



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

AUDIT YEAR 2012-13

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AP	Advance Para
BOQ	Bill of Quantity
CTR	Central Treasury Rules
DAC	Departmental Accounts Committee
DCO	District Coordination Officer
DDC	District Development Committee
DDO	Deputy District Officer
DG	Director General
DHQ	District Headquarter
EDO	Executive District Officer
E&SE	Elementary & Secondary Education
F&P	Finance and Planning
GFR	General Financial Rules
GGHS	Government Girls High School
HMB	Hospital Management Board
PCPS	Pre Cast Parabolic Segments
PTC	Parents Teacher Council
PPP	Public Private Partnership
SRSP	Sarhad Rural Support Programme
ESR	Education Sector Reforms
PFC	Provincial Finance Commission
W&S	Works and Services

Preface

Articles 169 &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-115 of the Khyber Pakhtunkhwa Local Government Ordinance, 2001 (as amended) require the Auditor General of Pakistan to conduct audit of the receipts and expenditure of District Fund and Public Account of District Government.

The report is based on audit of the accounts of various offices of District Government, Mansehra for the financial year 2010-11 & 2011-12. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2012-13 on test check basis with a view to reporting significant findings to the relevant stakeholders.

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

The observations included in this report have been finalized in the light of written responses of the Departments and discussion in DAC meetings.

The Audit Report is submitted to the Governor of Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 115 of Local Government Ordinance, 2001 (as amended), for transmission to appropriate legislative forum.

Islamabad

Dated:

(Muhammad Akhtar Buland Rana)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Director General District Governments Audit, Khyber Pakhtunkhwa carries out the audit of 25 District Governments. Regional Directorate of Audit (RDA) Abbottabad, on behalf of the DG District Governments Audit, Khyber Pakhtunkhwa carries out the audit of five District Governments namely Abbottabad, Mansehra, Haripur, Battagram and Kohistan. This Regional Directorate has a human resource of 10 officers and staff, a total of 3030 man days. The annual budget amounted to Rs6.357 million. The office is mandated to conduct regularity (financial attest audit & compliance with authority audit) and performance audit of programs/ projects.

District Government, Mansehra conducts its operations under Khyber Pakhtunkhwa Local Government Ordinance, 2001 (as amended). It comprises one Principal Accounting Officer (PAOs) covering nine groups of offices i.e. Finance & Planning, Revenue, Communication & Works, Public Health Engineering, Municipal Services, Education, Health, Community Development and Agriculture. Financial provisions of the Ordinance describe the Government as District Local Fund and Public Account for which Annual Budget Statement is authorized by District Administrator in the form of budgetary grants.

Administratively, District Mansehra is subdivided into three tehsils namely Mansehra, Balakot and Oghi. District Administration comprises District Administrator and District Coordination Officer.

a. Audit Objectives

Audit was conducted to ensure that:

1. Moneys shown as expenditure in the accounts were authorized for the purpose for which they were spent.
2. Expenditure incurred was in conformity with the law, rules and regulations framed to regulate the procedure for expending public money.
3. Every item of expenditure was incurred with the approval of the competent authority in the Government for expending the public money.
4. Public money was not wasted.

5. The assessment, collection and allocation of revenue were done in accordance with the law and there was no leakage of revenue which legally should come to Government.

b. Audit Methodology

Audit was carried out against the standards of financial governance provided under various provisions of the Khyber Pakhtunkhwa LGO, 2001 as amended, GFR Vol-I, II, Delegation of Financial Powers and other relevant overriding laws, which govern the propriety of utilization of the financial resources of the District Government in accordance with the regularity framework provided by the relevant laws.

The selection of the audit formations i.e. DDOs was made keeping in view the significance and risk assessment, samples were selected after prioritizing risk areas by determining significance and risk associated with identified key controls. Sample size selected in the audited formations ranged between 15% to 30%.

c. Expenditure audited

Out of total expenditure of the District Government, Mansehra for the financial year 2011-12, auditable expenditure under the jurisdiction of RDA, Abbottabad was Rs4,160.515 million covering 01 PAO and 149 formations. Out of this RDA, Abbottabad audited an expenditure of Rs756.471 million which, in terms of percentage, is 18% of auditable expenditure. 05 formations were planned in Audit Plan and 100% achievement against the planned activities was made.

d. Receipts audited

The receipts of District Mansehra for the financial year 2011-12 were Rs4,200.115 million. Out of this, RDA Abbottabad audited receipts of Rs128.487million which, in terms of percentage, is 3.06 % of auditable receipts.

e. Recoveries at the instance of audit

Recovery of Rs368.697 million was reported during the audit. Recovery of Rs0.568 million was affected on pointation of audit. Out of the total recoveries, Rs12.859 million was not in the notice of the executive before audit.

f. Desk Audit

The audit year 2012-13 witnessed intensive application of desk audit techniques in RDA Abbottabad. This was facilitated through internet and review of permanent files which helped auditors in understanding the systems, procedures, environment and the audited entity before starting field activity. Desk Audit greatly facilitated the identification of high risk areas for substantive testing in the field.

g. Changes in Rules, Practice and Systems

At the instance of audit, the management of the District Government Mansehra agreed to conduct physical verification of the government assets. The management also agreed to deposit various government dues into government treasury. Audit stressed upon reconciliation of receipts and expenditure with the respective accounts office to which they agreed.

h. Key audit findings of the report:

- i. Internal control weaknesses / non-compliance were noted in twenty one cases amounting to Rs269.814 million. 1

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

¹1.2.1.1, 1.2.1.2, 1.2.1.3, 1.2.1.4, 1.2.1.5, 1.2.1.6, 1.2.1.7, 1.2.1.8, 1.2.1.9, 1.2.1.10, 1.2.1.11, 1.2.1.12, 1.2.1.13, 1.2.1.14, 1.2.1.15, 1.2.1.16, 1.2.1.17, 1.2.1.18, 1.2.1.19, 1.2.1.20, 1.2.1.21.

Recommendations

- i. Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- ii. Strenuous efforts need to be made by the departments to recover long outstanding dues on account of water charges.
- iii. Departments need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc to ensure that lapses of the kind reported in this audit report are preempted and fair value for money is obtained from public spending.
- iv. Deduction of taxes on supplies and contracts need to be ensured. .
- v. Lapsed deposits need to be timely credited into treasury.
- vi. Decisions taken in DAC meetings need to be implemented.

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

(Rs in million)

S.No	Description	No.	Budget
1.	Total Entities (PAO) in Audit Jurisdiction	01	8,360.63
2.	Total formations in audit jurisdiction	149	8,360.63
3.	Total Entities(PAO) Audited	01	884.958
4.	Total formations Audited	05	884.958
5.	Audit & Inspection Reports	05	-
6.	Special Audit Reports	-	-
7.	Performance Audit Reports	-	-
8.	Other Reports	-	-

Table 2: Audit observation Classified by Categories

(Rs in million)

S.No.	Description	Amount Placed under Audit Observation
1.	Unsound asset management	9.062
2.	Weak financial management	75.157
3.	Weak Internal controls relating to financial management	177.312
4.	Others	8.283
	Total	269.814

Table 3: Outcome Statistics**(Rs in million)**

S.No	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total Current year	Total last year
1.	Outlays Audited	5.599	212.346	128.487	538.526	884.958	1573.723
2.	Amount Placed under Audit Observation /Irregularities of Audit	9.062	150.045	58.738	51.969	269.814*	1169.041
3.	Recoveries Reported at the instance of Audit		362.489	-	6.208	368.697	76.515
4.	Recoveries Accepted /Established at the instance of Audit				21.896	21.896	26.330
5.	Recoveries Realized at the instance of Audit	-	0.048	-	0.519	0.568	-

***The amount placed under audit observation pertains to 2010-11 and 2011-12.**

Table 4: Table of Irregularities reported**(Rs in million)**

S. No	Description	Amount Placed under Audit Observation
1.	Violation of Rules and regulations, principle of propriety and probity in public operation	9.217
2.	Report cases of fraud, embezzlement, thefts and misuse of public resources.	-
3.	Accounting Errors (accounting policy departure from NAM1, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4.	Quantification of weakness of internal control systems.	177.312
5.	Recoveries and overpayment, representing cases of establishment overpayment or misappropriations of public monies	75.157
6.	Non production of record	-
7.	Others, including cases of accidents, negligence etc.	8.283
	Total	269.814

¹The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan which are IPSAS (Cash).

CHAPTER – 1

1.1 District Government Mansehra

1.1.1 Introduction

Activities of District Governments are managed through offices of District Coordination Officer and Executive District Officers under Khyber Pakhtunkhwa Local Government Ordinance 2001 (LGO 2001). District Offices are headed by Executive District Officers (EDOs). The EDO by means of a standing order distributes the work among the officers, branches, and/or sections of each district office. Following is the list of offices which manage the activities of District Government.

1. District Coordination Officer (DCO)
2. Executive District Officer (Agriculture)
3. Executive District Officer (Community Development)
4. Executive District Officer (Education)
5. Executive District Officer (Finance & Planning)
6. Executive District Officer (Health)
7. Executive District Officer (Revenue)
8. Executive District Officer (Communication & Works)
9. Executive District Officer (Industries)

Under Section 29(k) of Khyber Pakhtunkhwa LGO 2001, Executive District Officer (EDO) act as Departmental Accounting Officer for his respective group of offices and be responsible to the District Accounts Committee of the Zilla Council. All departments perform functions/activities under provisions of LGO, 2001 and Khyber Pakhtunkhwa District Government Rules of Business, 2001.

1.1.2. Brief comments on Budget and Expenditure 2011-12 (Variance analysis)

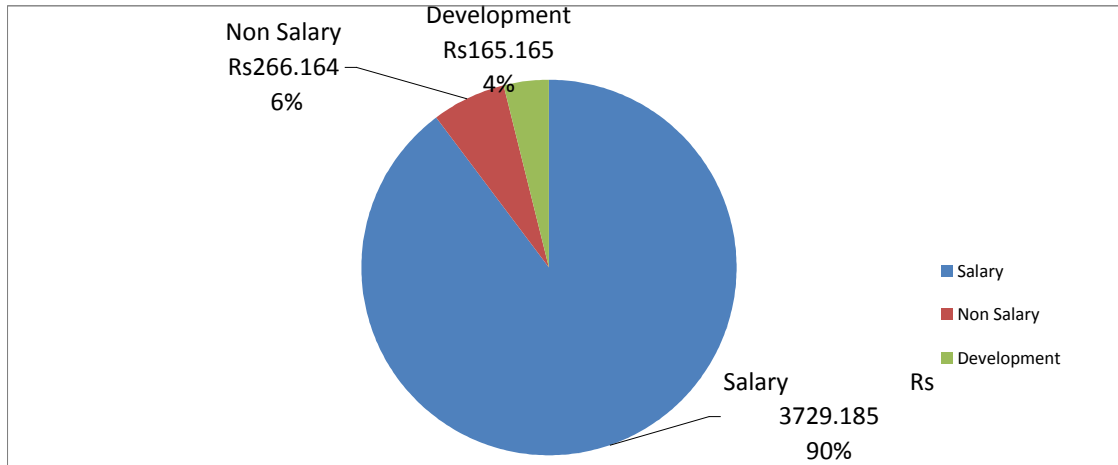
(Rs in million)

2011-12	Budget	Expenditure	Excess/ Saving
Salary	3,936.594	3,729.185	-207.409
Non-salary	370.503	266.165	-104.338
Developmental	324.190	165.165	-159.025
Total	4,631.287	4,160.515	-470.772

A budget of Rs4,631.287 million was allocated, against which an expenditure of Rs4,200.515 million was incurred by the District Government, Mansehra with a saving of Rs470.772 million during 2011-12.

Expenditure 2011-12

(Rs in million)



Detail is given at Annex-B

1.1.3 Comments on the status of Compliance with ZAC/PAC Directives

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

S No.	Audit Year	PAC/ZAC meeting convened / not convened
1.	2002-03	Not convened
2.	2003-04	Not convened
3.	2004-05	Not convened
4.	2005-06	Not convened
5.	2006-07	Not convened
6.	2007-08	Not convened
7.	2008-09	Not convened
8.	2009-10	Not convened
9.	2010-11	Not convened
10.	2011-12	Not convened

1.2 AUDIT PARAS

1.2.1 Irregularity and non compliance

1.2.1.1 Overpayment of extra advance increments to various teaching staff -Rs3.032 million.

According to Finance Department (Regulation Wing) KPK letter No. FD (SR-1)2-123/2010 Dated: 29-04-2010, advance increment on higher qualification is strictly held in abeyance.

Deputy District Officer (Male) Elementary & Secondary Education, Mansehra overpaid an amount of Rs3,032,445 on account of pay and allowances during the year 2010-11. Detail at Annex-D

Audit observed that overpayment of advance increment occurred due to non compliance of government rules, which resulted in loss to public exchequer.

When reported in April 2012, Management stated that the service record of the teachers is in checking process. If the amount in question was found illegal or overpaid, then the same would be recovered accordingly.

DAC in its meeting held on 15.11.2012, directed to recover the whole amount in question. No progress was intimated till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault and recovery under intimation to Audit.

AP 32 (2010-11)

1.2.1.2 Overpayment of pay and allowances -Rs4.730 million.

According to Finance Department (Regulation Wing) Khyber Pukhtunkhwa letter No. FD (SR-1)2-123/2010 Dated: 29-04-2010 advance increment on higher qualification is strictly held in abeyance.

District Officer (Male) Elementary & Secondary Education, Mansehra overpaid Rs4,729,882 to different teaching staff on account of pay and allowances during the year 2010-11 as per detail given at Annex-E.

Audit observed that overpayment of pay and allowances occurred due to non compliance of government rules, which resulted in loss to public expenditure.

When reported in April 2012, Management stated that advance increments were allowed as per court decision, which was later on held in abeyance vide above letter. The overpayment reported by the audit would be recovered before June, 2012.

DAC in its meeting held on 15.11.2012, directed to recover the whole amount in government treasury within 15 days. No progress was intimated till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault and recovery under intimation to Audit.

AP 48 (2010-11)

1.2.1.3 Non deduction of income tax & sales tax on purchase of equipments –Rs2.572 million

According to Income Tax Ordinance 2001 duly amended from time to time and Sales Tax Ordinance, income tax and sales tax should be deducted at prescribed rates on all types of supplies.

Executive District Officer (Health) Mansehra purchased machinery & equipments worth Rs12,546,840 during 2011-12. Income tax and sales tax amounting to Rs439,141 and Rs2,132,963 respectively was not deducted:

Name of supplier	Particulars	Amount (Rs)	I/Tax@3.5%	S/Tax@17%	Total (Rs)
M/S Surgiequips	OT Table , Suction Machine	280,500	9,818	47,685	57,503
M/S Zafar	Binocular Micro	450,000	15,750	76,500	92,250

	scope etc				
M/S Medco	Blood Bank etc	5,343,500	187,023	908,395	1095,418
M/S Paradise	Autoclave machine etc	3,454,740	120,916	587,306	708,222
M/S Paradise	Instrument tray etc	903,200	31,612	153,544	185,156
M/S Take care Int	Refrigerator	45,900	1,607	7,803	9,410
M/S Waseem	Dental X-Ray	195,000	6,825	33,150	39,975
M/S Sudais	X-Ray Cassette	182,000	6,370	30,940	37,310
M/S Zaman Medicines	Bed Sheets etc	308,000	10,780	52,360	63,140
M/S Glow Pak	Dental Unit	449,000	15,715	76,330	92,045
M/S Esas Tech	Incubator	935,000	32,725	158,950	191,675
Grand Total		12,546,840	439,141	2132,963	2,572,104

Audit observed that non deduction of taxes occurred due to weak financial control, which resulted in loss to Government.

When reported in July 2012, Management stated that payment has not yet been made and all taxes would be recovered before payment. Reply was not valid as the amount has already been drawn from public exchequer.

DAC in its meeting held on 30.11.2012, directed full recovery of amount. No progress was intimated till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault and recovery under intimation to Audit.

AP 08 (2011-12)

1.2.1.4 Non deduction of stamp duty -Rs.1.370 million

According to Government of Khyber Pakhtunkhwa Revenue and State Department No.10837-52/AS(S)/3/240-C/III Peshawar dated the, 01/06/2010, 2.5 % stamp duty to be deducted on purchases of store & stock with effect from 01-07-2011.

Executive District Officer Health Mansehra incurred expenditure of Rs29,911,840 on account of purchases of medicines and equipments during 2010-11. Stamp duty @ of 2.5 % amounting to Rs747,796 was not recovered from the suppliers.

S.No	Items Purchased	Amount (Rs)	Stamp Duty@ 2.5 rs%
1.	Medicines	11,300,000	282,500
2.	Equipments	12,546,840	313,671
3.	X-Ray Films	400,000	10,000
4.	Bedding & Clothing	170,000	4,250
5.	Chemicals	110,000	2,750
6.	Furniture	4,000,000	100,000
7.	Hot & Cold	500,000	12,500
8.	Stationery	305,000	7,625
9.	Others	580,000	14,500
Total		29,911,840	747,796

Similarly Medical Superintendent DHQ hospital Mansehra incurred expenditure of Rs24,905,715 on account of purchases various store items under the following heads during 2011-12. Stamp duty @ of 2.5 % amounting to Rs622,644 was not recovered from the suppliers as per detail given below.

S.No	Items Purchased	Amount (Rs)	Stamp Duty @ 2.5 %
1.	ACD bags	199,910	4,998
2.	OT items	799,984	20,000
3.	Bedding clothing	249,750	6,244
4.	Lab Chemicals	499,960	12,499
5.	Dressing Cotton	299,989	7,500
6.	Cost of medicines	11,424,955	285,624
7.	X-Ray films	2,000,000	50,000
8.	Vaccine & Sera	500,000	12,500
9.	Machinery	199,994	5,000
10.	Furniture	150,000	3,750
11.	Stationery	249,984	6,250
12.	Contingencies	399,999	10,000
13.	Medicines HMB	5,992,134	149,803
14.	Equipments HMB	1,939,056	48,476
Total		24,905,715	622,644

Audit observed that non recovery of stamp duty occurred due to weak financial control, which resulted in loss to Government.

When reported in July 2012, Management stated that the notification regarding deduction of stamp duty was not received. The reply was not cogent as ignorance of rule was not an excuse.

DAC in its meeting held on 30.11.2012, directed to recover stamp duty besides clarification from Finance Department/Revenue Department. No progress was intimated till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault and recovery under intimation to Audit.

AP 17 & 32 (2011-12)

1.2.1.5 Non implementation of PPHI contract –Rs39.128 million.

According to clause F, G-14 and 1-16 of agreement with PPHI dated 1st October 2011, PPHI will submitted periodical reports of funds utilization, progress reports and audited accounts to the District Government / EDO Health regarding utilization of Government funds.

EDO Health Mansehra transferred administrative control of 49 BHUs to PPHI and transferred Rs39,128,068 on account of Salary & Non Salary Budget during 2011-12. Following shortcomings were noticed in the implementation of agreement.

1. Financial reports required as agreement were not produced.
2. Salary budget of vacant posts amounting to Rs8,293,726 was transferred to PPHI whereas appointments were not made against the posts during 2011-12. The undisbursed amount was required to be surrendered back, which was not done.
3. Quarterly Progress Reports of achievements against targets were not produced.
4. Proper handing taking of buildings, stock & store and inventories were not carried out.
5. Expenditure statements were not produced.
6. Copy of audited accounts was not produced.
7. Excess / surrender of savings were not carried out by PPHI.

Audit observed that irregular transfer of funds occurred due to weak financial control, which resulted in loss to public exchequer.

When reported in July 2012, Management stated that agreement conditions were fixed by Provincial Government and SRSP, SRSP (PPHI) has got its own audit through third party for transparency of the system.

DAC in its meeting held on 30.11.2012, directed to produce quarterly and annual audited reports to audit. No progress was intimated till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault and investigation under intimation to Audit.

AP 18 (2011-12)

1.2.1.6 Irregular expenditure out of Hospital Management Board Fund –Rs12.841 million

According to Section 109 of Khyber Pukhtunkhwa Local Government Ordinance, 2001, the monies credited to a fund shall be expended by a local government in accordance with the annual/ supplementary budget approved by its council.

Medical Superintendent DHQ Hospital Mansehra incurred expenditure of Rs12,841,226 out of HMB fund under different head of accounts during 2011-12.

S.No	Head Of Accounts	Expenditure (Rs)
1.	Cost of misc articles	239,809
2.	Telephone bill	10,653
3.	Purchase of medicines	5,992,134
4.	Advertisement charges	25,000
5.	Withholding taxes	700
6.	POL	1,491,212
7.	Rent of warehouse	359,775
8.	Electricity	7,902
9.	Website	20,000
10.	Payment to management for HMB matters	300,000
11.	Purchase of vehicle	1,920,075

12.	Staff uniform	217,010
13.	Shifting of generator	18,200
14.	Purchase of equipments	1,939,056
15.	Repair of vehicles	299,700
Total		12,841,226

Expenditure was incurred without approved budget. Bills were not presented for pre-audit at any forum. Moreover, Rs24,428,401 were allocated and expenditure incurred from District Account – IV & PFC award under aforementioned heads of accounts. Hence, duplication of expenditure could not be ruled out.

Audit observed that irregular expenditure out of HMB occurred due to weak internal control, which resulted in loss to public exchequer.

When reported in July 2012, Management stated that bills are passed according to procedure laid down in HMB contract. No duplication occurred. Reply was not valid as Government orders were not observed.

DAC in its meeting held on 30.11.2012, directed to take up the case with Accountant General as per HMB agreement. No progress was intimated till finalization of this Report.

Audit recommends recoupment of the expended amount and fixing responsibility on person(s) at fault.

AP 43 (2011-12)

1.2.1.7 Irregular purchase of vehicles – Rs1.920 million

According to Para III of Government of Khyber Pakhtunkhwa Finance Department Notification No. F-7(1)Exp.IV/2011 dated. 18-03-2011, there will be total ban on purchase of all types of vehicles.

Medical Superintendent DHQ Hospital Mansehra purchased vehicles amounting to Rs1,920,074 out of Hospital Management Fund without obtaining relaxation of ban from Provincial Government during 2011-12. Moreover, there were 04 vehicles in excess of the requirements as per detail given below.

Type of vehicle	Possession
Suzuki Bolan Van	Staff Car
Suzuki Jimny Jeep	EDO Health
Path Finder Nissan Jeep	DCO Mansehra
-DO-	DCO Mansehra

Moreover, Medical Superintendent was not authorized for designated official vehicle without relaxing ban and in excess of official requirements resulted I loss to government.

Audit observed that irregular purchase of vehicles occurred due to weak financial control, which resulted in loss to public exchequer.

When reported in July 2012, Management stated that Pathfinders were out of order and were taken over by District Government. Bolan Van and Jimny Jeeps were under possession of EDO Health and not handed over the hospital.

DAC in its meeting held on 30.11.2012, directed to regularize the matter from the competent authority under intimation to audit. No progress was intimated till finalization of this Report.

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

AP 31 (2011-12)

1.2.1.8 Non deduction of income tax on developmental schemes – Rs1.873 million

According to Income Tax Ordinance 2001, duly ammended from time to time 6% income tax should be deducted on all type of contracts.

District Coordination Officer, Mansehra paid Rs31,210,000 to various contractors on account of various Developmental Schemes during 2011-12. Income tax @6% amounting Rs1,872,600 was not deducted from the suppliers bills as per detail given at Annex-F.

Audit observed that non deduction of income tax occurred due to weak financial control, which resulted in loss to public exchequer.

When reported in August 2012, Management stated that the schemes were on going and income tax would be deducted.

DAC in its meeting held on 30.11.2012, directed to recover the amount with in month. No progress was intimated till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault and recovery under intimation to Audit.

AP 55 (2011-12)

1.2.1.9 Loss to Government due to non recovery of water user charges -Rs32.766 million

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

Executive Engineer PHE Division Mansehra did not recover water charges amounting to Rs32,765,604 during 2011-12. Receipts on account of water charges for the month of June 2012 were Nil. No action was taken to expedite recovery of water charges, which resulted in loss to Government.

Audit observed that non recovery of water user charges occurred due to weak internal control, which resulted in loss to government.

When reported in August 2012, Management stated that a sum a of Rs3,344,393 has been recovered on account of water charges whereas recovery for June 2012 Rs1,100,549 has been reflected in account for July, 2012. No documentary proof of recovery was provided.

Request for the convening of DAC meeting was made on 20.08.2012. DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault and recovery under intimation to Audit.

AP 02 (2011-12) A/C-I

1.2.1.10 Unauthorized retention of Government receipts –Rs3.489 million

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

Executive Engineer PHE Division Mansehra credited Rs1,807,571 to Deposit-V during 2011-12. The amount was deducted from contractors on account of Income Tax, Sales Tax and 0.80% Self Help Share as saving in the schemes.

Similarly Rs1,681,992 were shown as balance in deposit-III after completion of deposit works. The amount was required to be credited into Government Treasury which was not done. Detail at Annex-C.

Audit observed that non recovery of deposits occurred due to weak financial control, which resulted in loss to government.

When reported in August 2012, Management stated that the statement would be scrutinized and amount would be credited into respective head of account

Request for the convening of DAC meeting was made on 20.08.2012. DAC meeting was not convened till finalization of this Report.

Audit recommends credit of amount into government treasury and fixing responsibility on person(s) at fault.

AP 03 (2011-12) A/C-I

1.2.1.11 Non deposit of unclaimed/unutilized deposits -Rs53.684 million

Para 399 (iii) of CPWA Code provides that balances un claimed for more than three completed years should be credited as lapsed deposits.

PW Deposit-II & III record of Executive Engineer Communication and Works, Mansehra showed an amount of Rs53,684,000 which was lying unclaimed/ unutilized during 2011-12 for more than three years as per detailed given below. The local office was required to credit the subject amount into Government treasury which was not done.

S.No	Descriptions	Amount (Rs)	Period of retention
1.	Deposit II	50,854,000	01/1987 to 06/2009
2.	Deposit III	2,830,000	11/2000 to 06/2009
Total		53,684,000	

Audit observed that non deposit of unutilized deposits into Government Treasury occurred due to weak financial control, which resulted in loss to government.

When reported in November 2012, Management stated that detail reply would be communicated after consultation of official record. Neither reply was furnished nor amount deposited into government treasury.

Request for the convening of DAC meeting was made on 19.11.2012. DAC meeting was not convened till finalization of this Report.

Audit recommends credit of amount into government treasury and fixing responsibility on person(s) at fault.

AP 16 (2011-12) A/C-I

1.2.1.12 Non-imposing of penalty due to delay in completion of works - Rs29.762 million

Clause 20 of the contract agreement requires that 10% penalty shall be imposed on late completion of works by the contractor.

During scrutiny of Accounts record of the Executive Engineer Communication and Works, Mansehra, it was noticed that various contractors did not complete their works within the stipulated period and they were paid full amount during 2011-12. 10% penalty on late completion of works was not deducted, which resulted in loss to Government.

Audit observed that non recovery of penalty occurred due to weak financial control, which resulted in loss to government.

When reported in November 2012, Management stated that detail reply would be communicated after consultation of official record. No reply was furnished till finalization of this Report.

Request for the convening of DAC meeting was made on 19.11.2012. DAC meeting was not convened till finalization of this Report.

Audit recommends credit of amount into government treasury and fixing responsibility on person(s) at fault.

AP 18 (2011-12) A/C-I

1.2.1.13 Non deposit of dues into Government treasury -Rs2.609 million

Para 26 of GFR Vol-I requires 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.

PW Deposit-V of Executive Engineer Communication and Works, Mansehra showed that an amount of Rs2,609,000 was lying unclaimed during 2011-12 since 2006 as per detailed given below.

S. No.	Item No.	Period	Particulars	Amount in (Rs)
1.	8/12	12/2006	Received from DOR on account of transfer of funds for hiring of excavator for removal of site around the houses due to flood in kunhar river at Gul Dheri.	135,000
2.	9/13	07/2007	Recovery of Govt. dues from sadiq saleem as share (AP 375/1999-2000.	10,880
3.	10/14	04/2008	Received from DCO Mansehra vide cheque No. 886738 dt: 29.392008 on account of Misc: expenditure during president of Pakistan visit to Bakrial city District Mansehra.	55,908
4.	12/18	03/2011	Received 16% GST from SDO,s Building & Road-II for work AOM&R 2010-11.	326,411
5.	13	10/2011	Received from M/S Fazal Wali Govt. Contractor for work "Esttb: of 200 Pry: School GGPS Seri Malwal (De-escalation) amount.	19,328
6.	14	06/2012	Recovery of Over Payment form M/S S. Azam Shah & Co.	1,161,833
7.	15	06/2012	Recovery of Over payment from M/S S. Azam Shah & Co. TEO No. 1.	900,000
Total				2,609,360

Audit observed that non deposit of unclaimed deposits into Government Treasury occurred due to weak financial control, which resulted in loss to government.

When reported in November 2012, Management stated that detail reply would be communicated after consultation of official record. Neither reply was furnished nor amount deposited into Government Treasury.

Request for the convening of DAC meeting was made on 19.11.2012. DAC meeting was not convened till finalization of this Report.

Audit recommends credit of amount into Government Treasury and fixing responsibility on person(s) at fault.

AP 24 (2011-12) A/C-I

1.2.1.14 Overpayment due to allowing higher rates –Rs1.061 million

Government of Khyber Pukhtunkhwa Finance Department Peshawar notification regarding CSR provides that all the works Department shall follow the CSR 1999, 2008 & 2009 for preparation of PC-I and execution of work in the Province.

Executive Engineer Communication and Works, Mansehra overpaid Rs535,599 on account of allowing higher premium to a contractor in the scheme “Rehabilitation of Naran to Saiful Malook Road (8.55 Kms) vide voucher No. 50-B dt: 21-06-2012 (Ist R/B) during the year 2011-12.

Work Executed (Rs)	28% Premium Paid (Rs)	20% Premium Admissible (Rs)	Over Payment (Rs)
6,694,982 (8,141,044 – 1,446,062) NSI	1,874,595 (6,694,982 x 28%)	1,338,996 (6,694,982 x 20%)	535,599

Similarly Executive Engineer Communication and Works Mansehra overpaid Rs569,007 on account of allowing higher rates during 2011-12 as per detail given in Annex-G.

Audit observed that overpayment of rates occurred due to weak financial control, which resulted in loss to government.

When reported in November 2012, Management stated that detail reply would be communicated after consultation of official record. No reply was furnished till finalization of this Report.

Request for the convening DAC meeting was made on 19.11.2012. DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault and recovery under intimation to Audit.

AP 30 & 31 (2011-12) A/C-I

1.2.2.15 Irregular Expenditure without Technical Sanction –Rs41.168 million

According to Para 56 of CPWD-Code and Para 178(iii) of GFR Vol-I. No work should be commenced without Technical Sanction.

According to Para I of General Instructions issued vide Govt of NWFP Works & Services Department No. SO(PAC)DAC/48-2008/DERA/W&SD dated 10-3-2008, Technical Sanction should be obtained prior to commencement of the works as per rules. In future if the TS is not obtained prior to commencement of scheme then disciplinary action will be initiated against the responsible officer

Executive Engineer PHE Division Mansehra incurred expenditure of Rs41,167,960 on various works which were not technically sanctioned by the competent authority during 2011-12 as per detail given below:

Vr No & Date	Name of contractor	Name of Scheme	Amount
20/M 25-06-2012	Aurangzeb & Sons	WSS Jallu Shahila	26,487,838
2/M 07-06-2012	Syed Iqbal Hussain Shah	WSS Haddu Bandi Sufaida	14,680,122
		Total	41,167,960

Audit observed that irregular expenditure was incurred due to weak managerial control, which resulted in violation of rule and Government instructions.

When reported in August 2012, Management stated that TS of referred schemes has been got accorded by the competent authority. Reply was not tenable the schemes were completed in June 2012.

Request for the convening of DAC meeting was made on 20.08.2012. DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault and investigation of the matter under intimation to Audit.

AP 01 (2011-12) A/C-I

1.2.1.16 Overpayment of Pay and Allowances –Rs11.17 million

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

While going through the service books of different teaching and non teaching staff in the office of Deputy District Officer (Male) Primary Education, Mansehra various overpayments of pay and allowances aggregating to Rs7,912,587 were noticed during the year 2010-11 as per detail given below:-

S.No	Name of Circle	Amount in Rs.
1.	Mansehra Circle	574,042
2.	Phulra Circle	929,148
3.	Kaghan Circle.	970,925
4.	Battal Circle.	751,134
5.	Ballakot Circle.	564,604
6.	Dhodial Circle.	1,417,005
7.	Baffa Circle.	658,155
8.	Shegarh Circle.	1,170,456
9.	Oghi Circle.	877,118
	Total	7,912,587

Similarly Deputy District Officer (Female) Primary Education, Mansehra also allowed various overpayments of pay and allowances aggregating to Rs3,257,461 during 2010-11 as per detail given below:-

S.No	Name of Circle	Amount in (Rs)
1.	Mansehra Circle	286,260
2.	Phulra Circle	759,890
3.	Kaghan Circle.	248,962
4.	Battal Circle.	398,028
5.	Ballakot Circle.	201,643
6.	Dhodial Circle.	100,149
7.	Baffa Circle.	138,415
8.	Shegarh Circle.	624,116
9.	Oghi Circle.	500,000
	Total	3,257,461

Audit observed overpayment of pay and allowances occurred due to non compliance of government rules, which resulted in loss to public exchequer.

When reported in April 2012, Management stated that the overpayment as pointed out by the audit is in progress which would be shown at time of next audit.

DAC in its meeting held on 15.11.2012, directed to recover the whole amount within 15 days. No progress was intimated till finalization of this Report.

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

AP 34 & 36 (2010-11)

1.2.1.17 Doubtful / Uneconomic purchase of Computers -Rs7.142 million

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

Executive District Officer Elementary & Secondary Education, Mansehra purchased 124 No computers aggregating Rs7,142,400 for different schools out of A/C-IV and ESR programme during 2010-11.

The following audit observations were noticed:

1. No IT expert was consulted in the whole process of procurement of computers and other IT articles which is an essential part of technical purchase.
2. Computers were uneconomically purchased @ Rs57,600 per piece with all accessories, which were very high as compared to the open market rate.
3. According to the quotations taken from the open market by the audit team it was noticed that these computers could be purchased @ Rs12,784 per piece with the same specifications and accessories. (124x12,784=1,585,216)
4. No guarantee/warranty and after sale service was found given by the supplier on record.

5. Moreover, regular complaints are also coming from the field regarding disorders of various computers.

Audit observed uneconomic purchase of computers due to weak internal control and non compliance of government rules, which resulted in loss to Government.

When reported in April 2012, Management stated that proper IT expert was consulted and all the purchases were made as per approved rates of DPC. Reply was not cogent as there was no proper IT expert consulted but only computer operators were consulted.

DAC in its meeting held on 15.11.2012, directed to conduct inspection of the computers from the IT experts and justification regarding rates of the computers within 07 days. No progress was intimated till finalization of this Report.

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

AP52 (2010-11)

1.2.1.18 Loss to Government due to non collection of rent/tax from Petrol Pumps, Services Stations -Rs1.225 million

Government of Khyber Pukhtunkhwa Communication and Work Department Notification No. SOR/1146-99/C&WD/Tolls, dated 03.08.1999 provides that Rent, Installation fee etc shall be collected from petrol pumps, services stations owners at approved rates.

Executive Engineer Communication and Works, Mansehra did not collect rent charges, installation fee etc from 29 Petrol Pumps and 13 Services Stations and CNG Stations located on the approach roads of Mansehra during 2011-12, which resulted in loss of Rs 1,225,000 to Government as per detail given below:

Installation Fee Petrol Pumps	Rs25000 x 29 Petrol Pumps = 725000
Rent Per Annum Petrol Pumps	Rs15000 x 29 Petrol Pumps = 435000
Service station rent per Annum	Rs5000 x 13 Per Service station = 65000
Total	Rs1,225,000

Audit observed that non recovery of rent/tax occurred due to weak financial control, which resulted in loss to government.

When reported in November 2012, Management stated that detail reply would be communicated after consultation of official record. No reply was furnished till finalization of this Report.

Request for the convening of DAC meeting was made on 19.11.2012. DAC meeting was not held till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault and recovery under intimation to Audit.

AP 25 (2011-12) A/C-I

1.2.1.19 Unauthorized expenditure on account of AOM&R -Rs4.203 million

According to GFR 289 provides that all charges actually incurred must be paid and draw at once and under no circumstances be allowed to be paid from the grant of another financial year.

According to Delegation of Powers and Power of re-appropriation Rules S.No. 21.1 (d) note (a) requires that repair work shall be approved by the District Government and S. No. 21.1 (d) note (c) requires that no work shall be executed an anticipation of fund.

Executive Engineer Communication and works Division, Mansehra incurred an expenditure of Rs. 4.203 million as per detail given below on account of AOM&R work “Opening of earthquake affected roads in District Mansehra” during 2011-12.

S. No.	Vr: No.	Date	G. Amount	Period	Description	Payee's
1.	2-MA	24.3.12	248,828	13-15/5/2008	Ghanool Pattian Raod	M/S Sarwar Gull
2.	3-MA	24.3.12	516,968	23-28/3/2008	Mathan Mohri	
3.	4-MA	24.3.12	595,454	20-24/5/2008	Naran Siful Malook	
4.	5-MA	24.3.12	593,465	11-15/3/2008	Lass patian Road.	
5.	6-MA	24.3.12	262,981	3-10/5/2008	Shangrian paris Road.	

6.	7-MA	24.3.12	590,009	7-12/3/2008	Satbani to Banda Road.
7.	8-MA	24.3.12	251,680	19-10/5/2008	Bhoonja Road.
8.	9-MA	24.3.12	507,734	4-10/4/2008	Sanjora Road.
9.	10-MA	24.3.12	390,032	4-28/4/2008	MNJ to Sandu Raod.
10.	11-MA	24.3.12	246,206	15-20/3/2008	Paris Baila Saehabn Rad.
Total			4,203,357		

Audit has the following observations.

- i- Cost of Repair work pertaining to financial year 2007-08 was drawn during 2011-12 un-authorizedly after a lapse of 4 year violating above rules and orders.
- ii- Repair work was not approved by the District Govt. as required vide S. No. 21.1 (d) note (a).
- iii- Sanction for AOM&R work was valid up to 30.6.2008.
- iv- Repair work at S. No. 2, 3, 4, 6 & 8 above was incurred beyond the Powers.

Audit observed unauthorized execution schemes due to weak financial control, which resulted in loss to government.

When reported in November 2011, Management stated that detail reply would be furnished after scrutiny of record. No reply was furnished till finalization of this Report.

DAC in its meeting held on 15.11.2012, directed to produce the complete record pertaining to the year 2007-08 within 15 days. No progress was intimated till finalization of this Report.

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

AP 57 (2011-12)

1.2.1.20 Unauthorized expenditure on account of AOM&R -Rs2.601 million

According to GFR 289 provides that all charges actually incurred must be paid and draw at once and under no circumstances be allowed to be paid from the grant of another financial year.

Executive Engineer Communication and works Division, Mansehra incurred expenditure amounting to Rs2,601,176 as per detail given below on account of AOM&R work “Opening of earthquake affected roads in District Mansehra” during 2011-12.

S.No.	Vr: No.	Date	Amount (Rs)	Period	Description	Payee's
1.	18-MA	24.3.12	249,731	17-9/4/2006	Hassa Nakot Raod	M/S Haji Abdul Rauf
2.	19-MA	24.3.12	104,348	26-28/4/2006	Sinley Mohri Raod.	
3.	20-MA	24.3.12	146,735	30/4/2006 to 5/5/2006	Khan Gari Bajmori Road.	
4.	17-MA	24.3.12	138,676	21-23/4/2006	Khabla to Serian Road.	
5.	16-MA	24.3.12	270,515	18-20/4/2006	Paprang Thanwan Road.	
6.	15-MA	24.3.12	1,255,689	1-15/5/2006	Khaith Serath Jabbar Baggar.	
7.	14-MA	24.3.12	198,522	28-30/4/2006	Shogran Paprang.	
8.	13-MA	24.3.12	101,688	30/4/2006 to 8/5/2006	Kot Gali Road.	
9.	12-MA	24.3.12	135,272	30/4/2006 to 6/5/2006	Baila Paprang.	
Total			2,601,176			

Audit has the following observations.

1. Repair work cost pertaining to financial year 2005-06 was drawn during year 2011-12 after a lapse of six years. Violating above rules & orders and with-out obtaining investigation sanction of the Finance Department.
2. Sanction for AOM&R work was not valid after 30/06/2006.
3. Repair work at S. No. 6 above was incurred beyond the power.

Audit observed unauthorized execution schemes due to weak financial control, which resulted in loss to government.

When reported in November 2011, Management stated that detail reply would be furnished after scrutiny of record. No reply was furnished till finalization of this Report.

DAC in its meeting held on 15.11.2012, directed to produce the complete record pertaining to the year 2005-06 within 15 days. No progress was intimated till finalization of this Report.

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

AP 58 (2011-12)

1.2.1.21 Irregular expenditure on account of repair of residential buildings-Rs1.479 million

According to Delegation of Powers and Power of re-appropriation Rules According to S. No. 21.1 (d) note (a) requires that repair work should be approved by the District Govt.

S. No. 21.1 (4) provides that the Deputy Director W&S was empowered to incur expenditure up to Rs. 10000 in case of each building.

Executive Engineer Communication and works Division, Mansehra incurred expenditure amounting to Rs1,478,791 on account of Residential buildings during 2011-12 as per detail given in Annex-H.

Audit observed that: -

- 1- Repair work was carried without approval of the Government violating S. No. 21.1 (c) (a) of the Delegation of Powers and power of re-appropriation rules 2001.
- 2- Deputy Director W&S Mansehra was empowered to incur expenditure up to Rs. 10,000 in case of each building (S. No. 21.1 (c) (4) but contrary to that above expenditure was incurred beyond the competency.
- 3- Requisitions of the occupants was also not obtained / available on record as required vide paragraph 2.20 (a) of B&R code.
- 4- MB No. & pages No. was not recorded on Vr.: No. 53-MA at S. No. 21 above. Hence the authority of the expenditure incurred could not be confirmed.

Audit observed unauthorized execution AOM&R works due to weak financial control, which resulted in loss to government.

When reported in November 2011, Management stated that detail reply would be furnished after scrutiny of record. No reply was furnished till finalization of this Report.

DAC in its meeting held on 15.11.2012, directed to produce the complete record within 15 days. No progress was intimated till finalization of this Report.

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

AP 60 (2011-12)

ANNEXURE

Annexure-A

Detail of MFDAC Paras

S No.	AP No	Department	Caption	Amount (Rs)	Nature of Observation
1.	31.	EDO Finance Planning	Blockage of government funds.	15,558,000	Weak internal control
2.	33.	DDO (F) E&SE	Suspected Ghost Schools.	-	-DO-
3.	38.	DO (F) E&SE	Irregular transfer of PTC funds.	610,000	-DO-
4.	40.	-DO-	Overpayment of pay and allowances	1,842,000	Overpayment
5.	41.	-DO-	Overpayment of pay and allowances	652,000	-DO-
6.	44.	EDO/DO Agriculture	Huge loss to government.	-	Weak internal control
7.	50.	EDO E&S Education	Irregular auction process beyond competency.	6,785,000	-DO-
8.	54.	-DO-	Overpayment of pay and allowances	2,232,000	Overpayment
9.	37.	-DO-	Irregular expenditure out of Shaheen Fund	146,000	Weak internal control
10.	42.	-DO-	Non realization of Girls Guide Fund.	67,000	-DO-
11.	47.	-DO-	Non recovery of Income Tax.	217,000	Overpayment
12.	53.	-DO-	Irregular expenditure out of Scout Fund.	160,000	Weak internal control
13.	59.	DO Water Management	Overpayment due to allowing higher rates.	342,000	Overpayment
14.	39.	EDO E&S Education	Non recovery of Sales Tax.	98,000	Overpayment
15.	04.	EDO Health	Unauthorized payment of Conveyance allowance.	86,000	Weak internal control
16.	21.	-DO-	Unauthorized payment of House Rent allowance.	408,000	-DO-
17.	23.	MS DHQ	Unauthorized payment of share out of Hospital fund	863,000	-DO-
18.	42.	-DO-	Non deduction of Sales Tax.	244,000	-DO-
19.	45.	-DO-	Overpayment on account of Welding Charges.	526,000	Overpayment
20.	11.	-DO-	Non recovery of penalty.	93,000	-DO-
21.	12.	-DO-	Loss due to payment of damaged stabilizer.	720,000	-DO-
22.	27.	XEN C&W	Non deposit of receipt of Oghi rest house.	956,000	Weak internal control
23.	01	EDO (Health)	Misappropriation on account of diet charges	351,000	Misappropriation
24.	05	-DO-	Irregular payment on account of leave salary	522,000	Weak internal control
25.	06	-DO-	Fraudulent drawl on account of TA/DA	42,000	-DO-
26.	07	-DO-	Overpayment on account of pay and allowances	30,000	Overpayment
27.	13	-DO-	Unauthorized payment of salaries to absent staff	252,000	Weak internal control

28	15	-DO-	Non supply of medicines	828,000	-DO-
29	16	-DO-	Loss to government due to supply of substandard medicines.	168,000	-DO-
30	18	-DO-	Non implementation of PPHI contract.	39,128,000	-DO-
31	19	-DO-	Unauthorized share out of laboratory and X-Ray	107,000	Violation of Rules
32	20	-DO-	Non production of audit able record.	-	-DO-
33	22	-DO-	Excess transfer of funds to PPHI	3,513,000	-DO-
34	25	MS DHQ Hospital	Irregular payment out of hospital receipt.	300,000	Weak internal control
35	28	-DO-	Unauthorized expenditure on repair of vehicle	300,000	-DO-
36	29	-DO-	Loss to government due to expiry of medicines.	-	-DO-
37	31	-DO-	Irregular purchase of vehicles	1,920,000	-DO-
38	33	-DO-	Delay in supply of medicines.	5,000	-DO-
39	35	-DO-	Loss to government due to non receipt of OT fee	930,000	Violation of Rules
40	37	-DO-	Loss to government due to non auction of unserviceable equipments.	-	-DO-
41	49	District Coordination Officer	Non deduction of stamp duty.	117,000	-DO-
42	52	-Do-	Wasteful expenditure on account of water supply scheme.	900,000	-DO-
43	53	-Do-	Fraudulent drawl on account of material brought to site.	19,000	-DO-
44	54	-Do-	Overpayment due to allowing higher rates.	154,000	Overpayment
45	57	XEN C & W	Unauthorized expenditure	4,203,000	Violation of Rules
46	58	-Do-	Unauthorized expenditure	2,601,000	-DO-
47	60	-Do-	Irregular expenditure	1,479,000	Violation of Rules
48	62	-Do-	Fictitious drawl of AOM&R works.	428,000	-DO-
49.	33	-Do-	Non deposit of receipt of auction cost of debris	445,000	Weak internal control

**EDO Wise Expenditure Summary
District Mansehra 2011-12**

Name of Office	Salary (Rs)	Non-Salary (Rs)	Total Expenditure (Rs)	% age
DCO	42,085,963	15,862,376	57,948,339	
EDO (Finance & planning)	10,843,401	5,803,457	16,646,858	
EDO (Revenue & Estate)	46,022,927	2,219,566	48,242,493	
EDO (Education)	3,000,909,725	56,504,311	3,057,414,036	
EDO (Health)	400,812,261	85,364,121	486,176,382	
EDO Works	131,363,448	80,982,532	212,345,980	
EDO Industries	1,412,959	264,655	1,677,614	
EDO (Agriculture)	80,051,193	16,375,768	96,426,961	
EDO (Community Development)	15,683,463	2,787,352	18,470,815	
Sub Total	3,729,185,340	266,164,138	3,995,349,478	
	90%	6%		96%
Developmental			165,165,493	4%
Total	3,729,185,340	266,164,138	4,160,514,971	100%

Detail of unauthorized retention in Deposits

Deposit III

Item No	Particulars	Amount (Rs)
1/1	Received from DCO Mansehra on a/c of Release of funds WSS Mubrak Abad Susal.	1,472
2/2	Rec: from DCO Manseh: on A/C of Release of funds for TPP WSS Barooti & Jamia Masque Trappi.	22,414
3/3	Received from DCO Mansehra on A/C of Release of funds for following scheme in Kala Dhaka.	255,188
5/5	Received from Secretary Relief NWFP Peshawar through DCO Mansehra on A/C of Release of funds for Reh: of E/Q damaged WSS Balakot (Narha/ Bilyani/ Girlot Portions).	178,154
6/6	Received from Accounts Officer Barani Area Dev: Project Mansehra on A/C of Release of funds for WSS Narbeer	2,690
7/7	Received from Accounts Officer DCO Mansehra on A/C of Release of funds under KPP-I during 2007-08 (Fozia Fakhar Zaman Senator).	23,887
8/8	Received from Accounts Officer DCO Mansehra on A/C of Release of funds under KPP-II during 2007-08 (Sardar Shah Jehan Yousaf MNA)).	436,670
9/9	Received from DCO Mansehra on A/C of Release of funds for TSP 2008-09 (Mufti Kafaitullah MPA).	597,552
10/10	Received from Deputy Director EQAA Works PERRA Mansehra on A/C of Release of funds for WSS dheri Maira Batsangra Road).	2,906
11/12	Received from Accounts Officer DAO Mansehra on A/C of Release of funds for various development works (Fozia Fakhar Zaman Senator). Rs2099515/- (PWP)2008-09	6,175
12/13	Received from Accounts Officer DAO Mansehra on A/C of Release of funds for Tameer-e-Sarhad programme (TSP 2009-10). Mufti Kafaitullah MPA.	23,964
13/14	Received from various contractors on account of bidding documents fee from different works of Reh: of E/Q damaged in District Mansehra.	122,000
14/16	Received from DCO Mansehra on a/c of PWP-II 2009-2010 proposed by Mufti	8,920
	Total Deposit -III	1,681,992

Deposit V

Item No	Particulars	Amount (Rs)
10/11	Received from Mr. Sakhi Sultan Govt: Contractor on A/C of testing charges for WSS Phagal.	100,000
11/12	Received from I.I.L Ltd Karachi on A/C of stamp duty for supply of G.I Pipes.	18,750
12/13	Received from Jamal Tube Mills LTD Lahore on A/C of stamp duty for supply of G.I Pipes.	18,750
13/15	Received from Mr. Muhammad Afzal Project Leader on a/c of 8% misc:	4,000

	charges of deve: scheme in U/C Shaukat Abad.	
14/16	Received from Syed Ghufan Shah & Sons Govt:Contractor on A/C of 0.50% fine on time extension of WSS Trappi.	22,500
15/17	Received from various Contractor on A/C of 6% income tax from various WSS.Mansehra/Balakot.	14,190
17/19	Received from various Contractor on A/C of 6% income tax from various WSS.Mansehra/Oghi.	14,400
20/22	Received from various Contractor on A/C of 6% income tax / 0.80 Misc: from various WSS.Man/Balakot/Oghi.	22,400
23/25	Received from Mr. Javeed Aman Govt: Contractor on a/c of 2 % Fine for the WSS Jaumia Masque Trappi	4,640
30/40	Received from various Project leader on a/c of 0.80 % Misc Charges.	8,000
31/42	Received from international industries pvt Ltd karachi on a/c of less deduction of income tax and Rec:from Tahir khatana Govt: contractor WSS uperr channi.(KPP-II)	45,087
32/43	Received from Muhammad Tahir Khatana Govt: contractor on a/c of sales tax for wss upper channi (KPP-II)	19,832
33/45	Received from Bashir pipe Pvt Ltd Lahore on a/c of stamp duty for supply of pipes	18,750
34/47	Received from Govt: Contractor on a/c of Incom Tax . For the Month of 10/2010.	234,077
35/51	Received from varios works on a/c of sale tax.	1,020
36/53	Received from Syed Mubarak Shah Govt: Contractor on a/c of fine time extension 2% estimated cost Rs. 2152500	43,050
37/55	Received from Syed Mubarak Shah Govt: Contractor on a/c of Red Crescent.	500
38/64	Received from Aftab Ahmed P.R. Package No. 9 TSP 2009-2010 on a/c of 0.80% misch: charges.	2,400
40/69	Received from Waheed ur Rehman Package No. 5 TSP 2009-2010 on a/c of 0.80% misc: charges.	4,000
41/71	Received from Qasim Sulta Govt: Contractor on a/c of Professional Tax E/Q D WSS Hassa Sobrian.	1,000
43/73	Received from various contractor on a/c of 15% Sarcharge.	200
44/74	Received from Zulfiqar Ali P.L. Kularay U/C Baffa TKP 2010-20101 on a/c of 0.80% misc: charges.	8,000
45/75	Received from Mubusher ur Rehman P.L. TKP 2010-2011 on a/c of 0.80% misc: charges.	8,000
46/76	Received from Asad Khan P.L. TKP 2010-2011 on a/c of 0.80% misc: charges.	4,000
47/77	Received from Nasar Saeed P.L. TSP 2009-2010 P.No. 2. on a/c of 0.80% misc: charges.	4,000
48/78	Received from Chanzeb P.L. TKP 2010-2011 U/C Malik Pur on a/c of 0.80% misc: charges.	4,000
49/79	Received from Zahid Hussain P.L. TKP 2010-2011 U/C Sanda Sar on a/c of 0.80% misc: charges.	8,000
54/84	Received from H.R.Passed slae Tax 17% tax A/C iv.	9,701
55/85	Received from Muhammad Ahmed & Sons Abbottabad on a/c of Sale Tax.	1,690
56/86	Received from KPK Wood Working Centre Abbottabad road Mansehra on a/c of Sale Tax.	1,124
57/87	Received from KPK Wood Working Centre Abbottabad road Mansehra on a/c of Sale Tax.	300
58/88	Received from Javeed Aman Govt: Contractor on a/c of Sale Tax 17%.	6,718
59/89	Received from Global Computer on a/c of Sale Tax.	5,085
62/92	Received from Niaz Muhammad Jamal Project Leader TKP 2010-2011 PCC street/PCC Road u/c Gandian	800

86/116	Received from M/S Qasim Khan & Co: Govt: Contractor on a/c of Incom Tax for the work VDO WSS Bimble bilyani	595,136
87/117	Received from MAK Pumps Peshawar on a/c of 1/5 Sale Tax WSS (Portion Jallu).	23,547
88/118	Received from M/S Ithad Enterises Lahore on a/c of 1/5th sale tax WSS (Shalli Porition).	6,620
89/117	Received from M/S Ithad Enterises Lahore on a/c of 1/5th sale tax WSS (Jallu Porition).	5,517
90/118	Received from SIDB Wood Working Centre ATD Road Mansehra on a/c of 1/5th sale Tax .	4,138
92/120	Received from Asar Shah Govt: Contractor on a/c of Incom Tax WSS Karoor Mada Khel.	513,649
Total Deposit - V		1,807,571

Grand Total: Deposit III + Deposit V

Rs3,489,563

Annex-D**Detail of overpayment of extra advance increments to various teaching staff**

S.No	Name of employee	Designation	Personal No.	Amount (Rs)
1.	Habib Ur Rehman	PST	227393	136,806
2.	Anwar shah	ADO	256552	114,725
3.	Akhtar Munir	-Do-	223456	148,362
4.	Jamat Ali Naqvi	-Do-	225528	273,882
5.	Muhamad Naveed	-Do-	224827	256,625
6.	Ibrar Hussain	-Do-	224011	113,468
7.	Tahir Iqbal	-Do-	218476	116,307
8.	Mushtaq Ahmed	-Do-	218488	146,612
9.	Haider Shah	-Do-	221400	116,253
10.	Muhammad Tariq	-Do-	222025	127,436
11.	Muhammad Hanif	-Do-	222510	183,107
12.	Mr. Aurangzeb	-Do-	222729	323,332
13.	Karamt Hussain	-Do-	223643	158,614
14.	Siraj Ahmed	-Do-	223452	224,278
15.	Iftikhar	-Do-	227264	75,531
16.	Abdul Jalil	-Do-	215722	229,414
17.	Muhammad Zahoor	-Do-	216432	161,253
18.	Muhammad Qayyum	-Do-	226543	122,440
Total				3,032,445

Annex-E

Detail of overpayment of pay and allowances

S.No	Name of employee	Designation	Name of School	Amount (Rs)
1.	Zaib Ur Rehman	CT	GMS Tarawra	73,343
2.	Muhammad Sadique	CT	GMS Chamial	102,208
3.	Abdur Rashid	CT	GMS Bai Bajna	100,851
4.	Bashir Ahmed	CT	GMS Kochatti	99,750
5.	Qazi Jamil Ur Rehman	CT	GMS Kochatti	119,529
6.	Muhammad Ayub	CT	GMS Tarawra	132,402
7.	Muhammad Ashfaq	CT	GMS S Maira	228,586
8.	Zafar Iqbal	CT	GMS Ghazi Kot	85,197
9.	Mhammad Irfan	CT	GMS Kalwal	132,587
10.	Naseeb Khan	CT	GMS Cholandrian	162,770
11.	Amjad	CT	GMS Chamial	182,743
12.	Shakeel Ahmed	CT	GMS Tareri	179,607
13.	Muhammad Bashir	CT	GMS B khainth	160,206
14.	Muhammad Arif	PET	GMS Ahl Seri	90,912
15.	Naseeb Ur Rehman	PET	GMS Tarawra	86,598
16.	Muhammad Saeed	PET	GMS B Salaya	97,363
17.	Abdul Hakeem	AT	GMS Kochatti	72,798
18.	Noor Ul Haq	AT	GMS Ramkot	183,905
19.	Ibrar Hussain	AT	GMS Arbora	125,610
20.	Abdul Waris	AT	GMS Khatai	115,948
21.	Muhammad Mahroof	CT	GMS Khanian	90,869
22.	Pir Muhammad	CT	GMS Balakot	148,768
23.	Muhammad Khalid	CT	GMS Batang	86,490
24.	Muhamad Abid	CT	GMS Angrai	93,295
25.	Naseem Ahmed	CT	GMS Balakot	175,430
26.	Muhammd Tufail	CT	GMS Battora	136,327
27.	Shahid Iqbal	CT	GMS Suwan	124,781
28.	AbdulWadood	DM	GMS GH Ullah	75,625
29.	Muhammad Farid	CT	GMS Narbeer	82,429
30.	Ehsan Ullah	CT	GMS Bali Mang	135,386
31.	Muhammd Qasim	CT	GMS Matial	84,938
32.	Naseer Ud Din	CT	GMS Dotial	43,276
33.	Muhammad Anwar	CT	GMS Dodhial	102,033
34.	Muhammad Imran	CT	GMS Jabri	75,257
35.	Asif Ali	CT	GMS B Mang	175,430
36.	Riaz Hussain	CT	GMS Bagh	145,654
37.	Muhammd Ilyas	CT	GMS Bai Payeen	190,929
38.	Nasir Mahmood	CT	GMS Jabri	121,577
39.	Muhammd Zubair		GMS Kehnian	108,475
Total				4,729,882

Non deduction of Income Tax

S. No	Name of Scheme	Expenditure	Amount (Rs)
1.	Sanitation system Konhery	500,000	30,000
2.	Sanitation system Kunar Sharif	500,000	30,000
3.	Sanitation system Ghari	500,000	30,000
4.	Street pavement Bimbal	400,000	24,000
5.	Street pavement Bilyani	400,000	24,000
6.	Street pavement Abo	400,000	24,000
7.	Street pavement Choti Bimbal	400,000	24,000
8.	Street pavement Teegram 1	700,000	42,000
9.	Street pavement Palosa 1	400,000	24,000
10.	WSS Ghari Jodbah	1,000,000	60,000
11.	WSS Mera Khankhail	400,000	24,000
12.	WSS Achara Phase II	600,000	36,000
13.	Street pavement New Kali	750,000	45,000
14.	Const of latrines Basi Khel	900,000	54,000
15.	Const of latrines Madakhel	750,000	45,000
16.	WSS Phagan Nusratkhel	400,000	24,000
17.	WSS Sero Village	200,000	12,000
18.	WSS Sher Garhi Kotli	200,000	12,000
19.	WSS Der Mangi	200,000	12,000
20.	WSS Ghari Payen	400,000	24,000
21.	Repair of Shingle road Kalyaz	300,000	18,000
22.	Const of latrine Chapra Masjid	300,000	18,000
23.	WSS Fateh Tali Hassanzai	300,000	18,000
24.	WSS Nasak Hassanzai	310,000	18,600
25.	Rehab of Kotly to Balkot road	2,000,000	120,000
26.	Rehab of Judbah to Gigyani raod Phase II	2,000,000	120,000
27.	Rehab of Gangat Tilli raod Phase II	2,000,000	120,000
28.	Rehab of Maira Akazai to Bimbal raod	2,000,000	120,000
29.	Rehab of Seri Kohani Morata road	2,000,000	120,000
30.	Const of Jinazgah Darbani Phase II	400,000	24,000
31.	DWSS Shatal Sharab Khan	400,000	24,000
32.	Protection wall at Levies H/Q Givi Akazai	1,750,000	105,000
33.	Repair of Levies Picket Chapra	500,000	30,000
34.	Path from Bar Kandow to Oghaz	300,000	18,000
35.	Street pavement Gangat	400,000	24,000
36.	Ext of DWSS bara Bilyani	600,000	36,000
37.	Const of latrines at Biao Banda	150,000	9,000
38.	Street pavement Biao Banda	400,000	24,000
39.	DWSS Woullah Hassan Zai	500,000	30,000
40.	DWSS Khawar Khankhel	300,000	18,000
41.	DWSS Patta Piza	300,000	18,000

42.	Const of latrines at Pergana	450,000	27,000
43.	Const of latrines at Shangora	450,000	27,000
44.	Const of latrines at Chawang	300,000	18,000
45.	Path shokati to Berian	300,000	18,000
46.	Ext of DWSS Shokati	300,000	18,000
47.	DWSS Haryala Hassan Zai	300,000	18,000
48.	DWSS Chargo Hassan zai	500,000	30,000
49.	Const of Jinazgah Laid	200,000	12,000
50.	WSS Shargora Tilli	500,000	30,000
51.	WSS Bari Seri Hassan Zai	700,000	42,000
Total		31,210,000	1,872,600

Detail of overpayment due to allowing higher rates

Vr.: No. date	Work Name	Item of Work	Rate in Rs. Paid	CSR 1999	Diff:	Qty:	Total Amount	Payee's
45-O (4 th R/B) 29.12.11	B.T Zeezari Shingle Dar Road (8-Kms)	Excavation in shingle / gravel not requiring blasting.	79.09	73.30	5.79	33945.59	196,545	M/S Wazir Muhammad Wazir & Co.
Add: 87% Above.							170,994	
Sub Total							367,539	
Deduct 6% Income Tax							22,052	
Net							345,486	
75-O (2 nd R/B) 25.6.12	Prov: of Facil: & Impvt: of Infrast: in Police Line Electrification	S/F of PVC Cable 3/029	158.47	83.48	74.99	1500	112,485	M/S Afzal & Sons
		S/F of PVC Cable 7/029	342.48	158.51	183.97	365	67,149	
		S/F of PVC Cable 7/044	614.47	342.48	291.99	120	32,639	
		Sub Total						
Add Location factor 1.08(8%)							16,982	
Total							229,255	
Deduct 6% Income Tax							13,755	
Net							215,500	
		S/F Ceiling light	567.69	467.67	100.02	79	7,901	
Add Location factor 1.08% (8%)							632	
Total							8,533	
Deduct 6% Income Tax							512	
Net							8,021	
G. Total							569,007	

Annex-H

Detail of irregular expenditure on account of repair of residential buildings

S. No.	Vr.No.	Date	Amount (Rs)	Particulars	Payee's
1	10-MA	20.6.12	38,245	Repair work in ACO's Driver quarter No. 1	M/S Niaz Muhammad
2	21-MA	20.6.12	43612	Repair work in Qtr: No. 2 (ACO Residence)	
3	24-MA	20.6.12	39773		
4	47-MA	21.6.12	50000		
5	79-MA	20.6.12	330942		
Total			464327		
6	13-MA	20.6.12	45553	SDO C&W Residence Mansehra.	
7	28-MA	20.6.12	50617		
8	31-MA	20.6.12	49723		
9	32-MA	20.6.12	49273		
10	33-MA	20.6.12	48707		
Total			243873		
11	19-MA	20.6.12	43380	Qtr: No. 1 Driver DCO Mansehra.	
12	22-MA	20.6.12	47509		
13	26-MA	20.6.12	42388		
14	27-MA	20.6.12	4765		
15	34-MA	20.6.12	43345		
16	36-MA	20.6.12	47657		
Total			271936		
17	12-MA	20.6.12	49384	Two Oghi Bungalow – 1 Ghazi kot.	
18	45-MA	21.6.12	49592		
19	46-MA	21.6.12	50000		
20	51-MA	21.6.12	49156		
21	53-MA	21.6.12	26623		
Total			224755		
22	55-MA	21.6.12	34750	Repair work in Bungalow No. 2 Bhera Hill	
23	54-MA	21.6.12	50248		
Total			84998		
24	48-MA	21.6.12	43677	Bungalow No. 3	
25	52-MA	21.6.12	47708	Bungalow No. 4	
26	11-MA	20.6.12	36183	Bungalow No. 5	
27	25-MA	20.6.12	32089		
Total			68272		
G. Total			1,478,791		