

AUDIT REPORT

AUDIT YEAR 2022 - 23

**ON THE ACCOUNTS OF
LOCAL GOVERNMENTS
DISTRICT KOHISTAN UPPER**



AUDITOR GENERAL OF PAKISTAN

SERVING THE NATION BY PROMOTING ACCOUNTABILITY, TRANSPARENCY AND GOOD GOVERNANCE IN
THE MANAGEMENT AND USE OF PUBLIC RESOURCES

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

“ IN THE NAME OF ALLAH THE MOST BENEFICENT THE MOST MERCIFUL ”



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ABBREVIATIONS AND ACRONYMS

AD	Assistant Director
ADP	Annual Development Programme
AIR	Audit and Inspection Report
BHUs	Basic Health Units
DAC	Departmental Accounts Committee
DEO	District Education Officer
	Department
DHO	District Health Officer
DO	District Officer
FP	Family Planning
FY	Financial Year
GFR	General Financial Rules
GPS	Global Positioning System Institution
INTOSAI	International Organization of Supreme Audit Institutions
KP	Khyber Pakhtunkhwa
KPPRA	Khyber Pakhtunkhwa Public Procurement Regularity Authority
LGA	Local Government Act
LGE&RDD	Local Government Election & Rural Development
M&R	Maintenance and Repair
NCs	Neighborhood Councils
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
TAC	Tehsil Accounts Committee
TMA	Tehsil Municipal Administration
TS	Technical Sanction
TT	Theology Teacher
VAC/NAC	Village/Neighborhood Accounts Committee
VCs	Village Councils
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 the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 require the Auditor General of Pakistan to conduct audit of the accounts of receipts and expenditure of Local Governments of each District of the Khyber Pakhtunkhwa.

The report is based on audit of the accounts of offices of the District Government, Tehsil Municipal Administrations, Assistant Director Local Government Elections and Rural Development Department in District Kohistan Upper for the financial year 2021-22. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2022-23 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 Annexure-1 of the Audit Report. The audit observations listed in Annexure-1 will be pursued with the Principal Accounting Officers at the DAC level. In all cases where Principal Accounting Officers do not initiate appropriate action, the audit observations will be brought to the notice of appropriate legislative forum through the next year's Audit Report.

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

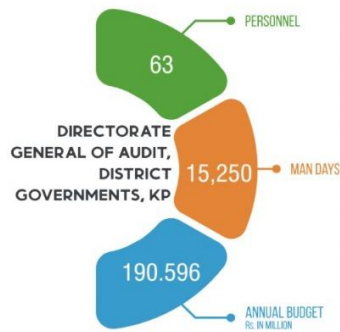
Some of the observations included in this report were finalized in the light of written replies of the departments whereas in most cases the departments did not submit written replies till the finalization of this report. DAC meetings were not convened despite reminders.

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 the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 for causing it to be laid before the appropriate legislative forum.

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor General of Pakistan

SUMMARY



The Directorate General of Audit District Governments, Khyber Pakhtunkhwa carries out the audit of Local Governments in 35 Districts of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Abbottabad, on behalf of the Directorate General Audit District Governments, Khyber Pakhtunkhwa carried out the audit of Local Governments of eight Districts namely: Abbottabad, Haripur, Manshera, Battagram, Kohistan Upper, Kohistan Lower, Kolai Palas Kohistan and Torgar.

This Directorate General has a human resource of 63 officers and staff with a total of 15,250 man-days. The annual budget amounting to Rs. 190.596 million was allocated to the office during FY 2022-23. The office is mandated to conduct regularity audit, financial attest audit, performance audit and special studies. Local Governments of District Kohistan Upper consist of three tiers, which perform their operations under the Khyber Pakhtunkhwa Local Government (amendment) Act, 2019. 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

The Local Government has the following three Tiers:

- District Government:
- Tehsil Municipal Administrations:
- Village and Neighborhood Councils:

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 Tehsil Municipal Administrations have one PAO i.e. Tehsil Municipal Officer for each administration. There are two Tehsils administrations in District Kohistan Upper. The village and neighborhood Councils have AD LGE & RDD as their Principal Accounting Officer. There are 63 VCs/NCs in District Kohistan Upper.

A. SCOPE OF AUDIT

This office is mandated to conduct audit of 76 formations working under 04 PAOs. Total expenditure and receipts of these formations were Rs. 1,261.036 million and Rs. 1,252.071 million, respectively for the financial year 2021-22.

Audit coverage relating to expenditure for the current audit year comprises 07 formations of 04 PAOs having a total expenditure of Rs.496.100million for the financial year 2021-22. In terms of percentage, the audit coverage for receipt is 39.038 % of auditable expenditure.

Audit coverage relating to receipts for the current audit year comprises 02 formation of 02 PAO (TMA's) having nil receipt for the financial year 2021-22.

This audit report also includes audit observations resulting from the audit of expenditure of Rs93.220million for the financial year 2020 -21pertaining to 04 formations of 01 PAO.

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



B.RECOVERIES AT THE INSTANCE OF AUDIT

As a result of audit, a recovery of Rs 6.245 million was pointed out in this report. Recovery amounting to Rs.431.787 million was affected till finalization of the report.



C.AUDIT METHODOLOGY

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

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

D.AUDIT IMPACT

As a result of the audit, control environments of audited entities have been effectively strengthened by facilitating Local Government's offices in risk mitigation and improving the effectiveness and efficiency of their business processes:

- i.A Recovery of Rs.431.787 million was affected;
- ii.Unauthorized payments through DDOs were reduced.
- iii.Some offices converted bank accounts from current to Profit & Loss sharing (PLS) mode and
- iv.Bank profit deposited into government treasury.

E. COMMENTS ON INTERNAL CONTROLS

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

Comments on five components of internal controls are given below:

- The organizational structure followed in the Local Government Offices was according to the LGA(amendment) Act, 2019.
- No activity i.e. risks identification, risk evaluation and appropriate responses were carried out in the local government.
- Accounts were not submitted by TMAs concerned to the DAO. No review was carried out of the performances.
- TMAs did not follow the accounting procedure given in the APPM.
- No system of monitoring was found to track the progress of District Government towards its objectives.
- No internal Auditor was appointed. Annual Review of internal controls was also not carried out.



B.Key Audit Findings of the Report .

- | | |
|---|--|
| <p>01 Non-compilation/consolidation Of Accounts Of Local Governments Rs.205.511 millions.</p> | <p>Recommendation:</p> <ul style="list-style-type: none">• TMAs accounts need to be consolidated at DAO.• All payments need to be made through crossed cheques to vendors.• Actions need to be taken to stop the practice of violation of the rules and regulations in spending public money.• Procurement related activities be made as per rule and strenuous efforts need to be made by the departments to recover outstanding dues on account of various taxes.• 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.• Recoveries on account of overpayment of various allowances need to be made by the departments.• The DAC meetings should be held more frequently for appropriate actions. |
| <p>02 Unauthorized Payments To Ddos Instead Of Making Payment Through Crossed Cheques To Vendors- Rs.29.056 Million.</p> | |
| <p>03 Unverified Payment Of Arrears On Account Of Pay & Allowances Rs. 43.925 Million.</p> | |
| <p>04 Non-production Of Record Was Noticed In One Case.</p> | |
| <p>05 Procurement Related Irregularities Were Noticed In Six Cases- Rs. 58.790 Million.</p> | |
| <p>06 Management of accounts with commercial banks were noticed in two cases amounting to Rs. 4 207.156 million.</p> | |
| <p>07 Others, Including Cases Of Accidents, Negligence Etc Noticed In Eleven Cases Amounting To Rs. 77.308 Million.</p> | |





CHAPTER-01

PUBLIC FINANCIAL MANAGEMENT



CHAPTER-1

Public Financial Management

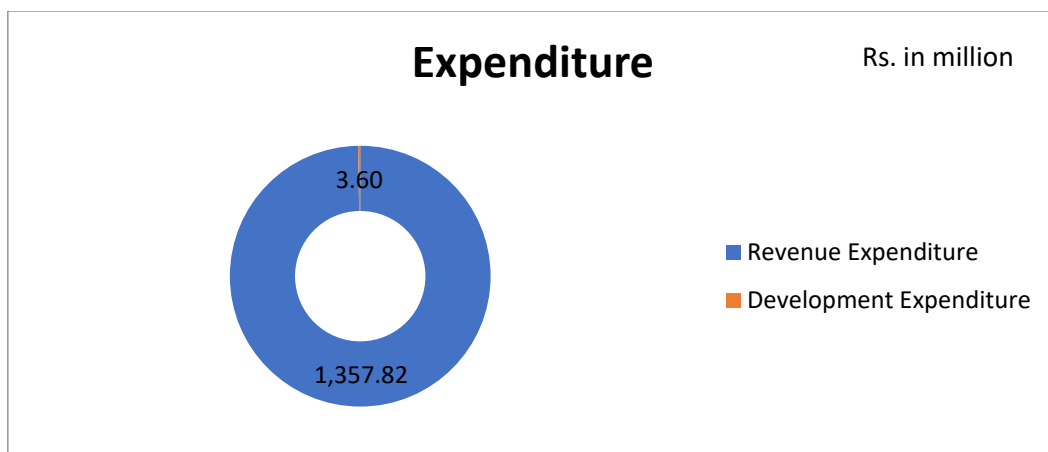
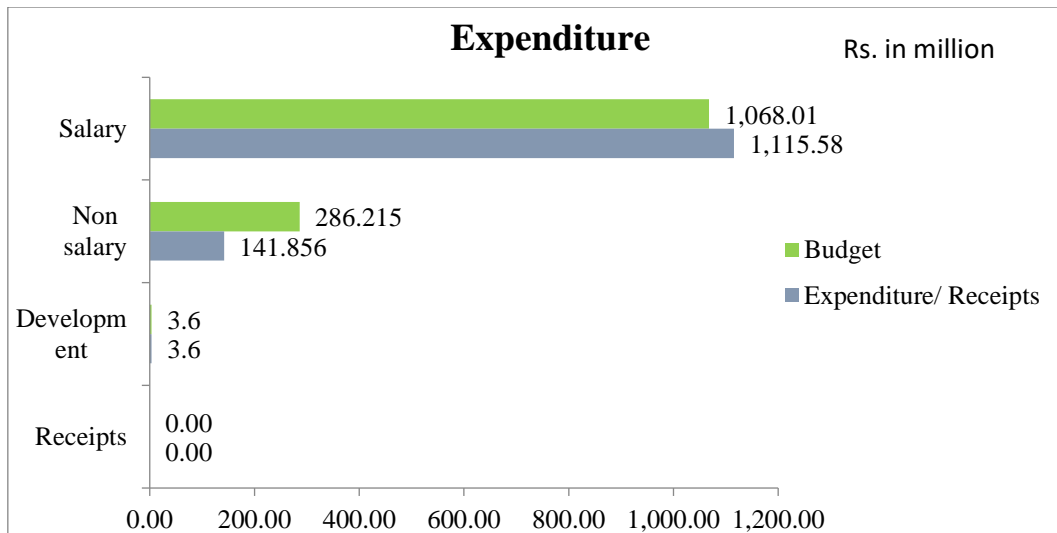
1.1 Sectoral Analysis

In compliance to the Notification of Local Government, Election & Rural Development Department issued on 4th September, 2019, councils of all tiers of District Government were stood dissolved on the culmination of their respective tenures on 29th August, 2019. The same Notification authorized Deputy Commissioners, Tehsils/ Towns Municipals Officers and Assistant Directors, LG&RDD to perform functions of respective Nazimeen as envisaged under the Local Government (Amendment) Act, 2019, till the instillation of newly elected Local Governments. In the light of LGA (amendment) Act, 2019, District Kohistan Upper 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 Kohistan Upper, Funds amounting to Rs. 1,357.824 million were allocated to 76 formations working under 04 PAOs. Out of which, expenditure of Rs. 1,261.036million was made resulting into saving of Rs. 96.788 million. Receipts was nil for the financial year 2021-22. Audit coverage relating to expenditure for the current audit year comprises 07 formations of 04 PAOs having a total expenditure of Rs.496.100million for the financial year 2021-22. In terms of percentage, the audit coverage for expenditure is 39.04% of auditable expenditure.

(Rs in million)

District Kohistan Upper					
2021-22	Budget	Actual expenditure/Receipt	Excess/(Saving)	Expenditure/Receipts Audited	%age
Salary	1,068.009	1,115.58	47.571	496.100	4.45
Non salary	286.215	141.856	144.359		39.96
Development	3.600	3.600	0		0
Total	1,357.824	1,261.036	96.7898	496.100	7.13
Receipts	0.00	0.00			



According to Section 36(3) of the Khyber Pakhtunkhwa Local Government (amendment) Act, 2019, the District Accounts Officer was required to consolidate accounts of Local Government on quarterly and annual basis. However, District Accounts Officer, Kohistan Upper did not reflect Rs. 205.511 million into the consolidated financial statement of Local Government, Kohistan Upper. Similarly, the expenditure of Rs. 29.056million was directly paid to DDO instead of crossed cheque to the vender.

District Government, Kohistan Upper was found lagging behind in many areas envisioned as integral component of the Local Government in the Khyber Pakhtunkhwa Local Government (amendment) Act, 2019. The District

Government could not establish & maintain Public Fund account as required under section 30 of LGA (amendment) Act, 2019. Similarly, it also failed to prepare, present and approve the budget estimates of receipts from district council for District Government, Kohistan Upper as required under section 18 of LGA (amendment) Act, 2019. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Kohistan Upper 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 (amendment) Act, 2019, 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 (amendment) Act, 2019.

The Local government provided services in the following sectors.

Education

The education sector is one of the major sectors devolved at district level. Statistics show that there are 346 primary, 30 middle, 14 secondary and no higher secondary school in District Kohistan Upper. The estimated Teacher Student Ratio is 1:45 at primary, 1:70 at middle and 1:32 at secondary schools. District Kohistan Upper literacy rate is 11.08%. The Gross Enrollment Rate (GER) is 33.22 %, and the Net Enrollment Rate (NER) is 18.18 % at the primary level. Whereas the Gross Enrollment Rate (GER) is 7.53 %, and the Net Enrollment Rate (NER) is 5.64 % at the middle, high and H/secondary level. On budgetary front, District Education office, Kohistan Upper succeeded in spending 44.9% of District ADP and 93.22% of non-salary budgets.

District Education Offices in Kohistan Upper enrolled 22414 students 18072 in boys schools while 4342 students were enrolled in girls Government schools. Similarly, annual average of teacher's attendance rate and student attendance rate as per independent Monitoring Unit (IMU) data were approximately 91 % & 77 % respectively. Furthermore, 54.25 % schools in district Kohistan Upper 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 only 46 % against the assigned targets.

Health

Health is another important sector of District Kohistan Upper with a total of health facilities spread across the district, among which 03 are urban while the rest are rural based. Their further break-up is 16 BHUs, 03 CDs, 02 RHC and 01 TB Controls with the total catchment area population of approximately 306000 as per survey carried out by Health department in 2016-17.

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. Health 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, 218 babies were born with 185 in RHCs and 33 in BHUs respectively. Out of them, 01 infant died. Lab investigations and diagnostic facilities were also fully utilized as 796 lab tests, no X-rays, 0 ultrasounds, 0 CT Scans and 0 ECGs were done in both primary and secondary health facilities in district Kohistan Upper. Figures of immunization from EPI register were also very impressive as 1295 pregnant women received TT-2 vaccines, 2837 kids under 12 months received full immunization, 6535 children under 12 months received 1st measles vaccines and 6944 kids under 12 received 3rd pentavalent vaccine. 315 families were provided family planning services as evident from (FP) family planning register. Human resource data from facility records revealed that these health facilities were amply provided with medical officers and paramedics as only very few positions were found vacant. As these facilities were frequently visited by patients so they also generated good revenue from OPD services, indoor patients’ treatment and other lab investigations etc.

Social Welfare

In Social Welfare and Women Empowerment sector, budgetary allocations were focused on providing social cushion to the deprived and

marginalized segments of society especially, women and children. In the proposed development plan, the department had continued to proceed with its ongoing projects which included schemes for the wellbeing and safeguarding of destitute women, orphans, beggars, drug addicts and special persons.

Panagah(s) were established under Ehsaas Program of the Federal Government, in order to provide valued but temporary/overnight stay with two-time meals to the needy individuals seeking bed and breakfast in pursuit of employment. Panagah(s) were established in major cities/Divisional Districts based on need assessment in 1st phase. However, panagah services were not existed in District Kohistan Upper. There was no Darul-Kafala for beggars in district Kohistan Upper with the objective to rehabilitate them by imparting vocational training. Various vocational and industrial trainings were 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 Kohistan Upper did not fulfill some primary requirements envisioned as essential component of Local Government in the Khyber Pakhtunkhwa Local Government (amendment) Act, 2019. The Local Government could not establish & maintain Tehsil Public Fund Account as required under the section 30 of LGA (amendment) Act, 2019. Similarly, Town Account Officers were not appointed in TMAs. The accounts of receipt and expenditure were also not maintained in such form as prescribed by Auditor General of Pakistan and required under section 36 of LGA (amendment) Act, 2019. 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, Kohistan Upper 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 (amendment) Act, 2019, 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 (amendment) Act 2019.

1.2 AUDIT PARAS (Financial Attest Audit)

1.2.1 Non-compilation/consolidation of accounts of Local Governments – Rs. 525.668 million

According to section 36(3) of Local Government (amendment) Act, 2019, the District Accounts Officer shall, quarterly and annually consolidate the accounts of Local Governments in the district separately for receipts from the Government and local resources and send a copy to the Government, Accountant General and Nazim District Council.

During certification audit of the accounts of the DAO Kohistan Upper for the financial year 2021-22, audit observed incompleteness and incorrect presentation of the financial statements as the DAO failed to consolidate into the quarterly and annual accounts of the district, the Government, as required under section-36(3) of the Local Government (amendment) Act, 2019. Receipts of Rs. 525.668 million and expenditure of Rs. 205.511 million respectively, of the TMAs are not reflected in accounts. Same is the case with the receipts and expenditure of the VCs/NCs, the figures of which were not available at the time of audit.

Provisions of the Khyber Pakhtunkhwa Local Government (amendment) Act, 2019 by Local Government in District Kohistan Upper were not complied with.

Due to non-consolidation of accounts of TMAs, the financial statements of local Government remained incomplete which led to qualification of audit opinion. The similar observation was also pointed out during the financial years 2018-19, 2019-20 and 2020-21 amounting to Rs. 81.176 million, Rs. 347.824 million and 1,215.019. However, no corrective measures were taken, resultantly total on- compilation/consolidation of accounts of Local Governments- Rs. 1,644.019 million.

As per decision of DAC meeting held in September 2022, Para stands till compilation of accounts as per rules.

Audit recommends compilation of accounts.

1.2.2 Unauthorized payments to DDOs instead of making payment through crossed cheques to vendors – Rs. 29.056 million

According to Para 2.3.2.8 of the directions 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/vendor concerned) instead of payment through DDOs. Furthermore, Finance Department Letter No: BO (W&M) /6-5/2019-20 dated 19/02/2020 provide that in order to streamline the management in public account and observe fiscal discipline, it has been decided to stop forthwith all payments through open cheques or cash payments.

District Accounts Officer Kohistan Upper, paid Rs. 29,056,289 to various DDOs instead of issuance crossed cheques to Vendor/Payees Accounts.

The lapse occurred due to non-adherence to government rules/instructions, which resulted in unauthorized payments to DDOs. The similar observation was also pointed out during the financial years 2019-20 and 2020-21 amounting to Rs.133.088 million, and Rs 494.664 million. However, no corrective measures were taken, resultantly total un-authorized payments to DDOs instead of crossed cheques to vendors -Rs.627.552 million.

As per decision of DAC meeting held in September 2022, Para stands till compilation of accounts as per rules.

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

1.2.3 Unverified payments of arrears on account of pay and allowances- Rs. 43.925 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 Kohistan Upper for the year 2021-22 while analyzing HR data it was noticed that arrears of pay and allowances of Rs

43,924,903 was paid; however, local office could not produce supporting documents for verification to audit.

The lapse occurred due to non-compliance of government rules/instructions, which resulted in unverified payments. The similar observation was also pointed out during the financial years 2019-20 and 2020-21 amounting to Rs.127.861 million, and Rs389.911 million. However, no corrective measures were taken, resultantly total unverified payments of arrears on account of pay and allowances of -Rs.517.772 million.

As per decision of DAC meeting held in September 2022, Para stands till compilation of accounts as per rules.

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



CHAPTER-02

DISTRICT GOVERNMENT



CHAPTER-2

District Government Kohistan Upper

2.1 Introduction

A. Under the Khyber Pakhtunkhwa Local Government Act 2019, activities of District Government are managed through offices of Deputy Commissioner and District Officers. Each department of the districts is headed by a District Officer (DO). According to the Rules of Business of District Government 2015, work of the district departments is distributed among the officers, branches, and/or sections in the district departments. Deputy Commissioner is the Principal Accounting Officer for all the devolved departments of the district which includes District Officers Agriculture, Education, Health, Fisheries, Population Welfare, ADLGE & RDD, Sports, Live Stock & Dairy Development, Cooperation and Social Welfare.

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

(1) The authority of district Government shall comprise the operation, management and controls 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 Kohistan Upper

(Rs in million)

S.No	Description	Total Nos	Audited	Expenditure audited FY 2021-22	Revenue /Receipts audited FY 2021-22
1.	Formations	10	04	496.100	Nil

B. Comments on Budget and Accounts (Variance Analysis)

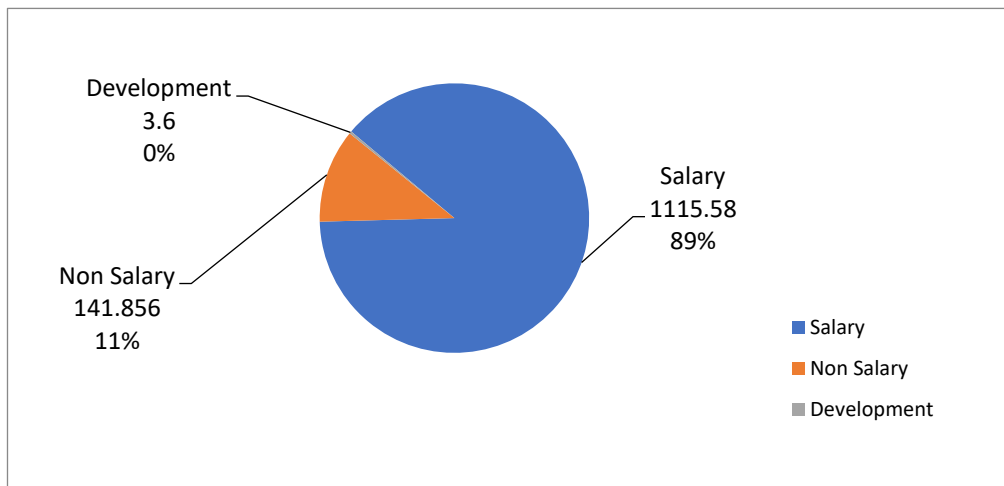
(Rs in million)

2021-22	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	1,068.009	1,115.58	47.571	4.45
Non-salary	286.215	141.856	144.359	39.96
Developmental	3.600	3.600	0	0
Total:	1,357.824	1,261.036	96.7898	7.13

The savings of Rs. 96.7898 million indicate weakness in the capacity of District Government Departments to utilize the allocated budget. Furthermore, the salary component was 88.47 % whereas; non-salary component and development expenditure was only 11.25 % and 0.29 % respectively of total expenditure. Less development expenditure by the District Government was due to insufficient release and lack of interest of the Provincial Government towards development at District level. As a result, less development activity, job opportunities were not adequately provided to the larger population. Business operations were not increased and ultimately standard of living of the people was not improved and role of the District Government could not be seen in the development functions as required under Rules of Business 2015.

EXPENDITURE 2021-22

(Rs in million)



2.2 Classified Summary of Audit Observations

Audit observations amounting to Rs.4,269.539 million were raised as a result of this audit. This amount also included recoverable of Rs.4.25 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Table: Classified Summary of Audit Observations

(Rs in million)		
S. No.	Classification	Amount
1.	Irregularities	-
A	Non-production of record	-
B	Procurement related irregularities	27.552
C	Management of Accounts with Commercial Banks	4,186.882
2.	Others, including cases of accidents, negligence etc.	55.105
Total:		4,269.539

2.3 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 ZAC meetings are given below:

S.No.	Audit Year	ZAC meeting
1.	2002-03	Not Convened
2.	2003-04	Not Convened
3.	2004-05	Not Convened
4.	2005-06	Not Convened
5.	2006-07	Not Convened
6.	2007-08	Not Convened
7.	2008-09	Not Convened
8.	2009-10	Not Convened
9	2010-11	Not Convened
10	2011-12	Not Convened
11	2012-13	Not Convened
12	2013-14	Not Convened
13	2014-15	District Govt: did not exists. Audit report not prepared
14	2015-16	District Govt: did not exists. Audit report not prepared
15	2016-17	Not Convened
16	2017-18	Not Convened

17	2018-19	Not Convened
18	2019-20	Not Convened
19	2020-21	Not Convened
20	2021-22	Not Convened

2.4 AUDIT PARAS

2.4.1 Non-Production of Record

2.4.1.1 Non-production of auditable record

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

District Education officer (Male& Female) Kohistan Upper did not produce the accounts record despite repeated requests. Detail as below;

1. EMIS data of District Kohistan Upper.
2. Record of Transfer/ mutation of land schools to Education Department.
3. Record of establishment Branch i.e appointment, posting/transfer, Personal files/ Service Books.
4. Record of schools under the administrative controls of DEO.
5. Record of arrears drawn through source i&ii.
6. Bank Statement.
7. Drawl of GP Fund during 2021-22
8. Stipends record.
9. Rahmat-ul-il-Alameen/Scholarships.
10. Record of Developments Projects of Schools.
11. Enrolment campaign.

The lapse occurred due to non-compliance of government rules, which resulted in non-production of record. The similar observation was also pointed out during the financial years 2019-20 amounting to Rs. 5.786 million. However, no corrective measures were taken, resultantly total non-production of record of Rs.5.786 million.

When pointed out in July 2022, the management replied that all record is available with the concerned branches and will be shown to Audit.

The DAC in its meeting held on 22.11.2022, directed the department to provide the records for audit. However, no record for audit was produced till finalization of this report.

Audit recommends fixing responsibility against person(s) at fault for non-production of record besides early production of record.

AIR Para No.01 & 06 (2022-23)

2.4.2 Irregularities

A. Procurement related irregularities

2.4.2.1 Irregular advance payment on account of purchase of furniture without open tender -Rs 23.611 million

According to rules 6(i) chapter-II of Khyber Pakhtunkhwa Public Procurement Regulatory Authority Rules 2014, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs 100,000.

According to the contract agreement S No 3.1 the payment will be made through cross cheque after fulfillment of all codal formalities. Payment will be made after completion of delivery and verification (Quality & Quantity) certificate. No advance payment will be made to supplier.

District Education Officer (Male) Kohistan Upper paid Rs 23,611,229 on account of purchase and supply of furniture for various schools to Mardan Traders Baghdada Mardan during FY 2021-22. Audit held that according to the above-mentioned rules open competitive bidding was required to be done for the purchase of huge amount of furniture for schools but the local office failed to do so and made advance payment to the contractor in violation of Government rules and contract agreement.

Whereas delivery report, (Quality & Quantity) certificate by inspection committee, issue and consumption record and stock register was not shown for verification by Audit.

S No	Development	Firm/contractor	Amount in Rs.
01.	Furniture DEO Male	Mardan Traders Baghdada Mardan	18,992,000
02.	Furniture DEO female	Mardan Traders Baghdada Mardan	4,183,229
03.	Furniture	SIDB	436,000
Total:			23,611,229

The lapse occurred due to violation of government rules, which resulted in irregular advance payment.

When pointed out in July 2022, the management stated that the matter will be checked and concerned firm will be directed for compliance.

The DAC in its meeting held on 22.11.2022, directed the department to produce the record for verification. However, no record for verification was produced till finalization of this report.

Audit held that purchase of furniture without open tender occurred due to weak internal controls and violation of rules which resulted in loss to Government.

AIR Para No.04 & 07 (2022-23)

2.4.2.2 Irregular purchase of Motor Bikes -Rs 1.871 million

According to rule 11(1) & (2) of KPPRA Act 2014, “The procurement entity shall engage in open competitive bidding if the cost of the object to be procured is more than the financial limit which is applicable under rule 10 purchases up to Rs. 2.5million, shall be posted on the procuring entity’s website or public procurement regulatory authority (PPRA’s) or both. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring entity”. Moreover, “For all purchases, other than those being covered by the Khyber Pakhtunkhwa Procurement rules 3 and 10, shall be advertised in print media, appearing in at least one national English and one Urdu newspaper with nationwide circulation along with advertising the same either on the procuring entity or Authority website”

District Health Officer Kohistan Upper, incurred expenditure amounting to Rs 1,870,800 on account of purchase of 12 motorbikes during the financial year 2021-22. The local office incurred the expenditure departmentally without tendering the work in the print and electronic media to obtain economical rates.

The lapse occurred due to non-compliance of government rules, which resulted in irregular expenditure.

When pointed out in August 2022, the management stated that detail reply would be given after consultation of record.

The DAC in its meeting held on 22.11.2022, directed the department to produce the record for verification. However, no record for verification was produced till finalization of this report.

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

AIR Para No. 08 (2021-22)

2.4.2.3 Non-reporting of clinical efficacy and DTL reports of medicines worth -Rs 2.070 million

According to Para H of the Director General Health Services Khyber Pakhtunkhwa Peshawar letter No 4333-4450/DDC/DGHIS dated 27.10.2020, the purchasing entity shall submit quarterly reports regarding the clinical efficacy of the MCC approved brands of medicines, surgical disposables etc. used at their ends. In case of failure, disciplinary action may be initiated against the in charge of purchasing entity.

District Director Livestock Kohistan Upper incurred expenditure of Rs.2,069,645 on purchase of medicines from various suppliers and issued to various centers in the district during financial year 2020-21. However, the clinical efficacy reports of the medicines were not submitted to the quarter concerned which was contrary to the above instructions. Moreover, samples of medicines were also not sent to Drug Testing Laboratory before issuance to the patients.

The lapse occurred due to non-compliance of government instructions, which caused non-compliance of Government orders.

When pointed out in March 2022, the management stated that samples were collected by drug inspector for onward submission to drug testing laboratory, report will be shown to audit. Reply was not convincing as documentary evidences were not produced to audit.

PAO was request convene DAC meeting in April 2022, however, meeting of DAC could not be convened till finalization of this report

Audit recommends that clinical efficacy and testing of medicines must be performed and reported to the higher authorities as required under the rules.

AIR Para No. 01 (2021-22)

B. Management of accounts with commercial banks

2.4.2.4 Non-conversion of current bank account into PLS mode-Rs. 4,186.882 million

Finance Department Khyber Pakhtunkhwa Peshawar vide letter No. 2/3-(F/L)/FD/2007-08/vol-IX dated 10.02.2014, has allowed sanction of bank accounts in commercial banks for various departments/autonomous/corporation in KP and directed that such accounts may be converted into PLS mode and profit earned may be deposited into government treasury under the relevant head of account not later than a week when declared by the bank.

Deputy Commissioner, Kohistan Upper retained Rs. 4,186,882,492 into current bank account No. CD-4097874132 maintained at National Bank of Pakistan. The local office was required to deposit the funds in PLS mode instead of current mode of bank account. Moreover, the funds remain blocked and unutilized till June 2022 and could not be disbursed among the affectees/beneficiaries.

The lapse occurred due to violation of government instructions, which resulted in non-conversion of current bank account into PLS mode.

When pointed out in July 2022, The department replied that the case for conversion of A/C# 4114676385 from current to PLS has already been taken up with the Finance Department Khyber Pakhtunkhwa vide letter No. NBP/DK/DHPP/7906/DC (KH) dated 27-07-2018, but Finance Department regretted the same request vide its letter No.6-18(F/2)FD/2013/Vol-2 dated 24-09-2018.

The DAC in its meeting held on 22.11.2022, directed the department to convert the current account into PLS mode. However, no progress was shown till finalization of this report.

Audit recommends immediate conversion of current bank account into PLS mode and action against the person(s) at fault.

AIR Para No.11&6 (2022-23)

2.4.3 Others, including cases of accidents, negligence etc.

2.4.3.1 Doubtful expenditures of PTC fund-Rs. 6.289 million.

According to PTC guidelines, details vouchers, cashbook etc will be maintained by the EDO/DO and inspection will be carried out by the inspection committee.

District Education Officer (Male& Female) Kohistan Upper transferred Rs. 6,288,500 to various schools on account of Class Room Consumables and Petty Repairs during financial year 2021-22. However, administrative inspection of the utilization of fund was not carried out by the officers/committee concerned. Moreover, accounts record i.e. vouchers, cashbook and other supporting documents were not available on record.

DDO Code	Particular of Budget	Total Expenditures
KD 6037 DEO Male	CRC	2,572,000
	Petty Repair	2,472,000
KD6117 DEO Female	CRC	692,500
	Petty repair	552,000
	Total	6,288,500

The Irregularity occurred due to non-adherence to government instructions, which marred transparency in the utilization of funds. The similar observation was also pointed out during the financial years 2017-18, Rs 32.938 million and 2020-21 amounting to Rs.26.897 million, respectively. However, no corrective measures were taken, resultantly total doubtful expenditure of Rs.59.835 million.

When pointed out in July 2022, the management replied that all the record is available with the schools and will be produced.

The DAC in its meeting held on 22.11.2022, directed the department to produce the record for verification. However, no record for verification was produced till finalization of this report.

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

AIR Para NO 02& 03 (2022-23)

2.4.3.2 Non-carrying out of inspection of furniture -Rs. 23.611million

According to elementary and secondary education department government of Khyber Pakhtunkhwa letter No CPO/PO/E&SE/ADP/Furniture Project/2017-18 dated March 30th, 2018, inspection may be carried out by the concerned District Purchase Committee and M&E Department with guideline issued by the Government of Khyber Pakhtunkhwa.

During audit of the office of DEO Male & Female Kohistan Upper for the financial year 2021-22, it was noticed that the local office paid Rs 23,611,229 on account of purchase of furniture to the Mardan traders Mardan. Audit held that the supply of furniture was completed but inspection thereof was not carried out by the competent authority.

S No.	Development	Firm/contractor	Amount in Rs
01.	Furniture DEO Male	Mardan Traders Baghdada Mardan	18,992,000
02.	Furniture DEO female	Mardan Traders Baghdada Mardan	4,183,229
03.	Furniture	SIDB	436,000
Total			23,611,229

The irregularity occurred due to non-compliance of government instructions, which resulted in substandard and less supply of furniture.

When pointed out in July 2022, the management stated that the needful will be done and progress will be intimated to Audit.

The DAC in its meeting held on 22.11.2022, directed the department for compliance as the Inspection carried out but representative of KPK industries & Dev officer may be preceded as they have not fulfilled their official obligations without any cogent reason. However, no compliance was intimated till finalization of this report.

Audit recommends immediate inspection by the District Purchase Committee and M&E of the supplied items and action against the person(s) at fault.

AIR Para NO 06 (2022-23)

2.4.3.3 Non-deduction of Government Taxes –Rs.3.334 million

According to Sales Tax Ordinance 2001 and SRO of FBR, Sales Tax @ 19% should be deducted from unregistered contractors and 17% from registered firms is required to be deducted from the supplier's bills. According to the circular No DCIR (Unit-48/WHZ 2017-2018-24 dated 11-07-2017, income tax @ 9 % will be deducted from non-filer suppliers and 4.50% from filer suppliers

District Officer on Farm Water Management, Kohistan Upper allowed payment of Rs 15,505,000 for the supply and fixing of material and pipes in different works through Water User Associations (WUA) during the year 2019-2021 as per detail at annexure-02.

However, sales tax @17% Rs 2,635,850 and Income tax for Rs 697,725 were not recovered/deducted.

The lapse occurred due to non-adherence to government rules, which resulted in loss to government.

When pointed out in February 2022, the management stated that district Kohistan is tax free zone, therefore taxes were not deducted. Reply was not convincing as the rates paid were inclusive of taxes which were not deducted.

PAO was requested to convene DAC meeting in April 2022, which could not be convened till finalization of this report.

Audit suggests recovery of government taxes or production of verified taxes returns.

AIR Para No. 02 (2021-22)

2.4.3.4 Unauthentic expenditure on account of developmental schemes Rs.7.860 million

According to Government of Khyber Pakhtunkhwa, Local Government, Election and Rural Development Department, Local Council Board letter No.AO (Planning)/LCB/Gen/Inst/4-10/2016 dated 31.01.2019;

- i. Before and after pictures of developmental schemes should be the part of concerned file.
- ii. Provision of detail cost estimates along-with x-section with unit cost and GPS coordinates.

- iii. District Monitoring Officers of concerned Districts should visit all developmental schemes and submit detail report.

DO Water Management Kohistan Upper incurred expenditure of Rs 7,860,000 on various developmental schemes during 2019-20. Audit holds that the expenditures were unauthentic due to the following shortcomings.

- i. GPS coordinates were not available. (Detail of schemes and expenditure is given at annexure-03.
- ii. Before and after pictures of developmental schemes were not available.
- iii. Monitoring of schemes was not done by District Monitoring Officers as no monitoring report of developmental scheme was available.

The lapse occurred due to non-compliance of government instructions, which resulted in unauthentic expenditure.

When pointed out in February 2022, the management stated that the required information is available on record and will be produced to audit. Reply was not convincing as documentary evidences were not produced to audit.

PAO was requested to convene DAC meeting in April 2022, which could not be convened till finalization of this report.

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

AIR Para No. 03 (2021-22)

2.4.3.5 Non-utilization of 02 Acre land for nursery farm.

According to para 23 of the General Financial Rules Volume I every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

During FY 2020-21, District Director Agriculture, Kohistan Upper did not generate any revenue or plants from 02 Acres nursery form since long.

Moreover, an amount of Rs 44,415 was shown spent on account of supply of urea etc. for the nursery form but neither cultivation was made nor any

revenue generated there from which seems that the amount was misappropriated by the dealing hands.

The lapse occurred due to violation of government rules, which resulted in non-utilization of land.

When pointed out in February 2022, the management stated that due to non-availability of boundary wall the land could not be utilized. Reply was not tenable as no efforts were made for rising of boundary wall and utilization of land for agriculture purpose.

PAO was requested to convene DAC meeting in April 2022, which could not be convened till finalization of this report.

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

AIR Para No. 01 (2021-22)

2.4.3.6 Loss to government due to non-generation of revenue from valuable latest machinery

According to Para 23 of GFR Vol.-I, every Government officer is personally responsible for any loss sustained by Government through fraud or negligence either on his part or on the part of his subordinate staff.

District Director Agriculture, Kohistan Upper received different types of latest agriculture machinery for utilization in the district Kohistan but it was lying idle during financial year 2020-21 as neither revenue was generated from the use of the machinery nor was the machinery surrendered to the Head Quarter concerned. Detail is given below.

S. No	Particular	Receiving date	Quantity
1.	Wheat Reaper binder machine	08.06.2020	05
2.	Taiba terminator sprayer	05.11.2020	02
3.	ULV sprayer	23.10.2018	60
4.	ULV sprayer Tank	23.10.2018	60
5.	Brush cutter engine box	23.10.2018	15
6.	Brush cutter attachment box	23.10.2018	15
7.	Portable seeder (Carton)	23.10.2018	96
8.	Portable seeder bundle	23.10.2018	4

The lapse occurred due to non-compliance of government rules, which resulted in loss to the government.

When pointed out in February 2022, the management stated that the machinery could not be utilized due to hilly terrain and will be returned to the DG office Peshawar. Reply was not tenable as no documentary evidence was provided in support of the reply.

PAO was requested to convene DAC meeting in April 2022, which could not be convened till finalization of this report.

Audit recommends proper utilization or surrender of machinery to the quarter concerned.

AIR Para No. 02 (2021-22)

2.4.3.7 Loss to Government due to non-adjustment of 7% income tax–Rs 0.917 million

According to Finance Department Khyber Pakhtunkhwa Notification NO.SO (Dev-II) FD/12-6/14-5 dated 21.04.2015, all Provincial Works Departments, while preparing Cost Estimates of developmental projects which fall in the tax exempted areas such as PATA, shall frame the same on Market Rate System (MRS) but with 7% less cost to defray the amount added in the rate analysis of all works/construction/supply items to meet withholding tax.

District Officer Water Management, Upper Kohistan, incurred an expenditure of Rs 13,095,700 on developmental schemes under Pak MDGs 2014-15. However, income tax @ 7% amounting to Rs. 916,699 was not deducted which resulted in loss to government. The detail is as annexure-04.

The lapse occurred due to violation of government instructions/ rules, which resulted in loss to Government.

When pointed out in December, 2021, the management stated that District Kohistan is a tax-free zone; therefore, no tax has been deducted/adjusted in the schemes. Reply was not convincing as the income tax was built in MRS and should have been deducted.

PAO was requested to convene DAC meeting in April 2022, which could not be convened till finalization of this report.

Audit recommends recovery of income tax and action against the person(s) at fault. AIR Para No. 01 (2021-22)

2.4.3.8 Irregular expenditure without monitoring and non-duplication certificate-Rs.13.095 million

According to Cabinet Secretariat, Government of Pakistan, Cabinet Division Islamabad No.7(1) DD(Dev)/14-15, dated 15-01-2015, “to avoid duplication or mismanagement of funds, Principal Accounting Officer/Additional Chief Secretary (ACS) (Dev) will certify that no other agency has undertaken or is undertaking the same scheme in the area”.

Furthermore, according to Cabinet Secretariat, Government of Pakistan, Cabinet Division Islamabad No.7(1) DD(Dev)/14-15, dated 15-01-2015, the PAOs of ministries/ ACS(Dev) shall be responsible to ensure the quality of work and furnish to the Cabinet Division monthly progress on physical work and utilization of funds.

District Officer Water Management, Upper Kohistan incurred expenditure of Rs.13,095,700 on developmental schemes under Pak MDGs 2014-15. However, neither non-duplication certificate from the PAO/Additional Chief Secretary (ACS) (Dev) was obtained nor monitoring and quality check of the schemes was carried out, which resulted in irregular expenditure.

The lapse occurred due to non-compliance of government instructions, which resulted in irregular expenditure.

When pointed out in December, 2021, the management stated that non duplication certificate was obtained from the entity and all the schemes were physically verified/inspected by the technical staff of the local office as well as district government administrator’s representatives. Reply was not convincing as no monitoring reports and certificates to the effect that no other agency had undertaken the same schemes in the area, was produced to audit.

PAO was requested to convene DAC meeting in April 2022, which could not be convened till finalization of this report.

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

AIR Para No. 02 & 03 (2021-22)



CHAPTER-03

TEHSIL MUNICIPAL ADMINISTRATIONS



CHAPTER-3

Tehsil Municipal Administration

3.1 Introduction

A. District Kohistan Upper has two Tehsils i.e. Dassu and Kandia. 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 (amendment) Act, 2019 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 programs, collection of revenue such as taxes, penalties, fines etc. manage municipal properties, assets and funds, and liaise with the district government in all these matters.
- (e) Maintaining a comprehensive data base and information system on services in the Tehsil municipal record and archives and provide public access to it on nominal charges;
- (f) Organizing sports, cultural, recreational events, fairs, cattle fairs and cattle markets;
- (g) Co-ordinate and support municipal functions amongst village and neighborhood councils;
- (h) Regulate markets and services, issue licenses, permits, grant permissions and impose penalties for violation thereof;

Audit Profile of TMAs of the District Kohistan Upper

(Rs in million)

S.No	Description	Total Nos	Audited	Expenditure audited FY 2021-22	Revenue /Receipts audited FY 2021-22
1.	Formations	2	2	205.511	Nil

B. Comments on Budget and Accounts (Variance Analysis)

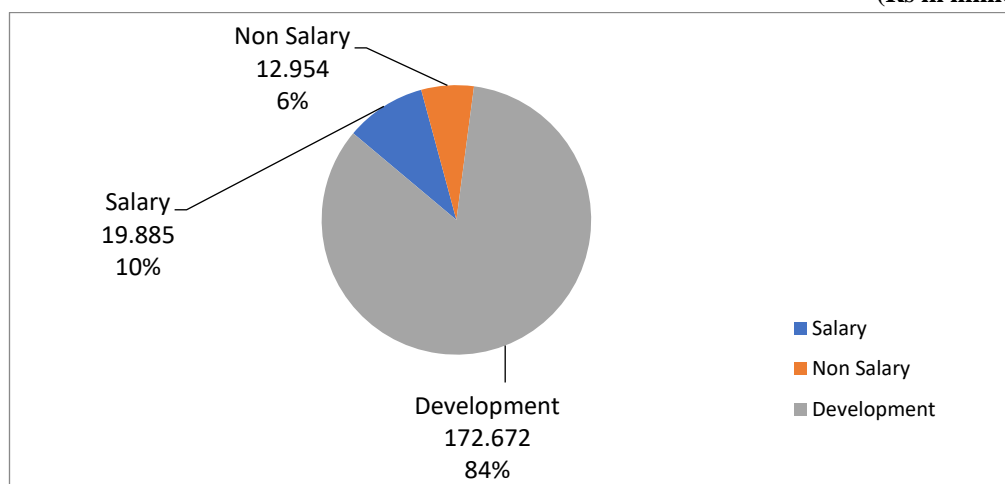
(Rs in million)

TMAs				
2021-22	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	40.821	19.885	20.936	51.287
Non-salary	69.026	12.954	56.075	81.238
Developmental (A/C-IV)	415.821	172.672	243.149	58.474
Total:	525.668	205.511	320.16	60.905
Receipts:	-	-	-	-

The saving of Rs.320.16 million indicates weakness in the capacity of Tehsil Municipal Administrations to utilize the allocated budget. The savings in salary and non-salary component was 51.29 % and 81.24 % respectively which shows over estimation of budget. Whereas, the savings of 58.47 % in development budget shows in-efficiency in utilization of fund on the part of the management.

. EXPENDITURE 2021-22

(Rs in million)



3.2 Classified Summary of Audit Observations

Audit observations amounting to -Rs. 33.167 million were raised as a result of this audit. This amount also included recoverable of Rs. 1.929million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Table: Classified Summary of Audit Observations

(Rs in million)

S. No.	Classification	Amount
1	Irregularities	-
A	Procurement related irregularities	31.238
2.	Others, including cases of accidents, negligence etc.	1.929
Total		33.167

3.3 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. Status of TAC meetings are given below:

Sr. No.	Audit Year	TAC meeting
1.	2002-03	N/A
2.	2003-04	N/A
3.	2004-05	N/A
4.	2005-06	N/A
5.	2006-07	N/A
6.	2007-08	N/A
7.	2008-09	N/A
8.	2009-10	N/A
9	2010-11	N/A
10	2011-12	N/A
11	2012-13	Not convened
12	2013-14	Not Convened
13	2014-15	Not Convened
14	2015-16	Not Convened
15	2016-17	Not Convened
16	2017-18	Not Convened
17	2018-19	Not Convened
18	2019-20	Not Convened
19	2020-21	Not Convened
20	2021-22	Not Convened

3.4 AUDIT PARAS

3.4.1 Irregularities

A. Procurement related irregularities

3.4.1.1 Irregular expenditure on account of developmental schemes Rs.13.573 million

According to Government of Khyber Pakhtunkhwa, Local Government, Election and Rural Development Department, Local Council Board letter No.AO (Planning)/LCB/Gen/Inst/4-10/2016 dated 31.01.2019;

- i. Before and after pictures of developmental schemes should be the part of concerned file.
- ii. Provision of detail cost estimates along-with x-section with unit cost and GPS coordinates.
- iii. District Monitoring Officers of concerned Districts should visit all developmental schemes and submit detail report.

Tehsil Municipal Officer Dassu incurred expenditure of Rs13,573,021 on various developmental schemes during 2021-22 as per detail given at **annexure-05**. However, the following shortcomings were observed;

- i. GPS coordinates were not available.
- ii. Before and after pictures of developmental schemes were not available.
- iii. Monitoring of schemes was not done by District Monitoring Officers as no monitoring report of developmental scheme was available.

The lapse occurred due violation of government rules/instructions, which resulted in violation of Government rules. The similar observation was also pointed out during the financial years 2019-20 amounting to Rs.44.3 million. However, no corrective measures were taken, resultantly total irregular expenditure of Rs 44.3 million.

When pointed out in October 2022, the management stated that all the pictures were available which will be formed part of the files. Reply was not convincing as no documentary evidence was shown in support of reply. Moreover, GPS coordinates and monitoring reports were also not provided till finalization of this report.

PAO was requested to convene DAC meeting in December 2022, which could not be convened till finalization of this report.

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

AIR Para No. 03 (2021-22)

3.4.1.2 Irregular expenditure without technical sanction -Rs. 3.680 million

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

Tehsil Municipal Officer, Kandia incurred expenditure of Rs 3,680,000 on developmental scheme “Rehabilitation of Karang Road from Zambal” with estimated cost of Rs 10,000,000 during financial year 2021-22. Audit observed that Technical Sanction of the competent authority was not obtained.

The lapse occurred due non-compliance of government rules/instructions, which resulted in irregular execution of developmental schemes. The similar observation was also pointed out during the financial years 2017-18 amounting to Rs. 26.500 million. However, no corrective measures were taken, resultantly total losses of Rs.26.500 million to the government.

When pointed out in October 2022, the management stated that Technical Sanction will be obtained from competent Engineer and will be shown to audit.

Reply was not convincing as Technical Sanction should have been obtained prior to the commencement of work.

PAO was requested to convene DAC meeting in December 2022, which could not be convened till finalization of this report.

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

AIR Para No. 04 (2021-22)

3.4.1.3 Irregular expenditure on account of developmental schemes – Rs.13.985 million

According to Government of Khyber Pakhtunkhwa, Local Government, Election and Rural Development Department, Local Council Board letter No.AO (Planning)/LCB/Gen/Inst/4-10/2016 dated 31.01.2019;

- Before and after pictures of developmental schemes should be the part of concerned file.
- Provision of detail cost estimates along-with x-section with unit cost and GPS coordinates.
- District Monitoring Officers of concerned Districts should visit all developmental schemes and submit detail report.

TMA Kandia incurred expenditure of Rs 13,985,278 on various developmental schemes with estimated cost of during 2021-22 however, (detail at annexure-06) the following shortcomings were observed;

- i. GPS coordinates were not available.
- ii. Before and after pictures of developmental schemes were not available.
- iii. Monitoring of schemes was not done by District Monitoring Officers as no monitoring report of developmental scheme was available.

The lapse occurred due to non-adherence to government instructions, which resulted in irregular expenditure.

When pointed out in October 2022, the management stated that all the pictures are available which will be shown to audit. Reply was not convincing as no documentary evidences were provided to audit.

PAO was requested to convene DAC meeting in December 2022, which could not be convened till finalization of this report.

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

AIR Para No. 5 (2021-22)

3.4.2 Others, including cases of accidents, negligence etc.

3.4.2.1 Loss to Government due to non-adjustment of 7% income tax – Rs.0.950 million

According to Finance Department Khyber Pakhtunkhwa Notification NO.SO (Dev-II) FD/12-6/14-5 dated 21.04.2015, all Provincial Works Departments, while preparing Cost Estimates of developmental projects which fall in the tax exempted areas such as PATA, shall frame the same on Market Rate System (MRS) but with 7% less cost to defray the amount added in the rate analysis of all works/construction/supply items to meet withholding tax.

Tehsil Municipal Officer, Dasso incurred expenditure of Rs.13,573,021 on developmental schemes during 2021-22. However, income tax @ 7% amounting to Rs. 950,113 was neither deducted nor adjusted as per detail given at annexure-07.

The lapse occurred due to non-compliance of government rules/instructions, which resulted in non-deduction of income tax. The similar observation was also pointed out during the financial years 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21 amounting to Rs1.408 million Rs. 2.971 million, Rs. 2.089 million, Rs 3.323 million and Rs 2.386 million respectively. However, no corrective measures were taken, resultantly total losses of Rs.12.177 million to the government.

When pointed out in October 2022, the management stated that Kohistan was tax free zone therefore taxes were not deducted.

Reply was not convincing as income tax was included in the rates paid to the contractors, which needed to be recovered.

PAO was requested to convene DAC meeting in December 2022, which could not be convened till finalization of this report.

Audit recommends recovery of income tax from contractors.

AIR Para No. 02 (2021-22)

3.4.2.2 Loss to Government due to non-adjustment of 7% income tax- Rs.0.979 million

According to Finance Department Khyber Pakhtunkhwa Notification NO.SO (Dev-II) FD/12-6/14-5 dated 21.04.2015, all Provincial Works Departments, while preparing Cost Estimates of developmental projects which fall in the tax exempted areas such as PATA, shall frame the same on Market Rate System (MRS) but with 7% less cost to defray the amount added in the rate analysis of all works/construction/supply items to meet withholding tax.

Tehsil Municipal Officer, Kandia incurred expenditure of Rs 13,985,278 on developmental schemes during financial year 2021-22. However, income tax @ 7% amounting to Rs. 978,969 was neither deducted nor adjusted as per detail given at annexure-08.

The lapse occurred due non-adherence to government instructions/rules, which resulted in loss to Government. The similar observation was also pointed out during the financial years 2020-21 amounting to Rs. 3.210 million. However, no corrective measures were taken, resultantly total losses of Rs.3.210 million to the government.

When pointed out in October 2022, the management stated that Kohistan is Tax free zone, therefore taxes were not deducted. Reply was not convincing as Income Tax was included in MRS, which was not adjusted accordingly.

PAO was requested to convene DAC meeting in December 2022, which could not be convened till finalization of this report.

Audit recommends recovery of the overpaid income tax from the contractors.

AIR Para No. 02 (2021-22)



CHAPTER-04

ASSISTANT DIRECTOR LGE & RDD



CHAPTER-4

Assistant Director LGE &RDD

4.1 Introduction

A. Assistant Director Local Government, Election and Rural Development Department in District Kohistan Upper has 63 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 Kohistan Upper.

According to section 29 of the Khyber Pakhtunkhwa Local Government (amendment) Act 2019, 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
- Reporting cases of handicapped, destitute and of extreme poverty to District Government.

Audit Profile of AD LGE & RDD Kohistan Upper

(Rs in million)

Sr No	Description	Total Nos	Audited	Expenditure audited FY 2021-22 (Rs. in million)	Revenue /Receipts audited FY 2021-22 (Rs. in million)
1	Formations	1	1	58.336	Nil

B. Comments on Budget and Accounts (Variance Analysis)

(Rs in million)

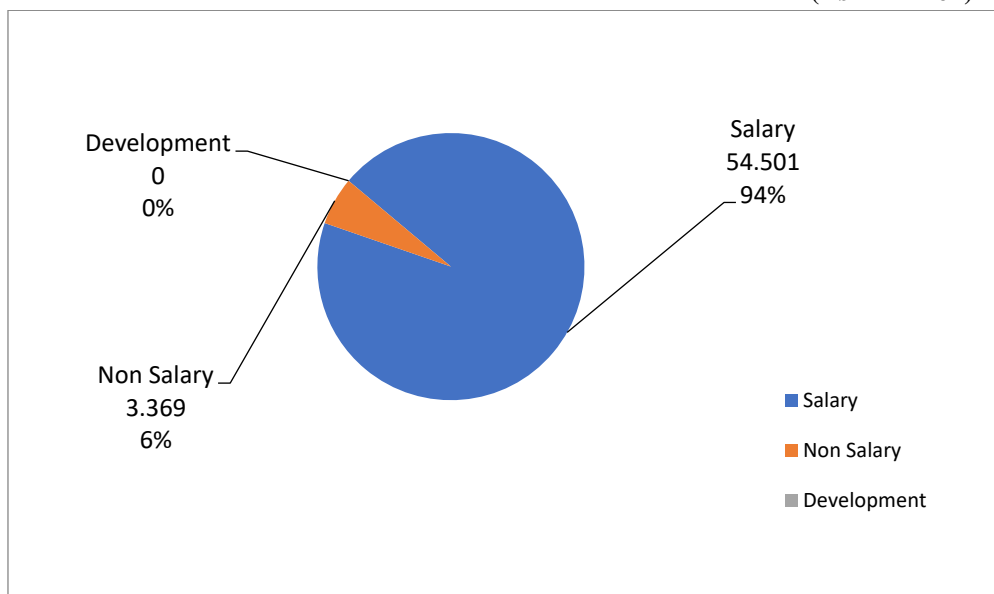
AD LGE&RDD				
2021-22	Budget	Actual Expenditure/Receipts	Excess/(Saving)	%age
Salary	44.275	54.501	10.226	23.097
Non salary	3.397	3.369	(0.028)	0.824
Development	0	0	0	0
Total	47.672	57.87	10.198	23.921
Receipts	0	0	0	

The excess of Rs.10.226 million under non-salary component indicates inefficiency in the capacity of Local Government Departments during utilization of the amount allocated. However, no fund was allocated for development activities which resulted in depriving the public from various basic facilities. As a

result, less development activities were carried out and job opportunities were not adequately provided to large population.

EXPENDITURE 2021-22

(Rs in million)



4.2 Classified Summary of Audit Observations

Audit observations amounting to –Rs 40.548 million were raised in this audit report. Summary of the audit observations classified by nature is as under:

Table: Classified Summary of Audit Observations

(Rs in million)

Sr. No.	Classification	Amount in Rs
1	Irregularities	-
A.	Management of accounts with commercial banks	20.274
2	Others, including cases of accidents, negligence etc.	20.274
Total:		40.548

4.3 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. Status of VACs/NACs meetings are given below:

S. No.	Audit Year	VACs/NACs meeting
1.	2002-03	Not Convened
2.	2003-04	Not Convened
3.	2004-05	Not Convened
4.	2005-06	Not Convened
5.	2006-07	Not Convened
6.	2007-08	Not Convened
7.	2008-09	Not Convened
8.	2009-10	Not Convened
9	2010-11	Not Convened
10	2011-12	Not Convened
11	2012-13	Not Convened
12	2013-14	Not Convened
13	2014-15	Not Convened
14	2015-16	Not Convened
15	2016-17	Not Convened
16	2017-18	Not Convened
17	2018-19	Not Convened
18	2019-20	Not Convened
19	2020-21	Not Convened
20	2021-22	Not Convened

4.4 AUDIT PARAS

4.4.1 Irregularities

A. Management of accounts with commercial banks

4.4.1.1 Irregular transfer and deposit of funds in current account

According to letter No. BO (PFC-III)/FD/1-6/VCs.NCs/2015-16 dated 28.04.2016 read with letter No. BO (PFC-III)/FD/1-6/ADP/15-16 and BO (PFC-III)/FD/1-6/Zilla Tax/2015-16 dated 15.01.2016 and 28.03.2016 respectively, the funds are meant for VCs/NCs of each District and shall be transferred /credited to their respective designated Bank accounts (PLS mode) by the Accountant General/District Accounts Officer through internal transfer entries.

Secretaries of various VCs/ NCs received Rs. 20,274,384 from AD LG&RDD Kohistan Upper for Remuneration, Operating and Developmental expenditure during financial year 2021-22 as per the detail given at annexure-09.

The management transferred/deposited the funds in current bank account instead of PLS mode, which is against the spirit of above-mentioned rules.

The lapse occurred due to non-adherence to government instructions, which resulted in violation of rules. The similar observation was also pointed out during the financial years 2020-21 amounting to Rs.2.111 million. However, no corrective measures were taken, resultantly total losses of Rs.2.111 million to the government.

When pointed out in November 2022, the management stated that the observation noted for compliance the detail reply will be furnished later after consulting the record position will be intimated.

PAO was requested to convene DAC meeting in December 2022, which could not be convened till finalization of this report.

Audit recommends transfer of funds to PLS mode immediately.

AIR Para No. 06 (2021-22)

4.4.2 Others, including cases of accidents, negligence etc.

4.4.2.1 Non-utilization of Government funds –Rs.20.274 million

According to District Government KPK Rules of Business 2015, Second Schedule Section-1(d)(i) that Planning and Development Section of Deputy Commissioner will be responsible for preparation, implementation, monitoring and evaluation of District Annual Development Program in co-ordination with District Offices.

Secretaries of various VCs/ NCs working under the administrative controls of Assistant Director LGE&RDD Kohistan Upper failed to utilize various funds amounting Rs. 20,274,384 received during 2021-22 as per detail given at Annexure- 09.

These grants were released to the concerned Village Councils/Neighborhood councils during the year but no progress regarding its utilization has yet been made till the dates of audit. As a result, the government money remained blocked and the community deprived of the basic facilities.

Blockade of Government money occurred due to non-compliance of government instructions/rules. Which resulted in non-utilization of funds depriving the community.

When pointed out in November 2022, the management stated that the observation noted for compliance the detail reply will be furnished later after consulting the record position will be intimated.

PAO was requested to convene DAC meeting in December 2022, which could not be convened till finalization of this report.

Audit recommends detailed inquiry regarding non utilization of funds besides action against person(s) at fault.

AIR Para No. 01 (2021-22)

ANNEXURES

Annex-01

MFDAC Paras

S. No	AIR No.	Department	Title of the Para	Amount in million
1.	01	DC	Irregular expenditure without open tender system	1.369
2	03	..do..	Non maintenance of cash books	413.633
3	04	..do..	Unverified/unjustified expenditure on POL due to non-maintenance of log books	0.597
4	05	..do..	Non-Recovery of HRA and 5% maintenance Charges charges	0.130
5	06	..do..	Non-maintenance of Stock Register amounting	0.348
6	07	..do..	Non-reconciliation of revenue and expenditure with bank	1,561.368
7	09	..do..	Non-maintenance of accounts records in r/o developmental schemes	36.000
8	05	DEO Male	Irregular Drawl and payment on account of IT Equipment	0.735
9	09	..do..	Non-implementation of rationalization policy in Primary schools	0
10	10	..do..	Non- Conducting of physical verification of Assets	0
11	11	..do..	Non-collection of Scouts Fund	0
12	07	..do..	Irregular payment on account of incentives /bonus more than one basic pay	1.350
13	01	DEO Female	Loss to Government on account drawl of POL and repair of vehicle	0.758
14	02	..do..	Unauthorized drawl and payment of conveyance charges to ASDEOs	0.300
15	05	..do..	Loss to government due to non-recovery of Shaheen/Girls Guide /Red Crescent funds	0
16	08	..do..	Irregular Drawl and payment on account of IT Equipment	0.765
17	10	..do..	Non- Conducting of physical verification of Assets	0
18	09	DC	Non deposit of Bank profit into Government Treasury Rs 13.956 million	13.956
19	02	..do..	Blockage of Government money-Rs 4,165.612 million & non-transfer of 2% TMA tax to Government-Rs 284.011 million	4,165.612
20	11	..do..	Loss to Government due to non-deduction of taxes - Rs 672.0189 million	672.0189
21	03	.DEO Male	Non deduction of KPRA tax Rs 1.739 million	1.739
22	08	..do..	Irregular payment through DDO instead of cross cheque Rs.1.190 million	1.190
23	08	.DC	Non deposit of Bank profit into Government Treasury Rs	13.956

			13.956 million	13.956
24	1	DHO	Non supply of medicines – Rs 567,900	0.568
25	3	..do..	Non-deduction of Income Tax on supply of medicines and other items –Rs 319,879	0.319
26	4	..do..	Non-deduction of HRA, Conveyance Allowance and 5% charges –Rs 674,010	0.674
27	5	..do..	Unauthentic expenditure on account of POL / repair of transport –Rs 438,457	0.438
28	9	..do..	Non-deduction of taxes amounting to-Rs 560,448	0.560
29	7	..do..	Irregular retention of funds in designated bank account –Rs 397,108	0.397
30	10	..do..	Irregular purchase of cell phones -Rs 798,000 million	0.798
31	11	..do..	Non-deposit of government receipts Rs 146,720	0.146
32	12	..do..	Non-functional machinery/equipments in RHC Shatyal	0
33	13	..do..	Non functional Health Facilities	0
34	01	TMA Dassu	Irregular expenditure due to un-authentic budget-Rs 151.174million	151.174
35	04	..do..	Unauthorized opening of bank accounts without approval.	0
36	06	..do..	Loss due to non-imposition of penalty Rs1.910 million	1.910
37	07	..do..	Inefficiency due to non-utilization of funds Rs16.600 million	16.600
38	08	..do..	Unauthorized payment for non-schedule items without rate analysis –Rs1.719 million	1.719
39	09	..do..	Non- deduction of sales tax on supply of material -Rs 0.664 million	0.664
40	10	..do..	Loss to Government by ignoring lowest bidder Rs 42,500	0.043
41	11	..do..	Irregular expenditure on purchase of dustbins without competitive bidding-Rs 697,500	0.698
42	01	TM A Kandia	Irregular expenditure due to un authentic budget- Rs 54.389 million	54.389
43	03	..do..	Non- deduction of sales tax on supply of material -Rs 546,548	0.547
44	06	..do..	Unauthorized opening of bank accounts without approval	0
45	07	..do..	Unauthorized payment for non-schedule items –Rs 1.850 million	1.850
46	08	..do..	Loss to Government due to non-deduction of voids amounting to Rs 468,503	0.469
47	09	..do..	Loss due to non-imposition of penalty Rs 1.00 million	1.000

48	10	..do..	Inefficiency due to non-utilization of funds Rs 12.700 million	12.700
49	11	..do..	Loss to Government due to defective tendering Rs 98,500	0.099
50	01	ADLGE & RDD	Irregular payment on account of purchases through DDO instead of cross cheque Rs 0.400 million	0.400
51	02	..do..	Irregular expenditure on account of POL without maintaining POL Log Book and History sheet - Rs 350,000	0.350
52	03	..do..	Un-justified transfer of 08 employees to DC office Kohistan Upper	0
53	04	..do..	Non recovery of conveyance allowance of –Rs 120,000	0.120
54	07	..do..	Wasteful expenditure on account of honoraria/salary of Nazims and Council members due to non-performance as per functional jurisdiction	0
55	2	Live stock	Irregular expenditure on account of POL / repair of transport- Rs 413,302	0.413
56	3	Live stock	Irregular drawal of money in the name of DDO- Rs 301,950	0.301
57	4	Live stock	Non-reconciliation of receipts –Rs 972,100	0.972
58	5	Live stock	Non deduction of Income tax-Rs 58,553	0.058
59	1	Water management	Non conversion of current bank account into saving resulting loss to exchequer	0
60	4	Water management	Irregular expenditure on account of POL / repair of transport- Rs 1.248 million	1.248
61	1	DPWO	Irregular deposit of funds in current bank account – Rs 4.374 million	4.374
62	2	DPWO	Unauthorized drawal without revival and approval by finance department-Rs 1.355 million	1.355
63	3	DPWO	Irregular expenditure on Rent of building- Rs 3.566 million	3.566
64	4	DPWO	Unauthorized payment for purchase of medicine without DTL reports –Rs 867,320	0.867
65	5	DPWO	Unauthentic purchase of medicines without observing MCC rules -Rs 952,482	0.952
66	6	DPWO	Loss to Government due to non-deduction of income tax –Rs 12,511	0.012
67	7	DPWO	Irregular payment for H&C of Rs 3.373 million	3.373
68	8	DPWO	Non-maintaining of inventory and conducting physical verification of dead stock.	0
69	3	Agriculture	Unauthentic expenditure on account of cost of other store –Rs 0.736 million	0.736
70	4	Agriculture	Unverified balances in Bank Account Rs 0.147 million	0.147
71	5	Agriculture	Double Drawal on account of TA/DA Rs 10,000	0.010
72	6	Agriculture	Non deposit of profit into government treasury Rs 9,300	0.009

73	01	DO Social Welfare	Unauthentic expenditure due to non-maintenance of proper Cash Book -Rs.3.712 million.	3.712
74	02	..do..	Wasteful expenditure –Rs.3.712 million	3.712
75	03	.do..	Wasteful / Irregular expenditure –Rs.1.158 million	1.158
76	04	.do..	Non-obtaining of rent reasonability certificate on account of rent of office building –Rs.100,000.	0.100
77	05	.do..	Non-carrying of physical verification of store/stock	0
Total:				275.707

Annex-02

Para No. 2.4.3.3

Non-deduction of Government Taxes

S. No.	Period	Scheme Name/No.	Tehsil	Cost of material	Sales Tax	Income Tax	Amount in Rs Total
1	2020-21	FazalQadir PWC	Kandia	825,000	140250	37125	177,375
2	-do-	Umar Din PWC	Kandia	825,000	140250	37125	177,375
3	-do-	SydanoBela PWC	Bankhad	825,000	140250	37125	177,375
4	-do-	Nisar Abad WST	Dassu	420,000	71400	18900	90,300
5	-do-	Gohar Abad PWC	Pallas	825,000	140250	37125	177,375
6	-do-	KharoGadar WST	Pallas	420,000	71400	18900	90,300
7	-do-	Fida Abad WST	Kolai	420,000	71400	18900	90,300
8	-do-	Ali Abad PWC	Pattan	1,000,000	170000	45000	215,000
9	-do-	Tuli Bat WST	Pattan	420,000	71400	18900	90,300
10	-do-	Abdul Malik WST	Dassu	420,000	71400	18900	90,300
11	-do-	Karballa WST	Dasu	420,000	71400	18900	90,300
12	-do-	Shah Faisal PWC	Dassu	825,000	140250	37125	177,375
13	2019-20	Goshali PWC	Dassu	825,000	140250	37125	177,375
14	-do-	BAirlo PWC	Dassu	825,000	140250	37125	177,375
15	-do-	Kogi PWC	Dassu	825,000	140250	37125	177,375
16	-do-	Dadai PWC	Dassu	825,000	140250	37125	177,375
17	-do-	Dongi zee PWC	Dassu	825,000	140250	37125	177,375
18	-do-	Ramal WST	Dassu	420,000	71400	18900	90,300
19	-do-	Seo WST	Dassu	420,000	71400	18900	903,00
20	-do-	Ranulia PWC	Pattan	825,000	140250	37125	177,375
21	-do-	Moodhar PWC	Pattan	950,000	161500	42750	204,250
22	-do-	Zardad PWC	Pattan	700,000	119000	31500	150,500
23	-do-	Dharo WST	Pattan	420,000	71400	18900	90,300
		Total		15,505,000	2635850	697725	3,333,575

Annex-03**Para No. 2.4.3.4****Detail of unauthentic expenditure on account of developmental schemes**

S.No	Period	Name of scheme	Tehsil	Amountin (Rs)
1	2019-20	Goshali PWC	Dassu	825,000
2	-do-	Bairlo PWC	Dassu	825,000
3	-do-	Kogi PWC	Dassu	825,000
4	-do-	Dadai PWC	Dassu	825,000
5	-do-	Dongi zee PWC	Dassu	825,000
6	-do-	Ramal WST	Dassu	420,000
7	-do-	Seo WST	Dassu	420,000
8	-do-	Ranulia PWC	Pattan	825,000
9	-do-	Moodhar PWC	Pattan	950,000
10	-do-	Zardad PWC	Pattan	700,000
11	-do-	Dharo WST	Pattan	420,000
Total:				7,860,000

Annex-04**Para No. 2.4.3.7****Detail of income tax not adjusted**

S.No	Name of scheme	Expenditure (Rs)	Income tax due @7 % in (Rs)
1	Protection Band Jalkot	500,000	35000
2	Protection Band Pattan	1,000,000	70000
3	2 Nos Protection Band at Seo	1,500,000	105000
4	Protection Band SikleBela Pallas	500,000	35000
5	Protection Band SigyanPattan	1,500,000	105000
6	Protection Band at Jalkot	500,000	35000
7	2 Nos Protection Band GabrielKandia	1,000,000	70000
8	Repair I/C Embankment at Seo	1,500,000	105000
9	Water Pond Razika	500,000	35000
10	Water Pond Seo	500,000	35000
11	Fish Pond SiglooSeoDassu	500,000	35000
12	Fish Pond Seo	500,000	35000
13	MHPS 15 KV Seo	1,500,000	105000
14	MHPS 5 KV LachiNaala	500,000	35000
15	MHPS for 2 No mosques at Seo	1,095,700	76699
Total		13,095,700	916,699

Annex-05**Para No. 3.4.1.1****Irregular expenditure on account of developmental schemes**

S.#	Name of Scheme	UC	Allocation	Expenditure
1	Construction of shamal Road	Komila	2,000,000	528,508
2	Construction of shingle road Razika Stop to Tango Abad & Akhter Abad	Seo	1,000,000	280,770
3	Construction of Shingle road Farooq shah Mour to Zardad Abad	Segloo	1,000,000	280,770
4	Construction of Shingle road Razika Main Road to Noor Muhammad Abad	Seo	1,000,000	743,215
5	Rehabilitation of Ashyal Road Bairlo	Segloo	1,000,000	280,770
6	Construction Of Doga Road	Seo	2,000,000	528,508
7	Construction of Gayal Road	KuzPurwa	2,000,000	528,208
8	WSS at MianGul Abad UC Bariyar	Bariyar	800,000	349,212
9	HDPE Pipe Bahreen Abad Jalkot	jalkot	500,000	135,618
10	Installation of 5KV MHP SazinAsmatullah Abad	Sazeen	600,000	233,362
11	W/C at SaeedNaseer Abad Gahee Bar Jalkot	Jalkot	800,000	427,843
12	WSS at Abdulullah Abad Jalkot	Jalkot	500,000	181,455
13	P/W at Hakeem Abad Kental	Jalkot	700,000	214,573
14	Installation of 10KV MHP at Habibullah Abad	Jalkot	800,000	415,656
15	FootPath at Sadiq Abad Dassu	Dassu	600,000	263,254
16	P/W at Qadeem Abad HarbanKore	Harban	700,000	311,585
17	HDPE Pipe at Qudoos Abad Jalkot	Jalkot	800,000	181,737
18	W/P ar Hajji Manan Abad Teyal	Dassu	600,000	224,831
19	Installation of 5KV MHP at Ajmal Abad Ashyal	Segloo	500,000	187,477
20	75mm HDPE Pipe Khyal Mustafa Abad Ashyal	Segloo	500,000	157,202
21	W/C FootPath at Ashyal Mustafa Abad	Segloo	800,000	381,956
22	WSS at Mukhtiar Abad Komila	Komila	500,000	278,704
23	WSS at Khoidad Abad ZaidKhar	Komila	500,000	226,365
24	HDPE Pipe at Hyat&Hukmat Khan Abad ZaidKhar	Komila	600,000	175,051
25	WSS at Sattar Boikhail Abad Komila	Komila	500,000	284,321
26	W/P at Habib Shah Abad Agosh	Seo	500,000	186,924

27	Installation of 5KV MHP at Inayat Abad	Seo	500,000	359,450
28	W/P at Ejaz Abad	Seo	500,000	196,198
29	P/W at Shahid Ali Sigloo	Segloo	600,000	257,590
30	Solarization of TMA DASSU	Komila	1,000,000	438,862
31	Rehabilitation Of TMA building Dassu	Komila	5,000,000	2,053,578
32	WSS at TMA DASSU	Komila	1,000,000	463,152
33	Repair of Drain Komila District Road	Komila	2,000,000	716,139
34	Beautification of Komila Bazar	Komila	3,000,000	1,100,177
	Total		5,400,000	13,573,021

Annex-06

Para No. 3.4.1.3

Progress Report of TMA Kandia for the Months of June 2022 Least Developed District Uplift							
S. #	Name of Scheme	UC	Allocation	Expenditure	Financial Prog	Physical Prog	Name of Contractor
1	WSS at karang Masjid HDPE	Karang	0.5	153040	31%	60%	M/S Amjad&Ajmal co
2	WSS at kotgalRasheed Abad	Karen	0.75	429400	55%	80%	M/S ABDUR REHMAB & CO
3	WSS at sertNatbelThooti	Karen	0.5	296890	55%	70%	M/S ABDUR REHMAB & CO
4	WSS at Sadiq Abad Dheri	Karen	0.5	223000	45%	75%	M/S AMJAD & AJMAL & CO
5	WSS armarshai Abad HDPE	Gabrial	0.5	152804	35%	65%	M/S AMJAD & AJMAL & CO
6	WSS at Khadi Abad Salich	Thoti	0.5	163783	36%	80%	M/S AMJAD & AJMAL & CO
7	WSS Sanitation at Youaf Abad	Thoti	2.2	0	0%	55%	M/S ZAMBIL CONSTRUCTION
8	WSS at yar khan Abad Thooti	Thoti	0.5	273982	56%	60%	M/S

							ABDUR REHMAB & CO
9	Installation of 15KV MHP at Asbar Abad Thooti	Thoti	1.85	989420	50%	70%	M/S AKRAM SHAH & Brothers
10	Mule Track at LahariNalluhKarang	karang	2.5	732137	29%	50%	M/S AMJAD & AJMAL & CO
11	Mule Track at Chapper to kareenGulab Abad	Kareen	0.6	176704	29%	55%	M/S ABDUL MALIK & SONS
12	Rehabilitation of Karang Road Zambil	Karang	3	0	0%	60%	M/S WALI MUHAMMAD & CO
13	Water channel for KarangGenrator from KarangKhor	Karang	2	0	0%	70%	M/S HAJJI ABDUL MALIK
14	3 NO of Water channels at siyalDarra	Kareen	2.4	0	0%	60%	M/S HAJJI ABDUL MALIK
15	Water Channel from Sarpain	Kareen	2.5	748371	27%	75%	M/S HAJJI ABDUL MALIK
16	Protection Wall at BarigoGabrial	Gabrial	3.4	108340	35%	70%	M/S HAJJI ABDUL MALIK
17	Protection Wall at MeharshaiGabrial	Gabrial	2	535419	30%	55%	M/S HAJJI ABDUL MALIK
18	Water Chanel Seer Khowr to Malik Dro Abad	Kareen	1	307101	35%	60%	M/S WALI MUHAMMAD & CO
19	Protection Wall at SomiGulzada Abad	Gabrial	0.6	0	0%	70%	M/S WALI MUHAMMAD & CO
20	Protection Wall at Narang shah Gabrial	Gabrial	0.5	208185	45%	65%	M/S WALI MUHAMMAD & CO
21	Protection Wall at Rajmer&Umer Abad	Thoti	0.8	0	0%	75%	M/S WALI MUHAMMAD & CO
22	Protection Wall at Molvi Hakeem ZebKothiGabrial	Gabrial	0.5	165600	30%	80%	M/S WALI MUHAMMAD & CO
23	Protection Wall at MullakhelGabrial	Gabrial	2.3	684174	25%	55%	M/S HAJJI ABDUL

								MALIK
2 4	protection Wall at GultoAyoubGabrial	Gabr ial	0.5	148909	45%	60%		M/S HAJJI ABDUL MALIK
2 5	Protection Wall At Bellow Gabrial	Gabr ial	0.8	243766	35%	65%		M/S HAJJI ABDUL MALIK
2 6	Protection Wall at Bahadar Abad Thoti	Thoti	0.5	216679	40%	70%		M/S HAJJI ABDUL MALIK
2 7	Protection Wall at Neko Abad Bangroo	Bang roo	0.8	230222	30%	55%		M/S HAJJI ABDUL MALIK
2 8	Protection Wall at Akbar Khan Kanaro	Kara ng	0.6	185886	35%	65%		M/S WALI MUHAMM AD & CO
2 9	Protection Wall at KanviGabrial	Gabr ial	0.7	0	0%	0%		
3 0	Protection Wall at AurangZeb Abad Thooti	Thoti	0.7	259448	35%	60%		M/S WALI MUHAMM AD & CO
3 1	Protection Wall at FazalAsadTarkan	Gabr ial	0.7	281296	35%	55%		M/S SHAH Waliullah
3 2	Protection Wall at MolviJaffar Abad	Kare en	1	0	0%	60%		M/S ABDUL MALIK &SONS
3 3	Protection Wall at Molvi Ashraf Abad	Kare en	0.5	191613	35%	70%		M/S SHAH Waliullah
3 4	Protection Wall at BertiKarang	Kare en	1	324938	40%	80%		M/S ABDUL MALIK & SONS
3 5	Protection Wall at KhattMunawer Abad	Kara ng	1	389172	45%	55%		M/S WALI MUHAMM AD & CO
3 6	Protection Wall at Sakhi Abad Bangroo	Bang roo	1	365985	40%	65%		M/S ABDUL MALIK & SONS
3 7	Water Channel at MaqsoodUllahGujjar	Kara ng	0.5	143954	45%	65%		M/S ABDUL MALIK & SONS
3 8	Construction of Shingle Road to KotKandia	Kare en	10	368000 0	35%	70%		M/S ABDUL WADOOD & CO
Total			52.2	13,985, 278				

Annex-07
Para No. 3.4.2.1

Detail of income tax not adjusted

S.#	Name of Scheme	Expenditure	7% income tax not deducted
1	Construction of shamal Road	528,508	36996
2	Construction of shingle road Razika Stop to Tango Abad & Akhter Abad	280,770	19654
3	Construction of Shingle road Farooq shah Mour to Zardad Abad	280,770	19654
4	Construction of Shingle road Razika Main Road to Noor Muhammad Abad	743,215	52025
5	Rehabilitation of Ashyal Road Bairlo	280,770	19654
6	Construction Of Doga Road	528,508	36996
7	Construction of Gayal Road	528,208	36975
8	WSS at Mian Gul Abad UC Bariyar	349,212	24445
9	HDPE Pipe Bahreen Abad Jalkot	135,618	9493
10	Installation of 5KV MHP Sazin Asmatullah Abad	233,362	16335
11	W/C at Saeed Naseer Abad Gahee Bar Jalkot	427,843	29949
12	WSS at Abdulullah Abad Jalkot	181,455	12702
13	P/W at Hakeem Abad Kental	214,573	15020
14	Installation of 10KV MHP at Habibullah Abad	415,656	29096
15	FootPath at Sadiq Abad Dassu	263,254	18428
16	P/W at Qadeem Abad Harban Kore	311,585	21811
17	HDPE Pipe at Qudoos Abad Jalkot	181,737	12722
18	W/P ar Hajji Manan Abad Teyal	224,831	15738
19	Installation of 5KV MHP at Ajmal Abad Ashyal	187,477	13123
20	75mm HDPE Pipe Khyal Mustafa Abad Ashyal	157,202	11004
21	W/C FootPath at Ashyal Mustafa Abad	381,956	26737
22	WSS at Mukhtiar Abad Komila	278,704	19509
23	WSS at Khoidad Abad ZaidKhar	226,365	15846
24	HDPE Pipe at Hyat&Hukmat Khan Abad ZaidKhar	175,051	12254
25	WSS at Sattar Boikhail Abad Komila	284,321	19902
26	W/P at Habib Shah Abad Agosh	186,924	13085
27	Installation of 5KV MHP at Inayat Abad	359,450	25162
28	W/P at Ejaz Abad	196,198	13734
29	P/W at Shahid Ali Sigloo	257,590	18031
30	Solarization of TMA DASSU	438,862	30720
31	Rehabilitation Of TMA building Dassu	2,053,578	143750
32	WSS at TMA DASSU	463,152	32421
33	Repair of Drain Komila District Road	716,139	50130
34	Beautification of Komila Bazar	1,100,177	77012
	Total	13,573,021	950,113

Annex-08

Para No. 3.4.2.2

Detail of non-deduction/adjustment of Income Tax TMA Kandia 2021-22					
S.No	Name of Scheme	Name of Constructor	E/cost	Expenditure	Income Tax @ 7%
1	WSS at karang Masjid HDPE	M/S Amjad&Ajmal co	0.5	153,040	10,713
2	WSS at kotgalRasheed Abad	M/S ABDUR REHMAB & CO	0.75	429,400	30,058
3	WSS at serttoNatbelThooti	M/S ABDUR REHMAB & CO	0.5	296,890	20,782
4	WSS at Sadiq Abad Dheri	M/S AMJAD & AJMAL & CO	0.5	223,000	15,610
5	WSS armarshai Abad HDPE	M/S AMJAD & AJMAL & CO	0.5	152,804	10,696
6	WSS at Khadi Abad Salich	M/S AMJAD & AJMAL & CO	0.5	163,783	11,465
7	WSS at yar khan Abad Thooti	M/S ABDUR REHMAB & CO	0.5	273,982	19,179
8	Installation of 15KV MHP at Asbar Abad Thooti	M/S AKRAM SHAH & Brothers	1.85	989,420	69,259
9	Mule Track at LahariNalluhKarang	M/S AMJAD & AJMAL & CO	2.5	732,137	51,249
10	Mule Track at Chapper to kareenGulab Abad	M/S ABDUL MALIK & SONS	0.6	176,704	12,369
11	Water Channel from Sarpain	M/S HAJJI ABDUL MALIK	2.5	748,371	52,386
12	Protection Wall at BarigoGabrial	M/S HAJJI ABDUL MALIK	3.4	1,083,400	75,838
13	Protection Wall at MeharshaiGabrial	M/S HAJJI ABDUL MALIK	2	535,419	37,479
14	Water Chanel Seer Khowr to Malik Dro Abad	M/S WALI MUHAMMAD & CO	1	307,101	21,497
15	Protection Wall at Narang shah Gabrial	M/S WALI MUHAMMAD & CO	0.5	208,185	14,573
16	Protection Wall at Molvi Hakeem ZebKothiGabrial	M/S WALI MUHAMMAD & CO	0.5	165,600	11,592
17	Protection Wall at MullakhelGabrial	M/S HAJJI ABDUL MALIK	2.3	684,174	47,892
18	protection Wall at GultoAyoubGabrial	M/S HAJJI ABDUL MALIK	0.5	148,909	10,424
19	Protection Wall At Bellow Gabrial	M/S HAJJI ABDUL MALIK	0.8	243,766	17,064
20	Protection Wall at Bahadar	M/S HAJJI ABDUL	0.5	216,679	15,167

	Abad Thoti	MALIK			
21	Protection Wall at Neko Abad Bangroo	M/S HAJJI ABDUL MALIK	0.8	230,222	16,116
22	Protection Wall at Akbar Khan Kanaro	M/S WALI MUHAMMAD & CO	0.6	185,886	13,012
23	Protection Wall at AurangZeb Abad Thooti	M/S WALI MUHAMMAD & CO	0.7	259,448	18,161
24	Protection Wall at FazalAsadTarkan	M/S SHAH Waliullah	0.7	281,296	19,691
25	Protection Wall at Molvi Ashraf Abad	M/S SHAH Waliullah	0.5	191,613	13,413
26	Protection Wall at BertiKarang	M/S ABDUL MALIK & SONS	1	324,938	22,746
27	Protection Wall at KhattMunawer Abad	M/S WALI MUHAMMAD & CO	1	389,172	27,242
28	Protection Wall at Sakhi Abad Bangroo	M/S ABDUL MALIK & SONS	1	365,985	25,619
29	Water Channel at MaqsoodUllahGujjar	M/S ABDUL MALIK & SONS	0.5	143,954	10,077
30	Construction of Shingle Road to KotKandia	M/S ABDUL WADOOD & CO	10	3,680,000	257,600
	Total		39.5	13,985,278	978,969

Annex 09**Para No. 4.4.1.1& 4.4.2.1****Irregular deposit of fund in current account & non-utilization of fund**

S. No	Name of NCs/VCS	Tehsil	Balance Rs
1.	VC QaiserDadir	Dassu	801,488
2.	VC Chochand	Dassu	801,356
3.	VC KuzGaheen	Dassu	802,032
4.	VC GabbarSair	Dassu	801,428
5.	VC Ghee	HarbanBhasha	811,653
6.	VC Harban	HarbanBhasha	802,568
7.	VC Dargah	HarbanBhasha	802,681
8.	VC Bhasha	HarbanBhasha	811,653
9.	VC SummarNala	HarbanBhasha	801,078
10	VC Danish	Kandia	801,998
11	VC Barigoo	Kandia	801,918
12	VC Kareen	Kandia	800,535
13	VC Alil	Kandia	801,598
14	VC Mir Shahi	Kandia	801,358
15	VC Dong	Kandia	928,818
16	VC kafar Banda	Kandia	801,378
17	VC RazikaAshni	Seo	805,984
18	VC Gaider	Seo	808,054
19	VC chechar	Seo	801,848
20	VC sigalragokomila	Seo	875,678
21	VC Gayal Bar	Seo	802,468
22	VC GayalKuz	Seo	802,088
23	VC shorinaalah	Seo	801,408
24	VC shatial	Harbanbhash	801,348
25	VC sazeen	Harbanbhasha	801,968
Total:			20,274,384