



**AUDIT REPORT
ON
THE ACCOUNTS OF
LOCAL GOVERNMENTS
DISTRICT KARAK**

AUDIT YEAR 2021-22

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AD	Assistant Director
ADC	Additional Deputy Commissioner
ADP	Annual Development Program
AGP	Auditor General of Pakistan
AIR	Audit and Inspection Report
APPM	Accounting Practices and Procedures Manual
APR	Actual Payee Receipt
B&R	Buildings & Roads
BD Shah	Banda Daud Shah
BHUs	Basic Health Units
CD	Civil Dispensary
CPWD	Central Public Work Department
CTR	Central Treasury Rules
DAC	Departmental Accounts Committee
DAO	District Accounts officer
DC	Deputy Commissioner
DDEO	Deputy District Education Officer
DDO	Drawing and Disbursing Officer
DEO	District Education Officer
DG	Director General
DHO	District Health Officer
ECG	Electrocardiogram
EPI	Extended Program on Immunization
FY	Financial Year
INTOSAI	International Organization of Supreme Audit Institutions
KADP	Karak Area Development Project
KP	Khyber Pakhtunkhwa
KPPPRA	Khyber Pakhtunkhwa Public Procurement Regularity Authority
LGA	Local Government Act
LGE&RDD	Local Government Election & Rural Development Department

MCC	Medicine Co-ordination Cell
MFDAC	Memorandum for Departmental Accounts Committee
NAC	Neighborhood Accounts Committee
NBP	National Bank of Pakistan
NC	Neighborhood Council
OPD	Outdoor Patient Department
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCC	Plain Cement Concrete
PESCO	Peshawar Electric Supply Company
PFC	Provincial Finance Commission
PHED	Public Health Engineering Department
PLA	Personal Ledger Account
PTC	Parent Teacher Council
RDA	Regional Directorate of Audit
RHC	Rural Health Centre
SAP	Sustainable Development Goals Achievement Program
SDG	Sustainable Development Goals
TAC	Tehsil Accounts Committee
THQ	Tehsil Head Quarter
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TO(R)	Tehsil Officer Revenue
TT	Tetanus Toxoid
VAC	Village Accounts Committee
VC	Village Council
ZAC	Zilla Accounts Committee

Preface

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

The report is based on audit of the accounts of offices of the District Government, Tehsil Municipal Administrations, Assistant Director Local Government, Elections and Rural Development Department, in District Karak for the financial year 2020-21. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2021-22 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes systemic issues and significant audit findings. Relatively less significant issues are listed in Annex-1 of the Audit Report. The audit observations listed in Annex-1 shall be pursued with the Principal Accounting Officers at the DAC level. In all cases where Principal Accounting Officers do not initiate appropriate action, the audit observations will be brought to the notice of appropriate legislative forum through the next year's Audit Report.

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

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

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

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit District Governments, Khyber Pakhtunkhwa carries out the audit of Local Governments in 35 districts of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Kohat on behalf of the DG Audit District Government, Khyber Pakhtunkhwa carried out the audit of Local Government of five Districts namely; Kohat, Karak, Hangu, Orakzai and Kurram.

This Directorate General has a human resource of 61 officers and staff with a total of 15,250 man-days. The annual budget amounting to Rs 172.467 million was allocated to the office during FY 2021-22. The office is mandated to conduct regularity audit, financial attest audit, performance audit and special studies etc.

Local Governments of District Karak consist of three tiers which perform their operations under Khyber Pakhtunkhwa Local Government Act, 2013. Financial provisions of the Act describe the Local Consolidated Fund and Public Account for which annual Budget Statement is approved by the respective councils in the form of budgetary grants. Top Tier- the District Government comprises one Principal Accounting Officer (PAO) i.e. Deputy Commissioner for the District Government, who is officer in charge of 11 devolved departments including AD Local Government Election & Rural Development Department. The second Tier-Town/Tehsil Municipal Administrations have one PAO i.e. Tehsil Municipal Officer for each administration. There are three Tehsils administrations in district Karak. The third Tier-village and neighborhood Councils have AD LGE & RDD as their Principal Accounting Officer. There are 61 VCs/NCs in district Karak.

a. Scope of audit

This office is mandated to conduct audit of 75 formations working under - 5 PAOs. Total expenditure and receipts¹ of these formations were Rs. 5,831.56 million and Rs. 44.413 million, respectively for the financial year 2020-21.

Audit coverage relating to expenditure for the current audit year comprises 08 formations of 5 PAOs having a total expenditure of Rs. 2,860.051

¹ District Government has no receipt

million for the financial year 2020-21. In terms of percentage, the audit coverage for expenditure is 49.044 % of auditable expenditure.

Audit coverage relating to receipt for the current audit year comprises 3 formations of 3 PAOs (3 TMAs) having a total receipt of Rs. 44.413 million for the financial year 2020-21. In terms of percentage, the audit coverage for receipt is 100% of auditable receipt.

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

b. Recoveries at the Instance of Audit

As a result of audit, a recovery of Rs 40.114 million was pointed out in this report. No recovery was affected till finalization of this report.

c. Audit Methodology

Audit was conducted according to INTOSAI guidelines for compliance audit and Financial Audit Manual of AGP.

Audit procedure employed to obtain evidence were inspections, analytical procedures, observations and computations.

d. Audit Impact

Recovery of Rs 40.114 million was pointed out by the Audit, however positive audit impact depends on management willingness to implement internal control framework and recommendations of audit.

e. Comments on Internal Control

Internal control is designed to address risks and to provide reasonable assurance that, pursuit of entity's mission, its objectives are being achieved.

Comments on the five components of internal control are given below.

The organizational structure followed in the local Government Offices was according to the LGA 2013.

No activity i.e. risks identification, risk evaluation and appropriate responses were carried out in the local government.

Accounts were not submitted by TMAs concerned to the DAO. No review was carried out of the performances.

TMAs did not follow the accounting procedure given in the APPM.

No system of monitoring was found to track the progress of District Government towards its objectives. No internal Auditor was appointed. Annual Review of internal control was also not carried out.

f. Key audit findings of the report

- i. Non compilation/consolidation of accounts of local Governments- Rs271.237 million²
- ii. Unauthorized payments to DDOs instead of crossed cheques to venders – Rs.28.409 million³
- iii. Unverified payments of arrears of pay and allowances- Rs141.020 million⁴
- iv. Non production of record was noticed in two cases- Rs90.41 million⁵
- v. Cases related to fraud, embezzlement and misappropriation were noticed in one case- Rs2.863 million⁶
- vi. Irregularities were noticed in nine cases amounting to Rs84.185 million.⁷
- vii. Cases related to values for money were noticed in six cases amounting to Rs116.528 million.⁸
- viii. Others, including non-deposits and non-recovery were noticed in nine cases amounting to Rs 26.573 million.⁹

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

g. Recommendations

- i. TMAs accounts need to be consolidated at DAO.
- ii. Record may be produced to audit for scrutiny besides taking action against the persons at fault.

² Para 1.2.1

³ Para 1.2.2

⁴ Para 1.2.3

⁵ Para 3.5.1.1 & 4.5.1.1

⁶ Para 4.5.2.1

⁷ Para 2.5.1.1 to 2.5.1.5, 3.5.2.1 to 3.5.2.3 & 4.5.3.1

⁸ Para 2.5.2.1 to 2.5.2.4 & 3.5.3.1 to 3.5.3.2

⁹ Para 2.5.3.1 to 2.5.3.4 & 3.5.4.1 to 3.5.4.5

- iii. Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- iv. Strenuous efforts need to be made by the departments to recover long outstanding.
- v. Departments need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc. to ensure that lapses of the kind reported in this audit report are preempted and fair value for money is obtained from public spending.
- vi. The DAC meetings should be held more frequently.

CHAPTER-1

Public Financial Management

1.1 Sectoral Analysis

In compliance to the Notification of Local Government, Election & Rural Development Department issued on 4th September, 2019, councils of all tiers of District Government were stood dissolved on the culmination of their respective tenures on 29th August, 2019. The same Notification authorized Deputy Commissioners, Tehsils/ Towns Municipals Officers and Assistant Directors, LG&RDD to perform functions of respective Nazimeen as envisaged under the Local Government Act, 2013, till the instillation of newly elected Local Governments. In the light of LGA 2013, District Karak as headed by Deputy Commissioner who is principal accounting officer of the budget grant allocated to the 11 offices devolved at District level. Similarly, Tehsil Municipal Administration is headed by Tehsil Municipal Officer who is its principal accounting officer. Moreover, Assistant Director LGE&RDD is a principal accounting officer for Village/ Neighborhood Councils.

In District Karak, Funds amounting to Rs. 6,236.90 million were allocated to 75 formations working under 05 PAOs. Out of which, expenditure of Rs. 5,831.56 million was made resulting into saving of Rs 405.34 million. Receipts of Rs. 44.413 million were collected through these formations (TMAs) during the financial year 2020-21. Audit coverage relating to expenditure for the current audit year comprises 08 formations of 05 PAOs having a total expenditure of Rs. 2,860.05 million for the financial year 2020-21. In terms of percentage, the audit coverage for expenditure is 49.044% of auditable expenditure. Similarly, audit coverage for receipts is 100%.

(Rs in million)

District Karak					
2020-21	Budget	Expenditure/Receipts	Excess/(Saving)	Expenditure Audited	%age
Salary	5,214.43	5,191.05	-23.39	2,860.05	49.044
Non salary	565.381	386.873	-178.51		
Development	457.082	253.642	-203.44		
Total	6,236.90	5,831.56	-405.34	2,860.05	49.044
Receipts	44.413	44.413	0	44.413	100

According to Section 36(3) of Local Government Act 2013, the District Accounts Officer was required to consolidate accounts of Local Government on quarterly and annual basis. However, District Accounts Officer, Karak did not reflect Rs. 271.237 million into the consolidated financial statement of Local Government, Karak.

District Government, Karak was found lagging behind in many areas envisioned as integral component of the Local Government in the Khyber Pakhtunkhwa Local Government Act 2013. The District Government could not establish & maintain Public Fund account as required under section 30 of LGA 2013. Similarly, it also failed to prepare, present and approve the budget estimates of receipts from district council for District Government, Karak as required under section 18 of LGA 2013. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Karak with prescribed format and necessary trainings to compile the accounts of TMAs and Village/Neighborhood councils and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA 2013, as internal auditors were not posted in the District and Tehsil Councils. In addition, Asset management by District Government was yet another area it could not address as required under section 38 of the LGA 2013.

The Local government provided services in the following sectors.

Education

The education sector is one of the major sectors in District Karak like other districts. Statistics show that there are 785 primary, 91 middle, 84 secondary and 17 higher secondary schools in District Karak. The estimated Teacher Student Ratio is 1:43 at primary, 1:57 at middle, 1:24 at secondary and 1:26 at the level of higher secondary schools. District Karak literacy rate is 68% the Gross Enrollment Rate (GER) is 62%, and the Net Enrollment Rate (NER) is 65% at the primary level. On budgetary front, District Education office, Karak succeeded in spending 100% of the District ADP and 92% non-salary budgets.

District Education Offices in Karak enrolled 122538 in boys schools while 89643 students were enrolled in female Government schools. Similarly,

annual average of teacher's attendance rate and student attendance rate as per independent Monitoring Unit (IMU) data were approximately 86% & 74% respectively. Furthermore, 79% schools in district Karak were provided with all basic facilities like classrooms, water supply, group latrine, boundary walls and electrification. However, administrative visits of DEO, DDEO and SDEO were 38% against the assigned target.

Health

Health is another important sector of District Karak with a total of 32 health facilities spread across the district among which 19 BHUs, 03 CDs, 02 MCHs 04 RHCs, 05 THQs/Category-D hospitals and 03 Civil Hospitals.

The Department of Health has established an "Independent Monitoring Unit" for continuous monitoring of the performance of health facilities through its field based Data Collection Assistants and District Monitoring Officers. Department twice examines data collected through various sources to improve efficiency and effectiveness in the business processes of service delivery.

On mother and child health care front, 5,217 babies were born in health centers. Lab investigations and diagnostic facilities were also fully utilized as 38,132 lab tests, 17,576 X-rays, 1,012 ultrasounds and 413 ECGs were done in both primary and secondary health centers in district Karak. Figures of immunization are also very impressive as 7,324 pregnant women received TT-2 vaccines, 14,585 kids under 12 months received full immunization. 1,734 families were provided family planning services. Human resource data from facility records revealed that these health centers were amply provided with medical officers and paramedics as only very few positions were found vacant. As these facilities were frequently visited by patients so they also generated good revenue from OPD services, indoor patients' treatment and other lab investigations etc.

Social Welfare

In Social Welfare and Women Empowerment sector, budgetary allocations were focused on providing social cushion to the deprived and marginalized segments of society especially, women and children. In the proposed development plan, the department had continued to proceed with its

ongoing projects which included schemes for the wellbeing and safeguarding of destitute women, orphans, beggars, drug addicts and special persons.

There was one (1) Dar-ul-Kafala for beggars with the objective to rehabilitate male and females beggars mostly orphan by provision of various services in order to control beggary and to impart vocational training in tailoring. In Karak no beggar were benefited from this facility. Rehabilitation center for drug addicts has 12 beds. Furthermore various vocational and industrial trainings are provided by the Social Welfare Department. However, keeping in view the spread of drug use and incidence of poverty the efforts made by Social Welfare office are not likely to bring about any visible improvement in the short or long run unless more resources are diverted to this sector.

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

Municipal Services

Tehsil Municipal Administrations, District Karak did not fulfill some primary requirements envisioned as integral component of the Local Government in the Khyber Pakhtunkhwa Local Government Act 2013. The Local Government could not establish & maintain Tehsil Public Fund Account as required under the section 30 of LGA. Similarly, the Tehsil Account Officers were not appointed in TMAs. The accounts of receipts and expenditure were not maintained in such form and in accordance with such principles and methods as the Auditor General of Pakistan prescribed as required under section 36 of LGA. Financial Statements, Finance Account and Appropriation Accounts of the TMAs were not prepared accordingly. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Karak with prescribed format and necessary trainings to compile the accounts of TMAs and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA 2013, as internal auditors were not posted in the TMAs to support the

Council. In addition, Asset management by tehsil councils was yet another area it could not address as required under section 38 of the LGA 2013.

1.2 AUDIT PARAS

1.2.1 Non compilation/consolidation of accounts of Local Governments – Rs. 271.237 million

According to section 36(3) of Local Government Act 2013, the District Accounts Officer shall, quarterly and annually consolidate the accounts of Local Governments in the district separately for receipts from the Government and local resources and send a copy to the Government, Accountant General and Nazim District Council.

During certification audit of the accounts of the DAO Karak for the financial year 2020-21, audit observed incompleteness and incorrect presentation of the financial statements as the DAO failed to consolidate into the quarterly and annual accounts of the district, the Government and local resources, as required under section-36(3) of the Local Government Act, 2013. Receipts of Rs 44.112 million and expenditure of Rs. 227.125 million respectively, of the TMAs are not reflected in accounts.

Due to non-consolidation of accounts of TMAs, the financial statements of local Government remained incomplete which led to disclaimer of audit opinion.

As per decision of DAC meeting held in September 2021, Para stands till correction of these omissions.

Audit recommends that necessary action needs to be taken for the consolidation of Local Government Accounts into District Accounts.

1.2.2 Unauthorized payments to DDOs instead of crossed cheques to vendors – Rs 28.409 million

According to Para 2.3.2.8 of APPM, the accounting system shall improve controls to minimize the risk of fraud and corruption. This objective shall be addressed by issue of payment through direct bank transfer and cheques (to employees/ vender concerned) instead of payment through DDOs.

Finance Department Letter No: BO (W&M) /6-5/2019-20 dated 19/02/2020, provides that in order to streamline the management in public account and observe fiscal discipline, it has been decided to stop forthwith all payments through open cheques or cash payments.

District Accounts Officer Karak, paid Rs. 28,409,000 to various DDOs instead of issuance crossed cheques to Vender/Payees Accounts.

The lapse occurred due to weak internal control, which resulted in unauthorized payments to DDOs.

As per decision of DAC meeting held in September 2021, Para stands for investigation of the matter and appropriate action.

The matter should be investigated and regularized by ensuring payments to the supplier/vendor instead of DDOs as per APPM.

1.2.3 Unverified payments on account of arrears of pay and allowances- Rs 141.020 million

According to Para 296 of CTR read with Para 75(2) of KP City & District Govt. Budget Rules 2016, the controlling officer shall be responsible for seeing that the expenditure included in the bills, are of obvious necessity and are at fair and reasonable rates. Sanction and the requisite vouchers are all received and in order. The calculation is correct and the grants have not been exceeded over allotment.

During certification Audit of Karak for the year 2020-21 while analyzing HR data it was noticed that arrears of pay and allowances of Rs 141,020,000 was paid; however, local office could not produce supporting documents for verification to audit.

The lapse occurred due to weak internal controls, which resulted in unverified payments.

As per decision of DAC meeting held in September 2021, Para stands for investigation of the matter and appropriate action.

Audit recommends inquiry into matter and action against the person(s) at fault.

CHAPTER-2

District Government Karak

2.1 Introduction

Under the Khyber Pakhtunkhwa Local Government Act 2013, (amended in 2019) activities of District Government are managed through offices of Deputy Commissioner and District Officers. Each department of the Districts is headed by a District Officer (DO). According to the Rules of Business of District Government 2015, work of the district departments is distributed among the officers, branches, and/or sections in the district departments. Deputy Commissioner is the Principal Accounting Officer for all the devolved departments of the district which includes District Officers Agriculture, Education, Health, Fisheries, Population Welfare, LGE & RDD, Sports, Animal Husbandry, Soil Conservation, Cooperative Society & Social Welfare.

According to section 13 of the Khyber Pakhtunkhwa Local Government Act 2013, (amended in 2019) the authority and responsibilities of the District Government have been given as under:

(1) The authority of district Government shall comprise the operation, management and control of offices of the departments which are devolved to it; provided that district Government shall exercise such authority in accordance with general policy of Government.

(2) Every order in district Government shall be expressed to be made in the name of the district Government and shall be executed by a duly authorized officer.

(3) The district Government shall be responsible to the people and the Government for improvement of governance and delivery of services within the ambit of authority devolved to it.

Audit Profile of the District Government Karak

(Rs. In million)

S.No	Description	Total Nos	Audited	Expenditure audited FY 2020-21	Revenue / Receipts audited FY 2020-21
1	Formations	10	04	2,651.855	Nil

2.2 Comments on Budget and Accounts (Variance Analysis)

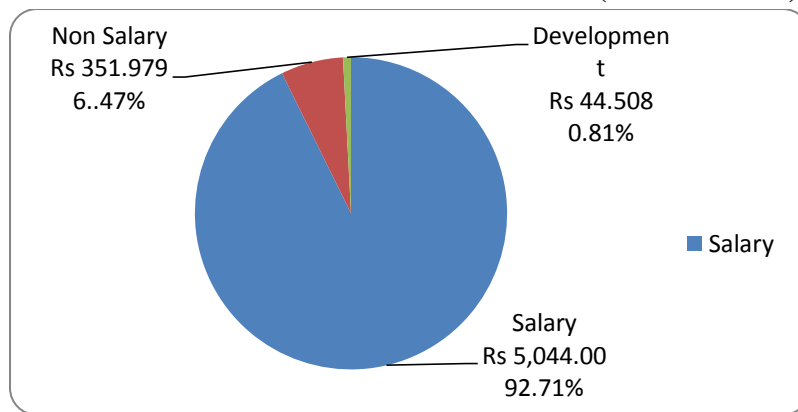
(Rs. in million)

District Government Karak				
2020-21	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	5,046.04	5,044.00	(2.03)	0.040%
Non-salary	355.256	351.979	(3.277)	0.922%
Developmental	56.737	44.508	(12.229)	21.55%
Total	5,458.033	5,440.487	(17.546)	0.32%
Receipts	0	0	0	0

The savings of Rs. 17.54 million indicates inefficiency of District Government Departments to utilize the allocated amount.

EXPENDITURE 2020-21

(Rs. in million)



2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs.79.472 million were raised in this audit report. This amount also includes recoverable of Rs. 31.681 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

S.No.	Description	Amount (Rs.)
1.	Irregularities	-
A	Procurement related irregularities	24.273
B	Management of Accounts with Commercial Banks	11.041
2.	Value for money and services delivery issues	32.177
3.	Others, including cases of accidents, negligence etc.	11.981
	Total	79.472

2.4 Comments on the status of compliance with Zilla Accounts Committee Directives

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

S#	Audit Year	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
14	2017-18	Not Convened
15	2018-19	Not Convened
16	2019-20	Not Convened
17	2020-21	Not Convened

2.5 AUDIT PARAS

2.5.1 Irregularities

A. Procurement related irregularities

2.5.1.1 Loss to Government due to allowing compulsory acquisition charges –Rs 11.023 million

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

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 18(1) & (2) of Land Acquisition Act 1894, any person interested who has not accepted the award may, by written application (application shall state the grounds on which objection to the award is taken) to the collector, 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.

Office of Deputy Commissioner, Karak paid Rs. 11,023,047 as 15% compulsory acquisition charges to various landowners for acquisition of land during financial year 2021-22 without observing the due legal process and other codal formalities as per following details.

1. Compulsory acquisition charges were allowed without any court order as required under section 23(2) read with section 3(d) of Land Acquisition Act 1894.
2. No written objection, obstruction, refusal or appeal made to the Collector/Court by the owners as required under section 18 (1) & (2) of the Act.

Allowing 15% compulsory acquisition charges without fulfilling above mentioned conditions was violation of rules which resulted in loss to the Government.

Overpayment was made due to weak internal controls and financial management, which caused loss to public exchequer.

The matter was reported to the management in July 2021, management did not reply.

Request for convening DAC meeting was made in August, 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of 15% compulsory charges and action against the person(s) at fault.

Para No. 4 (2020-21)

2.5.1.2 Irregular expenditure on purchase of vehicle-Rs 6.934 million

Serial No. (4) of the Economy/ Austerity Measures for the year 2020-21 issued by Finance Department Government of Khyber Pakhtunkhwa states that “a committee headed by Secretary Finance, Secretary Administration, Secretary P&D and Secretary of the concerned Department as member shall accord approval to purchase of vehicles”.

According to transport committee meeting held on 07.10.2015, officers in BPS-17, 18 and 19 are entitled to use vehicles having engine capacity of 800 CC, 1000 CC and 1300 CC respectively.

According to Staff Car Rules 1997, 1300 CC vehicle is allowed to grade 19 & 20, 1000 CC vehicle is allowed to grade 18 and 800 CC vehicle is allowed to grade 17.

Office of the Deputy Commissioner Karak purchased a vehicle “Toyota Hilux Revo” for Rs 6,934,000 during FY 2020-21. The following irregularities were noticed:

- i. Approval from competent authority was not obtained;
- ii. Vehicle was purchased beyond the authorization of the officer. Vehicles having 2800 CC engine capacity was purchased for officer in BPS-18 in contrary to the entitlement;

iii. The vehicles already in use of these officers were not condemned/auctioned.

Irregular purchase of vehicle was made due to weak internal controls resulting into loss to the public exchequer.

The matter was reported to the management in July 2021, management did not reply.

Request for convening DAC meeting was made in July 2021, however meeting of DAC could not be convened till finalization of this report.

Matter is reported for initiating facts finding inquiry and action against person (s) at fault.

AIR Para No. 08 (2020-21)

2.5.1.3 Unauthorized drawl on account of acquisition of land -Rs4.265 million

Section 4 of the Land Acquisition Act 1894, empowers the District Collector or Board of Revenue to acquire land i.e. residential, agriculture and commercial for public use and pay compensation in lieu thereof after issuance of notification under the above Act. The compensation should, however, be restricted to one-year average cost “Ausat Yak Sala” to be worked out for the respective mozas by the revenue Deptt.

Office of the Deputy Commissioner, Karak drew from Government treasury an amount of Rs 4,264,950 in excess of the rates allowed for the land acquired for “Petroleum Institute of Technology at District Karak” during FY 2020-21. The following irregularities were noticed:

1. Due to non-availability of “Ausat Yak Sala” rate, the rate for Banjar Qadeem and Ghair Mumk in land was required to be fixed on the basis of valuation table, but valuation table was not considered while calculating cost of land. Therefore, rate of Rs 266,511 per kanal was fixed for the said land instead of rate in valuation table which was Rs 75,000 per kanal, resulting in excess payment of Rs 4,264,950 (266,511-75,000=191,511x22.27 Kanals); and

2. The rate of Rs 139,584 was fixed by Patwari as Ausat Yak Sala for the said land through production units on the basis of Barani Land of the Moza which was also not considered by this office.

Unauthorized expenditure was made due to weak financial management, which resulted into loss to Government.

The matter was reported to the management in July 2021, management did not reply.

Request for convening DAC meeting was made in July 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends that the cost of land may be calculated on the basis of valuation table to approve a fresh award and the amount drawn in excess may be deposited into Government treasury.

AIR Para No. 10 (2020-21)

2.5.1.4 Irregular procurement of machinery and equipment -Rs 2.051 million

According chapter III of the KPPRA, 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” and “procurement from Rs. 50,000/- up to Rs. 100,000/- shall be procured by inviting three quotations”.

Office of the District Health Officer, Karak paid an amount of Rs 2.051 million in June, 2021 to MS GIKI Enterprises under head purchase of machinery and equipment during FY 2020-21. Neither open tender system was adopted nor quotations invited from various suppliers of these items which resulted in failure to get competitive and lowest rates. Details are given at **annexure 2**.

The irregularity occurred due to non-observance of rules which resulted in un-economical purchases.

The matter was reported to the management in July 2021, management did not reply.

Request for convening DAC meeting was made in July 2021, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 04 (2020-21)

B. Management of Accounts with Commercial Banks

2.5.1.5 Non-deposit of Bank profit into government treasury – Rs11.041 million

According to Government of Khyber Pakhtunkhwa Finance department letter No. 2/3-(F/L)/FD/2007-08/Vol-X dated 10-2-2014 and subsequent reminder dated 16-3-2018 that profit earned on Government fund shall be deposited into Government treasury under the relevant head of account immediately and not later than a week declared by the bank. Failure to comply with these instructions shall be taken seriously and stern disciplinary proceedings will be initiated against the concerned officer/official.

Office of the Deputy Commissioner Karak received bank profit amounting to Rs 11,040,890 on the Government fund (Production Bonus) received from MOL Pak Oil & Gas Company under the head of royalty and deposited in the designated Bank A/C No. NBP 3009423142 during FY 2020-21. However, the local office did not deposit bank profit into the Government treasury under relevant head of account.

Non-deposit of bank profit into Government treasury occurred due to weak administrative and internal control which resulted into loss to the public exchequer.

The matter was reported to the management in July 2021, management did not reply.

Request for convening DAC meeting was made in July 2021, however meeting of DAC could not be convened till finalization of this report.

The amount may be deposited into government treasury under intimation to audit.

AIR Para No. 3 (2020-21)

2.5.2 Value for money and service delivery issues

2.5.2.1 Irregular expenditure on account of Polio eradication campaign- Rs 21.610 million and un-authorized retention of fund- Rs 6.307 million

Commissioner, Peshawar Division requested vide letter No.170/Acctt:/Polio Fund/2020-21/Cmr-Kt dated 02.02.2021, that Deputy Commissioner may disburse funds on receipt of Acquaintance rolls/ APRs of recipients after fulfilling all codal formalities.

According to rule 9 (2) (f) of Khyber Pakhtunkhwa, District and City District Governments, Budget Rules 2016, the function of Drawing & Disbursing officer are the maintenance of relevant records both accounting and operational upto date and in an orderly manner.

According to Emergency Operations Center, Khyber Pakhtunkhwa letter dated 13th March 2015, payment will be released subject to provision of certificate that the security payment has not been taken from any other donor, number of personnel taken from the other district and nonpayment of food charges from any other source along with total number of transport hired for security and rationalized rate and the like.

Office of the Deputy Commissioner Karak received an amount of Rs 27,917,700 from Commissioner Kohat Division under head payment of security cost of polio campaigns during FYs 2018-19, 2019-20 and 2020-21. The following irregularities were noticed:

1. Out of the total, an amount of Rs 6,307,470 was retained in designated bank account of DC Karak without further distribution in security personnel who performed duties in Polio campaigns; and
2. An amount of Rs 21,610,230 was paid to DPO Karak without collecting APRs/ Disbursement Accounts/ Acquaintance Rolls;

The lapse occurred due weak internal controls which resulted in blockage of funds and unverified expenditure.

The matter was reported to the management in July 2021, management did not reply.

Request for convening DAC meeting was made in July 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends enquiry into the matter to fix responsibility on the person(s) at fault besides payment of the balance amount by collecting APRs and other relevant record.

AIR Para No. 14 (2020-21)

2.5.2.2 Irregular drawl of funds without supply of medicines-Rs 2.767 million and non-imposition of penalty- Rs 0.138 million

According to Government of Khyber Pakhtunkhwa Health Department (Government Medicines Co-ordination Cell) Peshawar letter No. 940-1100 / MCC dated: 22-07-2020, supply should be completed within 30 days. Further 15 days will be allowed with 2% penalty and further 15 days with 5% penalty. After that supply order will be stand cancelled and supply order will be completed at the risk and cost of the defaulter.

Office of the District Health Officer, Karak made payments to various suppliers for supply of medicines from DGHS qualified bidders during FY 2020-21. However, medicines and other chemicals were not supplied in the stipulated period of time i.e. within 30 days. The management of local office as well as MCC/DGHS KPK neither imposed penalty of Rs. 2,766,671 nor blacklisted the defaulting suppliers. Details are given below:

S. No.	Name of Firm	Supply Order No.	Supply Order Date	Amount
1	M/S Gatz Pharma	2603-06	14.06.2021	1,474,200
2	M/S Hamaz Pharma	2694-97	14.06.2021	136,000
3	M/S Zaffa Pharma	2674-77	14.06.2021	245,400
4	M/S GSK Pharma	2009-12	24.05.2021	261,414
5	M/S Bosch Pharma	2712-15	14.06.2021	649,657
	Total			2,766,671

Non imposition of penalty occurred due to non-observance of rules, resulting in loss to public exchequer.

The matter was reported to the management in July 2021, management did not reply.

Request for convening DAC meeting was made in July 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends imposition of penalty besides supply of the items.

AIR Para No. 01 (2020-21)

2.5.2.3 Irregular blockage of government fund Rs 7.800 million

According to rule 290 of Treasury Rules, no money shall be drawn from the treasury unless it is required for immediate disbursement and it is not permissible to draw money from the treasury in anticipation of demand.

Office of the District Education Officer (Male) Karak transferred fund of Rs 3,000,000 to PTC accounts of 5 middle and Rs 4,800,000 to 13 primary schools under head Hiring of teachers during FY 2020-21. The following irregularities were noticed:

1. The amount was drawn in advance from Government treasury and transferred to PTC accounts of the schools which is laying unspent till date of audit;
2. The record of these schools shows that there is no need of extra teachers as there are more teaching staff available than shown required in the list;
3. Elementary and Secondary Education Department asked the DEO, Karak to provide authentic list of those schools where teachers are required, which was not provided and resultantly the amount was released to those schools where teachers are not required.

The irregularity occurred due to weak internal control which resulted in blockage of funds.

The matter was reported to the management in August 2021, management did not reply.

Request for convening DAC meeting was made in August 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends enquiry into the matter to fix responsibility on the person(s) at fault.

AIR Para No. 02 (2020-21)

2.5.2.4 Irregular retention of fund in designated bank account- Rs1.309 million

According to Serial No. 3(ii) of the Finance Department letter No. 2/3(F/L)/FD/2016/Vol-X, dated 04.07.2017, “no funds should be kept in any Bank Account by any Drawing unless expressly authorized by Finance Department. Such funds lying in banks should be drawn and credited to Government Treasury immediately except where Departments/offices/Bodies/organizations facilities have been specifically permitted under some Statue/Act”.

In the office of the District Education Officer (Male) Karak, an amount of Rs 1,308,743 appear as closing balance in its designated bank account bearing No. 4009443414 (3121-6) maintained at National Bank of Pakistan since 2017-18. The local office could not provide any justification for drawl and retention of this amount in its bank account.

The lapse occurred due to weak internal controls which resulted in unauthorized retention of fund.

The matter was reported to the management in August 2021, management did not reply.

Request for convening DAC meeting was made in August 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends that the amount may be drawn and credited into Government treasury without any further delay.

AIR Para No. 06 (2020-21)

2.5.3 Others, including cases of accidents, negligence etc.

2.5.3.1 Unauthorized drawl of fund under ADP scheme-Rs 5.00 million and duel drawl on same scheme- Rs 2.5 million

According to Serial No. 3 (IV) of the Guidelines issued for this ADP by Government of Khyber Pakhtunkhwa, Planning and Development Department, Sustainable Development Unit vide letter No. P&D(SDU)/Revised-Guidelines/5093-5124W/E dated 28.12.2020, “once the schemes are approved and funds released there shall be no substitution/addition/deletion of schemes”.

Serial No. 12 of the terms and conditions of the Administrative approval issued by Deputy Commissioner Karak vide letter No. 1060/DC/DA/AA-668 dated 10.03.2020 “If schemes are not started within two months of Administrative Approval, the funds will be immediately surrendered to Federal Government/Cabinet Division”.

Office of the Deputy Commissioner Karak approved a scheme “Installation/ supply of transformers along with HT/LT lines & Poles in PK-86” with estimated cost of Rs 5.00 million out of Sustainable Development Goals Achievement Program (SAP) vide AA bearing No. 1060/DC/DA/AA-668, dated 10.03.2020 to be executed by PESCO Bannu. The following irregularities were noticed:

1. The execution of same scheme was entrusted to PHED Karak with changed nomenclature i.e. “Installation of tube well at Noor Nawaz Koroona Bangi Kalla” with the same estimated cost vide corrigendum No. 1168/DC/DA/AA, dated 18.03.2021;
2. The irregular change of scheme results into double payment i.e. Rs 2,500,000 was paid to PESCO Bannu vide Cheque No. 1947648, dated 05.10.2020 on old scheme and Rs 2,734,000 was paid to PHED Karak on simple receipt vide No. 2236/DC/DA/668, dated 15.06.2021 on new scheme and the remaining payment is yet to be made.

Irregularity occurred due to weak administrative and financial control which resulted into loss to Government.

The matter was reported to the management in July 2021, management did not reply.

Request for convening DAC meeting was made in July 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery of the double drawl and inquiry for fixing of responsibility on the person(s) at fault.

AIR Para No. 01 (2020-21)

2.5.3.2 Non refund of 2% mutation fee to Provincial Government – Rs1.690 million

According to Government of Khyber Pakhtunkhwa Notification No. SOG/LG/7-4/Notification/2020/2013, dated 29.07.2020 “the rate of Local Council Tax on transfer of immovable property shall be exempted till 30th June, 2020”.

Office of the Deputy Commissioner Karak collected from Provincial Government an amount of Rs 1,690,200 (2% of Rs 84,510,030) as 2% mutation fee of TMA share under head of land acquisition for Petroleum Institute of Technology at District Karak during FY 2020-21. Since the subject tax was exempted by the Provincial Government; therefore, it must had to be returned to the Provincial Government, which was not done.

The amount was not refunded due weak administrative controls which resulted into loss to government.

The matter was reported to the management in July 2021, management did not reply.

Request for convening DAC meeting was made in July 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends refund of 2% mutation fee to Provincial Government and action against the person(s) at fault under intimation to audit.

AIR Para No. 05 (2020-21)

2.5.3.3 Unauthorized expenditure on account of transportation of goods- Rs 1.031 million

According to Directorate General Health Services, Government of Khyber Pakhtunkhwa letter no. 2655-2754/DDC/DGHS/KP dated 06.10.2020 and No.

2664-137/MCC/DGHS, dated 29.03.2021 “the drugs supplies shall be delivered by the suppliers directly to purchasing entities”.

Office of the District Health Officer, Karak paid an amount of Rs 1,031,265 during FY 2020-21 on account of transportation charges for delivery of drugs and medicines to various health facilities. Delivery of medicines to the purchasing entities was the responsibility of the suppliers, hence payment of transportation charges was unauthorized. Details are given at annexure-3.

The lapse occurred due to weak internal and administrative control which resulted into loss to the Government.

The matter was reported to the management in July 2021, management did not reply.

Request for convening DAC meeting was made in July 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry into the matter and recovery of the amount from the person(s) at fault.

AIR Para No. 06 (2020-21)

2.5.3.4 Irregular drawl of per Diem through DDO instead of direct credit advice -Rs 4.260 million

According to serial paragraph 3 of the Energy Operation Centre (EOC) (Polio Eradication and Essential Immunization) letter No. EOC/PEI/Finance/101, dated 25.02.2021, “in order to adopt a uniform disbursement mechanism for enhanced Per Diem to polio workers, the Finance Department has asked the Deputy Commissioner to confer the DDO powers upon ADC (F&P) and authorize them to establish either Branchless Accounts or normal Bank Accounts for their polio workers in District and payable amount of Per Diem may be transferred to their respective Branchless/ Bank Accounts”.

According to 2.3.2.8 of the APPM, the accounting system shall include controls to minimize the risk of fraud and corruption. This objective shall be addressed by issue of payment through direct bank transfer and cheques.

Office of the District Health Officer Karak received through cheque an amount of Rs 4,260,000 from DC Karak for onward payment to polio workers during FY 2020-21. The following irregularities were noticed:

1. The payment was shown made to polio workers through open cheques by DHO without opening branchless accounts or normal bank accounts;
2. Actual Payee Receipts (APRs) were not found on record of local office.

The lapse occurred due to non-compliance of Government orders which resulted in payment through DDO instead of transferring per diem to the respective bank accounts of polio workers.

The matter was reported to the management in July 2021, management did not reply.

Request for convening DAC meeting was made in July 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry to confirm the payment to actual recipients and take action against the person(s) at fault.

AIR Para No. 08 (2020-21)

CHAPTER-3

Tehsil Municipal Administrations

3.1 Introduction

District Karak has three Tehsils i.e. Karak, Takht-e-Nasrati and Banda Daud Shah. The office of a Tehsil Municipal Administration is managed by the Tehsil Municipal Officer. He is assisted by a Tehsil Officer (Finance), a Tehsil Officer (Regulation) and a Tehsil Officer (Infrastructure).

According to section 22 of Local Government Act, 2013 the functions and powers of TMAs are briefly given as under:

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

Audit Profile of TMAs of the District Karak

(Rs. in million)

Sr. No.	Description	Total Nos	Audited	Expenditure audited FY 2020-21	Revenue /Receipts audited FY 2020-21
1	Authorities/Autonomous Bodies etc under the PAO	3	3	154.83	44.413

3.2 Comments on Budget and Accounts (Variance Analysis)

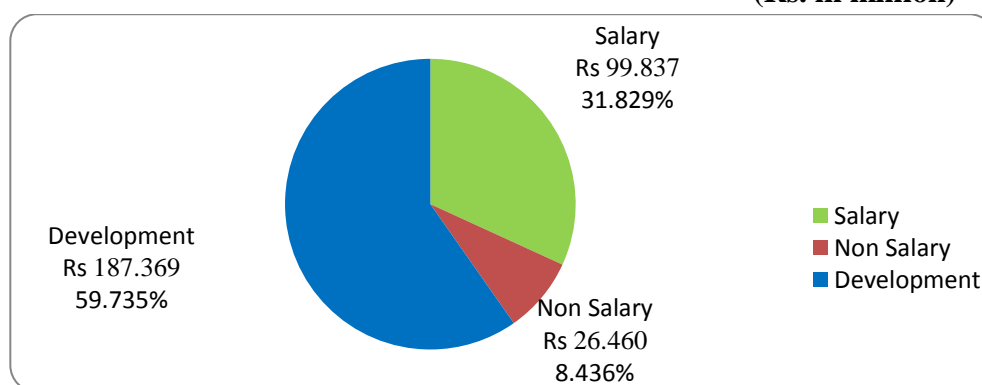
(Rs. in million)

TMAs				
2020-21	Budget	Actual Expenditure/Receipts	Excess/(Saving)	%age
Salary	119.081	99.837	(19.244)	16.16%
Non salary	200.911	26.460	(174.451)	86.83%
Development	376.492	187.369	(189.123)	50.23%
Total	696.484	313.666	(382.818)	54.96%
Receipts	81.302	44.413	(36.889)	45.37%

The savings of Rs. 382.818 million indicates inefficiency of the Tehsil Municipal Administrations to utilize the amount allocated.

EXPENDITURE 2020-21

(Rs. in million)



3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 226.125 million were raised in this audit report. This amount also includes recoverable of Rs 8.433 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)		
Sr. No.	Classification	Amount
1	Non production of record	84.470
2	Irregularities	-
A	HR/Employees related irregularities	19.205
B	Management of Accounts with Commercial Banks	29.666
3	Value for money and service delivery issues	84.351
4	Others, including cases of accidents, negligence etc.	8.433
Total		226.125

3.4 Comments on the status of compliance with Tehsil Accounts Committee Directives

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

Sr. No.	Audit Year	TAC meeting
1.	2002-03	Not convened
2.	2003-04	Not convened
3.	2005-06	Not convened
4.	2006-07	Not convened
5.	2007-08	Not convened

6.	2008-09	Not convened
7.	2009-10	Not convened
8.	2010-11	Not convened
9	2011-12	Not convened
10	2012-13	Not convened
11	2013-14	Not Convened
12	2014-15	Not Convened
13	2015-16	Not Convened
14	2016-17	Not Convened
15	2017-18	Not Convened
16	2018-19	Not Convened
17	2019-20	Not Convened
18	2020-21	Not Convened

3.5 AUDIT PARAS

3.5.1 Non production of record

3.5.1.1 Non-Production of auditable record- Rs 84.47 million

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

According to Government of Khyber Pakhtunkhwa, Finance Department letter No. PA/AFS(PFC)/1-1/FD/2017-18, dated 13.08.2018, “non-production of record to the Audit Team is violation of Article 169 & 170(2) of the constitution of Pakistan 1973, read with section 8,9 & 14 of the Auditor General of Pakistan (AGP) Ordinance 2001. All such organization where public money is involved are bound to carry out post audit by the Auditor General of Pakistan in light of the above statutory provision”.

Office of the TMO Karak awarded and executed various contracts of estimated cost of Rs 84,470,000 under Karak Area Development Project (KADP) out of Gas Royalty, and production bonus etc during FY 2020-21. However, local office could not produce auditable record for audit verification despite repeated requests. Details are given at annexure-4.

Audit observed that record was not produced due to weak internal control which resulted into non-verification of auditable record.

The matter was reported to the management in November 2021, management did not reply.

Request for convening DAC meeting was made in November 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends production of record besides taking disciplinary action against the person(s) at fault under the relevant Efficiency & Discipline Rules.

AIR Para No. 10 (2020-21)

3.5.2 Irregularities

A. HR/Employees related irregularities

3.5.2.1 Irregular expenditure on account of Salaries/ pension from development funds Rs 19.205 million.

Para 2 of the Finance Department release order No. BO(PFC-III)/1-5/TMAs-ADP/2020-21 dated 26.01.2021 states that the grant for ADP to the Tehsil/Town Administrations shall be credited in their PLAs (non-lapsable) by the Accountant General/District Accounts Officers through internal Transfer entries. The amount shall be utilized only for the execution of Development schemes/activities in accordance with guide lines issued by planning & Development Department and observance of all codal formalities as required under Rules.

Office of the TMO BD Shah transferred an amount of Rs 19,205,313 from the amount received under PFC award to its designated bank account (operated for Local Fund of the Administration) during FY 2020-21. Later on, the local office spent funds meant for developmental work on the payment of Staff Salaries, pension and other operational heads as detail given at annexure-5.

Lapse occurred due to noncompliance of Government instructions which resulted into irregular expenditure.

The matter was reported to the management in November 2021, management did not reply.

Request for convening DAC meeting was made in November 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry into the matter for fixing of responsibility on person(s) at fault.

AIR Para No. 11 (2020-21)

B. Management of Accounts with Commercial Banks

3.5.2.2 Unauthorized cash withdrawals from designated bank account-Rs 4.922 million

According to 2.3.2.8 of the APPM, the accounting system shall include controls to minimize the risk of fraud and corruption. This objective shall be addressed by issue of payment through direct bank transfer and cheques to employees/vendor concerned.

Office of the TMO, BD Shah drew Rs 4,921,683 in cash from designated bank account and security account maintained at National Bank during FY 2020-21. Cash payments were made to employees/vendors concerned instead of direct bank transfer detail given at annexure-6.

Lapse occurred due to non-compliance of rules, which resulted into unauthorized cash payments which increased risk of fraud and corruption.

The matter was reported to the management in November 2021, management did not reply.

Request for convening DAC meeting was made in November 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry to fix responsibility on person(s) at fault.

AIR Para No. 06 (2020-21)

3.5.2.3 Unauthorized cash withdrawals from designated bank account-Rs 25.367 million

According to 2.3.2.8 of the APPM, the accounting system shall include controls to minimize the risk of fraud and corruption. This objective shall be addressed by issue of payment through direct bank transfer and cheques to employees/ vendor concerned.

Office of the TMO, Karak drew Rs 25,366,822 in cash from designated bank account and security account maintained at Khyber Bank during FY 2020-21. Cash payments were made to employees/vendors concerned instead of direct bank transfer detail given at annexure-7.

Lapse occurred due to non-compliance of rules, which resulted into unauthorized cash payments which increased risk of fraud and corruption.

The matter was reported to the management in November 2021, management did not reply.

Request for convening DAC meeting was made in November 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry to fix responsibility on person(s) at fault.

AIR Para No. 07 (2020-21)

3.5.3 Value for money and service delivery issues

3.5.3.1 Non-utilization of funds received under various developmental heads-Rs 24.631 million

Para 12 of the General Financial Rules Volume I requires that a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

Office of the TMO BD Shah retained a hefty amount of Rs 24,631,195 in its PLA account under the head of unspent balances and savings in developmental schemes during the last so many years. The local office was unable to provide break up of this amount as well as any justification for retaining this amount in its designated PLA account.

Non utilization of development fund occurred due to negligence, weak financial control and ill planning which resulted in deprivation of local community from its benefits.

The matter was reported to the management in November 2021, management did not reply.

Request for convening DAC meeting was made in November 2021, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 07 (2020-21)

3.5.3.2 Non-utilization of funds received under various developmental heads -Rs 59.720 million

Para 12 of the General Financial Rules Volume I requires that a controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

Office of the TMO Karak retained a hefty amount of Rs 59,719,716 in its PLA account under the head of unspent balances and savings in developmental schemes during the last so many years. The local office was unable to provide break up of this amount as well as any justification for retaining this amount in its designated PLA account.

Non utilization of development fund occurred due to negligence, weak financial control and ill planning which resulted in deprivation of local community from its benefits.

The matter was reported to the management in November 2021, management did not reply.

Request for convening DAC meeting was made in November 2021, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 08 (2020-21)

3.5.4 Others, including cases of accidents, negligence etc.

3.5.4.1 Less realization of additional bid security –Rs 1.386 million

According to serial No. iii of the Khyber Pakhtunkhwa Public Procurement Regulatory Authority Notification issued vide No. KPPRA/M&E/Estt:/1-17/2019-20, dated 12.06.2020, “in case of bid/ rate quoted by the bidder more than 10% below engineer estimate, the additional bid security shall be sought from the bidder **only** to the extent of bid more than 10% below the engineer estimate in the form of percentage. The amount of additional bid security shall be equal to the impact of financial difference occurring in the quoted rates beyond 10% below engineer estimate”.

Office of the TMO, BD Shah less realize an amount of Rs 1,386,420 from various contractors of development schemes on account of additional bid security during FY 2020-21. The additional bid security was less than the impact of financial difference occurring in the quoted rates beyond 10% below engineer estimate detail at annexure-8.

Less realization of additional bid security occurred due to weak administrative and financial control which resulted into loss to Government.

The matter was reported to the management in November 2021, management did not reply.

Request for convening DAC meeting was made in November 2021, 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. 02 (2020-21)

3.5.4.2 Less realization of additional bid security –Rs 1.143 million

According to serial No. iii of the Khyber Pakhtunkhwa Public Procurement Regulatory Authority Notification issued vide No. KPPRA/M&E/Estt:/1-17/2019-20, dated 12.06.2020 read with condition No. 12 of NIT, “in case of bid/ rate quoted by the bidder more than 10% below engineer estimate, the additional bid security shall be sought from the bidder **only** to the extent of bid more than 10% below the engineer estimate in the form of percentage. The amount of additional bid security shall be equal to the impact of

financial difference occurring in the quoted rates beyond 10% below engineer estimate”.

Office of the TMO, Karak less realize an amount of Rs 1,143,075 from various contractors of development schemes under head additional bid security during FY 2020-21. The additional bid security was less than the impact of financial difference occurring in the quoted rates beyond 10% below engineer estimate detail given at annexure-9.

Less realization of additional bid security occurred due to weak administrative and financial control which resulted into loss to Government.

The matter was reported to the management in November 2021, management did not reply.

Request for convening DAC meeting was made in November 2021, 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. 01 (2020-21)

3.5.4.3 Non-adjustment of advance payment to TMA employees- Rs1.267 Million

Para 279 of GFR prohibits the drawl of money government treasury in anticipation of the work done.

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

Office of the TMO, Karak paid an amount of Rs 1,267,000 to various Officers/ officials of TMA on account of advances in anticipation of expenditures during last many years. However, neither advances were returned nor adjustment statement against their expenditure were provided to the office. Detail given at annexure-10.

Lapse occurred due to weak administrative and financial control which resulted non adjustment of advances.

The matter was reported to the management in November 2021, management did not reply.

Request for convening DAC meeting was made in November 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends that the expenditure may be regularized through providing supporting vouchers of adjustment or the amount may be recovered from person (s) at fault.

AIR Para No. 02 (2020-21)

3.5.4.4 Non-recovery of income tax from contractors- Rs 1.688 million

According to Condition No. 07 of the contract agreement, “contractor will pay income tax @15% which will be deposited with monthly installment”.

As per letter No. (Unit-49)/WHZ/2017-18/270, dated 12.07.2017, “the rate of collection of tax on auction u/s 236A is 15% for Non-filers”.

Office of the TMO, Karak did not recover income tax amounting to Rs 1,688,406 from the contractors of receipt contracts during FY 2020-21. Details are provided below.

S#	Name of contract	Contractor name	Contract Amount	Income tax Due (@ 15%)	Income tax recovered	Loss
01	Weekly Cattle Fair Latamber	Amir Dad Khan	2,100,000	315,000	0	315,000
02	Conservancy Fee	Gul Naeem Khan	7,711,000	1,156,650	0	1,156,650
03	Weekly Cattle Fair Sabir Abad	Amir khan	327,000	49,050	0	49,050
04	Rent of Municipal Plaza	Noor Abdul Latif	1,118,040	167,706	0	167,706
Total Non-recovery of Income Tax at revised Rates						1,688,406

Government dues were not recovered due to weak internal and financial control, which resulted in loss to Government.

The matter was reported to the management in November 2021, management did not reply.

Request for convening DAC meeting was made in November 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends immediate recovery from the contractors under intimation to audit.

AIR Para No. 05 (2020-21)

3.5.4.5 Less collection against the targeted receipts –Rs 2.949 million

According to Clause 2 of the policy guidelines of contracts issued vide No. II/LCB/6-11/2019 dated 10-3-2020 a minimum 20% increase over the previous year bid shall be achieved.

Office of the TMO, Karak made less recovery of Rs 2,948,710 under various receipt heads during FY 2020-21. After 20% of enhancement of receipts over the previous year as per approved policy guidelines, the local office could not achieved the targeted receipts against the various receipts collected departmentally and through various auctions. Detail is given at annexure-11.

Government dues were not recovered due to weak internal and financial control, which resulted in loss to Government.

The matter was reported to the management in November 2021, management did not reply.

Request for convening DAC meeting was made in November 2021, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 06 (2020-21)

CHAPTER-4

AD LGE &RDD

1.1 Introduction

Assistant Director Local Government, Election and Rural Development Department in District Karak has 61 VCs/NCs. Each VC/NC has a Secretary. Assistant Director Local Government Election & Rural Development Department is Drawing and Disbursing Officer (DDO) for his office and PAO for VCs/NCs of the District Karak.

According to section 29 of the Khyber Pakhtunkhwa Local Government Act 2013 the authority and responsibilities of the District Government have been given as under:

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

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

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

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

- xvii. Facilitating formation of voluntary organizations for assistance in functions assigned to it;
- xviii. Facilitating the formation of co-operatives for improving economic returns and reduction of poverty;
- xix. Electing an Accounts Committee and review its recommendations on the annual statement of accounts and audit reports; and

Reporting cases of handicapped, destitute and of extreme poverty to district Government.

Audit Profile of AD LGE&RDD of the District Karak

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2020-21	Revenue /Receipts audited FY 2020-21
1	Formations	1	1	53.366	Nil

4.2 Comments on Budget and Accounts (Variance Analysis)

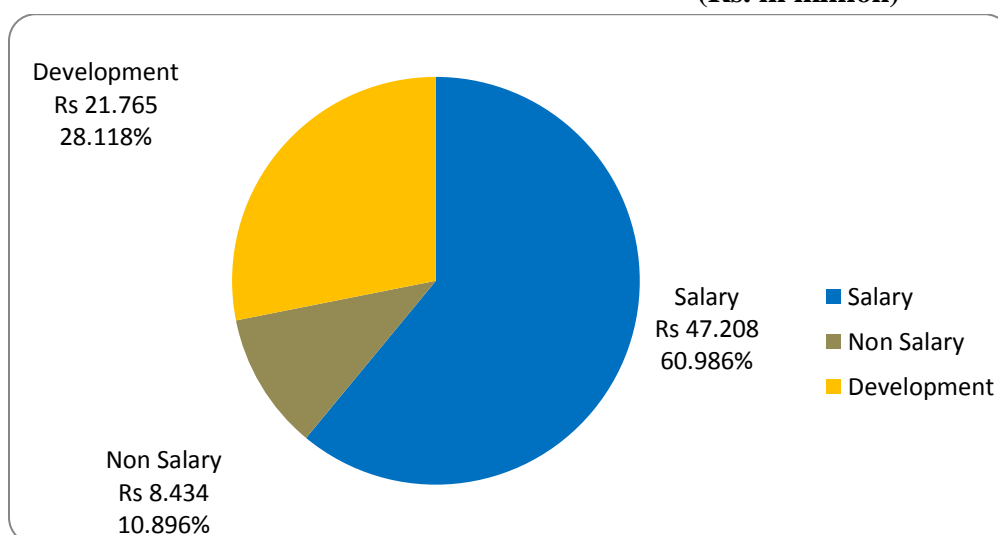
(Rs. in million)

AD LGE&RDD				
2020-21	Budget	Actual Expenditure/Receipts	Excess/(Saving)	%age
Salary	49.312	47.208	(2.104)	4.266%
Non salary	9.214	8.434	(0.780)	8.465%
Development	23.853	21.765	(2.088)	8.754%
Total	82.379	77.407	(4.972)	6.035%
Receipts	0	0	0	0

The savings of Rs 4.972 million indicates inefficiency of the AD LGE&RDD to utilize the amount allocated.

EXPENDITURE 2020-21

(Rs. in million)



4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 14.962 million were raised in this audit report. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	5.940
2	Reported cases of fraud, embezzlement and misappropriation	2.863
3	Irregularities	-
A	Issues in management in accounts with commercial banks	6.159
Total		14.962

4.4 Comments on the status of compliance with Village/Neighborhood Accounts Committee Directives

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

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

4.5 AUDIT PARAS

4.5.1 Non Production of record

4.5.1.1 Non-production of auditable record - Rs 5.940 million

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

According to Government of Khyber Pakhtunkhwa, Finance Department letter No. PA/AFS(PFC)/1-1/FD/2017-18, dated 13.08.2018, "non-production of record to the Audit Team is violation of Article 169 & 170(2) of the constitution of Pakistan 1973, read with section 8,9 & 14 of the Auditor General of Pakistan (AGP) Ordinance 2001. All such organization where public money is involved are bound to carry out post audit by the Auditor General of Pakistan in light of the above statutory provision".

Office of the AD LG&RDD Karak incurred expenditure for Rs 5,940,628 on account of Non-salary component during FY 2020-21 but related record was not produced to audit for verification. It was informed by local office that the said record was not handed over by Ex-AD upon his transfer on 14th April, 2021. Further, the remaining record was also not produced despite repeated request.

Audit observed that record was not produced due to weak internal control which resulted into non-verification of auditable record.

The matter was reported to the management in November 2021, management did not reply.

Request for convening DAC meeting was made in November 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends production of record besides taking disciplinary action against the person(s) at fault under the relevant Efficiency & Discipline Rules.

AIR Para No. 02 (2020-21)

4.5.2 Reported cases of fraud, embezzlement and misappropriation

4.5.2.1 Misappropriation of funds out of security account -Rs 2.863 million

Para 23 of GFR Vol-I requires that every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which he contributed.

According to 2.3.2.8 of the APPM, the accounting system shall include controls to minimize the risk of fraud and corruption. This objective shall be addressed by issue of payment through direct bank transfer and cheques to employees/vendor concerned.

AD LG&RDD Karak drew Rs 2,863,484 from security fund account maintained as designated bank account No. 7220012 in Allied Bank Karak during FY 2020-21. Out of this amount, Rs 760,258 were drawn in cash. The local office could not provide any details of disbursement of this amount and when inquired, it had been told that ex-AD LGE&RDD took the money and the record with him. Furthermore, it was also told that the matter was under investigation with the fraud investigation agencies.

The lapse occurred due to weak internal control which resulted into loss to Government.

The matter was reported to the management in November 2021, management did not reply.

Request for convening DAC meeting was made in November 2021, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No. 04 (2020-21)

4.5.3 Irregularities

A. Issues in management of accounts with commercial banks

4.5.3.1 Irregular expenditure out of VCs/ NCs Fund-Rs 6.159 million

According to rule 2.3.2.3 of APPM, *Completeness*: the information in the accounts and the supporting subsidiary records shall be a complete representation of all past transactions that have occurred during the reporting period. This objective shall be addressed by:

- budgetary control procedures
- regular, complete and up-to-date bank reconciliation
- reconciliation of general ledger to sub-ledgers, registers and source documents
- a regular post-audit process, both internal and external
- a systematic and verifiable consolidation of accounts from subsidiary ledgers, registers and source transactions.

In the office of AD LGE&RDD, Karak, the Secretaries of the following village councils selected on sample basis incurred expenditure of Rs 6,158,917 during FY 2020-21.

S. No.	Name of VC/NC	Opening Balance	Expenditure	Closing Balance
1	VC Takhte Nasrati Bala	1,722,236	1,461,925	547,169
2	NC College Town Karak	1,420,917	1,376,905	251,585
3	VC Nari Panos	2,022,714	1,215,551	1,160,640
4	VC Sarki Lawaghar	2,069,652	2,104,536	344,394
Total		7,235,519	6,158,917	2,303,788

The following irregularities were noticed:

- i. Secretaries VCs/NCs were unable to provide source of appropriation for the funds spent on various activities.
- ii. The head wise and fund wise reconciliation of operating and development expenditure with AD LG&RDD Karak was not carried out accordingly.
- iii. Progress report of the expenditure was neither prepared nor submitted to AD LG&RDD Karak.
- iv. Internal audit of the VCs/NCs was also not carried out.

The lapse occurred due to non-compliance of rules which resulted in irregular expenditure from VCs/NCs fund.

The matter was reported to the management in November 2021, management did not reply.

Request for convening DAC meeting was made in October 2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends that proper M&E frame work may be devised to restrict misuse of local funds besides regularization of fund already spent.

AIR Para No. 6 (2020-21)

ANNEXURES

Annexure -1

Detail of MFDAC Paras

(Rs. in million)

S. No	AIR No.	Department	Gist of Para	Amount
1	2	DC Karak	Loss to Government due duplication of scheme-Rs 0.980 million	0.980
2	7	-do-	Irregular and unauthorized advance payment to executing agencies	
3	2	DHO Karak	Loss to Government due to non-maintenance of residential buildings	
4	10	-do-	Loss to Government due to illegal electricity connections	2.712
5	3	DEO (Male)	Irregular expenditure on account of Pay and allowances through DDO and loss to Government	0.470
6	5	-do-	Unauthorized cash withdrawals from designated bank account	0.593
7	9	-do-	Irregular expenditure on account of incentive through DDO	0.052
8	10	-do-	Irregular advance drawl without actual supply	0.415
9	11	-do-	Irregular expenditure under head repair of transport and misappropriation	0.300
10	12	-do-	Loss to Government due overpayment under head TA/DA	0.399
11	17	-do-	Misappropriation out of PTC fund	0.163
12	19	-do-	Irregular expenditure under head office stationery	0.080
13	20	-do-	Misappropriation on account of hot and cold weather charges	0.020
14	21	-do-	Doubtful expenditure under head printing & publication	0.040
15	22	-do-	Irregular expenditure under head purchase of PC tablets	0.015
16	3	DEO (Female)	Irregular expenditure on account of Pay and allowances through DDO	0.379
17	5	-do-	Excess expenditure under head POL beyond permissible limit	0.331
18	6	-do-	Doubtful expenditure under head POL	0.225
19	11	-do-	Un-authorized expenditure under head TA/DA	0.103
20	12	-do-	Irregular expenditure under head purchase of PC tablets	0.030

21	13	-do-	Un-authorize appointment of class-IV employees	
22	17	-do-	Irregular expenditure under head office stationery	0.285
23	18	-do-	Irregular expenditure under head IT equipments	0.135
24	19	-do-	Misappropriation of under enrollment campaign	0.267
25	23	-do-	Doubtful expenditure under head repair of machinery & equipments-	0.080
26	24	-do-	Loss to Government due overpayment under head TA/DA	0.427
27	25	-do-	Loss to Government due overpayment under head conveyance chares	0.015
28	9	TMA Karak	Unauthorized collection of mutation fee	
29	13	-do-	Over payment to contractor on account of below adjustment	0.423
30	3	TMA BD Shah	Loss to government due to non-deduction of income tax	0.762
31	1	-do-	Unauthorized payment over and above of Technical Sanction-	3.528
32	4	-do-	Loss to Government due to less realization of receipts	0.111
33	9	-do-	Non deposit of bank profit	0.589
34	2	TMA TakhteNasrati	Non deposit of income taxes into Government Treasury	0.556
35	3	-do-	Non-imposition of penalty for non-completion of works	0.653
36	5	-do-	Loss due to excess payment to LCB on a/c of 2% Pool Fund	0.766
37	8	-do-	Non-conducting of Physical stock taking/ verification	
38	10	-do-	Loss to government due to non-deduction of income tax	0.270
39	11	-do-	Loss due to less recovery of service tax from consultant	0.096
40	12	-do-	Unauthorized expenditure over and above T.S	0.437
41	15	-do-	Loss due to non-deduction of service tax	0.026
42	1	AD LGE &RDD	Non deposit of bank profit	0.617
43	4	-do-	Irregular expenditure without tender	0.198

Annexure-2
Para 2.5.3.5

Detail of machinery without open tender system

S. No.	DDO Code	DDO Description	Amount
1	KK-6913	BHU Bangi Kala	39,750
2	KK-6914	BHU Chokara	39,750
3	KK-6915	BHU DabliLawaghar	39,750
4	KK-6916	BHU Darshi Khel	39,750
5	KK-6917	BHU Dabh	39,750
6	KK-6918	BHU EssakChonthra	29,800
7	KK-6919	BHU Gandi Mir Khankhel	39,750
8	KK-6920	BHU Jhatta Ismail Khel	39,750
9	KK-6921	BHU Jahngiri	39,750
10	KK-6922	BHU Khundo Khel	39,750
11	KK-6923	BHU KhujakiKalla	39,750
12	KK-6924	BHU Khurram	39,750
13	KK-6925	BHU Makori	39,750
14	KK-6926	BHU Mitha Khel	39,750
15	KK-6927	BHU Mona Khel	39,750
16	KK-6928	BHU Shaheedan	9,950
17	KK-6929	BHU Shamshaki	39,750
18	KK-6930	BHU Warana	39,750
19	KK-6931	BHU Zara Ghandi	39,750
20	KK-6265	Type-D Hospital Latamber	298,600
21	KK-6266	CH Bahadar Khel	79,910
22	KK-6267	CH Gurguri	79,910
23	KK-6268	CH Teri	79,910
24	KK-6269	Type-D Sabir Abad	298,600
25	KK-6932	RHC Ahmad Abad	99,980
26	KK-6933	RHC Jandri	99,980
27	KK-6934	RHC Nari Panoos	99,980
28	KK-6935	RHC ShnawaGudi Khel	99,980
29	KK-6936	Type-C Hospital Takht-e-Nasrati	99,540
Total			2,051,890

Detail of Transportation charges

S. No.	DDO Code	DDO Description	Amount
1	KK-6907	Civil Dispensaries	20,000
2	KK-6908	EPI	175,900
3	KK-6909	Malaria	100,000
4	KK-6911	TB Control	10,000
5	KK-6111	MCH	10,000
6	KK-6103	DHO Administration	50,000
7	KK-6913	BHU Bangi Kala	20,000
8	KK-6914	BHU Chokara	20,000
9	KK-6915	BHU DabliLawaghar	10,000
10	KK-6916	BHU Darshi Khel	10,000
11	KK-6917	BHU Dabh	10,000
12	KK-6918	BHU EssakChonthra	15,000
13	KK-6919	BHU Gandhi Mir Khankhel	15,000
14	KK-6920	BHU Jhatta Ismail Khel	25,000
15	KK-6921	BHU Jahngiri	8,000
16	KK-6922	BHU Khundo Khel	25,000
17	KK-6923	BHU KhujakiKalla	10,000
18	KK-6924	BHU Khurram	10,000
19	KK-6925	BHU Makori	10,000
20	KK-6926	BHU Mitha Khel	15,000
21	KK-6927	BHU Mona Khel	24,000
22	KK-6928	BHU Shaheedan	24,000
23	KK-6929	BHU Shamshaki	25,000
24	KK-6930	BHU Warana	25,000
25	KK-6931	BHU Zara Ghandi	20,000
26	KK-6265	Type-D Hospital Latamber	24,865
27	KK-6266	CH Bahadar Khel	20,000
28	KK-6267	CH Gurguri	19,900
29	KK-6268	CH Teri	30,000
30	KK-6269	Type-D Sabir Abad	50,000
31	KK-6932	RHC Ahmad Abad	25,000
32	KK-6933	RHC Jandri	25,000

33	KK-6934	RHC Nari Panoos	25,000
34	KK-6935	RHC ShnawaGudi Khel	25,000
35	KK-6936	Type-C Hospital Takht-e-Nasrati	99,600
Total			1,031,265

Annexure-4
Para 3.5.1.1

Detail of non-production of record

S. No.	Source of Fund	Name of Scheme	Estimated Cost (Rs in Million)
1	Gas Royalty 19-20	Const; of Drain in Tehsil Karak	15.00
2	KADP 20-21	Inst; of P/ Pumps and Solarization and missing facilities at Ghunda Shamshaki	2.00
3	KADP 20-21	Inst; of P/ Pumps and Solarization at Type-D Hospital, Latamber	3.00
4	KADP 20-21	Solarization, Minor Repair of building/ gate/ boundary wall and renovation at BHU Mitha Khel	2.00
5	KADP 20-21	Solarization and Const; of New building at BHU Kando Khel	5.00
6	KADP 20-21	Const; of PCC Road at sub wali Rehman koroon Dagar Nari UC Nari Panos	8.00
7	KADP 20-21	Supply of different dia Pipe 20,25,32,40,50 and 63 MM HDPE pipe at PK-85 Karak	6.47
8	KADP 20-21	Inst; of Solar tube well at Akhtar Jan Koroona Sabir Abad	7.00
9	KADP 20-21	Inst; of solarization on existing p/ Pumps and Dugg Well at PK-85	15.00
10	SDGs Fund	Const; of street & drainage system at Tarkha Koi, UC Jandri	12.00
11	SDGs Fund	Const; of street & drainage system at Ghundi Mir Khan Khel	1.00
12	CSR Fund	Source of Dagging of Open Well along with inst; of Solar System, Pipeline at Munir Hassan Koroona, UC Jandri	3.00
13	Production Bonus Fund 2020-21	Source of Dagging of Open Well along with inst; of Solar System, Pipeline at Munir Hassan Koroona, UC Jandri	5.00
Total			84.47

Annexure-5**Para 3.5.2.1****Detail of Salaries/ pension from development funds****(Amount in Rs)**

S#	Date	PLA Cheque No.	Transferred to	Amount
1.	30.09.2020	505306	720-P NBP	6,000,000
2.	25/10/2020	505308	720-P NBP	1,700,000
3.	06/11/2020	505311	720-P NBP	1,627,000
4.	30/11/2020	505313	720-P NBP	810,000
5.	03/01/2021	505318	720-P NBP	3,568,313
6.	Nil	505324	720-P NBP	1,500,000
7.	07.06.2021	505332	BOK	2,000,000
8.	30/06/2021	505338	BOK	2,000,000
Total				19,205,313

Annexure-6
Para 3.5.2.2

Detail of cash withdrawals from designated bank account

(Amount in Rs)

S. No	Date	Account No.	Amount
1	08/7/2020	3053-1	200,000
2	08/7/2020	3053-1	200,000
3	11/7/2020	3053-1	200,000
4	23/7/2020	3053-1	200,000
5	30/7/2020	3053-1	120,000
6	19/10/2020	3053-1	60,000
7	01/03/2021	3053-1	40,000
8	02/7/2020	720-P	5,720
9	20/7/2020	720-P	77,153
10	21/7/2020	720-P	50,000
11	22/7/2020	720-P	10,755
12	23/7/2020	720-P	11,700
13	23/7/2020	720-P	20,000
14	28/7/2020	720-P	209,491
15	29/7/2020	720-P	50,000
16	30/7/2020	720-P	24,480
17	07/08/2020	720-P	27,440
18	11/8/2020	720-P	24,600
19	18/8/2020	720-P	18,450
20	20/8/2020	720-P	51,840
21	27/8/2020	720-P	69,150
22	27/8/2020	720-P	49,418
23	27/8/2020	720-P	16,650
24	11/9/2020	720-P	24,817
25	11/9/2020	720-P	68,520
26	14/9/2020	720-P	34,805
27	14/9/2020	720-P	14,810
28	14/9/2020	720-P	31,400
29	14/9/2020	720-P	25,284
30	5/10/2020	720-P	155,673
31	5/10/2020	720-P	160,073
32	6/10/2020	720-P	77,498
33	12/10/2020	720-P	13,200
34	12/10/2020	720-P	11,000
35	12/10/2020	720-P	30,000
36	26/10/2020	720-P	80,786

37	27/10/2020	720-P	80,500
38	6/11/2020	720-P	235,366
39	30/11/2020	720-P	41,857
40	30/11/2020	720-P	79,138
41	30/11/2020	720-P	10,000
42	30/11/2020	720-P	11,135
43	08/12/2020	720-P	226,223
44	14/12/2020	720-P	84,108
45	22/12/2020	720-P	74,255
46	31/12/2020	720-P	156,000
47	04/01/2021	720-P	16,000
48	04/01/2021	720-P	42,500
49	06/01/2021	720-P	37,790
50	06/01/2021	720-P	37,944
51	07/01/2021	720-P	189,422
52	12/01/2021	720-P	148,601
53	18/01/2021	720-P	80,000
54	01/02/2021	720-P	20,000
55	11/02/2021	720-P	77,498
56	22/02/2021	720-P	136,415
57	01/03/2021	720-P	12,700
58	11/03/2021	720-P	51,122
59	24/03/2021	720-P	22,544
60	29/03/2021	720-P	20,000
61	01/04/2021	720-P	74,946
62	01/04/2021	720-P	58,411
63	01/04/2021	720-P	29,936
64	12/04/2021	720-P	30,000
65	12/04/2021	720-P	46,780
66	30/04/2021	720-P	74,946
67	28/06/2021	720-P	189,312
68	30/06/2021	720-P	61,521
Total			4,921,683

Annexure-7
Para 3.5.2.3

Detail of cash withdrawals from designated bank account

(Amount in Rs.)

S. No	Date	Account No.	Amount
1	13/7/2020	00819-00-5	559,110
2	13/7/2020	00819-00-5	300,180
3	27/7/2020	00819-00-5	1,165,377
4	27/7/2020	00819-00-5	1,391,520
5	30/7/2020	00819-00-5	48,766
6	30/7/2020	00819-00-5	49,180
7	12/8/2020	00819-00-5	65,960
8	02/9/2020	00819-00-5	1,252,702
9	02/9/2020	00819-00-5	806,235
10	1/10/2020	00819-00-5	794,485
11	1/10/2020	00819-00-5	1,194,926
12	2/11/2020	00819-00-5	1,227,244
13	2/11/2020	00819-00-5	806,891
14	25/11/2020	00819-00-5	98,118
15	30/11/2020	00819-00-5	50,080
16	1/12/2020	00819-00-5	910,910
17	1/12/2020	00819-00-5	1,173,796
18	7/12/2020	00819-00-5	74,250
19	16/12/2020	00819-00-5	81,505
20	22/12/2020	00819-00-5	143,244
21	30/12/2020	00819-00-5	920,602
22	30/12/2020	00819-00-5	1,229,019
23	31/12/2020	00819-00-5	66,000
24	1/2/2021	00819-00-5	75,390
25	1/2/2021	00819-00-5	1,088,177
26	1/2/2021	00819-00-5	696,408
27	2/2/2021	00819-00-5	513,151
28	1/3/2021	00819-00-5	1,042,095
29	1/3/2021	00819-00-5	1,091,261
30	1/4/2021	00819-00-5	992,531
31	1/4/2021	00819-00-5	989,059
32	29/4/2021	00819-00-5	1,079,095

33	29/4/2021	00819-00-5	1,023,978
34	1/6/2021	00819-00-5	1,046,834
35	1/6/2021	00819-00-5	1,068,743
36	13/10/2020	00817-00-4	250,000
Total			25,366,822

Annexure-8**Para 3.5.4.2****Detail of less realization of additional bid security****(Amount in Rs)**

S. No.	Name of scheme	Name of Contractor	Estimate cost	Rate quoted (%age below)	Bid security required	Bid security recovered	Less recovery
01	Inst; of P/P, Renovation and missing facilities at RHC Gurguri and solarization of Civil Hospital Gurguri	M/S International Const; and Energy Solution	6,000,000	33%	1,380,000	480,000	900,000
02	Const; of PCC Street at Totaki UC Nari Panos	M/S Taj Rehman	2,200,000	40.11	662,420	176,000	486,420
	Total						1,386,420

Annexure-9

Para 3.5.4.3

Detail of less realization of additional bid security

(Amount in Rs)

S. No.	Name of scheme	Name of Contractor	Estimate cost (Million)	Rate quoted (%age below)	Bid security required	Bid security recovered	Less recovery
01	Inst; of Solar system for Saif ul Islam Madrassa Karak	M/S Masti khel Const; Co.	1.00	40.99 %	309,900	80,000	229,900
02	Const; of PCC street at Abdur Rasheed Koroona New Muhalla Tatri Khel Karak Sar	Rafi Ullah & Bros	1.250	35.11 %	313,875	100,000	213,875
03	Solarization of existing P/Pumps for Tahir Iqbal Koroona Old Bazar Karak	M/S Manahil Engineering & Const; Co.	0.700	26.31 %	114,170	56,000	58,170
04	PCC street, drain at Shaheed ur Rehman Koroona Rehmat Abad	M/S Malak Wood Complex	0.900	35.57 %	320,130	72,000	248,130
05	Solarization of Tablighi Markaz Kark	Noor Jannat Shah	2.500	33.72 %	593,000	200,000	393,000
	Total						1,143,075

Annexure-10
Para 3.5.4.4

Detail of non-recovery of advance to TMA officers/ official

(Amount in Rs)

S. No	Name of Official	Purpose of payment	Date	Amount
1	Mr. Hikmat Ullah, S. Inspector	Sanitation	14.06.2013	100,000
2	Mr. Mian Noor, S. Engineer	POL of fire brigade	28.06.2013	20,000
3	Mr. Munawar Zaman, MO (R)	14 th August, Celebrations	12.08.2013	50,000
4	Mr. Liaq Noor, S. Inspector	Sanitation Campaign	12.08.2013	150,000
5	Mr. Mian Noor, S. Engineer	POL of fire brigade	12.12.2013	20,000
6	Mr. Liaq Noor, S. Inspector	Misc. Charges	16.01.2014	30,000
7	Mr. Mian Noor, S. Engineer	POL of fire brigade	05.08.2014	20,000
8	Mr. Abdul Sabur, MO (F)	14 th August Celebrations	11.08.2014	50,000
9	Mr. Haider Ullah, C. Operator	POL	21.03.2016	40,000
10	Mr. Munawar Zaman, Tax Supdt;	Encroachment	03.05.2016	50,000
11	Mr. Fahad Afzal, TO (R)	Encroachment	10.05.2016	48,000
12	Mr. Munawar Zaman, Tax Supdt;	Encroachment	13.05.2016	49,000
13	Mr. Hayat Nawaz, Driver	Repair of Vehicle	23.10.2017	30,000
14	Mr. Mir Janan, Driver	Repair of Vehicle	26.03.2019	50,000
15	Mr. Aslam Noor, Work Munshi	Renovation of TO (I) room	12.11.2019	50,000
16	Mr. Liaq Noor, S. Inspector	Sanitation	02.01.2020	100,000
17	Mr. Amjad Khan, TMO	Repair of Fire brigade	13.10.2020	250,000
18	Mr. Liaq Noor, S. Inspector	Sanitation campaign	02.02.2021	50,000
19	Mr. Liaq Noor, S. Inspector	Sanitation Campaign	19.03.2021	60,000
20	Mr. Sana Ullah	Conference	-	50,000
Total				1,267,000

Annexure-11
Para 3.5.4.6

Detail of less realization of receipts

(Amount in Rs.)

Description	Income for the year 2018-19 Actual Realized	Target Income for the year 2019-20	Target income For the year 2020-21	Amount realized during 2020-21	Less Realized
Cattle fair Latamber	1,930,000	2,316,000	2,779,200	2,100,000	679,200
Cattle fair Mitha Khel	640,000	768,000	921,600	489,420	432,180
Cattle fair Karak	324,550	389,460	467,352	185,000	282,352
Larry Adda Latamber	266,514	319,817	383,780	120,550	263,230
Larry Adda Rehmat Abad	13,950	16,740	20,088	5,000	15,088
Larry Adda Mitha Khel	53,480	64,176	77,011	23,700	53,311
Larry Adda Sabir Abad	94,070	112,884	135,461	43,500	91,961
Entry Fee	476,540	571,848	686,218	401,690	284,528
Building Plan	950,628	1,140,754	1,368,904	522,044	846,860
Total					2,948,710