

# AUDIT REPORT

AUDIT YEAR 2022 - 23

## ON THE ACCOUNTS OF LOCAL GOVERNMENTS DISTRICT KURRAM



**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 ”





# CONTENTS

ACRONYMS | I

PREFACE | II

SUMMARY | III

## CHAPTERS

|           |                                |    |
|-----------|--------------------------------|----|
| <b>01</b> | PUBLIC FINANCIAL MANAGEMENT    | 1  |
| <b>02</b> | TEHSIL GOVERNMENT              | 9  |
| <b>03</b> | TOWN MUNICIPAL ADMINISTRATIONS | 42 |
| <b>04</b> | AD, LGE&RDD                    | 58 |



## ABBREVIATIONS AND ACRONYMS

|           |  |           |  |
|-----------|--|-----------|--|
| AD        | Assistant Director                                       | KPPRA     | Khyber Pakhtunkhwa Public Procurement Regularity Authority |
| ADP       | Annual Development Plan                                  |           |  |
| AIR       | Audit and Inspection Report                              | LGA       | Local Government Act                                       |
| APPM      | Accounting Policies and Procedures Manual                | LGE & RDD | Local Government, Election & Rural Development Department  |
| AG        | Accountant General                                       |           |  |
| AIP       | Accelerated Implementation Program                       | MB        | Measurement Book   |
| BHUs      | Basic Health Units                                       | MCC       | Medicine Coordination Committee                            |
| CD        | Civil Dispensary   | MCH       | Mother and Child Hospital                                  |
| CHCs      | Community Health Centers                                 | MDGs      | Millennium Development Goals                               |
| CLCP      | Citizen Losses Compensation Program                      | MERF      | Medical Emergency Resilience Foundation                    |
| COSO      | Committee of Sponsoring Organizations                    | MFDAC     | Memorandum for Departmental Accounts Committee             |
| CPWA Code | Central Public Works Accounts Code                       |           |  |
| DAC       | Departmental Accounts Committee                          | MO        | Medical Officer  |
| DAC       | District Accounts Committee                              | MRS       | Market Rate System   |
| DAO       | District Accounts Officer                                | NBP       | National Bank of Pakistan                                  |
| DC        | Deputy Commissioner                                      | NER       | Net Enrollment Ratio                                       |
| DDEO      | Deputy District Education Officer                        | N-STOP    | National Stop Transmission of Polio                        |
| DDO       | Drawing and Disbursement Officer                         | OPD       | Outdoor Patient Department                                 |
| DEO       | District Education Officer                               | PAC       | Public Accounts Committee                                  |
| DG        | Director General   | PAO       | Principal Accounting Officer                               |
| DGHS      | Director General Health Services                         | PLS       | Profit & Loss Sharing                                      |
| DHO       | District Health Officer                                  | RDA       | Regional Directorate of Audit                              |
| DO        | District Officer   | RHC       | Rural Health Center  |
| DTL       | Drug Testing Laboratory                                  | SDEO      | Sub District Education Officer                             |
| FELTP     | Field Epidemiology & Laboratory Training                 | TAC       | Tehsil Accounts Committee                                  |
| ECG       | Electrocardiogram  | THQ       | Tehsil Head Quarter  |
| EPI       | Extended Program on Immunization                         | TMA       | Tehsil Municipal Administration                            |
| FP        | Family Planning  | TMO       | Tehsil Municipal Officer                                   |
| FY        | Financial Year   | TT        | Tetanus Toxoid   |
| GER       | Gross Enrollment Ratio                                   |           |  |
| GFR       | General Financial Rules                                  |           |  |
| IMU       | Independent Monitoring Unit                              |           |  |
| INTOSAI   | International organization of Supreme Audit Institutions |           |  |



## 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 Kurram 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.

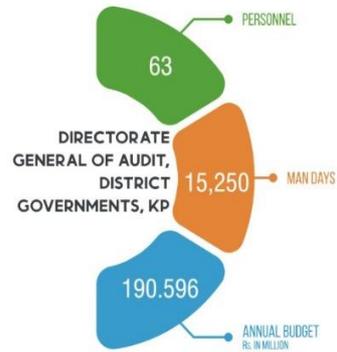
Some of the observations included in this report were finalized in the light of written replies of the departments whereas in most cases the departments did not submit written replies till the finalization of this report. DAC meetings were not convened despite reminders.

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

This Directorate General of Audit has a human resource of 63 officers and staff with a total of 15,250 man-days. The annual budget amounting to Rs 190.596million 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 Kurram 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:

- i. District Government;
- ii. Town Municipal Administrations;
- iii. 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 08 devolved departments including AD Local Government Election & Rural Development Department (ADLGE&RDD). The Town Municipal Administrations have one PAO i.e. Town Municipal Officer for each administration. There are three Town administrations in district Kurram.

## A. SCOPE OF AUDIT

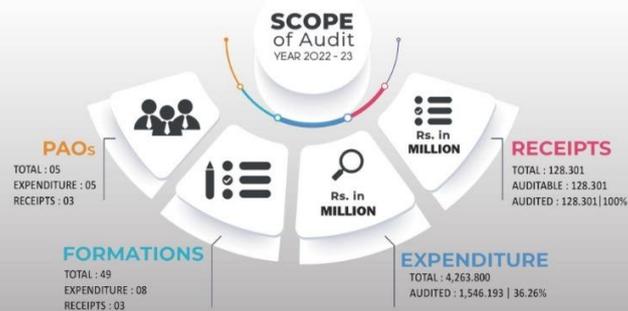
This office is mandated to conduct audit of 49 formations working under 5 PAOs. Total expenditure and receipts of these formations were Rs. 4,263.800 million and Rs. 128.301 million, respectively for the financial year 2021-22.

Audit coverage relating to expenditure for the current audit year comprises 8 formations of 4 PAOs having a total expenditure of Rs. 1,546.193 million for the financial year 2021-22. In terms of percentage, the audit coverage for expenditure is 36.265 % of auditable expenditure.

Audit coverage relating to receipt for the current audit year comprises 3 formations of 3 PAOs (3 TMAs) having a total receipt of Rs. 128.301 million for the financial year 2021-22. In terms of percentage, the audit coverage for receipt is 100% of auditable receipt.

This audit report also includes audit observations resulting from the audit of expenditure of Rs 136.351 million for the financial year 2020 -21 pertaining to 3 formations of 1 POA.

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



## B. RECOVERIES AT THE INSTANCE OF AUDIT

As a result of audit, a recovery of Rs 108,240 million was pointed out in this report. No recovery was affected till the finalization of this 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 evidences were inspection, Analytical procedures, observations and computation.

## 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. 108,240 million was pointed out;
- ii. Unauthorized payments through DDOs were reduced;
- iii. Some offices converted their bank accounts from current to Profit & Loss Sharing (PLS) mode and
- iv. Bank profit deposited into government treasury.

## D. COMMENTS ON INTERNAL CONTROLS

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

Comments on five components of internal control are given below:

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



## B.Key Audit Findings of the Report .

|    |   |   |
|----|---|---|
| 01 | <b>Non Compilation/consolidation Of Accounts Of Local Governments- Rs396.999 Million.</b>                                 | <b>Recommendation:</b> <ul style="list-style-type: none"><li>• TMA accounts needs to be consolidated at AG level.</li><li>• Cheques are required to be issued to the suppliers/ vendors instead of DDOs as per APPM.</li><li>• Action may be taken against those responsible for misappropriation of Government funds.</li><li>• Recoveries on account of overpayment of allowances need to be made by the Departments.</li><li>• Departments need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc. to ensure that lapses of this kind reported in this audit report are pre-empted and fair value for money is obtained from public spending.</li><li>• Bank profit need to be deposited into Government Treasury under proper heads of accounts and.</li><li>• The DAC meetings should be held more frequently.</li></ul> |
| 02 | <b>Unauthorized Cheque Payments To DDOs Instead Of Vendors - Rs 24.185 Million.</b>                                       |   |
| 03 | <b>Fraud, Embezzlement And Misappropriation Was Noticed In One Case Amounting To Rs 4.907million.</b>                     |   |
| 04 | <b>HR/Employees Related Irregularities Were Noticed In Nine Cases Amounting To Rs 151.011 Million.</b>                    |   |
| 05 | <b>Procurement Related Irregularities Were Noticed In Eight Cases Amounting To Rs 199.655 Million.</b>                    |   |
| 06 | <b>Issues In Management Of Accounts With Commercial Banks Were Noted In Eleven Cases Amounting To Rs 474.159 Million.</b> |   |
| 07 | <b>Value For Money &amp; Service Delivery Issue Was Noticed In Six Cases Amounting To Rs 177.305 Million.</b>             |   |
| 08 | <b>Other Including Cases Of Negligence Was Noticed In Eighteen Cases Amounting To Rs 375.725 Million.</b>                 |   |





## CHAPTER-01

# PUBLIC FINANCIAL MANAGEMENT



## CHAPTER-1

### Public Financial Management

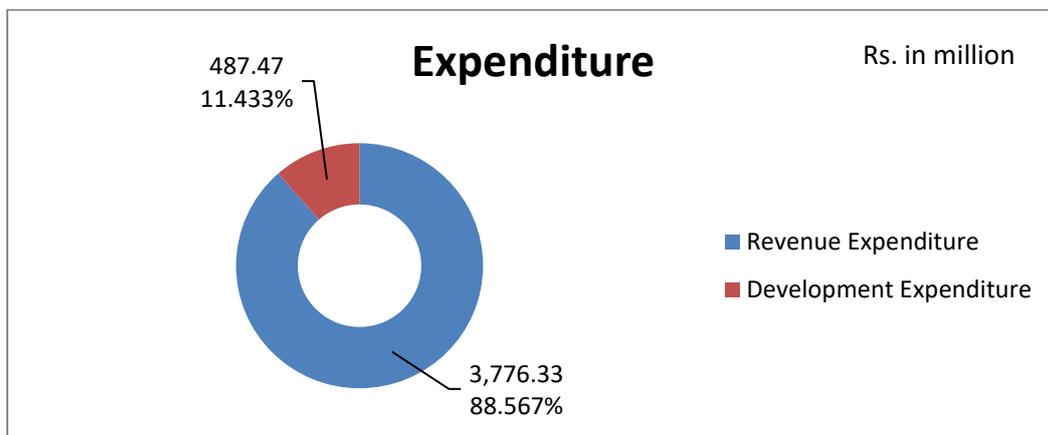
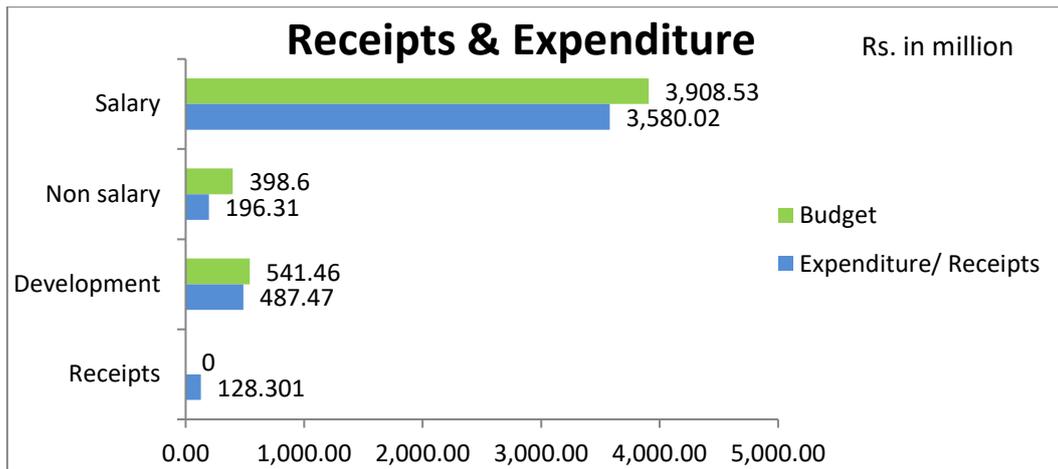
#### 1.1 Sectoral Analysis

In compliance to the Notification of Local Government, Election and Rural Development Department issued on 4<sup>th</sup> September, 2019, councils of all tiers were stood dissolved on the culmination of their respective tenures on 29<sup>th</sup> August, 2019. The same notification authorized Deputy Commissioners, Tehsil/Town Municipal Officers and Assistant Directors LG&RDD to perform functions of respective Nazameen as envisaged under the Khyber Pakhtunkhwa Local Government (Amendment) Act,2019 till the instillation of newly elected Local Government. In the light of the Khyber Pakhtunkhwa Local Government (Amendment) Act,2019 District Kurram is headed by Deputy Commissioner who is principal accounting officer of the budget grant allocated to 08 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 the principal accounting officer of the village/Neighborhood Councils.

In District Kurram, funds amounting to Rs 4,848.589 million were allocated to 49 formations working under 05 PAO. Out of which, expenditure of 4,263.800 million was made resulting into saving of Rs 584.789 million. Audit coverage relating to expenditure for the current audit year comprises 08 formations of 04 PAO having a total expenditure of Rs 1,546.193 million for the financial year 2021-22. In terms of percentage, the audit coverage for expenditure is 36.26 % of auditable expenditure. Similarly audit coverage for receipts is 100%.

(Rs in million)

| 2021-22         | Budget          | Expenditure/<br>Receipts | Excess/(Saving) | Expenditure.<br>Audited | %age         |
|-----------------|-----------------|--------------------------|-----------------|-------------------------|--------------|
| Salary          | 3,908.53        | 3,580.02                 | -3.07           | 1,546.193               | 36.26        |
| Non salary      | 398.60          | 196.31                   | 152.66          |                         |              |
| Development     | 541.46          | 487.47                   | 8.66            |                         |              |
| <b>Total</b>    | <b>4,848.59</b> | <b>4,263.8</b>           | <b>158.25</b>   |                         | <b>36.26</b> |
| <b>Receipts</b> | <b>0</b>        | <b>128.301</b>           | <b>0</b>        | <b>128.301</b>          | <b>100</b>   |



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, Kurram did not reflect Rs.396.999 million into the consolidated financial statement of Local Government, Kurram, which resulted into qualified opinion on the accounts of Local Government Kurram.

District Government, Kurram 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 the Khyber Pakhtunkhwa Local Government (amendment) Act, 2019. Similarly, it also failed to prepare, present and approve the budget

estimates of receipts from district council/ administrator for District Government, Kurram as required under section 34 of the Khyber Pakhtunkhwa Local Government (amendment) Act, 2019. The receipts collected as taxes/fees/rents under section 42 of the Khyber Pakhtunkhwa Local Government (amendment) Act, 2019 were also not credited to the District Fund. Most importantly, the Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Kurram 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 the Khyber Pakhtunkhwa Local Government (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 Khyber Pakhtunkhwa Local Government (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. Funds to the tune of Rs 2,612.428 million were provided to elementary & secondary education headed by District Officer. Expenditure of Rs 2,560.809 million was incurred, out of which expenditure of Rs 33.262 million was audited, thus 1.300% of expenditure was audited.

Statistics show that there are 511 primary, 93 middle, 07 higher secondary and 74 high schools in District Kurram. The estimated Teacher Student Ratio is 1:45 at primary, 1:58 at middle, 1:39 at secondary and 1:31 at the level of higher secondary schools. District Kurram literacy rate is 49% the Gross Enrollment Rate (GER) is 49% at the primary level. On budgetary front, District Education office, Kurram succeeded in spending 89% of District ADP and 91.78% of non-salary budgets.

District Education Offices in Kurram were given target of enrolment of 68,756 children for the year 2021-22 against which 70,439 students were enrolled;

wherein, DEO (male) and DEO (female) enrolled 42,416 and 28,023 students were enrolled respectively. Annual average of teacher's attendance rate and student attendance rate as per independent Monitoring Unit (IMU) data were approximately 59% & 63% respectively. Furthermore, 69.8% schools in district Kurram 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 14.6% against the assigned targets of 25%.

## **Health**

Health is another important sector of District Kurram, devolved at district level. Funds to the tune of Rs 756.215 million were provided to health department headed by District Officer Health. Expenditure of Rs 668.850 million was incurred. Health department Kurram consist of 45 health facilities spread across the district, among which 05 are urban while the rest are rural based. Their further break-up is 3 THQ hospitals, 1 civil hospital, 11 BHUs, 4 CHCs, 28 CDs and 2 MCHs, with the total catchment area population of approximately 619,553 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, 6,213 babies were born with 1,244 and 4,969 in primary and secondary health facilities respectively. Out of them, no infant maternal deaths were recorded. Lab investigations and diagnostic facilities were also fully utilized as 54,842 lab tests, 9,415 x-rays, 3,613 ultrasounds and 843 ECGs were done in primary and secondary health facilities in district Kurram. Figures of immunization from EPI register were both very impressive as 6,723 pregnant women received TT-2 vaccines, 10,573 kids under 12 months received full immunization, 43,578 children under 12 months received 1st measles vaccines and 4,963 kids under 12 received 3rd pentavalent vaccine. 7,492 families were provided family planning services as evident from FP

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**

Funds to the tune of Rs 4.569 million were allocated to Social Welfare and Women Empowerment sector in District Kurram, against which expenditure of Rs 4.416 million was made. 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.

### **Municipal Services**

Funds to the tune of Rs 549.262 million were allocated to Town Municipal Administrations Kurram, against which expenditure of Rs 177.746 million was made during the year 2021-22. Tehsil Municipal Administration did not fulfill some primary requirements envisioned as integral 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 the Khyber Pakhtunkhwa Local Government (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 the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. Financial Statements, Finance Account and Appropriation Accounts of the TMAs were not prepared accordingly. Most importantly, the Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Kurram 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 the Khyber Pakhtunkhwa Local Government (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 Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019.

## **1.2 AUDIT PARAS (Financial Attest Audit)**

### **1.2.1 Non-compilation/Consolidation of Accounts of Local Governments – Rs. 396.999million**

According to section 36(3) of the Khyber Pakhtunkhwa 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 Kurram for the financial year 2021-22, audit observed incompleteness and incorrect presentation of the financial statements as the DAO failed to consolidate them into the quarterly and annual accounts of the district, both government and local resources, as required under section-36(3) of the Local Government (Amendment) Act, 2019. Expenditure of Rs 396.999 million of the TMAs are not reflected in the accounts. Provisions of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 by Local Government in District Kurram were not complied with.

Due to non-consolidation of accounts of TMAs, the financial statements of local government remained incomplete which led to qualified of audit opinion. The similar observation was also pointed out during the financial years 2019-20 and 2020-21 amounting to Rs 90.764 and 45.828 million respectively. However, no corrective measures were taken.

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

Audit recommends compilation of accounts under the rules.

### **1.2.2 Unauthorized cheques payments to DDOs instead of vendors – Rs.24.185 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/ vender concerned) instead of payment through DDOs. Furthermore, Finance Department Letter No: BO (W&M) /6-5/ dated 19/02/2020

states that in order to streamline the management in public account and observe fiscal discipline, it has been decided to stop forthwith all payments through open cheques or cash payments.

District Accounts Officer Kurram, paid Rs24.185 million to various DDOs instead of issuance crossed cheques to Vendor/Payees Accounts.

Unauthorized issuance of cheques to DDOs occurred due to weak internal control which leads to disclaimer of audit opinion. The similar observation was also pointed out during the financial years 2019-20 and 2020-21 amounting to Rs 394.934 and 33.293 million respectively. However, no corrective measures were taken.

As per decision of DAC meeting held in September 2022, Para stands for investigation of the matter and appropriate action.

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



**CHAPTER-02**

**DISTRICT GOVERNMENT**



## CHAPTER-2

### District Government Kurram

#### 2.1. Introduction

A. Under the Khyber Pakhtunkhwa Local Government (Amendment) Act 2019, activities of District Government are managed through offices of Deputy Commissioner and District Officers. Each group of District Offices is headed by a District Officer (DO). The DO according to Rules of Business of District Government, 2015 distributes the work among the officers, branches, and/or sections of each district office. The offices which manage the activities of District Government are Deputy Commissioner (DC), District Officers Education, Health, Agriculture, Fisheries, Population Welfare, AD LGE& 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 control of offices of the departments which are devolved to it; provided that district Government shall exercise such authority in accordance with general policy of Government.

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

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

#### Detail of audit planned formations expenditure and receipts

(Rs in million)

| S. No | Description | Total Nos | Audited | Expenditure audited FY 2021-22 | Revenue /Receipts audited FY 2021-22 |
|-------|-------------|-----------|---------|--------------------------------|--------------------------------------|
| 1     | Formations  | 46        | 04      | 890.569                        | Nil                                  |

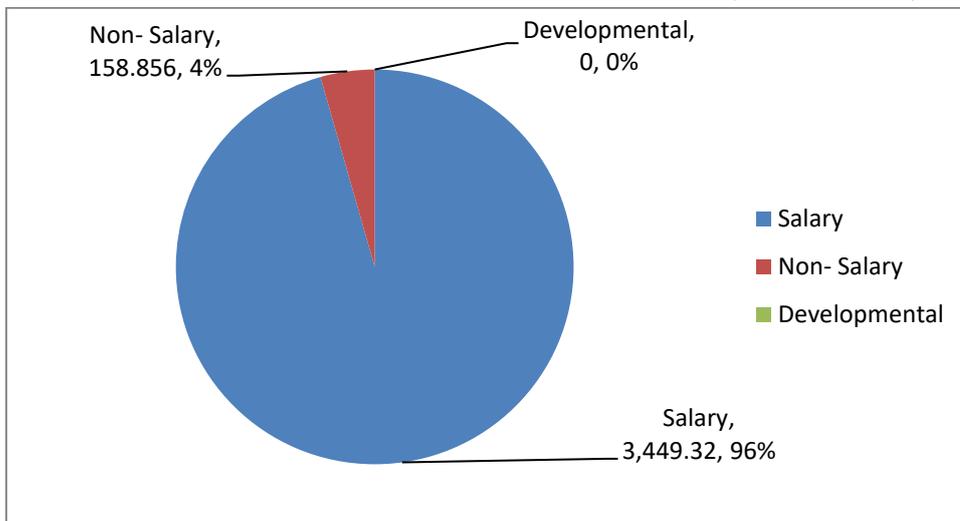
**B. Comments on Budget and Accounts (Variance Analysis)**

(Rs in million)

| District Government Kurram |                  |                                 |                  |                 |
|----------------------------|------------------|---------------------------------|------------------|-----------------|
| 2021-22                    | Budget           | Actual Expenditure/<br>Receipts | (Saving)/Excess  | %age            |
| Salary                     | 3,629.223        | 3,449.320                       | (179.903)        | (4.957)%        |
| Non- Salary                | 183.726          | 158.856                         | (24.87)          | (13.536)%       |
| Developmental              | 0                | 0                               | 0                | 0               |
| <b>Total</b>               | <b>3,812.949</b> | <b>3,608.176</b>                | <b>(204.773)</b> | <b>(5.370%)</b> |
| <b>Receipts</b>            | <b>0</b>         | <b>0</b>                        | <b>0</b>         |                 |

**EXPENDITURE 2021-22**

(Rs in million)



The savings of Rs. 204.773 million indicate weakness in the capacity of District Government Departments to utilize the allocated budget. Furthermore, the salary component was 96% whereas; non-salary component and development expenditure was only 4% and 0% respectively of total expenditure. Zero development expenditure by the District Government was due to non-release and lack of interest of the Provincial Government towards development at District level. As a result, 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.

## 2.2 Classified Summary of Audit observations

Audit observations amounting to Rs814.148million were raised as a result of this audit. This amount also included recoverable of Rs34.726million 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) |   |                |
|-----------------|---|----------------|
| Sr. No.         | Classification                              | Amount         |
| 1               | Fraud, embezzlement and misappropriation    | 4.907          |
| 2               | <b>Irregularities</b>                       | 0              |
| A               | HR/Employees related irregularities         | 7.716          |
| B               | Procurement related irregularities          | 80.420         |
| C               | Management of Accounts with commercial bank | 463.300        |
| 3               | Value for money and service delivery issues | 107.425        |
| 4               | Others including cases of negligence        | 150.380        |
| <b>Total</b>    |   | <b>814.148</b> |

## 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 is given below:

| Sr. No. | Audit Year | ZAC meeting  |
|---------|------------|--------------|
| 1.      | 2020-21    | Not convened |
| 2.      | 2021-22    | Not convened |

## **2.4 AUDIT PARAS**

### **2.4.1 Fraud, embezzlement and misappropriation**

#### **2.4.1.1 Suspected miss-appropriation– Rs 4.907 million**

According to Para 23 of GFR Vol.-I, every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

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

District Population Welfare Officer, Kurram withdrew an amount of Rs.4,907,673 from designated National bank of Pakistan Parachinar branch account No. 4048461045 in cash vide Cheque No. 69116 on 2<sup>nd</sup> July, 2020. The department could not produce detail/relevant record of the disbursements of the said amount, as a result miss-appropriation cannot be ruled out.

The funds were drawn without supporting documents due to non-adherence to government rules, resultantly the payment/ expenditure could not be authenticated and may lead to misappropriation.

When pointed out in February 2022, the management stated that detail reply would be furnished after consulting record.

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

Audit recommends production of detail/ record of disbursements of the amount kept in bank account.

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



**CHAPTER-03**

**TEHSIL MUNICIPAL ADMINISTRATIONS**



## 2.4.2 Irregularities

### A. HR/Employees related irregularities

#### 2.4.2.1 Loss to government due to double payment of Pay & allowance –Rs 4.136 million

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

District Health Officer Lower Kurrum paid a sum of Rs 4,136,598 on account of pay and allowances of Mr. Sarfaraz Medical Officer during the F.Y 2020-21 and 2021-22. The said MO was also paid by MS type-D Hospital Doggar MERF for the abovementioned period which resulted into double drawl of pay and allowances detail given below

| Name   | Pers. No | Pay from DHO              | Pay from MERF              | Period               | Double drawl     |
|--|----------|---------------------------|----------------------------|----------------------|------------------|
| Dr. Sarfaraz Khan                              | 50361277 | 196,978 x21=<br>4,136,538 | 360,000x21=Rs<br>7,560,000 | 2020-21 &<br>2021-22 | 4,136,538        |
| <b>Total overpayment of Pay and allowances</b> |          |                           |                            |                      | <b>4,136,598</b> |

Double payment of pay & allowances occurred due to non-observance of government rules which results in loss to government.

When pointed out in August 2022, management stated that lump sum pay of Rs 500,000 was allocated by health foundation for all specialists working in outsource facilities in Merged areas. The reply was not tenable as payment of pay and allowances from two streams of budget cannot be justified.

DAC meeting held on 01/11/2022 decided that recovery to the extent of HPA and conveyance allowance from the doctor concerned be made within 30 days. However, no progress was intimated to audit till finalization of this report.

Audit recommends recovery and deposit of the amount in Government treasury.

**AIR Para No.09 (2021-22)**

#### **2.4.2.2 Excess drawl of Health Professional Allowance-Rs 1.404 million**

According to Government of Khyber Pakhtunkhwa, Finance Department Notification No.FD(SDSR-II)2-5/2021/HPA dated 12.07.2021, Health Professional Allowance to Medical Officers in Urban & Rural Area of Category-D District i-e. Kurram is admissible @ Rs 115,000 for medium area per month.

District Health Officer, Lower Kurram overpaid Health Professional Allowance amounting to Rs 1.404 million to Medical Officers in excess beyond their admissibility during the F.Y 2021-22. As these MOs were deputed in the Office of DHO Lower Kurram located within the vicinity of Tehsil Head Quarter Sadda. Details are given at annexure-2.

The irregularity occurred due to non-adherence to government rules, instructions and administrative controls, which resulted in excess drawl of allowances.

When pointed out in August 2022, management stated that HPA was paid @ Rs 128,000 per month as per Notification No. FD/(SOSR-II) 2-5/2021/HPA dated 27.07.2021 and no excess payment was made to the doctors mentioned in the Para. Reply was not tenable as the doctors were not allowed to draw HPA @ Rs 128,000 as per Finance Department Notification.

DAC meeting held on 01/11/2022 decided that recovery of the overpaid amount will be made in light of rules. However, no progress was intimated to audit till finalization of this report.

Audit recommends recovery and deposit of the amount in Government treasury.

**AIR Para No.02 (2021-22)**

#### **2.4.2.3 Overpayment of Health Professional Allowance during training-Rs 2.176 million**

According to condition No. (ii)& ((iv) of the Government of Khyber Pakhtunkhwa, Finance Department Notification No. FD(SOSR-II)8-18/2017dated 23.02.2017, “HPA will not be admissible during earned leave,

study leave & extra ordinary leave. Further it will not be admissible to the employees posted outside MTIs and Health Department”.

According to Para 23 of GFR Vol.-I Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also been held personally responsible for any loss arising from fraud or negligence on the part of any other government officer as required.

District Health Officer, Upper Kurram overpaid HPA amounting to Rs 2.176 million to Medical Officer who was on Field Epidemiology & Laboratory Training (FELTP) at Islamabad from February 2021 during the F.Y 2021-22. Detail below:

**(Rs. in million)**

| S. No. | Pers.no. | Name of Employee | Monthly HPA | Total Overpayment |
|--------|----------|------------------|-------------|-------------------|
| 1      | 50399247 | DR. ZAHID SAJJAD | 0.128       | 2.176             |

The irregularity occurred due to non-adherence to government rules, instructions and administrative controls, which resulted in overpayment of allowances.

When pointed out in August 2022, management stated that the said doctor is doing two years on-job training and is drawing salaries against his original place of posting. Non-admissibility of HPA during on-job training period is not clarified. Reply was not convincing as the doctor was shown on leave and HPA is not allowed during leave period and posting outside MTIs.

DAC meeting held on 01/11/2022 decided that the relevant record will be verified within 30 days. However, no progress was intimated to audit till finalization of this report.

Audit recommends recovery and deposit of the amount in Government treasury.

**AIR Para No. 08(2021-22)**

## **B. PROCUREMENT RELATED IRREGULARITIES**

### **2.4.2.4 Irregular Expenditure on Purchase of medicine- Rs.4.999million**

According to Directorate General Health Services, Government of Khyber Pakhtunkhwa letter no. 191-200/MCC dated 17.02.2018, Clause 06 of Medicine Coordination Committee (MCC), the procuring entity shall arrange to obtain samples from each batch of the supplied drugs/medicine through notified Drug Inspectors concerned and send to the concerned Drug Testing Laboratory (DTL) for test/Analysis. As per Clause G, Payment shall not be released to the firms without the submission of Contract Execution Certificate duly authenticated /signed by the MCC.

District Health Officer, Upper Kurram incurred an expenditure of Rs 4,999,949 on account of purchase of medicines and drugs during the F.Y 2021-22. The following irregularities were noticed:

1. Payment was made without clearance of samples of medicines from Government Drug Testing Laboratory (DTL).
2. Quarterly report regarding clinical efficiency of brand of medicine was not submitted to MCC, which put to potential risk the Government interest and general public as well.
3. Payment was made to the firms without the submission of Contract Execution Certificate duly authenticated /signed by the MCC.
4. No procurement plan before the purchase of medicine was prepared for the year 2021-22.
5. Majority medicines were issued to the health facilities without indents.

Irregular expenditure on purchase of medicine occurred due non observance of government rules, which resulted in non-authentication the efficacy and effectiveness of the drugs.

When pointed out in August 2022, management stated that this office place orders to the firms duly approved by DGHS for purchase of medicines and sent samples to DTL and its efficacy reports are available on record. The reply was not tenable as neither the efficacy reports nor other relevant record i.e. procurement plan, contract agreement and indents etc. were produced to audit.

DAC meeting held on 01/11/2022 decided that the department will produce record for verification within 30 days. However, no record was produced for verification till finalization of this report.

Audit recommends that the relevant record may be produced for verification.

**AIR Para No. 03(2021-22)**

**2.4.2.5 Unauthentic expenditure on purchase of agriculture inputs – Rs.49.273 million**

According to Para 18 (I) of GFR, terms of contract must be precise, definite and there be no room for ambiguity.

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

District Director Agriculture, Kurram incurred expenditure of Rs 49,273,229 on account of purchase of different agriculture inputs for use in demonstration plots during Financial Year 2020-21. Details are given at annexure-3.

Audit observed the following irregularities;

- i. No agreement for demonstration plots with farmers was signed by the department
- ii. Identity of the farmer could not be verified as NICs of the farmers were not available
- iii. Acknowledgement / recipient signature in token of having received the seeds, fertilizers etc. by the farmer was not found on record
- iv. No criterion for selection of plots of the beneficiaries was available on record
- v. Furthermore, disbursement of seeds, fertilizer etc. were not confirmed as acknowledgment of the end users was not available on record

- vi. Report from the Technical / Inspection Committee of the local office about quality and quantity as mentioned by the supplier in Bill of Quantity, was not found on the record
- vii. The local office authority failed to produce complete/detail list of demonstration plots in the district
- viii. Whereabouts of outputs from the demonstration plots was also not produced to Audit.

The lapse occurred due to non-observing government rules and weak internal and administrative controls, which resulted in unauthentic expenditure.

When pointed out in February 2022, the management stated that detail reply would be furnished after consulting record.

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

Audit recommends that the PAO may initiate facts finding inquiry into the matter for fixing responsibility against person(s) responsible.

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

#### **2.4.2.6 Overpayment to Contractor and purchase of below specification item of work – Rs. 9.854 million**

According to Para 220 & 221 of CPWA Code, the Sub Divisional Officer, before making payments to the contractors is required to compare the quantities in the bills and see that all the rates are correctly entered and that all the calculations have been checked arithmetically.”

The rates of angle iron (6”x4”x3”) was provided as Rs 600 per unit and barbed wire as Rs 200 per Kg in PC-I.

District Director Agriculture, Kurram purchased an item of work “Angle Iron” with specification 6”x2”x2” instead of 6”x4”x3” and paid an amount of Rs 17,511,592 to contractor M/S Marwat & Yousfzai vide Cheque No. 2075387, dated 15.02.2021 under AIP project. Conversely, local office paid the rate of item of work with higher specification i.e. 6”x4”x3” which was Rs. 1,052 for the item of work executed with lower specification i.e. 6”x2”x2 costing Rs 600 resulting in overpayment of Rs.9,188,592. It is pertinent to mention that item of work

“Angle Iron” provided in PC-1 had the specification of 6”x4”x3”. Similarly, local office paid Rs. 225 instead of Rs.200 for the barbed wire causing an overpayment of Rs. 664,925. Details are provided below.

(Amount in Rs)

| S. No.       | Item purchased | Rate paid | Rate in PC-I | Difference | Quantity Purchased | Over payment (Rs) |
|--------------|----------------|-----------|--------------|------------|--------------------|-------------------|
| 01           | Angle Iron     | 1,052     | 600          | 552        | 16,646             | 9,188,592         |
| 02           | Barbed Wire    | 225       | 200          | 25         | 26,597             | 664,925           |
| <b>Total</b> |                |           |              |            |                    | <b>9,853,517</b>  |

Overpayment to contractor was made due to non-compliance of rules, regulations and administrative controls, which resulted in loss to government and supply of below specification items of work.

When pointed out in February 2022, the management stated that detail reply would be furnished after consulting record.

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

Audit recommends recovery besides inquiry for fixing of responsibility and action against person(s) responsible.

**AIR Para No. 10 & 11 (2020-21)**

**2.4.2.7 Un-authentic expenditure on account of medicines and cost of other store – Rs 9.296 million**

According to Rule 9 (2) (f) of Khyber Pakhtunkhwa, District and City District Governments, Budget Rules 2016, the function of Drawing & Disbursing officer is to keep the relevant record, both accounting and operational, up to date and in an orderly manner.

According to Serial No. 07 of PC-1, the following physical targets for the year 2020-21 were set to be achieved.

1. Animals to be treated-30,000
2. Animals to be vaccinated-60,000
3. Birds to be vaccinated-80,000
4. Animals to be inseminated-7,000

#### 5. Diagnostic tests to be conducted-4,000

Assistant Director Livestock and Dairy Development, Kurram spent Rs.9,296,307 on account of purchase of medicines and cost of other store during Financial Year 2020-21. Scrutiny of the main stock register revealed that the medicines/ cost of other store were shown issued to various sub-ordinate institution/ hospitals under its jurisdiction for further utilization. However, neither indent were produced to audit nor detail of the end users i.e. CNIC numbers and addresses etc. to whom the medicines were issued to verify the actual position/ daily utilization of store/ medicines. The local office did not maintained record in any form to help authenticate the achievements against the targets set in PC-1.

The lapse occurred due to non-observing government rules and weak internal and administrative controls, which resulted in unauthentic expenditure.

When pointed out in February 2022, the management stated that detail reply would be furnished after consulting record.

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

Audit recommends production of record regarding disbursement of medicines and cost of other store.

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

#### **2.4.2.8 Irregular expenditure on Purchase of medicine Rs 6.998 million**

According to DG Live Stock letter No. 350-383 dated 06-12-2013 random samples must be sent for lab analysis before procession to relevant bill of cost to ensure the quality of medicines.

Assistant Director Livestock and Dairy Development, Kurram spent Rs.6,998,580 on account of purchase of medicines out of funds provided under provincial ADP No. 77 during Financial Year 2020-2-1. The samples from the purchased medicines were not sent to the Veterinary Testing Laboratories for test/analysis to authenticate the efficacy and effectiveness of the drugs, hence issuance of medicines to the sub-ordinates units and Payment to the suppliers/

firms without clearance of samples of medicines from Government Drug Testing Laboratory (DTL) was held irregular.

The lapse occurred due to non-adherence of government rules, which resulted in non-authentication the efficacy and effectiveness of the drugs.

When pointed out in February 2022, the management stated that detail reply would be furnished after consulting record.

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

Audit recommends that all procured medicine may be tested from Drug Testing Laboratory (DTL) and action against the person(s) responsible.

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

**C. MANAGEMENT OF ACCOUNTS WITH COMMERCIAL BANKS**

**2.4.2.9 Loss to Government due to non-conversion of current account into PLS mode- Rs 13.802 million**

According to serial No. 3 (ix) of Finance Department, Khyber Pakhtunkhwa, Peshawar's letter No.2/3(F/L)/FD/2019-20/Vol-XII dated 03/02/2020, "in case of current account, the same may be converted to PLS mode and the profit earned on designated bank accounts be deposited in Government treasury".

Deputy Commissioner, Kurram received funds during Financial Year 2021-22 under various object heads and kept these funds in current bank accounts instead of Profit and Loss sharing accounts opened in various banks. Hence, due to non-conversion of bank accounts from current mode into PLS mode, Government sustained a loss of Rs.13,802,021 by non-generating profit on the funds lying in designated bank account. The detail is as under:

| S. No. | Name of DDO | Account No. | Bank Name      | Opening Balance | Closing Balance | Average Balance | Loss (Interest 8%) |
|--------|-------------|-------------|----------------|-----------------|-----------------|-----------------|--------------------|
| 01     | DC, Kurram  | 4048456079  | NBP Parachinar | 205,431,975     | 139,618,552     | 172,525,263     | 13,802,021         |

Current bank accounts were not converted into PLS mode due to non-observance of government instructions and weak financial & internal controls, which resulted in loss to government.

When pointed out in August 2022, management stated that this office vide No 9639 dated: 04-10-2022 asked Manager NBP to current Bank account into PLS Mode. As and when account is converted the same will be intimated to audit. The reply was not tenable as the accounts were required to have been converted in PLS mode as per Government instructions.

DAC meeting held on 01/11/2022 decided that the accounts will be converted in PLS mode. However, no progress was reported to audit till finalization of this report.

Audit recommends conversion of current bank accounts into PLS mode.

**AIR Para No. 01 (2021-22)**

**2.4.2.10 Irregular payments due to non-revival of funds –Rs 215.974 million**

According to serial No. 3 (v) of the Khyber Pakhtunkhwa Finance Department letter No. 2/3(F/L)/FD/2019-20/Vol-XIII dated 03.02.2020, “the unspent balance in the designated bank account, if any, remaining on June 30<sup>th</sup> of respective Financial Year shall not be available without its revival in next financial year by Finance Department”.

Deputy Commissioner, Kurram utilized during financial year 2021-22 an amount of Rs 215,973,909 as shown opening balances brought forward from the year 2020-21 in the designated accounts without prior revival by Finance Department KP. Similarly, an amount of Rs 151,016,410 was also retained as closing balance on 30-06-2022. The detail is as under:

| S. No.       | Name of DDO | Account No. | Bank Name      | Opening Balance    | Closing Balance    |
|--------------|-------------|-------------|----------------|--------------------|--------------------|
| 01           | DC, Kurram  | 4048456079  | NBP Parachinar | 205,431,975        | 139,618,552        |
| 02           | DC, Kurram  | 3048412947  | NBP Parachinar | 10,541,934         | 11,397,858         |
| <b>Total</b> |             |             |                | <b>215,973,909</b> | <b>151,016,410</b> |

The laps occurred due to non-observance of government instructions and weak financial & internal controls, which resulted in irregular payments.

When pointed out in August 2022, management stated that reconciliation has been made with District Account office and NBP. A letter vides No. 9640 dated 04-10-2022 has already been written to Finance Department for the revival of fund. As and when the revival received the audit will be informed accordingly. The reply was not tenable as revival of the fund was required to have been made before payments.

DAC meeting held on 01/11/2022 directed the department to produce record of revival of fund for verification within 15 days. However, no progress was reported till finalization of this report.

Audit recommends production of record about revival of funds.

**AIR Para No. 05 (2021-22)**

**2.4.2.11 Irregular cash payment from designated bank account -Rs 28.720 million**

According to Finance Department Letter No: BO(W&M)/6-5/2019-20 dated 01/12/2020 states that in order to streamline the management in public account and observe fiscal discipline, it has been decided to stop forthwith all payments through open cheques or cash payments.

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

Deputy Commissioner, Kurram withdrew a sum of Rs 28,719,683 from designated bank accounts in cash instead of payment through cross cheques during 2021-22. Proper entries such as head wise detail of transaction, particulars and voucher numbers were not recorded in cash book. The detail is as under:

| S. No. | Name of DDO | Account No. | Bank Name      | Cash payment |
|--------|-------------|-------------|----------------|--------------|
| 01     | DC, Kurram  | 4048456079  | NBP Parachinar | 28,719,683   |

The laps occurred due to non-compliance with government rules, which resulted in unauthorized cash payments. The similar observation was also pointed

out during the financial year 2020-21 amounting to Rs 24.034 million. However, no corrective measures were taken, resultantly total cash payments to the tune of Rs 52.754 million were noticed.

When pointed out in August 2022, management stated that most of the cash payments were made from the head in meager nature for secret services/NMD etc. and payment was made accordingly. The reply was not tenable as cash payment is not allowed under government instructions.

DAC meeting held on 01/11/2022 directed the department to produce relevant record for verification within 30 days. However, no progress was reported till finalization of this report.

Audit recommends relevant record may be produced for verification.

**AIR Para No. 15 (2021-22)**

**2.4.2.12 Irregular retention of funds in designated bank account without revival -Rs.14.621 million**

According to serial No. 3 (v) of the Khyber Pakhtunkhwa Finance Department letter No. 2/3(F/L)/FD/2019-20/Vol-XIII dated 03.02.2020, “the unspent balance in the designated bank account, if any, remaining on June 30<sup>th</sup> of respective Financial Year shall not be available without its revival in next financial year by Finance Department”.

District Education Officer, Kurram retained Rs. 14,621,757 in its designated bank No. 4048452402 NBP, Kurram Branch as on 30.06.2022. However, the fund was not revived from Finance Department was taken for paying off previous liabilities.

The laps occurred due to non-observance of government rules which resulted in unauthorized retention of funds.

When pointed out the management stated that the amount is lying in designated bank account for various purposes. Detail will be provided in due course of time. The reply was not tenable as the amount lying in account was required to be deposited in Government treasury and case for revival, if needed,

was required to be submitted to Finance Department KPK with proper justification in next financial year.

DAC meeting held on 01/11/2022 directed the department to utilize the amount and produce record to audit for verification within 30 days. However, no progress was intimated to audit till finalization of this report.

Audit recommends that relevant record regarding utilization of the fund may be produced for verification.

**AIR Para No. 08(2021-22)**

**2.4.2.13 Irregular payments due to non-revival of funds –Rs 134.423 million**

According to serial No. 3 (v) of the Khyber Pakhtunkhwa Finance Department letter No. 2/3(F/L)/FD/2019-20/Vol-XIII dated 03.02.2020, “the unspent balance in the designated bank account, if any, remaining on June 30<sup>th</sup> of respective Financial Year shall not be available without its revival in next financial year by Finance Department”.

District Education Officer, Kurram utilized an amount of Rs 134,423,125 wherein opening balances were brought forward from the year 2020-21 in the designated accounts without prior revival by Finance Department KP. Detail is under:

| S. No. | Name of DDO | Account No. | Bank Name  | Opening Balance | Closing Balance |
|--------|-------------|-------------|------------|-----------------|-----------------|
| 01     | DEO Kurram  | 4048452402  | NBP Kurram | 134,423,125     | 14,621,757      |

The lapse occurred due to non-observance of government instructions and weak financial controls, which resulted into irregular payments without revival of funds.

When pointed out the management stated that a letter has been sent to Finance Department KPK for revival. The reply was not tenable as the amount lying in account was required to be deposited in Government treasury and case for revival, if needed, was required to be submitted to Finance Department KPK with proper justification in next financial year.

DAC meeting held on 01/11/2022 directed the department to produce relevant record regarding revival of fund within 15 days. However, no progress was intimated to audit till finalization of this report.

Audit recommends that the relevant record may be produce for verification.

**AIR Para No. 09(2021-22)**

**2.4.2.14 Loss due to non-conversion of bank accounts into PLS mode - Rs 5.589 million**

According to serial No. 3 (ix) of Finance Department, Khyber Pakhtunkhwa letter No.2/3(F/L)/FD/2019-20/Vol-XII dated 03/02/2020, “in case of current account, the same may be converted to PLS mode and the profit earned on designated bank accounts be deposited in Government treasury”.

Office of District Education Officer, Kurram, received funds during Financial Year 2021-22 under various object heads and kept these funds in current bank accounts instead of Profit and Loss sharing accounts opened in various banks. Hence, due to non-conversion of bank accounts from current mode into PLS mode, Government sustained a loss of Rs5.589 million by non-generating profit on the funds lying in designated bank account. Details are provided below:

| S. No. | Name of DDO | Account No. | Bank Name  | Opening Balance | Closing Balance | Average Balance | Loss (Interest 7.5%) |
|--------|-------------|-------------|------------|-----------------|-----------------|-----------------|----------------------|
| 01     | DEO         | 4015259022  | NBP Kurram | 134,423,125     | 14,621,757      | 74,522,000      | 5,589,000            |

Current bank accounts were not converted into PLS mode due to non-observance of government instructions and weak financial & internal controls, which resulted in loss to government. The similar observation was also pointed out during the financial year 2019-20 amounting to Rs 6.133 million. However, no corrective measures were taken, resultantly a total loss of Rs 11.722 million was sustained by government.

When pointed out the management stated that the concerned bank has been asked to convert the account in PLS mode. The reply was not tenable as the

account was required to be converted in PLS mode on receipt of Government instructions.

DAC meeting held on 01/11/2022 directed the department to convert the account in PLS mode without further delay. However, no progress was intimated to audit till finalization of this report.

Audit recommends immediate conversion of current bank accounts into PLS mode.

**AIR Para No. 07(2021-22)**

**2.4.2.15 Difference in opening and closing balances between bank and cash book– Rs 36.263 million**

According to 2.3.3.3 of APPM, “the accounting system shall produce reliable financial information. This objective shall be addressed by the controls over completeness, accuracy and validity”.

District Director Agriculture, Kurram withdrew an amount of Rs.36,263,169 from Government treasury and deposited the same into designated NBP bank Kurram account No. 4060531320 during June, 2020. The amount was shown paid to the concerned vendors/contractors in the cash book and showed the cash book closing balance as Nil, but actually the payment was not made to the vendors/contractors as the bank statement showed the same amount as opening balance on 01-07-2020.

Further, details of payee and supporting documents of the above payments were not produced to audit for verification.

| <b>Balance</b> | <b>As per Bank</b> | <b>As per Cash book</b> | <b>Difference</b> |
|----------------|--------------------|-------------------------|-------------------|
| <b>Closing</b> | 36,263,169         | 0                       | 36,263,169        |

The lapse occurred due to non-observance of government rules, which resulted in difference in closing balances and chances of misappropriation cannot be ruled out.

When pointed out in February 2022, the management stated that detail reply would be furnished after consulting record.

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

Audit recommends inquiry into the matter for fixing responsibility against person(s) responsible and proper maintenance of cash book duly tallied with bank's balances and action against the person(s) responsible.

**AIR Para No. 02& 04 (2020-21)**

**2.4.2.16 Irregular cash payment from designated bank account - Rs.2.385 million**

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

District Director Agriculture, Kurram drew an amount of Rs 2,385,201 in cash from designated NBP Parachinar account No. 4060531320 during FY 2020-21 instead of direct payment to the concerned employees/vendors through crossed cheques.

The lapse occurred due to non-adherence of government rules, which resulted in irregular cash payments.

When pointed out in February 2022, the management stated that detail reply would be furnished after consulting record.

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

Audit recommends avoiding cash payments in future besides detailed inquiry into the matter and action against person(s) responsible.

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

**2.4.2.17 Unverified payment from designated bank account- Rs 8.036 million**

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

Assistant Director Agriculture, Kurram drew Rs 8,036,570 from Government treasury and deposited the Cheque into NBP bank Parachinar account No. 4048452448 on 25.06.2020 which was later on drawn from the bank as per detail below however, details of payees and other documents in support of the same were not produced to audit for verification.

| S. No        | Date       | Cash payments (Rs) | Credit (Rs)      |
|--------------|------------|--------------------|------------------|
| 1            | 25.06.2020 |                    | <b>8,044,227</b> |
| 2            | 29.06.2020 | 500,000            |                  |
| 3            | 29.06.2020 | 107,970            |                  |
| 4            | 02.07.2020 | 400,000            |                  |
| 5            | 06.07.2020 | 1,000,000          |                  |
| 6            | 29.07.2020 | 6,028,600          |                  |
| <b>Total</b> |            | <b>8,036,570</b>   |                  |

The lapse occurred due to non-observance of government rules, which resulted in unverified payment.

When pointed out in February 2022, the management stated that detail reply would be furnished after consulting record.

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

Audit recommends provision of detail of payees and other record besides inquiry into the matter for fixing responsibility and action against the person(s) responsible.

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

**2.4.2.18 Irregular cash payment from designated bank account - Rs.3.487 million**

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

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

Assistant Director Livestock and Dairy Development, Kurram drew Rs.3,487,546 in cash from designated NBP bank Parachinar account No. 4048452448 during FY 2020-21 instead of direct payment to employees/vendors through crossed cheques.

The lapse occurred due to non-compliance with government rules, which resulted in unauthorized cash payments.

When pointed out in February 2022, the management stated that detail reply would be furnished after consulting record.

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

Audit recommends avoiding cash payments in future besides detailed inquiry into the matter and action against person(s) responsible.

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

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

#### **2.4.3.1 Blockage of fund due to non-supply of I.T. equipment-Rs 2.418 million**

Rule 379 of FTR Vol-I, prohibits the drawl of money from Government treasury in advance of supply.

In the office of District Education (Male &Female), Kurram Rs 2,418,083 was spent on account of purchase of I.T equipments during FY 2021-22. However, I.T equipments was not supplied till date of audit in August 2022. Detail is given below.

| <b>S.No</b>  | <b>Cheque No</b>  | <b>Dated</b> | <b>Amount</b>    |
|--------------|-------------------|--------------|------------------|
| 1            | cheque No.1058096 | 13-06-22     | 906,781          |
| 2            | Cheque No.1058095 | 13-06-22     | 906,781          |
| 3            | Cheque No.1057983 | 08-06-22     | 604,521          |
| <b>Total</b> |                   |              | <b>2,418,083</b> |

Non-supply of I.T equipment occurred due non-compliance of government rules and weak financial controls which resulted in blockage of funds.

When pointed out in August 2022, management stated that the said supply has already been completed. The reply was not tenable as no proof of supply was provided to audit for verification.

DAC meeting held on 01/11/2022 directed the department to provide relevant record to verify supply of equipment within 15 days.

Audit recommends that relevant record to verify supply of equipment may be produced.

**AIR Para No. 05(2021-22)**

#### **2.4.3.2 Non-supply of Text books besides advance payment-Rs.70.937 million**

According to rule 290 of Treasury Rules, “no money should be drawn from Treasury unless required for immediate disbursement. It is not permissible

to draw money from treasury in anticipation of demand or to prevent lapse of budget grant”.

District Education Officer Kurram drew Rs. 70.937 million from government treasury on account of supply of text books during the financial year 2021-22. Audit observed that free text books were not supplied till date of Audit. Detail below:

(Rs. in million)

| S.No         | Description      | Cheque #   | Dated      | Amount        |
|--------------|------------------|------------|------------|---------------|
| 1            | Free Text Books  | No.2408656 | 22.06.22   | 49.825        |
| 2            |                  | No.2408336 | 02.06.2022 | 20.000        |
| 3            | Carriage Charges | No.2408659 | 22.06.22   | 1.112         |
| <b>Total</b> |                  |            |            | <b>70.937</b> |

Advance payment was made due to non-adherence of government rules and weak financial controls, which resulted in blockage of government fund.

When pointed out in August 2022, management did furnished reply.

DAC meeting held on 01/11/2022 directed the department to provide relevant record within 15 days; however, the record was not produced till finalization of the report.

Audit recommends that the PAO may initiate detailed inquiry for fixing responsibility and action against the person(s) responsible.

**AIR Para No. 24 (2021-22)**

#### **2.4.3.3 Blockage of fund due non-supply of furniture-Rs 1.510 million**

Rule 379 of FTR Vol-I, prohibits the drawl of money from Government treasury in advance of supply.

In the office of District Education (Male & Female), Kurram spent Rs.1.510 million on account of purchase of furniture from M/S Madina Trading Company Peshawar during the FY 2021-22. However, furniture was not supplied till date of audit in August 2022, despite advance payments. (Details at annexure-4).

The lapse occurred due to non-observance of government rules which resulted in blockage of government funds.

When pointed out in August 2022, management stated that supply of furniture items has already been completed. The reply was not tenable as no proof of supply was provided to audit for verification.

DAC meeting held on 01/11/2022 directed the department to provide relevant record to verify supply of furniture items within 30 days.

Audit recommends provision of relevant record to verify supply of furniture items.

**AIR Para No. 03(2021-22)**

#### **2.4.3.5 Non-achievements of objectives set in PC-I -Rs 32.560 million**

Accordinging serial No. 5 of PC-1, the objectives of the project were;

1. To enhance productivity of existing livestock, dairy and poultry resources,
2. To exploit export potential of livestock, dairy & poultry and their products,
3. To strengthen the institutions for livestock & poultry research and extension and improve their linkages and coordination.

Assistant Director Livestock and Dairy Development, Kurram incurred expenditure for Rs 32,560,545 under provincial ADP No. 77 during FY 2020-21. The department neither enhances productivity of existing livestock, dairy and poultry resources nor exploits export potential of livestock, dairy & poultry and their products nor strengthens the institutions for livestock & poultry research and extension nor improves their linkages and coordination, as no progress in this regard was shown to audit.

The lapse occurred due to non-adherence of government rules, which resulted in non-achievements of objectives.

When pointed out in February 2022, the management stated that detail reply would be furnished after consulting record.

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

Audit recommends that the PAO may initiate detailed inquiry for fixing responsibility and action against the person(s) responsible.

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

**2.4.4 Others including cases of negligence etc.**

**2.4.4.1 Loss to government due non-recovery of rent from occupants of Bachelor Hostel and Circuit House -Rs.3.300 million**

Para 26 and 28 of GFR Vol-I lays down that, “It is the duty of the departmental controlling officer to see that all sums due to government are regularly and promptly assessed, realized and duly credited in the Public Account and no amount due to Government should be kept outstanding without sufficient reasons.”

Deputy Commissioner, Kurram did not recover room rent from allottees of 45 flats and 10 illegal occupants in residential accommodations of District Administration during FY 2021-22 (detail attached). Thus, rent of Rs.3.300 million @ Rs.5000 per month (55x5000x12) was not recovered from the occupants, which resulted in loss to Government. Details are given at annexure-5.

Non-recovery of rent occurred due to non-observance of government rules, which resulted in loss to Government Treasury. The similar observation was also pointed out during the financial year 2020-21 amounting to Rs 1.920 million. However, no corrective measures were taken, resultantly a total sum of Rs 5.220 million was not recovered.

When pointed out in August 2022, management stated that notices have been issued to the occupants of the Bachelor Hostel for the recovery of rent. Circuit house consisting four rooms and one kitchen occupied by District Judiciary staff. The reply was not tenable as the rent amount has been required to be recovered from occupants.

DAC meeting held on 01/11/2022 directed the department to recover the amount from the occupants and deposit into government treasury; however, no progress was reported to audit till finalization of this report.

Audit recommends recovery of rent from the occupants and deposit into Government treasury.

**AIR Para No. 13 (2021-22)**

#### **2.4.4.2 Non-deposit of bank profit into government treasury-Rs. 1.711 million**

According to serial No. 3 (ix) of Finance Department, Khyber Pakhtunkhwa, Peshawar's letter No.2/3(F/L)/FD/2019-20/Vol-XII dated 03/02/2020, "in case of current account, the same may be converted to PLS mode and the profit earned on designated bank accounts be deposited in Government treasury".

Deputy Commissioner, Kurram earned Rs 1,711,199 as profit on bank accounts during the Financial Year 2021-22. The profit was retained in designated bank account which was supposed to be deposited into government treasury. Details are given at annexure-6.

Non-depositing bank profit into the government treasury occurred due to non-compliance of Government instructions which resulted in a loss to Government. The similar observation was also pointed out during the financial year 2020-21 amounting to Rs 7.136 million. However, no corrective measures were taken, resultantly bank profit to the tune of Rs 8.847 million was not deposited into government treasury.

When pointed out in August 2022, management stated that a letter has been written to Finance Department Khyber Pakhtunkhwa Peshawar for provision of relevant head/ guidance and instructions regarding the deposit of profit on bank accounts. As and when reply received from the quarter concerned the said amount will be deposited into government treasury. Reply was not tenable as the profit was required to have been deposited in Government treasury as and when received.

DAC meeting held on 01/11/2022 directed the department to deposit the bank profit into Government treasury within 15 days; however, no progress was reported to audit till finalization of this report.

Audit recommends deposit of bank profit into Government treasury.

**AIR Para No. 14 (2021-22)**

**2.4.4.3 Loss to Government due to non-collection of canteen rent – Rs.1.512 million**

According to DHO Lower & Central Kurram office letter No 3450-54/AAS/Admn dated Sadda the 08-10-2018 a Canteen and Medical store comprising 5 No rooms is functioning inside the premises of THQ Sadda since 2013 but monthly rent amounting 37,000 per month is paying to TMA Sadda.

According to Para 26 of GFR Vol-I requires that it is the duty of the Departmental Controlling Officers to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account.

DHO, Lower Kurram failed to collect a sum of Rs 1.512 million on account of rent and electricity charges of a canteen and Medical Store in the THQ Sadda during 2021-22. The said canteen and medical store was operational since 2019-20 but monthly rent amounting Rs 37,000 per month was received by TMA Sadda whereas electricity and other facilities were provided by the THQ Hospital Sadda.

| Health facility  | Unit                   | Electricity consumption per month in Rs | Monthly Rent | Total Rent &Electricity charges | Total outstanding 2019-20 to 2021-22 |
|--|------------------------|---|--------------|---------------------------------|--------------------------------------|
| Type-C Hospital THQ Sdda   | Canteen& Medical Store | 5,000                                   | 37,000       | 42,000                          | 1,512,000                            |
| <b>Total Non-Recovery of Rent from canteen and Medical Store</b> |                        |   |              |                                 | <b>1,512,000</b>                     |

Non collection of rent occurred due to non-adherence of government rules which resulted in loss to Government.

When pointed out in August 2022, management stated that this office approached District Administration and TMA Sadda for collection of rent, but TMA claimed that these rooms were constructed by their office; therefore, the rent will be collected by TMA. The case is referred to DGHS for early recovery of rent. The reply was not tenable as the rooms are located in the premises of THQ Hospital and the rent was required to be collected by DHO Lower Kurram.

DAC meeting held on 01/11/2022 decided that the matter is subjudice and correspondence be made with DG Health KPK; however, no proof of

correspondence as directed by DAC was intimated to audit till finalization of this report.

Audit recommends that correspondence be made for recovery of rent.

**AIR Para No.10 (2021-22)**

**2.4.4.4 Unauthorized drawl and non-reconciliation of expenditure-  
Rs.133.224 million**

According to Treasury Rule 290 provides that no money shall be drawn from the treasury unless it is required for immediate disbursement. It is not permissible to draw money from the treasury in anticipation of demands or to prevent the lapse of budget grants. According to 4.5.18.2 of APPM, The delegated officer in the Account Section of the DAO/AG/AGPR office shall reconcile expenditure with each DDO on a monthly basis, based on the cheque register.

According to the section 5 of Fund flow mechanism for implementing partners for regular approved Budget of the concerned health facility Director Finance Health Foundation will conduct pre-audit of the claim and after satisfaction regarding the correctness of the claim issue cross cheque in the name of concerned firm/Vendor from the relevant account.

District Health Office, Kurram drew in advance an amount of Rs.133,224,731 on account of non-salary component for operationalization of Type-D Hospital Doggar under various heads of accounts during the F.Y 2021-22. The amount was paid to MERF for deposit in their designated bank accounts maintained in Islamabad instead of paying the same to vendors on case-to-case basis by District Account Office Kurram. The DHO presents simple contingent bills without supporting vouchers for drawl of fund. Furthermore, the local office failed to pre-audit the expenditure incurred out the Account-IV funds from the Director Finance Health Foundation as required under the abovementioned rules.

Furthermore, the local office failed to reconcile the expenditure amounting to Rs 133,224,731 million during FY 2021-22.

The laps occurred due to non-compliance of rules, which resulted in unauthorized drawl of funds and non-reconciliation of expenditure.

When pointed out in August 2022, management stated that MERF has signed a Tripartite Agreement with KPK Health Foundation and District Health Officer Kurram in which DHO Kurram is bound to release one-line budgetary allocation to MERF on quarterly advance basis. MERF will utilize the said allocation as per their Policy. The reply was not tenable as the fund was required to be drawn on case to case basis and on production of relevant supporting documents for pre-audit as advance drawl is not allowed under rules.

DAC meeting held on 01/11/2022 directed the department that the terms and conditions of the contract agreement be got vetted from Finance and Law Department KPK. However, no progress regarding vetting of the terms and conditions was intimated to audit till finalization of this report.

Audit recommends the terms and conditions of the agreement may be got vetted from concerned Departments and be produced to audit.

**AIR Para No.12 (2021-22)**

**2.4.4.5 Loss to Government due to non-collection of Health receipts - Rs 5.603 million**

According to clause 24.1.10 of the Agreement signed with MERF, it has complied with all applicable rules and restrictions. Para 26 of GFR Vol-I requires that it is the duty of the Departmental Controlling Officers to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account.

MS Type-D Hospital Doggar Kurram Lower failed to collect user charges from patients during 2021-22. Thus, Government was deprived of revenue amounting to Rs 5,603,300. Details are given at **annexure-7**.

The lapse occurred due to non-observance of government rules which resulted in loss to Government.

When pointed out in August 2022, management stated that the user charges were not collected as KPK Health Foundation (party to the contract) had not finalized and notified the user fee. No final guidance was provided by KPHF, therefore, the user charges were not charged. The reply was not tenable as the

health receipts were required to be collected and deposited into government treasury.

In DAC meeting held on 01/11/2022 the department was directed to take up the matter with DG Health KPK for clarification.

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

**AIR Para No.20 (2021-22)**

**2.4.4.6 Loss to Government due to non-deduction of sales tax-Rs.5.030 million**

According to the Inland Revenue Officer, Regional Tax Office, Peshawar letter No. Unit-29/WHZ/2017-28/270, dated 12.07.2017, “sales tax @ of 17% is required to be deducted from the claims of unregistered person”.

According to KP Revenue Authority Notification No.1856-62 dated 19.03.2019 and According to Rules 2(2) and 3A of the Sales Tax Special Procedure (Withholding) Rules, 2007 the DDOs being withholding agents are responsible to deduct the 1/5<sup>th</sup> amount of Sales Tax in case of Registered Person and 17% in case of Un-Registered Person. In case the Sales Tax amount is not indicated on the invoice, the recipient is required to deduct Sales Tax at the applicable rate against the value of taxable services.

District Director Agriculture, Kurram paid Rs 29,589,105 to contractor M/S Marwat & Yousfzai under AIP project for purchase of taxable items during FY 2020-21, but the local office did not deduct sales tax and thus government was put to loss of Rs 5,030,147. Details are given below.

| S. No.       | Item purchased       | Taxable amount (Rs) | Amount of Sales Tax (Rs) |
|--------------|----------------------|---------------------|--------------------------|
| 01           | Angle Iron           | 17,511,592          | 2,976,970                |
| 02           | Barbed Wire          | 5,984,325           | 1,017,335                |
| 03           | Vertical Net Farming | 3,602,880           | 612,490                  |
| 04           | Angle Iron           | 530,208             | 90,135                   |
| 05           | Barbed Wire          | 180,900             | 30,753                   |
| 06           | Vertical Net Farming | 1,779,200           | 302,464                  |
| <b>Total</b> |                      | <b>29,589,105</b>   | <b>5,030,147</b>         |

The lapse occurred due to non-compliance of government rules, which resulted in non-deduction of sales tax.

When pointed out in February 2022, the management stated that detail reply would be furnished after consulting record.

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

Audit recommends inquiry into the matter for fixing responsibility besides recovery of the sales tax and action against the person(s) responsible.

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



## CHAPTER-03

# TEHSIL MUNICIPAL ADMINISTRATIONS



## CHAPTER-3

### Tehsil Municipal Administrations

#### 3.1. Introduction

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

**Detail of audit planned formations expenditure and receipts**

(Rs. in million)

| Sr. No. | Description                                     | Total Nos | Audited | Expenditure audited FY 2021-22 | Revenue /Receipts audited FY 2021-22 |
|---------|---|-----------|---------|--------------------------------|--------------------------------------|
| 1       | Authorities/Autonomous Bodies etc under the PAO | 3         | 3       | 177.746                        | 128.301                              |

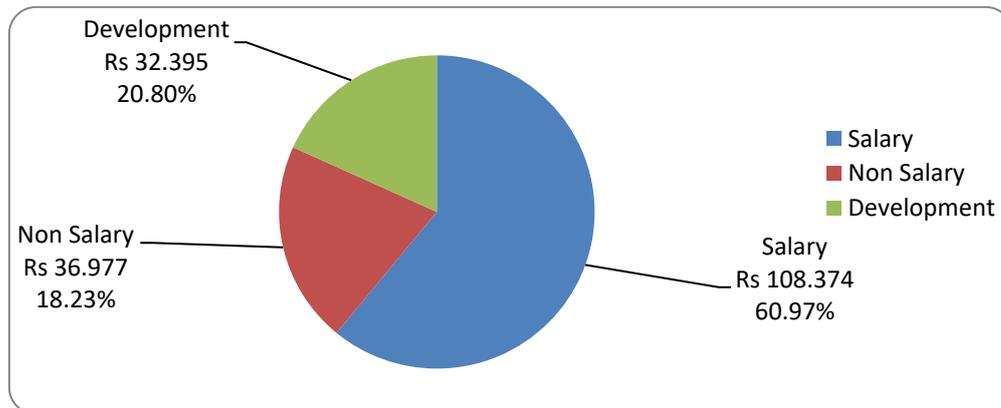
**B. Comments on Budget and Accounts (Variance Analysis)**

(Rs. in million)

| TMAs         |                |                             |                  |               |
|--------------|----------------|-----------------------------|------------------|---------------|
| 2021-22      | Budget         | Actual Expenditure/Receipts | Excess/(Saving)  | %age          |
| Salary       | 271.094        | 108.374                     | (162.719)        | 60.02%        |
| Non salary   | 214.448        | 36.977                      | (177.471)        | 82.75%        |
| Development  | 63.720         | 32.395                      | (31.325)         | 49.16%        |
| <b>Total</b> | <b>549.262</b> | <b>177.746</b>              | <b>(371.515)</b> | <b>67.64%</b> |
| Receipts     | Nil            | 128.301                     |                  |               |

**EXPENDITURE 2021-22**

(Rs in million)



The savings of Rs.371.515 million indicate weakness in the capacity of Towns Administrations to utilize the allocated budget. Furthermore, the savings in salary and non-salary components were 60.02% and 82.75% respectively which

shows over estimation of budget. Whereas, the savings of 49.16% in development budget shows inefficiency in utilization of fund on the part of the management.

### 3.2 Classified Summary of Audit observations

Audit observations amounting to Rs 185.997million were raised as a result of this audit. This amount also included recoverable of Rs 32.522 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) |                                      |                |
|-----------------|--------------------------------------|----------------|
| Sr. No.         | Classification                       | Amount (Rs)    |
| 1               | <b>Irregularities</b>                |                |
| A               | HR/Employees related irregularities  | 143.295        |
| B               | Procurement related irregularities   | 8.32           |
| 2               | Others including cases of negligence | 34.382         |
| <b>Total</b>    |                                      | <b>185.997</b> |

### 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. Detail of TAC meetings are given below:

| Sr. No. | Audit Year | TAC meeting  |
|---------|------------|--------------|
| 1.      | 2020-21    | Not convened |
| 2       | 2021-22    | Not convened |

### **3.4 AUDIT PARAS**

#### **3.4.1 IRREGULARITIES**

##### **A. HR/EMPLOYEES RELATED IRREGULARITIES.**

#### **3.4.1.1 Irregular cash payment on account of Pay & Allowances – Rs.5.784 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.

TMA Central Kurram paid Rs 5,784,064 during the financial year 2021-22 to the employees on account of pay & allowances on cash basis from the designated bank account instead of direct credit system through their bank account in violation of rules. Details are given at annexure-8.

Payment of pay and allowances in cash occurred due to non-observance of government instructions, which resulted in irregular drawl of funds.

When pointed out in October 2022, the management stated that TMA Dogar is hilly & tribal area and there is no bank branch in the Tehsil, further all employees have opened their bank accounts in the lower Kurram (Sadda) and from there on all pay & allowances are paid through crossed cheques. Reply of the management is not convincing as the bank accounts of the employees shall have opened earlier for avoidance of payment of salaries through DDO.

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

Audit recommends immediate disbursement of pay and allowance through their bank accounts.

#### **AIR Para No.1 (2021-22)**

#### **3.4.1.2 Irregular hiring on account of daily wage employees-Rs 2.007 million**

According to Serial No. 8 of Finance department Khyber Pakhtunkhwa letter No. BO.I/FD/5-8/2020-21/Austerity measures dated 30-07-2020,

Contingent staff shall be engaged during the course of the financial year 2020-21 only after approval of Finance Department.

TMO Central Kurram incurred expenditure of Rs 2.007 million on account of payment to daily wages employees appointed during 2021-22. Audit observed the following irregularities:

- i. The approval of Finance Department was not obtained for appointment of daily wages employees.
- ii. No selection criteria were followed for appointment of these staff.
- iii. Need of appointment of the above contingent staff was not ascertained.
- iv. Daily/monthly detail of work carried out by these employees was not available on record.
- v. All the employees were Ghost as their signatures on muster rolls/ APRs were not available.
- vi. All the payments were made in cash to TMO instead to employees through bank account.

The lapse occurred due to non-adherence of government rules, which resulted in irregular hiring of employees. The similar observation was also pointed out during the financial year 2020-21 amounting to Rs 1.877 million. However, no corrective measures were taken, resultantly a total sum of Rs 3.884 million was paid to daily wage employees in violation to the rules mentioned above.

When pointed out in October 2022, the management replied that no approval from the finance department is required for the hiring of daily wages staff. However, such notification will be provided to the audit wherein it is stated that daily wagers already hired and rendering services may continue as per previous practice. Such evidence and letter will be produced to audit. Reply is not convincing as no record was shown to audit.

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

Audit recommends that the PAO may initiate facts finding inquiry for fixing responsibility on person(s) responsible.

**AIR Para No.2 (2021-22)**

**3.4.1.3 Irregular cash payment on account of Pay & Allowances – Rs.40.094 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.

TMA Lower Kurram paid an amount of Rs 40,093,437 during the financial year 2021-22 to the employees on account of pay & allowances on cash basis from the designated bank account instead of direct credit system through their bank account in violation of rules. Details are given at annexure-9.

Payment of pay and allowances in cash occurred due to non-observance of government rules, which resulted in irregular drawl of funds.

When pointed out in October 2022, the management replied that pay & allowances are paid to the staff vide crossed cheques. Detail record of it will be produced to audit for verification. Reply is not convincing as no record was shown to audit till issuance of the report.

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

Audit recommends immediate disbursement of pay and allowance through their bank accounts and action against the person(s) responsible.

**AIR Para No.2 (2021-22)**

**3.4.1.4 Irregular hiring on account of daily wage employees-Rs 2.452 million**

According to Serial No. 8 of Finance department Khyber Pakhtunkhwa letter No. BO.I/FD/5-8/2020-21/Austerity measures dated 30-07-2020, Contingent staff shall be engaged during the course of the financial year 2020-21 only after approval of Finance Department.

TMO Lower Kurram incurred expenditure of Rs 2,452,100 on account of payment to daily wages employees appointed during 2021-22. Audit observed the following irregularities;

- i. The approval of Finance Department was not obtained for appointment of daily wages employees.
- ii. No selection criteria were followed for appointment of these staff.
- iii. Need of appointment of the above contingent staff was not ascertained.
- iv. Daily/monthly detail of work carried out by these employees was not available on record.
- v. All the employees were Ghost as their signatures on muster rolls/ APRs were not available.
- vi. All the payments were made in cash to TMO instead to employees through bank account.

The lapse occurred due to non-adherence of government rules, which resulted in irregular hiring of employees.

When pointed out in October 2022, the management replied that daily wagers are engaged on temporary and on need basis and no such approval are required from the higher authority for its hiring as these are hired for removal of garbage and sanitation purposes. Reply is not convincing as approval from the competent authority is required besides provision of record regarding daily wagers hired, detail of work/task performed and criteria for their selection being followed.

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

Audit recommends inquiry into the matter to fix responsibility besides recovery of the amount from person(s) responsible.

**AIR Para No.5 (2021-22)**

**3.4.1.5 Irregular cash payment on account of Pay & Allowances – Rs.88.444 million**

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

TMA Upper Kurram, paid an amount of Rs 88,444,952 during the financial year 2021-22 to the employees on account of pay & allowances on cash basis from the designated bank account instead of direct credit system through their bank account in violation of rules. Details are given at annexure-10.

Payment of pay and allowances in cash occurred due to non-observance of APPM directions, which resulted in irregular drawl of funds.

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

Audit recommends immediate disbursement of pay and allowance through their bank accounts and action against person(s) responsible.

**AIR Para No.2 (2021-22)**

**3.4.1.6 Irregular hiring on account of daily wage employees-Rs 4.514 million**

According to Serial No. 8 of Finance department Khyber Pakhtunkhwa letter No. BO.I/FD/5-8/2020-21/Austerity measures dated 30-07-2020, Contingent staff shall be engaged during the course of the financial year 2020-21 only after approval of Finance Department.

TMO, Upper Kurram incurred expenditure of Rs 4,514,144 on account of payment to daily wages employees during the financial year 2021-22. Audit observed the following irregularities;

- i. The approval of Finance Department was not obtained for appointment of daily wages employees.

- ii. Daily/monthly detail of work carried out by these employees was not available on record.
- iii. All the employees were Ghost as their signatures on muster rolls/ APRs were not available.
- iv. All the payments were made in cash to TMO instead to employees through bank account.

The lapse occurred due to non-observing government instructions, which resulted in irregular hiring of employees.

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

Audit recommends that the PAO may initiate facts finding inquiry for fixing responsibility on person(s) responsible.

**AIR Para No.5 (2021-22)**

**B. Procurement related irregularities**

**3.4.1.7 Irregular award of contracts without open competition worth Rs. 8.320 million**

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

According to Para-19 (i&ii) of GFR the terms of contract must be precise, definite and there should be no room for any ambiguity. The contracts should be placed only after tenders have been openly invited, lowest rates accepted and, in cases where the lowest tender is not accepted, proper reasons should be recorded, Provisions must be made in contracts for safeguarding government property entrusted to a contractor.

According to Rule 39 (1) of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014 “All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents”

TMA Upper Kurram, awarded contracts worth Rs. 8.320 million to the contractors without open competition. The tenders were required to be re-advertised if there were no healthy competition among the bidders or less than three bidders were participated in the tender process, but instead of re-advertisement the contracts were awarded to the choice contractor due to which irregular award of contracts were awarded. The detail is as under:

| <b>S. No.</b> | <b>Work Name</b>   | <b>Name of Contractor</b> | <b>Estimated cost of Scheme (Rs.in millions)</b> |
|---------------|--|---------------------------|--|
| 1             | Renovation of Guest Rooms at Officers Club and Provision of Sports /Gym Equipment's at Officers Club | Laiq hussain              | 5.290  |
| 2             | Installation of fiber glass cabins at Parachinar bazar   | Laiq hussain              | 3.030  |
| <b>Total</b>  |  |                           | <b>8.320</b>                                     |

The lapse occurred due to non-observance of government rules, which resulted in irregular award of contracts without competition.

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

Audit recommends that the PAO may initiate facts finding inquiry for fixing responsibility on person(s) responsible.

**AIR Para No.4 (2021-22)**

### 3.4.2 Others including cases of negligence etc.

#### 3.4.2.1 Loss to government due to non-recovery of outstanding amount- Rs 3.194 million

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

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

TMA Lower, Kurram awarded contracts worth Rs 21,860,575 during the financial year 2021-22. Out of the total amount, the local office recovered Rs. 18,665,830 while the balance amount of Rs 3,194,745 remained unrecovered till the date of audit i.e October 2022. Detail given below:

| S.#          | Name of Contracts | Name of Contractor | Contract amount   | Amount Realized   | Amount Outstanding |
|--------------|-------------------|--------------------|-------------------|-------------------|--------------------|
| 1            | Flying Coach Adda | Naeem Khan         | 2,050,0000        | 17,777,260        | 2,722,740          |
| 2            | Public Latrine    | Fazl-e-Kabir       | 500,575           | 238,570           | 262,005            |
| 3            | Cattle Fare       | Muhammad Qabil     | 860,000           | 650,000           | 210,000            |
| <b>Total</b> |                   |                    | <b>21,860,575</b> | <b>18,665,830</b> | <b>3,194,745</b>   |

The contractual amount remained unrecovered due to non-observing government instructions, which resulted in loss to the Government. The similar observation was also pointed out during the financial years 2020-21 and 2014-19 amounting to Rs 1.415 million and Rs 15.273 million respectively. However, no corrective measures were taken, resultantly a total sum of Rs 19.883 million was not recovered from the contractors of receipt contracts.

When pointed out in October 2022, the management replied that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

Audit recommends recovery of the outstanding dues and action against the person(s) responsible.

**AIR Para No.1 (2021-22)**

**3.4.2.2 Loss to Government due to awarding of contracts on low rates -Rs 1.860 million**

According to clause 2 of Terms and Condition of the contracts circulated vide Local Government Department, Government of Khyber Pakhtunkhwa letter No. AO-II/LCB/6-11/2021-KC dated 11-03-2021; the contract for the present year must have an increase over the bid of last year to the tune of 20%.

TMA, Lower Kurram awarded contracts of flying coach adda and cattle fare during the financial year 2021-22. The contracts were required to be awarded with 20% increase over the last year's bid price but the same was not done which put the Government in loss of Rs 1.860 million detail below:

| Name of Contract  | Previous Year bids (2020-21) | Required bids (with 20% increase) for 2021-22 | Bids accepted & awarded (2021-22) | Loss occurred    |
|-------------------|------------------------------|---|-----------------------------------|------------------|
| Flying Coach Adda | 18,500,000                   | 22,200,000                                    | 20,500,000                        | 1,700,000        |
| Cattle Fare       | 850,000                      | 1,020,000                                     | 860,000                           | 160,000          |
| <b>Total</b>      | <b>19,350,000</b>            | <b>23,220,000</b>                             | <b>21,360,000</b>                 | <b>1,860,000</b> |

Awarding of contracts on lower rates occurred due to non-adherence of government rules, which resulted into loss to Government.

When pointed out in October 2022, the management replied that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

Audit recommends that the PAO may initiate facts finding inquiry for fixing responsibility on person(s) responsible.

**AIR Para No.3 (2021-22)**

### **3.4.2.3 Loss to Government due to non-deduction of penalty amounting to Rs. 2.746 million**

According to clause 3 of Terms and Conditions of the contracts among the TMO and the contractors, the contractor shall deposit the required installment on 3<sup>rd</sup> of each month. In case of failure, penalty @ 1% each day will be imposed on the contractor.

TMA, Lower Kurram awarded various contracts during the financial year 2021-22. As per terms & conditions of the contracts, the contractor is required to deposit the late penalty with installment in each month but the same was not done which put the Government in loss of Rs 2,746,232. Details are given at Annexure-11.

Non-deduction of penalty occurred due to observance of government rules, which resulted in loss to the government.

When pointed out in October 2022, the management replied that due to law & order situation prevailing in the area, the monthly installment is deposited lately. Reply is not convincing as 05 days grace period is already given to the contractors for deposit of monthly installment.

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

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

**AIR Para No.4 (2021-22)**

### **3.4.2.4 Loss to government due to non-recovery of Water charges – Rs 10.855 million**

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

According to Para 8 and 26 of the General Financial Rules Volume-I, each administrative department to see that the dues of the government are

correctly and promptly assessed, collected and paid into Government Treasury

TMA, Upper Kurram did not recover Rs 10,855,720 on account of water charges from 1830 consumers accumulated upto 30.06.2022. This indicates not only the failure of the department to recover previous outstanding dues but also shows the less efforts even to recover the current year dues. Detail is given below:

|                                     |                      |
|-------------------------------------|----------------------|
| Total arrears as on 30-06-2021      | Rs 7,152,420         |
| Due for 2021-22 (1830 X 2,400)      | <u>Rs 4,392,000</u>  |
| Total recoverable till June, 2022   | Rs 11,544,420        |
| Recovered till 2021-22              | <u>Rs 688,700</u>    |
| <b>Outstanding as on 30.06.2022</b> | <b>Rs 10,855,720</b> |

Non-recovery of water charges occurred due to non-observance of government rules, which resulted in loss to government. The similar observation was also pointed out during the financial year 2020-21 amounting to Rs 7.152 million. However, no corrective measures were taken.

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

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

**AIR Para No.1 (2021-22)**

**3.4.2.5 Loss to government due to non-recovery of outstanding Government dues on account of rent of shops/ houses-Rs 13.956 million**

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

TMO, Upper Kurram failed to recover Rs 13,956,560 on account of rent of shops/ houses during the year 2021-22 from 354 shops and 320 houses. This

indicates not only the failure of the department to recover the previous outstanding dues but also shows the less efforts to recover the current dues, which needs to be recovered and be deposited into Government treasury under intimation to audit.

Rent amount was not recovered due to lack of non-observance of government rules, which resulted in loss to government. The similar observation was also pointed out during the financial year 2020-21 amounting to Rs 8.425 million. However, no corrective measures were taken, resultantly a total sum of Rs 22.381 million was not recovered from users of water connections.

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record. However, no reply was furnished till finalization of this report.

PAO was requested to convene DAC meeting in October 2022, which could not be convened till finalization of this report; however, no progress was shown to audit till issuance of this report.

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

**AIR Para No.3 (2021-22)**

**3.4.2.6 Loss to Government due to non-adjustment of 7% income tax-  
Rs 1.771 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.

TMO Upper Kurram incurred expenditure of Rs 25.300 million on account of execution of civil works during the financial year 2021-22. During scrutiny of record, it was observed that 7% Income tax amounting to Rs 1.771 million was not adjusted in the contractor's bills, nor income tax was deducted which needs immediate recovery. The detail is as under:

| <b>S. No.</b> | <b>Name of Scheme</b>                                 | <b>Estimated Cost (M)</b> | <b>Payment (millions)</b> | <b>I.Tax @ 7 % (in millions)</b> |
|---------------|---|---------------------------|---------------------------|----------------------------------|
| 1             | Installation of Fiber Glass Cabin                     | 3.03                      | 2.46                      | 0.1722                           |
| 2             | Constriction of Monuments                             | 3.2                       | 1.03                      | 0.0721                           |
| 3             | Rehabilitation of DWSS Pipeline                       | 12.48                     | 7.87                      | 0.5509                           |
| 4             | Renovation of Guest Rooms at Officers Club            | 5.29                      | 2.71                      | 0.1897                           |
| 5             | Provision of Sports /Gym Equipment's at Officers Club | 3.19                      | 2.19                      | 0.1533                           |
| 6             | Constriction of Street Pavements                      | 38.1                      | 9.03                      | 0.6321                           |
| <b>Total</b>  |   | <b>65.29</b>              | <b>25.3</b>               | <b>1.771</b>                     |

Income was not adjusted due to non-observance of government instructions, which resulted in loss to government.

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

Audit recommends immediate recovery of taxes and deposit into Government treasury.

**AIR Para No.6 (2021-22)**



## CHAPTER-04

**ASSISTANT DIRECTOR LGE & RDD**



## CHAPTER-4

### AD Local Government Election & Rural Development

#### 4.1 Introduction

A. Assistant Director Local Government Election & Rural Development Department is Drawing and Disbursing Officer (DDO) for his office. NCs/VCs in District Kurram are not yet functional in the merged districts including District Kurram.

According to section 29 of the Khyber Pakhtunkhwa Local Government Act 2013, the authority and responsibilities of the District Government have been provided; wherein, functions and powers of Assistant Director, LG&RDD include:

- i. Providing secretarial support to the Council, matters relating to Local Government Commission
- ii. Coordination and supervision of village and neighbourhood councils
- iii. Matters related to local taxes, grants, budget of village and neighbourhood 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 neighbourhood councils
- vii. Review, evaluation and assessment of local government system, processes and procedures in the district particularly at the village and neighbourhood level
- viii. Collection, compilation and dissemination of primary data Training and research in the areas of local governance

Whereas, functions and powers of the Village Council or Neighborhood Council include:

- i. Monitoring and supervision of the performance of functionaries of all government offices located in the area of the respective village council or

neighbourhood council, including education, health, public health engineering, agriculture, livestock, police and revenue, and hold them accountable by making inquiries and reports to the Tehsil municipal administration, district government or, as the case may be, the Government for consideration and action;

- ii. Providing effective forum for out of court amicable settlement of disputes and, for this purpose, constitute panels of members as conciliators;
- iii. Registration of births, deaths and marriages;
- iv. Implementation and monitoring of village level development works;
- v. Improving water supply sources, maintain water supply distribution system and take measures to prevent contamination of water;
- vi. Maintenance of village level infrastructure, footpaths, tracks, streets, playgrounds, graveyards, funeral places, eid-gah, parks, public open spaces and community centres.
- vii. Identifying development needs of the area for use by municipal administration and district government in prioritizing development plans;
- viii. Making arrangements for sanitation, cleanliness, disposal of garbage and carcasses, drainage and sewerage system;
- ix. Displaying land transactions in the area for public information;
- x. Mobilizing community for maintaining public ways, public streets, culverts, bridges and public buildings, de-silting of canals and other development activities;
- xi. Organizing cattle fairs and agriculture produce markets;
- xii. Organizing sports teams, cultural and recreational activities;
- xiii. Organizing watch and ward in the area;
- xiv. Promoting plantation of trees, landscaping and beautification of public places;
- xv. Regulating grazing areas, establish cattle ponds and provide protection against stray animals and animal trespass;
- xvi. Considering and approving annual budget presented by the respective Nazim, village council or neighbourhood council;
- xvii. Facilitating formation of voluntary organizations for assistance in functions assigned to it;

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

**Detail of audit planned formations expenditure and receipts**

**(Rs. in million)**

| S. No | Description  | Total Nos | Audited   | Expenditure audited FY 2021-22 | Revenue /Receipts audited FY 2021-22 |
|-------|--------------|-----------|-----------|--------------------------------|--------------------------------------|
| 1     | Formations   | 01        | 01        | 477.878                        | Nil                                  |
|       | <b>Total</b> | <b>01</b> | <b>01</b> | <b>477.878</b>                 | <b>Nil</b>                           |

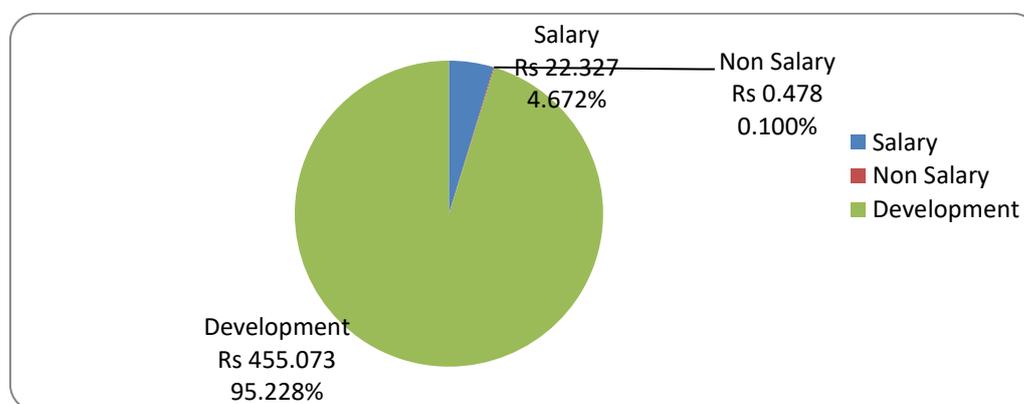
**B. Comments on Budget and Accounts (Variance Analysis)**

**(Rs. in million)**

| AD LGE&RDD   |                |                      |                 |              |
|--------------|----------------|----------------------|-----------------|--------------|
| 2021-22      | Budget         | Expenditure/Receipts | Excess/(Saving) | %age         |
| Salary       | 8.216          | 22.327               | 14.111          | 171.75%      |
| Non salary   | 0.423          | 0.478                | 0.055           | 13.00%       |
| Development  | 477.739        | 455.073              | (22.666)        | 4.74%        |
| <b>Total</b> | <b>486.378</b> | <b>477.878</b>       | <b>(8.591)</b>  | <b>1.76%</b> |

**EXPENDITURE 2021-22**

**(Rs in million)**



The savings of Rs. 8.591 million indicates the inefficiency of the AD LGE&RDD Kurram to utilize the amount allocated.

#### 4.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 382.617 million were raised in this audit report. This amount also includes recoverable of Rs. 40.992 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) |   |                |
|-----------------|---|----------------|
| Sr. No.         | Classification                              | Amount (Rs)    |
| 1               | <b>Irregularities</b>                       |                |
| A               | Procurement related irregularities          | 110.915        |
| B               | Management of Accounts with commercial bank | 10.859         |
| 2               | Value for money and service delivery issues | 69.88          |
| 3               | Others including cases of negligence        | 190.963        |
| <b>Total</b>    |   | <b>382.617</b> |

#### 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. Detail of Village/Neighborhood Accounts Committee meetings are given below:

| Sr. No. | Audit Year | V/NAC meeting |
|---------|------------|---------------|
| 1.      | 2020-21    | Not convened  |
| 2.      | 2021-22    | Not convened  |

#### **4.4 AUDIT PARAS**

##### **4.4.1 Irregularities**

##### **A. Procurement Related Irregularities**

##### **4.4.1.1 Loss to Government due to acceptance of higher bid -Rs 1.035 million**

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

According to Para-19 (I & ii) of GFR the terms of contract must be precise, definite and there should be no room for any ambiguity. The contracts should be placed only after tenders have been openly invited, lowest rates accepted and, in cases where the lowest tender is not accepted, proper reasons should be recorded, Provisions must be made in contracts for safeguarding government property entrusted to a contractor.

According to Rule 39 (1) of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014 “All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents”

Assistant Director LGE&RDD Kurram, awarded contracts worth Rs. 23.750 million to contractors by ignoring the lowest bids offered by other contractors during the financial year 2021-22. The local office accepted the bids on higher rates without any cogent reasons which resulted in loss of Rs. 1,035,775. Details are given at annexure-12.

Higher bids were accepted due to non-compliance to government rules, which resulted in loss to the Government.

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

Audit recommends that the PAO may initiate facts finding inquiry for fixing responsibility on person(s) responsible.

**AIR Para No.1 (2021-22)**

**4.4.1.2 Irregular award of contracts without open competition worth Rs. 109.880 million**

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

According to Para-19 (i&ii) of GFR the terms of contract must be precise, definite and there should be no room for any ambiguity. The contracts should be placed only after tenders have been openly invited, lowest rates accepted and, in cases where the lowest tender is not accepted, proper reasons should be recorded, Provisions must be made in contracts for safeguarding government property entrusted to a contractor.

According to Rule 39 (1) of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014 “All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents”

Assistant Director LGE&RDD Kurram, awarded contracts worth Rs.109.880 million to the contractors without open competition. The tenders were required to be re-advertised if there were no healthy competition among the bidders or no bidders were participated in the tender process, but instead of re-advertisement the contracts were awarded to the choice contractors which is irregular. Details are given at annexure-13.

The lapse occurred due to non-observance of rules, which resulted in irregular award of contracts without competition.

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

Audit recommends that the PAO may initiate facts finding inquiry for fixing responsibility on person(s) responsible.

**AIR Para No.12 (2021-22)**

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

**4.4.1.3 Irregular retention of fund in designated bank account- Rs.10.859 million**

According to serial No. 3 (v) of the Khyber Pakhtunkhwa Finance Department letter No. 2/3(F/L)/FD/2019-20/Vol-XIII dated 03.02.2020, “the unspent balance in the designated bank account, if any, remaining on June 30<sup>th</sup> of respective Financial Year shall not be available without its revival in next financial year by Finance Department”.

Assistant Director LGE&RDD, Kurram retained an amount of Rs 10,859,428 in designated bank account bearing No. 0010028308750018 maintained at Allied Bank Parachinar since last year without any specific permission of its retention from Finance Department. The amount is required to be drawn and credited into Government treasury without further delay. Further, source of fund was also not known.

The laps occurred due to non-observance of government instructions, which resulted into irregular retention of funds.

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

Audit recommends immediate deposit of funds into Government treasury and action against the person(s) responsible.

**AIR Para No.13 (2021-22)**



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

##### **4.4.2.1 Irregular award of contracts Rs 42.400 million and non-deduction of penalty due to non-completion of work Rs. 1.340 million**

According to Rule 39 (1) of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014 “All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents”

According to Rule 43 of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014 “The procuring entity shall disqualify a supplier or contractor or consultant if it finds, at any time, that the information submitted by him concerning his qualification as supplier or contractor was false and materially inaccurate or incomplete”

Assistant Director LGE&RDD Kurram, awarded contracts of the schemes worth Rs. 42.400 million to FB construction Private Ltd. Detail are given at annexure-14.

Audit observed the following irregularities;

1. The contracts were awarded during the year 2021-22, however expired certificate/ form of registration of income tax were submitted.
2. Status of the supplier registration with KPPRA was found Inactive.
3. The license issued to the contractor by the Pakistan Engineering council was found expired.
4. No entry was made in the MB of 3<sup>rd</sup>& 4<sup>th</sup> running bills of the scheme “Construction of PCC Link Road at Luqmankhel Markaz Imam Bargah”
5. The contract for the work “Construction of PCC Link Road at Luqmankhel Markaz Imam Bargah” with estimated cost of Rs. 13.400 million was issued on 14.07.2020 with the completion period of 360 days i.e. 14.07.2021 but the work was still in progress and the penalty amount Rs. 1.340 million was not deducted from the contractor.

Audit is of the view that the contracts were assigned to the choice contractor having the fact that a major deficiency at the time of award of contract was noticed but the local office executed agreements of Rs 42.400 million with the contractor instead of re-advertisement or awarded to the next lowest bidder.

The lapse occurred due to non-observance of government rules, which resulted in irregular award of contracts and loss to government.

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

Audit recommends that the PAO may initiate facts finding inquiry for fixing responsibility and recovery of penalty from the contractor.

**AIR Para No.2 (2021-22)**

**4.4.2.2 Non completion of development schemes worth Rs 27.48 million within stipulated time period and non-imposition of penalty Rs-2.748 million**

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

AD LGE&RDD, Kurram awarded various contracts with estimated/ tender cost of Rs 27.480 million to different contractors during 2021-22. Work orders were issued well in time but neither the works were completed within permissible time limit nor penalty imposed and recovered from contractors. Due to delay in completion of work, penalty @ 10% was required to be recovered from contractors which were not done. Details are given at annexure-15.

Non completion of work and non-recovery of penalty occurred due to non-adherence of government rules, which resulted in loss to Government.

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

Audit recommends immediate recovery of penalty and deposit into Government treasury.

**AIR Para No.4 (2021-22)**

#### **4.4.3 Others including cases of negligence etc.**

##### **4.4.3.1 Overpayment of Rs. 5.276 million on account of 15% adjustment**

According to Para 220 and 221 of CPWA Code, the Sub Divisional Officer, before making payments to the contractors is required to compare the quantities in the bills and see that all the rates are correctly entered and that all the calculations have been checked arithmetically.

As per clause 12 of the contract agreement “the engineer in charge shall have power to make any alteration in or addition to the original specification, designs and instructions that may appear to him to be necessary of advisable during the progress of the work and the contractor shall be bound to any out the work accordance with any instructions and such alteration shall not invalidate the contract and any additional work shall be carried out on the same conditions in all respects on which the contractors agreed to do the main work and at the same rates as are specified in the tender for the main work”.

Assistant Director LGE&RDD Kurram, overpaid an amount of Rs 5,276,139 in the contractor bills on account of 15% adjustments. Audit holds that the said adjustments were made without any cogent reasons contrary to the work order and approval from the competent forum. Undue favor was given to the contractors in shape of adjustment, thus Government sustained a loss of Rs.5,276,139. Detail is given at annexure-16.

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

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

Audit recommends that the PAO may initiate facts finding inquiry for fixing responsibility and recovery from the contractors concerned.

**AIR Para No.3 (2021-22)**

#### **4.4.3.2 Loss to Government due to non-adjustment of 7% income tax-Rs 14.637 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.

Assistant Director LGE&RDD Kurram incurred expenditure of Rs 209.105 million on account of execution of civil works during 2021-22. Audit observed that 7% Income tax amounting to Rs 14.637 million was not adjusted in the contractor's bills, nor income tax was deducted which needs immediate recovery. Details are given at annexure-17.

Income tax was not deducted due to non-observance of government instructions, which resulted in loss to Government.

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

Audit recommends immediate recovery of income tax and depositing into Government treasury.

**AIR Para No.5 (2021-22)**

#### **4.4.3.3 Loss due to non-deduction of KPPRA Tax-Rs 4.182 million**

According to Para 8 and 26 of the GFR Vol-I, each administrative department is to see that the dues of the Government are correctly and promptly assessed, collected and paid into Government Treasury.

Assistant Director LGE&RDD Kurram incurred expenditure of Rs 209.105 million on account of execution of various developmental schemes during the financial year 2021-22, however, KPPRA tax amounting to Rs

4,182,100 (Rs 209,105,000 x 2% = Rs 4,182,100) was not deducted from the contractor's bills, which needs immediate recovery under intimation to Audit. Details are given at annexure-18.

KPPRA tax was not deducted due to non-observance of government instructions, which resulted in loss to Government.

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

Audit recommends immediate recovery of KPPRA tax and depositing into Government treasury.

**AIR Para No.8 (2021-22)**

**4.4.3.4 Non-deposit of Bank profit into government treasury – Rs.1.480 million**

According to serial No. 3 (ix) of Finance Department, Khyber Pakhtunkhwa, Peshawar's letter No.2/3(F/L)/FD/2019-20/Vol-XII dated 03/02/2020, "in case of current account, the same may be converted to PLS mode and the profit earned on designated bank accounts be deposited in Government treasury".

Assistant Director LGE&RDD, Kurram earned bank profit amounting to Rs 1,480,670 on the Government fund lying in the designated bank account No. 0010028308750018 maintained at Allied Bank Parachinar during financial year 2021-22. The local office failed to deposit the same into Government treasury.

The laps occurred due to non-adherence of Finance Department Instructions, which resulted in non-deposit of bank profit into government treasury.

When pointed out in October 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

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

Audit recommends immediate deposit of bank profit into Government treasury.

**AIR Para No.10 (2021-22)**

**4.4.3.5 Unauthorized expenditure without Technical Sanction and non-reconciliation of expenditure – Rs 154.568 million**

According to Para 32 of CPWA Code and Para 178 of GFR Volume-I, no work shall be executed without Administrative Approval / Technical Sanction and Budget allotment.

According to Para 89(4)(iii) of GFR Vol-1, each head of department / Accountant General will jointly be responsible for the reconciliation of figure given in the accounts maintained by head of department.

AD LGE & RDD, Kurram spent Rs 154.568 million on execution of various developmental schemes out of funds released by DC Kurram under PAK MDGs Programme during FY 2014-15 & 2015-16 without obtaining technical sanctions from the competent authority. Moreover, the expenditure was not reconciled with DAO Kurram as required under the rules. Hence, audit could not authenticate the expenditure so incurred.

The following irregularities were also noticed.

1. Agreements duly signed by the concerned contractors were not found in any file. Hence, Expenditure without contract agreements is held irregular as responsibility cannot be shifted on contractor in absence of contract agreement.
2. The contractors were not registered with KPPRA and FBR as no proof was shown to audit.
3. Non duplication and completion LGs were not available in the relevant files.

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

When pointed out in January 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

PAO was requested to convene DAC meeting in January, 2022. However, meeting of DAC was not convened till finalization of this report.

Audit recommends obtaining technical sanctions from the competent authority and immediate reconciliation of expenditure with DAO Kurram, fulfillment of codal formalities besides action against the person(s) responsible.

**AIR Para.05, 06 & 07 (2021-22)**

**4.4.3.6 Loss to Government due to non-adjustment of 7% income tax-Rs10.820 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.

Assistant Director LGE & RDD, Kurram incurred an expenditure of Rs 154.568 million out of funds released by DC Kurram under PAK MDGs Programme during Financial Year 2014-15 & 2015-16. The local office neither adjusted 7% income tax against the contractor bills nor deducted any income tax amounting to Rs 10.820 million from the contractor's bills. Details are given at annexure-19.

Non deduction/ non-adjustment of income tax occurred due to non-observance of government instructions, which resulted in loss to the Government.

When pointed out in January 2022, the management stated that detail reply will be given after scrutiny of record; however, no progress was shown to audit till issuance of this report.

PAO was requested to convene DAC meeting in January, 2022. However, meeting of DAC was not convened till finalization of this report.

Audit recommends recovery of income tax from the contractors and depositing into Government treasury

**AIR Para.08 (2021-22)**

## ANNEXURES

Annexure -1

(Detail of MFDAC Paras)

| S#                         | AIR No. | Department            | Subject   | Amount (Rs in million) |
|----------------------------|---------|-----------------------|---|------------------------|
| <b>Deputy Commissioner</b> |         |                       |   |                        |
| 1.                         | 04      | -do-                  | Un-authorized re-appropriation of fund from TA/DA to other head of accounts-  | 2.828                  |
| 2.                         | 07      | -do-                  | Irregular appointment under CLCP without advertisement and test/ interview    |                        |
| 3.                         | 10      | -do-                  | Irregular expenditure on repair of Transport                                  | 2.00                   |
| 4.                         | 11      | -do-                  | Unauthorized payment on account of Unattractive Area Allowance-               | 2.292                  |
| 5.                         | 16      | -do-                  | Illegal occupation and improper allotment of Residential Accommodations       |                        |
| 6.                         | 18      | -do-                  | Non-maintenance of cash book for accounts-                                    |                        |
| 7.                         | 19      | -do-                  | Unverified payments on a/c of arrears of pay and allowances -                 | 2.488                  |
| 8.                         | 20      | -do-                  | Difference in sanctioned posts between budget book and SAP/R3                 |                        |
| 9.                         | 21      | -do-                  | Non-reconciliation of expenditure-  | 14.522                 |
| <b>Health</b>              |         |                       |   |                        |
| 10.                        | 5       | DHO (Lower & Central) | Irregular/Unverified expenditure on account of POL / repair of transport      | 1.804                  |
| 11.                        | 7       | -do-                  | Overpayment of HPA and CA during Leave  | 0.286                  |
| 12.                        | 8       | -do-                  | Overpayment of Adhoc Relief Allowance 2019                                    | 0.625                  |
| 13.                        | 11      | -do-                  | Loss to Government due to non-conversion of current bank account into PLS     | 0.863                  |
| 14.                        | 15      | -do-                  | Irregular drawl of Pay and Allowances Rs                                      | 0.840                  |
| 15.                        | 16      | -do-                  | Non imparting comprehensive Training to the employees and community awareness |                        |
| 16.                        | 17      | -do-                  | Non-functioning of the Ambulance Service in the Assigned Health Facility      |                        |
| 17.                        | 18      | -do-                  | Non Submission of reports to the Health Department                            |                        |
| 18.                        | 21      | -do-                  | Loss to Government due to Non Recovery of Canteen Rent                        | 0.540                  |
| 19.                        | 22      | -do-                  | Improper maintenance of Medicines Store                                       |                        |
| 20.                        | 25      | -do-                  | Non production of Auditable records   |                        |

|                           |    |                         |  |       |
|---------------------------|----|-------------------------|--|-------|
| 21.                       | 26 | -do-                    | Illegal Occupation of District Health Residencies by Outsiders   |       |
| 22.                       | 2  | DHO Kurram & Parachinar | Loss due to non-conversion of Bank Account into PLS mode   | 0.195 |
| 23.                       | 4  | -do-                    | Loss to Government due to Non deduction of income tax and sales tax  | 0.180 |
| 24.                       | 7  | -do-                    | Misclassification of expenditure on account of Disposable Items  | 0.951 |
| 25.                       | 12 | -do-                    | Loss to Government due to non-recovery of HRA & CA from Officer/officials having government accommodations | 0.793 |
| 26.                       | 13 | -do-                    | Non production of Auditable records  |       |
| <b>Education</b>          |    |                         |  |       |
| 27.                       | 12 | Education               | Irregular expenditure on account of Electricity  | 3.588 |
| 28.                       | 13 | -do-                    | Irregular payment of fund on account of transportation charges of textbook                                 | 2.256 |
| 29.                       | 15 | -do-                    | Non- Collection of students funds  | 3.661 |
| 30.                       | 16 | -do-                    | Award of contract without engagement of the district purchase committee                                    | 4.150 |
| 31.                       | 20 | -do-                    | Excess drawl of posts than sanctioned strength   |       |
| <b>Social Welfare</b>     |    |                         |  |       |
| 32.                       |    | Social Welfare          | Irregular and Unauthorized expenditure under head rend of office building-                                 | 0.342 |
| 33.                       |    | -do-                    | Irregular and Doubtful Payment   | 0.286 |
| 34.                       |    | -do-                    | Irregular Expenditure on account of operating expenses   | 0.749 |
| 35.                       |    | -do-                    | Non-Consolidation and Reconciliation of Disable persons Rehabilitation (DPR) Fund at District Level        |       |
| 36.                       |    | -do-                    | Irregular Doubtful expenditure on account advertising and publicity  | 0.150 |
| <b>TMA Upper Kurram</b>   |    |                         |  |       |
| 37.                       | 8  | TMA Upper Kurram        | Non-auction of un-serviceable/ condemned vehicle estimated value   | 1.00  |
| 38.                       | 9  | -do-                    | Loss in millions of rupees due to non-conducting the survey for imposing new taxes                         |       |
| 39.                       | 10 | -do-                    | Loss due to non-deduction of KPPRA Tax   | 0.506 |
| 40.                       | 13 | -do-                    | Loss to Government due to non-deduction of Stamp Duty from contractor bills                                | 0.253 |
| 41.                       | 14 | -do-                    | Unauthorized payment on account of Unattractive Area Allowance   | 0.853 |
| <b>TMA Central Kurram</b> |    |                         |  |       |
| 42.                       | 3  | TMA Central Kurram      | Irregular expenditure on account of POL charges  | 0.505 |
| 43.                       | 5  | -do-                    | Loss in millions of rupees due to non-conducting the survey for imposing new taxes                         |       |

|                         |    |                  |  |         |
|-------------------------|----|------------------|--|---------|
| 44.                     | 6  | -do-             | Irregular expenditure on account of excavator charges                              | 0.254   |
| 45.                     | 8  | -do-             | Un-verified record on account of Appointment of officials                          |         |
| <b>TMA Lower Kurram</b> |    |                  |  |         |
| 46.                     | 6  | TMA Lower Kurram | Loss due to occupation of residential accommodation without rent                   |         |
| 47.                     | 7  | -do-             | Irregular expenditure on account of payment of Bonus                               | 0.277   |
| 48.                     | 8  | -do-             | Loss in millions of rupees due to non-conducting the survey for imposing new taxes |         |
| 49.                     | 11 | -do-             | Non -deposit of 3% RTA Share   | 0.533   |
| 50.                     | 12 | -do-             | Unauthorized payment on account of Unattractive Area Allowance                     | 0.434   |
| 51.                     | 13 | -do-             | Improper maintenance of Cash Book  |         |
| <b>AD LG&amp;RDD</b>    |    |                  |  |         |
| 52.                     | 6  | AD LG&RDD        | Irregular appointment of staff   |         |
| 53.                     | 07 | -do-             | Irregular award of contracts   |         |
| 54.                     | 09 | -do-             | Irregular payment due to incorrect maintenance of Measurement Book                 | 5.140   |
| 55.                     | 11 | -do-             | Unauthorized developmental expenditure   | 36.185  |
| 56.                     | 14 | -do-             | Doubtful award of contracts of developmental works                                 | 209.105 |
| 57.                     | 15 | -do-             | Irregular expenditure in excess of the budget grant                                | 3.353   |
| 58.                     | 16 | -do-             | Non utilization of fund  | 18.119  |
| 59.                     | 17 | -do-             | Loss due to non-deduction of DPR fund  | 0.418   |
| 60.                     | 18 | -do-             | Unauthorized payment on account of Unattractive Area Allowance                     | 0.461   |

**Annexure -2**  
**Para No.2.4.2.2**

**Detail of overpayment under head HPA**

**(Amount in Rs.)**

| S. No.   | Pers.no. | Name of Employee     | Required Rate of HPA | Rate allowed | Difference | Overpayment      |
|--|----------|----------------------|----------------------|--------------|------------|------------------|
| 2  | 585446   | DR MUHAMMAD ANWAR    | 115,000              | 128000       | 13,000     | 156,000          |
| 3  | 812065   | DR WAHID-UR- REHMAN  | 115,000              | 128000       | 13,000     | 156,000          |
| 4  | 943413   | DR.FARMAN ULLAH SHAH | 115,000              | 128000       | 13,000     | 156,000          |
| 5  | 943600   | Dr. ISLAH UD DIN     | 115,000              | 128000       | 13,000     | 156,000          |
| 6  | 943601   | Dr. HIZB ULLAH       | 115,000              | 128000       | 13,000     | 156,000          |
| 7  | 943603   | DR. HASINA AKBAR     | 115,000              | 128000       | 13,000     | 156,000          |
| 8  | 947066   | Dr KHADIJA           | 115,000              | 128000       | 13,000     | 156,000          |
| 9  | 947067   | MUHAMMAD TAYEB SEMAB | 115,000              | 128000       | 13,000     | 156,000          |
| 10   | 675976   | Dr. Arshad Hussain   | 115000               | 128000       | 13,000     | 156,000          |
| <b>Overpayment on account of allowing excess rate of HPA than allowed rate</b> |          |                      |                      |              |            | <b>1,404,000</b> |

**Annexure-3**  
**Para No.2.4.2.5**

**Detail of unauthentic expenditure on purchase of agriculture inputs**

**(Amount in Rs.)**

| S.No         | Name of Item                      | Amount Paid (Rs)  |
|--------------|-----------------------------------|-------------------|
| 1            | Layout of Citrus/Lemon Orchards   | 6,642,974         |
| 2            | Layout of Plum Orchards           | 2,729,976         |
| 3            | Layout of Apricot Orchards        | 5,459,958         |
| 4            | Layout of Peach Orchards          | 7,279,994         |
| 5            | Layout of Apple HDP Orchards      | 3,039,924         |
| 6            | Layout of Guava Orchards          | 454,989           |
| 7            | Provision of Tomato seeds         | 10,498,800        |
| 8            | Provision of Onion seeds          | 1,800,000         |
| 9            | Provision of Potatoes seeds       | 2,499,000         |
| 10           | Promotion of Chilies              | 319,600           |
| 11           | Introduction of Capsicum          | 720,000           |
| 12           | Introduction of saffron           | 599,999           |
| 13           | Promotion of vertical net farming | 7,228,015         |
| <b>Total</b> |                                   | <b>49,273,229</b> |

**Annexure-4**  
**Para No.2.4.3.5**

**Detail of the non-supply of furniture**

(Amount in Rs.)

| S#                        | Name of Items              | Unit Price | Quantity | Total Amount     |
|---------------------------|----------------------------|------------|----------|------------------|
| 1                         | Office Table               | 17,779     | 12       | 213,348          |
| 2                         | Office Table               | 14,990     | 10       | 149,900          |
| 3                         | Revolving Chairs           | 17,700     | 16       | 283,200          |
| 4                         | Computer Table             | 8,390      | 10       | 83,900           |
| 5                         | Computer Chairs            | 10,900     | 10       | 109,000          |
| 6                         | Steel Almaira              | 18,700     | 10       | 187,000          |
| 7                         | Centre Table               | 13,700     | 6        | 82,200           |
| 8                         | File Cabinet               | 19,500     | 6        | 117,000          |
| 9                         | Side Rack                  | 5,949      | 12       | 71,388           |
| 10                        | Office Chairs Natural Cane | 3,900      | 55       | 214,500          |
| <b>G.Total</b>            |                            |            |          | <b>1,511,436</b> |
| Less/ Discount            |                            |            |          | 1,436            |
| <b>Net Payable amount</b> |                            |            |          | <b>1,510,000</b> |

**Annexure-5**  
**Para No.2.4.4.1**

**Detail of Non-Recovery of rent from Occupants of Bachelor Hostel and Circuit House**

| S. No. | Name of Occupant    | Department             | Remarks        |
|--------|---------------------|------------------------|----------------|
| 1      | Ghulam Sakhi        | (R) Political Muharrir | Still occupied |
| 2      | Inayat Hussain      | (R) Political Muharrir | Still occupied |
| 3      | Fareed Hussain      | (R) Political Muharrir | Still occupied |
| 4      | Zahir Shah          | (R) Political Muharrir | Still occupied |
| 5      | Mehdi Shah          | (R) Political Muharrir | Still occupied |
| 6      | Mushtaq Hussain     | (R) Political Muharrir | Still occupied |
| 7      | Shaukat Hussain     | (R) Political Muharrir | Still occupied |
| 8      | Syed Siraj Hussain  | (R) Political Muharrir | Still occupied |
| 9      | Jan Ali             | (R) Political Muharrir | Still occupied |
| 10     | Khadim Hussain      | (R) Political Muharrir | Still occupied |
| 11     | Ahmed Ali           | PPI                    | Still occupied |
| 12     | Syed Masdar Hussain | Sub Engineer           |                |
| 13     | Mehdi Hussain       | Bait-ul-Mal Officer    |                |
| 14     | Syed Tahir Hussain  | Reader AAC (Rev)       | On Job         |
| 15     | Gulab Hussain       | Assistant DC Office    | On Job         |

|    |                       |                     |                  |
|----|-----------------------|---------------------|------------------|
| 16 | Rajab Ali             | PPI                 | On Job           |
| 17 | Farhad Hussain        | PPI                 | On Job           |
| 18 | Irshad Hussain        | PPI                 | On Job           |
| 19 | Asif Hussain          | Jr; Clerk DC Office | On Job           |
| 20 | Zahid Hussain         | PPI                 | On Job           |
| 21 | Khalid Usman          | SP Investigation    | On Job           |
| 22 | Mazhar Hussain        | Head Constable      | Notices issued   |
| 23 | Shahid Hussain        | Police Deptt;       | Generator Duty   |
| 24 | Shaukat Ali           | Police Deptt;       |                  |
| 25 | Syed Akbar            | Police Deptt;       |                  |
| 26 | Asad Ali              | Police Deptt;       |                  |
| 27 | Raheela               | Police Deptt;       |                  |
| 28 | Akhtara               | Police Deptt;       |                  |
| 29 | Shamima               | Police Deptt;       |                  |
| 30 | Syed Iqtidar Hussain  | Police Deptt;       |                  |
| 31 | Ihsan Ali             | Police Deptt;       |                  |
| 32 | Amin Hussain          | Police Deptt;       |                  |
| 33 | Shehrana              | Dist; Admn Deptt;   |                  |
| 34 | Shah Wazir            | Dist; Admn Deptt;   |                  |
| 35 | Kumail Hussain        | Dist; Admn Deptt;   |                  |
| 36 | Jamal Hussain         | Dist; Admn Deptt;   |                  |
| 37 | Yousaf Hussain        | Police Deptt;       |                  |
| 38 | Zaman Hussain         | Dist; Admn Deptt;   |                  |
| 39 | Muhammad Jamil        | Police Deptt;       |                  |
| 40 | Mazhar Hussain        | Dist; Admn Deptt;   |                  |
| 41 | S. Dildar Hussain     | Dist; Admn Deptt;   |                  |
| 42 | Shujjat Hussain       | Dist; Admn Deptt;   |                  |
| 43 | Akhtar Hussain        | Police Deptt;       |                  |
| 44 | Jamal Hussain         | Dist; Admn Deptt;   |                  |
| 45 | S. Akbar Hussain      | Police Deptt;       |                  |
| 46 | Syed Zahir Shah       | AC Colony           | Illegal Occupant |
| 47 | Mazhar Hussain HC     | AC Colony           | Illegal Occupant |
| 48 | Ishtiaq Hussain PPI   | Bachelor Hostel     | Illegal Occupant |
| 49 | Mst; Miraj Mukhtar    | Bachelor Hostel     | Illegal Occupant |
| 50 | Saeeda Fazal PST      | Bachelor Hostel     | Illegal Occupant |
| 51 | Mujahid Hussain PDMA  | Bachelor Hostel     | Illegal Occupant |
| 52 | Ghilaf Hussain Patwar | Bachelor Hostel     | Illegal Occupant |
| 53 | Ali Afzal             | Bachelor Hostel     | Illegal Occupant |

|    |                     |                 |                  |
|----|---------------------|-----------------|------------------|
| 54 | Syed Qaiser Hussain | Bachelor Hostel | Illegal Occupant |
| 55 | Syed Jawad Hadi     | Bachelor Hostel | Illegal Occupant |

**Annexure-6**

**Para No.2.4.4.2**

**Detail of Non-deposit of bank profit into government treasury**

**(Amount in Rs.)**

| <b>Name of Bank</b>   | <b>Account Title</b>             | <b>Account No.</b> | <b>Date</b> | <b>Profit Amount (Rs.)</b> |
|-----------------------|----------------------------------|--------------------|-------------|----------------------------|
| NBP Parachinar Branch | PA KM OMPENSATION TO THE VICTIMS | 3048449337         | 17.07.2021  | 88,275                     |
| NBP Parachinar Branch | PA KM OMPENSATION TO THE VICTIMS | 3048449337         | 15.01.2022  | 98,517                     |
| NBP Parachinar Branch | POLITICAL AGENT KURRAM           | 3048412947         | 17.07.2021  | 242,038                    |
| NBP Parachinar Branch | POLITICAL AGENT KURRAM           | 3048412947         | 15.01.2022  | 307,185                    |
| NBP Parachinar Branch | P-A KURRAM                       | 3048413035         | 17.07.2021  | 517,280                    |
| NBP Parachinar Branch | P-A KURRAM                       | 3048413035         | 29.12.2021  | 457,904                    |
| <b>Total</b>          |                                  |                    |             | <b>1,711,199</b>           |

**Annexure-7**  
**Para No.2.4.4.5**

**Detail of loss to Government due to non-collection of Health receipts**

(Amount in Rs.)

| S. No.                                       | Head of account  | Number of patients | Rate | Total Non-recovery |
|--|------------------|--------------------|------|--------------------|
| 01   | OPD              | 51116              | 10   | 511,160            |
| 02   | Medicines        | 5393               | 10   | 53,930             |
| 03   | Surgery          | 2779               | 10   | 27,790             |
| 04   | Pediatric        | 6505               | 10   | 65,050             |
| 05   | Dental           | 7989               | 10   | 79,890             |
| 06   | Skin             | 148                | 10   | 1,480              |
| 07   | OB Gyn           | 4389               | 10   | 43,890             |
| 08   | Emergency        | 26333              | 10   | 263,330            |
| 04   | Ultrasound       | 3370               | 100  | 337,000            |
| 05   | X-ray            | 5825               | 50   | 291,250            |
| 06   | Laboratory Tests | 71742              | 100  | 3,587,100          |
| 07   | ANC              | 1707               | 10   | 17,070             |
| 08   | Deliveries       | 1040               | 200  | 208,000            |
| 09   | ECG              | 511                | 100  | 51,100             |
| 10   | Minor surgery    | 4046               | 10   | 40,460             |
| 11   | Major surgery    | 248                | 100  | 24,800             |
| <b>Total non-recovery of health receipts</b> |                  |                    |      | <b>5,603,300</b>   |

**Annexure-8**  
**Para No.3.4.1.1**

**Detail of irregular cash payment of pay and allowance**

(Amount in Rs.)

| S. No.       | Month           | Amount (Rs)      |
|--------------|-----------------|------------------|
| 1            | July, 2021      | 457860           |
| 2            | August, 2021    | 211337           |
| 3            | September, 2021 | 610158           |
| 4            | October, 2021   | 547540           |
| 5            | November, 2021  | 623021           |
| 6            | December, 2021  | 57150            |
| 7            | January, 2022   | 643548           |
| 8            | February, 2022  | 744108           |
| 9            | March, 2022     | 475354           |
| 10           | April, 2022     | 774518           |
| 11           | May, 2022       | 181492           |
| 12           | June, 2022      | 457978           |
| <b>Total</b> |                 | <b>5,784,064</b> |

**Annexure-9**  
**Para No.3.4.1.3**

**Detail of irregular cash payment of pay and allowance**

(Amount in Rs.)

| S.No.        | Month           | Amount (Rs)       |
|--------------|-----------------|-------------------|
| 1            | July, 2021      | 110,390           |
| 2            | August, 2021    | 0                 |
| 3            | September, 2021 | 5,959,506         |
| 4            | October, 2021   | 2,971,388         |
| 5            | November, 2021  | 4,495,746         |
| 6            | December, 2021  | 6,559,467         |
| 7            | January, 2022   | 256,814           |
| 8            | February, 2022  | 4,669,494         |
| 9            | March, 2022     | 664,539           |
| 10           | April, 2022     | 6,542,103         |
| 11           | May, 2022       | 1,111,889         |
| 12           | June, 2022      | 6,752,101         |
| <b>Total</b> |                 | <b>40,093,437</b> |

**Annexure-10**

**Para No.3.4.1.5**

**Detail of irregular cash payment of pay and allowance**

(Amount in Rs.)

| S. No.             | Month           | A/C No 3919004   | A/C No 4294002    |
|--------------------|-----------------|------------------|-------------------|
| 1                  | July, 2021      | 353,520          | 0                 |
| 2                  | August, 2021    | 354,224          | 0                 |
| 3                  | September, 2021 | 891,203          | 4,514,611         |
| 4                  | October, 2021   | 472,011          | 177,600           |
| 5                  | November, 2021  | 365,735          | 400,000           |
| 6                  | December, 2021  | 1,100,340        | 6,695,111         |
| 7                  | January, 2022   | 505,460          | 6,539,360         |
| 8                  | February, 2022  | 14,005           | 26,386,808        |
| 9                  | March, 2022     | 517,891          | 362,365           |
| 10                 | April, 2022     | 252,088          | 26,500,395        |
| 11                 | May, 2022       | 1,087,836        | 9,970,337         |
| 12                 | June, 2022      | 364,279          | 619,773           |
|                    | <b>Total</b>    | <b>6,278,592</b> | <b>82,166,360</b> |
| <b>Grand Total</b> |                 |                  | <b>88,444,952</b> |



**Annexure-11**  
**Para No.3.4.2.3**

**Loss to Government due to non-deduction of penalty**

**(Amount in Rs.)**

| Name of Contract                             | Contract Amount | Installment each month | No of days in a month under which late installment is deposited |         |        |        |        |        |        |        |        |        |        | Total late payment (days) | Req; Penalty (Rs) |
|--|-----------------|------------------------|---|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------------|-------------------|
|  |                 |                        | Aug-21  | Sept-21 | Oct-21 | Nov-21 | Dec-21 | Jan-22 | Feb-22 | Mar-22 | Apr-22 | May-22 | Jun-22 |                           |                   |
| Entry fee                                    | 530000          | 30000                  | 9   | 12      | 9      | 15     | 14     | 17     | 14     | 12     | 12     | -      | -      | 114                       | <b>34,200</b>     |
| Public latrin                                | 500575          | 43700                  | 9   | 27      | 15     | 27     | 27     | -      | -      | 27     | 22     | 27     | 27     | 208                       | <b>90,896</b>     |
| Cattle fair                                  | 860000          | 60000                  | 27  | 27      | 27     | 27     | -      | -      | -      | -      | -      | -      | -      | 108                       | <b>64,800</b>     |
| Flying coach adda                            | 2050000         | 1681800                | 8   | 17      | 7      | 14     | 3      | 17     | 14     | 12     | 12     | 27     | 27     | 152                       | <b>2,556,336</b>  |
| <b>Total penalty required to be deducted</b> |                 |                        |   |         |        |        |        |        |        |        |        |        |        |                           | <b>2,746,232</b>  |

**Annexure-12**  
**Para No.4.4.1.1**

**Loss to Government due to acceptance of Higher bid tenders**

**(Amount in Rs.)**

| <b>S. No.</b>                      | <b>Work Name</b>  | <b>E. cost (in millions)</b> | <b>Lowest bid offered</b> | <b>Bid accepted</b> | <b>Loss (Rs)</b> |
|------------------------------------|---|------------------------------|---------------------------|---------------------|------------------|
| 1                                  | Construction of Street pavement at aziz korona, ayaz korona upper sateen, bilal muhallah, tindo danguwano kali          | 2                            | 20 % below                | 15.10 % below       | 98,000           |
| 2                                  | Beautification of shahsoo bazar lower kurram  | 7.75                         | 17.20 % below             | 15.19 % below       | 155,775          |
| 3                                  | Construction of Street pavement at saqalain,bilyamina, nasir khan upper sateen.   | 2                            | 20 % below                | 15.00 % below       | 100,000          |
| 4                                  | Construction of Street pavement at khawajo murghan, abdul aziz kada, alisherzai etc.                                    | 2                            | 20 % below                | 5.50 % below        | 290,000          |
| 5                                  | Construction of Street pavement at shah nawaz pirqayum, malak muhammad tahir , mandori etc.                             | 2                            | 20 % below                | 17% below           | 60,000           |
| 6                                  | Link road at farooq bangash korona, mulo kali, hayat khan korona, asad bagh LK.   | 2                            | 22 % below                | 20.20 below         | 36,000           |
| 7                                  | Construction of Street pavement at saqalain,bilyamina, nasir khan upper sateen.   | 2                            | 20 % below                | 15.00 % below       | 100,000          |
| 8                                  | Construction of Street pavement at abdul khaliq korona, bushahra, iqbal korona, kaml hussain tangai, haji jabar arawali | 2                            | 20 % below                | 15.10 % below       | 98,000           |
| 9                                  | Construction of Street pavement at shasho naheed korona, bilal korona   | 2                            | 20 % below                | 15.10 % below       | 98,000           |
| <b>Loss sustained by the Govt.</b> |   | <b>23.75</b>                 |                           |                     | <b>1,035,775</b> |

**Annexure-13**  
**Para No.4.4.1.2**

**Irregular award of contracts without open competition**

(Amount in Rs.)

| S.No | Work Name   | Name of Contractor         | E. cost (in millions) |
|------|---|----------------------------|-----------------------|
| 1    | Beautification of Murghan Bazar                               | Hakeem Khan & Sons         | 18.81                 |
| 2    | Const of PCC Street at main Barawta Mirkalan                  | Noor Hashim & Brothers     | 6.00                  |
| 3    | Beautification of Mukhrani Bazar kurram                       | M/S TYCON                  | 18.69                 |
| 4    | Beautification of Qubadshah Khel Bazar                        | Shujaat Hussain & brothers | 3.92                  |
| 5    | Const of Dug well & surface water tank at Topaki at Jalander  | Shujaat Hussain & brothers | 1.60                  |
| 6    | Const of PCC Street/link road at Shakh Dawlat Khel            | Shujaat Hussain & brothers | 2.00                  |
| 7    | Const of Mini tube well at Gulishing wazir                    | Javed & Brothers           | 2.00                  |
| 8    | Const of Mini tube well at Baggan                             | Javed & Brothers           | 2.00                  |
| 9    | Const of Mini tube well at yaqeen kally                       | Javed & Brothers           | 2.00                  |
| 10   | Const of Mini tube well at Mir Bagh                           | Javed & Brothers           | 2.00                  |
| 11   | Const of OHWT at Zeran Bara Dara Imam Barghah at Army colony  | Laiq Raza & Co             | 1.80                  |
| 12   | Const of 02 No OHWT at Malana & Perkho                        | Laiq Raza & Co             | 1.80                  |
| 13   | Const of 02 Nos OHWT at Masjid colony & Airport colony        | Laiq Raza & Co             | 1.60                  |
| 14   | Const of OHWT at Nasitikot Kanda & Dug well at Nastikot Sehra | Shujaat Hussain & brothers | 1.50                  |
| 15   | Installation of Pipe line Chapri upper Kurram                 | Shujaat Hussain & brothers | 1.00                  |
| 16   | Const of 02 Nos OHWT at Jalander                              | Shujaat Hussain & brothers | 1.60                  |
| 17   | Const of Dug well & surface reservoir at imam Barghah Badama  | Shujaat Hussain & brothers | 1.20                  |
| 18   | Const of OHWT at Qaid abad Manzar korona                      | Shujaat Hussain & brothers | 1.00                  |
| 19   | Const of mini tubewell at Saro Chargo                         | Javed & Brothers           | 2.00                  |
| 20   | Const of Mini tubewell at Kharky Kally                        | Javed & Brothers           | 2.00                  |
| 21   | Pipe line at upper kurram                                     | Laiq Raza & Co             | 3.00                  |
| 22   | Const of Dug well at Ladi lot near grade station              | Shujaat Hussain & brothers | 2.50                  |
| 23   | Const of Dug well at Eidgah colony                            | Shujaat Hussain & brothers | 2.50                  |
| 24   | Const of surface resevoir at upper kurram                     | Laiq Raza & Co             | 3.00                  |
| 25   | Const of OHWT 4 Nos at Upper kurram                           | Laiq Raza & Co             | 3.20                  |

|              |  |                            |               |
|--------------|--|----------------------------|---------------|
| 26           | Const of OHWT and Pipe line at sit ul Hassan Kally Bijli Gar | Shujaat Hussain & brothers | 1.50          |
| 27           | Installation of Pipe line at Ali akber and Siraj Agha Korona | Shujaat Hussain & brothers | 1.00          |
| 28           | Beautification of Tari Mangal Bazar                          | Iqbal Khan                 | 9.90          |
| 29           | Beautification of Ghuzgari Upper Kurram                      | Iqbal Khan                 | 7.16          |
| 30           | Const of 02 Nos OHWT at Sara Gala                            | Laqi Hussain & Sons        | 1.60          |
| <b>Total</b> |  |                            | <b>109.88</b> |

**Annexure-14**  
**Para No.4.4.2.1**

**Detail of Irregular award of contracts**

**(Amount in Rs.)**

| <b>S. No.</b> | <b>Name of Scheme</b>  | <b>Name of Contrator</b> | <b>Estimated Cost (million)</b> |
|---------------|--|--------------------------|---------------------------------|
| 1             | Construction of PCC Link Road at defence road bridge to arkhi kali gambil upper kurram                 | FB Construction          | 7.000                           |
| 2             | Construction of PCC Link Road at Malana sydano imam bargah at Gholikhel                                | FB Construction          | 6.000                           |
| 3             | Construction of PCC Link Road at inam kally sydano shublan upper kurram                                | FB Construction          | 4.000                           |
| 4             | Construction of PCC Link Road at Cherry Luqmankhel   | FB Construction          | 4.000                           |
| 5             | Construction of PCC Link Road at Luqmankhel Markazi Imam Bargah  | FB Construction          | 13.400                          |
| 6             | Construction of Street pavement at imdad ullah palsin, dol ragha & zahir khan korona                   | FB Construction          | 2.00                            |
| 7             | Construction of Street pavement at chota mandori, tawez khan korona, dildar nasitkote, sara jan korona | FB Construction          | 2.00                            |
| 8             | Construction of Street pavement at sadda afzal korona, islam khan korona palosin, sadda lal korona.    | FB Construction          | 2.00                            |
| 9             | Construction of Street pavement at shasho naheed korona, bilal korona                                  | FB Construction          | 2.00                            |
| <b>Total</b>  |  |                          | <b>42.400</b>                   |

**Annexure-15**  
**Para No.4.4.2.2**

**Detail of non-completion of development schemes and non-imposition of penalty**

(Amount in Rs.)

| S. No.       | Name of work  | Name of Contractor | E. Cost (M)  | Req date of Completion | Actual date of Completion | Delay       | Penalty          |
|--------------|---|--------------------|--------------|------------------------|---------------------------|-------------|------------------|
| 1            | Construction of PCC link road at Kochi                            | M/S Tycon          | 02.00        | 14.01.2022             | 10.03.2022                | 02 months   | 200,000          |
| 2            | Construction of PCC link road at Kochi Abdul janan kali           | Manzar Hussain     | 1.50         | 05.06.2021             | 21.08.2021                | 2.50 months | 150,000          |
| 3            | Construction of PCC link road at bazgai borori                    | M/S Tycon          | 1.50         | 14.01.2022             | 11.03.2022                | 03 months   | 150,000          |
| 4            | Pavement of street with drain at Balish khel                      | Sadiq Jan chemkani | 1.40         | 12.01.2022             | 03.02.2022                | 20 days     | 140,000          |
| 5            | Construction of PCC link road at Pirqayum LK scheme No.41         | Manzar hussain     | 3.68         | 05.06.2021             | 06.06.2022                | 01 year     | 368,000          |
| 6            | Construction of PCC link road at inam kally sydano shublan        | FB Contractor      | 04.00        | 14.01.2022             | 22.08.2022                | 08 months   | 400,000          |
| 7            | “Construction of PCC Link Road at Luqmankhel Markazi Imam Bargah” | FB Contractor      | 13.40        | 14.07.2021             | In progress               | -           | 1,340,000        |
| <b>Total</b> |   |                    | <b>27.48</b> |                        |                           |             | <b>2,748,000</b> |

**Annexure-16**  
**Para No.4.4.3.1**

**Overpayment on account of 15% adjustment**

(Amount in Rs.)

| S. No. | Name of Scheme  | Name of Contractor             | Bill Date | Adjusted Amount (Rs) |
|--------|---|--------------------------------|-----------|----------------------|
| 1      | Construction of Street/Drain at imam kally                  | F.B Contractor Co PVT LTD      | 22.08.22  | 468,000              |
| 2      | Construction of Street with drain at shasho                 | M/S Tycon                      | 04.01.22  | 102,600              |
| 3      | Const of PCC link road at pirqayum                          | M/S Tycon                      | .         | 328,500              |
| 4      | Const of PCC link at Gombial                                | F.B Contractor Co PVT LTD      | 22.08.22  | 824,250              |
| 5      | Const of PCC link road near kalam ziarat                    | M/S Shujjat Hussain & brothers | 04.05.21  | 143,982              |
| 6      | Const of PCC link road at pewar sahra kally                 | Munir Hussain & brothers       | 07.07.21  | 151,200              |
| 7      | Const of PCC LR at farooq Bangash koroona mulayan kally     | Hakeem khan & sons             |           | 239,400              |
| 8      | Const of PCC Streets at sadda afzal koroona                 | F.B Contractor Co PVT LTD      | 28.02.22  | 240,000              |
| 9      | Const of PCC Street at abdul khaliq koroona                 | Iqbal Bangash & Sons           | .         | 254,700              |
| 10     | Const of BTR at wali cheena lowerkurram                     | M/S Afzal hussain              | 04.04.21  | 1,046,587            |
| 11     | Const of PCC link road at chery luqmankhel                  | F.B Contractor Co PVT LTD      | 22.08.22  | 468,000              |
| 12     | Const of PCC linkroad at makhizai                           | Iqbal Bangash & Sons           | .         | 167,760              |
| 13     | Const of PCC link road at Kochi khawaja islam khaliq korona | Iqbal Bangash & Sons           | 31.10.21  | 179,160              |
| 14     | Const of PCC street at naheed koroona shahshoo              | Iqbal Bangash & Sons           | .         | 302,000              |
| 15     | Const of PCC Link road at Sea Gale                          | Sharif Zaman & sons            |           | 360,000              |
|        | <b>Total</b>  |                                |           | <b>5,276,139</b>     |

**Annexure-17**  
**Para No.4.4.3.2**

**Loss to Government due to non-adjustment of 7% income tax**

(Amount in millions)

| S. No. | Name of Scheme  | Name of Contr:                    | E. Cost | Expenditure | I.Tax  |
|--------|---|-----------------------------------|---------|-------------|--------|
| 1      | Beautification of City Road Rehb:/ Carpeting of BTR at Sadda/ Doger/ Parachinar | Bangesh Yousafzai Construction co | 46.000  | 4.090       | 0.2863 |
| 2      | Construction of Drain at Sadda/Dogar & Parachinar                               | Dildar Hussain & Brohters         | 18.000  | 6.760       | 0.4732 |
| 3      | Construction of Drain at Sadda/Dogar & Parachinar                               | Dildar Hussain & Brohters         | 18.884  | 3.980       | 0.2786 |
| 4      | Construction of BT Road Wali China LK   | Afzal Hussain                     | 10.5    | 2.083       | 0.1458 |
| 5      | Construction of BT Road Bagzai LK   | Asif Nawaz & Karim Shah           | 7.531   | 1.904       | 0.1333 |
| 6      | Construction of BT Road Arawali LK  | Afzal Hussain                     | 10.364  | 4.147       | 0.2903 |
| 7      | Road at Sorsorang   | Iftikhar Hussain                  | 7.000   | 2.591       | 0.1814 |
| 8      | Construction of Path/Parida wall at Tari Mangal                                 | Shujaat Hussain                   | 1.500   | 1.341       | 0.0939 |
| 9      | Construction of Protection wall at Kochi Bridge                                 | Iftikhar Hussain                  | 1.617   | 1.380       | 0.0966 |
| 10     | Rehabilitation of ADRD Residential Quarter                                      | Turi Irshad Ali                   | 4.468   | 1.435       | 0.1005 |
| 11     | Rehabilitation of Residential Quarter at Parachinar Upper Kurram                | Hakim Khan                        | 4.700   | 4.211       | 0.2948 |
| 12     | Construction of PCC Link Road at Pewar Sehara Kali UK                           | Munir Hussain & Brother           | 1.200   | 1.135       | 0.0795 |
| 13     | Construction of PCC Link Road at Daravi Shelowzan UK                            | Nusrat Hussain & Co               | 1.200   | 1.020       | 0.0714 |
| 14     | Construction of PCC Link Road at Yousaf Kali Kochi LK                           | Watch Construction                | 1.500   | 1.240       | 0.0868 |
| 15     | Construction of PCC Link Road at Abdul Janan Kali Kochi LK                      | Manzar Hussain                    | 1.500   | 1.033       | 0.0723 |
| 16     | Construction of PCC Link Road at Pirqayoom                                      | Manzar Hussain                    | 3.684   | 1.216       | 0.0851 |
| 17     | Solar light at Sadda 18 Nos   | Waza construction                 | 4.99    | 4.702       | 0.3291 |
| 18     | Solar light at Khar Kali 4 Nos  | Waza construction                 | 1.11    | 1.035       | 0.0725 |
| 19     | Solar light at Gharbina 4 Nos   | Waza construction                 | 1.11    | 1.035       | 0.0725 |
| 20     | Solar light at Sateen 5 Nos   | Waza construction                 | 1.39    | 1.301       | 0.0911 |
| 21     | Solar lights at Balish khel 5 Nos   | Waza construction                 | 1.39    | 1.301       | 0.0911 |
| 22     | Solar lights at Sameer 5 Nos  | Waza construction                 | 1.39    | 1.035       | 0.0725 |
| 23     | Solar lights at Alizai Tehsil 8 Nos   | Waza construction                 | 2.22    | 2.070       | 0.1449 |
| 24     | Solar lights at Ibrahimzai 4 Nos  | Waza construction                 | 1.11    | 1.035       | 0.0725 |

|    |  |                                |       |       |        |
|----|--|--------------------------------|-------|-------|--------|
| 25 | Construction of Public Latrine at Post Office Sadda No.1                           | Inayat Ali                     | 1.97  | 1.090 | 0.0763 |
| 26 | Construction of Public Latrine at Post Office Sadda No.2                           | Inayat Ali                     | 1.97  | 1.763 | 0.1234 |
| 27 | Construction of Public Latrine at Baggen LK  | Syed Rabih Ullah Muqbal        | 1.97  | 1.483 | 0.1038 |
| 28 | Construction of Public Latrine at Alizai Tehsil No.2                               | Turi Irshad Ali                | 1.97  | 1.593 | 0.1115 |
| 29 | Construction of Waiting Shade at Sadda Town Area 2 Nos (2x687000)                  | Dildar Hussain                 | 1.60  | 1.600 | 0.1120 |
| 30 | Construction of Waiting Shade at Sadda Pirqayum & Sadda 2 Nos (2x687000)           | Syed Rabih Ullah Muqbal        | 1.37  | 1.089 | 0.0762 |
| 31 | Construction of Waiting Shade at Alizai & Baggen 2 Nos(2x687000)                   | Turi Irshad Ali                | 1.37  | 1.198 | 0.0839 |
| 32 | Construction of Waiting Shade at Main Road Shakardara & Sateen LK 2 Nos (2x687000) | Mehboob Ali & Sons             | 1.37  | 1.206 | 0.0844 |
| 33 | Construction of Street/Path at Gharbina LK   | Iftikhar Hussain               | 2.00  | 1.425 | 0.0998 |
| 34 | Construction of Street/Path at Sadda Pirqayum                                      | Syed Rabih Ullah Muqbal        | 2.00  | 1.962 | 0.1373 |
| 35 | Construction of Street/Path at Hussainia & Peshimam Colonies UK                    | Iftikhar Hussain               | 2.00  | 1.729 | 0.1210 |
| 36 | Construction of Street/Path at college Colony                                      | Iftikhar Hussain               | 2.00  | 1.093 | 0.0765 |
| 37 | Construction of Dug Well near Kirman Road  | Mehboob Ali                    | 3.00  | 2.046 | 0.1432 |
| 38 | Construction of Dug Well at Airport Colony   | Mehboob Ali                    | 3.00  | 1.541 | 0.1079 |
| 39 | Construction of OHWT at Dander Road and Karakhela road parachinar                  | Haji Ali Zaman                 | 2.00  | 1.600 | 0.1120 |
| 40 | Pavement of Different Streets and Rain at Lower Kurram                             | Muhammad Javid                 | 2.00  | 1.427 | 0.0999 |
| 41 | Pavement of Different Streets and Rain at Central Kurram                           | Muhammad Javid                 | 1.43  | 1.427 | 0.0999 |
| 42 | Construction Of OHWT At Syed Sarim Mehdi Gohar Colony                              | Munir Hassan & Brothers Malana | 1.100 | 1.054 | 0.0738 |
| 43 | Water Supply Scheme At Khachery Parachinar City                                    | Dildar Hussain Brothers        | 2.000 | 1.328 | 0.0930 |
| 44 | Construction of Dug Well at Afridu Kaly Ghakhi                                     | Hakeem Khan & Sons             | 0.700 | 4.744 | 0.3321 |
| 45 | Construction of OHWT at Naib Ali Korona Zeran                                      |                                | 1.100 | 1.056 | 0.0739 |
| 46 | Construction of OHWT at Ansar Hussain Colony Shani Sehra                           | Dildar Hussain Brothers        | 1.100 | 1.047 | 0.0733 |
| 47 | Construction of OHWT at Kagawaga   | Dildar Hussain Brothers        | 1.100 | 1.047 | 0.0733 |
| 48 | Construction of OHWT at Inayat Commercial Collage                                  | Shujaat Hussain & Brothers     | 1.100 | 1.010 | 0.0707 |

|    |   |   |       |       |        |
|----|---|---|-------|-------|--------|
| 49 | Construction of Dug well Liladanda Shari Korona         | Mehboob Ali & Sons                      | 1.500 | 1.435 | 0.1005 |
| 50 | Beautification of Boshera Bazar Upper Kurram            | Sharif Zaman                            | 8.53  | 2.822 | 0.1975 |
| 51 | Beautification of Shingak Bazar Upper Kurram            | Laiq Raza & co                          | 17.42 | 2.406 | 0.1684 |
| 52 | Beautification of Malikhel Upper Kurram                 | Pirzada Builders & company              | 3.87  | 1.548 | 0.1084 |
| 53 | Beautification of Chinar Abad Bazar Upper Kurram        | Pirzada Builders & company              | 5.44  | 1.25  | 0.0875 |
| 54 | Beautification of Sultan Bazar Upper Kurram             | Laiq Hussain                            | 20.00 | 1.87  | 0.1309 |
| 55 | Beautification of Shasho Bazar                          | Sardar & Sons                           | 7.75  | 3.73  | 0.2611 |
| 56 | Beautification of Pir Qayum Bazar                       | Rahmat Ullah Bangash Builder            | 3.80  | 1.075 | 0.0753 |
| 57 | Beautification of Kharlachi bazar                       | Super Tech Engineering Servies          | 23.78 | 6.579 | 0.4605 |
| 58 | Beautification of Borki Bazar                           | Pirzada Builders & company              | 4.86  | 3.73  | 0.2611 |
| 59 | Beautification of Bagan Bazar                           | Rahmat Ullah Bangash Builder            | 19.81 | 3.886 | 0.2720 |
| 60 | Beautification of Shalozan Bazar                        | Muhammad Aslam Khan Bhattani & brothers | 8.86  | 2.251 | 0.1576 |
| 61 | Beautification of Qubadshah Khel Bazar                  | Shujaat Hussain & brothers              | 3.92  | 2.256 | 0.1579 |
| 62 | Beautification of Ghuzarai Bazar                        | M. Iqbal Bangash & Sons                 | 7.16  | 2.544 | 0.1781 |
| 63 | Beautification of Murghan Bazar                         | Hakeem Khan % Sons                      | 18.81 | 6.701 | 0.4691 |
| 64 | Beautification of Makhrani Bazar                        | MS Tycon                                | 18.69 | 3.051 | 0.2136 |
| 65 | Beautification of Alizai Bazar                          | Turi Irshad                             | 38.85 | 2.5   | 0.1750 |
| 66 | Beautification of Tari Mangal Bazar                     | M. Iqbal Bangash & Sons                 | 9.90  | 2.829 | 0.1980 |
| 67 | Rehabilitaion of Eidi Park                              | Sardar & Sons                           | 2.560 | 1.536 | 0.1075 |
| 68 | Development of Malana Dam                               | Afzal Hussain Malana                    | 7.880 | 2.320 | 0.1624 |
| 69 | Beautification of Parachinar City Headquarter           | Haji Ali Zaman & Brothers               | 4.850 | 1.801 | 0.1261 |
| 70 | Construction of PCC Street/Link Road at Shublan         | Shujaat Hussain                         | 1.000 | 1.000 | 0.0700 |
| 71 | Construction of PCC Street/Link Road at ShakhDawlatKhel | Shujaat Hussain                         | 2.000 | 1.247 | 0.0873 |

|    |  |                                |        |        |        |
|----|--|--------------------------------|--------|--------|--------|
| 72 | Construction of PCC Link Road at Kochi Khawaja islam korona                            | M.Iqbal Bangash & Sons         | 1.600  | 1.243  | 0.0870 |
| 73 | Construction of PCC Link Road at defence road bridge to arkhi kali gambil upper kurram | F.B Contractor Co PVT LTD      | 7.000  | 6.142  | 0.4299 |
| 74 | Construction of PCC Link Road at Malana sydano imam bargah at Gholikhel                | F.B Contractor Co PVT LTD      | 6.000  | 4.195  | 0.2937 |
| 75 | Construction of PCC Link Road at inam kally sydano shublan upper kurram                | F.B Contractor Co PVT LTD      | 4.000  | 3.441  | 0.2409 |
| 76 | Construction of PCC Link Road at Cherry Luqmankhel                                     | F.B Contractor Co PVT LTD      | 4.000  | 3.485  | 0.2440 |
| 77 | Construction of PCC Link Road at sara gala   | Sharif Zaman                   | 3.000  | 2.688  | 0.1882 |
| 78 | Construction of PCC Link Road at Luqmankhel Markazi Imam Bargah                        | F.B Contractor Co PVT LTD      | 13.400 | 10.564 | 0.7395 |
| 79 | Construction of PCC Link Road at kochi   | M/S Tycon                      | 2.000  | 1.639  | 0.1147 |
| 80 | Construction of PCC Link Road at Pirqayum  | M/S Tycon                      | 3.000  | 2.048  | 0.1434 |
| 81 | Construction of PCC Link Road at Shasho  | M/S Tycon                      | 2.000  | 1.46   | 0.1022 |
| 82 | Construction of PCC Link Road at Sakhi ahmad shah                                      | M.Iqbal Bangash & Sons         | 2.000  | 1.645  | 0.1152 |
| 83 | Construction of PCC Link Road at Bagzai Borori   | M/S Tycon                      | 1.500  | 1.140  | 0.0798 |
| 84 | Construction of PCC Link Road at Makhizai  | M.Iqbal Bangash & Sons         | 1.500  | 1.243  | 0.0870 |
| 85 | Construction of PCC Link Road at Chapri  | M/S Tycon                      | 1.500  | 1.0069 | 0.0705 |
| 86 | Construction of PCC Link Road at Warsata   | Haji Muhammad Rafiq Ullah Khan | 1.500  | 1.324  | 0.0927 |
| 87 | Link road at farooq bangash korona, mulo kali, hayat khan korona, asad bagh LK.        | Hakeem Khan & Sons             | 2.000  | 1.787  | 0.1251 |
| 88 | Construction of PCC Street with Drain at Baliskhail                                    | Sadiq Khan Chemkani            | 1.400  | 1.178  | 0.0825 |
| 89 | Construction of PCC Street with Drain at Gohar Colony syed Rahat Hussain Mian Korona   | Haider Zaman Construction      | 1.800  | 1.175  | 0.0823 |
| 90 | Construction of Street pavement at imdad ullah palsin, dol ragha & zahir khan korona   | FB Construction                | 2.00   | 1.280  | 0.0896 |

|              |   |                    |                |                |                |
|--------------|---|--------------------|----------------|----------------|----------------|
| 91           | Construction of Street pavement at chota mandori, tawez khan korona, dildar nasitkote, sara jan korona                  | FB Construction    | 2.00           | 1.408          | 0.0986         |
| 92           | Construction of Street pavement at sadda afzal korona, islam khan korona palosin, sadda lal korona.                     | FB Construction    | 2.00           | 1.027          | 0.0719         |
| 93           | Construction of Street pavement at shasho naheed korona, bilal korona   | FB Construction    | 2.00           | 1.230          | 0.0861         |
| 94           | Construction of Street pavement at aziz korona, ayaz korona upper sateen, bilal muhallah, tindo danguwano kali          | M Iqbal Bangash    | 2.00           | 1.089          | 0.0762         |
| 95           | Construction of Street pavement at abdul khaliq korona, bushahra, iqbal korona, kaml hussain tangai, haji jabar arawali | M Iqbal Bangash    | 2.00           | 1.089          | 0.0762         |
| 96           | Construction of Street pavement at shah nawaz pirqayum, malak muhammad tahir , mandori etc.                             | M Aslam Khan       | 2.00           | 1.089          | 0.0762         |
| 97           | Construction of Street pavement at saqalain,bilyamina, nasir khan upper sateen.   | Hakeem Khan & Sons | 2.00           | 1.821          | 0.1275         |
| 98           | Construction of Street pavement at khawajo murghan, abdul aziz kada, alisherzai etc.                                    | MS AR and Brothers | 2.00           | 1.663          | 0.1164         |
| <b>Total</b> |   |                    | <b>514.013</b> | <b>209.105</b> | <b>14.6373</b> |

**Annexure-18**  
**Para No.4.4.3.3**

**Detail of loss due to non-deduction of KPPRA Tax**

(Amount in millions)

| S. No. | Name of Scheme  | Name of Contr:                    | App: Cost | Expr; | KPPRA 2% |
|--------|---|-----------------------------------|-----------|-------|----------|
| 1      | Beautification of City Road Rehb:/ Carpeting of BTR at Sadda/ Doger/ Parachinar | Bangesh Yousafzai Construction co | 46.000    | 4.090 | 0.0818   |
| 2      | Construction of Drain at Sadda/Dogar & Parachinar                               | Dildar Hussain & Brohters         | 18.000    | 6.760 | 0.1352   |
| 3      | Construction of Drain at Sadda/Dogar & Parachinar                               | Dildar Hussain & Brohters         | 18.884    | 3.980 | 0.0796   |
| 4      | Construction of BT Road Wali China LK   | Afzal Hussain                     | 10.5      | 2.083 | 0.0417   |
| 5      | Construction of BT Road Bagzai LK   | Asif Nawaz & Karim Shah           | 7.531     | 1.904 | 0.0381   |
| 6      | Construction of BT Road Arawali LK  | Afzal Hussain                     | 10.364    | 4.147 | 0.0829   |
| 7      | Road at Sorsorang   | Iftikhar Hussain                  | 7.000     | 2.591 | 0.0518   |
| 8      | Construction of Path/Parda wall at Tari Mangal                                  | Shujaat Hussain                   | 1.500     | 1.341 | 0.0268   |
| 9      | Construction of Protection wall at Kochi Bridge                                 | Iftikhar Hussain                  | 1.617     | 1.380 | 0.0276   |
| 10     | Rehabilitation of ADRD Residential Quarter                                      | Turi Irshad Ali                   | 4.468     | 1.435 | 0.0287   |
| 11     | Rehabilitation of Residential Quarter at Parachinar Upper Kurram                | Hakim Khan                        | 4.700     | 4.211 | 0.0842   |
| 12     | Construction of PCC Link Road at Pekar Sehara Kali UK                           | Munir Hussain & Brother           | 1.200     | 1.135 | 0.0227   |
| 13     | Construction of PCC Link Road at Daravi Shelowzan UK                            | Nusrat Hussain & Co               | 1.200     | 1.020 | 0.0204   |
| 14     | Construction of PCC Link Road at Yousaf Kali Kochi LK                           | Watch Construction                | 1.500     | 1.240 | 0.0248   |
| 15     | Construction of PCC Link Road at Abdul Janan Kali Kochi LK                      | Manzar Hussain                    | 1.500     | 1.033 | 0.0207   |
| 16     | Construction of PCC Link Road at Pirqayoom LK                                   | Manzar Hussain                    | 3.684     | 1.216 | 0.0243   |
| 17     | Solar light at Sadda 18 Nos   | Waza construction                 | 4.99      | 4.702 | 0.0940   |
| 18     | Solar light at Khar Kali 4 Nos  | Waza construction                 | 1.11      | 1.035 | 0.0207   |
| 19     | Solar light at Gharbina 4 Nos   | Waza construction                 | 1.11      | 1.035 | 0.0207   |
| 20     | Solar light at Sateen 5 Nos   | Waza construction                 | 1.39      | 1.301 | 0.0260   |
| 21     | Solar lights at Balish khel 5 Nos   | Waza construction                 | 1.39      | 1.301 | 0.0260   |
| 22     | Solar lights at Sameer 5 Nos  | Waza construction                 | 1.39      | 1.035 | 0.0207   |

|    |  |                                |       |       |        |
|----|--|--------------------------------|-------|-------|--------|
| 23 | Solar lights at Alizai Tehsil 8 Nos  | Waza construction              | 2.22  | 2.070 | 0.0414 |
| 24 | Solar lights at Ibrahimzai 4 Nos   | Waza construction              | 1.11  | 1.035 | 0.0207 |
| 25 | Construction of Public Latrine at Post Office Sadda No.1                           | Inayat Ali                     | 1.97  | 1.090 | 0.0218 |
| 26 | Construction of Public Latrine at Post Office Sadda No.2                           | Inayat Ali                     | 1.97  | 1.763 | 0.0353 |
| 27 | Construction of Public Latrine at Baggen LK  | Syed Rabih Ullah Muqbal        | 1.97  | 1.483 | 0.0297 |
| 28 | Construction of Public Latrine at Alizai Tehsil No.2                               | Turi Irshad Ali                | 1.97  | 1.593 | 0.0319 |
| 29 | Construction of Waiting Shade at Sadda Town Area 2 Nos (2x687000)                  | Dildar Hussain                 | 1.60  | 1.600 | 0.0320 |
| 30 | Construction of Waiting Shade at Sadda Pirqayum & Sadda 2 Nos (2x687000)           | Syed Rabih Ullah Muqbal        | 1.37  | 1.089 | 0.0218 |
| 31 | Construction of Waiting Shade at Alizai & Baggen 2 Nos(2x687000)                   | Turi Irshad Ali                | 1.37  | 1.198 | 0.0240 |
| 32 | Construction of Waiting Shade at Main Road Shakardara & Sateen LK 2 Nos (2x687000) | Mehboob Ali & Sons             | 1.37  | 1.206 | 0.0241 |
| 33 | Construction of Street/Path at Gharbina LK   | Iftikhar Hussain               | 2.00  | 1.425 | 0.0285 |
| 34 | Construction of Street/Path at Sadda Pirqayum LK                                   | Syed Rabih Ullah Muqbal        | 2.00  | 1.962 | 0.0392 |
| 35 | Construction of Street/Path at Hussainia & Peshimam Colonies UK                    | Iftikhar Hussain               | 2.00  | 1.729 | 0.0346 |
| 36 | Construction of Street/Path at college Colony                                      | Iftikhar Hussain               | 2.00  | 1.093 | 0.0219 |
| 37 | Construction of Dug Well near Kirman Road  | Mehboob Ali & Sons             | 3.00  | 2.046 | 0.0409 |
| 38 | Construction of Dug Well at Airport Colony   | Mehboob Ali & Sons             | 3.00  | 1.541 | 0.0308 |
| 39 | Construction of OHWT at Dander Road and Karakhela road parachinar                  | Haji Ali Zaman                 | 2.00  | 1.600 | 0.0320 |
| 40 | Pavement of Different Streets and Rain at Lawer Kurram                             | Muhammad Javid                 | 2.00  | 1.427 | 0.0285 |
| 41 | Pavement of Different Streets and Rain at Central Kurram                           | Muhammad Javid                 | 1.43  | 1.427 | 0.0285 |
| 42 | Construction Of OHWT At Syed Sarim Mehdi Gohar Colony                              | Munir Hassan & Brothers Malana | 1.100 | 1.054 | 0.0211 |
| 43 | Water Supply Scheme At Khachery Parachinar City                                    | Dildar Hussain Brothers        | 2.000 | 1.328 | 0.0266 |
| 44 | Construction of Dug Well at Afridu Kaly Ghakhi                                     | Hakeem Khan & Sons             | 0.700 | 4.744 | 0.0949 |
| 45 | Construction of OHWT at Naib Ali Korona Zeran                                      |                                | 1.100 | 1.056 | 0.0211 |

|    |  |   |       |       |        |
|----|--|---|-------|-------|--------|
| 46 | Construction of OHWT at Ansar Hussain Colony Shani Sehra | Dildar Hussain Brothers                 | 1.100 | 1.047 | 0.0209 |
| 47 | Construction of OHWT at Kagawaga                         | Dildar Hussain Brothers                 | 1.100 | 1.047 | 0.0209 |
| 48 | Construction of OHWT at Inayat Commercial Collage        | Shujaat Hussain & Brothers              | 1.100 | 1.010 | 0.0202 |
| 49 | Construction of Dug well Liladanda Shari Korona          | Mehboob Ali & Sons                      | 1.500 | 1.435 | 0.0287 |
| 50 | Beautification of Boshera Bazar Upper Kurram             | Sharif Zaman & Sons                     | 8.53  | 2.822 | 0.0564 |
| 51 | Beautification of Shingak Bazar Upper Kurram             | Laiq Raza & co                          | 17.42 | 2.406 | 0.0481 |
| 52 | Beautification of Malikhel Upper Kurram                  | Pirzada Builders & company              | 3.87  | 1.548 | 0.0310 |
| 53 | Beautification of Chinar Abad BazarUpper Kurram          | Pirzada Builders & company              | 5.44  | 1.25  | 0.0250 |
| 54 | Beautification of Sultan Bazar Upper Kurram              | Laiq Hussain & Sons                     | 20.00 | 1.87  | 0.0374 |
| 55 | Beautification of Shasho Bazar                           | Sardar & Sons                           | 7.75  | 3.73  | 0.0746 |
| 56 | Beautification of Pir Qayum Bazar                        | Rahmat Ullah Bangash Builder            | 3.80  | 1.075 | 0.0215 |
| 57 | Beautification of Kharlachi bazar                        | Super Tech Engineering Servies          | 23.78 | 6.579 | 0.1316 |
| 58 | Beautification of Borki Bazar                            | Pirzada Builders & company              | 4.86  | 3.73  | 0.0746 |
| 59 | Beautification of Bagan Bazar                            | Rahmat Ullah Bangash Builder            | 19.81 | 3.886 | 0.0777 |
| 60 | Beautification of Shalozan Bazar                         | Muhammad Aslam Khan Bhattani & brothers | 8.86  | 2.251 | 0.0450 |
| 61 | Beautification of Qubadshah Khel Bazar                   | Shujaat Hussain & brothers              | 3.92  | 2.256 | 0.0451 |
| 62 | Beautification of Ghuzarai Bazar                         | M. Iqbal Bangash & Sons                 | 7.16  | 2.544 | 0.0509 |
| 63 | Beautification of Murghan Bazar                          | Hakeem Khan % Sons                      | 18.81 | 6.701 | 0.1340 |
| 64 | Beautification of Makhrani Bazar                         | MS Tycon                                | 18.69 | 3.051 | 0.0610 |
| 65 | Beautification of Alizai Bazar                           | Turi Irshad                             | 38.85 | 2.5   | 0.0500 |
| 66 | Beautification of Tari Mangal Bazar                      | M. Iqbal Bangash & Sons                 | 9.90  | 2.829 | 0.0566 |

|    |  |                                   |        |        |        |
|----|--|-----------------------------------|--------|--------|--------|
| 67 | Rehabilitaion of Eidi Park   | Sardar & Sons                     | 2.560  | 1.536  | 0.0307 |
| 68 | Development of Malana Dam  | Afzal Hussain Malana              | 7.880  | 2.320  | 0.0464 |
| 69 | Beautification of Parachinar City Headquarter  | Haji Ali Zaman & Brothers         | 4.850  | 1.801  | 0.0360 |
| 70 | Construction of PCC Street/Link Road at Shublan  | Shujaat Hussain                   | 1.000  | 1.000  | 0.0200 |
| 71 | Construction of PCC Street/Link Road at ShakhDawlatKhel                                | Shujaat Hussain                   | 2.000  | 1.247  | 0.0249 |
| 72 | Construction of PCC Link Road at Kochi Khawaja islam korona                            | M.Iqbal Bangash & Sons            | 1.600  | 1.243  | 0.0249 |
| 73 | Construction of PCC Link Road at defence road bridge to arkhi kali gambil upper kurram | F.B Contractor Co PVT LTD         | 7.000  | 6.142  | 0.1228 |
| 74 | Construction of PCC Link Road at Malana sydano imam bargah at Gholikhel                | F.B Contractor Co PVT LTD         | 6.000  | 4.195  | 0.0839 |
| 75 | Construction of PCC Link Road at inam kally sydano shublan upper kurram                | F.B Contractor Co PVT LTD         | 4.000  | 3.441  | 0.0688 |
| 76 | Construction of PCC Link Road at Cherry Luqmankhel                                     | F.B Contractor Co PVT LTD         | 4.000  | 3.485  | 0.0697 |
| 77 | Construction of PCC Link Road at sara gala   | Sharif Zaman                      | 3.000  | 2.688  | 0.0538 |
| 78 | Construction of PCC Link Road at Luqmankhel Markazi Imam Bargah                        | F.B Contractor Co PVT LTD         | 13.400 | 10.564 | 0.2113 |
| 79 | Construction of PCC Link Road at kochi   | M/S Tycon                         | 2.000  | 1.639  | 0.0328 |
| 80 | Construction of PCC Link Road at Pirqayum  | M/S Tycon                         | 3.000  | 2.048  | 0.0410 |
| 81 | Construction of PCC Link Road at Shasho  | M/S Tycon                         | 2.000  | 1.46   | 0.0292 |
| 82 | Construction of PCC Link Road at Sakhi ahmad shah                                      | M.Iqbal Bangash & Sons            | 2.000  | 1.645  | 0.0329 |
| 83 | Construction of PCC Link Road at Bagzai Borori   | M/S Tycon                         | 1.500  | 1.140  | 0.0228 |
| 84 | Construction of PCC Link Road at Makhizai  | M.Iqbal Bangash & Sons            | 1.500  | 1.243  | 0.0249 |
| 85 | Construction of PCC Link Road at Chapri  | M/S Tycon                         | 1.500  | 1.0069 | 0.0201 |
| 86 | Construction of PCC Link Road at Warsata   | Haji Muhammad Rafiq Ullah Khan    | 1.500  | 1.324  | 0.0265 |
| 87 | Link road at farooq bangash korona, mulo kali, hayat khan korona, asad bagh LK.        | Hakeem Khan & Sons                | 2.000  | 1.787  | 0.0357 |
| 88 | Construction of PCC Street with Drain at Baliskhail                                    | Sadiq Khan Chemkani               | 1.400  | 1.178  | 0.0236 |
| 89 | Construction of PCC Street with Drain at Gohar Colony syed Rahat Hussain Mian Korona   | Haider Zaman Construction Company | 1.800  | 1.175  | 0.0235 |

|              |   |                    |                |                |               |
|--------------|---|--------------------|----------------|----------------|---------------|
| 90           | Construction of Street pavement at imdad ullah palsin, dol ragha & zahir khan korona                                    | FB Construction    | 2.00           | 1.280          | 0.0256        |
| 91           | Construction of Street pavement at chota mandori, tawez khan korona, dildar nasitkote, sara jan korona                  | FB Construction    | 2.00           | 1.408          | 0.0282        |
| 92           | Construction of Street pavement at sadda afzal korona, islam khan korona palosin, sadda lal korona.                     | FB Construction    | 2.00           | 1.027          | 0.0205        |
| 93           | Construction of Street pavement at shasho naheed korona, bilal korona   | FB Construction    | 2.00           | 1.230          | 0.0246        |
| 94           | Construction of Street pavement at aziz korona, ayaz korona upper sateen, bilal muhallah, tindo danguwano kali          | M Iqbal Bangash    | 2.00           | 1.089          | 0.0218        |
| 95           | Construction of Street pavement at abdul khaliq korona, bushahra, iqbal korona, kaml hussain tangai, haji jabar arawali | M Iqbal Bangash    | 2.00           | 1.089          | 0.0218        |
| 96           | Construction of Street pavement at shah nawaz pirqayum, malak muhammad tahir , mandori.                                 | M Aslam Khan       | 2.00           | 1.089          | 0.0218        |
| 97           | Construction of Street pavement at saqalain,bilyamina, nasir khan upper sateen.   | Hakeem Khan & Sons | 2.00           | 1.821          | 0.0364        |
| 98           | Construction of Street pavement at khawajo murghan, abdul aziz kada, alisherzai etc.                                    | MS AR and Brothers | 2.00           | 1.663          | 0.0333        |
| <b>Total</b> |   |                    | <b>514.013</b> | <b>209.105</b> | <b>4.1821</b> |

**Annexure-19**  
**Para No.4.4.3.6**

**Detail of non-deduction of Income Tax out of MDGs Fund during FY 2014-16**

**(Amount in million)**

| S.No. | Period | Name of Scheme   | E/cost | Expenditure | Income Tax |
|-------|--------|--|--------|-------------|------------|
| 1     | 14-15  | Const: of Culvert at Perkho                                  | 2.5000 | 2.4860      | 0.17402    |
| 2     |        | Supply/Instt: Solar Energy                                   | 3.5000 | 3.4980      | 0.24486    |
| 3     |        | Const: of street NA-37                                       | 9.5000 | 9.4000      | 0.65800    |
| 4     |        | Foot Path Israr Shaheed School PCR                           | 0.5000 | 0.5000      | 0.03500    |
| 5     |        | DWSS Malikhel  | 0.5000 | 0.5000      | 0.03500    |
| 6     |        | Dug Well at Pewar Tangi                                      | 0.2500 | 0.2500      | 0.01750    |
| 7     |        | Dug well at Sorsorang  | 0.2500 | 0.2500      | 0.01750    |
| 8     |        | Const: of BT Road Shelozan Mir Ibrahim                       | 2.5000 | 2.5000      | 0.17500    |
| 9     |        | Const: of Shingle Road Malana Chapari                        | 0.5000 | 0.5000      | 0.03500    |
| 10    |        | Const: of Suspension Bridge Khurmana CK                      | 8.4000 | 8.4000      | 0.58800    |
| 11    |        | Const: of Suspension Bridge at Zara Mela CK                  | 5.6450 | 5.6450      | 0.39515    |
| 12    |        | Const: of Small Bridge Gundal CK                             | 5.8820 | 5.8820      | 0.41174    |
| 13    |        | Const: of Remaining work of Culvert Perkho                   | 3.0000 | 3.0000      | 0.21000    |
| 14    |        | Supply/Instt: Solar Energy                                   | 1.0000 | 0.9900      | 0.06930    |
| 15    |        | Const: of Community Center Upper/Lower Chardiwar             | 1.5000 | 1.5000      | 0.10500    |
| 16    |        | Const: of Street Payment/Culvert UK/LK                       | 2.0000 | 2.0000      | 0.14000    |
| 17    |        | DWSS/Water Tank at Tajak, Karakhela, Lalmai etc              | 2.9200 | 2.9200      | 0.20440    |
| 18    |        | Supply of sewing Machines in Kurram Agency                   | 1.5000 | 1.4950      | 0.10465    |
| 19    |        | Const: of open well at Toi Ghara.                            | 0.9250 | 0.9250      | 0.06475    |
| 20    |        | Supply/Installation of Hand pumps UK /LK                     | 1.0000 | 1.0000      | 0.07000    |
| 21    |        | Improvement/Renovation of Malana Rest House                  | 1.0000 | 1.0000      | 0.07000    |
| 22    |        | Const: street at Munda, Tanga, Mingak/Kotkai LK              | 1.0000 | 1.0000      | 0.07000    |
| 23    |        | Const: street at Hussain Ali Killi, Muzafaer Kot Dokano Kali | 1.0000 | 1.0000      | 0.07000    |
| 24    |        | Const: street at Alizai LK                                   | 1.0000 | 1.0000      | 0.07000    |
| 25    |        | Const: street at Kurram Militia Colony                       | 1.0000 | 1.0000      | 0.07000    |
| 26    |        | Const: street at Arghinja Kili                               | 0.5000 | 0.5000      | 0.03500    |
| 27    |        | Const: street at Jaalandri Riaz Killi                        | 0.5000 | 0.5000      | 0.03500    |
| 28    |        | Const: street at Dall  | 0.5000 | 0.5000      | 0.03500    |
| 29    |        | Const: street at Turi Market.                                | 0.5000 | 0.5000      | 0.03500    |
| 30    |        | Const: street at Ahmadzai.                                   | 0.5000 | 0.5000      | 0.03500    |
| 31    |        | Const: street at Malana                                      | 0.5000 | 0.5000      | 0.03500    |
| 32    |        | Const: street at Kirman Paraw /Wazir Kili.                   | 0.5000 | 0.5000      | 0.03500    |
| 33    |        | Const: street at Kirman Mamozai/Terwikot                     | 0.5000 | 0.5000      | 0.03500    |
| 34    |        | Const: street at Luqman Khel                                 | 0.5000 | 0.5000      | 0.03500    |
| 35    |        | Const: street at Burki                                       | 0.5000 | 0.5000      | 0.03500    |
| 36    |        | Const: street at Zeran Tola                                  | 0.5000 | 0.5000      | 0.03500    |
| 37    |        | Const: street at Christian colony                            | 0.5000 | 0.5000      | 0.03500    |
| 38    |        | Const: street at Shaalozan Larzar                            | 0.5000 | 0.5000      | 0.03500    |
| 39    |        | Const: street at Musakhel                                    | 0.5000 | 0.5000      | 0.03500    |

|    |         |  |              |                 |                 |
|----|---------|--|--------------|-----------------|-----------------|
| 40 |         | Const: street at Nastikot Dindar Kali  | 0.5000       | 0.5000          | 0.03500         |
| 41 |         | Const: street at Pirqayum LK   | 0.5000       | 0.5000          | 0.03500         |
| 42 |         | Const: street at Kharlachi Bangash   | 0.5000       | 0.5000          | 0.03500         |
| 43 |         | Const: street at Kharpochi   | 0.5000       | 0.5000          | 0.03500         |
| 44 |         | Const: street Drain at Inzari LK   | 0.5000       | 0.5000          | 0.03500         |
| 45 |         | Const: street at Abdullah Kali Mula Khel   | 0.5000       | 0.5000          | 0.03500         |
| 46 |         | Const: street at Shukar Khel   | 0.5000       | 0.5000          | 0.03500         |
| 47 |         | Const: street at Sidara Hamid Hussain.   | 0.5000       | 0.5000          | 0.03500         |
| 48 | 2015-16 | Pavement of Street   | 1.5000       | 1.5000          | 0.10500         |
| 49 |         | Shingle Road ( 0.5 Km)   | 0.5000       | 0.5000          | 0.03500         |
| 50 |         | Water Tanks (1 No) at Burki  | 0.5000       | 0.5000          | 0.03500         |
| 51 |         | Construction of Culvert at Luqman Khel UK  | 3.0000       | 2.9970          | 0.20979         |
| 52 |         | Const: of Foot Path at Parachinar City   | 2.0000       | 1.9760          | 0.13832         |
| 53 |         | Pavement of streets at village Malana (Tanga), Parachinar, Badama                                    | 2.5000       | 2.5000          | 0.17500         |
| 54 |         | Small Drinking Water Supply Schemes in Upper & Lower Kurram  | 2.0000       | 2.0000          | 0.14000         |
| 55 |         | Const: & Repair of water Tank for the community of Karakhela, Kachkina, Lalmai, Bughdia, and shingak | 3.4000       | 3.4000          | 0.23800         |
| 56 |         | Const: of shingle Road for the community of Bilyamin & Paladi China                                  | 1.5000       | 1.5000          | 0.10500         |
| 57 |         | Installation solar light for Turi Colony   | 0.5130       | 0.5130          | 0.03591         |
| 58 |         | Const: of OHT at village Shingak Nastikot  | 1.0000       | 1.0000          | 0.07000         |
| 59 |         | Solarization of Community centers of various villages of Upper & Lower Kurram                        | 4.0000       | 4.0000          | 0.28000         |
| 60 |         | Advertisement Charge   | 0.0870       | 0.0870          | 0.00609         |
| 61 |         | Rehabilitation of Arwaza to Mano Farm to Market road   | 11.0000      | 11.0000         | 0.77000         |
| 62 |         | Rehabilitation of Khumassa to Said Karam Farm to Market Road   | 4.0580       | 4.0580          | 0.28406         |
| 63 |         | Sewak Bridge Protection Work   | 1.5000       | 1.5000          | 0.10500         |
| 64 |         | Balance Work of Angori Sarak Khwar Bridge  | 3.4070       | 3.4070          | 0.23849         |
| 65 |         | Const: of Culvert at Akahail UK  | 3.0000       | 3.0000          | 0.21000         |
| 66 |         | Pavement of Street in NA-37 Upper Kurram   | 9.5000       | 9.5000          | 0.66500         |
| 67 |         | DWSS for the community of Stadium Colony   | 0.5000       | 0.5000          | 0.03500         |
| 68 |         | Dug Well (3 Nos)   | 1.8000       | 1.8000          | 0.12600         |
| 69 |         | Water Tank (4 Nos)   | 2.0000       | 1.9980          | 0.13986         |
| 70 |         | Shingle Road at Lewan Khel (1 Nos)   | 0.6090       | 0.6090          | 0.04263         |
| 71 |         | OHT (5 Nos)  | 2.5000       | 2.5000          | 0.17500         |
| 72 |         | Advertisement Charges  | 0.0910       | 0.0910          | 0.00637         |
| 73 |         | Pavt; of St/Drain at village Begen in NA-38 Lower Kuram  | 5.0000       | 5.0000          | 0.35000         |
| 74 |         | Earth Work of Gowder Road  | 9.2320       | 9.2320          | 0.64624         |
| 75 |         | Structure Work of Gowder Road  | 2.4860       | 2.4860          | 0.17402         |
| 76 |         | Gravity Based DWSS for village Korum CK  | 5.7730       | 5.7730          | 0.40411         |
|    |         |  | <b>Total</b> | <b>154.5680</b> | <b>10.81976</b> |