

AUDIT REPORT

AUDIT YEAR 2022 - 23

ON THE ACCOUNTS OF LOCAL GOVERNMENTS DISTRICT NORTH WAZIRISTAN



AUDITOR GENERAL OF PAKISTAN

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

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

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



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ABBREVIATIONS AND ACRONYMS

AAC	Additional Assistant Commissioner
AC	Assistant Commissioner
AD	Assistant Director
AG	Accountant General
AIP	Accelerated Integrated Programme
AIR	Audit and Inspection Report
APPM	Accounting Policies and Procedures Manual
BHUs	Basic Health Units
C&W	Communication & Works
CCTV	Close Circuit Television
CHM	Clearing House Meeting
CLPC	Citizens- Police Liaison Committee
CNIC	Computerized National Identity Card CPWA Code Central Public Works Accounts Code CVT Capital
Value Tax	
DAC	District Accounts Committee
DAO	District Accounts Office
DC	Deputy Commissioner
DDA	District Director Agriculture
DDO	Drawing & Disbursing Officer
DEO	District Education Officer
DG	Director General
DHO	District Health Officer
DO	District Officer
DPR	Disabled Person Rehabilitation
FTR	Federal Treasury Rules
GFR	General Financial Rule
HPA	Health Professional Allowance
HR	Human Resource
INTOSAI	International Organization of Supreme Audit Institutions
KPPRA	Khyber Pakhtunkhwa Public Procurement Regularity Authority
LED	Light Emitting Diode
Lab	Laboratory
LCB	Local Council Board
LGE & RDD	Local Government, Election & Rural Development Department
MCC	Medicine Coordination Cell
MFDAC	Memorandum for Departmental Accounts Committee
NPA	Non-Practice Allowance
PAC	Public Accounts Committee



PREFACE

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 and 12 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 37 of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 require the Auditor General of Pakistan to conduct audit of the accounts of receipts and expenditure of Local Governments of each District of the Khyber Pakhtunkhwa.

The report is based on audit of the accounts of offices of the District Government, Tehsil Municipal Administrations, Assistant Director Local Government Elections and Rural Development Department in District North Waziristan for the financial year 2021-22. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2022-23 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes systemic issues and significant audit findings. Relatively less significant issues are listed in Annexure-1 of the Audit Report. The audit observations listed in Annexure-1 will be pursued with the Principal Accounting Officers at the DAC level. In all cases where Principal Accounting Officers do not initiate appropriate action, the audit observations will be brought to the notice of appropriate legislative forum through the next year's Audit Report.

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

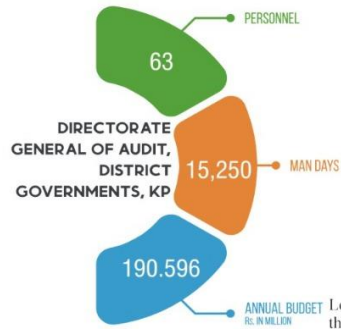
Some of the observations included in this report were finalized in the light of written replies of the departments whereas in most cases the departments did not submit written replies till the finalization of this report. DAC meetings were not convened despite reminders.

The Audit Report is submitted to the Governor, Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 37 of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 for causing it to be laid before the appropriate legislative forum.

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor General of Pakistan

SUMMARY



The Directorate General of Audit District Governments, Khyber Pakhtunkhwa carries out the audit of Local Governments in 35 Districts of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Bannu on behalf of the Directorate General of Audit District Government, Khyber Pakhtunkhwa carried out the audit of Local Government of three Districts namely: Bannu, Lakki Marwat and North Waziristan.

This Directorate General has a human resource of 63 officers and staff with of total of man-days 15250. The annual budget of amounting to Rs 190.596 million was allocated to the office during FY 2022-23. The office is mandated to conduct regularity audit, financial attest, performance audit and special studies.

Local Governments of District North Waziristan consist of three tiers, which perform their operations under 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 following three Tiers:

- i. District Government;
- ii. Tehsil 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 Assistant Director Local Government Election & Rural Development Department (AD LG&RRD). The Tehsil Municipal Administrations have one PAO i.e. Tehsil Municipal Officer for each administration. There are three Tehsil Municipal Administrations in district North Waziristan. The village and neighborhood councils have AD LGE & RDD as their Principal Accounting Officer. There are 75 VCs/NCs in District North Waziristan.

A. SCOPE OF AUDIT

This office is mandated to conduct audit of 54 formations working under 05 PAOs. Total expenditure and receipt of these formations were Rs. 4962.277 million and nil for the financial year 2021-22.

Audit coverage relating to expenditure for the current audit year comprises 54 formations of 05 PAO having a total expenditure of Rs. 4693.824 million for the financial year 2021-22. In terms of percentage, the audit coverage for expenditure is 94.590% of auditable expenditure.

Audit coverage relating to receipt for the current audit year comprises 3 formations of 3 PAOs having a total receipt of Rs. 37.137 million for the financial year 2021-22. In terms of percentage, the audit coverage for receipts is 100% of auditable receipts.

This audit report also includes audit observation resulting from the audit of Expenditure of Rs. 243.379 million for the financial year 2020-21 pertaining to 03 formation of 01 PAO.

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 32.924 million was pointed out in this report. No recovery was affected till finalization of the report.



AUDIT RECOVERIES

RS. 32.137 MILLION

Recovery pointed out by the Audit

RS. NIL

Recovery verified by the Audit

C. AUDIT METHODOLOGY

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

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

D. AUDIT IMPACT

As a result of the Audit, control environments of audit 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. 32.924 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.
- iv. Bank profit were deposited into Government Treasury in some case.

A. COMMENTS ON INTERNAL CONTROL.

Internal control are designed to address risks and to provide reasonable assurance that, 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 TMA concerned to the DAO. No review was carried out of the performances.
- TMAs did not follow the accounting procedure given in the APPM.
- No system of monitoring was found to track the progress of District Government towards its objectives. No internal Auditor was appointed. Annual Review of internal control was also not carried out.



B.Key Audit Findings of the Report .

01	Non-Compilation/Consolidation of Accounts of Local Governments- Rs. 44.547 million.²	Recommendation: <ul style="list-style-type: none">• TMA accounts needs to be consolidated at DAO level.• Cheques are required to be issued to the suppliers/vendors instead of DDOs as per APPM.• Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.• Recoveries on account of over payments of various allowances need to be made by the department.• 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.• Bank profit need to be deposited into Government treasury under proper heads of accounts and, The DAC meeting should be held more frequently
02	Unauthorized cheques payment to DDOs instead of vendors---- Rs.96.998 million.³	
03	Unverified payment on account of adjustments as arrear of pay and allowances Rs. 81.292 million.⁴	
04	HR/Employees related irregularities were noticed in six cases amounting to Rs. 201.798 million.⁵	
05	Procurement related irregularities were noticed in three cases amounting to Rs. 359.892 million.⁶	
06	Value for money and service delivery issues cases for amounting to Rs.275.558.⁷	
07	Others, including cases of accidents, negligence etc. were noticed in twenty-two cases amounting to Rs.594.637 million.⁸	





CHAPTER-01

PUBLIC FINANCIAL MANAGEMENT



CHAPTER-1

Public Financial Management

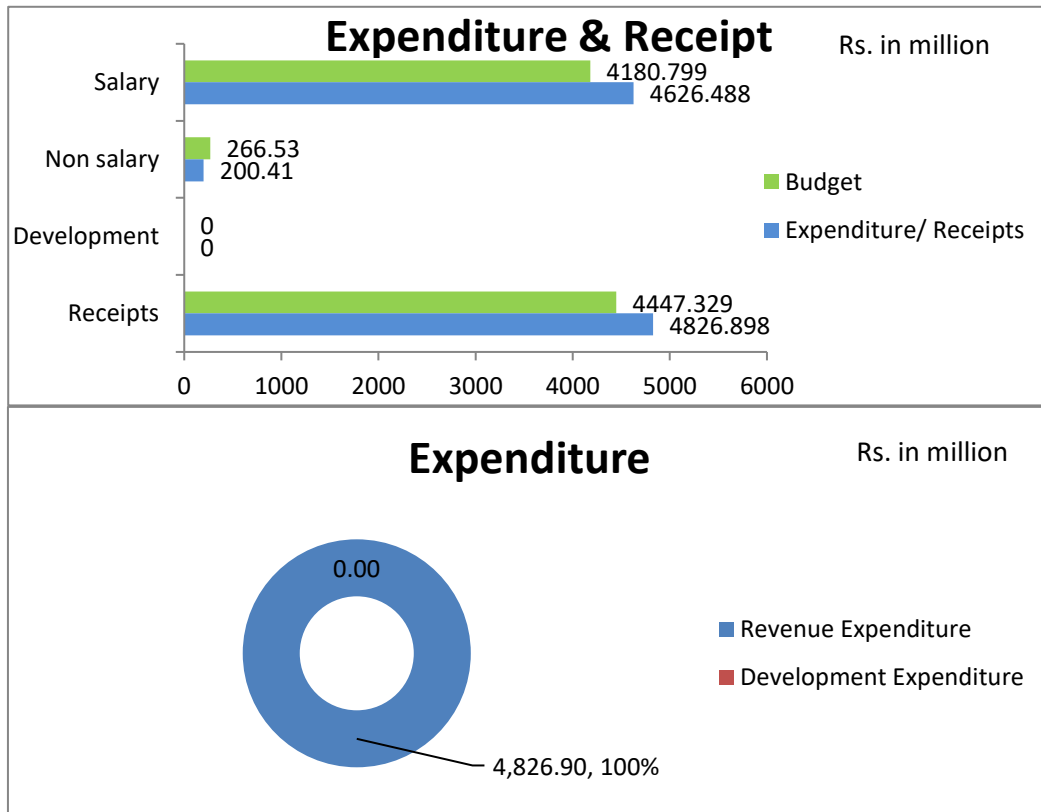
1.1 Sectorial Analysis

In compliance to the Notification of Local Government, Election and Rural Development Department (LGE & RDD) issued on 4th September, 2019, Councils of all tiers of District Government were stood dissolved on the culmination of their respective tenure on 29th August, 2019. The same notification authorized Deputy Commissioners (DCs), Tehsil/Town Municipal Officer (TMOs) and Assistant Director (ADs) LGE & RDD to perform functions of respective Nazameen as envisaged under the Khyber Pakhtunkhwa local Government (Amendment) Act, 2019 till the installation of newly elected Local Governments. In the light of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019, District North Waziristan is headed by Deputy Commissioner who is Principal Accounting Officer of the budget grant allocated to the 08 offices devolved at district level. Similarly, Tehsil Municipal Administration is headed by Tehsil Municipal Officer who is its Principal Accounting Officer. Furthermore Assistant Director LGE & RDD is the Principal Accounting Officers of Village/ Neighborhood Councils.

In District North Waziristan, funds amounting to Rs 4447.329 million were allocated to 54 formations working under 05 PAOs. Out of which, expenditure of Rs. 4,826.898 million was made resulting into excess of Rs. 379.56 million. Audit coverage relating to expenditure for the current audit year comprises 08 formations of 03 PAOs having a total expenditure of Rs. 4528.667 million for the financial year 2021-22. In terms of percentage, the audit coverage for expenditure is 93.83% of auditable expenditure. Similarly Audit coverage for receipts is 100%.

(Rs in million)

District Government North Waziristan					
2021-22	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	Expenditures audited	%age
Salary	4180.799	4626.488	445.68	4528.667	93.83%
Non-Salary	266.530	200.41	(66.12)		
Developmental (A/C-IV)	0	0	0		
Total	4447.329	4826.898	379.56		
Receipts	0	0	0	4528.667	0



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, North Waziristan did not reflect Rs. 44.547 million into the consolidated financial statement of Local Government, North Waziristan which resulted into qualified opinion on the accounts of Local Government North Waziristan.

District Government, North Waziristan was found lagging behind in many areas envisioned as integral component of the Khyber Pakhtunkhwa Local Government, (Amendment) Act, 2019. The District Government could not establish & maintain Public Fund account as required under section 30 of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. Similarly, it also failed to prepare, present and approve the budget estimates of receipts from district council for District Government, North Waziristan as required under

section 18 of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. The receipts collected as taxes/fees/rents under section 42 of Khyber Pakhtunkhwa Local Government amendment act, 2019 were also not credited to the district fund. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, North Waziristan with prescribed format and necessary trainings to compile the accounts of TMAs and Village/Neighborhood councils and then reflect the same in the consolidated financial statement of the district, which resulted in qualified 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 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. Statistics show that there are 777 primaries, 82 middle, 01 higher secondary and

45 high secondary schools including 01 Governor Model School in District North Waziristan. The estimated Teacher Student Ratio is 1:37 at primary, 1:23 at middle, 1:20 at secondary and 1:341 at the level of higher secondary schools. District North Waziristan literacy rate is 22% the Gross Enrollment Rate (GER) is 67.26%, and the Net Enrollment Rate (NER) is 58.97% at the primary level.

District Education Offices in North Waziristan were given target of enrolment of 75000 children for current year 2022-23 against which 65248 kids were enrolled. Similarly annual average of teacher's attendance rate and student attendance rate as per independent Monitoring Unit (IMU) data were approximately 85% & 70% respectively. Furthermore, 88% schools in district North Waziristan 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 42% against the assigned target.

Health

Health is another important sector of District North Waziristan, with a total of 64 health facilities spread across the district, among which 09 are urban while the rest are rural based. Their further break-up is 25 BHUs, 30 CDs, 5 MCHs, 3 type Ds and 1 RHC with the total catchment area population of approximately 274,651 as per survey carried out by Population censuses 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, 4,651 babies were born with 2156 and 2405 in primary and secondary health facilities respectively. Out of them, 06 infant maternal deaths were recorded. Lab investigations and diagnostic facilities were also utilized as 1876 Lab tests, 300 X-rays/ 2570 ultrasounds and 278 ECGs were done in both primary and secondary health facilities in district North Waziristan. Figures of immunization from EPI register were also very impressive as 4651 pregnant women received TT-2 vaccines, 2411 kids under 12 months received full immunization, 2547 children under 12 months received 1st measles vaccines and 2918 kids under 12 received 3rd pentavalent vaccine. 1267 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

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

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

Panagah(s) were established under Ehsaas Program of the Federal Government, in order to provide valued but temporary/overnight stay with two-time meals to the needy individuals seeking bed and breakfast in pursuit of employment. Panagah(s) were established in major cities/Divisional Districts based on need assessment in 1st phase. However, panagah services were not existed in District North Waziristan. However keeping in view the spread of drug use and incident of poverty, the efforts made by the Social Welfare office are not likely to bring about any visible improvement in the short or long run unless more resources are diverted to this sector.

Municipal Services

Tehsil Municipal Administrations, District North Waziristan did not fulfill some primary requirements envisioned as essential component of Local Government in the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. The Local Government could not establish & maintain Tehsil Public Fund Account as required under the section 30 of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. Similarly, Tehsil 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 Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019. Financial Statements, Finance Account and Appropriation Accounts of the TMAs were not prepared accordingly. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, North Waziristan 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 qualified 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 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 44.578 million

According to section 36(3) of the Khyber Pakhtunkhwa Local Government 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 North Waziristan for the financial year 2021-22, audit observed incompleteness and incorrect presentation of the financial statements as the DAO North Waziristan failed to consolidate into the quarterly and annual accounts of the district, the Government and local resources, as required under section-36(3) of the Local Government Act, 2019. Receipts and expenditure of Rs 44.547 million and Rs 37.137 million respectively, of the TMAs were also not reflected in accounts. Same is the case with receipts and expenditure of the VCs/NCs the figure of which were not available at the time of audit.

Provision of the Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019 by Local Government in District North Waziristan were not complied with.

Due to non-consolidation of accounts of TMAs, and VCs/NCs 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 for amounting Rs. 140.435 and Rs.295.948 respectively however no corrective measure were taken.

As per decision of DAC meeting held in September 2022, Para stands till correction of these omissions.

Audit recommendation compilation of accounts in the light of Khyber Pakhtunkhwa Local Government (Amendment) Act, 2019.

1.2.2 Unauthorized cheques payments to DDOs instead of vendors – Rs 96.998 million

According to Para 2.3.2.8 of the directions of APPM, the accounting

system shall improve controls to minimize the risk of fraud and corruption. This objective shall be addressed by issue of payment through direct bank transfer and cheques (to employees/ vendor concerned) instead of payment through DDOs. Furthermore, Finance Department Letter No: BO (W&M) /6-5/2019-20 dated 19/02/2020, provides that in order to streamline the management in public account and observe fiscal discipline, it has been decided to stop forthwith all payments through open cheques or cash payments.

District Accounts Officer North Waziristan, paid Rs. 96.998 million to various DDOs instead of issuance crossed cheques to Vendor/Payees Accounts.

The lapse occurred due to weak internal controls, which resulted in unauthorized issuance of cheques to DDOs instead of vendors. The similar observation was also pointed out during the financial years 2019-20 and 2020-21 for amounting Rs. 209.128 and Rs. 63.531 respectively however no corrective measure were taken.

As per decision of DAC meeting held in September 2022, Para stands till corrective measurements.

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

1.2.3 Unverified payments under arrears of pay and allowances- Rs. 81.292 million

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

During certification Audit of DAO North Waziristan for the year 2021-22 while analyzing HR data it was noticed that arrears of pay and allowances of Rs 81,292,000 was paid; however local office could not produce supporting documents for verification to audit.

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

unverified payments. The similar observation was also pointed out during the financial years 2019-20 and 2020-21 for amounting Rs. 330.009 and Rs. 1.611 respectively however no corrective measure were taken.

When pointed out in September 2022, management stated that the matter will be investigated and action will be taken accordingly. However, no progress was shown till finalization of this report.

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

Audit recommends that the matter may be investigated besides fixing responsibility against the officers/officials responsible.



CHAPTER-02

DISTRICT GOVERNMENT



CHAPTER-2

District Government

2.1 Introduction

A. Under the Khyber Pakhtunkhwa Local Government Act 2019 (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 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.

Audit profile of District government North Waziristan

(Rs in million)

Sr No	Description	Total Nos	Audited	Expenditure audited FY 2021-22	Revenue / Receipts audited FY 2021-22
1	Formations	07	5	4826.898	Nil

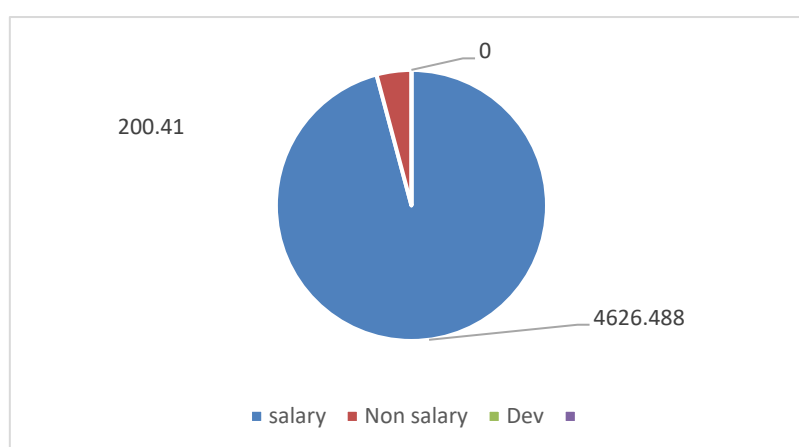
B Comments on Budget and Accounts (Variance Analysis)

(Rs in million)

District Government North Waziristan				
2021-22	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	4180.799	4626.488	445.68	110.89 %
Non-Salary	266.530	200.41	(66.12)	75.19%
Developmental	0	0	0	0
Total	4447.329	4826.898	379.56	
Receipts	0	0	0	0

EXPENDITURE 2021-22

(Rs in million)



The excessive spending of Rs 379.56 million indicates inefficiency in the capacity of Local Government Departments to utilize the amount allocated. Furthermore, the salary component was 95.84% of total expenditures whereas no salary components was only 4.15 % and no developmental expenditures was made. Less development expenditure by the District Government was due to insufficient release and lack of interest of provisional government toward of development at district level, as result less development activity, job opportunities were not adequately provided to larger population. Business operation was not increase and ultimately slandered of living of the people was not improved and rule of the District

Government could not seen in the developmental function as required under Rule of Business 2015.

2.2 Classified Summary of Audit observations

Audit observations amounting to Rs 2261.197 million were raised as a result of this audit. This amount also included recoverable of Rs 32.924 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	Irregularities	-
A	HR/Employees related irregularities	13.087
B	Procurement related irregularities	124.594
2	Value for money and service delivery issues	11.921
3	Others, including cases of accidents, negligence etc.	122.169
Total		271.771

2.3 Comments on the status of compliance with Zila Accounts Committee Directives

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

Sr. No.	Audit Year	ZAC meeting
1	2019-29	Not Convened
2	2020-21	Not convened

2.4 AUDIT PARAS

2.4.1 Irregularities

A. HR/Employees related irregularities

2.4.1.1 Irregular payment to District Police Officer – Rs. 6.835 million

According to rules 75 (2) of Khyber Pakhtunkhwa District Budget Rules 2016, each head of office is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers.

Para 23 of the General Financial Rules Volume 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

According to Commissioner Bannu Division various letters addressed to Deputy Commissioner, North Waziristan, actual payee receipts/Acquaintance roll duly signed by DPO North Waziristan Tribal District may kindly be furnished to the office of Commissioner Bannu Division for further submission of the same to quarters concerned.

Deputy Commissioner North Waziristan paid 6,834,550 to District Police Officer, North Waziristan during the financial year 2021-22 for onward payment to the police personnel participated in polio campaign security arrangements. However, Actual payee receipts were not obtained from District Police Officer North Waziristan resulting irregular payment. Detail is attached at Annexure-02.

Audit observed that non availability of Actual payee receipts occurred due to weak administrative controls which resulted in irregular payment.

When pointed out in August 2022, management did not reply.

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

Audit recommends submission of actual payee receipts.

AIR Para No. 01/2021-22

2.4.1.2 Unverified payment of pay and allowances arrears -Rs. 90.777 million

Para 134 of GFR states that all claims in respect of Government employees shall be submitted to DAO/AG/AGPR duly complete in all respects and supported by relevant verifiable evidence (as mentioned in CTR 177) in respect of the claim. Similarly, Para 4.6.5.5 of APPM of direction prescribes that any change in employees allowances and deductions shall be notified (by the DDO) through the changes statement to DAO/AG/AGPR.

The District Health Officer North Waziristan has paid on account of arrear of pay and allowance for amounting Rs. 90,777,288 for the financial year 2021-22, various staff. However, supporting record including approval of the competent authority, reason for lapse, proper justification of payments, due drawn statement and support of arrears for each employee were not available on record due to which the payment remained unverified.

The irregularity was occurred due to non-adherence of government rules and instructions and administrative controls which resulted in unverified payment. The same observation was also pointed out during the financial years 2019-20 and 2020-21 for amounting Rs. 126.532 and Rs.10.982 respectively however no corrective measure were taken resulting in total loss of Rs 228.284 to Government.

When pointed out in August 2022, management did not reply.

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

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

2.4.1.3 Irregular payment of Pay and Allowances for Amounting-Rs.45.414 million

Para 4.6.3.1 of APPM of direction requires that the normal method of payment of monthly salaries of all government employees shall be by credit transfer directly to a bank account of an employee. According to Rule-157 of

Treasury Rules Vol-I the cheques for more than Rs. 200/- drawn in favor of local bodies, firms, private persons or Government servants (in respect of their personal Claims) shall be crossed “Payees A/C only”. This Rule will however not apply to Federal Govt. Servants in r/o pay and allowances up to Rs. 2000/- per month. In this regard the Accountant General Office and all other concerned have also issued instructions for payment of pay and allowances to Govt. employees through their bank accounts only.

District Education Officer (Male & Female) North Waziristan has drew amounting Rs. 45,413,663 in financial year 2021-22 from the Government Treasury and made cash payments to the employees on account of Pay & Allowances, violating Government instructions.

Moreover, Actual Payee’s Receipts were also not available. Detail is given at Annexure-03.

Payment of pay and allowances in cash instead of credit transfer directly to bank accounts occurred due to weak financial management and administrative control.

When pointed out in August 2022, management did not reply.

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

Audit recommends transfer of salaries to bank accounts, provision of APRs for already paid salaries in cash and inquiry into the matter besides action against the person(s) at fault.

AIR Para No. 01/2021-22

2.4.1.4 Irregular payment of salary through DDO – Rs. 43.125 million.

Government of KPK Finance department letter No.BO (W&M)/6-5/2019-20 Dated Peshawar the 19th February, 2020, “all the Principal Accounting officers and DDOs are advised to stop henceforth all cash payments and open cheques payments”.

District Director Livestock and Dairy Development and District

Population Welfare North Waziristan paid pay & allowances of Rs. 32,733,916 and Rs.10,391,297 respectively in cash instead of direct credit to bank accounts of the concerned employees during FYs 2019-20 & 2020-21.

The irregularity was occurred due to weak internal controls, which resulted into irregular payment of salaries.

When reported in March 2022, management stated that the employees have already been asked to open bank account for direct credit of their salaries in their accounts. Furthermore, majority of the employees are getting their salaries through their bank accounts and soon will the remaining employees open their bank accounts for direct credit of salaries. Reply is not tenable since many of employees are getting their salaries through DDO.

PAO was requested to convene DAC meeting was made on 29-04-2022 however, meeting of DAC could not be convened till finalization of this report.

Audit recommends immediate stoppage of payments through DDO and drawal of salaries of employees through direct credit to their respective bank accounts.

AIR Para No. 01 & 04 (2020-21)

2.4.1.5 Irregular expenditure on account of payment of salaries to the contractual staff – Rs. 4.362 million.

According to rule 74 (1) (a) of Khyber Pakhtunkhwa District or City District Government Budget Rules 2016, every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

Government of KPK Finance department letter No.BO (W&M)/6-5/2019-20 Dated Peshawar the 19th February, 2020, “all the Principal Accounting officers and DDOs are advised to stop henceforth all cash payments and open cheques payments.

District Director Livestock and dairy Development North Waziristan

paid an amount of Rs. 12,176,000 under the head of salaries to the contract employees during FY 2021-212

Audit observed the following irregularities.

- i. The expenditure statement reflects Rs. 12,176,000 as payment under the head of salaries to the contractual employees; however, details like bills/cheques/ acknowledgment receipts provided in support only covered Rs. 7,813,800 and the whereabouts of remaining amount of Rs. 4,362,200 was not known.
- ii. Advance salaries were paid to the 22 employees for the month of Sep & Oct-2020 from ADP Scheme No 76 (Project ID No. MW19000489).
- iii. The salaries were made to the contract employees through DDO instead of credit to their bank accounts.

The irregularities was occurred due to weak internal controls, which resulted into irregular payments to the contractual employees and chances of misappropriation cannot be ruled out.

When reported in March 2022, management stated that detail reply will be submitted after consultation of record. No reply was furnished till finalization of this report.

PAO was requested to convene DAC meeting was made on 29-04-2022 however, meeting of DAC could not be convened till finalization of this report.

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

AIR Para No.04 (2020-21)

B. Procurement relate irregularities

2.4.2.1 Irregular advance payment for text books- Rs. 52.234 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”.

The District Education Officer (M&F) North Waziristan have paid amounting Rs. 52,234,000 was paid to Chairman Khyber Pakhtunkhwa Text Book Board Peshawar financial year 2021-22, for supply of text books. The following irregularities were noticed:

- i. Payment was made in advance without any demand from Text Book Board, Peshawar.
- ii. No demand for books from schools was available on record.
- iii. The books were not received till the date of audit i-e. 31.08.2022.
- iv. Unit price of each book and quantity ordered/requested was not available on record.
- v. Amounting Rs.1,596,000 was drawn in advance for carriage/transportation charges.
- vi. Stock register was not maintained
- vii. Assessment of available text books and further requirement was not available on record.

The irregularity occurred due to weak administrative controls resulting in advance payment/blockage of government money.

When pointed out in August 2022, management did not reply.

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

Audit recommends detailed inquiry besides fixing responsibility and action against the person(s) at fault.

AIR Para No. 13/2021-22

2.4.2.2 Irregular award of works due to non-transparent tendering process – Rs.65.743 million

According to procurement planning chapter V (Miscellaneous Provisions) of Khyber Pakhtunkhwa Public Procurement Regulatory Authority 2014, each procuring entity shall plan its procurements with due consideration to

transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders in accordance with section 22 of the Act. According to S. No. 2 of the NIT, the document must attach with the bid i.e. (Enlistment / renewal copy, Original Tender form etc. Incomplete tender forms will not be accepted.

Para 01 Chapter-II of KPPRA Rules 2014 requires that, “the Procuring entity shall use open competitive bidding as the principal method of procurement of goods over the value of Rs. 100,000.

The District Director Agriculture, North Waziristan awarded contract worth Rs.65,743,680 of Integrated Agriculture Development in Merged Areas under Accelerated Implementation Program (AIP) during FY 2020-21.

Audit observed the following irregularities.

1. Local office made single advertisement in Daily Ajj on 30.8.2020 instead of two newspapers in English and Urdu and did not publish/post it on the websites of KPPRA and entity concerned. Thus, depriving government of lowest competitive rates.
2. No CNIC, tender forms and tender register was available in office record.
3. Call deposits of all the participants were not available on record.
4. Contracts agreements were not signed by contractors and management.
5. The source through which the participants sent their bid was not known to Audit.
6. No comparative statement of the participants was available on record.
7. Date and amount of CDR submitted by the contractors were not recorded in the tender register to ascertain the CDR submitted by the contractors.
8. No recommendation by the committee regarding the award of work was mentioned in the tender register.
9. No handing / taking over reports were found which makes the supply suspicious.
10. Monthly progress report was not prepared.

The irregularities was occurred due to weak internal and administrative controls, which resulted in irregular procurement and non-transparent award of contract.

When reported in February 2022 the Management Stated that proper reply will be given after due course of time. No reply was furnished till finalization of this report.

PAO was requested to convene DAC meeting was made on 29-04-2022 however, meeting of DAC could not be convened till finalization of this report.

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

AIR Para No.02 (2020-21)

2.4.2.3 Irregular expenditure on an item of work without sanction of the competent authority – Rs. 6.617 million

Para 56 of CPWD Code stipulates that if subsequent to the grant of T.S, material structural alterations are contemplated; orders of the original sanctioning authority should be obtained, even though no additional expenditure may be involved by the alterations.

According to rule 74 (1) (a) of Khyber Pakhtunkhwa District or City District Government Budget Rules 2016, every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money and according to rule (4) (a) The Head of Offices shall be responsible for all matters relating to the budget for the offices under his administrative control.

District Director Agriculture, North Waziristan incurred expenditure amounting to Rs. 6,617,000 million for execution of an item of work “Angle iron and barbed wire” for protection of Nurseries and fruit plants etc. under Accelerated Implementation Program during FY 2021-22. However, administrative approval for execution of the same item of work was not obtained.

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

When reported in February 2022, Management Stated that proper reply will be given after due course of time. No reply was furnished till finalization of

this report.

PAO was requested to convene DAC meeting was made on 29-04-2022, however meeting of DAC could not be convened till finalization of this report.

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

AIR Para No.02 (2020-21)

2.4.3.4 Non supply of medicines amounting to Rs. 3.233 million

According to serial 22 of the terms and conditions of standard contract deed under MCC Rules, the supply of goods ordered under this agreement shall be completed within one month by the supplier after receipts of the supply orders from the purchasing entity.

District Health Officer North Waziristan placed supply orders for the supply of medicines valuing Rs. 5,000,000 during financial year 2021-22, but only medicines worth Rs. 1,767,000 were supplied. However, medicine valuing Rs. 3,233,000 were not supplied till date of audit i.e August 2022. The local office was required to get the supply completed or initiate appropriate action against the suppliers in accordance with the rules.

The irregularity occurred due to weak internal controls which resulted in non-supply of medicine. The similar observation was also pointed out during the financial years 2019-20 and 2020-21 for amounting Rs. 22.414 and Rs.5.00 respectively however no corrective measure were taken resulting in total loss of amounting Rs. 30.647 million.

When pointed out in August 2022, management did not reply.

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

Audit recommends immediate completion of supply or initiate appropriate action against suppliers.

AIR Para No. 08/2021-22

3.4.A Value for money and service delivery issues

2.4.3.1 Loss to Government due to allowing compulsory acquisition charges - Rs.3.180 million

According to Section 23(2) of Land Acquisition Act 1894, the market value of the land as provided, the Court shall award a sum of fifteen percent on such market-value, in consideration of the compulsory nature of the acquisition, if the acquisition has been made for a public purpose.

The Deputy Commissioner, North Waziristan for the financial year 2021-22, has incurred expenditures for amounting Rs. 3,180,000 on account of 15% compulsory acquisition charges/award for acquisition of land for various projects. Detail given below:

(Amount in Rs.)

S.No	Award	Area to be acquired (Kanal)	Cost of land	15%
1	Establishment of Solar Mini Grid Station at Eida Bazar, Tehsil Mir Ali	08	9,600,000	1,440,000
2	Establishment of Police Station Spinwam, Mirali	08	6,000,000	900,000
3	Establishment of Police Station Datta Khel, Mir Ali	08	5,600,000	840,000
Total			21,200,000	3,180,000

The following irregularities were noticed:

1. No written objection, obstruction, refusal or appeal made to the Collector/Court by the owners available on record.
2. 15% compulsory acquisition charges shall be allowed by the court under section 23 (2) of the Act, not by the other authority. Under section 3(d) of the Act "Court" means a Principal Civil Court of original jurisdiction, unless the Provincial Government has appointed a special judicial officer within any specified local limits to perform the functions of the Court under this Act.
3. Neither the cases were referred to Court nor were any proceedings undertaken/carried out.

Compulsory acquisition charges were allowed due to giving undue favor to the land owners, which resulted in loss to Government.

When pointed out in August 2022, management did not reply.

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

Audit recommends recovery of 15% compulsory charges.

AIR Para No. 02/2021-22

2.4.3.2 Non-deposit of stamp duty and withholding tax –Rs. 1.752 million

Para 28 of GFR Vol.-I states that no amount due to government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.

Deputy Commissioner North Waziristan did not deposit Rs. 1,752,000 retained as mutation fee, District Council Fee and withholding tax in the different acquisition of lands during the financial year 2021-22. Detail is given below:

(Amount in Rs.)

S. No	Award	Area	Mutation fee	District Council fee	Withholding tax	Total
1	Establishment of Solar Mini Grid Station at Eida Bazar, Tehsil Mir Ali	08	192,000	192,000	192,000	576,000
2	Establishment of Police Station Spinwam, Mirali	08	120,000	120,000	120,000	360,000
3	Establishment of Police Station Datta Khel, Mir Ali	08	112,000	112,000	112,000	336,000
4	Construction of DPO Office, CTD Office and Special Branch Office	08	160,000	160,000	160,000	480,000
Total						1,752,000

Non-deposit of stamp duty and withholding tax occurred due to non-compliance of rule and regulation and administration control which resulted in loss to Government.

When pointed out in August 2022, management did not reply.

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

Audit recommends immediate deposit of stamp duty and withholding tax into the Government treasury.

AIR Para No. 03/2021-22

2.4.3.3 Non-supply of furniture-Rs. 1.389 million

According to Elementary and Secondary Education Department of KP letter No. CPO/PO-II/E&SE/1-1/ADP/Furniture Project/2017-18 dated 06.10.2017, the procurement will be done by the District Purchase Committee as per their TORs, headed by the Deputy Commissioner of their respective districts, in light of the judgment of Peshawar High Court in writ petition No. 4091-P/2016 dated 07.12.2016.

DEO (Male & Female) North Waziristan paid Rs. 1,388,910 vide cheque no. 163899 dated 23.05.2022 to Pak German Wood Working Center for supply of furniture. However, the furniture was not supplied till date of audit in August 2022 despite advance payment. The local office did not take any action against the supplier for the supply of furniture.

The irregularity occurred due to weak administrative controls which resulted in non-supply of furniture.

When pointed out in August 2022, management did not reply.

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

Audit recommends concrete efforts by the department for the supply of furniture by German and action against the person(s) at fault.

AIR Para No. 17/2021-22

2.4.3.4 Overpayment on procurement of Angle Iron – Rs. 5.600 million

As per approved PC-1 signed by Secretary to Government of KPK Agri. Live Stock & Cooperative Department that payment be made with the Terms &

Conditions contained under PC-1and accordingly for the quantities & rates mentioned therein.”

District Director Agriculture, North Waziristan purchased Angle Iron for protection of Nurseries and fruits plants etc. under Accelerated Implementation Program of Rs. 26,835,468 during FY 2020-21. However, local office paid Rs. 1,052 instead of Rs. 700 per Angle bar as mentioned in PC-1 resulting in loss of Rs. 5,600,000.

Overpayment occurred due to weak administrative and internal controls, which resulted in loss to government. The similar observation was also pointed out during the financial years 2019-20 for amounting Rs. 21.182 however no corrective measure were taken resulting in total loss of amounting Rs. 26.9782 million

When reported in February 2022 the Management Stated that proper reply will be given after due course of time. The reply is still awaited.

PAO was requested to convene DAC meeting was made on 29-04-2022 however, meeting of DAC could not be convened till finalization of this report.

Audit recommends recovery from the contractor concerned and deposit in to government treasury.

AIR Para No.09 (2020-21)

2.4.3.5. Non-disbursement of funds received on account of land acquisition -Rs. 238.375 million

According to Government of Khyber Pakhtunkhwa, Revenue Department's Notification No. REV. V/4/2006/Notification/LA 10973 dated 17.08.2006 read with ibid No. REV. V/4/2006/Notification/LA 12280-312 dated 27.02.2018 the entire process of acquisition of land should be completed within a period of six months from the date of notification under section 4 and the district collector will ensure attestation of mutation in favour of acquiring department within one month after issuance of award.

Deputy Commissioner North Waziristan received Rs. 238,375,000 from various departments on account of acquisition of land during the financial year 2021-22. However, the amount was not disbursed among the land owners till the

date of audit. Detail is given at Annexure-04.

Non-disbursement of funds on account of land acquisition charges occurred due to weak financial management which resulted in violation of government instructions.

When pointed out in August 2022, management did not reply.

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

Audit recommends that the amount may be disbursed among the land owners immediately to complete the Land Acquisition process.

AIR Para No. 04/2021-22

2.4.3.6 Non-deposit of bank profit into government treasury – Rs. 0.540 million

According to Para 26 and 28 of GFR Vol-I, “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”.

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

During audit of the Deputy Commissioner, North Waziristan it was noticed that bank profit amounting to Rs. 540,012 was credited by 04 Banks in designated bank accounts during the financial year 2021-22. However, the amount was retained in banks instead of depositing into government treasury.

Month wise detail of interest earned during the 2021-22

S#	Bank Name	Account #	Profit earned in Rs. (million)
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1	NBP	3072280768	198,202
2	NBP	3072281801	102,450
3	NBP	3072282506	176,609
4	NBP	3072277414	62,751
	Total		540,012

Non-deposit of bank profit into government treasury occurred due to weak internal controls which resulted in non-compliance of government instructions. The similar observation was also pointed out during the financial years 2019-20 and 2020-21 for amounting Rs. 5.265 and Rs. 0.086 respectively however no corrective measure were taken resulting in total loss of amounting Rs. 5.891 million.

When pointed out in August 2022, management did not reply.

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

Audit recommends crediting the bank profit amount immediately into government treasury.

AIR Para No. 08/2021-22

2.4.3.7 Non-transparent award of contract amounting – Rs. 2.641 million and non-deduction of DPR and Stamp duty amounting to Rs. 31,730

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

As per clause No. 06 of the Special Conditions of the contract, successful bidder will have to furnish a performance guarantee @ 10% of the contract value in shape of bank guarantee or demand draft.

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

million and above in a financial year.

DEO (M&F) North Waziristan, paid Rs. 2,640,500 to M/S Hizbullah Khan & Sons DIK on 30.05.2022 for the supply of IT equipment's. The following irregularities were noticed in the procurement:

1. Tender opening date was 06.05.2022 and Supply order was issued on 30.05.2022, whereas the invoice date was 01.05.2022.
2. Technical Person was not the member of purchase committee
3. As per clause No. 4 of the General conditions of the contract sub clause No. 1, the price given in the contract is final including all the taxes stamp duty etc. However, DEO failed to recover 1% Stamp duty for Rs. 26,450 and DPR Fund for Rs. 5,280.
4. Performance guarantee @10% from the supplier was not obtained from the supplier.
5. Technical bid of the supplier was not available at record.

The irregularity occurred due to weak internal controls which resulted in non-transparent award of contract.

When pointed out in August 2022, management did not reply.

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

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

AIR Para No. 02/2021-22

2.4.4 Others, including cases of accidents, negligence etc.

2.4.4.1 Irregular payments due to non-revival of funds lying in designated bank accounts-Rs. 23.087 million

Reference to Finance Department letter No. 2/3(F/L)/FD/2019-20/Vol-XIV dated 14.07.2021, the financial year 2020-21 stood closed on 30th June 2021, hence it was imperative to reconcile the closing balances in all designated bank accounts with Finance Department latest by 5th August 2021 along with duly verified bank statement for 2021-22. This reconciliation process per-se the rules & instructions already invoked shall be prime responsibility of each PAO, controlling authority & DDO in respect of bank accounts falling under their preview. Moreover, balance in the bank accounts if any, remaining on 30th June 2018, shall not be available for use without its prior revival by Finance Department KP for the next financial year.

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”.

The Deputy Commissioner, North Waziristan has designated Bank account FY 2021-22. It was noticed that Rs 23,087,365 was shown as opening balance as on 01-07-2021. However, reconciliation of the closing balance of the previous year in the designated bank account was not made with the Finance Department. Moreover, funds were used in the financial year 2021-22 without prior revival by Finance Department KP for in the financial year which needs justification. Details of the bank accounts are as under:

S.No	Bank Name	Account #	Balance as on 01.07.2021 in Rs.
1	NBP	3072280768	6,715,219
2	NBP	3072281801	3,457,632
3	NBP	3072282506	5,784,788
4	NBP	3072277414	7,129,726
	Total		23,087,365

Non-revival of funds lying in designated bank accounts occurred due to weak financial controls which resulted in irregular expenditure.

When pointed out in August 2022, management did not reply.

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

Audit recommends that proper reconciliation may be carried out with Finance Department, Government of KP.

AIR Para No. 15/2021-22

2.4.4.2 Non-reporting of clinical efficacy of medicines -Rs. 1.767 million

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

District Health Officer, North Waziristan received medicines valuing Rs.1,767,000 from various suppliers and issued to various health facilities in the district during the financial year 2021-22. However, the clinical efficacy reports of the medicines were not submitted to the quarter concerned which was contrary to the above instructions.

Non-reporting of clinical efficacy occurred due to weak administrative controls, which resulted in non-compliance of Government orders.

When pointed out in August 2022, management did not reply.

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

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

AIR Para No. 09/2021-22

2.4.4.3 Irregular retention of funds in designated bank account - Rs. 4.191 million

According to Finance Department Khyber Pakhtunkhwa letter No. SOR.III (FD) 6-1/90/XIII dated 29.06.1991 and No. 5/24/FD/SOR-III/1983 dated 22.11.1983, no amount should be kept in any commercial bank by any Drawing and Disbursing Officer unless expressly authorized by the Finance Department. Such amount lying in commercial banks should be drawn and credited to Government immediately. Failure to comply with these instructions shall be taken seriously and stern disciplinary action will be taken.

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”.

The District Health Officer, North Waziristan for the financial year 2021-22, has designated bank account # 3072279001 maintained at National Bank of Pakistan, Miran Shah Branch it was noticed that an amount of Rs. 4,191,926 was laying unspent in bank as on 30.06.2022. However, neither the amount was surrendered to Government nor authorization by the Finance Department was available on record.

Irregular retention of funds occurred due to weak financial management which resulted in violation of Government rules and blockage of government fund.

When pointed out in August 2022, management did not reply.

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

Audit recommends that authorization from the Finance Department, Government of Khyber Pakhtunkhwa needs to be obtained besides action against the person(s) at fault.

AIR Para No. 19/2021-22

2.4.4.4 Irregular cash payments from bank account –Rs. 53.619 million

According to Rule-157 of Treasury Rules Vol-I the cheque for more than Rs 200/- drawn in favor of local bodies, firms private persons or Government servants (in respect of their personal Claims) shall be crossed “ Payees A/C Only”. This Rule will however not apply to Federal Govt. Servants in r/o pay and allowances up to Rs. 2000/- per month.

The District Education Officer (M&F) North Waziristan have drawn amounting Rs. 53,618,878 for FY 2021-22 from the designated bank account No. 4072283791 maintained at National Bank of Pakistan, Miran Shah Branch. Detail is given at Annexure-05.

The following irregularities were observed:

- i. Purpose for which the amount was drawn was not shown to audit.
- ii. Payment record in support of payment i-e. Actual Payee’s receipts etc. was not available on record.
- iii. Record in support of payment of amount from government treasury was also not shown to audit.

Audit observed that payment in cash was not only violation of Federal Treasury Rules but also chances of misappropriation could not be ruled out.

The irregularity occurred due to negligence of management which resulted in violation of rules.

When pointed out in August 2022, management did not reply.

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

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

AIR Para No. 03/2021-22

2.4.4.5 Loss to Government due to non-conversion of Bank Account into PLS - Rs. 2.527 million

Finance Department Khyber Pakhtunkhwa Peshawar letter No. 2/3-(F/L)/FD/ 2007-08 /Vol-IX dated 10.02.2014 has allowed opening of bank accounts in

commercial banks for various departments / autonomous /corporation in KP but such accounts should be converted into PLS mode.

The District Education Officer (M&F) North Waziristan has designated bank account was maintained in NBP Miran Shah Branch having account no. 4072283791 FY 2021-22. The account was maintained in current mode which is violation of Finance Department instruction ibid.

(Amount in Rs.)

Opening balance	Closing balance	Average balance	Expected Profit @10% p.a
33,484,667	17,052,461	25,268,564	2,526,856

The government suffered a loss of Rs. 2,526,856 due to non-conversion of accounts into PLS mode.

Placement of funds in current bank account occurred due to weak financial and administrative controls resulted in loss to Government.

When pointed out in August 2022, management did not reply.

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

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

AIR Para No. 07/2021-22

2.4.4.6 Un-authentic expenditure on purchase of agriculture inputs – Rs.16.000 million

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, North Waziristan Tribal District incurred expenditure of Rs. 16,000,000 on account of purchase of different agriculture inputs for use in demonstration plots during FY 2020-21.

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 unauthorized expenditure was occurred due to weak internal and administrative controls, which resulted in un-authentic expenditure.

When reported in February 2022 the Management Stated that proper reply will be given after due course of time. No reply was furnished till finalization of this report.

PAO was requested to convene DAC meeting was made on 29-04-2022 however, meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry for fixing responsibility against the person(s) at fault.

AIR Para No.01 (2020-21)

2.4.4.7 Irregular cash payments from designated bank account – Rs.15.289 million

Para 10 of GFR Vol-I stats that Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys, as a person of ordinary prudence would exercise in respect of expenditure of his own money.

Government of KPK Finance department letter No.BO (W&M)/6-5/2019-20 Dated Peshawar the 19th February, 2020, “all the Principal Accounting officers and DDOs are advised to stop henceforth all cash payments and open cheques payments”.

District Director Agriculture, North Waziristan drew Rs. 15,289,652 in cash from designated bank Account No. 4072283808 (NBP), Miranshah during FY 202-21. The local office also did not provide any document in support of disbursements of the amount.

S.No	Cheque No & Date	Particulars	Amount in Rs.
01	54645129 dated 02/07/2020	Cash Payment	1,794,990
02	54645137 dated 07/08/2020		1,152,504
03	54645142 dated 13/08/2020		1,933,882
04	54645143 dated 18/08/2020		1,062,000
05	54645149 dated 14/10/2020		5,725,666
06	54645156 dated 24/11/2020		1,507,500
07	12841330 dated 01/04/2021		1,013,110
08	12841336 dated 19/04/2021		1,100,000
	Total		15,289,652

The irregularities was occurred due to weak financial controls, which resulted into irregular cash payments and disbursement of fund.

When reported in February 2022, management Stated that proper reply will be given after due course of time. No reply was furnished till finalization of this report.

PAO was requested to convene DAC meeting was made on 29-04-2022 however meeting of DAC could not be convened till finalization of this report.

Audit recommends regularization of expenditure besides inquiry to fix

responsibility against the person(s) at fault.

AIR Para No.03 (2020-21)

2.4.4.8 Irregular expenditure on purchase of medicines –Rs.3.629 million

Para 10 (i) of General Financial Rules Volume I provides that every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys, as a person of ordinary prudence would exercise in respect of expenditure of his own money.

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

District Director Livestock North Waziristan incurred expenditure of Rs.3,629,282 on account of purchase of medicines under the project ADP-73 & 76 during the FY 2020-21.

The following irregularities were found.

- (1) Medicines were purchased without constituting the purchase committee.
- (2) Purchases were made without the specific demands/need analysis.
- (3) Single signatures of one person were made on the acknowledgement of the receipts of medicines on behalf of various CVDs centres.
- (4) Special packing bearing the words “GOVERNMENT OF KHYBER PAKHTUNKHWA SUPPLY” and “NOT FOR SALE” were not found on the medicines bottles and hence the chance of misappropriation or sale of the medicines in the markets could not be ruled out.
- (5) No proper arrangements were made for storage of medicines. They were placed unsafe under high temperature.

The irregularities were occurred due to weak financial controls, which resulted irregular expenditure.

When reported management stated that detail reply will be submitted soon. No reply was furnished till finalization of this report.

PAO was requested to convene DAC meeting was made on 29-04-2022

however, meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry and action against the person at fault.

2.4.4.9 Non-surrendering of un-serviceable vehicle –Rs. 2.00 million

Government of Khyber Pakhtunkhwa Administrative department (Transport section) vide their letter No. SOT (AD)un-authorized/2015 dated Peshawar the July 24, 2017 states that the competent Authority has desired that all such vehicles be surrendered to administrative department for further disposal.

District Population Welfare Officer, North Waziristan a vehicle i.e. Master Forland (M-330) was parked idle since long. The local office did not provide Log Book, Registration and other vehicle related documents for Audit scrutiny despite various requests. However, dealing hands verbally informed that the vehicle had not been utilized and parked in the office from a very long time. Audit holds that the vehicle was requires to be declared unserviceable and auctioned. The amount so received might have been deposited into government treasury.

The lapse occurred due to weak financial controls, which resulted non-surrender of condemn vehicle.

When reported in February 2022, management stated that the matter will be taken up with the higher ups and the audit will be informed accordingly. The reply is not tenable as the no documentary evidence was provided in support of reply.

PAO was requested to convene DAC meeting was made on 29-04-2022 however, meeting of DAC could not be convened till finalization of this report.

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

AIR Para No.09 (2020-21)

2.4.4.9 Irregular appointment of Veterinary Assistant and Naib Qasid/Chowkidar.

As per Government of Khyber Pakhtunkhwa Finance Department letter

No. BO.I/FD/5-8/2020-210/Austerity Measures dated Peshawar the 30/07/2020 and No. BO.I/FD/5-8/2019-20/Austerity Measures dated Peshawar the 17/02/2020 para-10“No appointment will be made against vacant post (except appointment by promotion) without obtaining NOC from the concerned surplus pool. Furthermore, the competent authority shall allow the up-gradation on need basis” & “there shall be complete ban on further recruitment except posts required for completed development projects”.

As per Civil Servants Seniority rules 1993, Initial appointment on the recommendation of selection authority through open advertisement should be made.

District Director Livestock and Dairy Development North Waziristan recruited 11 Veterinary Assistant and 22 Naib Qasid/Chowkidar on contract basis during FY 2020-21.

Audit found following irregularities.

1. Sanctioned Strength of the recruited staff duly approved was not produced to audit.
2. Approval of the Departmental selection Committee was not produced.
3. Merit list were also not produced to audit to authenticate the actual process of appointments.
4. Advertisement for the recruitment were also not available as per record.
5. Tests and interviews criteria were not produced to audit.
6. Appointment criteria of the candidates were also not produced to audit to authenticate the actual process of the appointment.
7. Medical fitness certificates of the selected candidates were also not found.

The lapse occurred due to weak administrative and internal controls, which resulted in irregular appointments of staff.

When reported management stated that detail reply will be submitted after consultation of record. No reply was furnished till finalization of this report.

PAO was requested to convene DAC meeting was made on 29-04-2022 however, meeting of DAC could not be convened till finalization of this report.

Audit recommends inquiry & production of the record besides action against the person(s) at fault.

AIR Para No.07 (2020-21)

2.4.4.10 Irregular appointment of class-IV staff

According to clause A(iii) of Notification No. SOS 6(E&AD) 1-3/2007 dated 22.03.2007 issued by Administration Department (Regulation Wing) Govt. of KPK, "a Departmental Selection Committee will be bound to recruit employees from BPS 1 to 4 through District Employment Exchange. In absence of District Employment Exchange, the recruitment will be made through Departmental Selection Committee after vacancies have been advertised in newspapers.

The District Education Officer (Male & Female) North Waziristan has appointed 140 number of class IV staff was appointed during FY 2021-22. Audit noticed the following irregularities: -

1. SDEO wise vacant post of class-IV was not available therefore; the requirement and place of posting remained unverified.
2. 140 candidates were appointed against 121 advertised posts.
3. Detail of vacant posts was not provided.
4. Various quotas i.e retired sons, minority and disable quota was not observed.
5. Recruitment procedure i.e. applications, interview marks, attendance sheets, medical certificates, CNIC Copies, Domicile Certificates, testimonials, DSC minutes etc. were not available on record.

The irregularity occurred due to weak internal controls resulted in regular appointment of class-IV staff.

When pointed out in August 2022, management did not reply.

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

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

AIR Para No. 16/2021-22



CHAPTER-03

TEHSIL MUNICIPAL ADMINISTRATIONS



CHAPTER-3

Tehsil Municipal Administration

3.1 Introduction

District North Waziristan has three Tehsils i.e. Miranshah, Mirali and Razmak. The office of a Tehsil Municipal Administration is managed by the Tehsil Municipal Officer. He is assisted by a Tehsil Officer (Finance), a Tehsil Officer (Regulation) and a Tehsil Officer (Infrastructure).

According to section 22 of Local Government Act, 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 liaise with the district government in all these matters.

(e) Maintaining a comprehensive data base and information system on services in the Tehsil municipal record and archives and provide public access to it on nominal charges;

(f) Organizing sports, cultural, recreational events, fairs, cattle fairs and cattle markets;

(g) Co-ordinate and support municipal functions amongst village and neighborhood councils;

(h) Regulate markets and services, issue licenses, permits, grant permissions and impose penalties for violation thereof;

Audit Profile of TMAs of District North Waziristan

(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	37.137	44.547

3.2 Comments on Budget and Accounts (Variance Analysis)

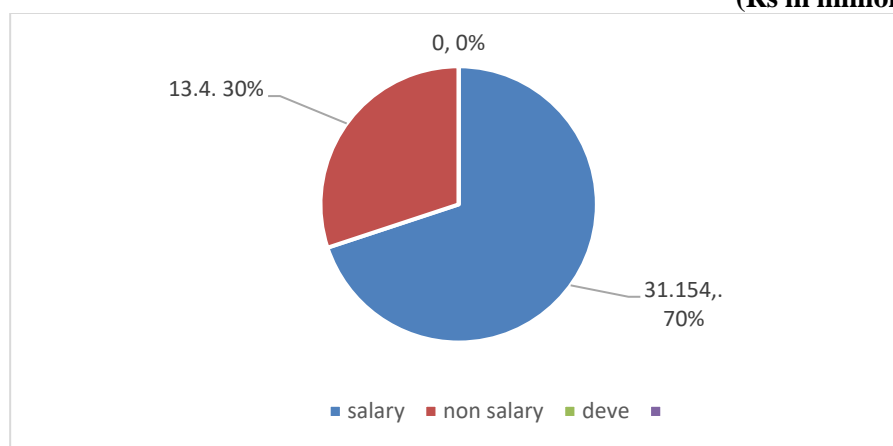
(Rs in million)

TMAs				
2021-22	Budget	Actual Expenditure/ Receipts	(Saving)/Excess	%age
Salary	40.3	31.154	(9.146)	77.30%
Non-salary	20.4	13.4	(7)	65.68%
Development	0	0		
Total	60.7	44.554		
Receipts				

The savings of Rs.14.76 million indicates inefficiency in the capacity of Local Government Departments to utilize the allocated budget. Furthermore the saving in salary and non-salary component were and % of total expenditures. And no fund was expended for development purpose. Indicates ineffectiveness of Tehsil Government.

EXPENDITURE 2021-22

(Rs in million)



Audit observations amounting to Rs.53.893 million were raised in this audit report. This amount also includes recoverable of Rs. 10.972 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

3.3 Classified Summary of Audit Observations

Sr. No.	Classification	Amount (Rs in million)
1	Irregularities	-
A	HR/Employees related irregularities	11.298
2	Value for money and service delivery issues	1.092
3	Others, including cases of accidents, negligence etc.	31.623
Total		

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

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

Sr. No.	Audit Year	TAC meeting
1	2019-20	Not Convened
2	2020-21	Not Convened
3	2021-22	Not Convened

3.5 AUDIT PARAS

3.5.1 Irregularities

A. HR/Employees related irregularities

3.5.1.1 Un-authorized payment through DDO -Rs.2.872 million

According to Para 2.3.8 of direction of APPM, the accounting system shall improve the control to minimize the risk of corruption and fraud. This objective shall be address of issuing of payment through direct bank transfer and cheques (toemployee/vendor concerned) instead of payment through DDOs.

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

Government of KPK Finance department letter No. BO(W&M)/6-5/2019-20 Dated Peshawar the 19th February, 2020, all the Principal Accounting officers and DDOs are advised to stop henceforth all cash payments and open cheques payment

Tehsil Municipal officer, TMA, Mirali, incurred expenditure of Rs.2,872,529 during 2021-22 account of salary. However, the payments were made through DDO instead of through bank accounts of the employees.

The irregularities were occurred due to weak internal controls, which resulted in unauthorized payment through DDO. The similar observation was also pointed out in during the financial year 2020-21 for amounting Rs. 19.20 million. However, no corrective measure was taken, resulting in to total Rs. 22.070 million unauthorized payments

When pointed out in November 2022, management stated that reply of the observation will be submitted after perusal of the relevant record.

Request for DAC meeting was made in November 2022, which could not be convened till finalization of this Report.

Audit recommends stoppage of DDO Payment henceforth and action against the person at fault.

AIR Para-02 (2021-22)

3.5.1.2 Irregular expenditure on account of payment to daily wages employees Rs. 1.884 million.

GFR Rule-205 state that “Subject as hereinafter provided in this rule, a government officer interested with the payment of money shall obtain for every payment he makes, including repayment of sums previously lodged with government, a voucher setting forth full classification and identification in the accounts. Every voucher must bear, or have attached to it, an acknowledgment of the payment signed by the person by whom or in whose behalf the claim is put forward. The acknowledgement shall be taken at the time of payments”.

The TMO, Mir Ali paid Rs. 1,884,331 on account of monthly pay to daily wage employees during the financial year 2021-22. However, audit observed that the local office has engaged the daily wage employees on the sanctioned posts since the establishment of the local office and no regular appointment/recruitment was made till date (i.e Non PUGF staff). Audit is of the view that daily wage employees are hired for urgent need and for the period of six months.

The irregularities were occurred due to weak internal controls, which resulted in unjustified expenditure. The similar observation was also pointed out in during the financial year 2020-21 for amounting Rs. 0.81 million. However, no corrective measure were taken, resulting in to total Rs. 2.694 unauthorized payment

When pointed out in November 2022, management stated that reply of the observation will be submitted after perusal of the relevant record.

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

Audit recommend necessary justification besides action against the person at fault.

AIR Para-05 (2021-22)

3.5.1.3 Irregular Payments on account of daily Wage Employees Rs. 1.140 million

According to rule 74 (1) (a) of Khyber Pakhtunkhwa District or City

District Government Budget Rules 2016 that every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money and According to rule (4) (a) The Head of Offices shall be responsible for all matters relating to the budget for the offices under his administrative control.

According to Para 2.3.8 of APPM of direction, the accounting system shall improve the control to minimize the risk of corruption and fraud. This objective shall be address of issuing of payment through direct bank transfer and cheques (to employee/vendor concerned) instead of payment through DDOs.

TMO, Miranshah paid Rs. 1,140,000 on account of monthly pay to daily wage employees during the financial year 2021-22. Audit observed the following irregularities:

1. Appointment record of the daily wage employees were not available on record of local office due to which audit could not authenticate the factual position.
2. CNIC/Domical/Father name /Bio data was also not available on record.
3. Record regarding utilization of these daily wages employees was not available on record.
4. Actual payee receipts were not available on record.
5. All the payments were made in cash instead of cross cheque.
6. TMA Miran Shah has enough sanitation staff to whom the local office is paying millions of rupees against pay & allowance every year. Thus, hiring of Daily wage staff is unjustified.
7. Approval from the competent was not found attached.

The irregularities was occurred due to weak internal controls, which resulted in unauthorized expenditure

When pointed out in October 2022, management stated that reply will be submitted after verification of relevant record.

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

Audit recommend inquiry into the matter and fixing the responsibility.

AIR Para-09 (2021-22)

3.5.1.4 Irregular expenditure on account of payment to daily wages employees Rs. 3.696 million.

GFR Rule-205 state that “Subject as hereinafter provided in this rule, a government officer interested with the payment of money shall obtain for every payment he makes, including repayment of sums previously lodged with government, a voucher setting forth full classification and identification in the accounts. Every voucher must bear, or have attached to it, an acknowledgment of the payment signed by the person by whom or in whose behalf the claim is put forward. The acknowledgement shall be taken at the time of payments”.

The office of Tehsil Municipal Administration, Razmak, paid-Rs.3,696,000 during the FY 2020-21on account of salaries to the daily wages employees.

Audit found the following irregularities.

- i. Attendance registers of the daily wage employees were not available in the office.
- ii. Acknowledgements of the work done of the daily wage employees were not found.
- iii. Acknowledgments of payment were also not available in TMA.
- iv. No acquaintance role was found/ attached of the daily wages employees.
- v. CNICs of the daily wage employees are also not available.

The lapse occurred due to weak internal control which resulted in irregular of drawl of fund. The similar observation was also pointed out in during the financial year 2020-21 for amounting Rs. 2.256 million. However, no corrective measure were taken, resulting in to total Rs. 5.952 million irregular payment

When reported in November2021, the department replied that point is noted and needful will done. No reply/progress report was submitted by the

department till finalization of this report.

PAO was requested to convene DAC meeting was made on 21.03.2021 however meeting of DAC could not be convened till finalization of this report.

Audit recommends that all the payment must be may be regularized or recovered from concerned besides fixing the responsibility against the person(s) at fault.

AIR Para No 04 (2020-21)

3.5.1.5 Irregular expenditure without Pre-Audit process -of Rs. 2.085 million

According to District Government rules 2016 Serial No.36 under sub rule-2“payments authorized by the Tehsil Municipal Administrator are required to be pre-audited by the Resident Audit Officer of the office of the Director Local Fund Audit. The system of pre-audit has been prescribed to guard against the fraudulent and irregular drawl of money from the government exchequer.

Tehsil Municipal Administration Razmak incurred expenditure of Rs.2,085,268 on account of salary and non-salary heads without the pre-audited process.

The lapse occurred due to weak internal controls, which resulted in irregular expenditure. The similar observation was also pointed out in during the financial year 2020-21 for amounting Rs. 2.335 million. However, no corrective measure were taken, resulting in to total Rs. 4.42 million irregular payment

When pointed out in November 2022, management stated that reply will be submitted after verification of record.

Request for DAC meeting was made in November 2022, which could not be convened till finalization of this Report.

Audit recommends the regularization of the expenditure.

IR Para-02 (2021-22)

3.5.2 Value for money and service delivery issues

3.5.2.1 Doubtful Cash payment to the employees instead of vendor. Rs.1.021 million

Government of KPK Finance Department letter No. BO(W&M)/6-5/2019-20 Dated Peshawar the 19th February, 2020, all the Principal Accounting Officers and DDOs are advised to stop henceforth all cash and open cheques payments.

The TMO, Mir Ali incurred expenditure for Rs. 1,026,158 during the financial year 2021-22, under various non-salary heads (detailed below). However the payment was made through open cheque/in cash in the name of employees of the local office instead of cross cheque to the vendor. Further actual payee receipts were not obtained from the vendor concerned.

S.No	Cheque no and Date	Cheque issued to	Purpose of Payment	Amount in Rs.
01	42280740 16-07-2021	TMO	MISC: Bills	70,555
02	42280750 04-08-2021	TMO	Hiring of Private Machinery	38,400
03	42280751 04-08-2021	TMO	Pan flax	25,180
03	42280754 01-09-2021	TMO	MISC: Bills	125,700
04	42280755 01-09-2021	TMO	National day Celebration	130,890
05	42280766 28-10-2021	TMO	MISC: Bills	173,390
06	42280763 12-10-2021	TOF	MISC: Bills	62,200
06	42280769 08-11-2021	TMO	MISC: Bills	37,340
09	42280777 01-12-2021	TMO	MISC: Bills	37,368
10	42280780 10-12-2021	TOF	Pan flax	28,500
10	44504964 18-01-2022	TMO	Hiring Tractor	44,000
11	44504969 26-01-2022	TOR	Purchase of Furniture	24,494
12	44504974 02-02-2022	TOR	MISC: Bills	25,300
13	44505007 10-05-2022	TMO	Purchase of Battery	49,800
14	44505008 10-05-2022	TOF	MISC: Bills	67,910
15	44505010 18-05-2022	TOR	MISC: Bills	49,685
16	47855084 21-06-2022	TMO	Water Drums	35,446
			Total	1,026,158

The lapse occurred due to weak internal controls, which resulted in doubtful payment. The similar observation was also pointed out in during the financial year 2020-21 for amounting Rs. 2.122 million. However, no corrective measure were taken, resulting in to total Rs. 3.148 unauthorized payment

When pointed out in November 2022, management stated that reply of the observation will be submitted after perusal of the relevant record.

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

Audit recommends necessary justification besides action against the person at fault.

AIR Para-07 (2021-22)

3.5.2.2 Loss to TMA due to non-recovery of outstanding rent of Rs.3.756 million

Para 8 and 26 of GFR Vol-I states that each administrative department to see that the dues of the Government are correctly and promptly assessed collected and paid into government treasury.

TMO, Mirali NWTD, could not recover the outstanding rent of shops of below mentioned markets amounting to Rs. 3,756,000, during the financial year 2021-22.

(Amount in Rs)

Sr. No.	Name of Allottee	Total No. of Shop	Monthly Rent	Outstanding
1	Complex Market Khadi Tehsil Mirali	50	2500 (2500x50x12)	1,500,000
2	Ali Khel Market	50	1210 (1210 x50x12)	726,000
3	Toori Market	50	1000 (1000x 50x12)	600,000
4	Akim khel Market	50	(1500x 50x12)	930,000
Total				3,756,000

The irregularities was occurred due to weak internal controls, which resulted in non-recovery of the outstanding rent. The similar observation was also pointed out in during the financial year 2020-21 for amounting Rs. 2.097 million. However, no corrective measure were taken, resulting in to total Rs. 5.853million loss to government.

When pointed out in November 2022, management stated that reply of the observation will be submitted after perusal of the relevant record.

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

Audit recommends that amount in question may be recovered.

AIR Para-01 (2021-22)

3.5.2.3 Loss to TMA due to non-recovery of outstanding rent of Rs.5.016 million

Para 8 and 26 of GFR Vol-I states that each administrative department to see that the dues of the Government are correctly and promptly assessed collected and paid into government treasury.

The TMO, Miranshah, could not recover the outstanding rent of shops of at Pakistan market amounting to Rs. 5,016,100 during the financial year 2021-22

The irregularity was occurred due to weak internal controls, which resulted in non-recovery of outstanding rent. The similar observation was also pointed out in during the financial year 2020-21 for amounting Rs. 4.811 million. However, no corrective measures were taken, resulting in to total Rs. 9.827 loss to government.

When pointed out in October 2022, management stated that reply will be submitted after verification of relevant record.

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

Audit recommends recovery of outstanding amount and action against person(s) at fault.

AIR Para-01 (2021-22)

3.5.2.4 Loss to no TMA due to non-auctioning of Rs. 2.200 million

Para 8 and 26 of GFR Vol-I states that each administrative department to see that the dues of the Government are correctly and promptly assessed collected and paid into government treasury.

TMO, TMA Miranshah for the financial year 2021-22 neither auctioned

the following contracts nor departmental collection was made due to which TMA suffers loss of revenue

S.no	Description	Estimated Amount 2021-22	Total (Amount in Rs.)
01	Singe board	100,000	100,000
02	Cattle fair	2,000,000	2,000,000
03	Parking Fee	100,000	100,000
		Total	2,200,000

The lapse occurred due to weak internal controls, which resulted in loss to TMA. The similar observation was also pointed out in during the financial year 2020-21 for amounting Rs. 17.65 million. However, no corrective measures were taken, resulting in to total Rs. 19.85 loss to government.

When pointed out in October 2022, management stated that reply will be submitted after verification of relevant record.

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

Audit recommends recovery of outstanding amount.

AIR Para-02 (2021-22)

3.5.3 Others, including cases of accidents, negligence etc.

3.5.3.1 Irregular expenditure without Pre-Audit -Rs. 2.493 million

According to District Government rules 2016 Serial No.36 under sub rule-2“payments authorized by the Tehsil Municipal Administrator are required to be pre-audited by the Resident Audit Officer of the office of the Director Local Fund Audit. The system of pre-audit has been prescribed to guard against the fraudulent and irregular drawl of money from the government exchequer.

TMO, Tehsil Municipal Administration Mirali incurred expenditure of Rs. 2,493,608 on account of salary and non-salary heads without the pre-audit during the financial year 2021-22.

The lapse occurred due to weak internal controls, which resulted in irregular expenditure. The similar observation was also pointed out in during the financial year 2020-21 for amounting Rs. 3.75 million. However, no corrective measure were taken, resulting in to total Rs. 6.243 unauthorized payment

When pointed out in November 2022, management stated that reply of the observation will be submitted after perusal of the relevant record.

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

Audit recommends necessary justification besides action against the person at fault.

AIR Para-04 (2021-22)

3.5.3.2 Un-authorized payment through DDO of Rs.18.529 million

Government of KPK Finance department letter No.BO(W&M)/6-5/2019-20 Dated Peshawar the 19th February, 2020, all the Principal Accounting officers and DDOs are advised to stop henceforth all cash payments and open cheques payments.

The TMO, TMA Miran Shah paid Rs. 18,529,669 during the financial year 2021-22 on account of monthly pay through DDO instead of credit to their respective Bank Accounts.

Un-authorized payment occurred due to weak internal controls, which

resulted in violation of rules.

When pointed out in October 2022, management stated that reply will be submitted after verification of relevant record.

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

Audit recommends stoppage of DDO Payments henceforth and action against the person at fault.

AIR Para-06 (2021-22)

3.5.3.3 Doubtful Cash payment to the Employees instead of vendor- Rs.1.190 million

Government of KPK Finance Department letter No. BO(W&M)/6-5/2019-20 Dated Peshawar the 19th February, 2020, all the Principal Accounting Officers and DDOs are advised to stop henceforth all cash and open cheques payments.

The TMO, Miranshah incurred expenditure of Rs. 1,190,622 during the financial year 2021-22, under various non-salary heads (detailed below). However the payment was made through open cheque/in cash in the name of employees of the local office instead of cross cheque to the vendor. Further actual payee receipts was not obtained from the vendor concerned.

(Amount in Rs.)

S.No	Cheque no and Date	Cheque issued to	Purpose of Payment	Amount
01	38056515	Naik dar inspector	Bus Stand work	72,000
02	38056527	Naik dar Sanitary inspector	23 March celebration	79,700
03	38056508	Naik dar Sanitary inspector	Hiring of private Machinery	54,800
04	Nil	Naik dar Sanitary inspector	MISC: bills	293,910
05	38056532	Naik dar Sanitary inspector	Painting work	65,000
06	38056509	Zahir Ullah Driver	Repair of vehicle	363,000
09	Nil	Naik dar Sanitary inspector	MISC:bills	134,572
10	Nil	Faiz ur Rahman Junior	MISC: bills	127,640

		Clerk		
			Total	1,190,622

The lapse occurred due to weak internal controls, which resulted in doubtful payment.

When pointed out in October 2022, management stated that reply will be submitted after verification of relevant record.

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

Audit recommends necessary justification besides action against the person at fault.

AIR Para-15 (2021-22)

3.5.3.4 Un-Authorized payment through DDO of-Rs. 6.551 million

Government of KPK Finance department letter No.BO (W&M)/6-5/2019-20 Dated Peshawar the 19th February, 2020, “all the Principal Accounting officers and DDOs are advised to stop henceforth all cash payments and open cheques payments”.

Tehsil Municipal Administration, Razmak, incurred expenditure of Rs.6,551,820 on account of monthly pay. However the payments were made through DDO instead of credit to the bank accounts of the employees.

The lapse occurred due to weak internal controls, which resulted in unauthorised payment. The similar observation was also pointed out in during the financial year 2020-21 for amounting Rs. 4.643 million. However, no corrective measure were taken, resulting in to total Rs. 11.194 unauthorized payment

When pointed out in November 2022, management stated that reply will be submitted after verification of record.

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

Audit recommends stoppage of DDO Payment henceforth.

AIR Para-01 (2021-22)

**3.5.3.5 Doubtful Cash payment to the Employees instead of vendor.
Rs.1.005 million**

Government of KPK Finance Department letter No. BO(W&M)/6-5/2019-20 Dated Peshawar the 19th February, 2020, all the Principal Accounting Officers and DDOs are advised to stop henceforth all cash and open cheques payments.

TMO, TMA Razmak incurred expenditure for Rs. 1,005,808 during the financial year 2021-22, under various non-salary heads (detailed below). However the payment was made through open cheque/in cash in the name of employees of the local office instead of cross cheque to the vendor. Further actual payee receipts was not obtained from the vendor concerned.

(Amount in Rs.)

S.No	Cheque no and Date	Cheque issued to	Purpose of Payment	Amount
01	38056419 12.08.2021	Qismat Ali Naib Qasid	Bio Degradable Bags	120,393
02	38056422 20-08-2021	TMO	POL	64,103
03	380556420 11-08-2021	TMO	14 th August celebration	150,000
04	38056424 23-08-2021	Qismat Ali Naib Qasid	Plantation	150,000
05	38056427 03-09-2021	TMO	Plantation	192,050
06	38056435 23-09-2021	Qismat Ali Naib Qasid	Dengue Spray	150,000
09	44576742 10-11-2021	TMO	Eid Milad Nabi	67,500
10	44576744 22-11-2021	TOF	POL	34,989
11	44576752	TOF	POL	37,223
12	44576755	TMO	MISC: Bills	39,550
			Total	1,005,808

The lapse occurred due to weak internal controls, which resulted in doubtful payment.

When pointed out in November 2022, management stated that reply will be submitted after verification of record.

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

Audit recommends necessary justification besides action against the

person at fault.

AIR Para-13 (2021-22)



CHAPTER-04

ASSISTANT DIRECTOR LGE & RDD



CHAPTER-4

AD Local Government Election & Rural Development

4.1 Introduction

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

According to section 29 of the Khyber Pakhtunkhwa Local Government Act 2019, 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 neighborhood councils
- iii. Matters related to local taxes, grants, budget of village and neighborhood councils
- iv. Coordination of activities relating to local council elections, population census and surveys in the district
- v. Rural Development Works including water supply, rural access roads, embankment and drainage works
- vi. Overseeing registration of births, deaths and marriages in village and neighborhood councils
- vii. Review, evaluation and assessment of local government system, processes and procedures in the district particularly at the village and neighborhood level
- viii. Collection, compilation and dissemination of primary data Training and research in the areas of local governance

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

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

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

- xix. Electing an Accounts Committee and review its recommendations on the annual statement of accounts and audit reports; and
- xx. Reporting cases of handicapped, destitute and of extreme poverty to district government.

Audit profile of AD LG & RRD of North Waziristan

(Rs. in million)

S. No.	Description	Total	Audited	Expenditure audited FY2020-21	Revenue /Receipts audited FY 2020-21
1	Formations	01	01	21.877	-

4.2 Comments on Budget and Expenditure (Variance Analysis)

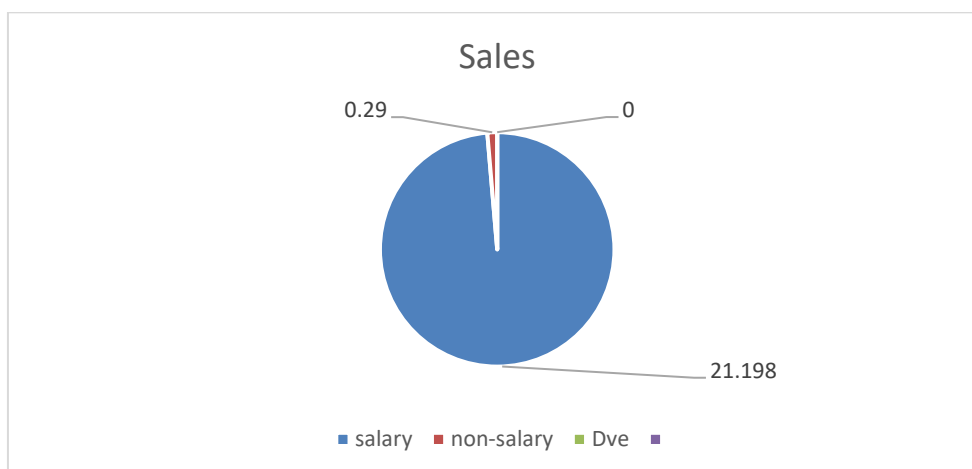
(Rs. in million)

AD LGE&RDD				
2020-21	Budget	Expenditure	Excess/ (Saving)	%age
Salary	25.713	21.198	4.515	83.67%
Non salary	1.440	0.290	1.15	20/138%
Development	0	0		
Total	27.153	21.488	5.665	

The saving of Rs. 5.665 million indicates inefficiency in the capacity of Local Government Departments to utilize the allocated budget.

EXPENDITURE 2020-21

(Rs in million)



4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs.684.243 million were raised in this audit report. This amount also includes recoverable of Rs.13.75 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)		
Sr. No.	Classification	Amount
1.	Procurement	229.588
2.	Value for money and service delivery issues	13.75
3.	Others, Including Cases of Accidents, Negligence etc	440.905
Total		684.243

4.4 AUDIT PARAS

4.4.1 Procurement

4.4.1.1 Irregular Execution of Developmental Schemes Rs.299.588 million

According to Directorate of Local Government Department of Merged Areas letter No. DF (RD)/ tender North Waziristan/63-68 dated 18-3-2022, technical sanction must be obtained before commencement of work at site, photographs/ pictorial evidence of before and after of the scheme at site must be taken/obtained to ensure quality of work and proper laboratory test must be carried out for quality assurance as per specifications.

According to P& D Department letter dated 10-5-2016, all the administrative department are required to include GPS coordinates in their PC-I and no project shall be processed for consideration/ approval of the competent authority without GPS coordinates.

Assistant Director LGE & RDD North Waziristan executed 130 Nos. of developmental schemes under various ADPs and incurred expenditure of Rs.229,588,014 During the financial year 2021-22, as per detail given below;

S.no	ADP Name	No of Schemes	Expenditures (Amount in Rs)
1.	Rural/ Approach Roads in Merged Districts ADP No.2116/200275 (2021-22).	16	32,835,690
2.	Rural Approach Roads in Merged Areas ADP No.2219/200275/2020-21	26	88,194,386
3.	Pavement & Construction of Drains in Merged Areas ADP No.2115/200273/(2021-22) AD LG & RDD, North Waziristan	30	28,195,488
4.	Street Pavement & Construction of Drains in Merged ADP/ AIP No.2218/200273 (2020-21).	58	80,362,450
Total		130	229,588,014

Audit observed the following irregularities:

- 1 Duplication certificates dully verified by the competent authority were not available on record.
- 2 Before and after photographs/ pictorial evidence of execution & completion of schemes at sites were not available on record.
- 3 GPS coordinates of executed schemes were also not available due to which the schemes were unable to locate.
- 4 MBs of the schemes were not available on record to ascertain the factual position.

- 5 Laboratory tests of materials were not conducted to ensure the quality of work.
- 6 Reports of the District monitoring committee were not available on record.

The laps occurred due to weak internal controls, which resulted in irregular expenditure.

When pointed out in October, 2022, management stated that detail reply would be furnished up to 09-11-2022. However, no reply was submitted till finalization of this Report.

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

Audit recommends inquiry to ascertain the factual position.

AIR Para No.01 (2021-22)

4.4 AUDIT PARA

4.4.1 Value for money and service delivery issues

4.4.2.1 Loss due to Non-deduction of Income Tax from Contractors- Rs.8.487 million

According to Commissioner of Income Tax, Regional Tax Office, Peshawar letter dated 20-6-2009, a person belonging to Tribal Area but residing in a Taxable Area is not entitled to exemption because he would become a resident person as provided under Section-82 of the Income Tax Ordinance, 2001.

Assistant Director LGE & RDD North Waziristan paid Rs.113,170,309 to following Contractors/ Companies for execution of developmental schemes during the financial year 2021-22. The Income Tax was not deducted on the plea that the said Contractors/ Companies are exempted whereas exemption of Income Tax was applicable on individual domiciled or company and association of persons resident in the tribal areas under rules ibid. further the main office of said contractors/ companies were situated in Islamabad, thus income tax amounting to Rs.8, 487,772 is required to be recovered. As detailed below.

(Amount in Rs.)

S.No.	Name of Contractor/ Company	Address of Offices	Payment Made (Rs.)	Income Tax Due (Rs.)
1.	M/S Atta Global Construction Company	H#16, S#2, Sector G-15/4, Khayan Kashmir, Islamabad.	56,543,452	4,240,759
2.	Aamir Construction Company (Pvt.) Ltd,	Office #651, 2 nd . Floor, Block-5, Islamabad.	18,497,901	1,387,342
4.	Wazir Construction Company	H#16, S#2, Sector G-15/4, Islamabad.	33,220,736	2,491,555
5.	M/S Waheed Ullah Wazir	H#16, S#2, Sector G-15/4, Khayan Kashmir, Islamabad	4,908,220	368,116
Total Income Tax Payable			113,170,309	8,487,772

Non-recovery of income tax occurred due to weak internal controls, which resulted in loss to Government.

When pointed out in October 2022, management stated that detail reply

would be submitted up to 09-11-2022. However, no reply was submitted till finalization of this Report.

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

Audit recommends recovery of income tax from the contractors and be deposit in Government treasury.

AIR Para No.07 (2021-22)

4.4.3.2 Loss to due to awarding the Contract on Higher Rate- Rs.5.263 million

According to Rule-14(2) (b) (ix) of KP Procurement Rules-2014, the bid found to be the lowest evaluated shall be accepted.

According to Rule-27 (2) (f) of KP Procurement Rules-2014, the consultant/ bidder shall submit a bid security at the rate of 2 percent of the consulting cost which shall be forfeited in case, he refuses to sign the contract agreement.

Assistant Director LGE & RDD North Waziristan executed the work “Construction of Taxi Stand at Mir Ali North Waziristan” through e-bidding on 29-11-2021, in which a contractor M/S Khan Marjan offered the rate 15% below of the estimated cost. Later on the contractor refused to start the work with the plea of poor health/illness and work was awarded at higher rate i.e. @ 5.09% below of the estimated cost and thus resulted into loss of Rs.5,263,236 to Government. Detailed below.

(Amount in Rs)

Estimated Cost (Rs.)	Bid Accepted 5.09% Below (Rs.)	Bid Offered 15% Below (Rs.)	Difference (Rs.)
53,164,000	50,452,636	45,189,400	5,263,236

Awarding of contract on higher rate was occurred due to weak internal controls, which resulted in loss to Government. The similar observation was also pointed out in during the financial year 2020-21 for amounting Rs.3.784 million. However, no corrective measures were taken, resulting in to total Rs. 9.047 loss to government.

When pointed out in October 2022, management stated that detail reply

would be submitted up to 09-11-2022. However, no reply was submitted till finalization of this Report.

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

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

AIR Para No.8 (2021-22)

4.1 AUDIT PARAS

4.4.3 Others, Including Cases of Accidents, Negligence etc

4.4.3.1 Unauthorized execution of developmental Schemes without obtaining of technical sanction Rs 275.295 million

According to Directorate of Local Government Department of Merged Areas letter No. DF (RD)/ Tender North Waziristan/63-68 dated 18-3-2022, Technical Sanction must be obtained at the earliest before commencement of work at site.

Assistant Director LGE & RDD North Waziristan executed 42 Nos. developmental schemes under various ADPs amounting to Rs.275,295,451 during the financial year 2021-22. However technical sanction was not obtained from the competent authority as required under the rules. Detail is given at Annexure-6.

The irregularity was occurred due to weak internal controls, which resulted in unauthorized execution of developmental schemes. The similar observation was also pointed out in during the financial year 2020-21 for amounting Rs.45.726 million. However, no corrective measure were taken, resulting in to total Rs. 321.031 unauthorized payment.

When pointed out in October, 2022, management stated that detail reply would be furnished up to 09-11-2022. However, no reply was submitted till finalization of this Report.

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

Audit recommends that technical sanction may be obtained from the competent authority to regularize the expenditure.

AIR Para No.02 (2021-22)

4.4.3.2 Doubtful Expenditure on Installation of Dug Wells -Rs.64.363 million

According to Para-10 (iii) & (iv) of GFR Vol-I, Public Money should not be utilized for the benefit of a particular person or section of the community.

According to Government of Khyber Pakhtunkhwa Planning & Development Department letter dated 10-5-2016, all the administrative departments are required to include GPS coordinates in their PC-I and no project shall be processed for consideration/ approval of the competent authority without

GPS coordinates.

Assistant Director LGE & RDD North Waziristan incurred expenditure of Rs.64,363,194 on installation of 113 Nos. Dug Wells in District North Waziristan during the financial year 2021-22.

S.No.	Name of ADP	Nos. of Schemes	Cost of Schemes (Rs.)	Payment up to 30-6-2022 (Rs.)
1.	Low Cost WSSs in Merged Areas under a ADP Scheme No.2216/200271 (2020-21)	74	99,990,000	52,299,720
2.	Low Cost WSSs in Merged Areas under ADP Scheme No.2114/200271 (2021-22)	39	42,500,000	12,063,474
Total		113	142,490,000	64,363,194

Audit observed the following irregularities:

- i. 113 Nos. Dug Wells/WSSs were installed in the homes of various individuals instead of for community of the area.
- ii. The administrative approval shows name of village's, exact locations of dug wells were not mentioned.
- iii. GPS coordinates of schemes were not available due to which location of Dug Wells cannot be traced.
- iv. MBs of schemes were not available to ascertain the factual position.
- v. Duplication certificate dully verified by the competent authority was not available on record.
- vi. No proper handing/taking was made with any government department for operation & maintenance.
- vii. Acknowledged by individual or community was not available on record.
- viii. Submergible motors of 2 HP were shown installed in these WSS, however provision of electrification was not included in BOQ of schemes.

The irregularity was occurred due to weak internal controls, which resulted in doubtful expenditure.

When pointed out in October, 2022, management stated that detail reply would be furnished up to 09-11-2022. However, no reply was submitted till

finalization of this Report.

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

Audit recommends inquiry to ascertain the factual position.

AIR Para No.03 (2021-22)

4.4.3.3 Un-authorized payment for ADP Schemes out of funds released for other ADP Schemes-Rs.32.835 million

According to Administrative Approval accorded by the Secretary Local Government Department vide No. PO (LG)/ DDWP/ 2021-22 dated 21-9-2021, the work orders shall be issued after release of funds and proper technical sanction of the Cost Estimates.

According to Para-12 of GFR Vol-I, a controlling officer must see that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

Assistant Director LGE & RDD North Waziristan paid Rs.32,835,690 for execution of 16 Nos. Schemes under ADP “Rural Approach Roads in Merged Areas ADP No.2116/200275 (2021-22)” however it was observed that funds were not released/allocated by the Provincial Government for said ADP Schemes during the financial year 2021-22 and the local office incurred expenditure of Rs.29,848,187 out of funds released for ADP Scheme “Rural Approach Roads in Merged Areas ADP No.2219/200275/2020-21 (MW-5113)” and Rs.2,987,503 out of funds released for ADP Scheme “PCC Link Roads & DWWs ADP No.1257/191650-190302 (MW-5121)”. Detail is given at Annexure-07.

The lapse occurred due to weak internal controls, which resulted in unauthorized payment.

When pointed out in October, 2022, management stated that detail reply would be submitted up to 09-11-2022. However, no reply was submitted till finalization of this Report.

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

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

AIR Para No. 04 (2021-22)

4.4.3.4 Irregular payment due to Illegal Award of Contracts-Rs.37.733 million

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

Assistant LGE & RDD North Waziristan awarded contracts of various schemes under ADP No.2216/200271/2020-21 and ADP No.2219/200275(2020-21) to M/S Atta Global Construction Company, Islamabad during the financial year 2021-22. However, it was noticed that total payment of Rs.56,543,452 was made for execution of schemes but cheques amounting to Rs.37,733,461 out of total payment were prepared in favour of Mr. Atta Ur Rehman instead of M/S Atta Global Construction Company to whom contracts were awarded. The local office could not provide any documented proof to show association of Mr. Atta ur Rehman to M/S Atta Global Construction Company. Detail is given at Annexure-08.

The lapse occurred due to weak internal controls, which resulted in irregular payment.

When pointed out in October 2022, management stated that detail reply would be submitted up to 09-11-2022. However, no reply was submitted till finalization of this Report.

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

Audit recommends inquiry to ascertain the factual position and action against the person(s) at fault.

AIR Para No. 05 (2021-22)

4.4.3.5 Un-authorized payment for ADP Schemes out of Funds Released for other ADP Schemes -Rs.25.939 millions

According to Administrative Approval accorded by the Secretary Local Government Department dated 21-9-2021, the work orders shall be issued after release of funds and proper technical sanction of the Cost Estimates.

According to Para-12 of GFR Vol-I, a Controlling Officer must see that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided.

Assistant Director LGE & RDD North Waziristan paid Rs.25,939,848 for execution of 29 Nos. schemes of ADP “Street Pavement & Construction of Drains in Merged Areas ADP No.2115/200273 (2021-22)” whereas no funds were released by the Provincial Government for said ADP Scheme during the financial year 2021-22. The payment was made out of funds released for ADP “Street Pavement & Construction of Drains in Merged Areas ADP No.2218/200273 (2020-21)”. Detail is given at Annexure-09.

The irregularity was occurred due to weak internal controls, which resulted in unauthorized payment.

When pointed out in October 2022, management stated that detail reply would be submitted up to 09-11-2022. However, no reply was submitted till finalization of this Report.

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

Audit recommends inquiry for fixing the responsibility against the person(s) at fault.

AIR Para No. 06 (2021-22)

4.4.3.6 Illegal award of Contracts of Development Schemes-Rs.3.677 million

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

Assistant Director LGE & RDD North Waziristan awarded contracts of following developmental schemes under ADP “Low Cost WSSs in Merged Area ADP No.2216/200271/2020-2” amounting to Rs.3,677,000 to M/S Dawar Ladhi Khel Construction Co. during the financial year 2021-22. On scrutiny of tender documents, it was noticed that the owner of M/S Dawar Ladhi Khel Construction Co. was Mr. Nizam-U-Din in registration with PEC and FBR record, whereas in comparative statement & contractor bill, the contractor/ owner of said Co. was shown as Mr. Ubaid Ullah Khan and Cheques were also prepared in the name of

Mr. Ubaid Ullah Khan which was held illegal as no document was available on record to prove his association with the M/S Dawar Ladhi Khel Construction Company. Audit is of view that Registration documents of M/S Dawar Ladhi Khel Construction Co. were used by Mr. Ubaid Ullah Khan in the tendering process.

(Amount in Rs.)

S.no	Name of Schemes	Cost of Schemes
1	Dug Well at Fahimul Hq Kot Tehsil Mir Ali	545,000
2	Dug Well At Nek Mohammad Market Hurmaz Bazar Tehsil Mir Ali.	550,000
3	Dug well at kotka shawqat ullah hurmaz tehsil mir ali.	545,000
4	Dug Well At Seer Dogai Wazir Abad Murad Ali Kot Tehsil Mir Ali.	1,286,000
5	Dug Well At Asad Kot Bonda Village Tehsil Miranshah	751,000
	Total	3,677,000

The irregularity was occurred due to weak administrative and internal controls, which resulted in illegal award of contracts.

When pointed out in October 2022, management stated that detail reply would be submitted up to 09-11-2022. However, no reply was submitted till finalization of this Report.

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

Audit recommends inquiry to ascertain the factual position and action against the person(s) responsible.

AIR Para No.09 (2021-22)

4.4.3.7 Non-forfeiting of CDR due to non-execution of Contract Agreement- Rs.1.063 million

According to Rule-27 (2) (f) of KP Procurement Rules-2014, the consultant/ bidder shall submit a bid security at the rate of 2 percent of the estimated cost which shall be forfeited in case, he refuses to sign the Contract Agreement.

Assistant Director LGE & RDD North Waziristan executed the work “Construction of Taxi Stand at Mir Ali North Waziristan” through e-bidding on 29-11-2021, in which a Contractor M/S Khan Marjan offered a rate of 15% below of the estimated cost. Later on the contractor refused to start the work with the

plea of poor health/illness. However, 2% Bid Security in shape of CDR amounting to Rs.1,063,280 was refunded to contractor instead of forfeiting in favor of Government.

Irregularity was occurred due to weak administrative and internal Controls, which resulted in loss to Government.

When pointed out in October 2022, management stated that detail reply would be submitted up to 09-11-2022. However, no reply was submitted till finalization of this Report.

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

Audit recommends recovery of loss from the contractor or AD LG & RDD and Assistant Engineer for their fault.

AIR Para No.10 (2021-22)

ANNEXURES

Annexure-1

Detail of MAFDAC Paras

(Amount in Rs.)

Deputy Commissioner Miranshah			
Sr. No	AIR No	Caption of Para	Amount
1	5	Irregular deduction of Property tax/District Council	0.584
2	6	Non surrendering of saving	17.406
3	7	Irregular payment of through DDO	26.848
4	8	Non utilization of compensation fund	21.272
5	10	Un-authentic Receipts amounting	0.882
6	11	Non deposit of receipt into Govt treasury	0.01
7	12	Non reconciliation of monthly / yearly expenditure -	31.133
8	13	Non maintenance of cash book for expenditure of	0.289
9	14	Non-disbursement of Polio campaign funds -	7.23
10	17	Irregular expenditure on account of Electricity	4.474
DHO Miranshah			
11	2	Un-authentic payment of	89.601
12	3	Irregular payment on account of Non-Practicing Allowance	0.184
13	4	Non surrendering of saving	4.689
14	5	Irregular payment of through DDO-	1.757
15	6	Un authentic drawl of Pay and Allowances –	1.134
16	7	Irregular payment of House Rent and Conveyance Allowance-	0.539
17	9	Doubtful payment on account of Financial Assistance and Encashment of LPR-	1.007
18	10	Un-authentic payment	68.512
19	12	Unauthorized/ doubtful expenditure on account of Hot & Cold Weather charges–	0.30
20	13	Non-imposition of penalty-	0.096
21	14	Irregular payments due to non-revival of funds –	13.509
22	15	Unauthorized payment in advance of government money	3.23
23	16	Unauthentic expenditure on POL due to non-maintenance of log books -	2
24	17	Un-authorized Drawl of Conveyance Allowance	0.06
25	18	Illegal appointments of staff and pay of	0.145
26	19	Irregular Payment of House Rent and Conveyance Allowances-	0.739
27	20	Unauthorized payment on account of Unattractive Area Allowance-	46.746
28	23	Non-deposit of bank profit into government treasury	0.097
29	25	Suspected misappropriation due to irregular cash payments from bank account –	38.854
DEO (M&F) Miranshah			
31	4	Non- Collection / Misappropriation of funds –	2.444

32	5	Irregular expenditure on account of Electricity	3.604
33	6	Doubtful payment on account of Financial Assistance and Encashment of LPR-	42.769
34	8	Non surrendering of saving	8.643
35	9	Irregular retention of fund in designated bank account –	17.053
36	10	Irregular payment of arrears of pay and allowances–	108.98 8
37	11	Unauthorized payments through DDO instead of issuance of crossed cheques to vendors -	11.816
38	14	Non-recovery of salaries from absent teachers-	1.059
39	15	Irregular payments due to non-revival of funds –	33.485
40	20	Unauthorized payment on account of Unattractive Area Allowance-	46.746
41	23	Irregular payment of through DDO-	13.177
42	24	Unauthorized payments through DDO instead of issuance of crossed cheques to vendors	46.109
43	25	Non-recovery of salaries from absent Classs-IV staff-	0.760
44	26	Irregular expenditure on purchase of Jute Tats-	0.708
45	27	Irregular expenditure on account of POL and repair of vehicles –	0.244
46	29	Irregular expenditure under the head printing and publication-	0.415
		Population Welfare Miranshah	
47	2	Non-surrender of saving amounting to	10.391
48	3	Un-authorized drawl of salaries against wrong job description and position codes	3.156
49	4	Un-authorized payment of monthly Pay through DDO of	10.391
50	5	Un-authorized payment of monthly office Rent through DDO	0.063
51	6	Operation of current bank Account	0.114
52	7	Un-authorized issuance of Short Expiry Medicines.	0.063
		District Director Agriculture Miranshah	
53	4	Un-authorized payment of monthly Pay through DDO	3.633
54	6	Loss to Government due to non-opening of PLS account-	0.142
55	7	Un-authorized retention of government money in bank accounts and doubtful drawl	9.946
46	8	Un-authorized purchase of Motor Cycle and loss to government due to non-deduction of income tax	1.229
57	10	Overpayment due to claim in excess rates on account of purchase of barbed wire.	1.017
57	11	Loss due to non-deduction of Stamp Duty-	0.408
58	12	Loss to government due to non-deduction Income tax of	0.323
59	13	Doubtful expenditure on account of training to formers of	0.5
		District Director Livestock and Dairy Development NW Miran Shah	
60	2	Unverified receipt amounting	0.124
61	5	Doubtful expenditure on account of POL	0.25
63	10	Non reconciliation of expenditure.	147.66 9

District Officer Social Welfare NW Miran Shah			
64	1	Irregular expenditures on account of engagement of fixed pay employees	2.495
65	2	Doubtful payments	3.05
66	3	Unauthorized expenditure million beyond sanctioning powers.	0.804
67	4	Unauthorized Payments to DDOs Instead of crossed cheques to Vendors -.	0.495
68	5	Irregular expenditure of on Printing amounting	0.88
69	6	Unverified payment on account of adjustments/arrear of pay & allowances-	0.165
70	7	Loss due to non-deduction of Sales &Income Tax-	0.103
71	8	Un-authorized drawl of Conveyance Allowance-	0.06
72	9	Unauthorized payment of conveyance charges	0.06
73	10	Unverified payment	0.504
74	11	Suspected misappropriation	0.289
75	12	Suspected misappropriation on account of POL and repair of Government Vehicle-	0.959
76	13	Fictitious payment under head conveyance charges.	0.15
77	14	Unauthorized payment under head Others.	0.6
TMA Mirali NWTD			
78	3	Non reconciliation of PLA Funds –	9.038
79	6	Loss to Government Due Non-Deposit of Bank Profits into Government Treasury worth.	0.127
80	8	Irregular Expenditure on account of POL	0.836
81	9	Unauthorized payment on account of TA/DA	0.639
82	10	Non dedication of taxes amounting	0.123
83	11	Irregular expenditure on account of Hiring of private machinery	0.309
84	12	Unjustified expenditure hiring of daily wager staff.	0.13
85	13	Non-credit of Income Tax deducted into Govt treasury.	0.033
86	14	Irregular expenditure on account of 14 August celebration	0.126
87	16	Un-Irregular expenditure	0.028
TMA NW Miranshah			
89	3	Variation in Receipt figures of Entry fee	0.569
90	4	Non dedication of taxes amounting	0.273
91	5	Loss to Government Due Non-Deposit of Bank Profits into Government Treasury worth.	0.032
92	7	Unauthorized expenditure without pre-audit -	0.509
93	8	Irregular Expenditure.	0.738
96	10	Irregular Expenditure on account of POL	1.408
97	11	Unjustified expenditure on account of Hiring of private machinery	0.39
98	12	Non reconciliation of PLA Funds	17.286
99	13	unverified receipts due to non-Maintains of demand and collection register worth-	10.569
100	14	Unjustified expenditure on account rented of bus stand	0.26
101	16	Un-authorized expenditure on account 23 march	0.079
102	17	Non deduction of income tax from salary of Employees	0.164

103	18	Overpayment on account of Adhoc Relief allowance 2019	0.029
104	19	Doubtful expenditure on repair of transport	0.363
105	20	Unverified Arrear of Pension	0.151
106	21	Un-authorized expenditure on account Painting	0.065
		TMA NW Razmak	
107	3	Non reconciliation of PLA Funds –	9.04
108	5	Irregular Expenditure.	0.528
109	6	Irregular Expenditure on account of POL	0.275
110	7	Doubtful payment on account of advances-	0.5
111	8	Unjustified Payments on account of daily Wage Employees	3.696
112	9	Irregular payment to Legal Adviser.	0.126
113	10	Unauthorized payment on account of maintenance of rented office building	0.131
114	11	Doubtful payment on account rent of office	0.2
115	12	Non deduction of income tax from salary of Employees	0.077
116	13	Loss to Government Due Non-Deposit of Bank Profits into Government Treasury worth	0.116
117	15	Doubtful payment on account transfer TA	0.075
118	16	Irregular payment on account Advertisement	0.025
119	17	Irregular Expenditure on account of TA/DA	0.176
120	19	Unverified/Unauthentic Expenditure.	0.373
121	20	Unverified payments on account of arrears of pay and allowances-	1.16
122	21	Non dedication of taxes amounting	0.1
123	22	Irregular expenditure on account of Hiring of private machinery	0.103
124	23	doubtful payment on account of pay of Non-PUGF staff	0.201
		Assistant Director LGE & RDD NW Miran Shah	
125	7	Irregular payment due to Illegal Award of Contracts- million	18.497
126	8	Un-authorized payment for ADP Schemes out of Funds Released for other ADP Schemes-	12.063
127	10	Overpayment due to payment of Inadmissible Item Rate -	7.735
128	12	Loss to due to awarding the Contract on Higher Rate-	2.594
129	13	Irregular award of Contacts to a Single Bidder-	13.431
130	14	Un-authorized Acquisition of Land for Taxi Stand-	18.225
131	17	Un-authorized drawl of Compulsory Acquisition Charges-	2.25
132	18	Wasteful expenditure due to execution of inadmissible item-	1.726
133	19	Excess payment over & above the BOQ-	0.924
134	20	Overpayment over & above the Bid Cost-	0.375
135	21	Unverified payment of arrear of Pay & Allowances-	6.818
136	22	Irregular payment of Salaries through DDO instead of Bank Accounts-	1.882
137	23	Irregular payment of Un-attractive Area Allowance-.	0.427
138	24	Un-authorized Payment of Utility Allowance -	0.075
139	25	Unauthorized payment of Judicial allowance-	0.073
140	26	Un-authorized drawl of Special Allowance -	0.066
141	27	Un-authorized drawl of Conveyance Allowance -.	0.06
142	28	Un-authorized drawl of Washing & Integrated Allowance-.	0.019

143	29	Overpayment of ARA-2019-	0.017
144	30	Unauthorized payment of Teaching Allowance-	0.015
		Total	1068.078

Annexure -2**Para No****Detail of unauthentic payment to District Police Officer**

S. No.	Cheque No.	Date	Amount in Rs.
1	131043807	21.08.2021	1,108,800
2	131043811	13.09.2021	642,800
3	131043812	13.09.2021	1,031,150
4	131043813	10.09.2021	981,700
5	174293710	14.01.2022	1,057,100
6	174293745	15.05.2022	1,056,000
7	174293746	15.05.2022	957,000
Total			6,834,550

Annexure -03**Para no .2.4.1.3****Detail of pay and allowances paid in cash by the DEO (M&F) North Waziristan during FY 2021-22**

S#	Months	MW6016	MW6014	Total (Amount in Rs.)
1.	July 2021	836,838	6,215,920	7,052,758
2.	August	610,673	2,816,438	3,427,111
3.	Sep	196,486	1,492,260	1,688,746
4.	Oct	148,891	1,433,758	1,582,649
5.	Nov	1,159,120	1,936,512	3,095,632
6.	Dec	1,077,027	2,262,473	3,339,500
7.	Jan 2022	434,996	1,405,944	1,840,940
8.	Feb	280,023	1,155,304	1,435,327
9.	March	598,052	1,150,741	1,748,793
10.	April	898,126	1,307,993	2,206,119
11.	May	2,293,900	15,702,188	17,996,088
Total		8,534,132	36,879,531	45,413,663

Annexure-04
Para no. 2.4.3.5

Detail of non-disbursement of funds on account of land acquisition

S#	Particulars	Cheque No.	Date	Amount in Rs.
1	Construction of Taxi Stand at Mir Ali	0540715	02.11.2021	17,415,000
2	-do-	01982919	04.06.2022	810,000
3	Establishment of wildlife Range Office & Wildlife checkpost	412057	20.10.2021	12,150,000
4	Compensation of land acquired for DPO Office, CTD Office & Special Branch Office	-	11.08.2021	8,000,000
5	District/Tehsil Complex	A86869605	21.04.2022	200,000,000
	Total			238,375,000

Annexure -05

Para no 2.4.4.4

Detail of Cash payment from bank

S.No	Cheque No.	Date	Amount in Rs.
1	91108844	02.07.2021	3,560,121
2	91108841	02.07.2021	2,997,000
3	91108845	05.07.2021	19,079,855
4	91108899	16.07.2021	7,052,758
5	40722749	03.11.2021	8,587,724
6	62824263	01.06.2022	1,957,362
7	62824264	01.06.2022	1,952,302
8	62824260	01.06.2022	1,962,908
9	62824266	01.06.2022	2,165,427
10	62824262	02.06.2022	2,194,504
11	62824265	02.06.2022	2,152,140
12	62824261	08.06.2022	2,151,281
	Total		53,618,878

Annexure-06
Para No 4.4.3.1

**Statement showing detail of the developmental Schemes without
Technical Sanction**

S.No.	Name of Schemes	Cost of Schemes (Rs.)
1	Construction of Building for Municipal Corporation in NWA.	46,663,441
2	Construction of Taxi Stand in NWTD	50,452,636
4	PCC Street at Hayat Ullah Sordag Tehsil Spinwam. ADP No.2218/200273(2020-21).	9,238,765
5	PCC street at baber zakim anghar kala tehsil Miranshah. ADP No.2218/200273(2020-21).	2,664,980
6	PCC street at spulga tehsil Miranshah. ADP No.2218/200273(2020-21).	4,530,467
8	PCC street at aghzan kala tehsil Miranshah. ADP No.2218/200273(2020-21).	2,489,747
9	PCC street palangzai tehsil Miranshah. ADP No.2218/200273(2020-21).	3,351,583
10	PCC street khozyai tehsil Miranshah ADP No.2218/200273(2020-21).	4,300,123
11	Pcc Link From Koli Khan To Shaga Zalol Khel Tehsil Shewa under ADP No.2219/200275 (2020-21)	4,134,000
12	PCC Link From Shah Jahan Kot Malik Shahi under ADP No.2219/200275 (2020-21)	4,134,000
13	PCC Link Road At Raghzai kali/Malik Shahi under ADP/AIP No.2219/200275 (2020-21)	4,171,000
14	PCC Link Road At Eid Gull Malik Shahi under ADP No.2219/200275 (2020-21)	2,767,000
17	Black Top Road 1KM Zahib Jalal Kot Aba Khel Tehsil Spinwam under ADP No.2219/200275 (2020-21)	8,864,000
18	Black Top Road 1KM Sarwak Datta Khel Tehsil Spinwam under ADP No.2219/200275 (2020-21)	8,864,000
19	Black Top Road 1KM Manzvela Bubali Tehsil Spinwam under ADP No.2219/200275 (2020-21)	8,864,000
20	PCC Link Road At Dan Area Hurmaz Tehsil Mir Ali under ADP/AIP No.2219/200275 (2020-21)	6,465,858
=21	PCC Link Road At Sarfaraz Kot Hurmaz Tehsil Mirali under ADP/AIP No.2219/200275 (2020-21)	2,938,880
22	PCC Link Road Johar Kot Nari Panga Dossali Tehsil Dossali ADP No.2219/200275 (2020-21)	4,129,636
23	PCC Link Road Anghar Kallay Tehsil Miranshah under ADP No.2219/200275 (2020-21)	8,727,330
24	PCC Link Road Village Paryat Tehsil Dossali under ADP/AIP	3,064,316

	No.2219/200275 (2020-21)	
25	PCC Link Road Zar Gull Kot Tehsil Dossali n ADP/AIP No.2219/200275 (2020-21)	2,298,237
26	PCC Sabir Mohammad Khel Tehsil Datta Khel under ADP No.2219/200275 (2020-21)	2,451,452
27	PCC Link Road from main khisur to Malik Haji Arsala khan road Miraliunder ADP No.2219/200275 (2020-21)	6,500,000
28	PCC Link From Khan Eidak dawar road 01.5 km. ADP/AIP No.2219/200275 (2020-21)	9,500,000
29	Pcc Link at village MaKhad toorikhel Mirali 01 km under ADP/AIP No.2219/200275 (2020-21)	7,000,000
30	PCC road at ZAMAN khan s/o Mmanay khan zanduri ADP/AIP No.2219/200275 (2020-21)	4,800,000
31	PCC Link road at Sher Muhamaad khan Razmak Alikhel under ADP/AIP No.2219/200275 (2020-21)	3,300,000
32	PCC Link road at Basat Ali s/o Ibrahim khushali Natasi Mirali under ADP/AIP No.2219/200275 (2020-21)	3,500,000
33	PCC Road at khan Naraz khan khushali Natasi Mirali under ADP/AIP No.2219/200275 (2020-21)	3,200,000
34	1-KM PCC road Main Tal road to Nawal Kot Shewa under ADP No.2116/200275/2021-22.	6,746,000
35	1-KM PCC road Malak Liaqat Splnwam under ADP No.2116/200275/2021-22.	6,762,000
36	PCC road Malak Sabahat Kai Tandi Shawa under ADP No.2116/200275/2021-22.	3,191,000
37	PCC road Abdul Haq Kor Khel Razmak under ADP No.2116/200275/2021-22.	3,094,000
38	PCC road at Kotka Abrar Hussain Tehsil Mirali under ADP No.2116/200275/2021-22.	4,999,000
39	PCC road Link road Pir Samand Kot Muhammad Khel Tehsil Datta Khel under ADP No.2116/200275/2021-22.	5,000,000
40	1-KM PCC Road Main Tal Road to Nawal Kot Shaw under ADP No.2116/200275/2021-22.	6,746,000
41	I-KM PCC Road Abdul Haq Kot Khel Razmak under ADP No.2116/200275/2021-22.	3,094,000
42	I-KM PCC Road Zar Gull Koy Tehsil Dossali under ADP No.2116/200275/2021-22.	2,298,000
		275,295,451

Annexure-07
Para No 4.4.3.4

S.No.	Name of Schemes Rural Approach Roads in Merged Areas Under AIP/ADP No.2116/200275 (2021-22)	Cost of Scheme (Rs.)	Payment made out of ADP No.2219 (MW- 5113)	Payment made out of ADP 1257/191650- 190302 (MW-5121)	Total Payment made up to 30-6- 2022 (Rs.)
1	PCC Link Road at Malik Liaqat, Spinwam.	6,746,000	3,143,924	0	3,143,924
2	PCC Link Road at Paryat Malik Ajab Khan Main Razmak Road Tehsil Dossali Phase -1	1,769,000	1,621,861	0	1,621,861
3	PCC Link Road at Paryat Malik Ajab Khan Main Razmak Road Tehsil Dossali Phase -2	1,769,000	1,378,258	0	1,378,258
4	PCC Link Road at Paryat Malik Ajab Khan Main Razmak Road Tehsil Dossali Phase -3	1,465,000	1,394,829	0	1,394,829
5	PCC Link Road at Khati Kalla Hamzoni Tehsil Miransha Phase -1	1,634,000	914,029	929,769	1,843,798
6	PCC Link Road at Khati Kalla Hamzoni Tehsil Miransha phase -2	1,464,000	0	589,556	589,556
7	PCC Link Road Naheed Danday Darpa Khel Tehsil Miranshah	748,000	688,092	0	688,092
8	PCC Link Road Tappi Tehsil Miranshah	998,000	913,569	0	913,569
9	PCC Link Road at Azim ullah Aghzan Kalla Hamzoni Tehsil Miransha phase 1	996,000	0	734,089	734,089
10	PCC Link Road at Azim ullah Aghzan Kalla Hamzoni Tehsil Miransha phase 2	1,000,000	0	734,089	734,089
11	PCC Link Road Rasool Rehman Ahmad Khel Tehsil Miransha	664,000	609,353	0	609,353
12	PCC Link Road main Tall Road For Nawal Kot Shewa	6,746,000	5,732,430	0	5,732,430
13	Pcc Link Road Kotka Abrar Hussain Mir ali	4,999,000	4,594,484	0	4,594,484
14	PCC Link Road Pir Samand Kot Muhammad Khel Tehsil Datta Khel	5,000,000	3,655,967	0	3,655,967
15	PCC link Road Abdul Haq Kot Khel Razmak 01 km	3,094,000	2,640,847	0	2,640,847
16	PCC link Road Malik shobat Kai shewa	3,191,000	2,560,544	0	2,560,544
Total	38,737,000	29,848,187	2,987,503	32,835,690	

Annexure-08
Para No 4.4.3.5

Statement showing Irregular Payment to MR. Atta Ur Rehman

S.No.	Name of Payee	Cheque No.	Date	Payment (Rs.)
1	M/S ATTA UR REHMAN	540566	20.09.2021	5,609,523.00
2	M/S ATTA UR REHMAN	540588	23.09.2021	507,407.00
3	M/S ATTA UR REHMAN	540676	27.10.2021	1,722,666.00
4	M/S ATTA UR REHMAN	540677	27.10.2021	3,744,219.00
5	M/S ATTA UR REHMAN	540678	27.10.2021	1,719,532.00
6	M/S ATTA UR REHMAN	540679	27.10.2021	4,075,509.00
7	M/S ATTA UR REHMAN	540680	27.10.2021	1,610,197.00
8	M/S ATTA UR REHMAN	540681	27.10.2021	3,423,725.00
9	M/S ATTA UR REHMAN	540682	27.10.2021	1,916,547.00
10	M/S ATTA UR REHMAN	540683	27.10.2021	1,609,059.00
13	M/S ATTA UR REHMAN	540843	08.12.2021	297,976.00
14	M/S ATTA UR REHMAN	540844	08.12.2021	192,862.00
17	M/S ATTA UR REHMAN	540845	08.12.2021	2,041,741.00
18	M/S ATTA UR REHMAN	540846	08.12.2021	2,016,559.00
19	M/S ATTA UR REHMAN	540890	16.12.2021	1,978,163.00
20	M/S ATTA UR REHMAN	1889710	02.02.2022	232,793.00
21	M/S ATTA UR REHMAN	1982920	14.06.2022	221,403.00
22	M/S ATTA UR REHMAN	1889636	26.01.2022	2,343,251.00
23	M/S ATTA UR REHMAN	1889663	26.01.2022	2,470,329.00
	37,733,461			

Total				
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Annexure-09

Para No. 4.4.3.5

Statement showing unauthorized payment for ADP No.2115/200273 (2021-22) out of funds Allocated for ADP No.2218/200273 (2020-21)

S.No.	Name of Schemes "Street Pavement & Construction of Drains in Merged Areas ADP No.2115/200273(2021-22)	Cost of Scheme (Rs.)
1	PCC Street pipali Kala Tehsil Shewa	665,000
2	PCC Street Tech Khon Saifali Tehsil Shewa	864,000
3	PCC Street Baidalgay Tehsil Shewa	1,600,000
4	PCC Street Khawas Ali Qarmandi Tehsil Shewa	660,000
5	PCC Street Motabar Malak Sahi Tehsil Shewa	1,790,000
6	PCC Street Khoon Khel Malak Sahi Tehsil Shewa	1,764,000
7	PCC Street Jalati Misri Khel Tehsil Shewa	312,000
8	PCC Street Feroz Kalla Tehsil Shewa	1,296,000
9	PCC Street Dat Khan Misri Khel Tehsil Shewa	425,000
10	PCC Street loli Dari Khel Tehsil Shewa	1,657,000
11	PCC Street Malak Khel Tehsil Shewa	946,000
12	PCC Street Muhammad Noor Alam Khel Drozanda Tehsil Shewa	638,000
13	PCC Street Noor Gul Almara Pol Khel Tehsil Shewa	638,000
14	PCC Street Marwar Khel Drozanda Tehsil Shewa	1,041,000
15	PCC Street Tech Khoon Khel Tehsil Shewa	1,044,000
16	PCC Street At Plangzai village kotka Ihsanullah Tehsil Miranshah	556,000
17	PCC Street Saleem Ullah Kot Quteb Khel Tehsil Miranshah	1,975,000
18	PCC Street Kotka Jalal Bath Tall Village Razmak Road Tehsil Miranshah	444,000
19	PCC Street At Raghzai Kala Quteb Khel Tehsil Miranshah	669,000
20	PCC Street At Kotka Khalil ur Rehman Lakey Asad Khel Tehsil Dossali	637,000
21	PCC Street Kotka Azad Khan Narai Kala Asad Khel Tehsil Dossali	314,000
22	PCC Street Haji Saif Ul Malook Kot Hurmaz Tehsil Mira li	798,000
23	PCC Street Hafiz Ihsan Wali Kot Hurmaz Tehsil Mirali	291,000
24	PCC Street Saday Jan shahzada kot Tehsil Miranshah	786,000
25	PCC Street At Rahim Ullah Kot Pati khel Tehsil I Miransha	266,000
26	PCC Street Kotka Yaqoob shahzada Kot Tehsil Miranshah	595,000
27	PCC Street Lol Khel Tehsil Shewa	2,338,000
28	PCC Street Resmal Tehsil Shewa	2,116,000
29	PCC ar Raghazi Muhammad Khel Pir Samad Kot, Tehsil Datta Khel	5,000,000
Total	37,561,000	28,195,488
Less 8% Security	25,55,639	
Total Payment	25,939,848	

