



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

AUDIT YEAR 2017-18

AUDITOR GENERAL OF PAKISTAN

TABLE OF CONTENTS

| | |
|--|------|
| ABBREVIATIONS AND ACRONYMS | i |
| Preface..... | iii |
| EXECUTIVE SUMMARY..... | iv |
| SUMMARY TABLES & CHARTS | vii |
| I: Audit Work Statistics..... | vii |
| II: Audit Observations classified by Categories..... | vii |
| III: Outcome Statistics..... | viii |
| IV: Irregularities pointed out..... | ix |
| V: Cost benefit | ix |
| CHAPTER-1 | |
| 1.1 District Government Swat | 1 |
| 1.1.1 Introduction | 1 |
| 1.1.2 Comments on Budget and Accounts (Variance Analysis)..... | 1 |
| 1.1.3 Brief comments on the status of compliance with DAC / PAC Directives | 2 |
| 1.2 AUDIT PARAS..... | 3 |
| 1.2.1 Misappropriation & Fraud | 3 |
| 1.2.2 Non Production of record | 5 |
| 1.2.3 Irregularity and Non compliance | 7 |
| 1.2.4 Internal Control Weaknesses | 31 |
| ANNEXURES | 48 |
| Annexure-1 Detail of MFDAC Paras | 48 |
| Annexure-2 Detail of non deposit of additional securities and non forfeiture of call deposit of 7 works | 50 |
| Annexure-3 Statement showing detail of income tax deduction at lesser rates during 2016-17..... | 51 |
| Annexure-4 Detail of overpayments of HPA and Conveyance Allowance during the period of leave..... | 53 |
| Annexure-5 Detail of expenditure over & above delegated powers..... | 57 |
| Annexure-6 Statement showing detail of professional tax for the financial year 2016-17 | 59 |
| Annexure-7 Statement showing detail of DPR funds for the financial year 2016-17..... | 61 |
| Annexure-8 Detail of overpayment of Health Professional Allowance given to EPI technicians of BPS 06 & 09 and others who were not entitled. | 63 |
| Annexure-9 Statement showing detail of income tax deducted at lesser rates during 2016-17..... | 64 |
| Annexure-10 Detail of non recovery of water charges as on 30.06.2017- PHE Swat..... | 66 |
| Annexure-11 Detail of expenditure without technical sanctions..... | 67 |
| Annexure-12 Detail of income tax deduction and retention in Deposit-V..... | 68 |
| Annexure-13 Detail of overpayment due to incorrect rates and extra payment for earth filling – C&W Swat..... | 70 |
| Annexure-14 Statement showing detail of savings of completed schemes..... | 71 |

ABBREVIATIONS AND ACRONYMS

| | |
|-------|--|
| AC | Assistant Commissioner |
| BHU | Basic Health Unit |
| B&R | Building & Road |
| CA | Conveyance Allowance |
| C&W | Communication and Works |
| DAC | Departmental Accounts Committee |
| DAC | District Accounts Committee |
| DC | Deputy Commissioner |
| DG | Director General |
| DD | Dairy Development |
| DPR | Disable Persons Rehabilitation |
| DPO | District Police Officer |
| DHO | District Health Officer |
| DO | District Officer |
| DSM | District Support Manager |
| DTL | Drug Testing Laboratory |
| GFR | General Financial Rules |
| HPA | Health Professional Allowance |
| HRA | House Rent Allowance |
| IPSAS | International Public Sector Accounting Standards |
| KM | Kilometer |
| KPPRA | Khyber Pakhtunkhwa Public Procurement Regulatory Authority |
| LGA | Local Government Act |
| MB | Measurement Book |
| MCC | Medicine Coordination Council |
| MFDAC | Memorandum for Departmental Accounts Committee |
| MRS | Market Rate System |
| NIT | Notice Inviting Tender |
| OPD | Out Door Patients |
| PAC | Public Accounts Committee |
| PAO | Principal Accounting Officer |
| PATA | Provincially Administered Tribal Areas |

| | |
|------|---|
| PC-I | Planning Commission One |
| PPHI | President Primary Health Care Initiatives |
| PHE | Public Health Engineering |
| RDA | Regional Directorate of Audit |
| RHC | Rural Health Center |
| THQ | Tehsil Headquarter |
| 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 of Pakistan (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, Swat for the financial year 2016-17. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during the months of July to November 2017 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.

Dated:
Islamabad

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

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

The Regional Directorate has a human resource of six officers and staff with a total of 1,518 man-days. The annual budget amounting to Rs 11.447 million was allocated to the office during financial year 2017-18. The office is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audits of programs/ projects.

District Government, Swat 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 eighteen departments in District Swat out of which the accounts of four departments were examined in detail. These departments were selected for detailed audit keeping in view the available man days.

The total expenditure of District Government Swat for the Financial Year 2016-17 was Rs 8,415.198 million. Out of this, RDA Swat audited an expenditure of Rs 3,626.952 million which, in terms of percentage, was 43% of auditable expenditure.

The receipts of four audited formations of District Government Swat, for the Financial Year 2016-17, were Rs 54.390 million. Out of this, RDA Swat

audited an receipts of Rs 54.390 million which, in terms of percentage, was 100% of auditable receipts.

b. Recoveries at the instance of audit

Recovery of Rs 167.317 million was pointed out during the audit. Out of the total recoveries pointed out, Rs 57.838 million was not in the notice of the executive before audit. Recovery of Rs 116.376 million was accepted by the management during discussion and in furnishing written replies. Recovery of Rs 0.652 million was made at the instance of audit.

c. Audit Methodology

Audit was conducted after understanding the business processes of District Government Swat with respect to their functions, control structure and key controls. This helped auditors in understanding the systems, procedures, environment of 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. Cases related to weak internal controls were also pointed out to which management has been sensitized. In certain cases management has taken action which may further be verified. In cases of recovery management has issued orders for recovery. 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; 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 of District Government.

f. Key audit findings of the report;

- i. Misappropriation of Rs 1.452 million was noticed in one cases¹
- ii. Non production of Rs 34.383 million was noticed in two cases²
- iii. Irregularities & non-compliance of Rs 229.056 million were noticed in twenty one cases.³
- iv. Weak internal control of Rs 263.499 million were noticed in sixteen cases.⁴

g. Recommendations

- i. Misappropriated amount needs to be recovered from the responsible persons.
- ii. Disciplinary actions need to be initiated against the officers for non production of auditable record besides production of complete record.
- iii. Inquiries need to be held to fix responsibility for losses, over and irregular payments.
- iv. Corrective actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- v. Strenuous efforts need to be made by the departments to recover government taxes.
- vi. 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.

¹ 1.2.1.1

² 1.2.2.1 to 1.2.2.2

³ 1.2.3.1 to 1.2.3.21

⁴ 1.2.4.1 to 1.2.4.16

SUMMARY TABLES & CHARTS

I: Audit Work Statistics

(Rs in million)

| S.No | Description | No. | Budget | | |
|------|---|-----|-------------|----------|-----------|
| | | | Expenditure | Receipts | Total |
| 1 | Total Entities (PAOs) in Audit Jurisdiction | 1 | 8,415.198 | 54.390 | 8,469.588 |
| 2 | Total formations in audit jurisdiction | 415 | 8,415.198 | 54.390 | 8,469.588 |
| 3 | Total Entities(PAOs) Audited | 1 | 3,626.952 | 54.390 | 3681.342 |
| 4 | Total formations Audited | 4 | 3,626.952 | 54.390 | 3681.342 |
| 5 | Audit & Inspection Reports | 4 | 3,626.952 | 54.390 | 3681.342 |

II: 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 | 92.0950 |
| 3. | Weak Internal controls | 64.302 |
| 4. | Others | 371.998 |
| | Total | 528.395 |

III: Outcome Statistics

(Rs in million)

| S. No | Description | Expenditure on Acquiring Physical Assets Procurement | Civil Works | Receipts | Others | Total For the year 2016-17 | Total for the year 2015-16 |
|-------|--|--|-------------|----------|-----------|----------------------------|----------------------------|
| 1. | Outlays Audited | 4.139 | 1,934.470 | 54.390 | 1,688.343 | 3,681.342 | 1551.125 |
| 2. | Amount Placed under Audit Observation /Irregularities of Audit | - | 256.014 | 13.137 | 259.244 | 528.395 | 3,322.647 |
| 3. | Recoveries Pointed Out at the instance of Audit | - | 17.077 | 13.137 | 137.1030 | 167.317 | 51.549 |
| 4. | Recoveries Accepted /Established at the instance of Audit | - | 1.005 | 4.133 | 111.238 | 116.376 | - |
| 5. | Recoveries Realized at the instance of Audit | - | - | 0.634 | 0.018 | 0.652 | - |

IV: 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 | 92.0950 |
| 2 | Reported cases of fraud, embezzlement, thefts and misuse of public resources. | 1.452 |
| 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. | 64.302 |
| 5 | Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies | 116.376 |
| 6 | Non-production of record | 34.383 |
| 7 | Others, including cases of accidents, negligence etc. | 219.787 |
| | Total | 528.395 |

V: Cost benefit

(Rs in million)

| S # | Description | Amount |
|-----|--|-----------|
| 1 | Outlays Audited (item 1 of Table 3) | 3,681.342 |
| 2 | Expenditure on audit | 0.612 |
| 3 | Recoveries realized at the instance of audit | 0.652 |
| | Cost-Benefit Ratio | 1:1 |

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

CHAPTER-1

1.1 District Government Swat

1.1.1 Introduction

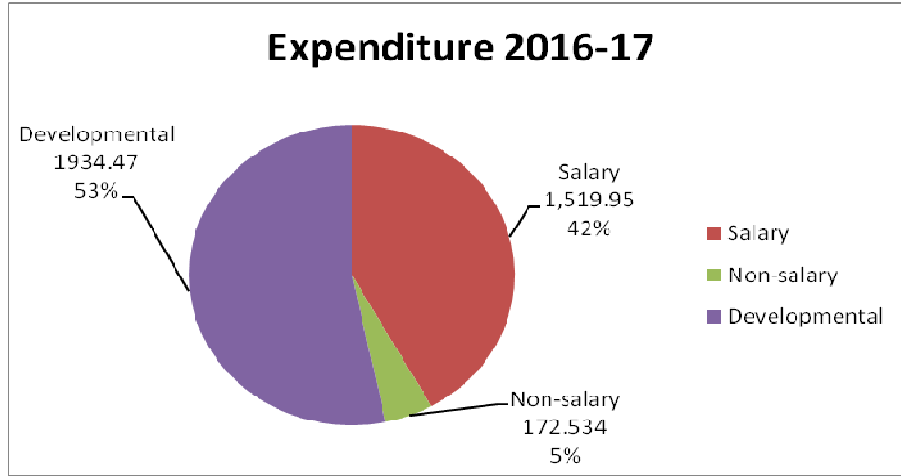
Activities of District Government are managed through offices of Deputy Commissioner and District Officers under Khyber Pakhtunkhwa Local Government Act 2013 (LGA 2013). Each group of District Offices is headed by District Officer (DO). The DO according to Rules of Business of District Government, 2015 distributes the work among the officers, branches, and/or sections of each district office. The offices which manage the activities of District Government are Deputy Commissioner (DC), XEN C&W, XEN Public Health Engineering, District Officers Agriculture, Education, Health, Water Management, Fisheries, Population Welfare, ADLG & RDD, Sports, 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 millions)

| 2016-17 | Budget | Actual Expenditure/ Receipts | (Saving)/ Excess | %age Excess/ Saving |
|------------------------------|------------------|---------------------------------|---------------------|------------------------|
| Salary | 1,606.451 | 1,519.948 | 86.503 | 5.384% |
| Non-salary | 175.836 | 172.534 | 3.302 | 1.877% |
| Developmental Account- IV | 14.579 | 8.472 | 6.106 | 41.882% |
| Developmental Account-I | 1,925.998 | 1,925.998 | 0 | 0% |
| Total | 3,722.864 | 3,626.952 | 95.911 | |
| Receipts | 54.390 | 54.390 | 0 | |

The savings of Rs 95.911 million indicate inefficiency in the capacity of the District Government Departments to utilize the amount allocated.



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

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

| Sr. No. | Audit Year | PAC/DAC meeting |
|---------|------------|-----------------|
| 1. | 2002-03 | Not Convened |
| 2. | 2003-04 | Not Convened |
| 3. | 2004-05 | Not Convened |
| 4. | 2005-06 | Not Convened |
| 5. | 2006-07 | Not Convened |
| 6. | 2007-08 | Not Convened |
| 7. | 2008-09 | Not Convened |
| 8. | 2009-10 | Not Convened |
| 9. | 2010-11 | Not Convened |
| 10. | 2011-12 | Not Convened |
| 11. | 2012-13 | Not convened |
| 12. | 2013-14 | Not Convened |
| 13. | 2016-17 | Not Convened |

1.2 AUDIT PARAS

1.2.1 Misappropriation & Fraud

1.2.1.1 Misappropriation due to non-deposit of health receipts – Rs 1.452 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.

During audit of the accounts of the office of District Health Officer Swat for the financial year 2016-17, during scrutiny of the record of THQ Matta on 15th August 2017 it was observed that Rs 1,010,246 were realized on account of OPD fee, Admissions and other user charges for the month of May and June 2017 and received by the concerned Accountant but were not deposited into Government treasury till date of audit. Similarly, collected amount of Rs 442,260 on account of ultrasound fee for the month of May 2017 was also outstanding against the incharge of ultrasound. Audit held that realized government revenues were temporarily misappropriated. Detail is as under:

| S.No | Name Health Facility | Description | Realized amount (Rs) | | |
|--------------|----------------------|--|----------------------|----------------|------------------|
| | | | May 2017 | June 2017 | Total |
| 01 | THQ Matta | Collected amount of all sub units of THQ Matta for the month of May and June 2017 | 444,782 | 565,464 | 1,010,246 |
| 02 | THQ Matta | Outstanding amount of Ultrasound fee for the month of May 2017 by Incharge of Ultrasound | 442,260 | 0 | 442,260 |
| Total | | | 887,042 | 565,464 | 1,452,506 |

Audit observed that government revenues were not deposited into Government treasury due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out in August 2017, management stated that the para would be sent to the In charge Medical Officer for clarification. The un-deposited amount would be recovered and deposited into Government treasury. Challan would be provided to audit. Reply of the department was not tenable as no progress was intimated to audit.

Request for convening DAC meeting was made in September 2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 43 (2016-17)

1.2.2 Non Production of record

1.2.2.1 Non production of auditable record - Rs 32.388 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."

District Health Officer Swat withdrew Rs 32,388,903 from Government treasury during financial year 2016-17 on account of purchase of medicines and other non-salary items. Out of the total amount, Rs 14,959,093 were transferred to the District Support Manager PPHI and purchased medicines of Rs 17,429,810 and issued to BHUs. 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- others | 14,959,093 |
| 2 | Purchase of emergency medicines | 17,429,810 |
| Total | | 32,388,903 |

Audit observed that non production of record occurred due to weak administrative control which resulted in unverified expenditure.

The irregularity was pointed out in August 2017, management stated that record of Rs 14,959,093 was related to the office of the DSM PPHI Swat for which reply of the DSM would be provided to audit and expenditure of Rs 17,429,810 was made by this office on purchase of medicines. All relevant record i.e. vouchers and stock register were provided to audit. Reply of the department was not convincing as funds of District Government was withdrawn from Government treasury by the DHO and transferred to the DSM PPHI through simple receipts and hence was auditable by the office of the Auditor General of Pakistan. Partial record of purchase of medicines was provided to audit but issue and consumption record of the health facilities of district swat was not provided for scrutiny.

Request for convening DAC meeting was made in September 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon production of record for audit scrutiny and action against the person(s) at fault.

AIR Para No. 40 (2016-17)

1.2.2.2 Non production of auditable record of Malam Jabba festival – Rs 2.00 million

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

Deputy Commissioner Swat withdrew Rs 2,000,000 on account of Malam Jabba festival during financial year 2016-17 and paid to Assistant Commissioner Charbagh for incurrence of actual expenditure. The Assistant Commissioner Charbagh did not produce relevant record to audit for scrutiny despite repeated requests and extraordinary wait and hence the expenditure remained unverified.

Audit observed that non production of record occurred due to violation of rules which resulted in unverified and unauthentic expenditure.

The irregularity was pointed out in July 2017, management stated that during the course of audit, the Assistant Commissioner Charbagh did not provide relevant record due to which the same was not presented to audit. Now APRs have been received by this office which are available for verification. Photocopies of which are enclosed. Reply of the department was not convincing as complete relevant record needs to be provided instead of only APRs.

Request for convening DAC meeting was made in August 2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 25 (2016-17)

1.2.3 Irregularity and Non compliance

1.2.3.1 Irregular acceptance of single bids – Rs 63.929 million

As per Section 14-B of Khyber Pakhtunkhwa Public Procurement Regulatory Authority Act 2012, if the procuring entity has received single bid in response to first advertisement of procurement opportunity in the newspaper, the procuring entity should re-advertise the same.

Executive Engineer C&W Building Division Swat accepted single bids of Rs 63,929,010 in four developmental schemes in violation of KPPRA Act 2012. The schemes were earlier advertised two times but no one participated. Audit held that acceptance of sing bids in 3rd advertisement was irregular as no bids were received in the first two advertisements and in this case 3rd advertisement was first advertisement and single bids were not required to be accepted. Detail is as under:

| S.No | Date of tender | Name of work | Estimated cost (Rs) | No of contractors participated | Bid cost (Rs) | %age below/above |
|--------------|----------------|--|---------------------|--------------------------------|-------------------|------------------|
| 01 | 21.06.2016 | DC Swat residence Saidu and Kalam | 2,000,000 | 02 | 1,814,271 | 9.29% below |
| 02 | 27.07.2016 | Establishment of Service Delivery Centre SH: Matta | 21,200,000 | 01 | 21,275,059 | At Par |
| 03 | 27.07.2016 | --do--- SH: Charbagh | 21,250,000 | 01 | 20329844 | 4.49% below |
| 04 | 27.07.2016 | ---do---- SH: Kabal Chindakhwara | 20,705,924 | 01 | 20,509,836 | 0.95% below |
| Total | | | 65,155,924 | | 63,929,010 | |

Audit observed that single bids were accepted in first advertisement due to violation of rules which resulted in irregular acceptance.

The irregularity was pointed out to the management in November 2017, but reply was not furnished.

Request for convening DAC meeting was made in December 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends fixing responsibility on the person (s) at fault.

AIR Para No. 22 (2016-17) A/C-I

1.2.3.2 i. Irregular award of work without performance guarantee & inadmissible payment of mobilization advance without actual execution of work – Rs 59.334 million

ii. Loss due to non-imposition of penalty for incomplete work and deduction of income tax at lesser rate–Rs 8.443 million

According to Government of Khyber Pakhtunkhwa, Finance Department Notification No. EO (EP)/FD/9-7/2011/Vol-II dated 05.11.2014, additional securities in shape of Call Deposit or Bank Guarantees will be deposited @ so below on engineer estimate.

Executive Engineer C&W Building Division Swat awarded a work “Up-gradation of Saidu Group of Hospital for teaching purpose SH: Supply & Installation of imported hospital Bed stretcher Elevators including its accessories & facilities” to M/S Hamid Jan & Brothers. During scrutiny of relevant record, the following irregularities were pointed out:

1. The work was tendered on 21st April 2016 for estimated cost of Rs 76,000,000. M/S Hamid Jan & Brothers offered lowest rate of Rs 69,600,750 which was 8.42% below on estimated cost which necessitated deposit of additional or performance guarantee of Rs 6,399,250. The contractor obtained performance guarantee from Jubilee General Insurance Company Karachi on 20th July 2016 while work order was issued on 22nd June 2016. Hence not only the award of work was irregular without performance guarantee but forfeiture of 2% earnest money Rs 1,520,000 was also not made and undue favour was extended to the contractor.

2. Performance guarantee was not verified from the concerned company.
3. Advance payment of Rs 59.334 million was made to the contractor up to 6th running bill vide Voucher No. 72-M dated 30.06.2017 which was 85.25% of the bid cost on account of mobilization advance which was inadmissible as per rules.
4. As per work order, the work should have been completed up to 22nd December 2016 whereas no work was actually executed at site up to June 2017. Hence penalty of Rs 6,960,000 @ 10% needs to be imposed.
5. Income tax was deducted @ 7.5% instead of 10% as the contractor was an individual and non filer hence loss of Rs 1,480,000 {Rs 59,334,000 x Rs 2.5% (10% - 7.5%)} was sustained by the Government.
6. Technical sanction was not obtained up to 11.2017 (month of audit) while the same should have been obtained before commencement of work.
7. As per condition No. 12 of the work order, the period of maintenance was six months from the date of completion whereas the contractor has claimed operation and maintenance cost of Rs 2,820,000 for one year as per approved BOQ. Hence excess payment of Rs 1,410,000 was made to the contractor which needs recovery.

Audit observed that irregularities occurred due to weak financial control and violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in November 2017, but reply was not furnished.

Request for convening DAC meeting was made in December 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon recovery of loss and action against the person (s) at fault for committing such irregularities.

AIR Para No. 21 (2016-17) A/C-I

1.2.3.3 Unauthorized refund of 2% TMA share to the acquiring department – Rs 49.936 million

According to Rule 3 (1 & 2) of the Local Councils (Tax on Transfer of Immovable property) Rules 1997, a Local Council may levy a tax on the transfer of immovable property situated within its limits and the rate of such tax should not exceed 4% of the consideration of such transfer.

According to Rule 5 of the Local Councils (Tax on Transfer of Immovable property) Rules 1997, the authority collecting the tax under Rule 3 shall immediately credit the amount so collected to the fund of the Local Council concerned.

Deputy Commissioner Swat refunded Rs 49,936,532 through AC/Tehsildar Kabal to the Military Estate Officer Peshawar Circle on account of 2% TMA share on transfer/purchase of land for “Establishment of Swat Cantonment Kanju” instead of crediting to the local fund of the TMA Kabal. Such amount was duly included in the cost of land and collected by the acquiring department but did not credit to the fund of Local Council concerned in accordance with the Local Councils Rules, 1997.

Audit observed that refund of the amount was made in violation of rules which resulted in loss to the Local Council concerned.

The irregularity was pointed out to the management in July 2017, but reply was not furnished.

Request for convening DAC meeting was made in August 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon fixing responsibility on the person (s) at fault.

AIR Para No. 21 (2016-17)

**1.2.3.4 i. Irregular award due to non-deposit of additional securities
Rs 11.778 million
ii. Non forfeiture of 2% earnest money- Rs 1.920 million**

According to Government of Khyber Pakhtunkhwa Finance Department Notification No. EO (EP)/FD/9-7/2011/Vol-II dated 05.11.2014, additional securities in shape of Call Deposit or Bank Guarantees will be deposited @ so below on engineer estimate.

Executive Engineer PHE Division Swat advertised seven works of Rs 95,998,158 during financial year 2015-16. The contractors quoted below rates due to which deposit of additional securities was required @ so below on engineer estimate. Notices were issued to the contractors for deposit of additional securities in shape of call deposits or Bank guarantees. The contractors did not deposit additional securities of Rs 11,778,037 and the works were awarded to them instead of forfeiture of their 2% earnest monies of Rs 1,920,000. Detail is given at the annexure-2.

Audit observed that non deposit of additional securities occurred due to violation of rules which resulted in loss to the Government and irregular award of works.

The irregularity was pointed out in October 2017, management stated that the contract documents are and can be verified from challan/agreements. Reply of the department was not relevant as additional securities were not deposited by the contractors and the works were awarded irregularly and 2% earnest monies were not forfeited.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends probe into the matter for fixing responsibility on the persons at fault.

AIR Para No. 12 (2016-17) A/C-I

1.2.3.5 Loss to Government due to deduction of income tax at lesser rate– Rs 6.382 million

According to Section 153 (1) c of the income tax ordinance 2001, income tax rates on contracts with effect from 01.07.2015 were as under:

| Nature of transaction | Payee | Rate of tax wef 01.07.2015 | |
|--------------------------|--------------------|----------------------------|-----------|
| | | Filer | Non filer |
| Contracts u/s 153)1) c | Company | 7 % | 10% |
| | Other than company | 7.5% | 10 % |
| Services u/s 153 (1) (b) | Company | 8% | 12% |
| | Other than company | 10% | 15% |

According to Section 32 of the Companies Ordinance 1984, Securities and Exchange Commission of Pakistan issues Certificate of Incorporation.

Executive Engineer C&W Building Division Swat paid Rs 230,919,951 to eleven (11) contractors/consultants during financial year 2016-17 and deducted income tax of Rs 17,318,990 at lesser rate of 7.5% instead of 10% and 15% amounting to Rs 23,180,906 due to which Government sustained loss of Rs 5,861,909. Similarly, short deduction of income tax Rs 520,644 for 2015-16 as pointed out by office of the Inland Revenue Peshawar was not recovered from the contractors/ consultants. Detail is given at the annexure-3.

Audit observed that income tax was deducted at lesser rates due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in November 2017, but reply was not furnished.

Request for convening DAC meeting was made in December 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon recovery and deposit into government treasury under intimation to audit.

AIR Para No. 23 (2016-17) A/C-I

1.2.3.6 Loss due to non deduction of Sales tax – Rs 5.168 million

According to serial No. 29 of the Government of Khyber Pakhtunkhwa Finance Act 2013, 15% sales tax is chargeable on services provided by technical, scientific & engineering consultants.

Executive Engineer C&W Building Division Swat paid Rs 34,459,777 to nine consultants during financial year 2016-17 but did not deduct sales tax of Rs 5,168,963 due to which Government sustained loss. Detail is given below:

| S.No | Name of contractor/ Consultant | Payment during 2016-17 (Rs) | Sales tax @ 15% |
|--------------|--------------------------------|-----------------------------|------------------|
| 01 | JV-CIV Tech Associates | 3,669,087 | 550,363 |
| 02 | PEPAC | 1,006,213 | 150,931 |
| 03 | MEINHARDT Pak Ltd | 2,805,498 | 420,824 |
| 04 | NESPAK | 14,256,236 | 2,138,435 |
| 05 | M/S Engineering Associates | 3,795,901 | 569,385 |
| 06 | JV CIV Tech: Associate | 2,500,000 | 375,000 |
| 07 | JV CIV Tech: Associate | 2,550,050 | 382,507 |
| 08 | PEPAC | 3,370,000 | 505,500 |
| 09 | M/S Engineering Associates | 506,792 | 76,018 |
| Total | | 34,459,777 | 5,168,963 |

Audit observed that sales tax was not deducted due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in November 2017, but reply was not furnished.

Request for convening DAC meeting was made in December 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery and deposit into government treasury under intimation to audit.

AIR Para No. 24 (2016-17) A/C-I

1.2.3.7 Loss to Government due to supply of substandard medicines and its non replacement- Rs 2.840 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.

District Health Officer Swat purchased 11361 ampules of Drotalite injections from M/S Elite Pharma Lahore for Rs 2,840,000 @ 250 per ampule during financial year 2015-16. During scrutiny of record for the financial year 2016-17, it was noticed that the said injections were declared substandard by the Drugs Testing Laboratory Peshawar due to which loss sustained by the Government. Moreover, the injections were not replaced so far. Detail is as under:

| S.No | Name of medicine | Batch No. | Name of supplier | Quantity | Rate | Amount (Rs) |
|------|--|-------------|--|---------------|------|-------------|
| 01 | Injection Drotalite (Drotaverine HCl Pharma) 40mg/2ml | 32, 33 & 40 | M/S Elite Pharma Pvt. Ltd Lahore C/O Somi Associates NWR Plaze Peshawar Cantt: | 11361 ampules | 250 | 2,840,250 |

Audit observed that supply of sub-standard medicines occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out in August 2017, management stated that the above substandard injections have been replaced by the concerned firm. Relevant record would be provided to audit. Reply was not convincing as no record of replacement was provided to audit.

Request for convening DAC meeting was made in September 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon fixing responsibility and action against the persons at fault.

AIR Para No. 41 (2016-17)

1.2.3.8 Illegal use of substandard medicines – Rs 2.352 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.

District Health Officer Swat purchased 11361 ampules of Drotalite injections from M/S Elite Pharma Lahore for Rs 2,840,000 @ 250 per ampule during financial year 2015-16 and issued to various hospitals for use. During scrutiny of record for the financial year 2016-17, it was noticed that the said injections were declared substandard by the Drugs Testing Laboratory Peshawar whereas 9408 ampules of Rs 2,352,000 were already used by the hospitals. Audit held that issuance of substandard medicines and subsequent use by the hospital was illegal and harmful to patients. Detail of used injections as per their record was as under:

| S.No | Name Health Facility | No. of used injections | Rate (Rs) | Amount (Rs) |
|--------------|-----------------------------|------------------------|------------|------------------|
| 01 | Category C hospital Barikot | 2072 | 250 | 518,000 |
| 02 | THQ Matta | 2660 | 250 | 665,000 |
| 03 | Civil Hospital Kabal | 1033 | 250 | 258,250 |
| 04 | Civil Hospital Kalam | 1636 | 250 | 409,000 |
| 05 | Civil Hospital Madyan | 1143 | 250 | 285,750 |
| 06 | RHC Deolai | 864 | 250 | 216,000 |
| Total | | 9408 | 250 | 2,352,000 |

Audit observed that use of sub-standard medicines occurred due to violation of rules which resulted in loss to the Government and public health.

The irregularity was pointed out in August 2017, management stated that once the injections were declared as standard by the DTL but on the report of some medical officers of health facilities, the sample was resubmitted to DTL

which was declared as sub-standard. The issued injections were recollected from the health facilities. Necessary action has been initiated and all the sub-standard injections are available in the concerned office being case property. Necessary record will be provided to audit. Reply of the department was not convincing as contradictory replies were furnished on the same case and responsibility needs to be fixed either on the firm for supply of sub-standard medicines or on the DTL for issuance of standard report of sub-standard medicines which were issued to patients.

Request for convening DAC meeting was made in September 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon fixing responsibility and action against the persons at fault.

AIR Para No. 42 (2016-17)

1.2.3.9 Loss to Government due to increase in rent of office building on yearly basis – Rs 2.059 million

According to Para (iv) (v) of the Government of Khyber Pakhtunkhwa Finance Department letter No. SO (A/Cs)FD/2-5/93 dated 14.05.1996, agreement with the owner for a period of 3 years as per Government approved terms and conditions be made and in case of further extension in the agreement period for another period of 3 years, same procedure will be observed subject to the condition that the increase in rent would not be more than 15%.

Deputy Commissioner Swat extended agreement with the owner for rent of office building on yearly basis and paid Rs 12,283,200 during 2014-15 to 2016-17 through increase in rent on yearly basis in violation of rules referred to above due to which Government sustained loss of Rs 2,059,200. Detail is as under:

| S.No | Financial Year | Monthly rate (Rs) | Paid rent (Rs) | Required rent on the basis of extension after 3 years (Rs) | Loss (Rs) |
|--------------|----------------|-------------------|-------------------|--|------------------|
| 01 | 2014-15 | 284,000 | 3,408,000 | 3,408,000 | 0 |
| 02 | 2015-16 | 344,000 | 4,128,000 | 3,408,000 | 720,000 |
| 03 | 2016-17 | 395,600 | 4,747,200 | 3,408,000 | 1,339,200 |
| Total | | | 12,283,200 | 10,224,000 | 2,059,200 |

Audit observed that rent was increased on yearly basis due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in July 2017, but reply was not furnished.

Request for convening DAC meeting was made in August 2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 15 (2016-17)

1.2.3.10 Overpayment to contractor due to claim for excess days and excess vehicles – Rs1.926 million

According to Para 23 of GFR Vol-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.

Deputy Commissioner Swat paid Rs 63,531,000 to a contractor for hiring of vehicles during 6th Population and Housing Census 2017 for seven (07) tehsils of District Swat. During scrutiny of relevant record, it was observed that overpayment of Rs 1,926,600 was made to the contractor due to claim of excess days and excess vehicles. Detail is as under:

| S.No | Name of tehsil | Required payment on the basis of reports of Assistant Commissioners (Rs) | Actual payment made by DC office in lump sum (Rs) | Overpayment (Rs) |
|------|----------------|--|---|------------------|
| 01 | Babozai | 15,103,600 | 15,518,500 | 414,900 |
| 02 | Matta | 11,255,200 | 11,420,500 | 165,300 |
| 03 | Kabal | 9,214,750 | 10,064,250 | 849,500 |
| 04 | Charbagh | 4,022,200 | 4,333,000 | 310,800 |
| 05 | Khwazakhela | 6,327,400 | 6,513,500 | 186,100 |
| | Total | 45,923,150 | 47,849,750 | 1,926,600 |

Audit observed that overpayment occurred due to weak internal controls which resulted in loss to the Government.

The irregularity was pointed out in July 2017, management stated that the payment has been made to the contractor as per requirements of the Assistant Commissioners and no overpayment was made. Reply of the department was not convincing as overpayment was made to the contractor due to claim of excess days and excess vehicles.

Request for convening DAC meeting was made in August 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon recovery and deposit into Government treasury.

AIR Para No. 13 (2016-17)

1.2.3.11 Non deduction of tax on income from property - Rs 1.886 million

According to Section 82 of the Income Tax Ordinance 2001 read with Commissioner Income Tax letter NO. CIT (E&C)/RTO-PR/2008-09/1739 dated 20.06.2009, a person belonging to tribal area (non-taxable area) but residing in taxable area is not entitled to exemption because he would become a resident person as provided under section 82 of the Income Tax Ordinance 2001.

According to Section 155 of the Income Tax Ordinance 2001, rates of tax on income from property for an individual is as under:

| Limits of income from property | Rate of tax |
|--|--|
| Where the yearly income does not exceed Rs 200,000 | Exempted |
| Where the yearly income exceed Rs 200,000 but does not exceed Rs 600,000 | 5% of the gross amount exceeding Rs 200,000 |
| Where the yearly income exceed Rs 600,000 but does not exceed Rs 1,000,000 | Rs 20,000 plus 10% of the gross amount exceeding Rs 600,000 |
| Where the yearly income exceed Rs 1,000,000 but does not exceed Rs 2,000,000 | Rs 60,000 plus 15% of the gross amount exceeding Rs 1,000,000 |
| Where the yearly income exceed Rs 2,000,000 | Rs 210,000 plus 20% of the gross amount exceeding Rs 2,000,000 |

Deputy Commissioner Swat paid Rs 12,283,200 to M/S Imran Aurangzeb S/O late Aurang Zeb during financial years 2014-15 to 2016-17 but income tax deduction of Rs 1,886,640 was not made as the owner has been residing in Islamabad (Mustafa Apartments, flat No 118, Sector G-8) Islamabad since long as evident from his CNIC and hence he is a resident persons in terms of Income Tax Ordinance. Detail is as under:

| S.No | Financial Year | Monthly rent (Rs) | Paid rent (Rs) | Rate of tax | Income tax (Rs) |
|--------------|-----------------------|--------------------------|-----------------------|---|------------------------|
| 01 | 2014-15 | 284,000 | 3,408,000 | Rs 210,000 + 20 % of the amount exceeding Rs 2,000,000 | 491,600 |
| 02 | 2015-16 | 344,000 | 4,128,000 | | 635,600 |
| 03 | 2016-17 | 395,600 | 4,747,200 | | 759,440 |
| Total | | | 12,283,200 | | 1,886,640 |

Audit observed that non deduction of income tax occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in July 2017, but reply was not furnished.

Request for convening DAC meeting was made in August 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon recovery and deposit into Government treasury under intimation to audit.

AIR Para No. 16 (2016-17)

1.2.3.12 Overpayment of HPA & conveyance allowances during the period of leave –Rs 1.759 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.

District Health Officer Swat overpaid Rs 1,758,681 on account of Health Professional Allowance and Conveyance Allowance during the period of their leave which resulted in loss to the Government. Detail is given at annexure-4.

Audit observed that overpayment occurred due to lack of financial control, which resulted in loss to the Government.

The irregularity was pointed out in August 2017, management stated that overpayment of HPA and conveyance would be checked with relevant record and recovered and deposited into government treasury. Challan would be shown to audit. Reply was not tenable as no progress was intimated to audit.

Request for convening DAC meeting was made in September 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery and action against the persons at fault under intimation to audit.

AIR Para No. 34 (2016-17)

1.2.3.13 Loss to Government due to non-deduction of income tax – Rs 1.613 million

According to Section 153 (1) c of the income tax ordinance 2001, income tax rates on contracts with effect from 01.07.2015 were as under:

| Nature of transaction | Payee | Rate of tax wef 01.07.2015 | |
|--------------------------|--------------------|----------------------------|-----------|
| | | Filer | Non filer |
| Contracts u/s 153)1) c | Company | 7 % | 10% |
| | Other than company | 7.5% | 10 % |
| Services u/s 153 (1) (b) | Company | 8% | 12% |
| | Other than company | 10% | 15% |

According to Section 32 of the Companies Ordinance 1984, Securities and Exchange Commission of Pakistan issues Certificate of Incorporation.

Executive Engineer C&W Building Division Swat paid Rs 16,354,640 to contractors/ consultants in five running bills during the month of May and June 2017 but income tax of Rs 1,613,196 was not deducted from their bills. The contractors/consultants were residents of taxable areas and income tax deductions were regularly made from other bills of them. Detail is as under:

| S.No | Voucher No & date | No of running bill | Name of work | Name of contractor/ Consultant | Payable amount of bill (Rs) | Rate of income tax | Income tax (Rs) |
|--------------|---------------------|------------------------------|-------------------------------|--------------------------------|-----------------------------|--------------------|------------------|
| 01 | 29-SH- | 5 th running bill | GHSS Balogram | Muhammad Ishaq & Co. | 6,100,000 | 10% | 610,000 |
| 02 | 42-SH 20.06.2017 | 1 st running bill | Feasibility study of 200 GHSS | NESPAK | 4,500,000 | 8% | 360,000 |
| 03 | 52-M 22.06.2017 | 6 th running bill | Civil Hospital Madyan | MEINHARDT Pak Ltd | 1,015,980 | 15% | 152,397 |
| 04 | 31-M 24.05.2017 | 5 th running bill | | MEINHARDT Pak Ltd | 338,660 | 15% | 50,799 |
| 05 | 38-M 20.06.2017 | 3 rd running bill | GHSS Mankyal | M/S Ikramullah | 4,400,000 | 10% | 440,000 |
| Total | | | | | 16,354,640 | | 1,613,196 |

Audit observed that income tax was not deducted due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in November 2017, but reply was not furnished.

Request for convening DAC meeting was made in December 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon recovery and deposit into government treasury under intimation to audit.

AIR Para No. 11 (2016-17) A/C-I

1.2.3.14 Unauthorized expenditure beyond delegated powers – Rs 1.432 million

According to Serial No.5 (xxvi) (b) of the Second Schedule of Delegation of Powers under the financial Rules and the powers of Re-Appropriation Rules-2001, Administrative Department was competent to accord sanction of Rs 10,000 in recurring items and Rs 30,000 in non-recurring items.

Deputy Commissioner Swat incurred expenditure of Rs 1,432,474 under the head “others” during financial year 2016-17 over and above the delegated powers in recurring items and non- recurring items. Detail is given at the annexure-5.

Audit observed that unauthorized expenditure occurred due to violation of rules which resulted in misuse of powers.

The irregularity was pointed out in July 2017, management stated that the DC being Administrative Secretary of the District and Principal Accounting officer and other financial matters can accord sanction of account of purchase of various recurring and non-recurring items. However, the instructions were noted for compliance. Reply of the department was not convincing as the expenditure was incurred over and above the delegated powers as per Delegation of powers 2001.

Request for convening DAC meeting was made in August 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon fixing responsibility on the person (s) at fault.

AIR Para No. 23 (2016-17)

**1.2.3.15 Loss to Government due to non-deduction of Professional tax
Rs 1.355 million**

According to Section II of the Appendix of the Khyber Pakhtunkhwa Finance Act NO. PA/KPK/Bills/2014/340 dated 02.07.2014, all contractors/ consultants & suppliers who supplied goods, commodities or rendered services to the value are liable to pay the tax at the following rates.

- a. when exceeding Rs 10,000 but not exceeding Rs 0.5 million –Rs 4000 per annum
- b. when exceeding Rs 0.5 million but not exceeding Rs One million –Rs 5000 per annum
- c. when exceeding Rs One million but not exceeding Rs 2.5 million –Rs 7000 per annum
- d. when exceeding Rs 2.5 million but not exceeding Rs 10 million –Rs 18,000 per annum
- e. when exceeding Rs 10 million but not exceeding Rs 25 million –Rs 25,000 per annum
- f. when exceeding Rs 25 million but not exceeding Rs 50 million –Rs 30,000 per annum
- g. when exceeding Rs 50 million and above –Rs 100,000 per annum

Executive Engineer PHE Division Swat did not deduct Rs 1,355,000 on account of professional tax from the contractor bills during 2016-17 which resulted in loss to government. Detail is given at the annexure-6.

Audit observed that non deduction of professional tax occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out in October 2017, management stated that the amounts will be recovered from the securities of the contractors and will be

credited to Government revenue. Reply was not tenable as no recovery was effected from the concerned contractors.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery and deposit into government treasury under intimation to audit.

AIR Para No. 06 (2016-17) A/C-I

**1.2.3.16 Loss to Government due to non-deduction of DPR fund-
Rs 1.326 million**

According to Section-11 of the “Disabled Persons (Employment & Rehabilitation) Ordinance 1981 and the Government of Khyber Pakhtunkhwa Disabled Persons (Employment & Rehabilitation) Rules,1991 read with the Establishment and Administration Department Khyber Pakhtunkhwa letter NO.SORV(E&AD)11-26/96 Vol-III dated 25th July 2002 followed by several reminders and Federal Cabinet Decision and Directorate of Social Welfare Special Education & Women Empowerment Department Khyber Pakhtunkhwa Circular letter No.DPR/Pub/PCRD/15374-403 dated 23.01.2012 deduction of DPR fund @ Rs 2,000 each per million may be made in the bills of the contractors/firms who have completed business of one million or above in a financial year.

Executive Engineer PHE Division Swat did not deduct Rs 1,326,000 on account of DPR fund for Rehabilitation of Disabled Persons from the contractors/firms, during financial year 2016-17 Detail is given at annexure-7.

Audit observed that non deduction of DPR fund occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out in October 2017, management stated that the amounts will be recovered from the securities of the contractors and will be credited to Government revenue. Reply was not tenable as no recovery was effected from the concerned contractors.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit suggests recovery and deposit into Government treasury and action against the person (s) at fault.

AIR Para No. 07 (2016-17) A/C-I

1.2.3.17 Unauthorized expenditure on purchase of local purchase of inadmissible medicines Rs 1.210 million

According to District Government Rules of Business 2015 Second Schedule II (viii), the procurement of equipment and medicines will be done at District level based on the provincial rate contract finalized by DGHS Office.

According to Director General Health Services, Khyber Pakhtunkhwa letter No. 2344-71/MCC dated 16.02.2017 read with letter No. 2314-39/MCC dated 13.02.2017, addressed to all DHOs under which they were directed to procure the stated medicines i.e. Tab Ferrous Fumerate + Folic Acid, Injection Adrenaline, and Injection Magnesium Sulphate through Local Purchase from their district budgets. The DHOs must place the supply orders of the aforesaid medicines to the approved Local Purchase contractor of Medical Superintendent DHQ Hospital of respective districts for the year 2016-17.

District Health Officer Swat incurred expenditure of Rs 39,752,137 on account of purchase of medicines during financial year 2016-17 out of which expenditure of Rs 1,210,539 was made on local purchase of inadmissible medicines in contrast with the above referred rules. Detail of local purchase is given at the annexure.

Audit observed that unauthorized expenditure occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out in August 2017, management stated that stated that the purchased items were not included in the approved list of MCC and purchased from the supplier as approved by the MS Saidu Teaching Hospital

Swat. Reply was not convincing as the purchased items were not admissible as per criteria referred to above.

Request for convening DAC meeting was made in September 2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 51 (2016-17)

1.2.3.18 Non- credit of 2% TMA Share to the Local Fund of the concerned TMAs- Rs 1.191 million

According to Rule 3 (12) of the Local Councils (Tax on Transfer of Immovable property) Rules 1997, a Local Council may levy a tax on the transfer of immovable property situated within its limits and the rate of such tax should not exceed 4% of the consideration of such transfer.

According to Rule 5 of the Local Councils (Tax on Transfer of Immovable property) Rules 1997, the authority collecting the tax under Rule 3 shall immediately credit the amount so collected to the fund of the Local Council concerned.

Deputy Commissioner Swat transferred Rs 1,191,143 to the Assistant Commissioners on account of 2% TMAs Share on purchase of land during financial year 2016-17 for further credit to the funds of the Local Council concerned. The amounts were not credited to the local fund of the concerned TMAs. Detail is as under:

| S. No | Payee | Land | Cost of land (Rs) | 2% tax (Rs) |
|--------------|------------|-----------------------|-------------------|------------------|
| 01 | AC Barikot | 01 kanal and 06 Marla | 1,268,136 | 25362 |
| 02 | | 09 kanal and 14 Marla | 5,317,732 | 106,354 |
| 03 | | 33 Kanal and 00 Marla | 22,771,148 | 455,422 |
| 04 | | 34 Kanal and 09 Marla | 15,909,794 | 318,195 |
| 05 | | 03 Kanal and 00 Marla | 1,604,278 | 32,085 |
| 06 | AC Babozai | 23 Kanal and 17 Marla | 3,577,500 | 71,550 |
| 07 | | 04 Kanal and 05 Marla | 9,108,743 | 182,175 |
| Total | | | 59,557,331 | 1,191,143 |

Audit observed that payment was made in violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in July 2017, but reply was not furnished.

Request for convening DAC meeting was made in August 2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 20 (2016-17)

1.2.3.19 Irregular expenditure on account of purchase of miscellaneous items without open tender system – Rs 1.074 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 Swat incurred expenditure of Rs 1,073,961 on account of purchases of miscellaneous items during financial year 2016-17 from the head “others” without open tender system. Detail is as under:

| S.No | Description | Amount (Rs) |
|--------------|---|------------------|
| 01 | Purchase of crockery, furniture & fixture | 500,000 |
| 02 | Purchase of 80 Nos Steel Sheets for Kalam Cottage | 199,351 |
| 03 | Purchase of 249 Nos Wood trusses (Salipers) | 249,610 |
| 04 | Binding of books of Mal Khana Swat | 125,000 |
| Total | | 1,073,961 |

Audit observed that irregular expenditure occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out in July 2017, management stated that the expenditure of Rs 500,000 was incurred on purchase of crockery, furniture and fixture in emergency during the visit of Chief Minister to Kalam. All the items are available and taken on stock. Expenditure of Rs 125,000 was made on binding of books on different dates. Reply of the department was not complete and convincing as codal formalities were not observed and stock register was not provided for verification. No reply was furnished for expenditure at serial No. 2 & 3 on purchase of steel sheets and wood trusses.

Request for convening DAC meeting was made in August 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon fixing responsibility on the person (s) at fault besides regularization from the competent authority.

AIR Para No. 22 (2016-17)

1.2.3.20 Overpayment of HPA to EPI technicians - Rs 1.060 million

According to Government of Khyber Pakhtunkhwa, Finance Department (Regulation Wing) letter No. FD (SORR-II)/8-18/2016-17 dated 28.08.2017, endorsed to all DAOs of KPK vide Accountant General KPK office letter No. H-24 Master Circulation /HPA/2017-18/297 dated 13.09.2017, Health Professional Allowance @ Rs 10,000 per month is only admissible to those paramedics who are in BPS-12 either in Health Department or MTI's in Khyber Pakhtunkhwa and not admissible to EPI Technicians in BPS-06.

District Health Officer Swat paid Rs 1,060,000 on account of Health Professional Allowance to EPI technicians of BPS-06 & 09 during financial year 2016-17 while they were not entitled as per Finance Department Khyber Pakhtunkhwa letter No. referred to above. Detail is given at the annexure 7.

Audit observed that overpayment was occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out in August 2017, management stated that HPA was allowed to all paramedics irrespective of the scale. Clarification would be obtained from the Health department. Reply was not tenable as clear orders of the Government of KP Finance Department was available under which HPA was only admissible to those paramedics who are in BPS 12.

Request for convening DAC meeting was made in September 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon recovery and deposit into Government treasury under intimation to audit.

AIR Para No. 36 (2016-17)

1.2.3.21 Loss to Government due to deduction of income tax at lesser rate– Rs 1.009 million

According to Section 153 (1) c of the income tax ordinance 2001, income tax rates on contracts with effect from 01.07.2015 were as under:

| Nature of transaction | Payee | Rate of tax wef 01.07.2015 | |
|-------------------------|--------------------|----------------------------|-----------|
| | | Filer | Non filer |
| Contracts u/s 153)1) c | Company | 7 % | 10% |
| | Other than company | 7.5% | 10 % |

According to Section 32 of the Companies Ordinance 1984, Securities and Exchange Commission of Pakistan issues Certificate of Incorporation.

Executive Engineer PHE Division Swat deducted income tax of Rs 2,250,815 at lesser rates of 7.5% and 4.5 % instead of 10% amounting to Rs 3,460,216 from the contractor bills during 2016-17 due to which Government sustained loss of Rs 1,009,401 as per details at the annexure-9.

Audit observed that income tax was deducted at lesser rates due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out in October 2017, management stated that exemption certificates are attached. Reply was not relevant as deductions were made at lesser rates of 7.5% instead of 10%.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery and deposit into government treasury under intimation to audit.

AIR Para No. 07 (2016-17) A/C-I

1.2.4 Internal Control Weaknesses

1.2.4.1 Non recovery of outstanding water charges – Rs 109. 479 million

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

According to Chief Engineer (North) Public Health Engineering Department Khyber Pakhtunkhwa letter No.10/B-8/PHE (N) Dated 12.02.2011, water charges @ Rs 120 per month per house connection shall be collected.

Executive Engineer PHE Swat did not recover water charges amounting to Rs 109,479,664 during the financial year 2016-17. Abstract is as under and detail at the annexure-10.

| No of connections | Outstanding as on 30.06.2016 (Rs) | Accrued during 2016-17 (Rs) | Total recoverable (Rs) | Recovery during 2016-17 (Rs) | Outstanding as on 30.06.2017 (Rs) |
|-------------------|-----------------------------------|-----------------------------|------------------------|------------------------------|-----------------------------------|
| 24087 | 92,019,682 | 34,685,280 | 126,704,962 | 17,225,298 | 109,479,664 |

Audit observed that the non recovery of water charges occurred due to weak financial control which resulted in loss to public exchequer.

The irregularity was pointed out in October 2017, management stated that target of Rs 16,900,000 for the year 2016-17 has been achieved and efforts are underway for recovery of liability. Reply of the department was not convincing as only Rs 17,225,298 were recovered out of the accrued amount of Rs 34,685,280 for the year 2016-17 which was 50% recovery rate and due to which the outstanding amount of water charges was increased each year.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 10 (2016-17) A/C-I

**1.2.4.2 Irregular expenditure without technical sanctions –
Rs 88.713 million**

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

Executive Engineer C & W Building Division Swat incurred expenditure of Rs 88,713,000 up to June 2017 on execution of six (06) schemes but technical sanctions were not obtained from the competent authorities despite the fact that the schemes were completed in June 2017. Audit held that in the absence of technical sanctions, incurrence of expenditure was irregular. Detail is given at the annexure-11.

Audit observed that expenditure was incurred without technical sanction due to violation of rules which resulted in irregular sending.

The irregularity was pointed out to the management in November 2017, but reply was not furnished.

Request for convening DAC meeting was made in December 2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 17 (2016-17) A/C-I

1.2.4.3 Non recovery of Government funds from PPHI - Rs 16.96 million

According to Health Department letter No. PA(DS-A)HD/1-1/2016 dated 22nd September, 2016 Para-2(b & c) that due to closure of PPHI Operations by SRSP, proper handing taking over of medicines etc. be ensured and funds remaining with the District Office of PPHI at the end of September 30, 2016 shall be deposited back into Government Treasury in the respective head.

District Health Officer Swat did not recover Rs 16,960,000 as unspent balance of Government funds from District Support Manager, PPHI Swat at the closure of PPHI operations on 30th September 2016.

Audit observed that non recovery of Government funds occurred due to violation of rules which resulted in illegal retention of Government funds in bank accounts.

The irregularity was pointed out in August 2017, management stated that DSM, PPHI was contacted for the handing over of unspent amount and assets but in the meanwhile notification of closure of PPHI was suspended by the Honorable High Court and hence no handing taking was made. Reply was not convincing as no written proof regarding suspension was provided and PPHI was already closed in other districts except district swat.

Request for convening DAC meeting was made in September 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon recovery and deposit of the Government funds into Government treasury and action against the person(s) at fault for illegal retention despite clear orders of the Government.

AIR Para No. 33 (2016-17)

1.2.4.4 Unauthorized payment to PPHI after its closure - Rs 14.959 million

According to Health Department letter No. SOB-II/HD/4-29/2013-14 / PPHI (KPH) dated 27th September 2016, the Chief Minister KPK accorded approval that BHUs in 17 districts which were outsourced to SRSP are taken over by Health Department effective 30th September, 2016. This implies that Budget/funds from 30th September, 2016 of the Financial Year 2016-17 of these BHUs will be managed within the overall Budgetary framework of the public sector.

According to Health Department letter No.PA(DS-A)HD/1-1/2016 dated 22nd September, 2016 Para-2(b&c) that due to closure of PPHI Operations by SRSP, proper handing taking over of medicines etc be ensured and funds remaining with the District Office of PPHI at the end of September 30, 2016 shall be deposited back into Government Treasury in the respective head.

District Health Officer transferred Rs 14,959,093 to District Support Manager PPHI Swat under the head AO3970- others vide Cheque No. 0573190 dated 07.11.2016 while PPHI was closed in the month of September 2016 and the remaining funds with District Office of PPHI at the end of September 2016 was required to be deposited back into Government treasury. Hence unauthorized payment was made to DSM PPHI after three months of its closure.

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

The irregularity was pointed out in August 2017, management stated that PPHI was not closed on 30th September 2016 as notification of closure of PPHI was suspended by the Honorable High Court. Reply was not convincing as no written proof regarding suspension was provided and PPHI was already closed in other districts except district swat.

Request for convening DAC meeting was made in September 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery from the DSM PPHI and deposit into Government treasury under intimation to audit.

AIR Para No. 37 (2016-17)

1.2.4.5 Loss to Government on account of compulsory acquisition of land - Rs 8.933 million

According to Section 18(1) of Land Acquisition Act 1894, any person interested who has not accepted the award may, by written application to the collector, require that the matter be referred by the collector for the determination of the Court, whether his objection be to the measurement of the land, the amount

of the compensation, the person to whom it is payable or the apportionment of the compensation among the persons interested.

According to Section 3(d) of the Act “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.

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 Swat transferred Rs 8,933,599 to Assistant Commissioners as 15 % compulsory acquisition charges on account of acquisition of land during financial year 2016-17 for further payment to the land owners. Audit held that the payment of 15% compulsory acquisition charges was in violation of Act and resulted in overpayment to the landowners and loss to the Government. Detail is as under:

| S. No | Payee | Land | Cost of land (Rs) | 15% compulsory charges (Rs) |
|--------------|------------|-----------------------|-------------------|-----------------------------|
| 01 | AC Barikot | 01 kanal and 06 Marla | 1,268,136 | 190,220 |
| 02 | | 09 kanal and 14 Marla | 5,317,732 | 797,660 |
| 03 | | 33 Kanal and 00 Marla | 22,771,148 | 3,415,672 |
| 04 | | 34 Kanal and 09 Marla | 15,909,794 | 2,386,469 |
| 05 | | 03 Kanal and 00 Marla | 1,604,278 | 240,642 |
| 06 | AC Babozai | 23 Kanal and 17 Marla | 3,577,500 | 536,625 |
| 07 | | 04 Kanal and 05 Marla | 9,108,743 | 1,366,311 |
| Total | | | 59,557,331 | 8,933,599 |

Audit observed that compulsory acquisition charges was paid in violation of rules which resulted in loss the Government.

The irregularity was pointed out to the management in July 2017, but reply was not furnished.

Request for convening DAC meeting was made in August 2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 19 (2016-17)

1.2.4.6 Excess expenditure over & above the permissible limit of Technical Sanctions - Rs 5.735 million

According to Para 2.7 of B&R Department Code, excess payment due to site requirement is allowed up to 10% over administrative approval and 5% over technically sanctioned estimate.

Executive Engineer C&W Building Division Swat incurred expenditure of Rs 41,615,000 in two schemes against TS cost of Rs 34,172,000. Maximum permissible limit of expenditure against the technical sanctions was Rs 35,880,000. Excess expenditure of Rs 5,735,000 over & above the permissible limit of Technical Sanction was made as per detail is given below:

(Rs in million)

| S.No | ADP No | Name of scheme | AA cost | TS cost | Expenditure | Permissible expenditure | Excess over 5 % on TS |
|--------------|-----------|--|---------------|---------------|---------------|-------------------------|-----------------------|
| 01 | 24/130129 | Trout Culture and Training Centre Madyan | 29.067 | 22.441 | 27.040 | 23.563 | 3.477 |
| 02 | 78/120899 | 5 No. Category C residence | 11.731 | 11.731 | 14.575 | 12.317 | 2.258 |
| Total | | | 40.798 | 34.172 | 41.615 | 35.88 | 5.735 |

Audit observed that excess payment was made due to weak internal controls due to which government sustained loss.

The irregularity was pointed out to the management in November 2017, but reply was not furnished.

Request for convening DAC meeting was made in December 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends to recover the excess amount from the person (s) responsible under intimation to audit.

AIR Para No. 14 (2016-17) A/C-I

1.2.4.7 Loss to Government due to unauthorized retention of income tax in 5th Deposit- Rs 3.222 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.

Executive Engineer PHE Division Swat deducted income tax of Rs 3,222,721 from the bills of various contractors and retained the amount in Deposit account instead of depositing into Government treasury. Detail is given at the annexure-12.

Audit observed that retention of income tax in deposit account occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out in October 2017, management stated that the contractors had challenged the deduction of income tax in the Court of law therefore, the amount is still lying in Deposit-V. Reply of the department was not convincing as deducted income tax should have been deposited into Government treasury instead of crediting to Deposit-V and in case of excess income tax, refunds should be made in accordance with Section 170 and 171 of the Income Tax Ordinance 2001.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon deposit of the amount into Government treasury under intimation to audit.

AIR Para No. 04 (2016-17) A/C-I

1.2.4.8 Inadmissible expenditure on hiring of vehicles for mess distribution – Rs 2.460 million

According to Inspector General of Police Khyber Pakhtunkhwa Peshawar letter No.2942-52/B-I dated 9/3/2017 that vehicles for transportation of Police and enumerator for organization of census within the Districts will be provided by Provincial Census Commissioner Peshawar and hiring charges will be paid by Police Department only for transportation of Police and FC personnel from other districts.

Deputy Commissioner Swat transferred Rs 9,350,000 to District Police Officer vide Cheque No. 0597379 dated 08.05.2017 on account of hiring charges of vehicles for movement of police personnel and Frontier Constabulary during National Census 2017. The District Police Officer Swat spent Rs 2,460,000 on hiring of vehicles for mess distribution whereas there was no provision of hiring for mess distribution as per policy and demand of the police department. Detail is as under:

| S.No | Description | Amount transferred to DPO as per his demand (Rs) | Total amount expended by the DPO (Rs) | Amount expended on hiring of vehicles for mess distribution (Rs) |
|-------------|--------------------|---|--|---|
| 01 | Hiring Charges | 9,350,000 | 3,045,000 | 2,460,000 |

Audit observed that inadmissible expenditure occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in July 2017, but reply was not furnished.

Request for convening DAC meeting was made in August 2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 31 (2016-17)

1.2.4.9 Unjustified supply of hot & cold weather charges before approval of contract- Rs 1.767 million

According to Notification of approval of rates vide NO.27081/DC/Nazar-II dated 21.12.2016, rate of Rs 1,120 for charcoal per 40 kg and rate of Rs 322 for firewood per 40 kg was approved by the Deputy Commissioner Swat.

Deputy Commissioner and District Officer Finance Swat spent Rs 5,730,619 on account of supply of firewood and charcoal for the period from 1st November 2016 to 15th April 2017 out of which supply of Rs 1,766,922 was unjustified as contract was approved on 21st December 2016 and hence supply before the date of approval was fictitious. Detail is as under:

| S.No | Nam of office | Total expenditure on firewood and charcoal (Rs) | Total admissible days from 01.11.2016 to 15.04.2017 (Rs) | Lapsed days up to the date of approval | Expenditure per day (Rs) | Amount of factitious supply (Rs) |
|--------------|---------------|---|--|--|--------------------------|----------------------------------|
| 01 | DC office | 4,970,480 | 120 | 37 | 41,420 | 1,532,564 |
| 02 | D.O. Finance | 760,139 | 120 | 37 | 6,334 | 234,358 |
| Total | | | | | | 1,766,922 |

Audit observed that unjustified expenditure occurred due to weak internal control which resulted in loss to the Government.

The irregularity was pointed out to the management in July 2017, but reply was not furnished.

Request for convening DAC meeting was made in August 2017, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 08(2016-17)

1.2.4.10 Loss to Government due to unnecessary withdrawal over & above the maximum demand of feeding charges- Rs 1.573 million

According to release order of the District Finance Swat vide No. 341/DO/F/3/Bud/2016-17/Vol:5 dated 16.04.2017 and Demand of Funds for National Census 2017, District wise break up vide Government of Khyber Pakhtunkhwa Finance Department No. FD/BO (PFC-II)1-5/2015-16/N-Salary dated 1403.2017 budget was allocated as per break up below:

| Description | Amount (Rs) |
|-----------------|-------------------|
| Feeding Charges | 22,169,000 |
| Hiring charges | 9,350,000 |
| Total | 31,519,000 |

Deputy Commissioner Swat withdrew Rs 31,519,000 from the Government treasury (District Account-IV) through simple receipt during the month of May 2017 vide Cheque No. 0597379 dated 08.05.2017 on account of hiring and feeding charges for National Census 2017. The amount was transferred to the District Police Officer Swat vide letter No. 11982 / DC / Dev / Census dated 10.05.2017. The District Police Officer Swat spent Rs 23,742,488 on feeding charges instead of Rs 22,169,000 (as per maximum demand of DPO and as per claim of the contractor as evident from his applications) due to which unnecessary amount of Rs 1,573,488 was withdrawn and hence misappropriation could not be ruled out. Detail is as under:

| S.No | Description | Amount transferred to DPO as per his demand (Rs) | Amount expended by the DPO (Rs) | Saving (Excess) (Rs) | Surrender to DC office (Rs) |
|------|-----------------|--|---------------------------------|----------------------|-----------------------------|
| 01 | Feeding Charges | 22,169,000 | 23,742,488 | (1,573,488) | 0 |
| 02 | Hiring Charges | 9,350,000 | 3,045,000 | 6,305,000 | 4,731,512 |
| | Total | 31,519,000 | 26,787,488 | 9,350,000 | 4,731,512 |

Audit observed that excess expenditure was occurred due to weak financial control which resulted in loss to the Government.

The irregularity was pointed out to the management in July 2017, but reply was not furnished.

Request for convening DAC meeting was made in August 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends fixing responsibility on the persons at fault for incurring excess expenditure over & above the maximum requirements.

AIR Para No. 29 (2016-17)

1.2.4.11 Overpayment due to missing flashlights and non-exclusion of income tax from PC-I- Rs 1.445 million

According to Para 23 of GFR Vol-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.

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 (MRS) 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.

Executive Engineer C&W Building Division Swat paid Rs 10,198,885 to M/S Gul Khan up to in 3rd running and final bill vide Voucher No. 65-MR dated 21.06.2017 for a work 'Establishment of playground at Kabal'. Overpayment of Rs 1,445,586 was made to the contractor due to missing of 22 flashlights and non deduction of income tax. As per bill, payment for 50 flashlights was made while 28 flashlights were actually installed at the site as physically verified and income

tax was neither deducted from the PC-I of the scheme nor deducted from the bill of the contractor. Detail is as under:

| S.No | Description | Quantity as per bill | Quantity as per site | Quantity missing | Rate (Rs) | Amount (Rs) | Location factor @ 1.08 | Total amount (Rs) |
|---|-------------------------------|----------------------|----------------------|------------------|-----------|-------------|------------------------|-------------------|
| 01 | S/F of Flash lights with Pols | 50 | 28 | 22 | 30,000 | 660,000 | 52,800 | 712,800 |
| Non deduction of income tax @ 7.5% from PC-I or bill (Rs 9,770,485 X 7.5%) | | | | | | | | 732,786 |
| Total overpayment | | | | | | | | 1,445,586 |

Audit observed that overpayment occurred due to weak financial control which resulted in loss to the Government.

The irregularity was pointed out to the management in November 2017, but reply was not furnished.

Request for convening DAC meeting was made in December 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon recovery and deposit into Government treasury under intimation to audit.

AIR Para No. 15 (2016-17) A/C-I

1.2.4.12 Overpayment due to wrong calculation and higher rate – Rs 1.356 million

According to Para 23 of GFR Vol-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.

Executive Engineer C&W Building Division Swat overpaid Rs 1,356,130 to contractors in five works due to wrong calculation and higher rates as per detail given below:

1. Overpayment of Rs 631,965 was made in 3rd running bill vide Voucher No. 38-M dated 20.06.2017 as less payment in 2nd running bill while there was no less payment in 2nd running bill.
2. Overpayment of Rs 435,283 was made in 3rd running bill as in 1st running bill vide Voucher No. 16-S dated 17.03.2017 income tax was deducted and then released in 3rd running bill.
3. Overpayment of Rs 159,605 was made in in 3rd running bill vide Voucher No. 60-SH dated 29.06.2017 as less payment in the previous bill while there was no less payment in the previous bill vide Voucher No. 36-SH dated 24.05.2017.
4. Overpayment of Rs 129,277 was made in 3rd running bill vide Voucher No. 38-M dated 20.06.2017 due to allowing higher rate as RCC in roof, slab, beam column type-c 1:2:4 of lesser rate of Rs 25,696.56 per 100 cft, already executed up to 2nd running bill for a quantity of 29.412 cft , was shown in minus and the same item of work i.e. RCC with the same nomenclature of higher rate of Rs 28,435.46 per 100 cft was shown executed with a quantity of 48.562 cft {48.435 cft x Rs 2,738.90 (Rs 28,435.46 – Rs 25,696.56) x1.08 minus 10% below}

Audit observed overpayment occurred due to weak internal control which resulted in loss to the Government.

The irregularity was pointed out to the management in November 2017, but reply was not furnished.

Request for convening DAC meeting was made in December 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon recovery and deposit into Government treasury.

AIR Para No. 25 (2016-17)A/C-I

1.2.4.13 Overpayment due to extra payment for polishing of marbles – Rs 1.339 million

According to item No. 10-40-a to 10.10-41-b of CSR and MRS, rate of item of work ‘Provide & lay marble fine dressed and polished stone dado or skirting in white cement complete’ includes polishing.

Executive Engineer C&W Building Division Swat overpaid Rs 1,338,683 to four contractors on account of extra payment for polishing to marbles whereas polishing was included in the composite rate of CSR/MRS in the item of work Marble flooring. Detail of overpayment is as under:

| S.No | Voucher No | Date | Name of work | Item of work | Quantity | Rate (Rs) | Amount (Rs) | |
|--------------|------------|------------|------------------------------------|---------------------------------------|------------|-----------|-------------|------------------|
| 01 | 52-S | 20.06.2017 | GHSS Udigram | Chemical Polishing of marble flooring | 8524 sft | 4 | 34,096 | |
| 02 | 74-MR | 23.06.2017 | GGDC Kanju Package A- First Floor | | 1784.89 M2 | 196 | 349,838 | |
| | | | GGDC Kanju Package A- Ground Floor | | 1791.17 | 196 | 351,069 | |
| 03 | 1-MR | 02.03.2017 | GGDC Kanju Package A- First Floor | | 3080 m2 | 196 | 603,680 | |
| Total | | | | | | | | 1,338,683 |

Audit observed that overpayment occurred due to violation of rules which resulted in loss to the Government.

The irregularity was pointed out to the management in November 2017, but reply was not furnished.

Request for convening DAC meeting was made in December 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery and deposit into Government treasury under intimation to audit.

AIR Para No. 19 (2016-17) A/C-I

1.2.4.14 Overpayment due to ignoring rebated rates and non-exclusion of income tax from PC-I – Rs 1.324 million

According to work order vide No. 5504/2-M dated 22.09.2015 and written statement of the contractor, 8% rebated rate willingly offered by the contractor on his bid cost.

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 (MRS) 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.

Executive Engineer C&W Building Division Swat paid Rs 5,798,285 to M/S Rasool Ahmad up to 3rd running bill vide Voucher No.9-MR dated 19.10.2017 for a work 'Up-gradation of GGMS Bar Shawar'. Overpayment of Rs 463,862 was made to the contractor due to ignoring rebated rates. The contractor had willingly offered 8 % rebated rates while payments were made on the rates originally offered by the contractor (Rs 5,798,285 x 8%). Moreover, income tax @ 7.5% was also not deducted in PC-I which further resulted overpayment of Rs 860,017 to the contractor (Rs 11,466,900 x less 7.5 %)

Audit observed that overpayment occurred due to weak financial control which resulted in loss to the Government.

The irregularity was pointed out to the management in November 2017, but reply was not furnished.

Request for convening DAC meeting was made in December 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon recovery and deposit into Government treasury under intimation to audit.

AIR Para No. 13 (2016-17) A/C-I

1.2.4.15 Overpayment due to allowing higher/incorrect rates - Rs 1.303 million

According to item No. 03-16-b, 03-17-a, 03-18-a and 03-18-b of MRS 2016, consolidated rate of earth filling brought from outside lead up to 1.5 km was Rs 619.77 as under:

| Item No of MRS 2016 | Particulars | Amount (Rs) |
|----------------------------|---|--------------------|
| 03-16-b | Filling, watering, ramming earth under floor excavated from outside lead up to 50 M | 212.55 |
| 03-17-a | Extra for every 25 M lead up to 250 M ($250-50=200/25=8 \times 5.96$) | 47.68 |
| 03-18-a | Transportation of earth all types beyond 250 m to 500 m | 141.04 |
| 03-18-b | Transportation of earth every 100 m extra lead beyond 500 m to 1.5 km ($1.5 \text{ km} = 1500 \text{ m} - 500 = 1000/100 = 10 \times 21.85 = 218.50$) | 218.50 |
| Total | | 619.77 |

Executive Engineer C&W Building Division Swat paid Rs 27,183,789 to M. Ishaq & Co. up to 6th running bill vide Voucher No. 53-SH dated 23.06.2017 for a work 'Standardization of GHSS Balogram'. Overpayment of Rs 1,302,614 was made to the contractor due to allowing incorrect/higher rates of MRS 2016 and excess payment for transportation of earth as per detail given at the annexure-13.

Audit observed that overpayment occurred due to weak financial control which resulted in loss to the Government.

The irregularity was pointed out to the management in November 2017, but reply was not furnished.

Request for convening DAC meeting was made in December 2017, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery and deposit into Government treasury under intimation to audit.

AIR Para No. 10 (2016-17) A/C-I

**1.2.4.16 Unjustified retention of savings of completed schemes-
Rs 1.005 million**

According to Para 95 of GFR volume I, all anticipated savings should be surrendered to Government well before close of financial year. No savings should be held in reserve for possible future excesses.

Executive Engineer PHE Division Swat did not refund savings of Rs 1,004,901 of completed schemes executed through deposit works. The saving was required to be refunded to the funding agency on completion of the schemes in time but the Department unnecessarily retained it in Deposit Account. Details at annexure-14.

Audit observed that savings were retained in deposit account due to weak financial management system which resulted in loss to the Government.

The irregularity was pointed out in October 2017, management stated that the savings will be refunded to the Government revenues and record will be shown to audit.

Request for convening DAC meeting was made in November 2017, however meeting of DAC could not be convened till finalization of this report.

Audit stresses upon credit of the savings to Government treasury under intimation to audit.

AIR Para No. 01 (2016-17) A/C-I

ANNEXURES

Annexure-1

Detail of MFDAC Paras

(Rs in million)

| S.No | Department | Subject | Amount |
|------|------------|---|--------|
| 01 | DC office | Non deposit of tender form fee into Government treasury – Rs 84,000 | 0.084 |
| 02 | DC office | Non deduction of stamp duty on supply of firewood and charcoal – Rs 50,069 | 0.050 |
| 03 | DC office | Overpayment of Patwarkhana Allowance due to incorrect rate – Rs 510,000 | 0.501 |
| 04 | DC office | Overpayment of Special Compensatory Allowance – Rs 208,467 | 0.208 |
| 05 | DC office | Overpayment on account of special pay, house rent and conveyance allowance – Rs 135,816 | 0.135 |
| 06 | DC office | Overpayment due to non-deduction of Benevolent Fund and Retirement Benefits and Death Compensation – Rs 90,900 | 0.090 |
| 07 | DC office | Irregular expenditure on improvement of Kabal Golf Course without open tender system – Rs 400,000 Illegal payment of unspent balance of grant in aid instead of surrender to Government - Rs 100,000 | 0.500 |
| 08 | DC office | Overpayment to contractor due to excess rate than admissible- Rs 311,025 | 0.311 |
| 09 | DC office | Non deposit of profit of designated bank PLS account - Rs 358,038 | 0.358 |
| 10 | DC office | Unauthorized payment of Sui Gas charges of Circuit House – Rs 321,120 | 0.321 |
| 11 | DC office | Loss to Government due to claim of excess rate and inadmissible entertainment charges – Rs 345,370 | 0.345 |
| 12 | DC office | Loss to Government due to payment for purchase of furniture and fixtures for Kalam cottage – Rs 250,000 | 0.250 |
| 13 | DC office | Unauthorized payment on account of hiring charges- Rs 360,000 | 0.360 |
| 14 | DHO office | Overpayment of HPA due to allowing higher rate at THQ Matta – Rs 720,000 | 0.720 |
| 15 | DHO office | Overpayment of Rural Compensatory Allowance – Rs 60,810 | 0.060 |
| 16 | DHO office | Overpayment due to allowing inadmissible annual increments for service of less than six months – Rs 531,685 | 0.532 |
| 17 | DHO office | Loss due to receipt of reduced quantity of medicines - Rs 548,400 | 0.548 |
| 18 | DHO office | Loss to Government due to payment for fake supply of syringes – Rs 421,300 | 0.421 |

| | | | |
|--------------|------------|--|---------------|
| 19 | DHO office | Loss due to non-deduction of income tax –Rs 556,893 | 0.557 |
| 20 | DHO office | Loss to Government due to non deposit of realized Government receipts -Rs 275,184 | 0.275 |
| 21 | DHO office | Loss due to non-deduction of stamp duty on purchase of equipment and medicines- Rs 652,027 | 0.652 |
| 22 | PHE | Excess expenditure over & above the permissible limit of Technical Sanctions - Rs 612,450 | 0.612 |
| 23 | PHE | Unauthorized payment of deducted income tax – Rs 177,120 | 0.177 |
| 24 | PHE | Unjustified charge of irrelevant expenditure to developmental schemes – Rs 927,050 | 0.927 |
| 25 | PHE | Loss to Government due to deduction of sales tax at lesser rate – Rs 186,896 | 0.186 |
| | PHE | Overpayment due to non deduction of house rent allowance – Rs 107,201 | 0.107 |
| | PHE | Unjustified expenditure on use of hot & cold weather charges – Rs 120,000 | 0.120 |
| | PHE | Unauthorized expenditure on POL charges without sanction of the competent authority Rs 333,000 | 0.333 |
| 26 | C&W | Overpayment due to allowing incorrect rate for steel – Rs 101,958 | 0.101 |
| 27 | C&W | Non deduction of income tax – Rs 500,000 | 0.500 |
| 28 | C&W | Excess expenditure over & above the permissible limit of Technical Sanction - Rs 212,525 | 0.212 |
| 29 | C & W | Double drawl on purchase of CGI Sheets and wooden trusses – Rs 369,188 | 0.369 |
| 30 | C & W | Overpayment on account of conveyance Allowance Rs 137,080 | 0.137 |
| 32 | C&W | Unnecessary blockage of Government money – Rs 157.610 million | 0.157 |
| Total | | | 11.216 |

Annexure-2
Para 1.2.3.4

Detail of non deposit of additional securities and non forfeiture of call deposit of 7 works

| S.No | Notice No. | Date | Name of work | Estimated cost (Rs) | Bid cost (Rs) | Additional security (Rs) | Tender date | Contractor |
|--------------|------------|------------|--|---------------------|-------------------|--------------------------|-------------|------------------|
| 01 | 14/30716 | 26.10.2015 | Streets pavement, Installation of Pipes and Culverts in all UC of Swat | 26,000,000 | 21,598,000 | 4,402,000 | 09.09.2015 | Anwar Ali |
| 02 | 15/30716 | 04.03.2016 | WSS Shakardara | 1,414,158 | 819,369 | 624,789 | 17.02.2016 | M/S Jagg and Co. |
| 03 | 16/30716 | 04.03.2016 | WSS Shin | 25,700,000 | 24,184,021 | 1,515,978 | 23.02.2016 | Rehmat Munir |
| 04 | 08/30716 | 04.03.2016 | WSS Shin | 26,200,000 | 24,184,021 | 2,015,979 | 23.02.2016 | Rehmat Munir |
| 05 | 08/30716 | 10.03.2016 | SS in U/C Arkot | 3,753,000 | 2,973,691 | 779,309 | 17.02.2016 | Khan Bahadar |
| 06 | 07/30716 | 10.03.2016 | SS in UC Panr Guldada | 6,318,000 | 5,255,616 | 1,062,384 | 17.02.2016 | Khan Bahadar |
| 07 | 06/30716 | 10.03.2016 | SS in UC Landi Kass Malakanan | 6,613,000 | 5,235,402 | 1,377,598 | 17.02.2016 | Khan Bahadar |
| Total | | | | 95,998,158 | 84,250,120 | 11,778,037 | | |

Annexure-3
Para 1.2.3.5

Statement showing detail of income tax deduction at lesser rates during 2016-17

| S.No | Name of contractor/ Consultant | Nature of transaction | Status | Payment during 2016-17 (Rs) | Required income tax | | Deducted income tax | | Difference (Rs) |
|--------------|-----------------------------------|-----------------------|--|-----------------------------|---------------------|-------------------|---------------------|-------------------|------------------|
| | | | | | Rate | Amount (Rs) | Rate | Amount (Rs) | |
| 01 | JV-CIV Tech Associates | Services | Consultants (other than company) - Non filer | 3,669,087 | 15% | 550,363 | 7.5% | 275,181 | 275,182 |
| 02 | PEPAC | Services | Consultants (other than company) - Non filer | 1,006,213 | 15% | 150,931 | 7.5% | 75,465 | 75,465 |
| 03 | MEINHARDT Pak Ltd | Services | Consultants (other than company) - Non filer | 2,805,498 | 15% | 420,824 | 7.5% | 210,412 | 210,412 |
| 04 | NESPAK | Services | Consultants (Company) - filer | 14,256,236 | 8% | 1,140,498 | 7.5% | 1,069,217 | 71,281 |
| 05 | Sitara Engineering | Contracts | Company Non filer | 18,005,156 | 10% | 1800,515 | 7.5% | 1,350,386 | 450,128 |
| 06 | M/S Lutaf Ali | Contracts | Individual Non filer | 23,400,035 | 10% | 2,340,003 | 7.5% | 1,755,002 | 585,000 |
| 07 | Hamid Jan & Brothers | Contracts | Individual Non filer | 59,370,152 | 10% | 5,937,015 | 7.5% | 4,452,761 | 1,484,253 |
| 08 | Farukh Faheem Awan | Contracts | Individual Non filer | 11,155,910 | 10% | 1,115,591 | 7.5% | 836,693 | 278,897 |
| 09 | Ikramullah | Contracts | Individual Non filer | 72,849,540 | 10% | 7,284,954 | 7.5% | 5,463,715 | 1,821,238 |
| 10 | M. Ishaq & Co | Contracts | Individual Non filer | 21,082,594 | 10% | 2,108,259 | 7.5% | 1,581,194 | 527,065 |
| 11 | Holly Wood Construction | Contracts | Individual Non filer | 3,319,530 | 10% | 331,953 | 7.5% | 248,964 | 82,988 |
| Total | | | | 230,919,951 | | 23,180,906 | | 17,318,990 | 5,861,909 |

| S.No | Name of contractor/ consultant | Status | Payment up to 30.04.2016 (Rs) | Required deduction of Income tax (Rs) | | Deducted income tax (Rs) | | Less deduction/ recoverable amount (Rs) |
|--------------|-----------------------------------|--------------|-------------------------------------|---|------------------|-----------------------------|------------------|---|
| | | | | Rate | Amount | Rate | Amount | |
| 01 | M/S Engineering Associates | Non filer | 3,795,901 | 10% | 379,590 | 6% | 227,753 | 151,837 |
| 02 | JV CIV Tech: Associate | Non filer | 2,500,000 | 15% | 375,000 | 10% | 250,000 | 125,000 |
| 03 | JV CIV Tech: Associate | Non filer | 2,550,050 | 15% | 382,508 | 10% | 255,005 | 127,503 |
| 04 | PEPAC | Non filer | 3,370,000 | 10% | 337,000 | 7% | 235,900 | 101,100 |
| 05 | M/S Engineering Associates | Non filer | 506,792 | 10% | 50,679 | 7% | 35,475 | 15,204 |
| Total | | | 12,722,743 | | 1,524,777 | | 1,004,133 | 520,644 |

Annexure-4
Para 1.2.3.12

Detail of overpayments of HPA and Conveyance Allowance during the period of leave

| S. No | Name | Designation | Place of posting | Leave in days | Effective date | Overpayment during leave (Rs) | | |
|-------|-----------------|----------------------|------------------|---------------|----------------|-------------------------------|------------|--------|
| | | | | | | HPA | Conveyance | Total |
| 01 | Dr. Karimullah | Medical Officer B-17 | THQ Matta | 16 | 21.04.2017 | 33,066 | 2667 | 35,733 |
| 02 | Dr. Liaqat Ali | Medical Officer B-17 | THQ Matta | 25 | 22.06.2016 | 50,000 | 4167 | 54,167 |
| 03 | Shama Bibi | Charge Nurse B-16 | THQ Matta | 90 | 01.02.2017 | 30,000 | 15,000 | 45,000 |
| 04 | Saifullah | Charge Nurse B-16 | THQ Matta | 12 | 31.01.2017 | 4,285 | 1935 | 6220 |
| | | | | 30 | 31.06.2016 | 10,000 | 5000 | 15,000 |
| 05 | Zubaida | Charge Nurse B-16 | THQ Matta | 10 | 05.06.2017 | 3,333 | 1667 | 5000 |
| 06 | Shamim Akhtar | Charge Nurse B-16 | THQ Matta | 90 | 06.12.2016 | 30,000 | 15,000 | 45,000 |
| 07 | Bano Aziz | Charge Nurse B-16 | THQ Matta | 40 | 10.11.2016 | 13,333 | 6,667 | 20,000 |
| 08 | Dr. Ali Murad | Medical Officer B-17 | THQ Kh: Khela | 25 | 24.08.2016 | 51,667 | 4167 | 55,834 |
| 09 | Dr. Mustafa | Medical Officer B-17 | THQ Kh: Khela | 14 | 12.01.2017 | 28,000 | 2258 | 30,258 |
| 10 | Dr. Uzma Mir | Medical Officer B-17 | THQ Kh: Khela | 15 | 15.08.2016 | 30,000 | 2419 | 32,419 |
| 11 | Dr. Anwarul Haq | Medical Officer B-17 | THQ Kh: Khela | 10 | 19.09.2016 | 20,667 | 1667 | 22,334 |
| 12 | Sonia Hamid | Charge Nurse B-16 | THQ Kh: Khela | 90 | 30.10.2016 | 30,000 | 15,000 | 45,000 |
| 13 | Bibi Zakia | Charge Nurse B-16 | THQ Kh: Khela | 180 | 27.07.2016 | 60,000 | 30,000 | 90,000 |
| 14 | Farida | Charge Nurse B-16 | THQ Kh: Khela | 90 | 06.03.2017 | 30,000 | 15,000 | 45,000 |
| 15 | Hussan Bano | Charge Nurse B-16 | THQ Kh: Khela | 45 | 12.05.2017 | 15,000 | 7,500 | 22,500 |
| 16 | Reshma | Charge | THQ Kh: | 90 | 30.06.2016 | 30,000 | 15,000 | 45,000 |

| | | | | | | | | |
|----|----------------------|--------------------------|---------------|----|------------|---------|--------|---------|
| | Begum | Nurse B-16 | Khela | | | | | |
| 17 | Bibi Zahida | Charge Nurse B-16 | THQ Kh: Khela | 20 | 03.03.2017 | 6667 | 3333 | 10,000 |
| 18 | Musarat Begum | Charge Nurse B-16 | THQ Kh: Khela | 45 | 19.08.2016 | 15,000 | 7,500 | 22,500 |
| 19 | Najma | Charge Nurse B-16 | THQ Kh: Khela | 90 | 19.06.2016 | 30,000 | 15,000 | 45,000 |
| 20 | Nazia | Charge Nurse B-16 | CH Madyan | 90 | 01.07.2016 | 30,000 | 15,000 | 45,000 |
| 21 | Meraj Umar | Charge Nurse B-16 | CH Madyan | 90 | 09.09.2016 | 30,000 | 15,000 | 45,000 |
| 22 | Kaloom Bibi | Charge Nurse B-16 | CH Madyan | 30 | 06.02.2017 | 10000 | 5000 | 15,000 |
| | | | | 15 | 25.07.2016 | 5,000 | 2500 | 7,500 |
| 23 | Hamayum Bibi | Charge Nurse B-16 | CH Madyan | 90 | 06.10.2016 | 30,000 | 15,000 | 45,000 |
| 24 | Dr. Saeedullah | SMO B-18 | CH Madyan | 60 | 24.08.2016 | 124,000 | 10,000 | 134,000 |
| 25 | Jehan Pari | Charge Nurse B-16 | CH Kabal | 90 | 08.04.2017 | 30,000 | 15,000 | 45,000 |
| 26 | Dr. Farooq Ahmad | Medical Officer B-17 | CH Kabal | 45 | 16.08.2016 | 93,000 | 7,500 | 100,500 |
| 27 | Shah Naz | Charge Nurse B-16 | CH Kabal | 90 | 03.12.2016 | 30,000 | 15,000 | 45,000 |
| 28 | Dr. Barkat Hussain | Children Specialist B-18 | CH Kabal | 30 | 04.06.2016 | 80,000 | 5,000 | 85,000 |
| 29 | Dr. Naveedullah Khan | Medical Officer B-17 | CH Kabal | 15 | 01.02.2017 | 38,572 | 2678 | 41,250 |
| 30 | Dr. Naheed Akhtar | WMO B-17 | CH Kabal | 10 | 03.08.2016 | 23,226 | 1613 | 24,839 |
| 31 | Dr. Iqbal Ahmad | MO B-17 | CH Kabal | 45 | 24.08.2016 | 108,000 | 7,500 | 115,500 |
| 32 | Shabana | Charge Nurse B-16 | RHC Chuprial | 44 | 22.04.2017 | 15,000 | 7,500 | 22,500 |
| 33 | Maryam | Charge Nurse B-16 | RHC Deolai | 90 | 22.08.2016 | 30,000 | 15,000 | 45,000 |
| 34 | Farhat Akhtar | Charge Nurse B-16 | CH Barikot | 24 | 23.01.2017 | 7742 | 3821 | 11663 |
| 35 | Momin Khan | Charge Nurse B-16 | CH Barikot | 20 | 04.03.2017 | 6451 | 3226 | 9677 |
| 36 | Nasrin Begum | Charge Nurse B-16 | THQ Matta | 90 | 06.12.2016 | 30,000 | 15,000 | 45,000 |
| 37 | Amani Room | PHC Technician | RHC KH: Khela | 10 | 02.01.2017 | 3333 | 921 | 4,254 |

| | | | | | | | | |
|--------------|------------------|--------------------|------------------|----|------------|------------------|----------------|------------------|
| | | PM | | | | | | |
| 38 | Sajid Ali | PHC Technician EPI | BHU Mashkomai | 10 | 21.12.2016 | 3333 | 921 | 4,254 |
| 39 | Niaz Ali | Word Orderly | CH KH: Khela | 10 | 01.12.2016 | 0 | 595 | 595 |
| 40 | Mohabat Khan | Dental Attendant | | 10 | 06.02.2016 | 0 | 595 | 595 |
| 41 | Alhamia | Dai | BHU Chail | 30 | 27.12.2016 | 0 | 1785 | 1785 |
| 42 | M. Islam | Sweeper | RHC Chuprial | 10 | 18.01.2017 | 0 | 1785 | 1785 |
| 43 | M. Ibrahim | PHC Technician MP | EPI | 30 | 10.06.2017 | 10,000 | 2856 | 12,856 |
| 44 | Kalsoon Bibi | PHC Technician | BHU Darmai | 45 | 25.05.2017 | 15,000 | 4,284 | 19,284 |
| 45 | Nooreen Syed | PHC Technician | BHU Talang | 10 | 02.06.2017 | 3333 | 921 | 4,254 |
| 46 | Afroz Bibi | PHC Technician | CD Amankot | 10 | 21.05.2017 | 3333 | 921 | 4,254 |
| 47 | Shama Naz | PHC Technician | BHU Rahatkot | 45 | 26.05.2017 | 15,000 | 4,284 | 19,284 |
| 48 | Noreen Syed | PHC Technician | | 10 | 13.06.2017 | 3333 | 921 | 4,254 |
| 49 | Hazrat Bilal | Sweeper | TB Control | 25 | 05.04.2017 | 0 | 1487 | 1487 |
| 50 | Afroz Bibi | PHC Technician | CD Amankot | 10 | 01.06.2017 | 3333 | 921 | 4,254 |
| 51 | Rosina | PHC Technician | RHC Deolai | 45 | 02.05.2017 | 15,000 | 4,284 | 19,284 |
| 52 | Raham Sher | Beshti | BHU Bandai | 10 | 01.06.2017 | 0 | 595 | 595 |
| 53 | Husan Ara | PHC Technician | RHC Deolai | 45 | 22.05.2017 | 15,000 | 4,284 | 19,284 |
| 54 | M. Ismail | PHC Technician | CD Totano Bandai | 10 | 08.06.2017 | 3333 | 921 | 4254 |
| 55 | Sawaira | Charge Nurse | CH Madyan | 10 | 26.05.2017 | 3333 | 1667 | 5000 |
| 56 | Hira Noor | F. CT Radiology | THQ Kh: Khela | 45 | 29.06.2017 | 15,000 | 4,284 | 19,284 |
| 57 | Sartaj Begum | PHC Technician | BHU Sigram | 30 | 02.12.2016 | 10,000 | 5000 | 15,000 |
| 58 | Sartaj Ur Rehman | PHC Technician | EPI | 25 | 26.12.2016 | 8,333 | 1,587 | 9,820 |
| 59 | Faisal Hussain | RHC Technician | MP EPI | 20 | 08.12.2016 | 6667 | 1904 | 8571 |
| Total | | | | | | 1,378,673 | 380,008 | 1,758,681 |

Annexure-5
Para 1.2.3.14

Detail of expenditure over & above delegated powers

| S.No | Sanction No. & date accorded by DC | Amount (Rs) | Nature of items | Remarks |
|----------------------------------|---|------------------|---------------------|--------------------------|
| 01 | 26780/DC(Swat) Nazir dated 16.12.2016 | 34,000 | Non-recurring items | No power over Rs 30,000 |
| 02 | 27782/DC (Swat) Nazir dated 30.12.2016 | 30,000 | | |
| 03 | 27701/DC(Swat) Nazir dated 30.12.2016 | 98,900 | | |
| 04 | 12652-53/DC(Swat) Nazir dated 17.05.2017 | 49,351 | | |
| 05 | 12656-57/DC(Swat) Nazir dated 17.05.2017 | 50,000 | | |
| 06 | 12654-55/DC(Swat) Nazir dated 17.05.2017 | 49,850 | | |
| 07 | Nil dated nil- not recorded on the sanction | 49,900 | | |
| 08 | 12669/DC(Swat) Nazir dated 17.05.2017 | 49,960 | | |
| 09 | 12660/DC(Swat) Nazir dated 17.05.2017 | 49,900 | | |
| 10 | 12671/DC(Swat) Nazir dated 17.05.2017 | 50,000 | | |
| 11 | 12673/DC(Swat) Nazir dated 17.05.2017 | 50,000 | | |
| 12 | 12658/DC(Swat) Nazir dated 17.05.2017 | 50,000 | | |
| 13 | 12662/DC(Swat) Nazir dated 17.05.2017 | 49,800 | | |
| 14 | 12794/DC(Swat) Nazir dated 17.05.2017 | 49,900 | | |
| | Nil dated nil- not recorded on the sanction | 500,000 | | |
| Total non-recurring items | | 1,211,561 | | |
| 15 | 20399/DC(Swat) Nazir dated 15.09.2016 | 25,175 | Recurring items | No powers over Rs 10,000 |
| 16 | 20401/DC(Swat) Nazir dated 15.09.2016 | 25,045 | | |
| 17 | 10675-76/DC(Swat) Nazir dated 13.01.2017 | 30,383 | | |
| 18 | 1910/DC(Swat) Nazir dated 25.01.2017 | 27,100 | | |

| | | | | |
|--------------------|---|------------------|--|--|
| 19 | 9561-62/DC(Swat) Nazir dated 13.04.2017 | 27,155 | | |
| 20 | 9559-60/DC(Swat) Nazir dated 13.04.2017 | 28,995 | | |
| 21 | 9557-58/DC(Swat) Nazir dated 13.04.2017 | 27,115 | | |
| 22 | 12283-84/DC(Swat) Nazir dated 15.05.2017 | 29,945 | | |
| Total | | 220,913 | | |
| Grand total | | 1,432,474 | | |

Annexure-6
Para 1.2.3.15

Statement showing detail of professional tax for the financial year 2016-17

| S.No | Name of Contractor | Amount Paid (Rs) | Professional Tax (Rs) |
|-------------|-----------------------------|-------------------------|------------------------------|
| 01 | Muzafarul Mulk | 98,932,073 | 100,000 |
| 02 | Anwar Ali | 25,408,659 | 30,000 |
| 03 | Afarin Khan | 28,249,125 | 30,000 |
| 04 | Maghaz Hussain | 1,467,295 | 7,000 |
| 05 | Tilawat Khan | 39,581,996 | 30,000 |
| 06 | Abdul Malik | 5,576,587 | 18,000 |
| 07 | Akhtar Salim | 13,025,192 | 25,000 |
| 08 | Muhammad Kamran | 10,867,060 | 25,000 |
| 09 | M/S Alabad Construction | 3,360,538 | 18,000 |
| 10 | Nadar Shah | 58,144,228 | 100,000 |
| 11 | Mujahid | 4,064,410 | 18,000 |
| 12 | Muhammad Rahman | 22,635,410 | 25,000 |
| 13 | M/S Ali Building | 11,569,316 | 25,000 |
| 14 | Shaukat Ali | 1,743,528 | 3000 |
| 15 | Khan Bahadar | 22,805,343 | 25,000 |
| 16 | M/S Mohsin | 19,057,995 | 25,000 |
| 17 | Sher Mehmood | 8,183,665 | 18,000 |
| 18 | Muhammad Salim Shah | 10,186,623 | 25,000 |
| 19 | Haji Sarwar Jan | 77,208,391 | 100,000 |
| 20 | Bakhtyar Ahmad | 32,090,940 | 30,000 |
| 21 | Muhammad Adnan | 3,299,344 | 18,000 |
| 22 | Fawad Iqbal | 3,727,186 | 18,000 |
| 23 | Kamil Shah | 5,646,013 | 18,000 |
| 24 | Rehmat Munir | 25,186,743 | 25,000 |
| 25 | Numan Khan | 14,627,239 | 25,000 |
| 26 | Samiullah | 6,998,130 | 18,000 |
| 27 | Muhammad Hanif | 13,130,922 | 25,000 |
| 28 | Ali Sher Khan | 11,924,055 | 25,000 |
| 29 | Hamid khan | 11,883,928 | 25,000 |
| 30 | Sardar Muhammad | 7,744,651 | 18,000 |
| 31 | M/S Sky Green Engineering | 12,703,984 | 25,000 |
| 32 | Saifullah | 26,156,512 | 30,000 |
| 33 | Habib Ullah & Sons | 3,708,566 | 18,000 |
| 34 | Farooq | 2,441,566 | 7,000 |
| 35 | Fazal Khaliq | 5,993,267 | 18,000 |
| 36 | M/S Best Target Engineering | 17,478,096 | 25,000 |
| 37 | Afzal Shah | 2,216,943 | 7,000 |

| | | | |
|--------------|------------------------|--------------------|------------------|
| 38 | Mukarram Shah | 7,755,575 | 18,000 |
| 39 | Waqar Ahmad | 2,662,903 | 18,000 |
| 40 | Bakht Sher Ali | 7,146,285 | 18,000 |
| 41 | Fida Hussain | 2,429,079 | 7,000 |
| 42 | Muhammad Ali Shah | 2,801,057 | 18,000 |
| 43 | Imtiaz Ali Khan | 3,355,425 | 18,000 |
| 44 | M/S Crown Construction | 11,705,117 | 10,000 |
| 45 | Ibni Amin | 3,627,709 | 18,000 |
| 46 | Sardar Hussain | 1,476,422 | 7,000 |
| 47 | M/S Jamal Khail | 8,314,314 | 18,000 |
| 48 | Bilal Khan | 2,376,220 | 7,000 |
| 49 | TSK Engineering | 5,976,380 | 18,000 |
| 50 | M/S MAK Pumps | 4,519,666 | 18,000 |
| 51 | M/S Pak Dost Boring | 3,137,561 | 18,000 |
| 52 | M/S Jagg & Co. | 7,243,588 | 18,000 |
| 53 | Muhammad Karam | 3,544,432 | 18,000 |
| 54 | Iqbal Hussain | 12,883,884 | 25,000 |
| 55 | Usman Ghani | 1,917,124 | 7,000 |
| 56 | Ghani Rehman | 5,757,020 | 18,000 |
| 57 | Fazal Karim | 9,389,880 | 18,000 |
| 58 | M/S Younis Engineering | 4,706,496 | 18,000 |
| Total | | 781,751,656 | 1,355,000 |

Annexure-7
Para 1.2.3.16

Statement showing detail of DPR funds for the financial year 2016-17

| S.No | Name of Contractor | Amount Paid (Rs) | DPR fund (Rs) |
|------|-----------------------------|------------------|---------------|
| 01 | Muzafarul Mulk | 9,8932,073 | 18,000 |
| 02 | Anwar Ali | 25,408,659 | 50,000 |
| 03 | Afarin Khan | 28,249,125 | 56,000 |
| 04 | Maghaz Hussain | 1,467,295 | 2000 |
| 05 | Tilawat Khan | 39,581,996 | 78,000 |
| 06 | Abdul Malik | 5,576,587 | 10,000 |
| 07 | Akhtar Salim | 13,025,192 | 26,000 |
| 08 | Muhammad Kamran | 10,867,060 | 20,000 |
| 09 | M/S Alabad Construction | 3,360,538 | 6000 |
| 10 | Nadar Shah | 58,144,228 | 116,000 |
| 11 | Mujahid | 4,064,410 | 8000 |
| 12 | Muhammad Rahman | 22,635,410 | 44,000 |
| 13 | M/S Ali Building | 11,569,316 | 22,000 |
| 14 | Shaukat Ali | 1,743,528 | 2000 |
| 15 | Khan Bahadar | 22,805,343 | 44,000 |
| 16 | M/S Mohsin | 19,057,995 | 38,000 |
| 17 | Sher Mehmood | 8,183,665 | 16,000 |
| 18 | Muhammad Salim Shah | 10,186,623 | 20,000 |
| 19 | Haji Sarwar Jan | 77,208,391 | 154,000 |
| 20 | Bakhtyar Ahmad | 32,090,940 | 64,000 |
| 21 | Muhammad Adnan | 3,299,344 | 6000 |
| 22 | Fawad Iqbal | 3,727,186 | 6000 |
| 23 | Kamil Shah | 5,646,013 | 10,000 |
| 24 | Rehmat Munir | 25,186,743 | 50,000 |
| 25 | Numan Khan | 14,627,239 | 28,000 |
| 26 | Samiullah | 6,998,130 | 12,000 |
| 27 | Muhammad Hanif | 13,130,922 | 26,000 |
| 28 | Ali Sher Khan | 11,924,055 | 22,000 |
| 29 | Hamid khan | 11,883,928 | 22,000 |
| 30 | Sardar Muhammad | 7,744,651 | 14,000 |
| 31 | M/S Sky Green Engineering | 12,703,984 | 24,000 |
| 32 | Saifullah | 26,156,512 | 52,000 |
| 33 | Habib Ullah & Sons | 3,708,566 | 6000 |
| 34 | Farooq | 2,441,566 | 4000 |
| 35 | Fazal Khaliq | 5,993,267 | 10,000 |
| 36 | M/S Best Target Engineering | 17,478,096 | 34,000 |
| 37 | Afzal Shah | 2,216,943 | 4000 |

| | | | |
|--------------|------------------------|--------------------|------------------|
| 38 | Mukarram Shah | 7,755,575 | 14,000 |
| 39 | Waqar Ahmad | 2,662,903 | 4000 |
| 40 | Bakht Sher Ali | 7,146,285 | 14,000 |
| 4 | Fida Hussain | 2,429,079 | 4000 |
| 142 | Muhammad Ali Shah | 2,801,057 | 4000 |
| 43 | Imtiaz Ali Khan | 3,355,425 | 6000 |
| 44 | M/S Crown Construction | 11,705,117 | 22,000 |
| 45 | Ibni Amin | 3,627,709 | 6000 |
| 46 | Sardar Hussain | 1,476,422 | 2000 |
| 47 | M/S Jamal Khail | 8,314,314 | 16,000 |
| 48 | Bilal Khan | 2,376,220 | 4000 |
| 49 | TSK Engineering | 5,976,380 | 10,000 |
| 50 | M/S MAK Pumps | 4,519,666 | 8000 |
| 51 | M/S Pak Dost Boring | 3,137,561 | 6000 |
| 52 | M/S Jagg & Co. | 7,243,588 | 14,000 |
| 53 | Muhammad Karam | 3,544,432 | 6000 |
| 54 | Iqbal Hussain | 12,883,884 | 24,000 |
| 55 | Usman Ghani | 1,917,124 | 2000 |
| 56 | Ghani Rehman | 5,757,020 | 10,000 |
| 57 | Fazal Karim | 9,389,880 | 18,000 |
| 58 | M/S Younis Engineering | 4,706,496 | 8,000 |
| Total | | 781,751,656 | 1,326,000 |

Annexure-8
Para 1.2.3.20

**Detail of overpayment of Health Professional Allowance given to EPI technicians of
BPS 06 & 09 and others who were not entitled.**

| Cost center | Pers.no. | Name | BPS | Designation | Allowance | Total during 2016-17 (Rs) |
|---------------|----------|-------------------------|-----|------------------|-----------|---------------------------|
| DHO (EPI) | 375994 | SARDAR ALI | 6 | EPI Tech: | HPA | 50,000.00 |
| | 507580 | RAHMAT KHAN | 6 | EPI Tech: | HPA | 40,000.00 |
| | 824883 | MR IHSANULLAH | 6 | EPI Tech: | HPA | 50,000.00 |
| | 824885 | ZEWAR KHAN | 6 | EPI Tech: | HPA | 50,000.00 |
| | 824886 | MR ALAMA IQBAL | 6 | EPI Tech: | HPA | 50,000.00 |
| | 824895 | MR ANWAR UL HAQ | 6 | EPI Tech: | HPA | 50,000.00 |
| | 824897 | MR ABDUL KABIR KHAN | 6 | EPI Tech: | HPA | 50,000.00 |
| | 824902 | MR SYED WAJID ALI | 6 | EPI Tech: | HPA | 50,000.00 |
| | 824904 | MR FAZAL HADI | 6 | EPI Tech: | HPA | 50,000.00 |
| | 824905 | MR MUHAMMAD SHOAIB | 6 | EPI Tech: | HPA | 50,000.00 |
| | 824906 | MR SEEMA ZAMAN | 6 | EPI Tech: | HPA | 50,000.00 |
| | 827341 | MR SAQIB BACHA | 6 | EPI Tech: | HPA | 50,000.00 |
| | 827730 | MR SADAQAT HUSSAIN SHAH | 6 | EPI Tech: | HPA | 50,000.00 |
| | 845212 | FATEH MOHAMMAD | 6 | Cold Chain Tech: | HPA | 10,000.00 |
| DHO (BHU) | 70775 | SHAUKAT ALI | 9 | CLINICAL Tech: | HPA | 120,000.00 |
| | 71776 | SHAKILA | 9 | JR PHC Tech: | HPA | 120,000.00 |
| | 297714 | LUBNA ALAM | 9 | JR PHC Tech: | HPA | 120,000.00 |
| DHO (Malaria) | 68127 | FAZAL MABOOD | 5 | Lab. Attendant | HPA | 50,000.00 |
| Total | | | | | | 1,060,000 |

Annexure-9
Para 1.2.3.21

Statement showing detail of income tax deducted at lesser rates during 2016-17

| S.No | Voucher No. | Date | Deducted income tax (Rs) | | Required deduction (Rs) | | Difference (Rs) | Name of contractor |
|------|-------------|------------|--------------------------|----------|-------------------------|----------|-----------------|--------------------------|
| | | | Amount | Rate (%) | Amount | Rate (%) | | |
| 01 | 17-M | 16.09.2016 | 158,865 | 7.5 | 211,821 | 10 | 52,956 | Haji Sarwar Jan & Sons |
| 02 | 2-M | 04.10.2016 | 84,556 | 7.5 | 112,741 | 10 | 28,185 | M/S Younis Engineering |
| 03 | 6-M | 05.10.2016 | 118,789 | 7.5 | 158,385 | 10 | 39,596 | M/S Younis Engineering |
| 04 | 5-M | 02.11.2016 | 60,000 | 7.5 | 80,000 | 10 | 20,000 | M/S Younis Engineering |
| 05 | 12-M | 23.11.2016 | 64,882 | 7.5 | 86,509 | 10 | 21,627 | M/S Younis Engineering |
| 06 | 22-M | 19.12.2016 | 61,782 | 7.5 | 82,376 | 10 | 20,594 | M/S Younis Engineering |
| 07 | 23-M | 23.01.2017 | 159,211 | 7.5 | 212,281 | 10 | 53,070 | M/S Younis Engineering |
| 08 | 22-M | 10.04.2017 | 75,000 | 7.5 | 100,000 | 10 | 25,000 | M/S Younis Engineering |
| 09 | 43-M | 08.06.2017 | 219,028 | 7.5 | 292,037 | 10 | 73,009 | M/S Younis Engineering |
| 10 | 60-M | 13.06.2017 | 40,500 | 7.5 | 54,000 | 10 | 13,500 | M/S JDS Engineering Work |
| 11 | 66-M | 14.06.2017 | 54,151 | 7.5 | 72,201 | 10 | 18,050 | M/S Younis Engineering |
| 12 | 22-S | 05.08.2016 | 19,108 | 7.5 | 25,477 | 10 | 6,369 | Numir Shah |
| 13 | 30-S | 08.08.2016 | 113,440 | 7.5 | 151,253 | 10 | 37,813 | M/S Abdul Malik |
| 14 | 1-S | 01.09.2016 | 117,682 | 7.5 | 156,909 | 10 | 39,227 | Haji Sarwar Jan |
| 15 | 2-S | 01.09.2016 | 55,804 | 7.5 | 74,405 | 10 | 18,601 | Haji Sarwar Jan |
| 16 | 6-S to 9- | 02.09.2016 | 12,101 | 7.5 | 16,134 | 10 | 4033 | M/S Zada |

| | | | | | | | | |
|--------------|--------------|------------|------------------|-----|------------------|----|------------------|--------------------|
| | S | | | | | | | & Co. |
| 17 | 23-S | 05.09.2016 | 23,592 | 7.5 | 31,456 | 10 | 7864 | Shah & Sons |
| 18 | 12-S | 06.10.2016 | 25,580 | 7.5 | 34,106 | 10 | 8526 | Adnan Najeeb |
| 19 | 13-S | 06.10.2016 | 104,539 | 7.5 | 139,385 | 10 | 34,846 | Fazal Khaliq |
| 20 | 34-S | 13.10.2016 | 80,546 | 7.5 | 107,394 | 10 | 26,848 | Haji Sarwar Jan |
| 21 | 51-S | 14.12.2016 | 16,882 | 7.5 | 222,509 | 10 | 5627 | Adnan Najeeb |
| 22 | 31-S | 07.02.2017 | 41,332 | 7.5 | 55,109 | 10 | 13,777 | Fazal Khaliq |
| 23 | 32-S | 07.02.2017 | 93,694 | 7.5 | 124,925 | 10 | 31,231 | Fazal Khaliq |
| 24 | 25-S | 07.04.2017 | 52,221 | 7.5 | 69,628 | 10 | 17,407 | Fazal Khaliq |
| 25 | 24-S | 06.06.2017 | 20,794 | 7.5 | 27,725 | 10 | 6931 | Fazal Khaliq |
| 26 | 78-S to 81-S | 14.06.2017 | 152,028 | 4.5 | 337,840 | 10 | 185,812 | Pak Atlantic Pumps |
| 27 | 100-S | 15.06.2017 | 36,000 | 4.5 | 80,000 | 10 | 44,000 | JDS Engineering |
| 28 | 101-S | 15.06.2017 | 18,000 | 4.5 | 40,000 | 10 | 22,000 | Pak Atlantic Pumps |
| 29 | 102-S | 15.06.2017 | 40,500 | 4.5 | 90,000 | 10 | 49,500 | Pak Atlantic Pumps |
| 30 | 103-S | 15.06.2017 | 45,000 | 4.5 | 100,000 | 10 | 55,000 | Pak Atlantic Pumps |
| 31 | 111-S | 15.06.2017 | 62,934 | 7.5 | 83,912 | 10 | 20,978 | Pak Atlantic Pumps |
| 32 | 126-S | 16.06.2017 | 22,274 | 7.5 | 29,698 | 10 | 7,424 | Fazal Khaliq |
| Total | | | 2,250,815 | | 3,460,216 | | 1,009,401 | |

Annexure-10
Para 1.2.4.1

Detail of non-recovery of water charges as on 30.06.2017- PHE Swat

| S.No | Quarter | No of house connections | Arrear as on 30.06.2016 | Accrued during the quarter | | | Recovery during the quarter | | | Outstanding | | |
|--------------|-----------------|-------------------------|-------------------------|----------------------------|-------------------|--------------------|-----------------------------|-------------------|-------------------|--------------------|------------------|--------------------|
| | | | | Arrear | Fresh | Total | Arrear | Fresh | Total | Arrear | Fresh | Total |
| 01 | 1 st | 24087 | 92019682 | 92019682 | 8671320 | 100691002 | 1224622 | 2741400 | 3966022 | 90795060 | 5929920 | 96724980 |
| 02 | 2 nd | 24087 | | 96724980 | 8671320 | 105396300 | 2063368 | 4075560 | 6138928 | 94661612 | 4595760 | 99257372 |
| 03 | 3 rd | | | 99257372 | 8671320 | 107928692 | 1035801 | 3711600 | 4747401 | 98221571 | 4959720 | 103181291 |
| 04 | 4 th | | | 103181291 | 8671320 | 111852611 | 540547 | 1832400 | 2372947 | 102640744 | 6838920 | 109479664 |
| Total | | | | 103,181,291 | 34,685,280 | 111,852,611 | 4,864,338 | 12,360,960 | 17,225,298 | 102,640,744 | 6,838,920 | 109,479,664 |

Annexure-11
Para 1.2.4.2

Detail of expenditure without technical sanctions

(Rs in million)

| S.No | Name of scheme | Date of completion | AA cost (Rs) | Expenditure (Rs) |
|--------------|--|---------------------------|---------------------|-------------------------|
| 01 | Expansion of Pure Bred Buffalo Form Swat | 30.06.2017 | 29.990 | 29.300 |
| 02 | Genetic improvement of Local Goats Charbagh | 30.06.2017 | 44.121 | 36.00 |
| 03 | Construction of Room and water tank Shamshan Got Khwazakhela | 30.06.2017 | 2.00 | 2.00 |
| 04 | Establishment of CVD Barkot | 30.06.2017 | 5.509 | 5.509 |
| 05 | Construction of additional classrooms for DFC | 30.06.2017 | 2.845 | 2.554 |
| 06 | Construction of Guard room, Boundary Wall and Security Picquests | 30.06.2017 | 13.350 | 13.350 |
| Total | | | 97.815 | 88.713 |

Annexure-12
Para 1.2.4.7

Detail of income tax deduction and retention in Deposit-V

| S.No | Item No. | Month | Contractor | Work | Amount (Rs) |
|------|----------|---------|---------------------|---|-------------|
| 01 | 13/26 | 05.2015 | Haji Muhammad Hanif | WSS Matta No. 4 | 273,192 |
| 02 | 14/27 | 05.2015 | Haji Muhammad Hanif | WSS Matta No. 5 | 102,598 |
| 03 | 15/28 | 05.2015 | Haji Muhammad Hanif | WSS Baidara Zone-I | 57,278 |
| 04 | 18/31 | 06.2015 | Kaka Construction | DWSS Kabal, Khaimdara, Asogai and Sersenai | 57,789 |
| 05 | 19/32 | 06.2015 | Kaka Construction | DWSS Hazara, Totano Bandai UC Hazara | 77,600 |
| 06 | 20/33 | 06.2015 | Kaka Construction | SS Kandara, Dehrai and Chinda Khwara UC Abakhel | 70,269 |
| 07 | 28/54 | 06.2015 | Jehanzeb | S Pavement Chitor, Spal Bandai Sher Atraf and Kokarai UC Islampur | 59,339 |
| 08 | 29/55 | 06.2015 | Muzafarul Mulk | WSS Kandaw Sperdar, Uchrai Sar Banda | 32,917 |
| 09 | 34/63 | 06.2016 | Afarin Khan | Rehabilitation of WSS Guligram | 299,905 |
| 10 | 36/65 | 06.2016 | Akhtar Salim | Installation of H. Pump, P PUMs PK 83 | 181,403 |
| 11 | 35/64 | 05.2016 | Muzafarul Mulk | WSS Nawakalay | 73,712 |
| 12 | 38/67 | 06.2016 | Mujahid Ali | WSS Charai Beha, Gojar Khwar Serai and Shaheeda Bala | 71,027 |
| 13 | 39/68 | 06.2016 | Naveed Hussain | WSS Shingartan | 32,983 |
| 14 | 40/69 | 06.2016 | Naveed Hussain | WSS Beha, Jehangaray, Sherdat Beha | 31,523 |
| 15 | 42/70 | 06.2016 | Ibrahim | WSS Charma Shahi Junfana Jranda Khwr | 70,654 |
| 16 | 42/41 | 06.2016 | Fida Hussain | WSS Parraw Satya Koz Kabalkoo | 25,170 |
| 17 | 43/72 | 06.2016 | Naveed Hussain | WSS Sakhra Garai kostanayBanda | 41,640 |
| 18 | 46/75 | 06.2016 | Naveed Hussain | WSS Gamser | 39,346 |
| 19 | 47/76 | 06.2016 | Naveed Hussain | WSS Talai Tangar Masjid Kabalko Bala | 39,347 |
| 20 | 48/77 | 06.2016 | Tilawat Khan | WSS Kuza Durushkhela | 33,371 |

| | | | | | |
|--------------|-------|---------|-----------------|--------------------------|------------------|
| 21 | 49/78 | 06.2016 | Naveed Hussain | WSS Beha No. 1 | 35,731 |
| 22 | 52 | 12.2016 | Rehmat Munir | Sanitation Scheme Pk 82 | 502,957 |
| 23 | 53 | 12.2016 | Muzafar ul Mulk | Sanitation Scheme Pk 81 | 645,282 |
| 24 | 54 | 01.2017 | Akhtar Saleem | H. pumps, P. Pumps PK 80 | 226,427 |
| 25 | 55 | 01.2017 | Nadar Shah | H. pumps, P. Pumps PK 81 | 141,261 |
| Total | | | | | 3,222,721 |

Annexure-13

Para 1.2.4.15

**Detail of overpayment due to incorrect rates and extra payment for earth filling –
C&W Swat**

1. Overpayment due to allowing incorrect rates of MRS 2016:

| S.No | Item No. of bill | Name of work | Rate required (Rs) | Rate given (Rs) | Difference (Rs) | Quantity (Cft) | Overpayment (Rs) |
|----------------------------------|----------------------------------|---|--------------------|-----------------|-----------------|----------------|------------------|
| 01 | 10- Rehabilitation of civil work | Transportation of earth all types beyond 500 m up to 1.5 km | 618.75 | 6187.50 | 5568.75 | 86.030 | 479,079 |
| 02 | 6- Civil work new | RCC 1:2:4 as slab, beam, column etc | 24164.50 | 27,380.98 | 3216.48 | 156.370 | 502,960 |
| Total | | | | | | | 982,039 |
| Location factor 1.08 | | | | | | | 1,060,602 |
| Less 10 below on MRS 2016 | | | | | | | 106,060 |
| Net overpayment | | | | | | | 954,541 |

2. Overpayment due to extra payment for extra lead of earth filling

| S.No | Item no of the bill | Rate given (Rs) | Quantity (cft) | Payment (Rs) | Overpayment (Rs) | Remarks |
|---|--|-----------------|----------------|--------------|-------------------|--|
| 01 | Extra for every 25 m extra lead for earth work | 168.75 | 86.030 | 14,517.56 | 14,517.56 | Extra payment as consolidated rate up to 1.5 km was given for the same quantity. |
| 02 | Transportation of earth all types beyond 250 m to 500 m | 3993.75 | 86.030 | 343,582.31 | 343,582.31 | |
| 03 | Transportation of earth all types beyond 500 m to 1.5 km | 618.75 | 86.030 | 532,310.63 | 0 | |
| Total | | | | | 358,099.87 | |
| Location factor 1.08 | | | | | 386,747.85 | |
| Less 10 % below on MRS 2016 | | | | | 38,674.78 | |
| Net overpayment | | | | | 348,073 | |
| Total overpayment (Rs 954,541 + Rs 348,073) | | | | | 1,302,614 | |

Annexure-14
Para 1.2.4.16

Statement showing detail of savings of completed schemes

| S.No | Month | Description | Work | Balance (Rs) |
|--------------|--------------|--|-----------------------|---------------------|
| 01 | 06.2007 | PMD/KPP-II | Developmental schemes | 178,508 |
| 02 | 09.2010 | TSP 2008-09 – M Amin MPA | Developmental schemes | 66,220 |
| 03 | 04.2011 | 2008-09- Abdul Nabi Bangash Senator | Developmental schemes | 39,830 |
| 04 | 06.2011 | TSP-Wajid Ali Khan MPA PK 80 | Developmental schemes | 9,130 |
| 05 | 08.2011 | Afghan Refugees- RAHA | Developmental schemes | 136,394 |
| 06 | 08.2011 | District ADP 2011-12- Waqar Khan MPA PK 82 | Developmental schemes | 515,909 |
| 07 | 01.2012 | District ADP 2012-13- Wajid Ali Khan MPA PK 80 | Developmental schemes | 40,730 |
| 08 | 06.2014 | Special Package 2013-14- Fazal Hakim MPA PK 80 | Developmental schemes | 18,180 |
| Total | | | | 1,004,901 |