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ABBREVIATIONS AND ACRONYMS

AP	Advance Para
ADP	Annual Development Plan
AOM&R	Annual Ordinary Maintenance and Repair
BOQ	Bill of Quantity
BHU	Basic Health Unit
CPWA	Code Central Public Works Account Code
C&W	Communication and Works
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DC	Deputy Commissioner
DDO	Drawing & Disbursing Officer
DHO	DHO
GFR	General Financial Rules
KM	Kilo Meter
LGA	Local Government Act
LGE&RDD	Local Government Elections and Rural Development Department
MFDAC	Memorandum for Departmental Accounts Committee
MRS	Market Rate System
NAM	New Accounting Module
NBP	National Bank of Pakistan
NIT	Notice Inviting Tender
PAO	Principal Accounting Officer
PAC	Public Accounts Committee
PATA	Provincially Tribal Area
PC-I	Planning Commission One
PPHI	People's Primary Healthcare Initiatives
PHE	Public Health Engineering
POL	Petrol Oil Lubricant
PW	Public Works
RDA	Regional Directorate of Audit
WSS	Water Supply Scheme
XEN	XEN
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, Shangla 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 observations 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 Dir Upper, Dir Lower, Chitral, 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 2015-16. The office is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audit of programs / projects.

District Government, Shangla 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 193 formations in District Shangla 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 Shangla for the Financial Year 2015-16 was Rs 2388.574 million. Out of this, RDA Swat audited an expenditure of Rs 891.722 million which, in terms of percentage, was 37.33 % of auditable expenditure.

The receipts of District Government, Shangla for the Financial Year 2015-16, were Rs 0.953 million. Out of this, RDA Swat audited receipts of Rs 0.953 million which, in terms of percentage, was 100% of auditable receipts.

b. Recoveries at the instance of audit

Recovery of Rs 38.127 million was pointed out during the audit. Out of the total recoveries pointed out, Rs 38.127 million was not in the notice of the executive before audit.

c. Audit Methodology

Audit was conducted after understanding the business processes of District Government Shangla 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 District Government.

f. Key audit findings of the report

- i. Embezzlement of Rs 0.066 million of pay and allowances was noted in one case. ¹
- ii. Non Production of Record of Rs 37.242 million of salary and non salary was noted in two cases. ²
- iii. Irregularities / non-compliance of Rs 112.276 million were noted in nineteen cases. ³
- iv. Internal Control Weakness of Rs 142.7563 million were noted in fifteen cases ⁴

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 overpayments.
- 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.

¹1.2.1.1

² 1.2.2.1 and 1.2.2.2

³ 1.2.3.1 to 1.2.3.19

⁴ 1.2.4.1 to 1.2.4.15

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	2388.574	0.953	2389.527
2	Total formations in audit jurisdiction	193	2388.574	0.953	2389.527
3	Total Entities (PAO) Audited	01	891.722	0.953	892.675
4	Total formations Audited	04	891.722	0.953	892.675
5	Audit & Inspection Reports	04	891.722	0.953	892.675
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	111.650
3	Weak Internal controls relating to financial management	141.702
4	Others	38.987
Total		292.339

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	1.072	590.098	0.953	299.599	891.722	0
2	Amount Placed under Audit Observations /Irregularities of Audit	0	187.564	0	104.775	292.339	0
3	Recoveries Pointed Out at the instance of Audit	-	30.998	0	7.129	38.127	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	36.215
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources	0.066
3	Accounting Errors (accounting policy departure from NAM ⁵ , 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.	141.702
5	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies	38.127
6	Non-production of record	37.242
7	Others, including cases of accidents, negligence etc.	38.987
Total		292.339

Table 5: Cost Benefit Ratio

(Rs in million)

S #	Description	Amount
1	Outlays Audited (item 1 of Table 3)	891.722
2	Expenditure on audit	0.740
3	Recoveries realized at the instance of audit	0
	Cost-Benefit Ratio	0

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

CHAPTER 1

1.1 District Government Shangla

1.1.1 Introduction

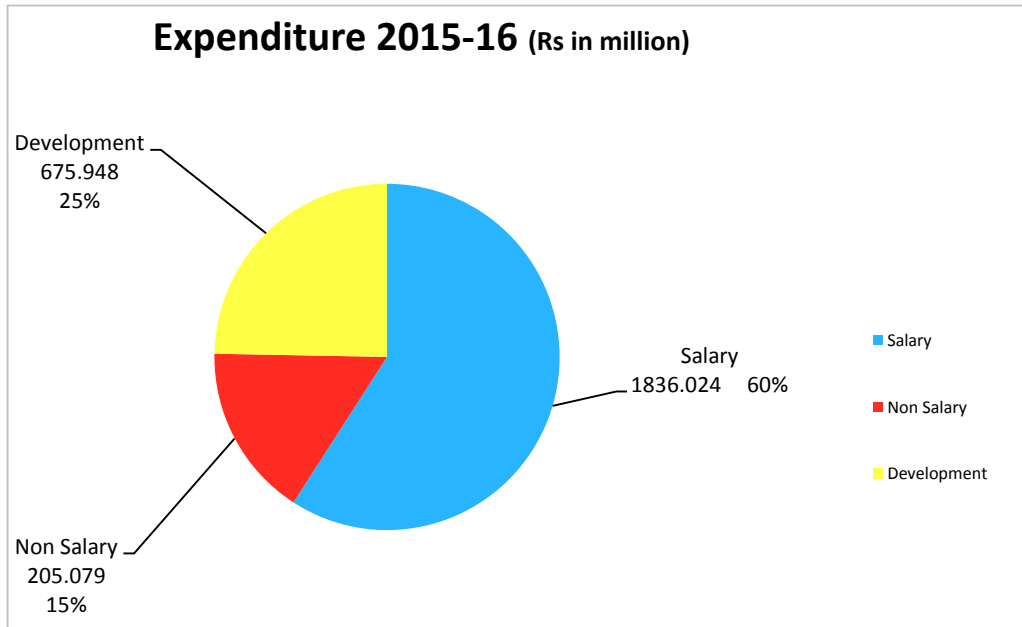
Activities of District Government are managed through offices of Deputy Commissioner and District Officers under Khyber Pakhtunkhwa Local Government Act 2013 (LGA 2013). Each group of District Offices is headed by a District Officer (DO). The DO by means of a standing order distributes the work among 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, District Officers Agriculture, Education, Health Engineering, Water Management, Fisheries, Population Welfare, LGE & 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	Saving/ Excess	%age Excess/ Saving
Salary	1,630.763	1,411.783	(218.980)	13%
Non-salary	563.889	386.689	(177.200)	31%
Developmental A/C-IV	66.700	61.828	(4.872)	15%
Developmental A/C-I	528.274	528.274	0	-
Total	2,789.626	2,388.574	(401.052)	14%
Receipts	0.953	0.953	0	

The savings of Rs 401.052 million in all head of accounts indicate weakness in the capacity of these local institutions 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 & Embezzlement

1.2.1.1 Embezzlement in salaries of operational staff - Rs 0.066 million

According to Para 23 of GFR Volume-I, every Government officer should realize fully and clearly that he would be held personally responsible for any loss sustained by government through fraud or negligence on his part or on the part of his subordinate staff.

XEN PHE Division Shangla withdrew Rs 66,552 on account of salaries of the operational staff for the month of May 2016, for further payment but the amount was not disbursed among the operational staff and was embezzled. Detail is as under:

S.No	Name	Designation	Month	Amount (Rs)
01	Amanullah	Valve man	05.2016	22,503
02	Muntazar	Valve man	05.2016	22,041
03	Muhammad Din	Valve man	05.2016	22,008
Total				66,552

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

When pointed out in September 2016, management replied that the amount was taken away by Mr. Rashid Ali Senior Clerk at the time of his transfer to PHE Division Swat.

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 under intimation to audit.

AP No. 34 (2015-16)

1.2.2 Non Production of Record

1.2.2.1 Non-production of auditable record of PPHI - Rs 35.160 million

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

DHO Shangla withdrew Rs 35,159,896 from Government treasury during financial year 2015-16 and transferred to the District Support Manager PPHI. However, relevant record was not produced for audit scrutiny. Hence the expenditure remained unverified. Detail is as under.

S. No	Head of Account	Amount (Rs)
1	A03970- miscellaneous head	27,141,896
2	Purchase of medicines	8,018,000
Total		35,159,896

Non-production of record occurred due to weak administrative control, which resulted in unauthentic payments.

When pointed out in September 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 production of auditable record, besides action against the person(s) at fault.

AP No.15 (2015-16)

1.2.2.2 Non-production of auditable record -Rs 2.082 million

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

XEN PHE Division Shangla maintained a designated bank account No. 4086549871 with the National Bank Alpuri in which Rs 10,024,906 was deposited and Rs 1,674,808 was withdrawn during financial year 2015-16 but relevant record of was not produced for scrutiny despite repeated requests. Similarly, record of expenditure of Rs 407,492 incurred on account of TA/DA was also not produced for scrutiny.

Non production of record occurred due to weak administrative control, which resulted in unauthentic payments.

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

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

Audit suggests production of auditable record, besides action against the person(s) at fault.

AP No. 43 & 38 (2015-16)

1.2.3 Irregularity/ Non compliance

1.2.3.1 Payment on the basis of fake measurement and unjustified deduction of testing charges in gravity based schemes – Rs 18.030 million

According to Clause 17-A of contract agreement, the security deposit or balance of security deposit due to contractor is payable after three months of satisfactory completion of work and after furnishing no demand certificate.

XEN PHE Division Shangla withdrew Rs 34,921,374 during May & June 2016 in 11 schemes out of which Rs 18,030,518 was credited to PW Deposit-II as testing charges in addition to deduction of 8% securities amounting to Rs 2,855,083 and the remaining amount of Rs 14,035,773 was paid to the contractors. Such deduction was neither permissible as per rules nor justified in gravity based water supply schemes. Moreover, 60% deduction and its retention in Deposits revealed that the bills were prepared on the basis of fake measurement without actual work done at site just to withdraw the allocated budget. Detail at annexure-2.

Unjustified deduction of testing charges occurred due to weak financial control which resulted in violation of rules.

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

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

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

AP No. 08 AC-I (2015-16)

1.2.3.2 Doubtful sum cash withdrawal from designated bank accounts – Rs 14.572 million

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

DHO Shangla withdrew Rs 14,572,487 from the two designated bank accounts during 2015-16. Neither payment detail was provided nor purpose of withdrawal verified. Audit held that cash withdrawal from the designated bank account was unauthorized. Payments to the concerned suppliers were required through crossed Cheques. Due to cash withdrawal, actual expenditure was doubtful. Detail is as under:

S. No	Account No.	Name of Branch	Date of transfer/withdrawal	Cheque No.	Amount (Rs)
01	4086515442	NBP Alpuri	28.07.2016	526134	6,293,113
02			29.07.2016	526133	4,613,060
03	00669-00-3	Bank of Khyber Alpuri	20.05.2016	24918297	2,998,642
04				24918298	667,672
Total					14,572,487

Doubtful cash withdrawal was occurred due to violation of rules which resulted in loss to the public exchequer.

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 probe into the matter and action against the person (s) at fault under intimation to audit.

AP No. 21 (2015-16)

**1.2.3.3 Credit of fictitious amount through fake transfer entries –
Rs 13.029 million**

According to Para 401 of CPWA record of the transactions, relating to public work deposits should be maintained in the divisional office. This deposit should show the total receipts, adjustments and closing balance of each separate items for submission to the Accountant General.

XEN PHE Division Shangla credited fictitious amount of Rs 13,028,949 to Government revenue through fake transfer entries by debiting PW Deposit-II. On scrutiny of Deposit-II (Form 78/79) it was noticed that no such amount was actually debited. Hence fake transfer entries were made and fictitious amount was shown credited to Government revenue. Detail is as under:

S. No	TE No & month	Amount (Rs)	Debit	Credit	Remarks
01	01 for 02.2015	2,571,889	G-10113 PW Deposit-II	C-02706- Other receipts	Only Rs 407,000 was debited in Form 78/79. So fake amount was shown credited and reflected in Form46.
02	01 for 04.2015	2,197,087	G-10113 PW Deposit-II	C-03434- Other receipts	Neither reflected in Form 78/79 and Form 46. So fake amount was shown credited.
03	01 for 04.2016	206,500	G-10113 PW Deposit-II	C-02706- Other receipts	No effect was given in Form 78/79. So fake amount was shown credited.
04	01 for 10.2014	8,053,473	G-10113 PW Deposit-II	G-10113 PW Deposit-III	No effect was given in Form 78/79. So fake Transfer entry was made.
Total		13,028,949			

Fake transfer entries were made due to weak accounting controls which resulted in fictitious credit to booking of liabilities in the government accounts.

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

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

Audit suggests probe into the matter and action against the persons at fault under intimation to audit.

AP No.04 AC-I (2015-16)

1.2.3.4 Non-credit of lapsed deposit into government revenue – Rs 8.670 million

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

XEN PHE Shangla deducted securities amounting Rs 8,670,2632 from various contractors which remained unclaimed for more than three accounting years. These balances were lying unclaimed since June 2011, to June 2013, which was required to be deposited as lapsed deposit into government revenue. Detail at Annexure- 3.

Non credit of lapsed deposit occurred due to weak internal control, which resulted in loss to the Government.

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

Request for convening of DAC meeting was made in November 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)

1.2.3.5 Overstatement in securities of contractors - Rs 12.308 million

According to Para 401 of CPWA record of the transactions, relating to public work deposits should be maintained in the divisional office. This deposit should show the total receipts and adjustments and closing balance of each separate items for submission to the Accountant General.

During scrutiny of record of the office of XEN PHE Division Shangla for the financial year 2015-16 it was noticed that overstatement of Rs 8,514,787 was made in securities of the contractors as detailed below:

1. Overstatement of Rs 7,408,141 was made in totaling the closing balances of item No. 145/155 to 150/160 because actual balance of Rs 3,996,424 was recorded Rs 11,404,565 in the month of June 2016.
2. Overstatement of Rs 1,106,646 was made under item No. 156/166 in the month of June 2016 because release of securities of Rs 67,219 vide Voucher No. 7/P dated 16.06.2016 was recorded in the credit side of Deposit register as Rs 1,039,427 instead of recording in the debit side of Deposit register. (Rs 67,219 + Rs 1,039,427= Rs 1,106,646)

Further, an overstatement of Rs 3,799,282 was made in the opening balances of securities of the contractors. Detail is as under:

S.No	Item No	C.B in 2014-15 (Rs)	OB in 2015-16 (Rs)	Overstatement (Rs)	Name of work	Name of contractor
01	53/191	501,487	551,487	50,000	DWSS Lothar	National construction Company
02	59/91	78,874	160,000	81,126	AOM&R 2013-14	Assadullah
03	65/92	150,793	1,576,555	1,425,762	Priority project package -i	Farooq shah

04	66/93	108,037	158,058	50,021	DWSS Dobsar marore	Farooq Shah
05	94/114	123,860	702,514	578,654	WSS Ismail khel	Shangla builders
06	105/124	0	1,613,719	1,613,719	WSS Bar Puran	Farooq Shah
Total		963,051	4,762,333	3,799,282		

Overstatement in securities occurred due to weak accounting control which resulted in over booking of liabilities in government accounts.

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

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

Audit suggests factual reconciliation besides fixing responsibility on the persons at fault under intimation to audit.

AP No.07 & 13 AC-I (2015-16)

1.2.3.6 Unauthorized purchase of medicine without sanction of the competent authority –Rs 8.365 million

According to Serial No.13.4 of the Third Schedule of Delegation of Powers and Under the Financial Rules and the Powers of Re-Appropriation Rules-2001, Administrative Department and officers in category-I have full powers to accord sanctions for purchase of Drugs read with note 2 that the above powers shall be exercised by Officers of Health Department only after approval of single contract rate by the Health Department.

DHO Shangla incurred an expenditure of Rs 8,365,101 on purchase of medicines during financial year 2015-16 without obtaining sanction from the Director General Health Services Khyber Pakhtunkhwa.

Audit observed that unauthorized expenditure was occurred due to lack of financial control, which resulted in violation of Government rules.

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 condonation from the Director General Health Services Khyber Pakhtunkhwa under intimation to audit.

AP No 23 (2015-16)

**1.2.3.7 Loss due to award of work to 2nd lowest instead of re-tender-
Rs 7.400 million**

According to condition No. 4 of the NIT, in case the 1st lowest failed to deposit 8% additional earnest money within 7 days, Earnest money will be forfeited and the work will be re-tendered.

According to Rule 24 (3) of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules 2008, the bid security will be returned to unsuccessful bidders after opening of financial offer / bid read with Rule (35) (d) of the rules ibid, the bid security shall be forfeited if a bidder withdraws his bid, with in the validity period thereof or, in the case of a successful bidder, who repudiates the contract or fails to furnish performance security.

XEN C&W Division Shangla advertised a work “Shahpur Darul Uloom to Karhal Sar Road (4 KM) during the year 2012-13. The lowest bidder quoted 41% below rate on CSR 2009 and failed to deposit additional 8% earnest money. His bid security was forfeited and the work was awarded to the 2nd lowest bidder in violation of NIT condition on 20% below on CSR 2009. The work has not been completed so far. Due to award of 2nd lowest, Government sustained loss of Rs 7,400,400 as per detail given below:

Estimated cost	Rs 35,240,000
Rate of 1 st lowest	41% below on CSR 2009
Rate of 2 nd lowest	20% below on CSR 2009
Difference in rate	21%
Loss	35,240,000 X 21%= Rs 7,400,400

Award of work to 2nd lowest occurred due to violation of rules, which resulted in loss to the Government.

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

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

Audit suggests fixing responsibility on the persons at fault under intimation to audit.

AP No.20 AC-I (2015-16)

1.2.3.8 Unauthorized approval of rates without open tender system – Rs 3.965 million

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

Deputy Commissioner Shangla incurred expenditure of Rs 3,965,000 on purchase of firewood and charcoal during winter season of financial year 2015-16. However, neither open tender system was adopted as per above mentioned criteria nor relevant record i.e. approved ceiling of firewood/charcoal per person,

stock register showing receipt and onward issuance and actual consumption was shown to audit.

Rates were fixed without open tender system due to violation of rules which resulted in unauthorized approval and spending.

When pointed out in July 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 fixing responsibility on the person (s) at fault under intimation to audit.

AP No. 08 (2015-16)

1.2.3.9 Loss to Government due to inclusion of compulsory acquisition charges – Rs 3.745 million

According to Section 3(d) of the Land Acquisition Act 1894 “Court” means a Principal Civil Court of original jurisdiction, unless the Provincial Government has appointed a special judicial officer within any specified local limits to perform the functions of the Court under this Act. Further, according to section 23(2) of Land Acquisition Act 1894,”in addition to the market value of the land as above provided, the Court shall in every case award a sum of 15% on such market value, in consideration of the compulsory nature of the acquisition”.

Deputy Commissioner Shangla acquired 20 kanal land for Construction of GHS/GMS Shangla Top Alpuri and Construction of Play Ground Alpuri and paid Rs 25,924,205 to Assistant Commissioner Alpuri for onward disbursement among landowners. An amount of Rs 3,744,707 was included in the total cost of land as 15% compulsory acquisition charges without written objections of the land owners and determination by the Court.

Overpayment occurred due to violation of rules which resulted in loss to the Government.

When pointed out in July 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. 06 (2015-16)

1.2.3.10 Non supply of medicines Rs 3.646 million and non imposition of penalty - Rs 0.255 million

According to Para 18(iii) of the Government MCC Khyber Pakhtunkhwa Peshawar letter No 191-200/MCC dated 17/02/2016, after the expiry of the extended periods as in clause 17(a) (i) and (ii) above, the order shall stand cancelled to the extent of non –supplied items, and purchaser shall have the right, Duty and authority to impose any or all of the below mentioned penalties.

1. Immediately debarring the supplier from future participation and business for at least next three (03) calendar years with the Government of Khyber Pakhtunkhwa through MMC or any other health institution, project and /or program directly or indirectly run or implemented by or through the provincial Health Department or autonomous Medical teaching Institutions or district governments in Khyber Pakhtunkhwa; and /or
2. Forfeiting the earnest money and performance guarantee of the supplier related to this contract agreement and or
3. Initiating the process for and recommending for blacklisting of the supplier with the entities as in clause 17(a)(iii)(1) and.

4. Proceeding for de-registration of item and / or the winning bidder by the DRAP as well as further judicial proceedings if the situation so warrants in the opinion of purchaser.

DHO Shangla incurred expenditure of Rs 8,365,101 on account of purchase of medicines during financial year 2015-16. Scrutiny of record revealed that medicines of Rs 3,646,070 were not supplied till date of audit. Neither supply orders were cancelled nor penalty @ 7% amounting to Rs 255,225 was imposed. Detail at Annexure-4.

Non supply of medicines occurred due to weak financial control, which resulted in loss to Government.

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. 24 (2015-16)

1.2.3.11 Unauthorized withdrawal and retention of Hot & Cold Weather Charges - Rs 3.205 million

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

DHO Shangla withdrew Rs 3,052,205 from Government treasury on account of Hot & Cold weather charges during financial year 2015-16. Pre-audit Cheque was issued in the name of Drawing and Disbursing Officer instead of

issuing in the name of supplier vide No. 0554982 dated 30.06.2016 for Rs 5,364,969 (including the amount of other heads). The Cheque was deposited in the designated bank account while payment was shown as per Cash book. As per bank statement and payment register, the amount was still lying in the designated bank account.

Unauthorized withdrawal and retention of government money occurred due to violation of rules which resulted in doubtful purchase of firewood/charcoal and doubtful payment.

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

AP No. 11 (2015-16)

1.2.3.12 Non-Imposition of Penalty for Incomplete Schemes- Rs 3.135 million

According to Clause 6 of the work order and Clause 2 of the Contract Agreement, penalty of 1% per day and up to maximum of 10% of the tender cost may be imposed for delay in completion of work. Further, according to Chief Engineer letter No. 02/28-M (13) dated 02.04.2007, there is no provision of time extension in shape of Ex- Post Facto and fine shall be imposed.

XEN PHE Division Shangla failed to impose penalty of Rs 3,135,839 @ 10% of the estimated cost of Rs 31,358,390 of two (02) schemes which were not completed in time while due date of completion was 30th June, 2016. Detail is as under:

S.No	Name of scheme	Work order date	Completion date	Actual completion	Delay	Estimated cost (Rs)	Penalty (Rs)
01	WSS Besham ADP 123/2015-16	05.11.2015	30.06.2016	Still running in 10.2016	4 months	20,078,599	2,007,860
02	WSS Besham Kunshi ADP 123/2015-16	05.11.2015	30.06.2016	Still running in 10.2016	4 months	11,279,790	1,127,979
Total						31,358,389	3,135,839

Non imposition of penalty occurred due to violation of rules, which resulted in loss to Government.

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 of penalty action against the person(s) at fault.

AP No.16 A/C-I (2015-16)

1.2.3.13 Irregular expenditure on AOM&R of water supply schemes - Rs 2.505 million

According to Delegation of Powers 2001, Third Schedule S.No.21.1(b) condition No.(a) the works relating to repair have been approved by the Zilla Council or the Government as the case may be.

XEN PHE Division Shangla incurred expenditure of Rs 2,505,669 on AOM&R of water supply schemes in the District during 2015-16 without approval of the Zilla Council/Government which was held irregular.

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

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 regularization of expenditure besides action against the person(s) at fault.

AP No. 45 (2015-16)

1.2.3.14 Non-credit of lapsed deposit into government revenue – Rs 2.221 million

According to Rule 635 of the Treasury Rules Volume-I, all balances unclaimed for more than three complete accounting years shall, at the close of June in each year, be credited to the Government.

XEN C&W Division Shangla deducted securities amounting Rs 2,221,120 from various contractors which remained unclaimed for more than three accounting years. These balances were lying unclaimed since June 2007, to June 2013, which was required to be deposited as lapsed deposit into government revenue. Detail at Annexure-5.

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

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

Request for convening of DAC meeting was made in December 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. 19 AC-I (2015-16)

1.2.3.15 Unauthorized and irregular payment on account of House Rent and Conveyance Allowance - Rs1.854 million

According to Finance Department, Khyber Pakhtunkhwa Notification no FD/PRC/1-2/77 dated 16-05-1977, government servants residing within their work premises, shall not be allowed conveyance allowance.

DHO Shangla failed to stop unauthorized payment comes to Rs 1,232,517 on account of House Rent Allowance and Conveyance Allowance from the salaries of those employees who were residing in the premises of BHUs where they were performing their duties during financial year 2015-16. Moreover, payment of Rs 622,704 was also made to the District Support Manager PPHI on account of House Rent Allowance and Conveyance Allowance of vacant posts of Medical Officers & Health Technicians while Government accommodations have been provided in each BHU for holders of these posts. Details at Annexure-6.

Irregularity occurred due to lack of financial control, which resulted in loss to Government.

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. 16 (2015-16)

1.2.3.16 Irregular payment of pay & allowances during the period of willful absence - Rs 1.781 million

According to Rule 12 (3) of the Khyber Pakhtunkhwa Civil Servants Revised Leave Rules 1981, extraordinary leave (leave without pay) may be granted retrospectively in lieu of absence without leave.

DHO Shangla during 2015-16 paid Rs 1,781,881 on account of pay & allowances to eight (08) officers/officials for the period of their willful absence during year 2015-16. Detail at annexure-7.

Irregular payment occurred due to lack of internal control, which resulted in loss to the Government.

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 persons at fault under intimation to audit.

AP No.26 (2015-16)

1.2.3.17 Loss to Government due to supply of substandard medicines - Rs 1.614 million

According to Para 6 of the Government MCC Khyber Pakhtunkhwa Peshawar No 191-200/MCC dated 17/02/2016, the procuring entity shall arrange to obtain samples from each batch of the supplied drugs/medicines through notified drug inspectors concerned and send to the concerned Drug Testing Laboratory for Test/ Analysis as provided in the drug Act 1976.

DHO Shangla purchased medicines of Rs 1,614,930 from various Suppliers during financial year 2015-16. The said items were declared substandard by the Drugs Testing Laboratory Peshawar due to which loss sustained by the Government. Detail of medicines is as under:

S.No	Name of medicine	Batch No.	Name of supplier	Quantity	Rate	Amount (Rs)
01	Syrup: Azithromycin (Azour) 200 mg	D-1207	M/S Z-jans Pharma cuticles PVT Ltd Indus Estate Hayatabad Peshawar	16,480 bottles	80.55	1,327,705
02	ORS Davisalt	18	M/S Davis Pharmaceutical Laboratories 121 Industrial Traingle Area Islamabad	31,000	7.6	235,000
03	I.V Cannula 20G IV Cannula 18G	16FW201 16EW181	M/S Silver Surgical	2089	25	52,225
Total						1,614,930

Loss on account of sub standard medicines occurred due to violation of rules which resulted in loss to the Government.

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 fixing responsibility and action on the persons at fault.

AP No.25 (2015-16)

1.2.3.18 Loss due to unjustified expenditure on POL and repair of vehicles – Rs 1.350 million

According to Rule 9 (i) of the Khyber Pakhtunkhwa Government Staff Vehicles Rules 1997, circulated vide No. SO (T)NP/S&GAD/97 dated 13.03.1997, all the Government Officers irrespective of their ranks/status shall be entitled to use only one vehicle for official use read with Rule 8 (vi) (g) of the

rules ibid, there shall be a pool of vehicles of all the Government at District level in each District under the direct supervision of Chairman District Vigilance Committee.

Deputy Commissioner Shangla spent Rs 5,550,000 on account of POL of 12 vehicles & Repair of 13 vehicles during financial year 2015-16 as per detail given in the Annexure-8. Audit held that:

- i. Four (04) vehicles were used by the Deputy Commissioner and spent Rs 1,775,755 on POL and repair out of which expenditure of three (03) vehicles amounting to Rs 867,007 was held unjustified.
- ii. Two vehicles were used by the Additional Deputy Commissioner and spent Rs 721,965 out of which expenditure of one vehicle amounting to Rs 330,093 was held unjustified.
- iii. Expenditure of Rs 153,200 was incurred on repair of three (03) vehicles which were not available on the pool of the office and users were not known which was also held unjustified.

Unjustified expenditure was incurred due to weak financial control which resulted in loss to Government.

When pointed out in July 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.11 (2015-16)

1.2.3.19 Irregular and unauthorized payment of pay & allowances during the period of willful absence - Rs –0.626 million

According to Rule 12 (3) of the Khyber Pakhtunkhwa Civil Servants Revised Leave Rules 1981, extraordinary leave (leave without pay) may be granted retrospectively in lieu of absence without leave.

XEN PHE Division Shangla paid Rs 625,966 on account of pay & allowances of two (02) officials for the period of their willful absence during financial years 2014-15 and 2015-16. Disciplinary actions were initiated but could not be completed due to transfer of the officials. Hence their absence period remained undecided and loss sustained by the Government. Detail is given below:

S.No	Name of officer/official	Designation	Period of absence	Absence in months	Amount (Rs)
01	Tanveer Irshad	Junior Clerk	12.2014 to 06.2016	19	381,200
02	Muhammad Sheraz	Junior Clerk	01.2015 to 12.2015	12	244,766
					625,966

Irregular payment occurred due to lack of internal control, which resulted in loss to the Government.

When pointed out in September 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 persons at fault under intimation to audit.

AP No. 33 (2015-16)

1.2.4 Internal Control Weaknesses

1.2.4.1 Unauthorized expenditure without technical sanction - Rs 58.10 million

According to Para 32 of CPWA Code, no work shall be executed without Administrative Approval/Technical Sanction and Budget allotment.

XEN PHE Division Shangla incurred an expenditure of Rs 58,100,000 on various developmental schemes during 2015-16. During scrutiny of record, it was observed that technical sanction was not obtained from the competent authority before commencement of works. Thus the expenditure made was held irregular. Detail as per Annexure-9.

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

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 fixing responsibility on the persons at fault under intimation to audit.

AP No.14 A/C-I (2015-16)

1.2.4.2 Loss to Government due to non functional schemes - Rs 41.978 million

According to Para 10 (i) of GFR Volume-I, every public officer is expected to exercise the same vigilance in respect of expenditure incurred from

public moneys, as a person of ordinary prudence would exercise in respect of expenditure of his own money.

XEN PHE Division Shangla incurred expenditure of Rs 41,978,000 during financial years 2010-11 and 2011-12 on completion of schemes but the schemes are still non-functional due to non provision of electricity despite lapse of more than 05 years and non availability of funds. Due to non availability of electricity, the schemes have been closed so far and not only expenditure on their completion was wasteful but the public was also deprived of the facility of basic need. Detail is as under:

S.No	Name of scheme	Year of completion	Completion cost (Rs in million)	Present status
01	WSS Butyal Besham	2010-11	17.728	Non functional
02	WSS Maira	2011-12	24.250	Non functional
Total			41.978	

Loss to Government was occurred due to weak internal controls.

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 fixing responsibility on the persons (s) at fault under intimation to audit.

AP No.12 A/C-I (2015-16)

1.2.4.3 Irregular cash disbursements on account of non salary components – Rs 14.216 million

According to serial No. 4.3.1.1 of Accounting Policies and Procedures Manual, all expenditures shall be paid through Cheque.

Deputy Commissioner Shangla spent Rs 16,152,664 on account of non salary components during financial year 2015-16 out of which Rs 14,215,910 was disbursed in cash instead of issuing crossed Cheques in the name of concerned suppliers. Pre-audit Cheques were issued by the District Accounts Officer Shangla in the name of Drawing and Disbursing Officer (Deputy Commissioner) in violation of rules. Detail at Annexure-10.

Irregularity occurred due to lack of internal control which resulted in violation of rules.

When pointed out in July 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 regularization from the competent forum under intimation to audit.

AP No.02 (2015-16)

1.2.4.4 Disbursement of salaries through DDO instead of Bank Accounts Rs 5.726 million

According to Para 4.6.3.1 of Accounting Policies and Procedure Manual, the normal method of payment of monthly salaries of all government employees shall be by credit transfer direct to a bank account nominated by the employee. This is the most secure and economical method of payment and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by cheque or cash, against risks of theft or fraud.

XEN PHE Divisions Shangla paid Rs 5,726,100 respectively in cash through DDO on account of Pay and Allowances to the staff during financial year 2015-16. The payment of monthly salaries of the employees was required to have

been made through direct credit to their nominated bank accounts. Detail is given in the Annexure-11.

Payment of salaries through DDO occurred due to weak financial control, which resulted in violation of rules.

When pointed out in July 2016, management replied that the concerned officials have directed to open their bank accounts. Reply was not satisfactory as evidence in support of reply was not 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 justification, opening of bank accounts for all employees beyond fixing responsibility against the person(s) at fault.

AP No.36 (2015-16)

1.2.4.5 Advance payment against fake measurement - Rs 5.00 million

According to Para 209 (d) of CPWA Code, it is incumbent upon the person, responsible for measurements in the measurement book (MB), to record the correct and actual figures.

XEN PHE Division Shangla paid Rs 5,000,000 to contractors during the month of June 2016 in ADP No. 175 & 176 against the fake measurement without actual work done at site. The contractors have not started works till October 2016 as evident from the Sub Divisional Officer letters dated 18.07.2016, 29.08.2016 & 04.10.2016. Non-commencement of works was also identified by the District Development Advisory Committee Shangla vide letter No. 111-113 dated 13.10.2016.

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

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 fixing responsibility on the persons at fault under intimation to audit.

AP No. 11 A/C-I (2015-16)

1.2.4.6 Unnecessary retention of money in revenue deposit - Rs 2.993 million

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

Deputy Commissioner received Rs 6,856,025 from Deputy Military Estates Officer Peshawar vide Cheque No. C466169 dated 06.05.2016 on account of acquisition of 28 Kanal and 06 Marla (including cost of built up property & trees) land for Establishment / Construction of Cantonment at Swat & Shangla. In revised notification under Section -4, built up property was excluded which resulted in saving of Rs 2,993,925 in the available amount. The saving amount was unnecessarily retained in revenue deposit instead of refund to the acquiring department.

Unnecessary retention of money occurred due to lack of internal control, which resulted in violation of rules.

When pointed out in July 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 refund of the amount to the acquiring department under intimation to audit.

AP No.07 (2015-16)

1.2.4.7 Overpayment due to non-reduction of income tax in the PC-1 of the AOM&R - Rs 2.129 million

According to Finance Department Khyber Pakhtunkhwa Notification NO.SO(Dev-II) FD/12-6/14-5 dated 21.04.2015, 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-2015 (MRS-2015) but with 7.5 % less cost to defray the amount added in the rate analysis of all works/construction/supply items to meet withholding tax.

XEN C&W Division Shangla prepared PC-I of Rs 40,000,000 for AOM&R Roads and incurred expenditure of Rs 28,389,276 during financial year 2015-16. Income tax @ 7.5% amounting to Rs 2,129,195 was neither reduced from the bid value nor deducted from the bills.

Overpayment without exclusion of income tax occurred due to weak internal control, which resulted in loss to Government.

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

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

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

AP No. 29 A/C-I (2015-16)

1.2.4.8 Irregular award of work without deposit of additional earnest money Rs 2.838 million & non forfeiture of 2% earnest money - Rs 0.229 million

According to NIT condition No.5, the contract shall be awarded to contractor/bidder whose evaluated bid is the lowest, in case of bids below the engineer estimate/BOQ on market rate basis, the contractor shall deposit additional bank guarantee.

XEN PHE Division Shangla awarded two schemes of Rs 11,436,384 to contractors during financial year 2015-16 without depositing additional earnest money of Rs 2,837,903 as required under the NIT condition. The local office was required to forfeit 2% earnest money of the contractors amounting to Rs 228,726 and offer the contract to the 2nd lowest which was not done. Detail is as under:

S.No	Name of work	Estimated cost (Rs)	Lowest bid (Rs)	%age of bid	Required additional earnest money (Rs)	2% earnest money (Rs)	Name of contractor
01	Construction of Sanitation Scheme in PK 88	5,871,492	4,084,857	30.43% below	1,786,695	117,429	Farooq Shah
02	Construction of Sanitation Scheme in PK 88	5,564,892	4,513,615	18.89% below	1,051,208	111,297	Shangla builders
Total		11,436,384	8,598,472		2,837,903	228,726	

Irregular award and non deposit of additional earnest money occurred due to weak internal control which resulted in loss to the Government.

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 fixing responsibility on the persons at fault under intimation to audit.

AP No. 17 A/C-I (2015-16)

1.2.4.9 Loss due to acceptance of higher rate and manipulating the lowest rate -Rs 1.878 million

According to Para 23 of GFR Vol:-I every government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence either on his part or on the part of his subordinate staff.

XEN C&W Division Shangla advertised a work “Shahpur Darul Uloom to Karhal Sar Road (4 KM) during the year 2012-13. The lowest bidder (M/S Faizur Rehman) quoted 41% below rate on CSR 2009 and failed to deposit additional 8% earnest money. His bid security was forfeited and the work was awarded to the 3rd lowest bidder (M/S Sabib ur Rehman) on 20% below on CSR 2009. The original quoted rate of the 2nd lowest bidder (M/S Bakht Sher Ali) was manipulated from 25.33 % below to 20% and declared defective which resulted in loss of Rs 1,878,292 as per detail given below:

Estimated cost	Rs 35,240,000
Rate of 1 st lowest	41% below on CSR 2009
Rate of 2 nd lowest	25.33 % below
Rate of 3 rd lowest	20% below on CSR 2009
Difference in rate 2 nd & 3 rd lowest	25.33% – 20% = 5.33%
Loss	35,240,000 X 5.33% = Rs 1,878,292

Award of work to 3rd lowest occurred due to violation of rules, which resulted in loss to the Government.

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

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

Audit suggests fixing responsibility on the persons at fault under intimation to audit.

AP No. 25 A/C-I (2015-16)

1.2.4.10 Non-deposit of mutation fee – Rs 1.494 million

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

Deputy Commissioner Shangla realized Rs 23,961,456 on account of mutation fee during financial year 2015-16. However, figure of Rs 22,467,403 was reported to Board of Revenue, Peshawar vide letter No.9346/DRA/DC/SH dated 15.07.2016 which resulted in deficit of Rs 1,494,053. Audit held that the remaining amount was misappropriated. Detail is as under:

Total amount realized as per monthly reports of Tehsil Alpuri	Rs 17,698,216
Total amount realized as per monthly reports of Tehsil Puran	Rs 6,263,240
Total monthly reconciled figures duly signed by DAO	Rs 23,961,456
Total	Rs 22,467,403
Difference	Rs 1,494,053

Non deposit of public money occurred due to weak internal control, which resulted in loss to the Government.

When pointed out in July 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 immediate deposit of the amount into Government treasury under intimation to audit.

AP No. 05 (2015-16)

**1.2.4.11 Unauthorized retention of testing charges in Deposit-V-
Rs 1.319 million**

According to Rule 635 of the Treasury Rules Volume-I, all balances unclaimed for more than three complete accounting years shall, at the close of June in each year, be credited to the Government.

XEN PHE Division Shangla during financial year 2015-16 failed to credit Rs 1,319,208 lying in PW Deposit-V since 03.2011 to 06.2012 as testing charges to government accounts. Retention of testing charges since long revealed that the schemes have not been completed satisfactorily. The amount needs to be credited to Government treasury as lapsed deposits.

Unjustified retention of testing charges occurred due to weak internal control which resulted in loss to the Government.

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

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

Audit suggests immediate credit to Government treasury under intimation to audit besides fixing responsibility on the persons at fault for non completion of works.

AP No. 06 A/C-I (2015-16)

1.2.4.12 Loss to Government due to non forfeiture of 2% earnest money- Rs 1.292 million

According to Rule 4 of Chapter-V of the Khyber Pakhtunkhwa Public Procurement Regulatory Authority (KPPRA) Procurement Rules 2014, the bid security shall be forfeited if a bidder withdraws his bid, with in the validity period thereof or, in the case of a successful bidder, who repudiates the contract or fails to furnish performance security.

XEN C & W Division Shangla did not forfeit bid security of Rs 1,292,250 due to failure of the contractors to furnish additional security in three contracts. The works were awarded to the 2nd lowest bidders and office orders regarding forfeiture of securities of the 1st lowest contractors were issued but the amount was not actually forfeited due to which Government sustained loss. Detail is as under:

S. No	Name of work	Estimated cost (Rs in million)	2% earnest money already deposited (Rs)	Order No. & date of forfeiture
01	Improvement/Construction of Shingla Road from Shahpur Darul Uloom to Kharal Sar Road	24.390	481,250	950/4-M dated 23.05.2012
02	Establishment of 160 Government Primary Schools (B&G) on need basis in KPK (Phase IV) SH: GPS Danda Banda Shangla	15.850	317,000	101/4-M dated 06.08.2015
03	Shahpur to Logai Road (Phase-II)	24.700	494,000	50/4-M dated 15.07.2016
Total		64.94	1,292,250	

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

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

Request for convening of DAC meeting was made in December 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. 18 A/C-I (2015-16)

1.2.4.13 Loss to Government due to non-deposit of recoveries into Government treasury- Rs 1.280 million

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

XEN C&W Shangla realized Rs 1,280,300 from various contractors on account of recoveries & losses and kept in Deposit-V instead of depositing into Government treasury. Detail is as under:

S.No	Item No of Deposit register	Month/ year of transaction	Description	Amount (Rs)
01	1/3	05.2013	Recovery of overpayment	30,000
02	2/4	12.2013	Recovery from contractors on account of losses	533,356
03	3/5	11.2014	Recovery from various contractors	393,063
04	3/6	03.2015	Recovery from contractors	323,881
Total				1,280,300

Non-deposit occurred due to weak internal control, which resulted in loss to the Government.

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

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

Audit suggests immediate deposit into Government treasury under intimation to audit.

AP No. 21 A/C-I (2015-16)

1.2.4.14 Overstatement in security balance of the contractor –Rs 1.231 million

According to Para 401 of CPWA record of the transactions, relating to public work deposits should be maintained in the divisional office. This deposit should show the month by month, the total receipts and adjustments and closing balance of each separate item for submission to the Accountant General.

During scrutiny of the accounts record of the office of XEN PHE Division Shangla for the financial year 2015-16 it was noticed that 8% deduction of Rs 99,086 was made in the bills of AOM&R which was overstated to Rs 1,330,530 in the Deposit register. Hence, security balance of the contractor was unnecessarily overstated by Rs 1,231,444.

Overstatement occurred due to weak internal control which resulted in undue favour to the contractor at the cost of the Government.

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

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

Audit suggests fixing responsibility on the person(s) at fault under intimation to audit.

AP No. 46 (2015-16)

1.2.4.15 Irregular and unauthorized payment on account of various allowances- Rs 1.053 million

According to condition No. (iii) of the Government of Khyber Pakhtunkhwa Finance Department letter No. NO. FD(SOSR-II)8-18/2016 dated 7.1.2016, Health Professional Allowance is not admissible during earned leave, study leave and extra ordinary leave except casual leave.

According to Rule 45 (c) of FR the Government servants, who have been provided with official designated accommodation, are not entitled for the drawl of House Rent Allowance (HRA) read with Notification no FD/PRC/1-2/77 dated 16-05-1977, government servants residing within their work premises, shall not be allowed conveyance allowance.

DHO Shangla paid Rs 1,053,980 on account of Incentive allowance, Deputation allowance, Health Professional allowance, Conveyance allowance, House Rent allowance, Non-Practicing allowance during financial year 2015-16 to nine officials/officers for which they were not entitled. Detail at annexure-13.

Unauthorized payment occurred due to weak financial control which resulted in loss to the Government.

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 fixing responsibility on the person (s) at fault.

AP No. 14, 27 & 28 (2015-16)

ANNEXURES

Annexure-1

Detail of MFDAC Paras

(Rs in million)

S.No	Department	Subject	Amount
1	DC	Unauthorized re-appropriation	3.288
2	Health	Non deposit of receipts- Rs 231,347	0.231
3	Health	Deposit under the incorrect head –Rs 219,019	0.219
4	Health	Less realization of OPD fee and admission charges - Rs 802,330	0.802
5	Health	Overpayment on account of Doctor Share in health receipts – Rs 50,795	0.05
6	Health	Unauthorized withdrawal without sanctions of the competent authority - Rs 165,000	0.165
7	Health	Doubtful expenditure on account of repair – Rs 84,900	0.084
8	Health	Misclassification and unauthorized withdrawal without sanction of the competent authority - Rs 223,270	0.223
9	Health	Excess expenditure in non salary components – Rs 9.085 million	9.085
10	DC	Irregular and inadmissible expenditure on account of entertainment & Gifts - Rs 350,000	0.35
11	DC	Unauthorized release of non salary budget over & above quarterly release - Rs 2.100 million	2.1
12	DC	Unverified expenditure on POL & repair of vehicles due to non provision of log books -Rs 5.550 million	5.55
13	DC	Irregular expenditure without open tender system - Rs 1.550 million	1.55
14	DC	Difference in closing balance between cash book and bank statement –Rs 8.006 million	8.006
15	PHE	Loss to government due to non deduction of DPR fund- Rs 242,000	0.424
16	PHE	Loss to government due to non deduction of Professional tax – Rs 115,000	0.115
17	PHE	Variation in the closing balances of deposits- Rs 13.497 million	13.497
18	PHE	Unauthorized release of securities after lapse of three years – Rs 1.788 m	1.788

19	PHE	Excess expenditure over & above allocation - Rs 238,107	0.238
20	PHE	Excess expenditure on account of leave salary - Rs 200,528	0.2005
21	PHE	Unauthorized Re-Appropriations from developmental budget to non developmental head Rs 1.010	1.01
22	PHE	Unjustified payment of advertisement charges of ADP works from the budget of District Account –IV - Rs 388,403	0.388
23	PHE	Variation in the expenditure figure- Rs 598,648	0.598
24	PHE	Misappropriation of AOM&R funds - Rs 78,641	0.078
25	PHE	Overpayment on account of arrear of House Rent Allowance – Rs 34,447	0.034
26	PHE	Non surrender of savings of completed schemes – Rs 1.674 million	1.674
27	PHE	Unauthorized withdrawal without sanctions of the competent authority Rs 2.594 million	2.594
28	PHE	Misclassification of Rs 79,875	0.079
29	PHE	Unjustified expenditure on purchase of single beds –Rs 49,587	0.049
		Total	54.4695

Annexure-2
DP # 1.2.3.1

Statement Showing Detail of Testing Charges During 2015-16

S.No	Name of work	Voucher No.	Date	Cheque amount (Rs)	8% security (Rs)	Testing charges (Rs)
01	WSS Besham Butyal	3/P	24.05.2016	3608222	531150	2,500,000
		5/A	20.06.2016	2471076	606180	4,500,000
02	WSS Kunshi	4/A	24.05.2016	787888	242425	2,000,000
		6/A	20.06.2016	246191	40495	300,000
03	WSS Balool khel, Mutrat khel ADP 202	5/P	24.05.2016	756626	165775	300,000
04	WSS Ismail khel	6/P	24.05.2016	500000	86757	500,000
05	WSS Martung Khass & Chakiasar	7/P	24.05.2016	500000	123154	916,273
06	WSS at UC Musakhel	8/P	24.05.2016	354155	48187	200,000
07	WSS in PK 88	9/P	24.05.2016	1000000	224558	1,582,414
08	WSS at UC Bengalai & Opal	10/P	24.05.2016	818958	158186	1,000,000
09	WSS Chawga & Bunerwall	11/P	16.06.2016	2392657	295014	1,000,000
10	WSS at UC Aloch & Bar Puran	27/P	25.06.2016	500000	292377	2,862,340
11	WSS Jabago, toka, Cher & Vera	28/P	25.06.2016	100000	40825	369,491
Total				14,035,773	2,855,083	18,030,518

Annexure-3

DP # 1.2.3.4

Statement Showing Detail of Lapsed Deposit as on 30.06.2016-PHE Shangla

S.No	Item No	Month	Name of Work	Contractor	Amount
01	16/129	06.2011	Flood Damages in PK-87	Shams	131,411
02	17/130	06.2011	Flood Damages in PK-88	Iqbal Ahmad	64,443
03	18/131	06.2011	-----	Mujeeb ur Rehman	103,584
04	19/134	06.2011	-----		120,000
05	---	06.2011	-----		100,000
06	---	06.2011	-----		56,000
07	---	06.2011	-----		200,000
08	---	06.2011	-----		200,000
09	---	06.2011	-----		100,000
10	---	06.2011	-----		800,000
11	---	06.2011	-----		1,593,000
12	---	06.2011	WSS Amiroz		20,000
13	---	06.2011	WSS Amnonai		100,000
14	---	06.2011	WSS Waman Karoona		12,000
15	---	06.2011	DWSS Maira	Said	200,000
16	5/012	06.2011	DWSS Water Tank	Said	24,000
17	6/21	06.2011	DWSS Butyal Besham	Amir Muqam & Co.	2,299,812
18	7/22	08.2011	DWSS Shahpur	Amir Zeb P/L	13,600
19	24/151	08.2011	AOM&R PK 88 2011-12	Fazal Karam	119,771
20	25/155	10.2011	Repair of old/rusted pipes in PK 88	Muhammad Wazir	234,350
21	11/27	11.2011	Water Tank UC Lilawnai	Shangla Hills	49,459
22	13/30	11.2011	WSS in PK 88	RSK	131,090
23	15/33	12.2011	DWSS Darai	Tajbar P/L	64,800
24	48/185	2012	DWSS Alami Banda (Spl: Repair)	RSK	50,000
25	48/185	2012	DWSS Chowga	RSK	90,000
26	48/185	2012	DWSS Behar	RSK	80,000
27		2012	DWSS aloch	RSK	80,000
28	48/185	2012	DWSS Kotkay	RSK	40,000
29	48/185	2012	DWSS Murakzai NO. 1	RSK	48,000
30	48/185	2012	Shi Koprai	RSK	40,000
31	48/185	2012	Murakzai NO. 2	RSK	40,000

32	50/188	06.2012	WSS Gumrash	Muhammad Rashid	24,727
33	51/189	06.2012	WSS Guli Bat	Muhammad Rashid	24,727
34	52.190	06.2012	WSS Suragar	Muhammad Rashid	24,727
35	53/191	06.2012	DWSS Lothar	National Construction Co.	551,487
36	54/192	06.2012	DWSS Toka Maira	National Construction Co.	228,944
37	55/193	06.2012	DWSS Pishlor	RSK	80,000
38	56/193	06.2012	DWSS Sundvi Awrai	RSK	40,000
39	57/194	06.2012	DWSS Kabalgram	RSK	40,000
40	58/195	06.2012	DWSS Dunkacha	RSK	40,000
41	59/196	06.2012	DWSS Tar Searai	RSK	40,000
42	60/197	06.2012	DWSS Darbara Dohram	RSK	20,000
43	61/197	06.2012	DWSS Sanila	RSK	40,000
44	64/53	06.2012	District ADP 2000	Waheed Murad P/L	6000
45	65/160	06.2012	-----	Abdul Haseeb /L	4750
46	73/64	03.2013	DWSS Chakiasar	Khan & Co	33,511
47	75/05	03.2013	DWSS Bar Kana	M/S Sajad	90,378
48	76/06	06.2013	DWSS Alpurai	M/S Shah Sawood	38,210
49	77/07	06.2013	DWSS Shahpur	Amir Zeb	48,287
50	78/08	06.2013	DWSS Fataw	M/S sajjad Ali	25,444
51	53/79	06.2013	DWSS Kuz Kana	M/S Shamsur Rehman	31,062
52	54/80	06.2013	DWSS Chural Shead	Habibullah	32,689
Total					8,670,263

Annexure-4
DP # 1.2.3.10

Detail of Non Supply Of Medicines

S.No	Name of medicines	Invoice No. & date	Quantity	Rate (Rs)	Amount (Rs)	Penalty @ 7%
01	Injection Diclofenic Sodium 75 mg	277 dated 22.06.2016	5000	5.20	26,000	1,820
02	ORS (Davisalt)	2039 dated 22.06.2016	10,000	7.60	76,000	5,320
03	Tabs: Mefnic Acid 500 mg	SPL 06751 dated 23.06.2016	20,000	1.31	26,200	1,834
04	Chromic Catgut 25 mm ½ CRB Needle 2/0	672 dated 23.06.2016	200 dozen	718	143,600	10,052
05	Chromic Catgut 30 mm ½ CRB Needle 2/0	672 dated 23.06.2016	200 dozen	718	143,600	10,052
06	Chromic Catgut 40 mm ½ CRB Needle 2/0	672 dated 23.06.2016	100 dozen	1180	118,000	8,260
07	Caps: Amoxilin 500 mg	06/056 dated 23.06.2016	20,000	3.63	72,600	5,082
08	Syp: Amoxilin 125 mg/5ml	06/056 dated 23.06.2016	1500	24.38	121,900	8,533
09	Ringer Lictate 1000 ml	0014/2016 dated 23.06.2016	3076	32.50	99,970	6,998
10	Cotton Bandages (15cm & 16 cm)	3123 dated 20.06.2016	1500	383.40	575,100	40,257
11	Knitted paraffin Gauze with hlorohexidine 5%	3123 dated 20.06.2016	2000	215	43,000	3,010
12	Tabs Gen-Levo 500mg	160385 dated 20.06.2016	5000	39	195,000	13,650
13	Pyodine Solution 450 mg	160385 dated 20.06.2016	5000	286	1,430,000	100,100
14	Cotton Bandage 15cm 6m	3122 dated 20.06.2016	1500	383.40	575,100	40,257
Total					3,646,070	255,225

Annexure-5
DP # 1.2.3.14

Statement Showing Detail of Lapsed Deposit as on 30.06.2016-C&W Division Shangla

S.No	Item No	Month	Name of Work	Contractor	Amount
01	1/1	02.2011	Water Shed Building (DFO office & residence)	M uzafarul Mulk	149,640
02	½	02.2010	Construction & B/T of Marai Maira Road KM No. 2	Sohrab & Sons	1,641,382
03	2/2	01.2012	PWP_II (bushara Gohar	Sohrab & Sons	359,519
04	2/2	03.2012	Rep: of 7 No. GGPs SH: GGPs Sanam	M/S Shangla Construction	172,363
05	1/1	12.2010	Establishment of GPS Karaw shan Koparai	Wazir Zaman	100,000
06	1/1	01.2011	Re-productive Center at DHQ Hospital	Taj Biland	377,820
07	2/2	11. 2012	Construction of 400 Addl: CR SH: GPs Koo Puran	Taj Biland	120,350
08	1/1	12.2010	GPs Ajmir	Zahoor Elahi	139,179
09	1/1	01.2007	GPS Serai Martung	Zahoor Elahi	107,470
10	1/1	09.2008	Construciton of Manai Maair road KM 2	Fazli Akbar	500,000
11	1/1	11.2011	Construction of TMA Office SH Internal Electrification	Shams Elahi	58,206
12	2/2	11.2011	Internal Electrification in 7 Schools	Shams Elahi	50,662
13	1/1	06.2006	Polytechnic Institute Alpuri	Sabibur Rehman 69,521	
14	1/1	10.2010	GHS Alpuri No. 2	Shangla Hills	186,206
15	2/3	02.2011	R&R of GGHS Chowga	Fida Muhammad	136,750
16	1/1	02.2010	Upgradation of GMS Alam Banda martung	Watan Construction	27,492
17	1/1	12.2010	Construction of 100 Addl: CR SH GPs Kotkay Puran	Iqbal Ahmad	138,013
18	1/1	05.2010	Construciton of Manai Maair road	M/S Maira Construction	150,000
19	1/1	09.2010	Construction of TMA Office	M.S Alpurai Construction	903,470
20	1/1	10.2010	Upgradation of GMS Chowga S/T GMS Enawar	Jamro Construction Co	53,616

21	2/2	11.2010	Upgradation of GGPS Asna Faiz S/T GPS Machar	Jamro Construction Co	41,250
22	1/1	11.2010	Construction of 1000 AddL CR GHS Baina	Zakirullah	68,000
23	2/3	11.2010	Construction of 400 Addl: CR SH GGPS Alogram	Zakirullah	37,955
24	1/1	03.2011	Dist: ADP 2010-11 SH: Rep: & Reh: of Sandni Aligram	M/S Khan & Co	80,000
25	1/1	06.2011	Upgradation of Cat-C Hospital to B at Puran SH Type V quarter	Mian Muhammad Rasool	15,265
26	1/1	08.2011	Civil Hospital Puran to Cat-C Shangla SH: OT Block	Taif Construction & Co.	168,000
27	1/1	04.2012	AOM&R to all Govt: Buildings SH: Internal Electrification	Jan Construction	50,750
28	1/1	04.2012	PWP_II UC Shang	Raham Zeb	142,925
29	1/1	11.2012	Construction of 400 Addl: CR SH GGPS Pitaw Pir Abad	Shamsur Rehmand	4,603
30	1/1	01.2013	Construction of 400 Add: CR SH: GPS Lilawnai	Sajid Ali	16,825
Total					2,221,120

Annexure-6
DP # 1.2.3.15

Detail of Conveyance Allowance and House Rent Allowance

Pers.no.	Name of Employee	Job Title	Wage type	Wage Type Description	Amount in July	Amount in Jun	Total
203207	MUHAMMAD NABI	CHOWKIDAR	1210	Convey Allowance 2005	1,785.00	0	18,483.00
203207	MUHAMMAD NABI	CHOWKIDAR	1000	House Rent Allowance	910	0	9,693.00
203509	MUMTAZ HUSSAIN	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	2,856.00	2,856.00	34,272.00
203509	MUMTAZ HUSSAIN	MEDICAL TECHNICIAN	1000	House Rent Allowance	1,306.00	1,476.00	16,692.00
203702	SHAHI BOSTAN	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	2,856.00	2,856.00	34,272.00
203702	SHAHI BOSTAN	MEDICAL TECHNICIAN	1000	House Rent Allowance	1,306.00	1,476.00	16,692.00
203864	ABDUL BARI	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	2,856.00	2,856.00	34,272.00
203864	ABDUL BARI	MEDICAL TECHNICIAN	1000	House Rent Allowance	1,306.00	1,476.00	16,692.00
203931	ANWAR ADIL	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	2,856.00	2,856.00	34,272.00
203932	MUHAMMAD INAYAT ULLAH	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	2,856.00	2,856.00	34,272.00
204024	IHSANULLAH	MEDICAL TECHNICIAN	1000	House Rent Allowance	1,146.00	1,306.00	14,712.00
204024	IHSANULLAH	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	1,932.00	2,856.00	28,728.00
204151	BACHA JEHAN	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	1,932.00	2,856.00	28,728.00
204151	BACHA JEHAN	MEDICAL TECHNICIAN	1000	House Rent Allowance	1,146.00	1,306.00	14,712.00
204378	NISHAT BEGUM	MEDICAL TECHNICIAN	1000	House Rent Allowance	1,146.00	1,306.00	14,712.00
204378	NISHAT BEGUM	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	1,932.00	2,856.00	28,728.00
205244	SHAH FAISAL	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	1,932.00	2,856.00	28,728.00
205244	SHAH FAISAL	MEDICAL TECHNICIAN	1000	House Rent Allowance	1,146.00	1,306.00	14,712.00

205655	MUHAMMAD JAVID	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	1,932.00	2,856.00	28,728.00
205655	MUHAMMAD JAVID	MEDICAL TECHNICIAN	1000	House Rent Allowance	1,146.00	1,306.00	14,712.00
205661	FAZAL BAKHSH	MEDICAL TECHNICIAN	1000	House Rent Allowance	0	1,476.00	14,080.00
205661	FAZAL BAKHSH	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	0	2,856.00	28,560.00
205921	ABDUL AHAD	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	1,932.00	2,856.00	28,728.00
205921	ABDUL AHAD	MEDICAL TECHNICIAN	1000	House Rent Allowance	1,146.00	1,306.00	14,712.00
205961	INAM UL HAQ	CHOWKIDAR	1000	House Rent Allowance	910	972	11,416.00
205961	INAM UL HAQ	CHOWKIDAR	1210	Convey Allowance 2005	1,785.00	1,785.00	21,420.00
206070	NABI BAKHASH	CHOWKIDAR	1210	Convey Allowance 2005	1,785.00	1,785.00	21,420.00
206070	NABI BAKHASH	CHOWKIDAR	1000	House Rent Allowance	910	972	11,292.00
206143	MASIHULLAH	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	1,932.00	2,856.00	28,728.00
206143	MASIHULLAH	MEDICAL TECHNICIAN	1000	House Rent Allowance	1,146.00	1,306.00	14,712.00
206504	SHAHIDA KHAN	JR PHC TECHNICIAN (MCH)	1000	House Rent Allowance	0	1,306.00	2,612.00
206518	NAHEED	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	1,932.00	2,856.00	28,728.00
206518	NAHEED	MEDICAL TECHNICIAN	1000	House Rent Allowance	1,146.00	1,306.00	14,712.00
271592	HAJI NAWAB	LEPROSY TECHNICIAN	1210	Convey Allowance 2005	2,856.00	2,856.00	34,272.00
271592	HAJI NAWAB	LEPROSY TECHNICIAN	1000	House Rent Allowance	1,476.00	1,476.00	17,712.00
285925	WALI KHAN	MEDICAL TECHNICIAN	1000	House Rent Allowance	1,146.00	1,306.00	14,712.00
285925	WALI KHAN	MEDICAL TECHNICIAN	1210	Convey Allowance 2005	1,932.00	2,856.00	28,728.00
315411	GULZADA KHAN	HEALTH TECHNICIAN	1210	Convey Allowance 2005	2,856.00	2,856.00	34,272.00

315411	GULZADA KHAN	HEALTH TECHNICIAN	1000	House Rent Allowance	1,306.00	1,476.00	16,692.00
350063	ZAHOR AHMED	JUNIOR PHC TECHNICIAN (MU	1210	Convey Allowance 2005	1,932.00	2,856.00	28,728.00
350063	ZAHOR AHMED	JUNIOR PHC TECHNICIAN (MU	1000	House Rent Allowance	1,146.00	1,306.00	14,712.00
401264	NAEEM ZADA	CHOWKIDAR	1210	Convey Allowance 2005	0	1,785.00	3,570.00
401264	NAEEM ZADA	CHOWKIDAR	1000	House Rent Allowance	0	972	1,944.00
401266	SHAHBAZ	CHOWKIDAR	1000	House Rent Allowance	910	972	11,416.00
401266	SHAHBAZ	CHOWKIDAR	1210	Convey Allowance 2005	1,785.00	1,785.00	21,420.00
442727	SHER ALAM	CHOWKIDAR	1000	House Rent Allowance	891	942	11,100.00
442727	SHER ALAM	CHOWKIDAR	1210	Convey Allowance 2005	1,785.00	1,785.00	21,420.00
443191	SHARIF ULLAH KHAN	CHOWKIDAR	1210	Convey Allowance 2005	1,785.00	1,785.00	21,420.00
443191	SHARIF ULLAH KHAN	CHOWKIDAR	1000	House Rent Allowance	891	942	11,100.00
696982	MUHAMMAD KARIM	CHOWKIDAR	1210	Convey Allowance 2005	1,785.00	1,785.00	21,420.00
696982	MUHAMMAD KARIM	CHOWKIDAR	1000	House Rent Allowance	891	942	11,100.00
696986	FAZAL RAHMAN	CHOWKIDAR	1000	House Rent Allowance	891	942	11,151.00
696986	FAZAL RAHMAN	CHOWKIDAR	1210	Convey Allowance 2005	1,785.00	1,785.00	21,420.00
696987	IRFAN	CHOWKIDAR	1210	Convey Allowance 2005	0	1,785.00	14,280.00
698675	RIAZ AHMAD	JUNIOR PHC TECHNICIAN (MU	1000	House Rent Allowance	1,146.00	1,306.00	14,712.00
698675	RIAZ AHMAD	JUNIOR PHC TECHNICIAN (MU	1210	Convey Allowance 2005	1,932.00	2,856.00	28,728.00
706693	SAEED ULLAH	JUNIOR PHC TECHNICIAN (MU	1000	House Rent Allowance	1,146.00	1,306.00	14,712.00
706693	SAEED ULLAH	JUNIOR PHC	1210	Convey	1,932.00	2,856.00	28,728.00

		TECHNICIAN (MU)		Allowance 2005			
736565	MUZAMIL shah	CHOWKIDAR	1210	Convey Allowance 2005	1,785.00	1,785.00	21,420.00
736565	MUZAMIL shah	CHOWKIDAR	1000	House Rent Allowance	910	942	11,176.00
736567	MAHBOOB ALI	CHOWKIDAR	1210	Convey Allowance 2005	1,785.00	1,785.00	21,420.00
736567	MAHBOOB ALI	CHOWKIDAR	1000	House Rent Allowance	891	942	11,100.00
							1,232,517.0 0

Statement Showing Detail Of Overpayment Of HRA & Conveyance

S.No	Period	Medical Officer				
		No of posts	HRA (Rs)	Conveyance Allowance (Rs)	Monthly Total	Amount (Rs)
01	01.07.2015 to 31.12.2015	06	2955	5000	7955	286,380
02	01.01.2016 to 31.03.2016	06	2955	5000	7955	143,190
03	01.04.2016 to 30.06.2016	06	2955	5000	7955	143,190
Total						572,760
Health Technician						
01	01.07.2015 to 31.12.2015	0	0	0	0	0
02	01.01.2016 to 31.03.2016	02	1,306	2,856	4162	24,972
03	01.04.2016 to 30.06.2016	02	1,306	2,856	4162	24,972
Total						49,944
Grand total						622,704

Annexure-7
DP # 1.2.3.16

Detail of Overpayment of Pay & Allowances Due to Willful Absence

S.No	Name of officer/official	Designation	Period (months)	Absence/EOL	Amount (Rs)
01	Hamid Akhtar	LHV	01.08.2015 to 21.09.2015	Absence	36,768
02	Nazeefullah	Male Nurse	10.11.2015 to 11.12.2015 and 16.02.2015 to 14.04.2015	Absence	214,984
03	Naeemul Hadi	Lab Technician	128 days between 17.11.2015 to 25.11.2015	Absence	115,928
04	Zeenat Begum	JPHE	245 days 01.06.2015 to 31.08.2015 and 21.10.2015 to 22.04.2016	Absence	333,288
05	Dr. M. Riaz	Medical Officer	01.01.2016 to 17.05.2016	Absence	761,112
06	Irfanullah	OT Technician	15.12.2014 to 15.04.2015	Absence	96,740
07	Bakhti Rawan	Ward Orderly	09.2015 to 03.2016	Absence	141,925
08	Sher Bano	Dai CH Chakisar	02.2015 to 06.2015=4 months	Absence	81,136
Total					1,781,881

Annexure-8
DP # 1.2.3.18

Statement Showing Detail of POL and Repair of Vehicles During 2015-16

S.No	Vehicle No.	User	Total Expenditure during 2015-16 (Rs)			Remarks
			POL	Repair	Total	
01	A1101- SH	Deputy Commissioner	616,438	292,310	908,748	Expenditure of Rs 867,007 on three vehicles at Sr. No. 2 to 4 was unauthorized.
02	A1020-SH		213,536	21,350	234,886	
03	A1019-SH		200,130	176,900	377,030	
04	A1474-SH		187,191	67,900	255,091	
Total			1,217,295	558,460	1,775,755	
05	A1033-SH	Additional Deputy Commissioner	330,093	0	330,093	Unauthorized
06	A1040-SH		200,522	191,350	391,872	
Total			530,615	191,350	721,965	
07	AFR 2012-SH	AC Alpuri	549,401	131,400	680,801	
08	A1001- SH	AC Puran	698,475	164,750	767,225	
09	A1015-SH	DO (F& P)	353,865	78,850	432,715	
10	A1016-SH	AAC-II Alpuri	175,622	123,740	299,362	
11	A1003-SH	AAC Puran	69,307	0	69,307	
12	A1004-SH	AAC-I Besham	405,420	148,250	553,670	
13	A1017-SH	-----	0	46,500	46,500	Expenditure of Rs 153,200 on three (03) vehicles at Sr. No. 13 to 15 was unjustified as user was not known was not available in the given list.
14	A1205-Sh	-----	0	90,200	90,200	
15	A1018-SH	-----	0	16,500	16,500	
Total			2,252,090	800,190	3,052,280	
Grand total			4,000,000	1,550,000	5,550,000	

Annexure-9
DP # 1.2.4.1

Detail of Works Not Technically Sanctioned.

S.No	ADP No.	Name of work	AA cost (Rs in million)	Progressive expenditure upto 30.06.2013 (Rs in million)	Status as per progress report	Status of the technical sanction as per progress report
01	123	WSS in Besham	32.972	32.972	Complete	TS submitted to Chief engineer
02	202	Construction of WSS Jabago to Toka, Sherh & Venalai	13.318	5.614	Incomplete	TS submitted to Chief engineer
03	202	Installation of H. pumps at different location in PK 88	15.374	13.609	Incomplete	TS submitted to Chief engineer
04	175	WSS in PK 87 (package-I)	9.387	1.00	Incomplete	TS submitted to Chief engineer
05	175	WSS in PK 87 (package-4)	9.938	0.900	Incomplete	TS submitted to Chief engineer
06	176	WSS Hand pumps, dug well puran and jointing area	5.926	2.100	Incomplete	TS submitted to Chief engineer
07	176	WSS Karrora bar kalay & jointing area	6.288	1.00	Incomplete	TS submitted to Chief engineer
08	176	WSS Bugra, karwarr, logar karrora	6.288	1.00	Incomplete	TS submitted to Chief engineer
Total			99.491	58.195		

Annexure-10

DP # 1.2.4.3

Statement Showing Cash Payments During 2015-16- DC Office Shangla

S.No	Cheque No.	Date	Amount (Rs)	No of heads	Page number of cashbook
01	0554022	04.11.2015	425,095	06	218
02	0554045	25.11.2015	2,138,821	08	219
03	0554078	02.12.2015	178,986	10	220
04	0554138	29.12.2015	452,569	TA of 25 officers/officials	222
05	0554163	05.01.2016	787,214	TA of 25 officers/officials	224
06	0554126	28.12.2015	59,266	1	226
07	0554180	18.01.2016	78,850	1	226
08	0554192	20.01.2016	68,151	1	227
09	0554216	03.02.2016	70,300	1	227
10	0554272	27.02.2016	156,011	06	229
11	0554293	03.03.2015	70,836	1	230
12	0554322	09.03.2016	207,161	06	230
13	0554403	31.03.2016	63,025	03	230
14	0554409	08.04.2016	6000	1	232
15	0554431	14.04.2016	46,261	3	233
16	0554445	21.04.2016	198,550	07	233
17	0554463	23.04.2016	28,044	02	234
18	0554470	04.05.2016	53,189	1	235
19	0554484	16.05.2016	3444	1	235
20	0554537	20.05.2016	98,788	06	236
21	0554549	27.05.2016	59,170	04	236
22	0554572	31.05.2016	35,900	03	237
23	0554692	15.06.2016	422,288	18	239
24	0554727	17.06.2016	1,056,335	27	244
25	0554835	23.06.2016	3,743,441	03	245
26	0554854	26.06.2016	2,189,032	41	246
27	0554952	29.06.2016	1,511,516	07	248
28	0554909	27.06.2016	7667	1	248
Total			14,215,910		

Annexure-11
DP # 1.2.4.4

Detail of Cash Payment on Account of Salaries

S.No	Name	Personal No	Monthly pay (Rs)	Months	Total pay (Rs)
01	Amanullah	00205483	24,740	12	296,880
02	Muntazar	00206232	24740	12	296,880
03	Shabuddin	00399175	20,235	12	242,820
04	Zahid Mulk	00564695	16151	12	193,812
05	M. Ilyas	00717174	40,484	12	485,808
06	Mehboob Rehman	00730832	15,580	12	186,960
07	Akbar Ali	00737953	14,652	12	175,824
08	Hazrat Ali	00737956	14,652	12	175,824
09	Imtiyaz Alam	00737961	14,652	12	175,824
10	Hazrat Ali	00737958	14,652	12	175,824
11	Ashfaq Ali	00737963	14,652	12	175,824
12	Fazal Muhammad	00737969	14,652	12	175,824
13	Zar Zeb	00737970	14,652	12	175,824
14	Ihsanullah	00737971	14,652	12	175,824
15	Shamsul Qamar	00737973	14,652	12	175,824
16	Saidullah	00737977	14,652	12	175,824
17	Bashir Ahmad	00737980	14,652	12	175,824
18	Farman Ali	00737982	14,652	12	175,824
19	Kamil Shah	00737987	14,652	12	175,824
20	Wali Muhammad	00737988	14,652	12	175,824
21	Sardar Ali	00737992	14,652	12	175,824
22	Altaf Hussain	00742887	14,652	12	175,824
23	Ikramullah	00742888	14,652	12	175,824
24	Said Rehman	00742889	14,652	12	175,824
25	Mansoor Ali	00742890	19,732	12	236,784
26	Rehmanay	00205631	23,673	12	284,076
27	Asmatullah	00742885	14,652	12	175,824
28	Sharifullah	00743187	13,452	12	161,424
Total					5,726,100

Annexure-12**DP # 1.2.4.15****Detail of Overpayment of Incentive & Deputation Allowances-DHO Shangla**

S.No	Description	Expenditure (Rs)	Excess (Rs)	Name of payee
01	Incentive Allowance	81,040	81,040	Shahida Khan PHC Technician/LHV
02	Deputation Allowance	96,000	96,000	Jamila Charge Nurse
Total		177,040	177,040	

Detail of Overpayment of HPA and Conveyance Allowance during the Period of Leave –DHO Shangla**DP # 1.2.4.15****Annexure-12 (ii)**

S.No	Name	Designation	Period of leave	HPA			Conveyance (Rs)			Total overpayment (Rs)
				Period	Rate	Amount (Rs)	Period	Rate	Amount (Rs)	
01	Khan Zada	JCT Cardiology	09.2015 to 09.2019= 4 years study leave	04.2016 to 08.2016	10,000	50,000	09.2015 to 08.2016	2856	34,272	84,272
02	M.Zahir Shah	Dental Techincian	12.2014 to 12.2016= 2 years	04.2016 to 08.2016	10,000	50,000	12.2014 to 08.2016	2856	57,120	107,120
03	Abdul Malik	Ward Orderly – CD Babroo	04.12.2015 to 03.04.2016 =4 months	-	-	0	-	1932	7,728	7,728
04	Gul Feroz Khan	Chowkidar - DC Babroo	04.12.2015 to 03.04.2016 =4 months	-	-	0	-	1785	7,140	7,140
Total						100,000			106,260	206,260

Annexure- 12 (iii)

**Detail of Overpayment of HRA, Conveyance and Non practicing Allowance
of those Employees to whom Government Accommodation were Provided
within the premises**

S.No	Name	Designation	Personal No.	HRA (Rs)	Conveyance allowance (Rs)	NPA (Rs)	Total	Period	Amount (Rs)
01	Dr. Bahri Karam	SMO THQ Besham	00309259	3873	5000	2000	10,873	2013-14 to 2015-16	391,428
02	Umar Zada	Chowkidar THQ Besham	00401277	972	1785	0	2,757		99,252
03	Shafia	Charge Nurse THQ Besham	00710175	0	5000	0	5000		180,000
Total									670,680