



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
LOCAL GOVERNMENTS AND WATER  
SUPPLY & SANITATION  
COMPANY  
DISTRICT KOHAT**

**AUDIT YEAR 2021-22**

**AUDITOR GENERAL OF PAKISTAN**

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## ABBREVIATIONS AND ACRONYMS

AD	Assistant Director
ADP	Annual Development Program
AGP	Auditor General of Pakistan
AIR	Audit and Inspection Report
APPM	Accounting Practices and Procedures Manual
BHUs	Basic Health Units
CA	Conveyance Allowance
CD	Civil Dispensary
CEO	Chief Executive Officer
CTR	Central Treasury Rules
DAC	District Accounts Committee
DAO	District Accounts Office
DC	Deputy Commissioner
DCA	District Comptroller of Accounts
DDEO	Deputy District Education Officer
DDO	Drawing and Disbursing Officer
DEO	District Education Officer
DG	Director General
DHO	District Health Officer
DHQ	District Headquarter
DMO	District Monitoring Officer
DO	District Officer
DPR	Disable Persons Rehabilitation
E&SE	Elementary & Secondary Education
ECG	Echo Cardiograph
FY	Financial Year
GER	General Education Ratio
HPA	Health Professional Allowance
HR	Human Recourse
HRA	House Rent Allowance
IMU	Independent Monitoring Unit
INTOSAI	International Supreme Audit Institutions
KDA	Kohat Development Authority
KP	Khyber Pakhtunkhwa
KPPRA	Khyber Pakhtunkhwa Procurement Regularity Authority
LCB	Local Council Board
LGA	Local Government Act

LGE&RDD	Local Government Election & Rural Development Department
LGO	Local Government Ordinance
MCC	Medicines Coordination Committee
MCH	Mother Child Health
MFDAC	Memorandum for Departmental Accounts Committee
MOs	Medical Officers
NBP	National Bank of Pakistan
NCs	Neighborhood Councils
NER	National Education Ratio
NIT	Notice Inviting Tender
OGDCL	Oil & Gas Development Corporation limited
OPD	Outdoor Patient Department
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCC	Plain Concrete Cement
PFC	Provincial Finance Commission
PHC	Primary Health Care
PLA	Personal Ledger Account
PSDC	Petroleum Social Development Committee
PTC	Parent Teacher Council
RDA	Regional Directorate of Audit
RHC	Rural Health Centre
SAMA	Services and Assets Management Agreement
SDEO	Sub-Divisional Education Officer
SIDB	Small Industries Development Board
THQ	Tehsil Head Quarter Hospital
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TO(F)	Tehsil Officer (Finance)
TO(R)	Tehsil Officer Revenue
VAC	Village Accounts committee
VCs	Village Councils
WSSC	Water Supply & Sanitation Company
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 and Water Supply and Sanitation Company in District Kohat 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 the Annex-1 of the Audit Report. The audit observations listed in Annex-1 shall be pursued with the Principal Accounting Officers at DAC level. In all cases where the 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 departments did not submit written replies till the finalization of this report. DAC meetings 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 Kohat 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. Town/Tehsil Municipal Officer for each administration. There are three Tehsils administrations in district Kohat. The third Tier of village and neighborhood Councils have AD LGE & RDD as their Principal Accounting Officer. There are 91 VCs/NCs in District Kohat.

In addition, District Kohat has Water & Sanitation Services Company for which Secretary LGE&RDD is the PAO.

### **a. Scope of Audit**

This office is mandated to conduct audit of 107 formations working under 06 PAOs. Total expenditure and receipts<sup>1</sup> of these formations were Rs. 7,236.86million and Rs. 206.271 million, respectively for the financial year 2020-21.

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<sup>1</sup> District Government has no receipt

Audit coverage relating to expenditure for the current audit year comprises 09 formations of 06 PAOs having a total expenditure of Rs. 2,868.489 million for the financial year 2020-21. In terms of percentage, the audit coverage for expenditure is 39.63 % of auditable expenditure.

Audit coverage relating to receipt for the current audit year comprises 04 formations i.e. three TMAs and Water Supply and Sanitation Company in District Kohat of 04 PAOs having a total receipt of Rs. 206.271 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, recovery of Rs 189.402 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 computation.

**d. Audit Impact**

Recovery of Rs 189.402 million was pointed out by audit, however positive audit impact depends on management willingness to implement internal control framework and recommendations of the audit.

**e. Comments on Internal Control**

Internal control is designed to address risks and to provide reasonable assurance that, pursuit of entity's mission, it's 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 DCA. 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 Rs.1,362.964 million<sup>2</sup>
- ii. Unauthorized payment through DDORs 350.868 million<sup>3</sup>.
- iii. Unverified payments on account of Arrears of pay & allowances- Rs.304 million<sup>4</sup>.
- iv. Irregularities were noticed in 19 cases amounting to Rs.200.297 million<sup>5</sup>.
- v. Value for money and service delivery issues were noticed in 04 cases amounting to Rs. 22.004 million<sup>6</sup>.
- vi. Other including cases of negligence were noticed in 11 cases amounting to Rs. 136.393 million<sup>7</sup>.

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

**g. Recommendations**

- i. TMA accounts needs to be consolidated at DAO.
- ii. Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.

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<sup>2</sup> Para 1.2.1

<sup>3</sup> Para 1.2.2

<sup>4</sup> Para 1.2.3

<sup>5</sup> Para 2.5.1.1 to 2.5.1.10, 3.5.1.1 to 2.5.3.3, 4.5.1.1 to 4.5.1.3 & 5.5.1.1 to 5.5.1.3

<sup>6</sup> Para 2.5.2.1 to 2.5.2.2, 3.5.2.1 & 4.5.2.1

<sup>7</sup> Para 3.5.3.1 to 3.5.3.6, 4.5.3.1 to 4.5.3.2 & 5.5.2.1 to 5.5.2.3

- iii. Strenuous efforts need to be made by the departments to recover long outstanding dues.
- iv. 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.
- v. 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 4<sup>th</sup> September, 2019, councils of all tiers of District Government were stood dissolved on the culmination of their respective tenures on 29<sup>th</sup> 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 Kohat as headed by Deputy Commissioners 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 Kohat, funds amounting to Rs.8,447.602 million were allocated to 107 formations working under 06 PAOs. Out of which, expenditure of Rs.7,236.86 million was made resulted into saving of Rs.1,210.742 million. Receipts of Rs. 206.271 million were collected through these formations (TMAs&WSSC) during the financial year 2020-21. Audit coverage relating to expenditure for the current audit year comprises 09 formations of 06 PAOs having a total expenditure of Rs. 2, 868.489 million for the financial year 2020-21. In terms of percentage, the audit coverage for expenditure is 39.63% of auditable expenditure. Similarly audit coverage for receipts is 100%.

District Kohat					
2020-21	Budget	Expenditure/Receipts	Excess/(Saving)	Expenditure Audited	%age
Salary	6,417.63	6,010.67	-406.96	2,868.49	39.63
Non salary	1006.119	720.415	-285.70		
Development	1023.855	505.774	-518.08		
<b>Total</b>	<b>8,447.60</b>	<b>7,236.86</b>	-1,210.74	<b>2,868.49</b>	<b>39.63</b>
<b>Receipts</b>	<b>206.271</b>	<b>206.271</b>	0	<b>206.271</b>	<b>100</b>

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, Kohat did not reflect Rs.1,362.964million into the consolidated financial statement of Local Government, Kohat.

District Government, Kohat 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, Kohat as required under section 18 of LGA, 2013. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Kohat 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 Governments provided services in the following sectors.

### **Education**

The education sector is one of the major sectors devolved at district level. Funds to the tune of Rs.4,330.455 million were provided to elementary & secondary education headed by District Officer. Expenditure of Rs.4,237.913 million was incurred, out of which expenditure of Rs.2,086.324 million was audited, thus 49.23% of expenditure was audited.

The education sector is one of the major sectors in District Kohat like other districts. Statistics show that there are 660 Primary, 90 Middle, 80 Secondary and 26 Higher Secondary Schools in District Kohat. The estimated Teacher Student Ratio is 1:43 at primary, 1:51 at middle, 1:38 at secondary and 1:25 at the level of higher secondary schools. District Kohat literacy rate is 46.20% the Gross Enrollment Rate (GER) is 90%, and the Net Enrollment Rate (NER) is 64% at the primary level. On budgetary front, District Education office,

Kohat succeeded in spending 90% of the District ADP and 85% non-salary budgets.

District Education Offices in Kohat enrolled 115645 in boys schools while 99678 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 89% &78% respectively. Furthermore, 91% schools in district Kohat 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 35% against the assigned target.

## **Health**

Health is another important sector of District Kohat, devolved at district level. Funds to the tune of Rs577.318 million were provided to health department headed by District Officer Health. Expenditure of Rs499.923 million was incurred. Health Department, Kohat consists of 41 health facilities spread across the district with further break-up of 20 BHUs, 09 CDs, 02 MCHs, 04 RHC and 05 THQs/Category-D hospitals with the total catchment area population of approximately 1627132 as per survey carried out by Health department in 2021.

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, 1986 babies were born in health centers. Lab investigations and diagnostic facilities were also fully utilized as 15632 lab tests, 4604 X-rays, 2966 ultrasounds and 336 ECGs were done in both primary and secondary health centers in district Kohat. Figures of immunization are also very impressive as 28956, 22638, 965, 403 pregnant women received TT-2 vaccines, 30716 kids under 12 months received full immunization. 15978 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 centers were frequently visited by patients for medical treatment and other lab investigations etc.

### **Social Welfare**

Funds to the tune of Rs96.450 million were allocated to Social Welfare and Women Empowerment sector in District Kohat, against which expenditure of Rs81.719 million was made. Budgetary allocations were focused on providing social cushion to the deprived to the deprived and marginalized segments of society especially, women and children. In the proposed development plan, the department had continued to proceed with its ongoing projects which included schemes for the wellbeing and safeguarding of destitute women, orphans, beggars, drug addicts and special persons.

Panagah(s) were established under Ehsaas Program of the Federal Government, in order to provide valued but temporary/overnight stay with two-time meals to the needy individuals seeking bed and breakfast in pursuit of employment. Panagah(s) were established in major cities/Divisional Districts based on need assessment in 1<sup>st</sup> phase. There was (1) Panagah in district Kohat with the objective to provide shelter to the homeless people which started operation in July, 2020 with a total expenditure of Rs6,639 during 2020-21. During last two years, 130 homeless people were benefited from the facility. Moreover, there were three (3) Dar-ul-Kafalas 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 Kohat 2186 baggers were benefited from this facility. Rehabilitation center for drug addicts has 12 beds and it had treated 218 patients during the year. 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.

### **Municipal Services**

Town Municipal Administrations, District Kohat did not fulfill some primary requirements envisioned as integral component of 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, Kohat 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.

### **Water and Sanitation**

Water and Sanitation Services Company Kohat was created as separate entity in 2017 to take over water supply, sanitation and solid waste management services in 06 urban union councils from respective Town Municipal Administrations. Under the code of corporate governance, the company is being run by the Board of Directors. Water and Sanitation Services Company Kohat outsourced some of their services to contractors. So far, Water and Sanitation Services Company could recover only a marginal share of water and sanitation charges from the end users and heavily depend on government grants for its functionality.

**(Rs in million)**

<b>S.No</b>	<b>Financial Year</b>	<b>Receipts</b>	<b>Expenditure</b>	<b>Diff</b>	<b>%age</b>
1	2018-19	38.00	356.00	-318.00	-836.84
2	2019-20	219.09	362.00	-142.91	-65.23
3	2020-21	46.512	439.85	-393.34	-845.669

## **1.2 AUDIT PARAS**

### **1.2.1 Non-Compilation/Consolidation of Accounts of Local Governments-Rs.1,362.964 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.

District Comptroller of Accounts, Kohat did not compile/consolidate the accounts of receipts Rs. 796,133,064 and Expenditure Rs. 566,827,390 from the Government and local resources of the Local Governments i.e TMAs & NCs/VCs for the financial year 2020-21 as required under section-36(3) of the Local Government Act, 2013.

Due to non-consolidation of accounts of TMAs and VCs/NCs in the financial statements of local government remained incomplete which led to disclaimer of audit opinion.

Audit recommends 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.350.868 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 Comptroller of Accounts, Kohat paid Rs 350,867,838 to various DDOs instead of issuance crossed cheques to Vender/Payees Accounts which was unauthorized.

The lapse occurred due to weak internal controls, 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 payment on account arrears of pay and allowances - Rs92.304 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 District Comptroller of Accounts, Kohat for the FY 2020-21, while analyzing HR data it was noticed that arrears of pay and allowances of Rs92,303,987 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 Kohat

#### 2.1 Introduction

Under the Khyber Pakhtunkhwa Local Government Act, 2013, 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 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 Kohat

(Rs. in million)

S. No	Description	Total Nos	Audited	Expenditure audited FY 2020-21	Revenue / Receipts audited FY 2020-21
01	Formations	10	04	1,854.062	Nil

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

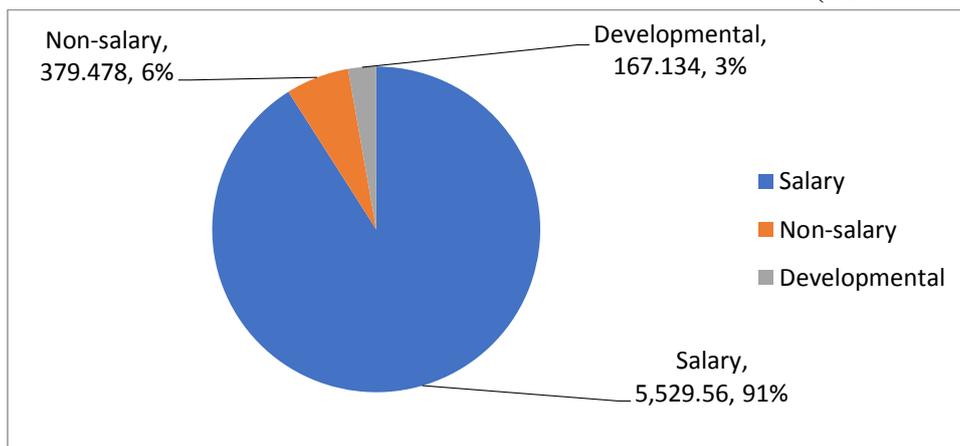
(Rs. in million)

2019-20	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	5,725.752	5,529.557	196.195	3.426
Non-salary	530.594	379.478	151.116	28.481
Developmental	170.845	167.134	3.711	2.172
<b>Total</b>	<b>6,427.191</b>	<b>6,076.169</b>	351.022	
<b>Receipts</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	

The savings of Rs351.022 million indicates inefficiency in the capacity of District Government Departments to utilize the amount allocated.

### EXPENDITURE 2020-21

(Rs. in million)



## 2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs.116.049million were raised in this audit report. This amount also includes recoverable of Rs.55.946 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.	<b>Irregularities</b>	-
A	HR/Employees related irregularities	8.798
B	Procurement related irregularities	60.722
C	Management of Accounts with Commercial Banks	26.576
2.	Value for money and services delivery issues	19.953
	<b>Total</b>	<b>116.049</b>

## 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 ZillaAccounts Committee meetings are given below:

<b>S#</b>	<b>Audit Year</b>	<b>ZAC Meeting</b>
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. HR/Employees related irregularities**

##### **2.5.1.1 Non-deduction of HRA, 5% maintenance charge & Conveyance Allowance – Rs 1.793 million**

According to Rule 223 of CTR Vol-I, House rent should be recovered from the pay bills of the government employees having government accommodation.

According to Finance Department, Government of Khyber Pakhtunkhwa, letter No. BXIV/1-4/97-98/FD/Vol-IV dated 14.04.2000, 5% maintenance charges may be recovered from the officials availing the facilities of government accommodation.

According to judgment of Peshawar High Court dated 28.2.2013 in writ petition No. 304-9/2013, No conveyance allowance shall be allowed to those employees availing the facility of residential accommodation situated within their work premises.

Office of the District Health Officer, Kohat could not deduct Rs1,716,216 during FY 2020-21 on account of House Rent Allowance, 5% maintenance charges & Conveyance Allowance from the pay of those Medical Officers and Paramedic Staff to whom Government accommodations were allotted in the concerned health facilities/ within the premises where they performed duty. Details are given at annexure-2.

The irregularity occurred due to weak internal and administrative controls, which caused loss to the Government.

When pointed out in August, 2021, the management replied that recovery would be made and progress would be shown to audit. However, no progress was intimated till finalization of this report.

In DAC meeting held on 25.11.2021, the management replied that recovery has been started in the month of November 2021. However, documentary proof in support of reply was not produced to audit, hence, DAC directed to stand the para till full recovery.

Audit recommends recovery of overpaid amount from the concerned doctors/ staff besides stoppage of HRA/ conveyance allowance and action against the person(s) at fault.

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

**2.5.1.2 Overpayment on account of pay and allowances – Rs 1.160 million**

According to Home and Tribe Affairs Department, KP Notification No.SO (Police-II) HD/MKD/Levies/Misc/2020, dated 22.03.2021 and DC Kohat office order No. 462.DC-KT/CMDT:/LEVY-SEC dated 05.04.2021, twenty-one number of Personnel of District Kohat Levies Force are hereby retired from service on attending of age of retirement/ completion of rank services w.e.f 22.03.2021.

Office of the Deputy Commissioner, Kohat Paid Rs 1,159,977 to the 21 numbers of Levies Force personnel in the district on account of pay and allowances for the period from 22.03.2021 to 30.04.2021 for which they were not entitled for being stand retired w.e.f 22.03.2021. Details are given at annexure-3.

Overpayment on a/c of pay and allowances occurred due to weak internal and financial controls which resulted in loss to the Government.

When pointed out in July, 2021, the management replied that recovery would be made from the concerned officials in pension. However, no progress was shown to audit till finalization of this report.

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 overpaid amount and action against the person(s) at fault.

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

**2.5.1.3 Overpayment on account of Health Professional Allowance due to allowing higher rate – Rs 1.008 million**

According to Finance department regulation wing notification No.FD (SOSR-II)8-18/2016 dated 07.01.2016, health professional allowance for MOs/dental surgeon is Rs 62,000 in urban areas and Rs 72,000 in rural areas working in category-B districts i.e. Kohat etc.

Office of the District Health Officer, Kohat overpaid Rs 1,008,000 on account of Health Professional Allowance to various Medical Officers who performed duty in Type-D hospital KT-6350 (Urban Area) during FY 2020-21. Despite the fact that the above mention facility is located in urban area, the doctors were allowed Health Professional Allowance at rural area rate of Rs 72,000 per month instead of urban rate at Rs 62,000/ month. Details are given at annexure-4.

Overpayment was made due to weak internal and financial control which resulted in loss to government.

When pointed out in August, 2021, the management replied that advice would be seek from the D.G Health and action would be taken accordingly. However, no progress was intimated till finalization of this report.

In DAC meeting held on 25.11.2021, the management replied that Type-D hospital has been declared in the list of medium health facility and was allowed HPA at the rate of Rs. 75,000/ month duly notified by the Finance Department KP. Reply was not accepted by the DAC as notification was admissible for the Financial Year 2021-22. Hence, DAC directed for full recovery from the doctors concerned.

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

**AIR Para No 06(2020-21)**

#### **2.5.1.4 Overpayment on a/c of pay and allowances – Rs 1.216 million**

According to Government of Khyber Pakhtunkhwa Finance Department letter No. FD(SOSR-I)1-1/2019-20 dated 11/07/201, Dr. Jamshid Khan MO attached to BHU Torchapar has been granted leave without pay w.e.f 01.02.2021.

According to Khyber Pakhtunkhwa Finance Department letter No.FD (SOSR.I)1-12019-20 dated 11.07.2019, Adhoc Relief Allowance 2019 @5% will not be admissible to doctors in B-17 and above who are drawing Health Professional Allowance w.e.f 01-07.2019.

According to Government of Khyber Pakhtunkhwa Finance Department letter No. FD(SOSR-II) 8-18/2016 dated 07/01/2016, Heath Professional allowance shall not be admissible during earned leave, study leave, and EOL.

According to Accountant General Khyber Pakhtunkhwa letter No. Computer/HR-LAB/C/203 dated 04-08-2011, Conveyance Allowance is not admissible to Government servants during the period of earned leave.

Office of the Deputy District Health Officer, DarraKohat paid Rs286,918 during FY 2020-21 on account of pay & allowances to Dr. Jamshid Medical Officer (Personal No. 50449441) during the month of February, 2021 and March, 2021 for which he was not entitled being on leave without pay during the said period. Similarly, Rs 393,348 overpaid on account of Health Professional Allowance and Conveyance Allowance to doctors/ other staff during the period of earned leave for which they were not entitled. Detailed is given below:

Name	Designation	Period of leave	HPA (Rs)	Conveyance (Rs)
Dr. HajiraBibi	WMO	10.11.20 to 25.12.20	138,000	7,250
Jehanzeb	EPI Tech.	01.03.21 to 30.06.21	40,000	11,424
Dr. SamanHabib	WMO	25.01.21 to 15.03.21	138,000	7,250
AburRaziq	M.T	19.07.20 to 18.11.20	40,000	11,424
<b>Total</b>			<b>356,000</b>	<b>37,348</b>

Furthermore, Rs 535,452 was paid on account of Adhoc Relief Allowance 2019 @5% to the Doctors in B-17 and above during Financial Year 2019-20 & 2020-21, which were not admissible to them as they were already drawing Health Professional Allowance during that period. Abstract is given below:

S.No.	Financial Year	Overpayment (Rs)
1.	2019-20	259,920
2.	2020-21	275,532
<b>Total</b>		<b>535,452</b>

Audit observed that payment of inadmissible pay and allowances occurred due weak financial and internal controls, which resulted in loss to the Government.

When pointed out in August, 2021, the management replied that recovery would be made and progress would be shown to audit. However, no progress was intimated till finalization of this report.

In DAC meeting held on 25.11.2021, the management replied that notices have been issued to the concerned staff for depositing of the overpaid amount. DAC directed for full recovery from the concerned staff.

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

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

**2.5.1.5 Unauthorized payment of conveyance allowance –Rs 5.423 million**

According to Government of KP, Finance Department letter No. FD(PCR)1-1/2011 dated 19-07-2011 endorsed by the Accountant General Khyber Pakhtunkhwa, Peshawar letter No. Computer/HR-Lab/CIC/203 dated: 04.08.2011, conveyance allowance is not admissible to teachers of the schools/colleges/training institutes during the period of winter/summer vacations.

Office of the District Education Officer (Male), Kohat allowed conveyance allowance amounting to Rs 5,423,305 to teachers posted in various Primary & Middle Schools in the district during summer vacations i.e 1<sup>st</sup> July, 2020 to 31<sup>st</sup> July, 2020 for which they were not entitled. Details are given below:

S.No.	Particular	Overpayment (Rs)
1.	Middle Schools	910,825
2.	SDEO(M), Kohat	3,738,504
3.	SDEO(M), Lachi	773,976
<b>Total</b>		<b>5,423,305</b>

Overpayment of conveyance allowance occurred due to weak internal and administrative controls, which resulted in loss to government exchequer.

When pointed out in August, 2021, the management replied that recovery would be made from the concerned staff and would be deposited into government treasury. However, no progress was intimated to audit till finalization of this report.

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

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

**AIR Para No 09(2020-21)**

**2.5.1.6 Unauthorized drawl of Health Professional Allowance – Rs3.500 million**

According to Finance department regulation wing notification No.FD (SOSR-II)8-18/2016 dated 07.01.2016, health professional allowance for

MOs/dental surgeon is Rs 42,000 in urban areas and Rs 52,000 in rural areas working in category-A districts i,e Peshawar etc.

According to Finance department regulation wing notification No.FD (SOSR-II)8-18/2016 dated 07.01.2016, health professional allowance for MOs/dental surgeon is Rs 62,000 in urban areas and Rs 72,000 in rural areas working in category-B districts i,e. Kohat etc.

According to DHO Kohat Office Orders, the newly appointed MOs are hereby attached for duty at different hospitals in district Peshawar in connection with COVID-19 Health emergency on temporary basis.

Office of the District Health Officer, Kohat paid Rs 8,540,000 (854 X 10) on account of Health Professional Allowance to various Medical Officers who were on the strength of DHO Kohat but performed duty in different hospital at district Peshawar in connection with COVID-19 Health emergency on temporary basis during the period from September, 2020 to June, 2021. The local office paid HPA to these MOs on rates admissible for Kohat district i.e. Rs 72,000 instead of Peshawar district i.e. Rs 42,000 resulting in overpayment of Rs3,500,000.Details are given at annexure-5.

The lapse occurred due to weak internal and financial control which resulted in loss to government.

When pointed out in August, 2021, the management replied that advice would be seek from the D.G Health KP and action would be taken accordingly. However, no progress was intimated till finalization of this report.

In DAC meeting held on 25.11.2021, the paracould not be discussed since reply from the DG Health services KP was still pending.

Audit recommends inquiry for fixing responsibility, recovery and action against the person(s) at fault.

**AIR Para No.22 (2020-21)**

## **B. Procurement related irregularities**

### **2.5.1.7 Non-supply of medicines of Rs 2.970 million and non-imposition of penalty – Rs 207,914**

According to clause 22 of Government MCC rate contract agreement issued vide Director General Health Services Khyber Pakhtunkhwa Peshawar letter No. 1805-1909/DD(Preq/Reg/Drugs) dated 11.09.2018. The supplier agrees that the supply of the ordered goods under this agreement shall be completed by the supplier within thirty (30) days after the receipts of supply orders from the purchasing Agency. The supplier may avail 15 days extension with 3% penalty and another 15 days with 7% penalty on the cost of non-supplied items.

Office of the District Health Officer, Kohat placed supply order for Rs.2,970,199 for supply of medicines during FY 2020-21. However, supply could not be made till the dates of audit i.e. July 2021. The local office was required to ensure that supply of medicine was made in time and initiate appropriate action against the supplier in case of failure to provide medicine within stipulated time. Moreover, the management did not impose penalty @Rs7% amounting to Rs.207,914 on the concerned defaulter suppliers. Details are given at annexure-6.

Audit observed that non-supply of medicines occurred due to weak internal control resulting in non-availability of medicine for community in health facilities, when required & loss to Government.

When pointed out in August, 2021, the management replied that on completion of supply, penalty would be recovered. However, no progress was intimated till finalization of this report.

In DAC meeting held on 25.11.2021, the management replied that notices have been served upon the concerned firms for supply and penalty would be recovered. DAC directed for immediate supply of medicines and recovery of penalty from the concerned firms.

Audit recommends immediate completion of supply with imposition of penalty and action against the person(s) at fault.

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

### **2.5.1.8 Irregular expenditure on purchase of sewing machines out of ADP – Rs 3.261 million**

According to Clause 2(c) of KPPRA Rules-2014 “bid security/ surety/ guarantee” means a written guarantee from a third-party guarantor usually a bank or an insurance company submitted to a client by a contractor or bidder with a bid.

According to rule 30 of KPPRA Rules-2014, each procuring entity shall plan its procurement with due consideration to transparency, economy, efficiency, and shall ensure equal opportunities to all prospective bidders in accordance with section 22 Of the Act.

Office of the District Officer, Social Welfare, Kohat incurred expenditure of Rs 3,261,400 on account of purchase of 460 Sewing machines out of District ADP during FY 2020-21. The following irregularities were noticed:

1. Inspection Report from the Inspection/Technical Committee that all the items supplied are in working conditions and of standard quality and according to the specification provided, was not found on the record.
2. Photographs & visual/videos of distribution of swing machines amongst the deserving are not available on record due to which the distributions are held doubtful.
3. The sewing machines were showing distributed through District members of District Council instead of the local office.
4. No entry was made in stock register.
5. Acknowledgement of the beneficiaries was not available on record.

The lapse occurred due to non-compliance of rules which resulted in irregular expenditure and loss to the Government.

When pointed out in November 2021, the management stated that detailed reply will be submitted after scrutiny of relevant record. However, no progress was shown to audit till finalization of this report.

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

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

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

**2.5.1.9 Unverified Expenditure on account of PTC Funds– Rs54.283 million**

According to Para-1 of PTC Guidelines (Record Maintenance), PTC will maintained complete record of income (Receipts) and expenditure (Payments) and shall also submit thereof to the DEO concerned at closure of the Financial Year.

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 District Education Officer (Male& Female), Kohat transferred Rs30,515,750&Rs 23,767,753 to the bank accounts of various PTCs for Petty Repair/ CRS in different schools in the district during FY 2020-21. However, funds utilization reports, progress/completion reports along with supporting documents such as bills, vouchers, APRs and other related record duly attested by PTCs officials and the controlling officer were not produced to audit and remained unchecked. Moreover, certificate to the effect that such fund/facilities under any other scheme/imitative have already not been provided to these schools. Detail is given below:

S.No.	Particular	DDO Code	Petty Repair (Rs)	CRC (Rs)	Total (Rs)
1.	DEO (M), Kohat	KT-6331	7,989,250	4,202,500	12,184,750
2.	SDEO (M), Kohat	KT-6082	6,255,000	7,776,000	14,031,000
3.	SDEO (M), Lachi	KT-6292	2,200,000	2,100,000	4,300,000
<b>G. Total</b>			<b>16,444,250</b>	<b>14,078,500</b>	<b>30,515,750</b>

Audit observed that due to weak internal control the expenditure was remained unverified.

When pointed out in August, 2021, the management replied that the relevant record will be collected from the concerned schools and will be produced to audit in DAC meeting. However, no progress was intimated to audit till finalization of this report.

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

Audit recommends production of record to audit for verification and action against the person (s) at fault.

**AIR Para No 07(2020-21)**

**C. Management of Accounts with Commercial Banks**

**2.5.1.10 Non deposit of Bank profit into Government Treasury – Rs.26.576 million**

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

C01	Total income from property and enterprise
C018	Total interest on loan – others
C01803	Interest realized on investment of cash balance
PR5562	RCO #

Office of the Deputy Commissioner, Kohat earned profit of Rs.26,575,650 on the public funds place in the respective designated bank accounts during FY2020-21. However, the same was retained in the bank till the date of audit (July, 2021) and not deposited into the Government treasury. Detail is given below:

S.No.	Bank	Title	Account No.	Profit (Rs)
1.	Allied	AC Darra	0010017994390010	6,772,053
2.	NBP	DC Kohat	3101385812	16,895,944
3.	NBP	DC Kohat	3101385803	2,371,144
4.	NBP	DC Kohat	3049650563	536,509
<b>Total</b>				<b>26,575,650</b>

Non-depositing of profit into Government treasury occurred due to weak financial control and violation of rules which resulted in loss to the Government.

When pointed out in July 2021, the management stated that the profit would be deposited into Government treasury. No response was initiated till finalization of this report.

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 immediate depositing of the profit into Government treasury and action against the person(s) at fault.

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

## **2.5.2 Value for money and services delivery issues**

### **2.5.2.1 Loss on account of Compulsory Acquisition Charges-Rs14.943 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 the Deputy Commissioner, Kohat received Rs 14,943,104 as 25% compulsory acquisition charges from OGDCL, Islamabad vide cheque No. 21508409 dated 09.09.2020 for onward payment to land owner for establishing of OGDCL installation in Shiekhan District Kohat during FY 2020-21 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.

When pointed out in July, 2021, the management replied that Deputy Commissioner is competent under section 15 of Land Acquisition Act b 1894 and rule 17 of Khyber Pakhtunkhwa (Land Acquisition) Rules 2020 to allow compulsory acquisition charges. Reply was not convincing as compulsory acquisition charges were paid without written objection and court order in violation of above sections of the Act 1894.

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 25% compulsory charges and action against the person(s) at fault.

**AIR Para No 03(2020-21)**

**2.5.2.2 Non auction of extra/old Free Text Books approximately Rs5.010 million**

According to Khyber Pakhtunkhwa Free Text Book Board letter No. SW/77239 dated 8.7.2019 “Once the books are sold/issued to Elementary & Secondary Education Department (E&SED) as per the demand received from DEOs, the same become the property of Government/E&SE Department”.

According to rule 30 of KPPRA Rules 2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders in accordance with section 22 of the Act.

In the office of District Education Officer (Male), Kohat, the stock of 553861 old/ extra free text books was found which was accumulated during the last few years due to exaggerated demand raised from PFTB. These books were lying in various schools and circles and became redundant due to syllabus change. The local office inflicted huge loss to the government by demanding surplus books and did not initiating case of auction of these books with higher ups for making space for new books. Furthermore, the government was deprived of revenue amounting to Rs 5,010,140 due to non-auction of these books as per detail given below:

<b>Particular</b>	<b>Total No. of old/changed &amp; unserviceable books as on 30.06.2021</b>	<b>Average auction rate per Book</b>	<b>Total Loss (Rs)</b>
DEO Male, Kohat	296072	10	2,960,720
Kohat City circle	22450	10	224,500
Gumbat circle	22698	10	226,980
Jerma Circle	44794	10	447,940
Lachi Circle	115000	10	1,150,000
<b>Total</b>	<b>501014</b>	<b>10</b>	<b>5,010,140</b>

The irregularity occurred due to weak internal and administrative controls which resulted in wasteful expenditure and loss to Government.

When pointed out in August, 2021, the management stated that detailed reply will be submitted after scrutiny of relevant record. However, no progress was intimated to audit till finalization of this report.

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

Audit recommends detailed inquiry into the matter for fixing responsibility and action against the person(s) at fault besides making policy for utilization/ auction of extra books under intimation to audit.

**AIR Para No 15(2020-21)**

## **CHAPTER-3**

### **Tehsil Municipal Administration**

#### **3.1 Introduction**

District Kohat has three Tehsils i.e. Kohat, Lachi and Gumbat. 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 lays 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 Kohat

(Rs. in million)

Sr. No	Description	Total No.	Audited	Expenditure audited FY 2020-21	Revenue /Receipts audited FY 2020-21
1	Authorities/Autonomous Bodies etc under the PAO	3	3	509.949	172.712

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

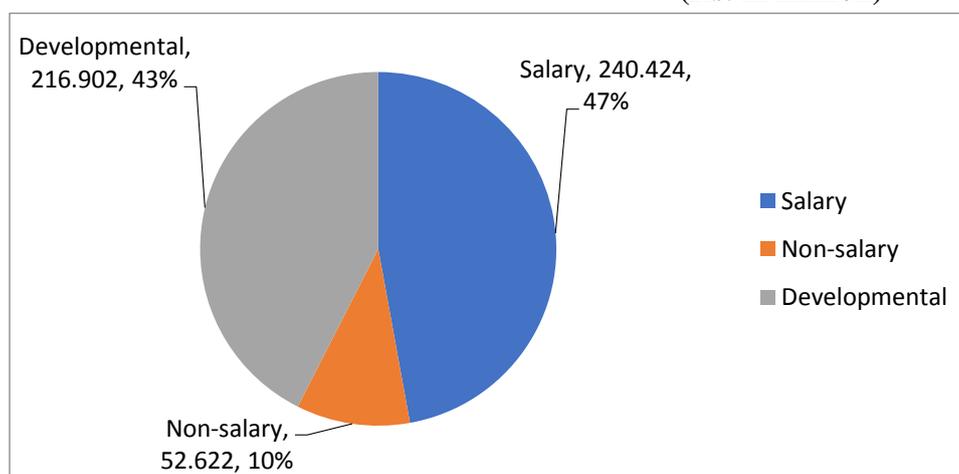
(Rs.in million)

TMAs				
2020-21	Budget	Actual Expenditure/Receipts	Excess/(Saving)	%age
Salary	382.373	240.424	141.949	37.123
Non salary	120.465	52.622	67.842	56.317
Development	718.695	216.902	501.793	69.820
<b>Total</b>	<b>1,221.533</b>	<b>509.948</b>	<b>711.584</b>	
<b>Receipts</b>	<b>172.712</b>	<b>172.712</b>	<b>0</b>	

The savings of Rs. 711.584 million indicates inefficiency in the capacity 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.110.636 million were raised in this audit report. This amount also includes recoverable of Rs.91.157million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

S No.	Classification	Amount (Rs. in million)
1	<b>Irregularities</b>	-
A	Procurement related irregularities	10.919
2	Value for money and service delivery issues	1.139
3	Others, including cases of accidents, negligence etc.	98.578
<b>Total</b>		<b>110.636</b>

### 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	2007-08	Not convened
2	2008-09	Not convened
3	2009-10	Not convened
4	2010-11	Not convened
5	2011-12	Not convened
6	2012-13	Not convened
7	2013-14	Not Convened
8	2016-17	Not Convened
9	2017-18	Not Convened
10	2018-19	Not Convened
11	2019-20	Not convened
12	2020-21	Not convened

### **3.5 AUDIT PARAS**

#### **3.5.1 Irregularities**

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

#### **3.5.1.1 Delay in completion of development work- Rs 1.266 million and non-imposition of penalty - Rs 253,200**

According to condition No. 7 of the Administrative Approval issued vide No. 21-24/TMA/GT, dated 11.07.2019, “the work must be completed within the stipulated time period and no extension of time should be allowed without proper justification”.

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

According to chapter No. V of the KPPRA Procurement Rules 2014, “The bid security shall be forfeited if a bidder withdraws his bid, within the validity period thereof or, in the case of a successful bidder, who repudiates the contract or fails to furnish performance security.

Office of the TMO, Gumbat awarded a work “Mini water supply scheme/ Hand Pumps at Tehsil, Gumbat” for estimated cost of Rs 1,266,000 to Mr. Rafi Ullah Government contractor out of saving balance of 30% PFC development grant (2018-19) during FY 2019-20. The following irregularities were noticed:

1. Work order was issued on 24.02.2020 with a completion period of 365 days, but the work was not even started till June, 2021 despite serving 03 notices issued to contractor to start the work otherwise legal action will be taken against him, but neither extension of time was granted nor any legal action was taken against the contractor;
2. Penalty of Rs 126,600 @ of 10% was neither imposed nor recovered from the contractor;
3. The scheme was again approved in TDC held on 01-06-2021 with revised PC-I having the same nomenclature and estimated cost of Rs 1.266 million out 30% PFC development grant for the year 2020-21 without mentioning the reasons for not executing the work out of the previously approved fund of saving balance of 30% PFC development grant 2018-19.

4. After inclusion of the said scheme in another Administrative Approval issued vide No. 455/TMA/GT, dated 07.06.2021, the work was required to be retendered and the bid security amounting to Rs 126,600 was also required to be forfeited which was not done.
5. The work was started by the same contractor and was paid for Rs 859,402 vide 1<sup>st</sup> Running bill and still not completed till the date of audit in November, 2021.

Non completion of developmental scheme occurred due to weak internal and administrative controls which resulted in depriving general public from the timely benefit of utilization of the fund beside loss to Government.

When pointed out in November 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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

Audit recommends inquiry into the matter for fixing responsibility, imposition of penalty and action against the person (s) at fault.

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

### **3.5.1.2 Unauthorized advance drawl on account of purchase of sanitation vehicles- Rs 4.400 million.**

Para 95 of GFR Vol-I provides that all anticipated savings should be surrendered to Government well before close of financial year. No savings should be held in reserve for possible future excesses.

Office of the TMO, Gumbat received Rs 4,400,000 on simple receipt in advance from Government treasury and transferred the amount to PLA of TMA Gumbat on 24.06.2021. The amount was released for purchase of sanitation vehicles during FY2020-21, but instead of purchase of vehicles, the amount was transfer to PLA just to avoid lapse of fund.

Unauthorized advance drawl occurred due to weak internal and financial controls which resulted in unnecessary blockage of Government fund.

When pointed out in November 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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

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

**AIR Para No.08 (2020-21)**

**3.5.1.3 Unauthorized award of contract without T.S of Rs 5.0 million and non-imposition of penalty due to delay in completion of work-Rs 0.50**

According to contract agreement the contractor was liable to complete the work within stipulated period of time, in case of delay will be liable penalize. And administrative approval issued vides No 5377/24/P&D/DC/KT dated 28-08-2020 instruction no 7 stats that the work must be completed within the stipulated period and no extension in time should be allowed.

Office of the TMO, Kohat awarded a scheme “Remaining construction work, installation of pressure pumps and Solarization of KohatGurdwara at Collage town” for a completion period of 180 days’ vide work order dated 07/5/2021. But as evident from the contractor application vide no 117 dated 27-09-2021, the work was not completed within the stipulated period of time. Hence, penalty amounting to Rs. 500,000 was required to be imposed on the contractor for delay in completion of work which was not done. Moreover, despite incurrence of 100% expenditure, the scheme was not technically sanctioned by the competent authority.

Non completion of developmental scheme occurred due to weak administrative control which resulted in depriving general public from the timely benefit of utilization of the fund beside loss to Government.

When pointed out in October 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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

Audit recommends inquiry into the matter for fixing responsibility, imposition of penalty, regularization of expenditure and action against the person (s) at fault.

**AIR Para No.18 (2020-21)**

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

#### **3.5.2.1 Non-adjustment of Advances for miscellaneous activities- Rs1.139million**

According to Para 72 of CPWA Code provides that vouchers setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in the accounts must support every payment for whatever purpose.

Office of the TMO, Kohat paid an amount of Rs1,139,000 as advance to staff members for incurrence of various expenditures during FY2020-21 as given at annexure-7. However, adjustments of these advances were still outstanding against the relevant employees, since no vouchers/bills against the advances were available on record with the local office.

The irregularity occurred due to weak administrative and internal control which resulted in loss to the government exchequer.

When pointed out in November 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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

Audit recommends detailed inquiry into the matter and to fix responsibility, adjustment/ recovery of advances and action against the person(s) at fault.

**AIR Para No.08(2020-21)**

### **3.5.3 Others, including cases of accidents, negligence etc.**

#### **3.5.3.1 Non-recovery of rent of Municipal Property-Rs 43.829 million**

According to Rules 51(1) of the Revenue Receipts Management of the TMA Budget Rules 2016, the TO(R) shall ensure that all revenue dues are claimed, realized and credited immediately into Tehsil Fund under proper receipt head.

Office of the TMO Kohat, did not recover Rs 43,829,941 outstanding against the head of “rent of Municipal Property” during the FY 2020-21 as per detail provide at annexure-8. The outstanding amount of rent included arrears of previous years as well as current year receipts. The local office could not show any meaningful efforts during this period to recover the outstanding rent.

Non recovery of government dues occurred due to weak internal and administrative control which resulted into loss to the TMA.

When pointed out in November 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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

Audit Recommends recovery of government dues and action against the person(s) at fault.

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

#### **3.5.3.2 Non-recovery of outstanding Government dues on account of water rates-Rs 22.577million**

According to Rule 51 of TMA Budget Rules 2016, the primary obligation TO(R) shall be to ensure that all revenue due is claimed, realized and credited immediately into the Tehsil Fund under proper head of account.

Khyber Pakhtunkhwa Local Govt. Act, 2013 clause 45 (collection and recovery of taxes, etc) sub-clause (1) requires that failure to pay any tax and other money claimable under this Act shall be an offense, And clause (ii) states that all arrears of taxes, rents and other moneys claimable by a Local Council under this Act shall be recoverable as arrears of land revenue.

Office of the Tehsil Municipal Officer, TMA Lachi did not recover Rs.22,577,282 on account of water charges from 2400 consumers, which also included previous year liabilities during FY 2020-21. The local office neither recovered previous year liabilities nor could show any fruitful efforts to recover the current year liabilities. Detail is given below:

<b>Total Connections</b>	<b>Annual Outstanding Arrears</b>	<b>Recovery Made</b>	<b>Amount Outstanding for the year 2020-21</b>	<b>Outstanding arrears as on 30.06.2019</b>	<b>Total Outstanding amount</b>
2400	5,760,000	1,680,820	4,079,180	18,498,102	22,577,282

Non recovery of water charges occurred due to weak internal control, which resulted in loss to government.

When pointed out in November 2021, the management stated that detailed reply will be submitted after scrutiny of record. However, no progress was shown to audit till finalization of this report.

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

Audit recommends recovery of outstanding water charges and action against the person (s) at fault.

**AIR Para No. 10 (2020-21)**

**3.5.3.3 Non-recovery of outstanding Government dues on account of revenue receipt contracts-Rs 5.559 million**

According to Rules 51(1) of the Revenue Receipts Management of the TMA Budget Rules 2016, the TO(R) shall ensure that all revenue dues are claimed, realized and credited immediately into Tehsil Fund under proper receipt head.

Office of the TMO, Kohat did not recover Rs 5,559,597 outstanding as on 30.6.2021 on account of revenue receipt contracts. This indicates the failure of the department to recover the outstanding dues on account of receipts contract. Details are given at annexure-9.

Non recovery of government dues occurred due to weak internal and administrative control which resulted into loss to the TMA.

When pointed out in November 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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

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

**AIR Para No.2(2020-21)**

**3.5.3.4 Non-deduction of income tax from receipts contracts - Rs5.214 million**

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 10% for filers and 15% for non-filers”.

Office of the TMO,Kohat could not recover income tax amounting to Rs.5,214,047 from various contractors of revenue receipt contracts on revised rate of taxes during FY 2020-21. Details are given at annexure-10.

Non recovery of government taxes dues occurred due to lack of financial and administrative control resulted into loss to the government.

When pointed out in November 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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

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

**AIR Para No.3 (2020-21)**

**3.5.3.5 Non realization of receipts from Tehsil Plaza -Rs. 8.170 million**

According to Clause 6 of Notice Inviting Tender (NIT) published in daily The News dated 11/11/2016 “successful bidder will be bound to deposit 100% percent of the premium within 15 days of the approval in the TMA Kohat fund”.

Office of the TMO, Kohat handed over the auctioned shops to successful bidders in Tehsil Plaza Kohat in 2016-17; however, full amount of premium from successful bidders could not be recovered till date of audit i.e. November 2021. The outstanding amount against the allottees under the head of “Premium of Shops” was Rs 8,170,000 as per details provided at annexure-11.

Non recovery of government dues occurred due to weak internal and administrative control which resulted into loss to the TMA.

When pointed out in November 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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

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

**AIR Para No. 11(2020-21)**

**3.5.3.6 Non-collection of bus stands parking fee on revised Rate Rs13.287 million**

According to clause 2 of Terms and Condition of the contracts circulated vide Local Government Department, Government of Khyber Pakhtunkhwa letter No. AO-II/LCB/6-11/2011 dated 20-2-2017, the contract for the present year must have an increase over the bid of last year to the tune of 20%. The schedule rate of 2011 for all bus stands has revised by Tehsil Council Kohat in 2016 via resolution passed.

Office of the TMO, Kohat could not collect an amount of Rs 13,287,475 receipts from new bus stand, (Hangupatak and Gulshanabad) and old bus stands at revised rate approved by Tehsil Council Kohat during FY 2020-21. The receipts were required to be collected on revised increase rate instead of old schedule rate of 2011. Details are given at annexure-12.

Audit further holds that:

1. The revised rate approved by Tehsil Council Kohat has been applied in old bus stands w.e.f 2016.

2. As per Govt instruction 10% increase should be made annually on all contract/agreements.

Non recovery of parking fee occurred due to weak internal and administrative control which resulted into loss to the TMA.

When pointed out in November 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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

Audit recommends recovery of parking fee at the revised rate and action against the person(s) at fault.

**AIR Para No.13(2020-21)**

## CHAPTER-4

### AD LGE &RDD

#### 4.1 Introduction

Assistant Director Local Government, Election and Rural Development Department in District Kohat has 91 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 Kohat.

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 centers.
- vii. Identifying development needs of the area for use by municipal administration and district government in prioritizing development plans;
- viii. Making arrangements for sanitation, cleanliness, disposal of garbage and carcasses, drainage and sewerage system;
- ix. Displaying land transactions in the area for public information;
- x. Mobilizing community for maintaining public ways, public streets, culverts, bridges and public buildings, de-silting of canals and other development activities;
- xi. Organizing cattle fairs and agriculture produce markets;
- xii. Organizing sports teams, cultural and recreational activities;
- xiii. Organizing watch and ward in the area;
- xiv. Promoting plantation of trees, landscaping and beautification of public places;
- xv. Regulating grazing areas, establish cattle ponds and provide protection against stray animals and animal trespass;
- xvi. Considering and approving annual budget presented by the respective Nazim, village council or neighborhood council;

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

### Audit Profile of AD LGE&RDD of the District Kohat

(Rs. in million)

Sr No	Description	Total No	Audited	Expenditure audited FY 2020-21	Revenue /Receipts audited FY 2020-21
1	Formations	92	10	96.013	Nil

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

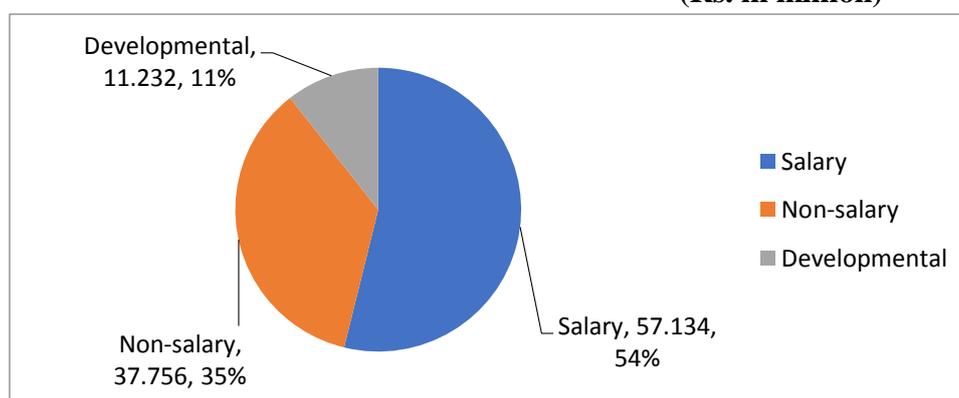
(Rs. in million)

AD LGE&RDD Kohat				
2019-20	Budget	Actual Expenditure/Receipts	Excess/(Saving)	%age
Salary	60.690	57.134	3.556	5.859
Non salary	37.756	37.756	0	0
Development	20.000	11.232	8.7680	43.840
<b>Total</b>	<b>118.446</b>	<b>106.122</b>	<b>12.324</b>	

The excess of Rs. 12.324 million indicates improper budgeting capacity of the Local Governments Department.

#### EXPENDITURE 2020-21

(Rs. in million)



### 4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 50.494 million were raised in this audit report. This amount also includes recoverable amount of Rs 6.025 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
1.	<b>Irregularities</b>	-
A	HR/Employees related irregularities	1.145
B	Procurement related irregularities	14.700
C	Management of Accounts with Commercial Banks	25.95
2.	Value for money and services delivery issues	0.912
3.	Others, including cases of accidents, negligence	7.787
<b>Total</b>		<b>50.494</b>

### 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 VAC meetings are given below:

Sr. No.	Audit Year	VACs/NACs meeting
1	2007-08	Not Convened
2	2008-09	Not Convened
3	2009-10	Not Convened
4	2010-11	Not Convened
5	2011-12	Not Convened
6	2012-13	Not Convened
7	2013-14	Not Convened
8	2016-17	Not Convened
9	2017-18	Not Convened
10	2018-19	Not Convened
11	2019-20	Not convened
12	2020-21	Not convened

## **4.5 AUDIT PARAS**

### **4.5.1 Irregularities**

#### **A. HR/Employees related irregularities**

##### **4.5.1.1 Non-recovery of HRA and 5% maintenance charges into government treasury Rs 1.145 million**

According to Rule 223 of CTR Vol-I, House rent should be recovered from the pay bills of the government employees having government accommodation.

According to Finance Department, Government of Khyber Pakhtunkhwa, letter No. BXIV/1-4/97-98/FD/Vol-IV dated 14.04.2000, 5% maintenance charges may be recovered from the officials availing the facilities of government accommodation.

According to judgment of Peshawar High Court dated 28.2.2013 in writ petition No. 304-9/2013, No conveyance allowance shall be allowed to those employees availing the facility of residential accommodation situated within their work premises.

Office of the Assistant Director LGE & RDD, Kohat did not deduct House rent Allowances, Conveyance Allowances and 5% Maintenance Charges worth Rs 1,145,772 from the allottees of the designated bungalows and quarters situated in District Council colony during FY 2020-21. Details are given at annexure-13.

Non deduction of HRA, Conveyance Allowance and 5% maintenance allowance occurred due to weak internal and administrative controls, which caused loss to the Government.

When pointed out in October, 2021 management stated that detail reply will be furnished after consulting record. However, no progress was intimated to audit till finalization of this report.

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 of overpaid amount from the concerned local government staff besides stoppage of HRA and conveyance allowance and action against the person(s) at fault.

**AIR Para No. 07 (2020-21)**

## **B. Procurement related irregularities**

### **4.5.1.2 Delay in completion of development schemes of Rs 18.700 million & non-imposition of penalty Rs-1.870 million**

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

Office of the Assistant Director LGE & RDD, Kohat awarded various contracts with estimated cost of Rs18,700,000 to different contractors during FY 2020-21. Work orders were issued well in time but neither the works were completed within stipulated period of time nor penalty @ of 10% amounting to Rs 1,870,000 imposed/ recovered from the concerned contractors. Details are given at annexure-14.

Non completion of work and non-recovery of penalty occurred due to weak administrative and financial control due to which public at large was deprived of the benefit of development scheme besides loss to government

When pointed out in October 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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

Audit recommends immediate completion of schemes and recovery of penalty besides action against the person(s) at fault.

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

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

### **4.5.1.3 Undue retention of government funds in current bank accounts instead of PLS mode- Rs 25.95 million and loss to government due to non-deposit of bank profit into Govt treasury-Rs 170,942**

Finance department letter No. 2/3(F/L) FD 20017-18/Vol. ix dated Peshawar the 10<sup>th</sup> February 2014 provides that Finance Department has from time to time allowed/sanctioned Bank accounts in commercial Bank for various

Departments/ Autonomous Bodies/Corporations in KP for particular and specific purposes. Now it has been decided that such accounts may be converted to PLS mode and the profit so earned be deposited in Govt. Treasury under relevant head and not later than a week when declared by the concerned bank.

Office of theAssistant Director LGE & RDD, Kohat retained Rs 25.95 million in current account instead of PLS in designated bank account bearing No. 4101391037, No. 4101391046 maintained at National Bank and account No. PLS-01674-00-5 maintained at Khyber Bank during FY 2020-21 as evident from bank statements. Moreover, AD couldnot deposit into govt treasury bank profit of Rs170,942 earned on another bank account.

Undue retention and non-depositing of profit into Government treasury occurred due to weak internal and financial controls which resulted in loss to the Government.

When pointed out in October 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

Request for convening DAC meeting was made in November2021, however meeting of DAC could not be convened till finalization of this report.

Audit recommends immediate conversion of current bank accounts into PLS and depositing of the profit into Government treasury besides action against the person(s) at fault.

**AIR Para No. 09 (2020-21)**

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

### **4.5.2.1 Non-deposit of income tax into Government treasury—Rs 0.912 million**

According to the Section 53 of the income Tax ordinance, income tax @ 7.5 % shall be deducted from the contractor's bill and deposited into Government treasury.

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

Office of the AD LGE&RDD, Kohat deducted Rs 912,182 from the bills of the contractors on account of income tax during FY 2020-21. However, the management of AD did not deposit the same into Government treasury through challan under proper head of accounts. Details are given at annexure-15.

Non deposit of income tax occurred due to lack of financial and administrative control which resulted into loss to the Government.

When pointed out in October 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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 deposit of income tax into Government treasury and action against the person(s) at fault.

**AIR Para No.14 (2020-21)**

### **4.5.3 Others, including cases of accidents, negligence etc.**

#### **4.5.3.1 Unauthorized payments to DDOs instead of through direct credit advice- Rs 5.390 million**

According to 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 states 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.

Office of the Assistant Director LGE&RDD, Kohat drew Rs.5,390,016 during FY 2020-21 on account of pay and allowances of the staff from Government treasury in the name of DDO instead of payment through direct bank transfer to employee's bank accounts. Details are given at annexure-16.

The lapse occurred due to weak internal control which resulted into unauthorized drawl of pay and allowances through DDOs instead of direct transfer to employee's bank accounts.

When pointed out in October 2021, management stated that detail reply will be furnished after consulting record.

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

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

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

#### **4.5.3.2 Non-recovery of government dues under the heads of income tax and DPR funds - Rs2.463 million**

According to the Section 53 of the income Tax ordinance, income tax @ 7.5 % shall be deducted from the contractor's bill and deposited into Government treasury.

According to Establishment and Administration Department KP letter No. SORV(E&AD)11-26/96 Vol.-III dated 25-07-2002 endorsed by Government of KPK Directorate of Social Welfare & Women Development Peshawar, vide letter No. DSP/PCRDP/2061-80 dated 27-02-2010, it is the legal responsibility of all Principal Accounting Officers to deduct Rs. 2,000 against one million rupees from the payments made to the contractors who have completed business of one million and above in a financial year.

Office of the AD LG & RDD, Kohat could not deduct Rs2,397,570 on account of income tax and Rs 65,996 as DPR funds from the bills of contractors during FY 2020-21. Details are given at annexure-17.

Non recovery of government taxes occurred due to weak financial and administrative controls which resulted into loss to the Government.

When pointed out in October 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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 of government taxes and action against the person(s) at fault.

**AIR Para No.17 (2020-21)**

## **CHAPTER-5**

### **Water Supply & Sanitation Company Kohat**

#### **5.1 Introduction**

Water and Sanitation Services Company Kohat (WSSC KOHAT) has been established by Government of Khyber Pakhtunkhwa and formally registered under section 42 Companies Act 2017 on 25 April 2015 as a Public Limited by Guarantee and not having a share capital. WSSC Kohat has been formed to act as a private sector limb of the local Government & Rural Development Department. The Company is being managed by a board of Directors, having representation from Public & Private Sectors where all policy & strategic decisions are taken through transparent mechanism.

#### **Objectives:**

Water & Sanitation Services Company, Kohat has been designed to provide aggregated, corporatized and modern water and sanitation utility, ensuring unremitting water, sanitation and solid waste management service for the residents of 6 Urban Councils including KDA in city of District Kohat.

#### **Financial Arrangement and Structure of WSSC Kohat**

This financial Arrangement is an integral part of Services and Assets Management Agreement (SAMA) for WSSC Kohat. TMA & KDA will provide budget as per SAMA agreement each year starting from signing date of SAMA on account of Operational Cost of WSSC KOHAT. While KP Government also provide Grant in Aid to WSSC Kohat each year for establishment expenditures. In addition to operational financial support, Government of Khyber Pakhtunkhwa is also providing Annual Development Funds to WSSC Kohat. Further, all the revenues accruing from the services transferred to WSSC Kohat shall be recovered and retained by WSSC Kohat.

#### **The Main Functions of this Company are as under:**

1. To provide infrastructure facilities like water supply, sewerage, drainage, conservancy etc, in KDA & Kohat City.
2. To execute Maintenance and Repair works in the KDA Township and 6 urban of Kohat City duly financed by the Provincial/District Governments.
3. Any other objectives/functions assigned by District/Provincial Government through Agreement.

4. To propose and determine cost recovery measures for the Services provided and suggesting actions regarding taxes, fees, user charges, surcharges, cess, rents, rates in respect of the services provided.

### Audit Profile of WSSC Kohat

(Rs. in million)

Sr No.	Description	Total No.	Audited	Expenditure audited FY 2020-21	Revenue /Receipts audited FY 2020-21
1	Authorities/Autonomous Bodies etc under the PAO	1	1	408.465	33.559

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

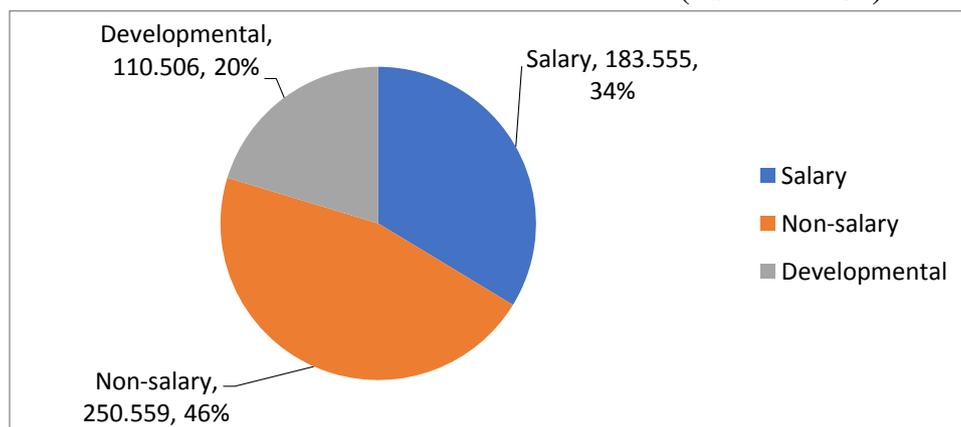
(Rs. in million)

WSSC Kohat				
2019-20	Budget	Actual Expenditure/Receipts	Excess/(Saving)	%age
Salary	248.813	183.555	65.258	26.228
Non salary	317.304	250.559	66.745	21.035
Development	114.315	110.506	3.809	3.332
<b>Total</b>	<b>680.432</b>	<b>544.62</b>	<b>135.812</b>	
Receipts	<b>33.500</b>	<b>33.559</b>		

The savings of Rs135.812million indicates inefficiency of the WSSC Kohat to utilize the amount allocated.

### EXPENDITURE 2020-21

(Rs. in million)



### 5.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 81.515million were raised in this audit report. This amount also includes recoverable of Rs. 36.274million 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	<b>Irregularities</b>	-
A	Procurement related Irregularities	51.486
2	Others, including cases of accidents, negligence etc	30.029
<b>Total</b>		<b>81.515</b>

### 5.4 Comments on the status of compliance with Public Accounts Committee Directives

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

Sr. No.	Audit Year	PAC meeting
1.	2019-20	Not convened
2.	2020-21	Not convened

## **5.5 AUDIT PARAS**

### **5.5.1 Irregularities**

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

##### **5.5.1.1 Non-recovery of penalty for late completion of schemes – Rs1.095 million**

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

Office of the CEO Water & Sanitation Services Company, Kohat awarded a work "Replacement of Rusted Pipe line of WSS in Urban UCs of Kohat to M/S Barki with estimated Cost of Rs 10,950,000 during FY2018-19. The local office paid Rs 2183341 vide 5<sup>th</sup> and Final Bill on 18-05-2021 after 9 months lapse of contract period. As per work order the work was required to be completed upto 23-05-2020. Hence local office didnot imposed penalty at the rate of 10% amounting to Rs 1,095,000.

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

When pointed out in November 2021, management stated that detailed reply would be submitted within a week. However, no progress was shown to audit till finalization of this report.

Request for convening DAC meeting was made in December2021, however meeting of DAC could not be convened till finalization of this report.

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

**AIR Para No. 19 (2020-21)**

##### **5.5.1.2 Loss to Govt due to payment of exempted mutation fee- Rs5.151 million**

According to Local Government Elections & Rural Development Department Notification No.SOG/LG/T-Notification/2020-2013 dated 29-07-2020, the rate of Local Council Tax on transfer of immovable property shall be exempted till 30<sup>th</sup> June, 2021.

Office of the CEO Water & Sanitation Services Company, Kohat paid Rs5,151,568 to Deputy Commissioner Kohat for onward payment to TMA as mutation fee @ 2% on account of procurement of land for dumping ground despite of the fact that the said tax has already exempted by Govt of KPK till 30<sup>th</sup> June, 2021.

Payment of exempted tax occurred due to weak administrative and internal controls which resulted in loss to the company.

When pointed out in November 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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

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

**AIR Para No. 20 (2020-21)**

**5.5.1.3 Irregular expenditure on AOM&R Water Supply Schemes - Rs45.240 million**

According to Para 15 of GFR Vol-I, every one whose duty is to prepare and render any accounts or returns in respect of public money or stores is personally responsible for their completeness and strict accuracy and their dispatch within the prescribed date. According to Para 148 of GFR Vol-I, all materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken, and they should be taken in charge by a responsible government officer who should see that the quantities are correct and their quality good, and record a certificate to that effect. The officer receiving the store should also be required to give a certificate that he has actually received the material and recorded them in the appropriated stock register.

Office of the CEO Water & Sanitation Services Company, Kohat incurred expenditure of Rs 45,240,592 on account M&R of Water Supply Schemes during FY 2020-21 as detailed below:

S.No	Year	Particulars	Amount (Rs)
1.	2020-21	Water Supply maintenance	15,640,225
2.	2020-21	Civil Work M&R	29,600,367
<b>Total</b>			<b>45,240,592</b>

Audit observed that:

- Initial survey report of damages/malfunction not available.
- Complaints record of the operators was also not available.
- Whereabouts of replaced parts were not available on record.
- Log books showing detail nature of M&R work on each WSS were not shown to verify the expenditure.
- Neither stock registers for machinery and equipments of water supply schemes were maintained nor any other record was available which could reveal the actual position of the machinery and equipments installed in the tube wells.
- Physical verification of the stock was not conducted to ensure physical existence of machinery and equipments during the year 2020-21.

The lapse occurred due to weak internal controls, which resulted into irregular expenditure on AOM&R.

When pointed out in November 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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

Audit recommends investigation and action against the person(s) at fault besides recovery of old parts under intimation to audit.

**AIR Para No. 10 (2020-21)**

## **5.5.2 Others, including cases of accidents, negligence etc.**

### **5.5.2.1. Non-deposit of Sales tax and Income Tax - Rs12.824 million**

Khyber Pakhtunkhwa Local Govt. Act, 2013 clause 45 (collection and recovery of taxes, etc) sub-clause (1) requires that failure to pay any tax and other money claimable under this Act shall be an offense, And clause (ii) states that all arrears of taxes, rents and other moneys claimable by a Local Council under this Act shall be recoverable as arrears of land revenue.

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

Office of the CEO Water & Sanitation Services Company, Kohat deducted Rs 10,310,509 as Sales tax and Rs 2,514,076 as income tax from the contractor's bills during FY2020-21. However, the amount deducted was not deposited into government treasury under proper heads of accounts and was retained into designated bank account of WSSC Kohat.

Non deposit of taxes occurred due to weak internal and financial controls which resulted in loss to Government.

When pointed out in November 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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

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

**AIR Para No.08 (2020-21)**

### **5.5.2.2 Non deduction of Government Taxes -Rs 1.836 million**

Khyber Pakhtunkhwa Local Govt. Act, 2013 clause 45 (collection and recovery of taxes, etc) sub-clause (1) requires that failure to pay any tax and other money claimable under this Act shall be an offense, And clause (ii) states that all arrears of taxes, rents and other moneys claimable by a Local Council under this Act shall be recoverable as arrears of land revenue.

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

Office of the CEO Water & Sanitation Services Company, Kohat could not deduct the KPRA tax, Stamp Duty, DPR and Professional Taxes amounting to Rs 1,836,571 from the contractor's bill during FY 2020-21 as per details given at annexure-18.

Non deduction of government taxes occurred due to weak administrative and financial control which resulted in loss to the Government.

When pointed out in November 2021, management stated that detail reply will be furnished after consulting record. However, no progress was shown to audit till finalization of this report.

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

Audit recommends recovery of Government taxes from the concerned contractors and be deposited into government account under intimation to audit.

**AIR Para No. 18 (2020-21)**

### **5.5.2.3 Non-recovery of outstanding water charges - Rs 15.368 million**

According to condition 3(ix) of the SAMA agreement, "it is one of the functions of WSSC, Kohat to propose and determine cost recovery measures for the Services provided and suggesting actions regarding taxes, fees, user charges, surcharges, cesses, rents, rates in respect of the Services, receiving and appropriating all receipts recovered in respect thereof".

Khyber Pakhtunkhwa Local Govt. Act, 2013 clause 45 (collection and recovery of taxes, etc) sub-clause (1) requires that failure to pay any tax and other money claimable under this Act shall be an offense, And clause (ii) states that all arrears of taxes, rents and other moneys claimable by a Local Council under this Act shall be recoverable as arrears of land revenue.

Office of the CEO Water & Sanitation Services Company, Kohat could not recover Rs 15,368,103 on account of water charges from various water user

during FY 2020-21. The local office neither recovered previous year liabilities nor could show any fruitful efforts to recover the current year liabilities.

Non recovery of water charges occurred due to weak internal control, which resulted in loss to government.

When pointed out in November 2021, the management stated that detailed reply will be submitted after scrutiny of record. However, no progress was shown to audit till finalization of this report.

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

Audit recommends recovery of outstanding water charges and action against the person (s) at fault

**AIR Para No. 22(2020-21)**

## ANNEXURES

### Annexure -1

#### Detail of MFDAC Paras

AIR. #	Department	Caption of Para	Amount (in million)
5	DC Kohat	Unverified expenditure incurred for arrangements of Polio vaccination campaign and non-surrender of savings	3.877
6	-do-	Non-disbursement of fund in connection with Land Acquisition	737.761
7	-do-	Unauthentic deposit of receipts due to non-reconciliation with DAO	4.334
8	-do-	Loss due to imposition of Fine on a/c of Price Control at lesser rates	0.232
11	-do-	Defective Budgeting due to overstatement of final grants	123.368
12	-do-	Loss to government due to less deposit of domicile fee	0.083
13	-do-	Irregular retention and non-utilization of fund	260.618
15	-do-	Loss to government due to non-deduction of Conveyance Allowance	0.240
16	-do-	Unauthentic allotment of Government accommodation and loss due to non-recovery of HRA and 5% maintenance charges	-
17	-do-	Unauthentic payment on account of scholarship	34.920
18	-do-	Unnecessary retention of savings in designated bank account	17.664
20	-do-	Loss due to non-deduction of House Rent Allowance and 5% maintenance charge	0.195
23	-do-	Non reconciliation and non-submission of progress reports for SDGs allocation	466.45
5	DHO Kohat	Loss due to Illegal occupation of residential accommodation without rent	0.240
8	-do-	Overpayment of conveyance allowance due to use of official vehicles	0.240
9	-do-	Non imposition of penalty on late supply of medicines Irregular expenditure on a/c of supply of medicines	0.078
10	-do-	Overpayment on account of Health Professional and Conveyance Allowances during leave	0.132
11	-do-	Unauthorized payment of non-practicing allowance	1.068
16	-do-	Unverified payments on a/c of arrears of pay and allowances	0.682
18	-do-	Loss to Government due to non-auction/ non surrender of condemned vehicles	-
21	-do-	Loss due to allowing Health Professional and Conveyance Allowances during earned leave	0.393
2	DEO (M) Koahat	Overpayment on a/c of pay and allowances during leave on half/ without pay	0.067

3	-do-	Non-collection of Scout, Shaheen and Red Crescent funds	0.232
4	-do-	Undue retention/ non-payment of provincial share of Red Crescent and Scout Funds	0.565
5	-do-	Non recovery of overpaid amount to teachers on a/c of pay and allowances	0.451
11	-do-	Unauthorized withdrawal of funds from government treasury through DDO	0.695
13	-do-	Irregular expenditure on account of Rent of school buildings	1.097
2	DEO (F) Koahat	Loss due to allowing pay and allowances during leave without pay	0.468
3	-do-	Non-collection of Girls Guide and Red Crescent funds	0.095
4	-do-	Less-recovery of income tax and sales tax on account of auction of building material	0.434
5	-do-	Illegal retention of Public Money in Designated Bank Accounts and non-reconciliation of closing balances with the banks	3.636
6	-do-	Non recovery of overpaid amount to teachers on a/c of pay and allowances	0.281
7	-do-	Loss due to allowing Conveyance Allowance during earned leave	0.137
5	TMA Kohat	Non-recovery of outstanding Government dues on account of revenue receipt contracts	0.527
6	-do-	Irregular/doubtful payment of Pay & Allowances	8.807
7	-do-	Irregular and unauthorized payment to work charge employees Irregular payment/expenditure on account of Salaries/pension from developmental funds	6.940
10	-do-	Non-compliance with LGA 2013, Rules of Business 2015 & Budget Rules 2016.	-
12	-do-	Unauthorized and irregular expenditure on appointment of contingent paid staff/ daily wages	1.575
16	-do-	Loss to government due to non- deduction of income tax	0.600
17	-do-	Irregular Mobilization Advance payment	25.00
1	TMA Lachi	Irregular and un-economical expenditure without open tender system	1.896
2	-do-	Non submission of Accounts of Local Government	63.679
3	-do-	Unauthorized award of work without depositing additional security	4.00
7	-do-	Unauthorized cash withdrawals from designated bank account	16.474
8	-do-	Irregular retention and non-utilization of fund-Rs 84.920 million	84.920

11	-do-	Irregular payment/expenditure on account of Salaries/pension from developmental funds	21.639
3	TMA Gumbat	Irregular award of contracts due to delay deposit of Additional Security	5.00
4	-do-	Irregular payment without mentioning completion period of schemes in work orders	2.00
5	-do-	Non submission of Accounts of Local Governmens	37.296
6	-do-	Loss to Government due to less realization of receipts	0.625
9	-do-	Irregular and un-economical expenditure without open tender system	1.510
1	AD LGRDD	Non utilization of developmental fund	20.616
3	-do-	Unauthorized cash withdrawals from designated bank account	1.870
5	-do-	UN authorized extension of contract and non-recovery of annual rent from the allottee of Noor Marriage Lawn	0.826
6	-do-	Non-recovery of monthly rent from the allottees of distract council shops	0.189
8	-do-	Non-Recovery of Room rent Distt council Gust house	0.275
11	-do-	Unauthorized and irregular expenditure on account of contingent paid staff	0.630
15	-do-	Non disbursement and unauthorized retention of Govt Money in designated Bank account	11.005
1	DO S.W	Non deposit of Hostel rent into Government Treasury – Rs 126,800	0.127
3	-do-	Overpayment on account of Conveyance Allowance – Rs 121,500	0.122
4	-do-	Unauthentic realization of room rent of Working Women Hostel – Rs 126,800	0.127
6	-do-	Non-Consolidation and Reconciliation of Disable persons Rehabilitation (DPR) Fund at District Level	-
8	-do-	Irregular expenditure under head rent of office building- Rs 2.731 million	2.731
9	-do-	Unauthentic allotment of Government accommodation and loss due to non-recovery of HRA and 5% maintenance charges - Rs 76,938	0.076
10		Irregular expenditure on account of POL & repair of vehicle – Rs 1.325 million	1.325
3	WSSC Kohat	Failure to Appoint Municipal Warden Officer	
4	-do-	Excessive consumption of sweet drinking water due to fixed water charges and non-installation of water meters	-
5	-do-	Loss to the government due to non-utilization of Nearest Dumping Ground	-

7	-do-	Non shifting of water supply schemes from WAPDA to solar system	
9	-do-	Irregular expenditure without pre-audit.	434.114
11	-do-	Un-authorized expenditure due to non-conducting of rate analysis of non-schedule items	5.47
13	-do-	Non-deduction of voids	0.235
15	-do-	Irregular expenditure without need assessment	3.977
16	-do-	Non-Utilization of Developmental fund	110.506
18	-do-	Non deduction of 8% security on account of purchase of dust bins	0.468
21	-do-	Non-accounting for arrears of water charges transferred by TMA	14.500

**Annexure-2****2.5.1.1****Statement showing detail of non-deduction of HRA & Conveyance Allowance  
(Amount in Rs)**

S.No.	Name	Designation	P.No.	House Rent Allowance	Conveyance Allowance	5% M/charges	S.Total/month	G.Total (2020-21)
1.	Muhammad Ishaq	D.S	159915	-	5,000	3,615	8,615	103,380
2.	RehmatKarim	M.O	941356	4,433	5,000	1,518	10,951	131,412
3.	ShahidMehmood	M.T	163441	-	-	1,770	1,770	21,240
4.	Muhammad Nazir	Chowkidar	164406	-	1,785	-	1,785	21,420
5.	JaveedIqbal	M.T	159625	-	-	1,866	1,866	22,392
6.	Shehrizia Begum	LHV	159890	-	-	1,626	1,626	19,512
7.	Tasleem	LHV	160514	-	-	1,626	1,626	19,512
8.	Shaheen Begum	M.T	162780	-	2,856	2,010	4,866	58,392
9.	KhursheedAlam	M.T	161284	-	2,856	1,530	4,386	52,632
10.	Muhammad Nadem	M.T	162920	-	2,856	1,482	4,338	52,056
11.	Munawar Khan	M.T	164536	-	2,856	1,482	4,338	52,056
12.	Sherizia	LHV	159890	-	2,856	-	2,856	34,272
13.	Ghulam Muhammad	Disp.	164518	-	2,856	-	2,856	34,272
14.	ShababIqbal	MO	166628	-	5,000	3,818	8,818	105,816
15.	Aftab Ahmad	Chowkidar	836370	1,414	1,785	-	3,199	38,388
16.	Muhammad ArifZaman	M.O	843738	4,433	5,000	1,863	11,296	135,552
17.	Saqib Khan	M.O	940416	4,433	5,000	1,518	10,951	131,412
18.	Muhammad Haris Ali	M.O	940417	4,433	5,000	1,518	10,951	131,412
19.	NurgisBibi	C/Nurse	312097	2,727	5,000	-	7,727	92,724
20.	ShakeelaNaz	C/Nurse	589701	2,727	5,000	-	7,727	92,724
21.	TabassumShareen	MO	941809	4,433	5,000	1,518	10,951	131,412
22.	IrfanUllah	MO	940423	4,433	5,000	1,518	10,951	131,412
23.	Sara Gul	LHV	157389	-	2,856	-	2,856	34,272
24.	KhursheedAlam	M.T	162284	-	2,856	-	2,856	34,272
25.	Shaheen Begum	LHV	162780	-	2,856	-	2,856	34,272
<b>Total</b>								<b>1,716,216</b>

## Annexure-3

## 2.5.1.2

**Statement showing detail of overpayment on a/c of pay & allowances  
(Amount in Rs)**

S/NO	Name	Desig:	P.No	03/2021 (Full Pay)	04/2021	03/2021 (10 days pay)
01.	Abdul Malik	Naik	00163398	44,183	66,763	14,252.58
02.	Muhammad Auzair	L/Naik	00157011	44,183	66,763	14,252.58
03.	ShakilArshid	L/Naik	00160060	43,195	43,195	13,933.87
04.	Noor Islam	L/Naik	00162009	44,464	44,464	14,343.23
05.	HashmatHussain	Sepoy	00165159	44,240	44,240	14,270.97
06.	Shaukat Ali Shah	Sepoy	00160812	39,897	39,897	12,870.00
07.	AbdurRehman	Sepoy	00164379	39,104	39,104	12,614.19
08.	LalPari Khan	Sepoy	00164602	39,897	39,897	12,870.00
09.	GulabSher	Sepoy	00163537	39,897	39,897	12,870.00
10.	Muhammad Riaz	Sepoy	00164231	39,897	39,897	12,870.00
11.	SherBahadar	Sepoy	00163672	40,269	40,269	12,990.00
12.	M. Saghier Khan	Sepoy	00168346	38,269	56,579	12,344.84
13.	Asif Sunny	Sepoy	00338593	36,557	36,557	11,792.58
14.	MunirHussain	Sepoy	00374394	36,557	36,557	11,792.58
15.	Jawas Khan	Sepoy	00392429	36,557	36,557	11,792.58
16.	Jan Muhammad	Sepoy	00533829	35,722	35,722	11,523.23
17.	Liaqat Ali Khan	Sepoy	00533817	35,722	35,722	11,523.23
18.	Aqeel Abbas	Sepoy	00533762	35,722	35,722	11,523.23
19.	Chan Mir	Sepoy	00533785	35,722	35,722	11,523.23
20.	Mir Kamal	Naik	00165258	43,249	43,249	13,951.29
21.	Naeem Khan	Sepoy	00306888	35,764	35,764	11,536.77
<b>Total</b>					<b>892,537</b>	<b>267,440</b>

**Annexure-4**  
**2.5.1.3**

**Statement showing detail of HPA paid at higher rates during 2020-21**

<b>Name of Dr.</b>	<b>Designation</b>	<b>HPA admissible (Rs)</b>	<b>HPA Drawn (Rs)</b>	<b>Excess draw/ month(Rs)</b>	<b>Total Overpayment (Rs)</b>
JaveedIqbal	M.O	62,000	72,000	10,000	120,000
Muhammad Shoib	M.S	-do-	76,000	14,000	168,000
Muhammad Nasir	M.O	-do-	72,000	10,000	120,000
Hashmatullah	MO	-do-	72,000	10,000	120,000
Abdul Mateen	MO	-do-	72,000	10,000	120,000
IrfanUllah	MO	-do-	72,000	10,000	120,000
Tabassum	MO	-do-	72,000	10,000	120,000
Syed Ahmad Shah	MO	-do-	72,000	10,000	120,000
<b>Total</b>					<b>1,008,000</b>

**Annexure-5**  
**2.5.1.6**

**Statement showing detail of HPA paid at higher rates during 2020-21**

<b>Name of Dr.</b>	<b>Attachment at Hospital</b>	<b>HPA admissible (Rs)</b>	<b>HPA paid (Rs)</b>	<b>Excess drawl/ month(Rs)</b>	<b>Total Overpayment (9/20 to 6/21) (Rs)</b>
Dr. ShumailaGhazan	KTH, Pesh.	42,000	72,000	30,000	300,000
Dr. Syed Shah Hussain	Pesh. Institute of Cardiology	42,000	72,000	30,000	300,000
Dr. UzbaJameel	KTH, Pesh	42,000	62,000	20,000	200,000
Dr. MehwishHussain	HMC, Peshawar	42,000	72,000	30,000	300,000
Dr. Waqas Khan	D.G. Health	42,000	72,000	30,000	300,000
Dr. Nafees Khan	-do-	42,000	72,000	30,000	300,000
Dr. Maryam Munir	-do-	42,000	72,000	30,000	300,000
Dr. MunazzaAyoub	-do-	42,000	72,000	30,000	300,000
Dr. Maria Mir Jan	-do-	42,000	72,000	30,000	300,000
Dr. Aqsa Saleem	-do-	42,000	72,000	30,000	300,000
Dr. Muhammad Zubair	-do-	42,000	72,000	30,000	300,000
Dr. InayatUllah	-do-	42,000	72,000	30,000	300,000
<b>Total</b>			<b>854,000</b>		<b>3,500,000</b>

**Annexure-6****2.5.1.7****Detail of non-supplied medicines and non-imposition of penalty during 2020-21**

<b>S.No.</b>	<b>Name of Firm</b>	<b>Cheque No. &amp; date</b>	<b>Amount (Rs)</b>	<b>Penalty (Rs)</b>
1.	M/S Unisa, Nowshera	1053514/ 12.06.2021	1,459,162	102,141
2.	Gets Pharma, Karachi	1053507/ 12.06.2021	1,075,437	75,281
3.	M/S Mectpr Intern: Karachi	1053522/ 12.06.2021	435,600	30,492
<b>Total</b>			<b>2,970,199</b>	<b>207,914</b>

**Annexure-7****3.5.2.1****Statement showing detail of non-recovery of advances**

<b>S.No</b>	<b>Dated</b>	<b>Purpose of Advance</b>	<b>Name of employee</b>	<b>Amount (Rs)</b>
1.	06.08.2019	Celebration of National Day (14 <sup>th</sup> August 2019)	Tahirullah H.C	250,000
2.	27.08.2019	Installation of CCTV Cameras and LCD	-do-	400,000
3.	16.10.2019	Photostat charges	Mr. Javed Clerk	20,000
4.	25.10.2019	For Encroachment	Mohammad Waqas	10,000
5.	7.11.2019	Rabi-ul-Awal 2019	Imran Khan	50,000
6.	25.03.2019	Misc: Items	Muhammad waqas	49,000
7.	18.05.2019	Repair work at MarkaziEidGah	Imran Khan	70,000
8.	30.06.2019	Rehabilitations of Minors at TMA office	Raheem SE	80,000
9.	22.07.2019	Cleanliness of Grave Yard	Afsar Khan mali	50,000
10.	09.07.2020	Rehabilitation of TMA office	Raheem SE	80,000
11.	30.07.2020	Misc: items COVID-19	Tahirullah H.C	80,000
<b>Total</b>				<b>1,139,000</b>

**3.5.3.1****Annexure-8****Statement showing detail of long outstanding dues**

<b>S#</b>	<b>Property</b>	<b>Total Units</b>	<b>Outstanding for the current year 2020-21</b>
1	Long lease	234	3,884,549
2	Shops/plots annual lease	224	10,974,183
3	Municipal Plaza	25	217,791
4	Municipal Office Shops	18	447,145
5	GhallaMandi Shops	08	344,419
6	RDD office market	18	203,290
7	TMA Office Shops	08	210,095
8	New Bus stand	56	15,655,246
9	Sheen Ghar Plaza	18	2,403,652
10	Thanga Stand	14	95,935
11	Jinah Plaza Hall	01	120,390
12	KotalShoping Arcade	247	1,011,370
13	New SabziMandi	84	8,261,356
<b>Total Outstanding Rent</b>			<b>43,829,421</b>

**Annexure-9****3.5.3.3****Statement showing detail of outstanding government dues**

<b>S#</b>	<b>Name of contract</b>	<b>Name of Contractor</b>	<b>Period</b>	<b>Contract Amount/ Bid Amount</b>	<b>Outstanding amount (Rs)</b>
01	Group Latrine	FazalKabeer	2020-21	2,727,227	142,977
02	Weekly Cattle Fair Kohat	Ali Haider	2020-21	20,160,686	4,309,759
03	Slaughter House	Nasir Khan	2020-21	692,315	221,852
04	Kotal Plaza Parking	Ali Haider	2020-21	900,000	708,009
05	Canteen Woman & children park	Ali Haider	2020-21	220,000	177,000
<b>Total</b>				<b>24,700,228</b>	<b>5,559,597</b>

**Annexure-10****3.5.3.4****Statement showing non deduction of income tax**

<b>S#</b>	<b>Name of contract</b>	<b>Name of Contractor</b>	<b>Contract Amount/ Bid Amount</b>	<b>Income Tax Due @20% (Rs)</b>
01	Group Latrine	FazalKabeer	2,727,227	545,446
02	Food & Drinks	Hussain Khan	1,100,000	220,000
03	Weekly Cattle Fair Kohat	Ali Haider	20,160,686	4,032,138
04	Slaughter House	Nasir Khan	692,315	192,463
05	Kotal Plaza Parking	Ali Haider	900,000	180,000
06	Canteen Woman & children park	Ali Haider	220,000	44,000
		<b>Total</b>		<b>5,214,047</b>

**Annexure-11****3.5.3.6****Statement showing detail of non realization of receipts from Tehsil Plaza**

<b>S. No.</b>	<b>Name of successful bidder</b>	<b>Shop No.</b>	<b>Total Amount of Premium</b>	<b>Amount Recovered</b>	<b>Amount outstanding (Rs)</b>
01	Kamran Asad s/o Asadullah	GF-31	3,470,000	3,150,000	320,000
02	ShirHussain s/o Shah Mast	GF-32	3,420,000	2,950,000	470,000
03	ShirHussain s/o Shah Mast	GF-33	3,000,000	2,510,000	390,000
04	Muhammad Rashid s/o GhulamRasool	GF-34	3,000,000	200,000	2,800,000
05	PirAdil Shah S/O Shabir Shah	GF-35	3,300,000	1,400,000	1,300,000
06	PirAdeel Shah S/O PirAdil shah	GF-37	4,700,000	1,300,000	2,700,000
07	Tahir Ali	FF-36	1,000,000	810,000	190,000
<b>Total</b>					<b>8,170,000</b>

## Annexure-12

## 3.5.3.7

**Statement showing non collection of bus standing parking fee**

<b>Contract agreement</b>	<b>Receipts collected departmentally during 2020-21 (Rs) (@ 70 average per vehicle) of 2011</b>	<b>Required collection during 2020-21 (Rs) (@ 150 average per vehicle)</b>	<b>Less collected departmentally during 2020-21 (Rs)</b>	<b>Loss (Rs)</b>
New Bus Stand, Hanguptak and Gulshanabad	3,469,085	7,433,754	3,964,698	3,964,698
<b>Contract agreement</b>	<b>Receipts collected departmentally during 2020-21 (Rs) (@ 43 average per vehicle) of 2016</b>	<b>Required collection during 2020-21 (Rs) (@ 100 average per vehicle)</b>	<b>Less collected departmentally during 2020-21 (Rs)</b>	<b>-</b>
Old bus stand parking fee	3,524,200	12,846,977	9,322,777	9,322,777
<b>Total</b>				<b>13,287,475</b>

**Annexure-13.****4.5.1.1****Statement showing non deduction of HRA & 5% maintenance charges**

S.No	Name of Property	Name of Officer / Official	Date of Allotment	HRA +5% P/M in Rs	Period/No. of months	Outstanding HRA+ 5% (Rs)
1.	Banglow No.1	Mr. AmeerShoaib TO, (F) TMA, Kohat	02-08-2008	10,000	4	40,000
2.	Banglow No.2	Mr. Imtiaz Ahmed Paracha, TMO, TMA Thall.	14-05-2014	9,600	11	105,600
3.	Banglow No.3	Mr. Shaheed-Ur-Rehman, TO(F), TMA Karak	12-10-2018	12,066	2	24,132
5.	Banglow No.7	Mr. Muhammad Amin TMO, TMA Lachi.	12-06-2019	11,000	07	77,000
8.	Quarter No.2	Mr. Saifoor Khan, KPO Excise & Taxation Kohat	28-07-2008.	5,281	02	10,564
9	QTR NO	MrAqal Jan Rtd (2019)	25-07-2000	5,281	24	126,744
10	QTR NO	LalShareenclk TMA Rtd (2019)	-do-	5,500	24	134,400
11	QTR NO	Usmanuc sec	-do-	5,600	24	134,400
11	QTr No	Ayub N/Q RTd (2019)	-do-	5,600	24	134,400
12	QTR NO	Mujahid AD	-do-	5,600	24	134,400
13	Quarter No. 4	Mr. Muhammad Saddique, Sub-Engineer TMA, B D Shah	No allotment order was found	6,875	32	220,000
<b>Total</b>						<b>1,141,640</b>

**Annexure-14****4.5.1.2****Statement showing non imposition of penalty due to delay in completion of schemes**

<b>S. No.</b>	<b>Name of work</b>	<b>Name of Contractor</b>	<b>E. Cost (M)</b>	<b>Date of Commencement</b>	<b>Date of Completion</b>	<b>Time Allowed</b>	<b>Penalty (Rs)</b>
<b>1</b>	Installation of pressure pumps and hand pumps at Shakardara Urban Kohat	Noor Janat shah	<b>2.5</b>	25.10.2019	02-09-2020	8 months	250,000
<b>2</b>	PCC streat and dreain at UC togh-1	SajjadHaleem& brother	<b>4.0</b>	02-12-2020	30-05-2021	6 months	400,000
<b>3</b>	Pavement of streets & drains at Bazidkhel	Azeem builders	<b>1.7</b>	02-09-2019	05-05-2020`	6 months	170,000
<b>4</b>	Installation of pressure pumps and hand pumps at ShakardaraUrban IIDisttKohat	Aftabalam	<b>2.5</b>	20-10-2019	25-10-2020	6 months	250,000
<b>5</b>	Black top road & drain at NawayKillayKohat	Iftihar& company	<b>8.0</b>	26-02-2021	26-07-2021	6 months	800,000
<b>Total</b>			<b>18.7</b>				<b>1,870,000</b>

## Annexure-15

## 4.5.2.1

## Statement showing detail of non-deposit of income tax

S. #	Name of Scheme	Estimated Cost (Rs) (M)	Name of contractor	Total Expenditure (Rs)	Income tax@ 7.5% (Rs)
1	Drain street & janzaghah shaker dara rural-II	1.50	Aftabalam	1,434,550	107,591
2	Installation hand/pressure pup at shakardara Rural-I	2.50	Aftabalam	1,621,920	121,644
3	Pavement of street & drain at Bazidkhel Kohat	1.70	Azeem	1,600,000	120,000
4	PCC street & drain UC tough-I	4.0	Sajid Haleem	1,519,118	113,934
5	PCC street & drain & causeway at Malook shah	2.0	Iftihar	1,478,998	110,917
6	PCC street & drain at Naway Kalay Kohat	8.0	Iftihar	1,187,914	89,093
7	Installation hand/pressure pup at shakardara Urban	2.50	Noor janat shah	614,198	46,064
8	Hand & pressure pumps at ghulambanda Kohat	1.00	Azeem	615,435	46,157
9	Pavement of street & drain at Shakardara Rural-II	2.50	Rafiullah	2,117,093	158,782
<b>Total</b>				<b>10,670,227.519</b>	<b>912,182</b>

**Annexure-16.****4.5.3.1****Statement showing detail of payment made through DDO**

<b>S#</b>	<b>Name of the payee and designation</b>	<b>Monthly pay</b>	<b>No. of months</b>	<b>Total Amount(Rs)</b>
1	Khalid Mehmood, Steno	67,425	12	809,100
2	Niaz Ali, Chowkidar	32,623	12	391,476
3	Muhammad Zeeshan, Computer	44,060	12	528,720
4	GhulamSarwar, Senior Clerk	64215	12	770,580
5	Shifa-ur-Rehman, Sound Operator	28,971	12	347,652
6	Naseer-ud-Din, Driver	28,473	12	341,676
7	SajidSarwar, Sound Helper	24,553	12	296,636
8	Rehmat Ali, NaibQasid	35,190	12	422,280
9	ArifMasih, Sweeper	30,240	12	362,880
10	Mudasir-ur-Rehman, Chowkidar	23,690	12	284,280
11	Muhammad Sohail, Electrician	23,690	12	284,280
12	AtifRafique, NaibQasid	23,690	12	284,280
13	AzherMasih, Sweeper	22,348	12	286,176
<b>Total</b>		<b>449,168</b>		<b>5,390,016</b>

## Annexure-17

## 4.5.3.2

## Statement showing detail of non-deduction of income tax and DPR

S.No	Scheme name	Contractor	Amount paid Rs	DPR 0.2%	I. tax (Rs)
1	Contr of PPC streer at Tor chapper	Habibullah& sons	2,185,165	4,370	163,887
2	Contr of PPC streer at Tor chapper	-do-	2,581,335	5,163	193,600
3	Contr of PPC streer at Jawaki	-do-	2,195,573	4,391	165,668
4	Co ntr of PPC streer at Tor chapper	-do-	2,173,567	4,347	163,017
5	Sharaki, sheendandharoonkillynasirmelabostikhel etc.	Malakconstraction co	4,050,000	8,100	303,750
6	P/pumps at bostikhel, samandimela,shirakimazeedkhel and water tank zaghunkhel	Malakconstraction co	1,441,990	2,448	106,993
7	Const of PCC street at Bsshkelshariki	Daud& Brothers	532,948	1,066	39,971
8	C onst of PCC street at Lalgarhibostikhel	Daud& Brothers	373,571	747	28,018
9	Const of PCC street at dongatemorkhelgadiakhel TSD Dara Kohat	Daud& Brothers	901,607	1,803	67,620
10	Const of PCC street at Amalkhel,behramkaly and zorahorwal	Daud& Brothers	656,839	1,314	49,263
11	Const of PCC street at donga temorkhelgadiakhel TSD Dara Kohat	Daud& Brothers	643,000	1,286	48,225
12	Const of PCC street at Behramkallypirwalkhel	Daud& Brothers	790,330	1,581	59,275
13	Const of WSS sameentor ,sabzaalikally, Husain bar kally,sabirjammu.	Malak Construction compay	2,015,642	4,031	151,173
14	Const of WSS at sattarazadimela, hakinawabshamalkhel, fakherzaman,ahmadnoor, nadeemkhan, sachagulzorkally	Malak Construction compay	1,727,000	3,454	129,525
15	Const of PCC street at Alamkallt, Zorkaly,sannykhel	Mohammad Amin & Sons	455,527	911	34,164
16	Const of PCC street at Germany kally	Mohammad Amin & Sons	409,329	910	30,700

17	Const of PCC street at Pancharyan	Mohammad Amin & Sons	630,000	1,260	47,250
18	Const of PCC street at merikhel, zorkaly, Rahim kaly and sannykhel	Mohammad Amin & Sons	1,029,314	4,059	77,199
19	Const of PCC street at Germany kaly and tandikaly	Mohammad Amin & Sons	976,347	1,953	73,226
20	Const of PCC street at germneykaly, Mulakhel, and Rahim kally	Mohammad Amin & Sons	800,618	1,602	60,046
21	PCC at samandimela, talamkhel, javidkaly, muzafarmela ,razakhel , behrami	Abdullah Khan & Sons	5,400,000	10,800	405,000
<b>Total</b>			<b>31,969,702</b>	<b>65,596</b>	

**Annexure-18**  
**6.5.2.2**

**Statement showing non deduction of Government taxes**

**(Amount in Rs)**

<b>S N o</b>	<b>Name of scheme</b>	<b>Contr actor</b>	<b>Bill</b>	<b>Work Done &amp; Amount Paid</b>	<b>KRP A Tax 5%</b>	<b>DP R</b>	<b>S. Du ty</b>	<b>P. Ta x</b>	<b>Tot al</b>
1	AOM&R WSS Civil Works WSS Kohat	WAM A Const	4 <sup>th</sup> Runnin g Bill	29,001,430	1,450, 071	58, 00 0	18, 25 0	10 0,0 00	1,6 26, 321
3	Hiring of Vehicle/machinery and Manpower for solid waste water management in WSSC Kohat	WAM A Const:	13 <sup>th</sup> Runnin g Bill	46,289,300	0	92 ,00 0	18, 25 0	10 0,0 00	210 ,25 0
<b>Total Non deduction of Government Taxes</b>				<b>75,290,730</b>	<b>1,450, 071</b>	<b>15 0,0 00</b>	<b>36, 50 0</b>	<b>20 0,0 00</b>	<b>1,8 36, 571</b>