	
02	Reshun Bridge Booni Citral Roas	21.33 m span	38,461,000	
03	Temporary Jeepable bridge	7.62 m span	2,800,000	Physically not exist.
<b>Total</b>			<b>90,082,200</b>	

During physical inspection it was found that baily bridges at S No 1&2 were in shabby condition and substandard whereas bridge at S. No 3 did not physically exist. Payment appeared to have been made on fake bills and without site verification.

Unjustified payment occurred due to weak financial control, which resulted in loss to Government.

When pointed out in August 2016, management stated that detailed reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests investigation, fixing responsibility and action against the person(s) at fault .

**AP No. 44(AC-I 2015-16)**

#### **1.2.1.2 Misappropriation of public money – Rs 7.917 million**

Para 290 of CTR provides that no money should be drawn from treasury unless required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demand or to prevent lapse of budget.

XEN C & W Building and Road Division Chitral paid Rs 7,917,687 in advance to a contractor on account of execution of developmental schemes during the financial year 2015-16. During physical verification it was noticed that the works were not executed and the amount was misappropriated. Detail as per Annexure-2.

Misappropriation occurred due to weak financial control, which resulted in loss to government.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However, no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests probe into the matter, fixing responsibility and recovery of public money besides action against person(s) at fault.

**AP No. 31 (AC-I 2015-16)**

## **1.2.2 Non-Production of Record**

### **1.2.2.1 Non-production of auditable record of PPHI and THQs/RHCs- Rs 40.882 million**

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

DHO Chitral paid Rs 40,881,560 under various heads of operating expenses (non-salary), purchase of medicine and other stores to PPHI, THQs and RHCs during the financial year 2015-16. The local office was repeatedly requested to provide the record for audit but it did not provide the same. Detail as per Annexure-3.

Irregularity occurred due to weak administrative control, which resulted in unauthentic public spending.

When pointed out in July 2016, management replied that it has directed the DSM PPHI to provide the relevant record. Reply was not convincing as record was not provided for verification.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests production of record besides fixing responsibility on the persons at fault.

**AP No.22 (2015-16)**



### **1.2.3 Irregularities / Non Compliance**

#### **1.2.3.1 Unauthorized expenditure without approval/preparation of PC-I for AOM&R – Rs 2.500 million**

PC-I should be prepared for maintenance and repair works as per Finance Department, Government of Khyber Pakhtunkhwa, Peshawar letter No. BOI/2-7/2006/FD dated 2/6/2006.

XEN PHE Division Chitral incurred an expenditure worth Rs 2,500,000 during the financial year 2015-16 under the head AOM&R without approved PC-1 by the competent authority. The expenditure incurred in absence of approved PC-1 was unauthorized.

Unauthorized expenditure occurred due to weak financial control, which resulted in violation of rules.

When pointed out in August 2016, management replied that PC-I was approved by the competent authority. Reply was not convincing as no documentary proof was shown to audit.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests to stop the irregular practice besides taking corrective action.

**AP No.26 (2015-16)**

#### **1.2.3.2 Irregular expenditure without agreement and technical sanction – Rs 230.034 million**

According to Para 89(c) of CPWD Code, the agreement with the contractor selected must be in writing and should be precisely and definitely express, it should state the quantity and quality of work to be done and the terms upon which the payment will be made with any provision necessary for safeguarding the property entrusted to the contractor.

According to Para 32 of CPWD Code, no work shall be executed without administrative approval/technical sanction and budget allotment.

XEN PHE Division Swat awarded various works with an estimated cost of Rs 230,034,618 during the financial year 2015-16 without executing a contract agreement with the contractor and obtaining technical sanction of the competent authority before commencement of work. Thus, the expenditure made was held irregular. Detail is given below:

S. No.	Name of Contractor	Name of work	Amount (Rs)
01	Mr. Nasir Ahmad	SH: Up-gradation of GGHS Garam Chashma Main Building	14,166,552
02	Frontier Works Organization	Restoration of works in Chitral (Flood 2015)	215,868,066
<b>Total</b>			<b>230,034,618</b>

Irregular expenditure without agreement and technical sanctions occurred due to weak administrative control, which resulted in violation of rules.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests to stop the irregular practice besides taking corrective action under intimation to Audit.

**AP No.30 (AC-I 2015-16)**

### **1.2.3.3 Irregular expenditure on account of repair of machinery & equipments – Rs 9.659 million**

According to Para 144 Annexure A (3) of GFR Volume-I, all articles purchased shall be subject to inspection before acceptance and the articles for which specifications and tests have been prescribed by the competent authority shall be required to conform to such specification. The appropriate specifications

should be annexed to or quoted in the invitation to tender, and it should be stipulated in the conditions of contract that the articles supplied will be subject to inspection and/or tests prescribed in the specifications before acceptance.

DHO Chitral incurred an expenditure of Rs 9,659,300 on account of repair of machinery and equipments during the financial year 2015-16. However, neither certificate of repairable parts was obtained from concerned Electro Medical Engineer nor NOC was obtained from in-charge engineer of sub workshop. Moreover, the sub units neither submitted requisition for these repair works nor confirmed the repair work.

Irregular expenditure occurred due to weak financial control, which resulted in violation of rules.

When pointed out in July 2016, management replied that necessary certificates would be obtained from Electro Medical Engineer. Reply was not convincing as documentary proof was not provided.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests investigation, fixing responsibility and action against the person(s) at fault.

**AP No.13 (2015-16)**

**1.2.3.4 Irregular payments without technical sanctions - Rs 268.051 million**

According to Para 32 of CPWA Code, no work shall be executed without Administrative Approval/Technical Sanction and Budget allotment. Further, Para 1 of Government of Khyber Pakhtunkhwa Works & Services Department letter No. SO (PAC)DAC/48-2008/DERA/W&SD dated 10-3-2008 states that technical sanction should be obtained prior to commencement of work as per rule. In future

if TS is not obtained prior to commencement of scheme then disciplinary action will be initiated against the responsible officer.

XEN C&W Building and Road Division Chitral incurred an expenditure of Rs 268,051,253 during the financial 2015-16 on various developmental schemes but no technical sanctions were accorded or obtained from competent authority. Detail as per Annexure-4.

Irregular expenditure occurred due to weak financial control, which resulted in violation of rules.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests to stop the irregular practice besides taking corrective action under intimation to Audit.

**AP No.37(AC-I 2015-16)**

**1.2.3.5 Doubtful expenditure on purchase of firewood - Rs 4.808 million**

According to KPRA Rules 2014 Chapter-II, save as otherwise provided hereinafter and subject to the provisions of rule 10, 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).

Deputy Commissioner Chitral and XEN C&W Chitral incurred an expenditure of Rs 4,108,095 and Rs 700,000 respectively on purchase of firewood during year 2015-16. However, neither open tender system was adopted nor relevant record i.e. approved scale of firewood per person and copy of sanctioned and available strength, Supply Order, Delivery Challan, Stock

Register showing receipt and onward issuance, actual consumption was shown to audit.

Irregularity occurred due to weak financial control, which resulted in violation of rules.

When pointed out in July 2016, management replied that the rate was fixed by the Deputy Commissioner. Reply was not convincing as neither open tender was adopted nor relevant record was shown to Audit.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests to stop the irregular practice besides taking corrective action.

**AP No.02 & 28 (2015-16)**

#### **1.2.3.6 Non-release of District ADP – Rs 98.562 million**

According to Government of Khyber Pakhtunkhwa Finance Department letter No. BO (PFC)FD/3-3/ADP/15-16 dated, 16/10/2015, Rs 98.562 million were released to district Chitral to carryout developmental activities in accordance with budget allocation and guide lines to be issued by the P&D Department.

Deputy Commissioner Chitral failed to release the developmental funds amounting to Rs 98.562 million to respective departments for execution of developmental works during 2015-16.

Non-release of funds occurred due to weak financial management, which resulted in blockage of public money and deprive the community of prospective benefits.

When pointed out in July 2016, management replied that the schemes were not identified by the DDC. Reply was not valid as the amount was released by the provincial government for developmental activities.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests to stop the irregular practice besides taking corrective action.

**AP No.04 (2015-16)**

**1.2.3.7 Unauthorized retention of government money in designated bank account – Rs 26.539 million**

According to Para 7 of GFR Vol.-I, unless otherwise expressly authorized by any law or rule or order having the force of law, moneys may not be removed from the Public Account for investment or deposit elsewhere without the consent of the Finance Department.

DHO Chitral drew Rs 26,539,638 from Government Treasury under various heads during the financial year 2015-16. During scrutiny of record, it was observed that the local office retained the same amount in its designated bank account instead of crediting to the vendor accounts/concerned payees. The local office did not give any detail to whom the amount would be payable. Detail as below:

S. No	Head	Amount (Rs)
1	Medicines	252,366,90
2	Miscellaneous	1,125,780
3	Pay and Allowances	177,168
	<b>Total</b>	<b>26,539,638</b>

Unauthorized retention of Government money in designated bank account occurred due to violation of financial rules.

When pointed out in July 2016, management stated that detailed reply would be furnished after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests probe into the matter and action against the person(s) at fault.

**AP No.11 (2015-16)**

### **1.2.3.8 Irregular expenditure on AOM&R – Rs 14.622 million**

According to Government of Khyber Pakhtunkhwa Finance Department letter No.BOI/2-7/2005-06/FD dt.23/6/2006, PC-I for AOM&R works of Rs 500,000 and above require approval of DDC concerned and Para (d) provides that the PC-I will contain all necessary detail and be properly approved/review by DDC.

XEN C&W Building and Road Division Chitral incurred expenditure of Rs 14,622,853 during the financial 2015-16 on AOM&R of roads in District Chitral. The following shortcomings were noticed. Detail as per Annexure-5.

1. Detail cost estimate/ PC-I/T.S was neither prepared nor available in the local office.
2. Satisfactory completion report/certificate from the concerned departments was not available.

Irregularity occurred due to weak financial control, which resulted in violation of government rules.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However, no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests to stop the irregular practice besides taking corrective action.

**AP No.27 (2015-16)**

### **1.2.3.9 Non-credit of lapsed deposit into Government Treasury – Rs 1.138 million**

According to Para 399(iii) of CPWA Code, balances unclaimed for more than three complete accounting years should be credited to government as lapsed deposits

XEN PHE Division Chitral deducted an amount of Rs 1,138,453 from various contractors and credited to 5<sup>th</sup>-deposit which remained unclaimed for more than three accounting years. These balances were lying unclaimed since June 2009, to June 2016, which was required to be deposited as lapsed deposit into government revenue. Detail is as under:

S. No.	Name of work	Date of deduction	Amount (Rs)
01	Supply and Installation of Pressure pumps (MAK Pumps)	06/2009	25,026
02	WSS Ustadandeh	06/2011	113,427
03	WSS Mori payeen	06/2012	1,000,000
<b>Total</b>			<b>1,138,453</b>

Non crediting of lapsed deposits occurred due to weak financial control, which resulted in loss to Government.

When pointed out in August 2016, management replied that unclaimed deposits of more than three (03) years would be credited to Government revenue in upcoming months. Reply was not valid as no subsequent action was reported till January 2016.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests that the unclaimed balances be credited to government revenue and action be taken against the person(s) at fault.

**AP No.01 (AC-I 2015-16)**

#### **1.2.3.10 Irregular payment without rate analysis – Rs 16.729 million**

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.



XEN PHE Chitral paid Rs 16,729,772 during the financial 2015-16 on account of S/F of 90 & 63 mm dia HDPE pipes. The expenditure made was irregular as neither open tender system was adopted nor analysis of rates was made to obtain economical rates. Detail is given at annexure-6.

Irregular payment occurred due to weak financial control, which resulted in violation of rules.

When pointed out in August 2016, management replied that rate analysis would be produced to audit. Reply was not convincing as no documentary proof was shown to audit.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests to stop the irregular practice besides taking corrective action.

**AP No. 12 (AC-I 2015-16)**

**1.2.3.11 Irregular expenditure without technical sanction – Rs 106.813 million**

Para 178(iii) of GFR Vol.-I states that no work should be commenced or liability incurred in connection with it 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.

XEN PHE Division Chitral incurred an expenditure of Rs 106,813,325 during the financial 2015-16 on various developmental schemes without obtaining technical sanctions from the competent authority. Detail as per Annexure-7.

Irregular expenditure occurred due to weak internal control which resulted in violation of rules.

When pointed out in August 2016, management stated that detailed position of TS would be communicated to Audit. Reply was not convincing as no technical sanction was provided for verification.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests to stop the irregular practice besides taking corrective action.

**AP No.14 (AC-I 2015-16)**

**1.2.3.12 Unauthorized payment on account of transportation of earth – Rs 6.690 million**

According to Clause 46(b) of contract agreement, where the lead is payable for the removal of spoils from a work, the contractor shall, prior to removing the spoils, obtain from the Engineer-in-Charge of the work approval in writing to:-

- (i) The length of lead.
- (ii) The method of transport.

XEN C&W Building and Roads Chitral paid Rs 6,690,989 during the financial year 2015-16 on transportation of earth in “Khan Abdul Wali Khan Bypass Road Chitral”, but method of transport and length of transportation was not allowed by the Engineer in-Charge. Thus, the payment made to the contractor was held unauthorized under the rules.

Unauthorized payment occurred due to weak internal control, which resulted in violation of rules.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests to stop the irregular practice besides taking corrective action.

**AP No. 45 (AC-I 2015-16)**

**1.2.3.13 Doubtful payment on account of land acquisition - Rs 5.00 million**

According to Rule 283 (1) of the Central Treasury Rules Volume-I, acquaintance roll in form TR 28 be maintained in support of payments.

XEN C&W Division Chitral paid RS 5,000,000 to Collector Chitral on account of land acquisition during the financial year 2015-16, however, award order, mutation and actual payee receipts (APRs) were not available on record. Thus the payment was held doubtful.

Doubtful payment was occurred due to weak financial control, which resulted in loss to government.

When pointed out in August, 2016, management stated that reply would be submitted after scrutiny of record. However, reply was not furnished.

Audit suggests probe into the matter, fixing responsibility and recovery under intimation to audit.

**AP No.32 (2015-16)**

**1.2.3.14 Unauthorized expenditure without approval/preparation of PC-I for AOM&R - Rs 2.500 million**

PC-I should be prepared for maintenance and repair works as per Finance Department, Government of Khyber Pakhtunkhwa, Peshawar letter No. BOI/2-7/2006/FD dated 2/6/2006. According to Planning and Development department Government of Khyber Pakhtunkhwa letter No. chief/INF/P&D/030-01/2010/1507-37, all the departments required to prepare PC-I for AOM&R work

exceeding Rs 0.100 million and approved from the DDWP then called DSC/DDC.

XEN PHE Division Chitral incurred expenditure worth Rs 2,850,000 during 2015-16 under the head AOM&R without approved PC-I by the competent authority. The expenditure incurred in absence of PC-I was unauthorized.

Unauthorized expenditure occurred due to weak financial control, which resulted in violation of government rules.

When pointed out in August, 2016, management stated that PC-I was approved by competent authority. Reply was not convenient as no documentary proof shown to audit.

Audit suggests to stop the irregular practice besides taking corrective action.

**AP No.26 (2015-16)**

### **1.2.3.15 Non deduction/non deposit of income tax Rs 0.326 million**

Section 153(a) of Income Tax Ordinance, 2001 provides that income tax @ 5% shall be deducted from the supplier.

DHO Chitral failed to deduct income tax of Rs 325,750 @ 5% from the suppliers for the purchase of medicines valuing Rs 6,515,007 during the year 2015-16.

Non deduction of income tax occurred due to violation of income tax law, which resulted in loss to government.

When pointed out in July, 2016, management stated that reply would be submitted after consultation of record. Reply was not valid as reply was not provided.

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

**AP No.14 (2015-16)**

## 1.2.4 Internal Control Weaknesses

### 1.2.4.1 Overpayment on account of compulsory acquisition charges of land - Rs 13.527million

According to Section 23(2) of Land Acquisition Act 1894, “in addition to the market value of the land, the court shall in every case award a sum of 15% on such market value, in consideration of the compulsory nature of the acquisition”. Moreover, 15% compulsory acquisition charges shall be allowed by the court under section 23(2) of the Act, not by the execution authority. Under section 3(d) of the Act “Court” means an Additional District Judge is judge of Principal Civil Court of original jurisdiction, and as such he is competent to hear and dispose of the reference under the Land Acquisition Act which are handed over to him for disposal by the District Judge. The expression “Court” does not include Collector.

Deputy Commissioner Chitral paid an amount of Rs 106,770,000 on account of acquisition of land for different departments and overpaid thereon Rs 13,527,000 as 15% compulsory acquisition charges during 2015-16, as detailed below.

S. No.	Particular of land acquired	Cost of the Acquisition/ Compensation (Rs)	Cost of 15% compulsory acquisition charges (Rs)
1	Land for Shaheed Benazir Bhutto University	82,900,000	10,527,000
2	Land for Sports Complex	23,870,000	3,000,000
	<b>Total</b>	<b>106,770,000</b>	<b>13,527,000</b>

Payment of compulsory charges was not admissible due to the following reasons:

- a) Compulsory acquisition charges were allowed at initial stage of acquisition by the DC.
- b) No written objection, obstruction, refusal or appeal was made to the Collector/Court by the owner of the land.

Payment of inadmissible acquisition charges occurred due to weak financial control which resulted in loss to the Government.

When pointed out in July 2016, management replied that the land was acquired on compulsory and urgent basis. Reply was not convincing as 15% compulsory charges were payable only under the orders of a court.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

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

**AP No.08(2015-16)**

**1.2.4.2 Loss to Government due to non reduction of 6% of income tax included in MRS - Rs 1.620 million**

According to Finance Department Government of Khyber Pakhtunkhwa notification NO.SO(Dev-II) FD/12-6/14-5 dated 05.01.2015, all Provincial Works Departments, while preparing cost estimates of developmental projects which fall in the tax exempted areas such as PATA, shall frame the same on Market Rate System-2013 (MRS-2013) but with 6% less cost to defray the amount added in the rate analysis of all works/construction/supply items to meet withholding tax.

XEN PHE Division Chitral neither reduced 6% income tax amounting to Rs 1,620,173 from the bid value nor deducted it from contractor's bills during the financial year 2015-16. Detail is given below:

S. No.	Name of work	Estimated cost (Rs)	6% income tax (Rs)
1	WSS attain	15,310,804	918,648
2	WSS G/Chashma, Manoor, Oghuti	10,000,000	600,000
3	WSS Oghuti	1,692,096	101,525
<b>Total</b>			<b>1,620,173</b>

Non reduction/deduction of income tax occurred due to weak internal control, which resulted in loss to Government.

When pointed out in August 2016, management replied that Malakand Division is exempted from income tax and the contractors were belonging to the Malakand Division. Reply was not convincing as the Finance Department instructions were specific to Malakand Division.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests immediate recovery of income tax and action against the person(s) at fault.

**AP No.09 (AC-I 2015-16)**

**1.2.4.3 Non imposition of penalty on late completion of developmental schemes – Rs 3.167 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.

XEN PHE Division Chitral did not impose 10% penalty of Rs 3,167,401 during the financial year 2015-16 on various contractors for late completion of developmental schemes. Detail is given below:

S. No.	Scheme	Completion date as per W/Order	Actual date of completion	Delay (days)	Cost (Rs)	10%Penalty (Rs)
1	Flood Damaged Package-II	19-8-2015	19-11-15	74 day	10,000,000	1,000,000
2	WSS kuju payeen	28-12-2015	28-6-16	50 days	6,277,018	627,701
3	WSS Zanglasht	28-10-2015	28-6-2016	50 days	7,154,000	715,400
4	WSS muzdeh kosht	28-10-2015	28-6-2016	50 days	8,243,000	8,24,300
<b>Total</b>						<b>3,167,401</b>

Non recovery of penalty occurred due to lack of internal control, which resulted in loss to Government.

When pointed out in August 2016, management stated that detailed reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests recovery of penalty and action against the person(s) at fault.

**AP No.15 (AC-I 2015-16)**

**1.2.4.4 Overpayment due to allowing higher rate - Rs 3.016 million**

According to CSR 2009 item No (3-61-c), the admissible rate for “Embankment formation from borrow pit excavation” is Rs 487 per m<sup>3</sup>.

XEN C&W Building and Road Division Chitral overpaid Rs 3,016,860 by allowing higher rate on account of work “ Const: of Khan Abdul Wali Khan By Pass Road Chitral” during the financial year 2015-16. Detail is given below:

S. No.	Item Code	Item of work	Rate paid Rs/M <sup>3</sup>	Rate Admissible as per CSR 2009 (Rs/M <sup>3</sup> )	Difference (Rs/M <sup>3</sup> )	Qty: (M <sup>3</sup> )	Amount (Rs)
01	3-61-c	Embankment formation from borrow pit excavation	641	487	154	15042	2,316,468
02	3-61-c	Embankment formation from borrow pit excavation	641	487	154	4548	700,392
<b>Total</b>							<b>3,016,860</b>

Overpayment occurred due to weak internal control, which resulted in loss to the Government.



When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

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

**AP No.19 (AC-I 2015-16)**

**1.2.4.5 Unjustified payment to Commandant Chitral Scouts - Rs 1.101 million**

According to clause 29 of the contract agreement, the Government will accept no responsibility on account of damage caused by floods, fires, thefts, riots, force majeure or any act of God, to partly completed work, or to material belonging to the contractor or to material supplied by the public works Department once they have been handed over to the contractor.

XEN C&W Building and Road Division Chitral paid Rs 1,101,000 to Commandant Chitral Scouts on account of repair of optical fiber cable which was damaged in road work during 2015-16. Audit held that repair of optical fiber cable was the responsibility of the contractor and payment made by the local office was unjustified.

Unjustified payment occurred due to weak financial control, which resulted in loss to the entity.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

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

**AP No.25 (AC-I 2015-16)**

**1.2.4.6 Non imposition/recovery of penalty for delay in completion of work - Rs 45.584 million**

According to clause-2 of the contract agreement the contractor has to pay compensation @ 1 to 10% of the estimated cost per day for the delay in completion of work.

According to S. No. 23 of the NIT condition being the emergent nature of work the bidder must submit undertaking to execute the work according to the work schedule without any slackness, otherwise the contract will be terminated and the work will be put to re-tender at risk and cost and no relaxation will be given.

XEN C&W Building and Road Division Chitral failed to impose and recover penalty of Rs 45,584,000 during 2015-16 from contractor on account of delay in completion of works within stipulated period of time. Detail is given at Annexure-8.

Non imposition of penalty occurred due to weak financial control, which resulted in loss to Government.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

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

**AP 27 & 29(AC-I 2015-16)**

**1.2.4.7 Loss to Government due to non reduction of income tax - Rs 32.386 million**

According to Finance Department Khyber Pakhtunkhwa notification NO.SO(Dev-II) FD/12-6/14-5 dated 05.01.2015, the competent authority has

been pleased to direct that all Provincial Works Departments, while preparing cost estimates of developmental projects which fall in the tax exempted areas such as PATA, shall frame the same on Market Rate System-2013 (MRS-2013) but with 6% less cost to defray the amount added in the rate analysis of all works/construction/supply items to meet withholding tax.

XEN C&W Building and Road Division neither reduced 6% income tax amounting to Rs 32,386,000 from the bid value nor deducted it from contractor's bills during the financial year 2015-16. Detail as per Annexure-9.

Non reduction of income tax occurred due to weak financial control, which resulted in loss to Government.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests immediate recovery of income tax and action against the person(s) at fault.

**AP No.42 (AC-I 2015-16)**

#### **1.2.4.8 Overpayment due to non deduction of voids – Rs 1.901 million**

According to clause 20 & 21 of the contract agreement 10% voids would be deducted from the compaction of earth / shingle filling/RR Dry masonry.

XEN C&W Building and Road Division Chitral did not deduct voids worth Rs 1,901,660 during the financial year 2015-16 from various contractor bills. Detail is at Annexure-10.

Non deduction of void occurred due to weak financial control, which resulted in loss to the Government.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

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

**AP No.36 (AC-I 2015-16)**

#### **1.2.4.9 Overpayment due to incorrect calculation – Rs 2.676 million**

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

XEN C&W Building and Road Division Chitral overpaid an amount of Rs 2,676,390 during financial year 2015-16, by allowing excess quantity for item of work “transportation of material in Khan Abdul Wali Khan Bypass Road Chitral”. Detail is given below:

Item of work	Quantity Claimed	Admissible quantity after 0.40% deduction	Quantity required to be deducted (m <sup>3</sup> ) (1)	Rate (Rs/M <sup>3</sup> ) (2)	Amount (Rs) (column 1 x 2)
Transportation of material	31917 m <sup>3</sup>	19150 m <sup>3</sup>	12767 m <sup>3</sup>	182.69	2,327,296
<b>Add 15% Cost Factor</b>					349,049
<b>Total</b>					<b>2,676,390</b>

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

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

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

**AP No.43(AC-I 2015-16)**

**1.2.4.10 Overpayment due to allowing inadmissible overhead charges - Rs 18.996 million**

According to Finance Department Government of Khyber Pakhtunkhwa letter No. CSR Cell/FD/1-7/Rates/2014-15 dated 25-05-2015, rates of MRS 2015 include overhead charges.

XEN C&W Building and Road Division overpaid Rs 18,996,476 during the financial year 2015-16 by allowing overhead charges @ 17.92% to Frontier Works Organization in the work “Restoration of works in Chitral (Flood 2015)”. Detail is as under:

S. No.	Vr. No. & date	Name of work	Overhead charges (Rs)
01	13-C dt: 18-12-2015	Chitral Garam Cashma Road	6,204,619
02	14-C dt: 18-12-2015	Chitral Booni Road	6,425,701
03	15-C dt: 18-12-2015	Kilash valley Bamborate Road	6,366,156
<b>Total</b>			<b>18,996,476</b>

Overpayment occurred due to weak financial control, which resulted in loss to the entity.

When pointed out in August 2016, management did not respond to the observation.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

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

**AP No.38 (AC-I 2015-16)**

**1.2.4.11 Loss to Government due non supply of medicines - Rs 5.033 million**

According to clause 18 of MCC, the supply of stores is required to be completed within 30 days after the receipt of orders.

DHO Chitral withdrew Rs 5,033,910 from treasury for purchase of medicines during 2015-16. However, the medicines were not supplied till August 2016 and the local office kept the amount in its designated bank account. Detail as per Annexure-11.

Non supply of medicines occurred due to lack of internal control which resulted in blockage of public money and deprive the patients of prospective benefits.

When pointed out in July 2016, management replied that the supply was in progress and would be completed in month of August 2016. Reply was not correct as no supply was made till last day of Audit during August 2016.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests investigation, imposition of penalty for non/late supply and action against the person(s) at fault.

**AP No.15 (2015-16)**

**1.2.4.12 Overpayment on account of inadmissible labour rate of Rs 2.557 million and non-deposit of additional security – Rs 1.504 million**

According to Para 220 and 221 of CPWA Code, the Sub Divisional Officer, before making payments to the contractors is required to compare the quantities in the bills and see that all the quantities and rates are correctly entered and that all the calculations have been checked arithmetically. Further, rates of MRS 2015 for GI pipes include excavation, lying and back filling of pipes including all specials.

XEN PHE Division Chitral overpaid Rs 2,556,792 on account of labour charges on 8” & 6”dia G.I. pipes in WSS “UC Kuh” during 2015-16. During physical inspection of the scheme, it was noticed that instead of laying pipes under the ground, these were laid on the surface of earth, and payment to labours for digging the earth was unjustified. Detail is given below:

S.No	Item of work	Quantity(M)	Labour Rate (Rs)	Amount(Rs)
	8” dia GI Pipe	3898	434	1,691,732
	6” dia GI Pipe	2590	334	865,060
<b>Total</b>				<b>2,556,792</b>

Moreover, additional security amounting to Rs 1,503,940 was not deposited by the contractor as per detail given below:

Estimated Cost (Rs)	Bid Cost (Rs)	Difference
95,399,000	93,895,060	1,503,940

Overpayment occurred due to weak financial control, which resulted in loss to Government.

When pointed out in August 2016, management stated that detailed reply would be submitted after scrutiny of record. However, no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

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

**AP No. 06 (AC-I 2015-16)**

#### **1.2.4.13 Unjustified payment on account of incomplete work – Rs 8.04 million**

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

XEN PHE Division Chitral paid Rs 8,040,000 for distribution system to the contractor in the “Water Supply Scheme Loan” during the financial year 2015-16. Payment was made without execution as the supply main was still in progress. Thus, the payment made to the contractor was held unjustified.

Unjustified payment occurred due to weak internal control, which resulted in loss to Government and deprived the local community from prospective benefits.

When pointed out in August 2016, management replied that work on all sub heads have been started simultaneously due to short working season in Chitral. Reply was not valid as payment was made for distribution system before completion of supply main.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests investigation, fixing responsibility and immediate recovery of the paid amount.

**AP No. 16 (AC-I 2015-16)**

#### **1.2.4.14 Non-deduction of Income Tax – Rs 3.031 million**

As per Section 82 of the Income Tax Ordinance,2001 and Commissioner Income Tax Enforcement & Compliance Division Peshawar’s letter No. CIT (E & C)/RTO-PR-2008-09/1739 dated 20.06.2009, a person belonging to tribal area but residing in taxable area is not entitled to exemption, because he would become a resident person under Income Tax Ordinance.

XEN PHE Division Chitral paid Rs 101,062,390 to M/S Peshawar Pipe Store Government Contractor for execution of various water supply schemes during the during the financial year 2015-16. The contractor being resident of Peshawar (taxable area) as evident from contractor enlistment certificate with its office location at the address of “Peshawar Pipe Store, Khyber Bazar, Peshawar”. The local office was required to deduct 3% income tax amounting to Rs



3,031,870 from the bills of the contractor but failed to do so. Audi held that the certificate issued to Peshawar Pipe Store by Pakistan Engineering Council Islamabad showed his residence at Peshawar. Therefore, tax was required to be deducted in the light of the criteria referred to above. Detail is as under:

S. No.	Name of work	Amount paid (Rs)	3% income tax
01	WSS Muzdeh Kosht	8,218,349	246,550
02	WSS Nishku	24,865,344	745,960
03	WSS UC Kuh	37,978,697	1,139,360
04	Reh: of flood damaged water supply schemes Package-I, II, III	30,000,000	900,000
<b>Total</b>		<b>101,062,390</b>	<b>3,031,870</b>

Non deduction of Income tax occurred due to weak financial control, which resulted in loss to Government.

When pointed out in August 2016, management replied that all required documents regarding income tax would be produced to audit. Reply was not convincing as no documents were provided to audit.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests recovery and deposit of income tax into Government Treasury under intimation to Audit.

**AP No. 17 (AC-I 2015-16)**

**1.2.4.15 Unauthorized payment due to ignoring the schedule rates – Rs 6.789 million**

According to MRS 2015 item No (3-59-a), the allowed rate for “Roadway excavation in surplus/unsuitable common materials” is Rs 363.84 per m<sup>3</sup>.

XEN C&W Building and Road Division Chitral paid Rs 6,789,607 to a contractor during 2015-16 for restoration of flood affected roads. The local office instead of making payment on MRS rates on the basis of per cubic meter, allowed payment on the basis of @ Rs 1800 per hour for tractor charges and @ Rs 5000 per hour for excavator. Detail is given at Annexure-12.

Unauthorized payment was occurred due to weak financial control, which resulted in violation of rules.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests to stop irregularity besides corrective action under intimation to Audit.

**AP No. 23 (AC-I 2015-16)**

**1.2.4.16          Doubtful payment due to non execution of work in foundation  
- Rs 1.007 million**

According to Para 178(iii) of GFR Vol-I, no work should be commenced or liability incurred in connection with it 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.

XEN C&W Building and Road Division Chitral made payment of Rs 1,007,778 during the year 2015-16 on account of works “Feb of Mild Steel Bars, RCC (1:2:4) as specified, S/F of D/Wood Joinery and CRM (1:6) “ in the scheme “Science Laboratory in GHSS Garam Chashma”, which was impossible without foundation work. Thus the payment made was held doubtful.

Doubtful expenditure occurred due to weak financial control, which resulted in loss to Government.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests probe into the matter and action against the person(s) at fault.

**AP No. 24 (AC-I 2015-16)**

**1.2.4.17 Non accountal of amount in Deposit 1V –Rs 37.817 million**

According to Para 506 of CPWA Code, as soon after the expiry of the month as possible, a monthly settlement should be affected with all treasuries in respect of the transaction of the entire division with them. Moreover, Para 17 of CPWA requires that the divisional officer is responsible not only for the financial regularity of the transactions but also for maintenance of the accounts of the transactions correctly and in accordance with the rules in force.

XEN C&W Building and Road Division Chitral failed to show an amount of Rs 37,817,000 in Form-79 in the month of 6/2016 was shown closed in Jun 2012 as evident from register of Deposit-1V. The amount was required to be credited to Government revenue being a lapsed deposit, which was not done.

Non credit of amount in Government revenue occurred due to weak internal control, which resulted in unclear position of Public Account.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests to stop irregular practice besides corrective action.

**AP No. 28 (AC-I 2015-16)**

**1.2.4.18 Difference in figures of Deposits Register and Form 79 – Rs 24.204 (M)**

According to Para 625 of CPWA Code Form-79 being Schedule of Deposit should be prepared for submission to Account General as an abstract of the Deposit Register, giving the total for each class of deposits and such items as are affected by the month's transactions. The two documents must reconcile with each other.

During scrutiny of deposits for the financial year 2015-16 of XEN C&W Building and Road Division Chitral, it was observed that there was an overall difference of Rs 24,204,948 between the figures of deposit registers and Form 79 (2<sup>nd</sup> and 3<sup>rd</sup> Deposits) as on 30<sup>th</sup> June 2016. Detail is given below:

S. No.	Particulars	Closing balance as per Form 79 (Rs)	Closing balance as per deposit register (Rs)	Difference (Rs)
01	2 <sup>nd</sup> Deposit	186,747,952	170,247,063	16,500,889
02	3 <sup>rd</sup> Deposit	119,910,378	112,206,319	7,704,059
<b>Total</b>				<b>24,204,948</b>

The Deposit Register shows the contractors' securities to be refunded. Less figures in Form 79 showed that the liability was reduced. Higher figures in Deposit Register bear the risk of double payment by fraud in future.

Irregularity occurred due to weak internal control which resulted in incorrect presentation of accounts.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests to stop irregular practice besides corrective action.

**AP No. 39 & 40 (AC-I 2015-16)**

#### **1.2.4.20 Overpayment due to ignoring the schedule rates– Rs 2.875 million**

According to CSR 2009 item No (16-28-b), the allowed rate for Boring in Gravel is Rs 4,599 per m<sup>3</sup>.

XEN C&W Building and Road Division Chitral overpaid Rs 2,875,831 during the financial year 2015-16 to a contractor for items of work “Boring in place in Boulders/Rock” in the work “Construction of RCC Bridge over Yarkhun River at Booni due to ignoring the CSR 2009 rates and allowing higher rates. Detail is given below:

<b>Vr. No and date</b>	<b>Item of work</b>	<b>Paid rate (Rs)</b>	<b>Admissible CSR rate(Rs)</b>	<b>Diff:(Rs)</b>	<b>Qty(M<sup>3</sup>)</b>	<b>Overpayment (Rs)</b>
22-D dt: 22-6-2016	Boring in place in Boulders/Rock	21,607	4,599	17,008	169.087	2,875,831
<b>Total</b>						<b>2,875,831</b>

Overpayment occurred due to ignoring the schedule rates, which resulted in loss to government.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests recovery and action against the person at fault.

**AP No. 22 (AC-I 2015-16)**

#### **1.2.4.21 Overpayment due to allowing higher rates– Rs 1.049 million**

According to CSR 2009 item No (3-07-d), the admissible rate for excavation in “Excavation in foundation in shingle gravel” Rs 187 per m<sup>3</sup>. Further, according to CSR 2009 item No (3-23-d), the allowed rate for

“Excavation in foundation of building, bridges etc. complete in Shingle Gravel” is Rs 133 per m<sup>3</sup>.

XEN C&W Building and Road Division Chitral overpaid Rs 478,335 to a contractor for an item “Excavation in foundation in Shingle Gravel” in the work “Construction of Abdul Wali Khan By pass Road Chitral” during the financial year 2015-16. As per CSR 2009, the allowed rate was Rs 187/m<sup>3</sup> while the local office paid Rs 216/m<sup>3</sup>.

Moreover, Rs 570,823 were paid to a contractor for item of work “Excavation in foundation in Shingle Gravel” in the work “Construction of RCC Bridge over Yarkhun River at Booni”. The local office paid rate of Rs 187/m<sup>3</sup> instead of Rs 133/m<sup>3</sup>. Detail as per annexure-13.

Overpayment occurred due to lack of internal control, which resulted in loss to government.

When pointed out in August 2016, management stated that reply would be submitted after scrutiny of record. However no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

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

**AP No. 20 & 21(AC-I 2015-16)**

**1.2.4.22 Overpayment due to allowing unjustified item of work – Rs 2.087 million**

Rate of 3” dia GI pipe (Item No. 24-16-c-08 of MRS 2015) includes providing and laying, cut, joint, test and disinfect GI pipe. Moreover, as per MRS 2015, the rate also includes cost of sockets, tees, elbows, bends, crosses, unions and plugs etc. Further, according to Item No. 24-16-c-09 of MRS 2015, rate of 4” dia GI pipe includes providing and laying, cut, joint, test and disinfect GI pipe.

Moreover, as per MRS 2015, the rate also includes cost of sockets, tees, elbows, bends, crosses, unions and plugs etc.

XEN PHE Division Chitral Paid Rs 2,087,780 to the contractor for an item of work “Laying, Cut, Jointing, Testing & Disinfect of 3” and 4” i/d GI pipe i/c cost of welding, execution & compaction complete” during the financial year 2015-16. The local office also allowed cost of welding in the same Running Bills. Audit was of the view that the rates of 3” and 4” dia GI pipe include the cost of jointing. Hence, the cost of welding was overpaid to the contractor. Detail is as under:

S. No.	Name of Scheme	Quantity of GI pipe	Rate (Rs)	Total Amount (Rs)	Cost of Welding (Rs)
01	WSS Loan	10132 m	1,392	14,103,744	1,171,700
02	WSS Nishko	19998 m	2,249	34,698,144	916,080
<b>Total</b>					<b>2,087,780</b>

Overpayment occurred due to weak financial control, which resulted in loss to Government.

When pointed out in August 2016, management stated that detailed reply would be submitted after scrutiny of record. However, no reply was furnished.

Request for convening of DAC meeting was made in October 2016, which was not convened till finalization of this report.

Audit suggests immediate recovery and action against the person at fault

**AP No. 10 & 11 (AC-I 2015-16)**

## ANNEXURE

### Annexure – 1

#### Detail of MFDAC Paras

Sr. No	Office	Para No	Caption	Amount (Rs) in million
	DC Chitral	1	Unauthorized release of additional grant without token money	2.970
	DC Chitral	3	Unauthorized re-appropriation of Rs. 685680	0.685
	DC Chitral	10	Unjustified retention of Govt. money	0.150
	DC Chitral	6 & 7	Variation between Schedule of Authorized Expenditure and NBP	835.684
	DHO	1	unjustified drawl on account of electricity charges	0.847
	DHO	3	Non-deposit of Govt. receipts	0.043
	DHO	8 & 13	Doubtful payment on account of Fog Spray	0.841
	DHO	12	Non-recovery of penalty	0.258
	DHO	14	Misclassification on account of TA/DA	0.213
	DHO	16	Overpayment of pay and allowances of absent period	0.263
	DHO	17	Non-deposit of ambulance charges	0.127
	PHE	2	Non-deposit of stamp duty Rs. 256500	0.256
	PHE	3	Excess payment over and above AA Rs. 201000	0.201
	PHE	4	Unauthorized advance payment to the contractor Rs. 10.592 (M)	10.592
	PHE	5	Non-deduction of professional tax Rs.292000	0.292
	PHE	8	Irregular release of securities Rs. 1.291 M	1.291
	PHE	7	Irregular award of work	30.00
	PHE	13	Overpayment due to above BOQ Rs. 599539	0.599
	C&W	18	Overpayment by allowing higher rate for RR Dry Masonry	0.651
	C&W	20	Overpayment due to ignoring schedule rates	0.478
	C&W	21	Overpayment by allowing higher rate	0.570
	C&W	33	Loss to Govt. on account of double drawl of money	0.974
	C&W	34	Non-deposit of additional securities	3.279
	C&W	35	Non-deduction of professional tax	0.520
	C&W	41	Difference in Form-26/51	14.726
	C&W	46	Misclassification of expenditure	0.394
	<b>Total</b>			<b>906.904</b>



**Misappropriation of public money**

<b>S. No.</b>	<b>Name of work</b>	<b>Amount paid in Advance (Rs)</b>	<b>Remarks</b>
01	2 No. Bachelor Suits in GGDC Booni	1,827,455	During physical verification, the items of work Deodar Wood and CGI Sheets were not executed.
02	Jeepable Bridge at Koragh Gole	1,660,000	1 <sup>st</sup> R/Bill paid for only Mild Steel without RCC (1:2:4)
03	Kandujal Road Garam Chashma	1,200,000	-do-
04	GHS Baram Oweer	2,263,538	4 <sup>th</sup> R/Bill was paid on 20-4-2016 and 5 <sup>th</sup> R/Bill was paid for excess quantity of Rs 2,263,538 on the same date i.e. 20-4-2016
05	Veterinary Hospital Chitral	499,417	During physical verification, no electrification was carried out.
06	Removal of slides Chitral Booni Road KM 48-75	467,277	3 <sup>rd</sup> Running Bill amounting to Rs 2,959,890 was paid to the contractor on 17-11-2015 and the 4 <sup>th</sup> Running Bill amounting to Rs 3,427,167 was also paid to the contractor on the same date i.e. 17-11-2015
<b>Total</b>		<b>7,917,687</b>	

**Annexure-3**  
**DP# 1.2.2.1**

**Non production of auditable record**

<b>S. No</b>	<b>Name of Unit</b>	<b>Head of Account</b>	<b>Amount (Rs)</b>
1	PPHI	Other contingencies	2,250,000
2	PPHI	Special grant of medicine	11,226,000
3	THQ Garam Chashma	Non salary items	1,104,000
4	RHC Mastuj	Non salary items	577,000
5	RHC Mastuj	Salary	2,343,150
6	THQ Garam Chashma	Salary	5,060,410
7	PPHI	Salary	18,321,000
<b>Total</b>			<b>40,881,560</b>

**Annexure-4****DP# 1.2.2.1****Detail of expenditure on AOM&R Roads**

<b>S. No</b>	<b>Name of work</b>	<b>Amount (Rs)</b>
1	Execution of flood damaged road and bridges	1,660,000
2	Rehabilitation of Chitral Garamchashma Road	7,233,942
3	Rehabilitation of Ayun Bamborat Road	3,841,329
4	Reconstruction of various roads in District Chitral	1,887,581
	<b>Total</b>	<b>14,622,852</b>

**Annexure-5**  
**DP # 1.2.3.8**

**Detail of TS**

<b>Sr. No.</b>	<b>Name of work</b>	<b>Vr. No. &amp; Date</b>	<b>Total payment (No TS)</b>
1	AOM&R Rech road	29-c/19.02.2016	1,622,374
2	AOM&R Booni Shagram Road	15-b/01.02.2016	268,588
3	AOM&R Booni Station Road	16-b/01.02.2016	97,713
4	AOM&R Mastuj Shandor road	14-b/01.02.2016	371,028
5	AOM&R Booni Parwak Road	13-b/01.02.2016	173,810
6	AOM&R Booni Parwak Road	12-B/01.02.2016	302,729
7	AOM&R Mastuj Brep Road	11-b/01.02.2016	195,304
8	AOM&R Taw to Sonoghar Road	10-b/01.02.2016	248,208
9	Restor: of Arkari Raod	25-c/ 19.02.2016	234,333
10	Restor: of Begurat road	26-c/19.02.2016	478,467
11	Restor: of G/Chashma Gobor Road	27-c/19.02.2016	670,096
12	Restor: of Rech Road	28-c/19.02.2016	708,057
13	Restor: of of Nullah Bridge	23-c/19.02.2016	1,272,637
14	Restor: of Rajib to Owir Road	24-c/18.02.2016	746,165
15	Restor: of of Khairchum Oweer road	19-c/18.02.2016	388,723
16	Restor: of Bagh bridge oweer	13-c/18.02.2016	354,845
17	Restor: of Mulkoh road from surwalcht to shagram	17-c/18.02.2016	384,564
18	Restor: of porish oweer road	21-b/09.02.2016	401,081
19	Restor: of Kusht muggal mulkoh road	19-b/09.02.2016	2,000,000
20	Restor: of Beroi road	18-b/01.02.2016	650,000
21	Restor: of Mastuj shandoor road	22-b/09.02.2016	959,498
22	Restor: of Shagram road rayeen Gole torkoh	31-b/09.02.2016	356,198
23	Restor: of steel bridge G/chashma	16-c/18.02.2016	525,933
24	Restor: of G/Chashma Oweer Kundujal road	15-c/18.02.2016	799,411
25	Restor: of Osiak bridge	15-c/18.02.2016	799,411
26	Restor: of Mulkoh Road Swrwakht bridge to terich	32-b/12.02.2016	1,600,000
27	Restor: of Muzgole to Nishko road	34-b/12.02.2016	1,700,000
28	Restor: of Mulkoh road surwakht to shagram tesich	35-b/12.02.2016	1,270,000
29	AOM&R to Jinferate road	7-d/15.04.2016	115,377
30	AOM&R to Dubach Rumbor road	6-d/15.04.2016	80,798
31	AOM&R Drosch Road	10-15.04.2016	309,463
32	AOM&R Chitral G/Chashma road at Singoor	11-c/09.06.2016	311,282
33	AOM&R in KM39-40 G/Chashma road	24-c/13.06.2016	400,000
34	Restor: of Shah Area G/Chashma road	23-c/13.06.2016	400,000
35	AOM&R Neardad Gole Sachar road	19-c/13.06.2016	174,519
36	AOM&R KM 36-40 G/Chashma road	22-c/13.06.2016	201,617
37	AOM&R Chitral Booni road near Istangole	20-c/13.06.2016	195,151
38	AOM&R to Kring/shah area G/Chashma road	26-c/13.06.2016	360,891
39	AOM&R, R/wall in KM 36 area bridge chitral G/Chashma road	25-c/13.06.2016	310,837

40	AOM&R to shah Kring G/Chashma road	53-c/13.06.2016	385,214
41	AOM&R, S/R to prait bridge	18-c/13.06.2016	165,110
42	AOM&R to Dragha lacht road	8-c/08.03.2016	398,351
43	AOM&R to Barinis road	15-c/08.03.2016	324,502
44	AOM&R to Istangole road	12-c/09.03.2016	377,276
45	AOM&R to Dalamgole road	11-c/08.03.2016	387,619
46	AOM&R to chitral road orguch area	13-b/08.03.2016	396,399
47	AOM&R to Ayun road	14-b/08.03.2016	185,621
48	AOM&R to Chitral road Drguch area	15-b/08.03.2016	394,143
49	AOM&R to Chitral road (Corghuch area)	17-b/08.03.2016	397,524
50	AOM&R to Chitral road Drghuch Area	26-b/15.03.2016	481,833
51	AOM&R Dubach Bamborate road	27-b/15.03.2016	2,791,703
52	AOM&R to G/Chashma Bobore road KM 13-14	8-c/03.06.2016	379,624
53	Restor: of Kosht Muzgole road	51-b/24.06.2016	549,515
54	Reh: of Arkari Vallay road	163-c/27.06.2016	4,210,223
55	Reh: of Madak lasht raod	18-c/25.11.2015	4,975,552
56	Estab: of GGDC Drosh Admn block	32-c/23.06.2016	7,675,487
57	Const: of B/wall Guard Roam, Allied Facilities	140-c/27.06.2016	2,167,568
58	GPMS Bashqir Payeen	43-c/29.03.2016	1,086,674
59	B/wall in GCMS Chitral	115-c/16.06.2016	4,163,237
60	06 Nos. Classrooms in Degree College Booni	4-c/05.11.2016	13,953,220
61	Reh: of Birir road	1-d/06.11.2015	2,351,019
62	Reh: of Biriri road	2-d/06.11.2015	3,942,357
63	Reh: of Biroi road	3-d/06.11.2015	6,780,075
64	Science Lab: GHS Zendramgram	38-c/29.03.2016	1,687,918
65	Science Lab: GHS Istaru	39-c/29.03.2016	1,673,530
66	Science Lab: GHS Kaju	42-c/29.03.2016	1,321,338
67	06 Nos. Classrooms & B/wall Degree College Booni	21-b/06.06.2016	30,572,899
68	Rep:/Reh: of Shahi Masjid Central	15-c/09.06.2016	18,643,839
69	Const: of Judicial Complex Chitral	28-c/13.06.2016	5,531,088
70	Reh: G/Chashma road Singoor area (0.5 KM)	66-c/16.06.2016	1,732,842
71	S/R to DEO (Male) Office	67-c/16.06.2016	1,149,927
72	Const: of court rooms SH: Dining Hall	154-c/27.06.2016	3,507,200
73	Reh: of G/Chashma road Drosh area	142-c/27.06.2016	1,300,656
74	Upgrad: of GMS Washich	2-b/02.06.2016	6,311,323
75	GGMS Rerich	17-b/06.06.2016	3,154,435
76	Const: of rooms, w/s & Sanitary installation Kaslit playground	43-b/24.06.2016	2,510,279
77	Reh: of Chitral Booni Road at Koragh	Nil/30.06.2016	1,887,581
78	Reh: of Terich Road R/wall	33-b/22.06.2016	816,798
79	Science Lab: GHS Khot	29-b/13.06.2016	1,160,856
80	Estab: of GGPS Awi Dwir (Civil work	11-b/20.04.2016	3,051,468

81	Science Lab: GHS Charun	12-b/20.04.2016	1,522,962
82	Upgrad: of GHS Baram Dwir	41-b/24.06.2016	25,081,626
83	Etab: of GGPS Shamato Gole	3-d/11.04.2016	1,129,612
84	Science Lab: GHS Rech	13-b/20.04.2016	956,258
85	Reconst: of GGHS Booni	18-b/20.04.2016	1,599,225
86	Etab: of GGPS Barabm Ashirate	1-d/09.06.2016	5,476,869
87	Reh: of Shishikoh road	3-d/21.10.2015	4,504,732
88	Const: of 01 No. Hostel in Chitral	32-b/Nil	7,029,874
89	Upgrad: of GHS Sore Rech	35-b/22.04.2016	1,329,617
90	Etab: of GGPS Sanik G/Chashma	34-b/22.04.2016	6,004,958
91	Upgrad: of GMS Rambur	28-b/22.04.2016	4,418,941
92	Reh: of mastuj Shandur road (1-15 KM)	20-b/22.04.2016	1,787,658
93	Upgrad: of GGMS Bamborate	9-d/15.06.2016	5,039,572
94	Restor: of Chitral Booni raod near Shagram	12-d/18.06.2016	9,926,167
95	Reh: of Dubach Rambur road	21-d/22.06.2016	5,040,773
96	Restor: of Dubach Bridge	22-d/22.06.2016	984,787
97	Reh: of Ujnu Bridge Hone Khot Gole	23-d/22.06.2016	747,000
98	Reh: of Booni Bozung Road	24-d/22.06.2016	254,343
99	Const: of Court rooms SH: Const: of C/Office, R/Room, Vehicle Shed	7-c/03.06.2016	3,197,200
100	Const: of Exam: hall at GHS G/Chashma	5-c/03.06.2016	1,976,123
101	Restor: of Clutral Booni road (KM 5-10)	30-c/19.02.2016	764,240
102	Restor: of Chitral Booni Road 30KM	31-c/19.02.2016	1,499,835
103	Restor: of of Chitral Booni Road	23-b/19.02.2016	2,000,000
104	Restor: of of Chitral Booni Road (KM 11-32)	24-b/19.02.2016	580,838
105	Restor: of road Pokel Bridge to Baram Owir	26-b/19.02.2016	1,310,189
106	Restor: of Mastuj Broghat pass road	25-b/09.02.2016	572,717
107	Restor: of of Gohkir Kosht road	28-b/19.02.2016	441,021
108	Restor: of Golkir Kosht Muzgole road	27-b/19.02.2016	1,950,455
109	Restor: of Booni Shagram Khot road	30-b/19.02.2016	1,858,730
110	Restor: of Mulkoh road from Muzgole to Nishkoo	33-b/12.02.2016	1,692,000
<b>Total</b>			<b>268,051,253</b>

**Annexure-6**  
**DP # 1.2.3.10**

**Irregular payment without rate analysis**

<b>S. No.</b>	<b>Name of work</b>	<b>Type of HDPE Pipes</b>	<b>Amount (Rs)</b>
1	WSS Oughti	90	1,933,888
2	-d0-	63	131,666
3	WSS Muzdeh Kosht	63	1,368,175
4	WSS Package 1	90&63	3,840,469
5	WSS package 11	90&63	4,093,368
6	WSS Package111	90&63	3,356,134
7	WSS Harchine	63	650,715
8	WSS /Chashma, Manoor and Oghuti	63	444,997
9	WSS Attani New	90&63	910,360
<b>Total</b>			<b>16,729,772</b>

**Annexure-7**  
**DP # 1.2.3.11**

**Irregular expenditure without Technical Sanction**

<b>S. No.</b>	<b>Name of Scheme</b>	<b>Expenditure (Rs)</b>
01	WSS Loan	25,430,000
02	WSS Hattani	23,311,000
03	WSS Kuju Payeen	6,757,000
04	WSS Muzdekudht	8,318,000
05	WSS Zanglasht	8,095,000
06	WSS Gufti	1,498,000
07	WSS Tingshen	3,813,000
08	WSS Shutkhar	4,252,000
09	WSS Werkup	6,258,000
10	Restoration /Rehabilitation of WSS Ayun (3 Villages)	4,231,772
11	Restoration /Rehabilitation of WSS Ayun-1&2	4,763,872
12	Restoration /Rehabilitation of WSS Nogram	658,164
13	Restoration /Rehabilitation of WSS Booni 1,11,111	1,277,986
14	Restoration /Rehabilitation of WSS Faiz abad hoon	427,776
15	Restoration /Rehabilitation of WSS bumborat	1,080,322
16	Restoration /Rehabilitation of WSS Bumbagh	444,113
17	Restoration /Rehabilitation of WSS Prait bala	197,136
18	Restoration /Rehabilitation of WSS Danin	601,754
19	Restoration /Rehabilitation of WSS Muzdakusht	787,843
20	Restoration /Rehabilitation of WSS Barenies	488,290
21	Restoration /Rehabilitation of WSS Gobere	463,607
22	Restoration /Rehabilitation of WSS Kushat	483,655
23	Restoration /Rehabilitation of WSS Charvelandh darosh	363,171
24	Restoration /Rehabilitation of WSS Langa dap	63,131
25	Restoration /Rehabilitation of WSS Lusht Karim abad	666,351
26	Restoration /Rehabilitation of WSS parabeg	780,000
27	Restoration /Rehabilitation of WSS Behasti arkari	481,457
28	Restoration /Rehabilitation of WSS kiyar Karimabad	820,925
<b>Total</b>		<b>106,813,325</b>



**Annexure-8**  
**DP # 1.2.4.6**

**Non imposition/recovery of 10% penalty**

<b>S. No.</b>	<b>Name of work</b>	<b>Due date of completion</b>	<b>Actual date of Completion</b>	<b>Total amount of work (Rs)</b>	<b>Amount of penalty @ 10% (Rs)</b>
1	Const: of Abdul Wali Bypass	27-10-11	27-10-13	49,955,490	4,995,549
2	SH: Civil Work, water supply and Internal Electrification GGDC Drosh	10-10-2012	10-10-2015	38,298,000	3,829,800
3	SH: Internal water supply and installation MNCH CMW School	2-11-2009	30-06-2011	700,000	70,000
4	Const: of Abdul Wali Bypass	20-11-12	30-6-14	35,137,777	3,513,777
5	Const: of Abdul Wali Bypass	12-11-10	12-5-12	92,632,328	9,263,232
6	Internal water supply and sanitary installation	29-5-13	30-6-14	1,600,000	160,000
7	Construction of office building for XEN PHE (Main Building)	4-6-13	4-6-15	9,350,000	935,000
8	SH: Construction of Dermitories and Group latrine MNCH	26-12-2009	30-06-2011	8,551,400	855,140
9	SH: Demonstration Room MNCH	26-12-2009	30-06-2011	8,109,800	810,980
10	GGDC Drosh Academic Block	01-10-2012	02-10-2015	101,810,800	10,181,080
11	Labor Suit MNCH SH: main Building	7-12-2009	30-6-2011	10,000,000	1,000,000
12	Erosion on Chitral Booni Road, Near District Jail	09-04-2015	30-06-2015	99,700,000	9,970,000
<b>Total</b>					<b>45,584,558</b>

**Annexure-9**  
**DP# 1.2.4.7**

**Loss to Government due to non deduction of income tax**

S. No.	Name of work	Amount in million	6 % income tax in million
01	Cont: of 100 Mosque schools SH: GMPS Bashqer payeen, GMPS Drosh Gole	31.342	1.880
02	Estab: of 160 Girls primary schools SH: GGPS Awi Oweer, Sanik, Barir Bisar, Shomategole	32.000	1.920
03	Const: of Building for rented schools SH: GPS Shishi Drosh	16.000	0.960
04	Science Labs. In KPK SH: 10 No. of Labs. In district Chitral	30.978	1.858
05	Upgradation of 100 primary schools to middle SH: GGMS Muzgole, GPS Momi	25.314	1.518
06	Upgradation of 100 High Schools to Higher Secondary SH:GHS Bamborate	30.000	1.800
07	Upgradation of 99 Middle schools to High level SH: GGMS Terich, GGMS Jughoor	36.000	2.160
08	Const: of 100 Examination Hall SH: GHS Garam Chashma, GGHS Warijun	13.124	0.787
09	Rep: and Reh: of Govt: colleges SH: 08 No. classrooms in GGDC Booni, 06 No. classrooms and Boundary wall in Boys college Booni, 02. No. Bachelor Suits in Govtg: college Booni	95.273	5.716
10	SH: Const: of Boundary Wall GCMS Chitral	3.254	0.195
11	Rep: & Maintenance GCMS Chitral	2.000	0.120
12	SH: Const: of Court Office, Record Room, Drawing Room, and vehicle shed.	5.877	0.352
13	SH: Const: of Guard Room for District Judicial Chitral	2.473	0.148
14	Garam Chashma Kandujal Road (9 km)	36.945	2.216
15	SH: completion of incomplete Mulkoh Road, Booni Bridge to Booni Bazar Road, Booni Bridge to Guest House Road	83.430	5.005
16	Const: & widening of roads. SH: Warijun to Terich Road, Jinjirate to Jinjirate Koh Road, Kosht to Lone road	75.851	4.551
17	Improv: of Booni Gole road	10.000	0.600
18	Garam Chashma Singoor road Droshp Area district Chitral	10.000	0.600
<b>Total</b>		<b>539.861</b>	<b>32.386</b>

**Annexure-10**  
**DP # 1.2.4.8**

**Detail of 10% Voids**

<b>Sr. No.</b>	<b>Name of work</b>	<b>Vr. No. &amp; Date</b>	<b>Amount of RR Dry</b>	<b>Amount of Back Filling</b>	<b>10% voids</b>
1	AOM&R Rech road	29-c/19.02.2016	288,698		28,869
2	AOM&R Booni Station Road	16-b/01.02.2016		97,713	9,771
3	AOM&R Booni Parwak Road	13-b/01.02.2016		136,475	13,647
4	Restor: of Arkari Raod	25-c/19.02.2016	78,124		7,812
5	Restor: of Begurat road	26-c/19.02.2016	368,528		36,852
6	Restor: of G/Chashma Gobor Road	27-c/19.02.2016	493,571		49,357
7	Restor: of Rech Road	28-c/19.02.2016	165,605		16,560
8	Restor: of of Nullah Bridge	23-c/19.02.2016	49,357	518,714	56,807
9	Restor: of of Khairchum Oweer road	19-c/18.02.2016	76,148	60,632	136,780
10	Restor: of Bagh bridge oweer	13-c/18.02.2016	65,317	32,331	9,764
11	Restor: of Mulkoh road from surwalcht to shagram	17-c/18.02.2016	98,626		9,862
12	Restor: of parish oweer road	21-b/09.02.2016	155,598		15,559
13	Restor: of Kusht muggal mulkoh road	19-b/09.02.2016	106,627		10,662
14	Restor: of Beroi road	18-b/01.02.2016	126,973		12,697
15	Restor: of Mastuj shandoor road	22-b/09.02.2016	286,516		28,651
16	Restor: of Shagram road rayeen Gole torkoh	31-b/09.02.2016	203,231	34,765	23,799
17	Restor: of steel bridge G/chashma	16-c/18.02.2016	131,607	295,455	42,706
18	Restor: of G/Chashma Oweer Kundujal road	15-c/18.02.2016	247,467		24,746
19	Restor: of Osiak bridge	15-c/18.02.2016	247,467		24,746
20	Restor: of Mulkoh Road Swrwakht bridge to terich	32-b/12.02.2016	272,632		27,263
21	Restor: of Muzgole to Nishko	34-	505,512	63,050	56,856

	road	b/12.02.2016			
22	Restor: of Mulkoh road surwakht to shagram tesich	35-b/12.02.2016	412,590	170,553	58,314
23	AOM&R Drosh Road	10-15.04.2016		309,463	30,946
24	AOM&R Chitral G/Chashma road at Singoor	11-c/09.06.2016	215,730		21,573
25	AOM&R in KM39-40 G/Chashma road	24-c/13.06.2016	178,238		17,823
26	AOM&R, R/wall in KM 36 area bridge chitral G/Chashma road	25-c/13.06.2016	99,523		9,952
27	Reh: of Arkari Vallay road	163-c/27.06.2016	1180,366		118,036
28	Reh: of Madak lasht raod	18-c/25.11.2015		1183773	118,373
29	Reh: of Birir road	1-d/06.11.2015	522,825		52,282
30	Reh: of Biriri road	2-d/06.11.2015	503,295	393,652	89,694
31	Reh: of Biroi road	3-d/06.11.2015	1,432,710	829,978	226,268
32	Reh: of Terich Road R/wall	33-b/22.06.2016	401,012		40,101
33	Reh: of Shishikoh road	3-d/21.10.2015		1,112,529	111,252
34	Reh: of mastuj Shandur road (1-15 KM)	20-b/22.04.2016	379,720		37,972
35	Restor: of Chitral Booni raod near Shagram	12-d/18.06.2016	338,920		33,892
36	Reh: of Dubach Rambur road	21-d/22.06.2016	2,374,235	406520	278,075
37	Reh: of Booni Bozung Road	24-d/22.06.2016	133,416		13,341
<b>Total</b>					<b>1,901,660</b>

**Annexure-11**  
**DP # 1.2.4.11**

**Detail of non-supply of medicine**

S. No	Name of firm	Name of medicines	S/ O date	Arrival	quantity	Rate	Total amount
1	M/s Heal	Susp. Metronidazole 200mg / 5ml	25-5-16	Nil	2000 Bottles	20.26 / Bottle	40,520
2	M/s Heal	Susp. Metronidazole 200mg / 5ml	25-5-16	Nil	4000 Bottles	20.26 / Bottle	81,040
3	M/s Heal	Susp. Metronidazole 200mg / 5ml	25-5-16	Nil	2000 Bottles	20.26 / Bottle	40,520
4	M/s Unisa phrama	Infu: Ciproflaxin 100mg	24-5-16	Nil	4000 Bottles	23.35	93,400
5	M/s Unisa phrama	Infu: Ringer lactate 1000ml			2000 Bags	32.50	65,000
6	M/s Zafa Phrama	Tab. Paracetamol 500mg	25-5-16	Nil	20000 tabs	o.545/tab	109,000
7	M/s Zafa Phrama	Tab. Paracetamol 500mg	Do	Nil	10000 tabs	0.545/tab	54,500
8	Medipak lahore24-	I/V Infusion set	24-5-16		1000 sets	12.45/set	124,500
9	Medipak lahore24-	Inf. RLD 1000ML	24-5-16		2000 Bags	37.89 / Bag	75,780
10	Medipak lahore24-	Chloramphenicol Eye Drop 05%	24-5-16		2000 vials	18.80 / vial	37,600
11	Medipak lahore24-	Ciproflaxin Eye Drop	24-5-16		2000 vials	35 / vial	70,000
12	Medipak lahore24-	I/V Infusion set	24-5-16	Nil	1000 sets	12.45/set	124,500
13	M/s Frontier Dextrose	Inf. Metronidazole 100ml	24-5-16	Nil	500 Bottle	17.21 / 100ml	8,605
14	M/s Frontier Dextrose	Inf. Dextrose 5% 100ml	24-5-16	Nil	500 Bags	18.24/ 100ml	9,120
15	M/s Frontier Dextrose	Inf. Dextrose 5% 1000ml	24-5-16	Nil	500 Bags	37.09/ Bag	18,545
16	M/s Frontier Dextrose	Inf. RL 500ml	24-5-16	Nil	500 Bags	22.20 / Bag	11,100
17	M/s Frontier Dextrose	Inf. RLD 500ml	24-5-16	Nil	500 Bages	24.96 / Bag	12,480
18	M/s	Inf. Metronidazole	24-5-16	Nil	1000	17.21 / 100ml	17,210

	Frontier Dextrose	100ml			Bottle		
19	M/s Frontier	Inf. Dextrose 5% 100ml	24-5-16	Nil	1000 Bags	18.24/ 100ml	18,240
20	M/s Frontier Dextrose	Inf. Dextrose 5% 1000ml	24-5-16	Nil	1000 Bags	37.09/ Bag	37,090
21	M/s Frontier Dextrose	Inf. RL 500ml	24-5-16	Nil	1000 Bags	22.20 / Bag	22,200
22	M/s Frontier Dextrose	Inf. RLD 500ml	24-5-16	Nil	1000 Bages	24.96 / Bag	24,960
23	M/s Stainly	Tab: Metronidazol 400mg	24-5-16	Nil	50000 Tabs	1.14 / Tab	57,000
24	M/s Stainly	Syp: Allumnum + magnisum hydroxide+semithicon	24-5-16	Nil	2000 Bottle	23.50 / Bottle	47,000
25	M/s Stainly	Syp: Acyfilin	24-5-16	Nil	500 Bottle	33 / Bottle	16,500
26	M/s Stainly	Tab: Meffinamic 500mg	24-5-16	Nil	50000 Tabs	1.31 / Tab	65,500
27	M/s Stainly	M/s Stainly	24-5-16	Nil	500 tab	40/bottle	20,000
28	M/s Stainly	Tab: Metronidazol 400mg	24-5-16	Nil	50000 Tabs	1.14 / Tab	57,000
29	M/s Stainly	Syp Ferrus sulphat+vit C +Vit B complex	24-5-16	Nil	500 tab	40/bottle	20,000
30	M/s Stainly	Syp: Ibuprofen	24-5-16	Nil	500 Bottle	21.25 / Bottle	10,625
32	M/s Stainly	Syp: Acyfilin	24-5-16	Nil	500 Bottle	33 / Bottle	16,500
33	M/s Stainly	Tab: Meffinamic 500mg	24-5-16	Nil	46000 Tabs	1.31 / Tab	60,260
3	M/s Stainly	Tab: Metronidazol 400mg	24-5-16	Nil	50000 Tabs	1.14 / Tab	57,000
35	M/s Stainly	Syp Ferrus sulphat+vit C +Vit B complex	24-5-16	Nil	1000 tab	40/bottle	40,000
36	M/s Stainly	Syp: Ibuprofen	24-5-16	Nil	500 Bottle	21.25 / Bottle	10,625
37	M/s Stainly	Syp: Allumnum + magnisum hydroxide+semithicon	24-5-16	Nil	2000 Bottle	23.50 / Bottle	47,000
38	M/s Stainly	Syp: Acyfilin	24-5-16	Nil	1000 Bottle	33 / Bottle	33,000

39	M/s Stainly	Tab: Meffinamic 500mg	24-5-16	Nil	50000 Tabs	1.31 / Tab	65,500
40	Shifa	Disposable syringe 5 cc	24-5-16	Nil	10000Pc	4.7/p	47400
41	Shifa	Disposable syringe 5 cc	24-5-16	Nil	10000Pc	4.7/p	47400
42	M/s pak Tex	Gauze Cloth roll 1mx40m	24-5-16	Nil	200 rolls	509.60/roll	101,920
43	M/s pak Tex	Gauze Cloth roll 1mx40m	24-5-16	Nil	200 rolls	509.60/roll	101,920
44	M/s pak Tex	Gauze Cloth roll 1mx40m	24-5-16	Nil	400 rolls	509.60/roll	203840
45	M/s Atlas	Inj Cefotaxim sodium 500 mg	25-5-16		2000 vials	24.77 /vial	49,540
46	M/s Atlas	Inj. Cefotaxim sodium 1g	25-5-16		2000 vials	34.77 /vial	69,540
47	M/s Atlas	Inj. Ceftriaxon 500mg	25-5-16		2000 vials	23.77 /vial	47,540
48	M/s Atlas	Inj. Ceftriaxon 1g	25-5-16		2000 vials	30.77 /vial	61,540
49	M/s Atlas	Inj Cefotaxim sodium 500 mg	25-5-16		2000 vials	24.77 /vial	49,540
50	M/s Atlas	Inj. Cefotaxim sodium 1g	25-5-16		2000 vials	34.77 /vial	69,540
51	M/s Atlas	Inj. Ceftriaxon 500mg	25-5-16		2000 vials	23.77 /vial	47,540
52	M/s Atlas	Inj. Ceftriaxon 1g	25-5-16		2000 vials	30.77 /vial	61,540
53	Glaxo Smith	Tab. Amoxicilline + Clabolinic Acid 1g	25-5-16	Nil	1000 Jars	80 / Jar	80,000
54	Glaxo Smith	Syp. Amoxicilline + Clabolinic Acid 156mg	25-5-16	Nil	1000 Bottles	66.75 / Bottle	66,750
55	Glaxo Smith	Tab. Amoxicilline + Clabolinic Acid 1g	25-5-16	Nil	1000 Jars	80 / Jar	80,000
56	Glaxo Smith	Syp. Amoxicilline + Clabolinic Acid 156mg	25-5-16	Nil	1000 Bottles	66.75 / Bottle	66,750
57		Tab. Amoxicilline + Clabolinic Acid 1g	25-5-16	Nil	2000 Jars	80 / Jar	160,000
58	Glaxo Smith	Syp. Amoxicilline + Clabolinic Acid 156mg	25-5-16	Nil	2000 Bottles	66.75 / Bottle	133,500
59	M/s Zjans	Syp. Co.Trimoxazol DS	25-5-16	Nil	2000 Bottles	24.23 / Bottle	48,460
60	M/s Zjans	Polymaxin + Zinc Bacitracin	25-5-16	Nil	500 Tubes	17.80 / Tube	8,900

61	M/s Zjans	Polymaxin + Zinc Bacitracin	25-5-16	Nil	500 Tubes	38.78/ Tube	19,390
62	M/s Zjans	Tab: Ciprofloxacin 500mg	25-5-16	Nil	20000 Tabs	3.90 / Tabs	78,000
63	M/s Zjans	Tab: Ciprofloxacin 500mg	25-5-16	Nil	20000 Tabs	3.90 / Tabs	78,000
64	M/s Arosan	Generic name of Medicines	25-5-16	Nil'	200Spools	180/10cmx5m	36,000/-
65	M/S Arosan	Zinc Oxide Adhesive Plaster	25-5-16	Nil	50000 caps	0.99/tab	49,500/-
66	Bio Lab	Tab Alfalcaldal			20000 Tabs	2.68/ Tab	53,600
67	Bio Lab	Inj: Diclofelec Sodium 75mg			10000 amps	5.20/ amps	52,000
68	Davis Phrama	ORS	25-5-16	Nil	12800 sache		57,760
69	Ninza Phrama	Syp. Paracetamol			5600 Bottles	13.75 / Bottle	77,000
70	M/s Pak Tex industris	Gauze Cloth roll 1mx40m			400 rolls	509.60/roll	207,772
71	Unise Phrama	Infu: Ciproflaxin 100mg			4000 Bottle	23.35	93,400
72	Unise Phrama	Infu: Ringerlactate 1000ml			2000 Bags	32.50	65,000
73	M/s Cotton	Gauze Cloth Roll			200 Dozen	383.40 Doz	76,680
75	M/s cotton	Cotton Bandage type 2			2000 Roll.	49.62/ 100cm x 2.5m Roll	99,240
76	M/S Cotton	Cotton Bandage (Surgical) 15cm x 6m			200 Dozen	383.40 / Doz	76,680
77	M/s Cotton	Gauze Cloth Roll			584 Roll.	49.62/ 100cm x 2.5m Roll	79,094
78	M/s Astlles	Inj Cefotaxim sodium 500 mg			2000 vials	24.77 /vial	49,540
79	M/s Astlles	Inj. Cefotaxim sodium 1g			2000 vials	34.77 /vial	69,540
80	M/s Astlles	Inj. Ceftriaxon 500mg			2000 vials	23.77 /vial	4,754
81	M/s Astlles	Inj. Ceftriaxon 1g			2000 vials	30.77 /vial	61,540
82	M/s Astlles	Inj Cefotaxim sodium 500 mg			2000 vials	24.77 /vial	49,540
83	M/s Astlles	Inj. Cefotaxim sodium 1g			2000 vials	34.77 /vial	69,540
84	M/s Astlles	Inj. Ceftriaxon 500mg			2000 vials	23.77 /vial	47,540



85	M/s Astlles	Inj. Ceftriaxon 1g			2000 v	30.77 /vial	61,540
86	M/s Bio Lab	Inj: Diclofelec Sodium 75mg			10000 amps	5.20/ amps	52,000
87		Inj: Omeprazol			2000 vials	35.85/ vial	71,700
88		Tab Alfacalcidol			20000 Tabs	2.68/ Tab	53,600
89		Disposable syringe 5 cc			10000 pcs	4.74/p	47,400
<b>Total</b>							<b>5,033,910</b>

**Annexure-12**  
**DP # 1.2.4.15**

**Unauthorized payment due to ignoring the schedule rates**

<b>S. No.</b>	<b>Vr. No. &amp; date</b>	<b>Amount of Tractor charges (Rs)</b>	<b>Amount of Excavator charges (Rs)</b>
01	9-B dt: 01-02 2016	408,600	225,000
02	2-B dt: 01-02 2016	534,600	0
03	6-B dt: 01-02 2016	496,800	240,000
04	5-B dt: 01-02 2016	682,200	0
05	3-B dt: 01-02 2016	322,207	525,000
06	4-B dt: 01-02 2016	619,200	375,000
07	7-B dt: 01-02 2016	759,600	480,000
08	8-B dt: 01-02 2016	772,200	0
09	17-B dt: 01-02 2016	349,200	0
		4,944,607	1,845,000
<b>Total = 4,944,607 + 1,845,000 = Rs 6,789,607</b>			

**Annexure-13**  
**DP # 1.2.4.21**

**Unauthorized payment due to ignoring the schedule rates**

S. No.	Items	V. No and date	Admissible CSR rate (Rs/M <sup>3</sup> )	Paid Rate (Rs/M <sup>3</sup> )	Difference (Rs/M <sup>3</sup> )	Quantity (M <sup>3</sup> )	Overpayment (Rs)
01	Excavation in foundation in shingle gravel	11-C dt:17-9-2015	187	216	29	5886	170,694
02	Excavation in foundation in shingle gravel	5-C dt: 17-9-2015	187	216	29	8742	253,518
	Add 30% On 11-C						51,208
	Add Cost factor 1.5 On 5-c						2,915
<b>Total</b>							<b>478,335</b>

V. No and date	Name of item	Paid rate (Rs)	Admissible CSR rate(Rs)	Diff@Rs)	Qty(M <sup>3</sup> )	Overpayment (Rs)
22-D dt 22-6-2016	Excavation in foundation in shingle gravel	187	133	54	7660	413,640
Add Cost factor 1.5						62,046
						475,686
Add 20%						95,137
<b>Total</b>						<b>570,823</b>
<b>Grand Total =478,335+570,823=1,049,158</b>						