



**AUDIT REPORT
ON
THE ACCOUNTS OF
LOCAL GOVERNMENTS
DISTRICT NOWSHERA**

AUDIT YEAR 2021-22

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AA	Administrative Approval
ADP	Annual Development Program
AG	Accountant General
AIR	Audit and Inspection Report
AD LGE & RDD	Assistant Director Local Government Elections & Rural Development Department
AP	Advance Para
AG	Accountant General
BISE	Board of Intermediate and Secondary Education
BHUs	Basic Health Units
B.P.	Blood Pressure
CCTV	Close Circuit Tele Vision
CDs	Civil Dispensaries
C&W	Communication and Works
DAO	District Accounts Office
DGA	Director General Audit
DPO	District Police Officer
CPWA Code	Central Public Works Account Code
CPWD Code	Central Public Works Department Code
DAC	Departmental Accounts Committee
DC	Deputy Commissioner
DDEO	Deputy District Education Officer
DDO	Drawing and Disbursing Officer
DEO	District Education Officer
DHO	District Health Officer
DO	District Officer
GGMS	Government Girls Middle School
GHS	Government High School
KPPRA	Khyber Pakhtunkhwa Public Procurement Regulatory Authority
LCB	Local Council Board
LGA	Local Government Act
MCC	Medicine Coordination Cell
MFDAC	Memorandum for Departmental Accounts Committee
M&R	Maintenance and Repair
M&T lab	Maintenance and Testing Laboratory
MPA	Member Provincial Assembly

NC	Neighborhood Council
NBP	National Bank of Pakistan
NIT	Notice Inviting Tender
NSI	Non-Scheduled Item
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCC	Plain Cement Concrete
PEC	Pakistan Engineering Council
PESCO	Peshawar Electric Supply Company
PHE	Public Health Engineering
PPHI	People Primary Healthcare Initiative
PTC	Parent Teacher Council
PVC	Poly Vinyl Chloride
RCC	Re-in forced Cement Concrete
RHCs	Rural Health Centers
SDEO	Sub Divisional Education Officer
SDO	Sub Divisional Officer
SOPs	Standard Operating Procedures
SS	Subject Specialist
SST	Senior Science Teacher
TAC	Tehsil Accounts Committee
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TS	Technical Sanction
UC	Union Council
VC	Village Council
WAPDA	Water and Power Development Authority
XEN	Executive Engineer
ZAC	Zilla Accounts Committee

Preface

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 and 12 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 37 of Khyber Pakhtunkhwa Local Government Act, 2013 require the Auditor General of Pakistan to conduct audit of the account 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) and Village Councils and Neighborhood Councils in district Nowshera for the financial year 2020-21. The Director General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit during 2021-22 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes systemic issues and significant audit findings. Relatively less significant issues are listed in the Annex-1 of the Audit Report. The audit observations listed in the Annex-1 shall 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 also not convened despite reminders.

The Audit Report is submitted to the Governor, Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 37 of Khyber Pakhtunkhwa Local Government Act, 2013 for causing it to be laid before the appropriate legislative forum.

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit District Governments, Khyber Pakhtunkhwa carries out the audit of Local Governments in 35 Districts of Khyber Pakhtunkhwa. Regional Directorate of Audit (RDA) Peshawar, on behalf of the DG Audit District Government, Khyber Pakhtunkhwa carried out the audit of Local Government of five Districts namely; Peshawar, Nowshera, Charsadda, Khyber and Mohmand.

This Directorate General has a human resource of 61 officers and staff with a total of 15,250 man-days. The annual budget amounting to Rs 172.467 million was allocated to the office during FY 2021-22. This office is mandated to conduct regularity audit, financial attest audit, performance audit and special studies etc.

Local Governments of District Nowshera consist of three tiers, which perform their operations under Khyber Pakhtunkhwa Local Government Act, 2013. Financial provisions of the Act describe the Local Consolidated Fund and Public Account for which annual Budget Statement is approved by the respective councils in the form of budgetary grants. Top Tier – the District Government comprises one Principal Accounting Officer (PAO) (Administrator) i.e. Deputy Commissioner for the District Government, who is officer in charge of 11 devolved departments including AD Local Government Election & Rural Development Department. The second Tier–Town/Tehsil Municipal Administrations have one PAO i.e. Town/Tehsil Municipal Officer for each administration. There are three Tehsils administrations in district Nowshera. The third Tier – village and neighborhood Councils have AD LGE & RDD as their Principal Accounting Officer. There are 146 VCs/NCs in District Nowshera.

a. Scope of audit

This office is mandated to conduct audit of 167 formations working under 05 PAOs. Total expenditure and receipts¹ of these formations were Rs. 8,553.76 million and Rs. 470.51 million, respectively for the financial year 2020-21.

Audit coverage relating to expenditure for the current audit year comprises 08 formations of 05 PAOs having a total expenditure of Rs. 6,093.62

¹ District Government has no receipts

million for the financial year 2020-21. In terms of percentage, the audit coverage for expenditure is 71.24 % of auditable expenditure.

Audit coverage relating to receipt for the current audit year comprises 03 formations of 03 PAOs having a total receipt of Rs. 470.51 for the financial year 2020-21. In terms of percentage, the audit coverage for expenditure is 100% of auditable receipt.

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

b. Recoveries at the instance of audit

As a result of audit, recovery of Rs. 89.370 million was pointed out in this report. No recovery was effected till finalization of this reported.

c. Audit Methodology

Audit was conducted according to INTOSI guidelines for Compliance audit and Financial Audit Manual of AGP.

Audit procedure employed to obtain evidence were inspection, analytical procedures, observations and computation.

d. Audit Impact

A recovery of Rs 89.370 million was pointed out by audit, however positive audit impact depends on the management's willingness to implement an internal control framework and the recommendations of audit.

e. Comments on Internal Control and Internal Audit department

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

Comments on five components of internal control are given below:

The organizational structure followed in the local Government Offices was according to the LGA 2013;

No activity i.e. risks identification, risk evaluation and appropriate responses were carried out in the local government;

Accounts were not submitted by TMAs concerned to the DAO. No review was carried out of the performances;

TMAAs did not follow the accounting procedure given in the APPM; and

No system of monitoring was found to track the progress of District Government towards its objectives. No internal Auditor was appointed. Annual Review of internal control was also not carried out.

f. Key audit findings of the report

- i. Non-compilation/Consolidation of Accounts of Local Governments – Rs. 1303.631 million¹
- ii. Unauthorized payment through DDO instead of crossed cheques to vendors - Rs 189.742 million²
- iii. Unverified payment of arrears of pay and allowances – Rs. 45.900 million³
- iv. HR/Employees related irregularities were noticed in 05 cases amounting to Rs. 8.941 million.⁴
- v. Procurement related irregularities were noticed in 10 cases amounting to Rs.393.273 million.⁵
- vi. Issues in management of accounts with commercial banks were noted in 08 cases amounting to Rs. 116.801 million.⁶
- vii. Others, including cases of accidents, negligence etc. were noticed in 20 cases amounting to Rs. 231.854 million⁷.

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

g. Recommendations

- i. Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.

¹ Para 1.2.1

² Para 1.2.2

³ Para 1.2.3

⁴ Para 2.5.1.1 to 2.5.1.2, 3.5.1.1 to 3.5.1.2 & 4.5.1.1

⁵ Para 2.5.1.3 to 2.5.1.11 & 3.5.1.3

⁶ Para 2.5.1.12 to 2.5.1.14, 3.5.1.4 to 3.5.1.6 & 4.5.1.2 to 4.5.1.3

⁷ Para 2.5.2.1 to 2.5.2.5, 3.5.2.1 to 3.5.2.12 & 4.5.2.1 to 4.5.2.3

- ii. Strenuous efforts need to be made by the departments to recover long outstanding dues on account of water charges.
- iii. Deduction of taxes on supplies and contracts need to be ensured.
- iv. Departments need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc. to ensure that lapses of the kind reported in this audit report are preempted and fair value for money is obtained from public spending.
- v. The DAC meetings should be held more frequently.

CHAPTER-1

Public Financial Management

1.1 Sectoral Analysis

In compliance to the Notification of Local Government, Election and Rural Development Department, Khyber Pakhtunkhwa issued on 4th September, 2019, councils of all tiers of District Government were stood dissolved on the culmination of their respective tenures on 29th August 2019. The same notification authorized Deputy Commissioners, Tehsil/Town Municipal Officers and Assistant Directors (LGE&RDD) to perform functions of their respective Nazimeen as envisaged under Local Government Act, 2013, till the instillation of newly elected Local Governments. In the light of LGA 2013, District Nowshera 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 also its Principal Accounting Officer. Moreover, Assistant Director LGE&RDD is the Principal Accounting Officer for Village/Neighborhood Councils.

In District Nowshera, Funds amounting to Rs. 8,838.34 million were allocated to 11 formations working under 05 PAOs. Out of which, expenditure of Rs. 8,553.76 million was made resulting into saving of Rs.166.611 million. Receipts of Rs. 470.51 million were collected through these formations during the financial year 2020-21. Audit coverage relating to expenditure for the current audit year comprises 08 formations of 05 PAOs having a total expenditure of Rs. 6,093.62 million for the financial year 2020-21. In terms of percentage, the audit coverage for expenditure is 71.24% of auditable expenditure. Similarly, audit coverage for receipts is 100%.

2020-21	Budget	Actual Expenditure/ Receipts	Excess/(Saving)	Expenditure audited	%age
Salary	7,145.47	7,018.41	(127.06)	6,093.62	71.23906
Non salary	590.501	542.821	(47.68)		
Development	1102.364	992.528	(109.84)		
Total	8,838.34	8,553.76		6,093.62	
Receipt	637.121	470.51	(166.611)	470.51	100%

According to Section 36(3) of Local Government Act 2013, the District Accounts Officer was required to consolidate accounts of Local Government on

quarterly and annual basis. However, District Accounts Officer, Nowshera did not reflect Rs. 884.896 million into the consolidated financial statement of Local Government, Nowshera. Similarly, the development expenditure of Rs. 538.416 million was presented under operating expenses, whereas, this should have been presented under the head “Physical Assets and Civil Works”.

District Government, Nowshera was found lagging behind in many areas envisioned as integral component of the Local Government in the Khyber Pakhtunkhwa Local Government Act, 2013. The District Government could not establish & maintain Public Fund account as required under section 30 of LGA 2013. Similarly, it also failed to prepare, present and approve the budget estimates of receipts from district council for District Government, Nowshera as required under section 34 of LGA 2013. The receipts collected as taxes/fees/rents under section 42 of LGA 2013 were also not credited to the District Fund. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Nowshera with prescribed format and necessary trainings to compile the accounts of TMAs and Village/Neighborhood councils and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA 2013, as internal auditors were not posted in the District and Tehsil Councils. In addition, Asset management by District Government was yet another area it could not address as required under section 38 of the LGA 2013.

The Local 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 771 primary, 101 middle, 106 secondary and 37 higher secondary schools in District Nowshera. The estimated Teacher Student Ratio is 1:41 at primary, 1:19 middle, 1:26 at secondary and 1:23 at the level of higher secondary schools. District Nowshera literacy rate is 62%, the Gross Enrollment Rate (GER) is 58% and the Net Enrollment Rate (NER) is 41% at the primary level. On budgetary front, District Education office, Nowshera succeeded in spending 100 % of District ADP and 98% of non-salary budget.

District Education Offices in Nowshera enrolled 102,412 and 87,696 children in government male and female schools respectively. Similarly, annual average of teacher's attendance rate and student attendance rate as per Independent Monitoring Unit (IMU) data were approximately 80% and 81% respectively. Furthermore, 98% schools in district Nowshera were provided with all basic facilities like classrooms, water supply, group latrine, boundary walls and electrification. In addition, administrative visits of DEO, DDEO and SDEO were 75% against the assigned targets.

Health

Health is another important sector of District Nowshera with a total of 53 health facilities spread across the district, among which 09 are urban while the rest are rural based. Their further break-up is 30 BHUs, 09 CDs, 02 Hospitals and 07 RHCs with the total catchment area population of approximately 1,386,507 as per survey carried out by Health department in 2016.

The Department of Health has established an "Independent Monitoring Unit" for continuous monitoring of the performance of health facilities through its field-based Data Collection Assistants and District Monitoring Officers. Department twice examines data collected through various sources to improve efficiency and effectiveness in the business processes of service delivery.

On mother and child health care front, 11,453 babies were born in primary and secondary health facilities. Out of them, 598 infant and 22 maternal deaths were recorded. Lab investigations and diagnostic facilities were also fully utilized as 35,798 lab tests, 3155 X-rays, 23812 ultrasounds, 2183 ECGs were done in both primary and secondary health facilities in district Nowshera. Figures of immunization from EPI register were also very impressive as 159378 pregnant women received TT-2 vaccines, 19259 kids under 12 months received full immunization and 17411 children under 12 months received 1st measles vaccines. 18574 families were provided family planning services as evident from FP register. As these facilities were frequently visited by patients so they also generated good revenue from OPD services, indoor patients' treatment and other lab investigations etc.

Social Welfare

In Social Welfare and Women Empowerment sector, budgetary allocations were focused on providing social cushion to the deprived and marginalized segments of society especially, women and children. In the proposed development plan, the department had continued to proceed with its ongoing projects which included schemes for the wellbeing and safeguarding of destitute women, orphans, beggars, drug addicts and special persons.

Out of 12 welfare homes, one was based in Nowshera, where 27 orphans were admitted. Rehabilitation center for drug addicts in Nowshera was closed during the year. Similarly, Sarkari sarai – government Inns, special education facilities, and various vocational and industrial trainings were provided by the Social Welfare Department. However, keeping in view the spread of drug use and incidence of poverty in Nowshera, the efforts made by Social Welfare office, Nowshera 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 Nowshera did not fulfill some primary requirements envisioned as essential component of Local Government in the Khyber Pakhtunkhwa Local Government Act, 2013. The Local Government could not establish & maintain Tehsil Public Fund Account as required under the section 30 of LGA. Similarly, 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 LGA. Financial Statements, Finance Account and Appropriation Accounts of the TMAs were not prepared accordingly. Most importantly, Finance Department, Khyber Pakhtunkhwa could not provide District Account Office, Nowshera with prescribed format and necessary trainings to compile the accounts of TMAs and then reflect the same in the consolidated financial statement of the district, which resulted in disclaimer of its accounts by the Auditor General of Pakistan. Moreover, Internal Audit function could not be established as provided in sub section 4 of section 37 of LGA 2013, as internal auditors were not posted in the TMAs to support the Council. In addition, Asset management by tehsil councils was yet another area it could not address as required under section 38 of the LGA 2013.

1.2 AUDIT PARAS

1.2.1 Non-compilation/Consolidation of Accounts of Local Governments – Rs.2,330.66 million

According to section 36(3) of Local Government Act 2013, the District Accounts Officer shall, quarterly and annually consolidate the accounts of Local Governments in the district separately for receipts from the government and local resources and send a copy to the Government, Accountant General and Nazim District Council.

During certification audit of the accounts of the DAO Nowshera for the financial year 2020-21, audit observed incompleteness and incorrect presentation of the financial statements as the DAO failed to consolidate them into the quarterly and annual accounts of the district, both government and local resources, as required under section-36(3) of the Local Government Act, 2013. Receipts and expenditure of Rs 1,303.631 million and Rs 1,027.03 million respectively, of the TMAs are not reflected in the accounts.

Due to non-consolidation of accounts of TMAs, the financial statements of local government remained incomplete which led to disclaimer of audit opinion.

As per decision of DAC meeting held in September 2021, Para stands till correction of these omissions.

Audit recommends that necessary action needs to be taken for the consolidation of Local Government Accounts into District Accounts.

1.2.2 Unauthorized payments to DDOs instead of crossed cheques to vendors –Rs.189.742 million

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

Finance Department Letter No: BO (W&M) /6-5/2019-20 dated 19/02/2020, 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 Nowshera, paid Rs. 189.742 million to various DDOs instead of issuance crossed cheques to Vender/Payees Accounts.

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

As per decision of DAC meeting held in September 2021, Para stands for investigation of the matter and appropriate action.

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

1.2.3 Unverified payment –Rs. 45.900 million

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

During certification audit of Nowshera for the financial year 2020-21, while analyzing HR data it was noticed that arrears of pay and allowances of Rs.45.900 million was paid; however, local office could not produce supporting documents for verification to audit.

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

As per decision of DAC meeting held in September 2021, Para stands for investigation of the matter and appropriate action.

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

CHAPTER-2

District Government Nowshera

2.1 Introduction

Under Khyber Pakhtunkhwa Local Government Act 2013, 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 Agriculture, Education, Health, Fisheries, Population Welfare, AD LG & RDD, Sports, Live Stock & Dairy Development, Animal Husbandry and Social Welfare.

According to section 13 of the Khyber Pakhtunkhwa Local Government Act 2013, the authority and responsibilities of the District Government is given as under:

1. The authority of district government shall comprise the operation, management and control of offices of the departments which are devolved to it; provided that district government shall exercise such authority in accordance with general policy of Government.
2. Every order in district government shall be expressed to be made in the name of the district government and shall be executed by a duly authorized officer.
3. The district government shall be responsible to the people and the Government for improvement of governance and delivery of services within the ambit of authority devolved to it.

Audit Profile of the District Government Nowshera.

(Rs. in million)

S.No.	Description	Total Nos.	Audited	Expenditure audited FY 2020-21	Revenue/ Receipts audited FY 2020-21
1.	Formations	10	4	5,263.165	Nil
	Total	10	4	5,263.165	Nil

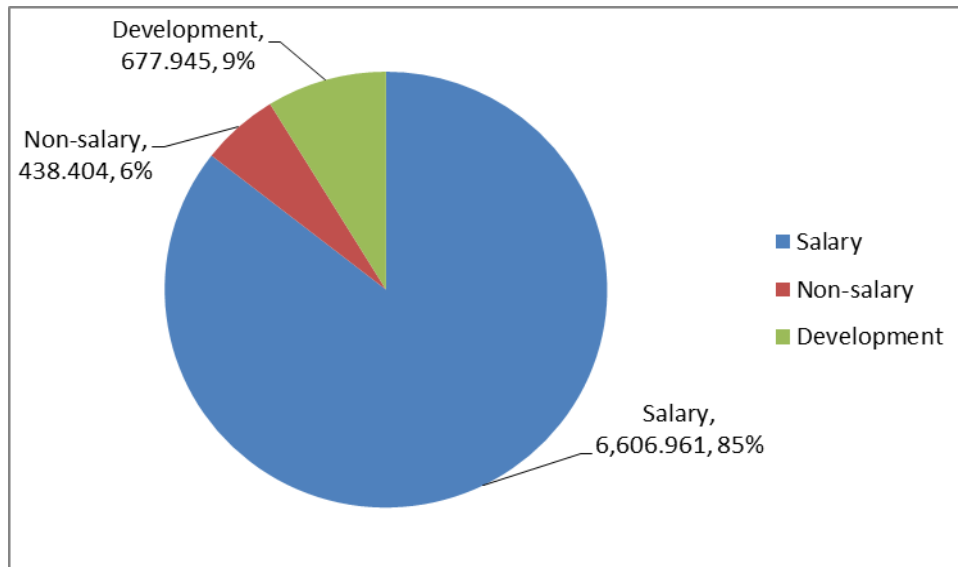
2.2 Comments on Budget and Expenditure (Variance Analysis)

(Rs. in million)

2020-21	Budget	Actual Expenditure/ Receipts	Excess (+)/ Saving (-)	%age Excess/Saving
Salary	6,635.275	6,606.961	(28.314)	0.43
Non-salary	439.283	438.404	(0.879)	0.20
Development	678.314	677.945	(0.369)	0.05
Total	7,752.870	7,723.306	(29.564)	0.38
Receipt	-	-	-	-

The savings of Rs. 29.56 million indicates weakness in the capacity of District Government Departments to utilize the allocated budget.

EXPENDITURE 2020-21



2.3 Classified Summary of Audit observations

Audit observations amounting to Rs. 581.494 million were raised as a result of this audit. This amount also included recoverable of Rs. 13.598 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 (Rs)
1	Irregularities	-
A	HR/Employees related irregularities	2.749
B	Procurement related irregularities	387.010
C	Management of Accounts with commercial bank	86.239
2	Others, including cases of accidents, negligence etc.	105.496
	Total	581.494

2.4 Comments on the status of compliance with Zilla Accounts Committee directives

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

S #	Audit Year	ZAC meeting
1	2007-08	Not convened
2	2008-09	Not convened
3	2009-10	Not convened
4	2010-11	Not convened
5	2011-12	Convened
6	2012-13	Not convened
7	2013-14	Not convened
8	2014-15	Not convened
9	2015-16	Not convened
10	2016-17	Not convened
11	2017-18	Not convened
12	2018-19	Not convened
13	2019-20	Not convened
14	2020-21	Not convened

2.5 AUDIT PARAS

2.5.1 Irregularities

A. HR/Employees related irregularities

2.5.1.1 Unauthorized drawl of Health Professional Allowance– Rs.1.473 million

According to Government of Khyber Pakhtunkhwa Finance department letter No.FD(SOSR-II) 8-18/2016 dated 07/01/2016, Health Practicing allowance will not be admissible during earned leave, study leave, and EOL except casual leave.

Accountant General Khyber Pakhtunkhwa letter No. Computer/HR-LAB/C/203 dated 04-08-2011 Para-iv states that Conveyance Allowance is not admissible to Government servants during leave period.

Office of District Health Officer Nowshera paid Rs 1,473,500 on account of Health Professional Allowance and Conveyance Allowance to the Doctors during the FY 2020-21 who were on earned leave. Details are given below:

S.No	Personnel #	Name of Doctor	Designation	Amount
01	804,360	Dr. Ayesha	WMO	201,000
02	763786	Dr Samina Khattak	WMO	231,000
03	947283	Dr. Khurshida	WMO	201,000
04	927609	Anam Saeed	WMO	231,000
05	928439	Zainab Rehman	WMO	100,500
06	938441	Bushra jalil	Dental surgeon	77,000
07	940808	Sidra tu muntiha	Dental surgeon	77,000
08	842280	Bushra Gul	WMO	201,000
09	915218	Dr Tayaba	WMO	77,000
10	Nil	Rabia murtaza	WMO	77,000
Total				1,473,500

The lapse occurred due to weak financial control which resulted in loss to the public exchequer.

When pointed out in July 2021, management stated that the record would be checked and recovery would be made accordingly. However, no progress was shown till finalization of this report.

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

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

AIR Para No. 17/2020-21

2.5.1.2 Unauthorized drawl of House Rent Allowance-Rs. 1.276 million

According to Rule FR 45(c) the Government servants, who have been provided with official designated accommodation, are not entitled for the drawl of house Rent Allowance.

According to S.No 24(1) of Government of Khyber Pakhtunkhwa Administration Department Notification No. EO (Admn) 34-M dated 07.01.2015, the allottees of the Government accommodation shall not be allowed House Rent and Conveyance Allowance who are living under the jurisdiction into Government premises and 5% of the basic pay shall charge as maintenance charges.

Office of District Health Officer Nowshera did not deduct House Rent Allowance worth Rs.1,276,704 from the Doctors having designated Bungalows during the Financial year 2020-21. Details are attached as Annex-2.

The lapse occurred due to weak financial management which resulted in loss to public exchequer.

When pointed out in July 2021, Management did not reply.

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

Audit recommends immediate stoppage of allowances besides recovery from the inmates from the date of occupation.

AIR Para No. 03/2020-21

B. Procurement related irregularities

2.5.1.3 Irregular procurement of official vehicles - Rs. 40.215 million

According to the Administration Department letter No. SOT(AD)TCR, 2015 dated 12 May 2017, the committee formed thereof would authorize that whether field officer DCs/ADCs/ACs and AACs are allowed vehicles of higher engine capacity according to the nature of their duties and terrain requirements”.

According to Government of Khyber Pakhtunkhwa Administration department (Transport Section) minutes of the transport committee meeting circulated vide No. SOT(AD)/TCR/2015/KC dated 20-10-2017, the provincial Government has imposed complete ban on purchase of vehicle, which can be relaxed by the Chief Minister on case-to-case basis.

According to Staff Car Rules 1997, 1300 CC vehicle is allowed to grade 19 & 20, 1000 CC vehicle is allowed to grade 18 and 800 CC vehicle is allowed to grade 17.

Deputy Commissioner Nowshera incurred expenditure of Rs. 40,215,000 on the procurement of 6 Toyota Revo vehicles for DC office during the financial year 2020-21.

Audit observed that: -

1. In revised authorization, only Commissioners were allowed 1300 motor car and one 4x4 double cabin for security purpose, whereas, in this case 06 no. Toyota Revo were purchased for DC/AC/AACs.
2. Procurement was made without obtaining approval from administration department.
3. No relaxation of ban for purchase of vehicle was acquired from Chief Minister.
4. Detail of the other existing vehicles was not provided to audit especially in context of their further allotment or usage.

The irregularity occurred due to lack of non-observance of rules, resulting in loss to public exchequer and misuse of funds.

When pointed out in July 2021, management stated that the relevant documents will be obtained and will be shown to Audit. However, no progress was shown till finalization of this report.

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

Audit recommends conducting enquiry into the matter for fixing responsibility against the person(s) at fault.

AIR Para No. 04/2020-21

2.5.1.4 Blockage of funds on account of Land Acquisition – Rs.193.434 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.

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.

Office of Deputy Commissioner Nowshera paid Rs. 193,434,425 to various Tehsildars on account of land acquisitions charges during the financial year 2020-21. However, no record of disbursement was provided/shown to Audit.

The lapse occurred due to weak financial management which resulted in blockage of public money.

When pointed out in July 2021, management stated that detail reply will be obtained from land acquisition branch and will be shown to Audit. However, no progress was shown till finalization of this report.

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

Audit recommends immediate disbursement of funds besides action against the person(s) at fault.

AIR Para No. 08/2020-21

2.5.1.5 Irregular payment on account of equipment, furniture and other -Rs.31.743 million

According to District Health Officer Nowshera office order dated 21/09/2020 and 18/01/2121 purchase committee was constituted for inspection of items supplied during financial year 2020-21.

Office of District Health Officer Nowshera purchased various store items like equipment, furniture and other store items amounting to Rs 31,743,629. The local office made payments to suppliers without technical committee reports. In absence of technical committee report chances of defective and low-quality supplies could not be ruled out. Details are given below:

S. No.	Head of account	Amount (Rs.)
1.	Purchase of furniture	5,392,000
2	Plant and Machinery	7,076,582
3.	Cost of other stores	19,275,047
	Total	31,743,629

Irregular payment without technical reports occurred due to weak internal controls, which resulted in violation of rules.

When pointed out in July 2021, management stated that inspections are in progress and the results will be shown to Audit. However, no progress was shown till finalization of this report.

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

Audit recommends that the technical committee report may be produced besides action against the person(s) at fault.

AIR Para No. 05/2020-21

2.5.1.6 Irregular procurement of equipment–Rs. 0.676 million

According to Para 21 Chapter 3 of KPPRA Rules 2014, the procuring entity may ask for a performance guarantee from the contractor, which shall not exceed 10 percent of the bid value, as would be specified in the standard bid solicitation documents or standard bidding document.

Office of District Health Officer Nowshera placed various supply orders for purchase of medical equipment worth Rs 6,764,650 during the financial year 2020-21. However, performance guarantee @ 10% amounting to Rs. 676,465 from the suppliers was not obtained.

The lapse occurred due to weak internal controls which resulted in defective procurement.

When pointed out in July 2021, management stated that performance warranty will be obtained from the firms and will be shown to Audit. However, no progress was shown till finalization of this report.

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

Audit recommends that performance guarantee may be obtained besides action against the person(s) at fault.

AIR Para No. 07/2020-21

2.5.1.7 Unauthorized draw on account of compulsory acquisition charges – Rs. 28.745 million

According to section 23(2) of Land Acquisition Act 1894, “in addition to the market value of the land, the court shall in every case award a sum of 15% on such market value, in consideration of the compulsory nature of the acquisition”.

According to Section 3(d) of the Act “Court” means a Principal Civil Court of original jurisdiction, unless the Provincial Government has appointed a special judicial officer within any specified local limits to perform the functions of the Court under this Act.

According to Section 18(1) & (2) of Land Acquisition Act 1894, any person interested who has not accepted the award may, by written application (application shall state the grounds on which objection to the award is taken) to

the collector, the matter be referred by the collector for the determination of the Court, whether his objection be to the measurement of the land, the amount of the compensation, the person to whom it is payable or the apportionment of the compensation among the persons interested.

Office of Deputy Commissioner Nowshera paid Rs. 28,745,261 as 15% compulsory acquisition charges to various landowners for acquisition of land during financial year 2020-21 without observing the due legal process and other codal formalities as per following details.

1. Compulsory acquisition charges were allowed without any court order as required under section 23(2) read with section 3(d) of Land Acquisition Act 1894.
2. No written objection, obstruction, refusal or appeal made to the Collector/Court by the owners as required under section 18 (1) & (2) of the Act.

Allowing 15% compulsory acquisition charges without fulfilling above mentioned conditions was violation of rules which resulted in loss of Rs. 28,745,261 to the government. Details are given at Annex-3.

When pointed out in July 2021, management stated that detail reply would be obtained from land acquisition branch and would be shown to Audit. However, no progress was shown till finalization of this report.

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

Audit recommends recovery of 15% compulsory charges and action against the person(s) at fault.

AIR Para No. 02/2020-21

2.5.1.8 Irregular payment on purchase of medicine –Rs 92.197 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.

Office of District Health Officer Nowshera purchased medicines amounting to Rs. 92,197,407 from various suppliers and issued to various health facilities in the District during FY 2020-21. However, the clinical efficacy tests were not carried out resulting in non-submission of clinical efficacy reports to the DG Health Services.

The lapse occurred due to weak internal controls, which resulted in irregular payment on purchase of medicine.

When pointed out in July 2021, management did not reply.

Request for convening DAC meeting was made in August, 2021, 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. 05/2020-21

2.5.1.9 Non supply of medicines - Rs 0.706 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.

Office of District Health Officer Nowshera placed supply orders for Rs. 706,000 for supply of medicine during financial year 2020-21. However, supplies could not be made till the date of audit i.e. July 2021. The local office was required to ensure that supply of medicine was made in time and initiate appropriate action against the supplier in case of failure to provide medicine within stipulated time. Detail of unsupplied medicine is given below:

S.No	Supplier	Order number	Amount (Rs)	Supply order date
1	M/S Essity	7485-89	469,000	28.04.2021
2	M/S Fynk	7490-94	237,000	28.04.2021
Total			706,000	

The lapse occurred due to weak internal control resulting in non-availability of medicine for community in health facilities.

When pointed out in July 2021, management stated that reminders will be issued to the firms concerned to complete the supply on priority basis. However, no progress was shown till finalization of this report.

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

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

AIR Para No. 12/2020-21

2.5.1.10 Non supply of equipment –Rs 2.698 million & non recovery of penalty –Rs. 188,860

According to clause A (ii) of the contract agreement, after expiry of supply period i.e 45 days the penalty @ 7% shall be recovered from the suppliers for late supply.

Office of District Health Officer Nowshera issued supply orders to the various firms for supply of different equipment during financial year 2020-21. However, following firms did not supply the equipment amounting to Rs.2,698,000 till date of audit i.e. July 2021. The local office was neither recovered the penalty amounting to Rs 188,860 nor forfeited the call deposit of the defaulting suppliers or placed the order to alternate supplier at the risk & cost of the defaulting suppliers. Detail is given below:

S.No	Name of firm	Name of equipment	Date of supply order	Status	Total Amount
1	Ansha International	Stethoscope	08/03/2021	Not supplied	550,000
2	Ithhad and Co	OPD Chairs SS	08/03/2021	Not supplied	356,000
3	AM Sales and services	Hematology Analyzer	08/03/2021	Not supplied	1,792,000
Total					2,698,000
Penalty @ 7%					188,860

The lapse occurred due to weak internal controls which resulted in non-supply of medical equipment on time.

When pointed out in July 2021, management stated that the record will be checked and recovery will be made accordingly from the firms. However, no progress was shown till finalization of this report.

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

Audit recommends completion of supply besides action against the person(s) at fault.

AIR Para No. 21/2020-21

2.5.1.11 Non-supply of furniture-Rs. 4.813 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.

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

In the offices of District Education (Male & Female) Rs. 4,813,765 were paid to Pak German Wood Working Center during financial year 2020-21. However, furniture was not supplied till date of audit in August 2021, despite advance payments.

The lapse occurred due to weak internal controls which resulted in non-supply of furniture.

When pointed out in August, 2021, management stated that detail reply will be furnished after consulting original record. However, no reply was submitted till finalization of this report.

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

Audit recommends early supply of furniture and disciplinary action against the persons at fault.

AIR Para No. 19/2020-21

C. Management of Accounts with Commercial banks

2.5.1.12 Non-deposit of profit earned on public funds in designated bank account– Rs 3.753 million

According to Para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10th February 2014, Khyber Pakhtunkhwa Finance Department has time to time allowed sanctioned Bank accounts in the commercial bank for various Departments/Autonomous/ Semi-Autonomous Bodies/Corporations in Khyber Pakhtunkhwa for particular and specific purposes. Such accounts may be converted to PLS mode and the profit earned be deposited in Government Treasury under relevant head of account immediately and not later than a week when declared by the concerned bank.

Office of Deputy Commissioner Nowshera earned profit of Rs. 3,753,000 on the public funds placed in National Bank of Pakistan, Nowshera Cantt Branch during financial year 2020-21. However, the same was retained in the bank till the date of audit (July, 2021) and not deposited into the Government treasury.

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

When pointed out in July 2021, management stated that the profit would be calculated and deposited into Government treasury. However, no progress was shown till finalization of this report.

Request for convening DAC meeting was made in August 2021. No DAC meeting was held till date.

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

AIR Para No.18 /2020-21

2.5.1.13 Irregular retention of fund in the designated bank account-Rs. 4.245 million

According to 4.6.1.1 of Accounting Policies and Procedures Manual, “employees shall be paid by direct credit into their bank account regardless of their grade level”. Similarly, 4.6.3.1 of APPM states that “The normal method of

payment of monthly salaries of all government employees shall be by credit transfer direct to a bank account nominated by the employee.”

In the office of District Education Officer (Female) Nowshera it was observed that unspent balance of Rs 4,245,233 was lying in designated bank account. The local office did not deposit the amount into government treasury. Furthermore, record regarding source & purpose of receipt of fund was also not known.

Irregular retention of fund occurred due to weak internal control which resulted in blockage of government fund.

When pointed out the management replied that the amount was transferred by DAO through cross cheque. The reply was not correct the undisbursed amount needs immediate deposit into government treasury.

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

Audit recommends immediate deposit of fund in government treasury under intimation to audit.

AIR Para No.16 /2020-21

2.5.1.14 Irregular retention of unspent balances- Rs74.648 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”.

In the office of Deputy Commissioner Nowshera it was observed that a balance of Rs 74,647,746 was lying unspent in the designated bank account as on 30.06. 2021. The proof for proper claimer of the amount was not produced to

audit. In the absence proper claimer, the amount was required to have been deposited into Government treasury.

The lapse occurred due to weak financial management which resulted in irregular retention of public fund.

When pointed out in July 2021, management stated that detail reply will be given after scrutiny of bank statement and will be shown to Audit. However, no progress was shown till finalization of this report.

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

Audit recommends deposit of unspent balances into treasury besides action against the person(s) at fault.

AIR Para No. 17/2020-21

2.5.2 Others, including cases of accidents, negligence etc.

2.5.2.1 Non-deposit of stamp duty and withholding tax -Rs 5.853 million

According to Para 69 of City or City District Government Rules of Business 2015, the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the District Fund under the proper receipt head.

Office of Deputy Commissioner Nowshera did not deposit Rs 5,853,569 collected under the head of stamp duty and withholding tax in different land acquisitions during FY 2020-21. However, the collected receipts were not deposited in the relevant government bank accounts. Detail is given below:

S.No	Name of award	Stamp duty/mutation fee	Withholding Tax	Total (Rs)
1.	Acquisition of Land kotarpan	175,153	87,576	262,729
2.	Acquisition of land for construction of bridge	178,418	89,209	267,627
3.	Acquisition of land for construction of interchange kernel sher khan kaleee.	3,254,513	1,627,256	4,881,769
4.	Acquisition of land for construction of interchange kernel sher khan kaleee access road.	294,296	147,148	441,444
Total				5,853,569

Non-deposit of stamp duty/tax occurred due to weak financial control which resulted in loss to Government.

When pointed out in July 2021, management stated that detail reply would be obtained from land acquisition branch and shown to Audit. However, no progress was shown till finalization of this report.

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

Audit recommends immediate deposit of stamp duty and tax into the Government treasury besides action against the person(s) at fault.

AIR Para No. 03/2020-21

2.5.2.2 Irregular release on account of polio campaign - Rs 4.409 million

According to Deputy Commissioner Nowshera letters NO 8427-30/AO/DC/NSR/2020 dated 01/12/2020, that actual payee receipts of payment made to police personnel for the polio campaign security arrangement may be provided by the district police officer.

Office of Deputy Commissioner, Nowshera had released Rs. 4,409,750 to District Police Officer Nowshera on account of polio campaign during FY 2020-21. Neither any record in support of payments was retained in the office nor was certificate pre-requisite for payment on actual pay receipt acquired.

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

When pointed out in July 2021, management stated that acquaintance rolls will be obtained from District police office and will be shown to Audit. However, no progress was shown till finalization of this report.

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

Audit recommends submission of actual payee receipts and action against the person(s) at fault.

AIR Para No. 22/2020-21

2.5.2.3 Unauthorized payments to DDOs instead of crossed cheques to vendors - Rs -83.565 million

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

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

Office of the Deputy Commissioner Nowshera drew Rs. 83,565,455 from government treasury through DDO instead payment through crossed cheques to Vender/Payees Accounts during FY 2020-21.

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

When pointed out in July 2021, management stated that the record will be checked and proper reply will be submitted accordingly. However, no progress was shown till finalization of this report.

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

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

AIR Para No. 05/2020-21

2.5.2.4 Non-deposit of government dues into Government treasury – Rs. 1.054 million

According to Para 69 of City or City District Government Rules of Business 2015, the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the District Fund under the proper receipt head.

Office of District Health Officer collected government dues under various heads worth Rs. 1,054,630 during the Financial Year 2021-22. However, local offices did not deposit these receipts under various heads into government treasury till the date of Audit i.e. July 2021. Details are attached as Annex-4.

Non-deposit of government dues occurred due to weak internal control, which resulted in loss to the public exchequer.

When pointed out in July 2021, management did not respond to audit observation.

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

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

AIR Para No. 24/2020-21

2.5.2.5 Non-reconciliation of closing balances with the Finance Department –Rs 10.615 million

According to Finance Department Khyber Pakhtunkhwa notification No. 2/3(F/L)/FD/2017/Vol-XI dated 26th June 2018, “it is imperative to reconcile the closing balances in all designated bank accounts allowed vide this Department letter No. 6-11(F/L)FD/2015/VCS/NCs dated 06-11-2015 with the Finance Department by 7th July 2018 along with duly verified bank statement for 2017-18. Moreover, balance in bank accounts if any, remaining on June 30th 2018 shall not be available for use without its prior revival by the Finance Department for the next Financial Year 2018-19”.

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”.

Offices of the DEO & SDEO (Female) Nowshera carried forward unspent balances worth Rs 10,615,153 available as on 01.07.2020 in their designated bank accounts and utilized during FY 2020-21 without prior approval of the Finance Department. Moreover, the closing balances in the accounts were also not reconciled with the finance department. Details are provided below:

S.No	Account title	A/C #	Closing balance as on 30-06-2020
1	DEO (F) NSR	4025948705	7,977,886
2	SDEO (F) NSR	40259484092	2,637,267
Total			10,615,153

Non-reconciliation of closing balances occurred due to weak internal controls, which resulted in irregular spending of the funds in the next financial year.

When pointed out, no reply was furnished by the department.

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

Audit recommends devising of proper mechanism for reconciliation of closing balances and revival of account under intimation to audit.

AIR Para No. 02/2020-21

CHAPTER-3

Tehsil Municipal Administration

3.1 Introduction

District Nowshera has three Tehsils i.e. Nowshera, Pabbi and Jehangira. The office of a Tehsil Municipal Administration is managed by the Tehsil Municipal Officer. TMO is assisted by a Tehsil Officer (Finance), Tehsil Officer (Regulation) and Tehsil Officer (Infrastructure).

According to section 22 of Local Government Act, 2013 the functions and powers of TMAs are briefly given as under.

- i. Monitoring and supervising the performance of functionaries of Government offices located in the Tehsil
- ii. Land management in the Tehsil, provision of municipal services, execution and management of development plans for improvement of municipal services and infrastructure
- iii. Enforcing municipal laws, rules and bye-laws, Preventing and removing encroachments, regulate affixing of sign-boards and advertisements
- iv. 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
- v. 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
- vi. Organizing sports, cultural, recreational events, fairs, cattle fairs and cattle markets
- vii. Co-ordinate and support municipal functions amongst village and neighborhood councils
- viii. Regulate markets and services, issue licenses, permits, grant permissions and impose penalties for violation thereof.

Audit profile of TMAs of District Nowshera

(Rs. in million)

Sr No	Description	Total Nos	Audited	Expenditure audited FY 2020-21	Revenue / Receipts audited FY 2020-21
1	Formations	3	3	724.803	470.510
	Total	3	3	724.803	470.510

3.2 Comments on Budget and Accounts (Variance Analysis)

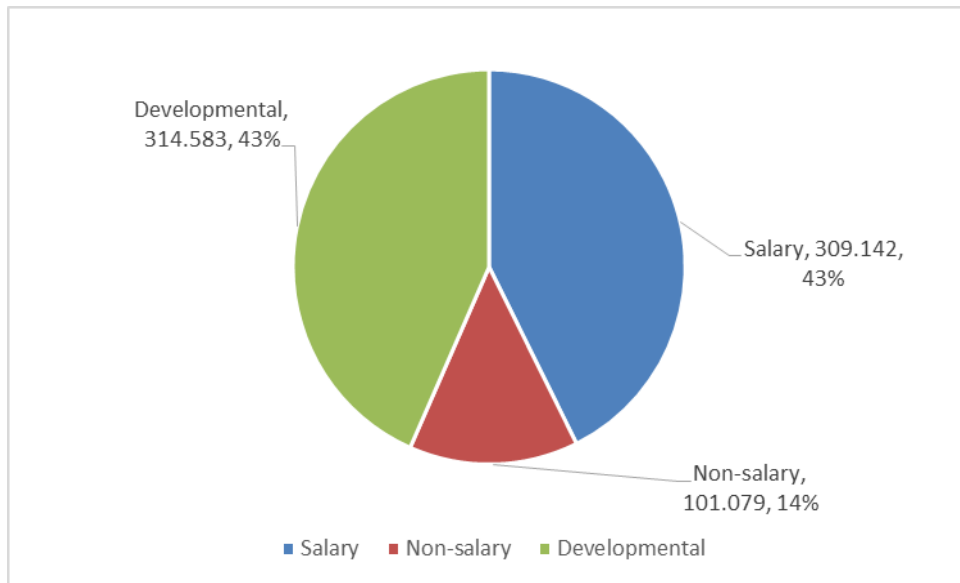
(Rs. in million)

TMAs				
2020-21	Budget	Actual Expenditure/Receipts	Excess/(Saving)	%age
Salary	435.051	309.142	125.910	29
Non salary	148.237	101.079	47.158	32
Development	424.050	314.583	109.467	26
Total	1,007.339	724.803	282.535	28
Receipts	637.121	470.510	166.611	

The savings of Rs. 282.535 million indicates weakness in the capacity of TMAs to utilize the allocated budget.

EXPENDITURE 2020-21

(Rs. in million)



3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 134.441 million were raised in this audit report. This amount also includes recoverable of Rs. 105.562 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Amount in Rs.)

Sr. No.	Classification	Amount
1	Irregularities	-
A	HR/Employees related	4.662
B	Procurement related irregularities	6.263
C	Management of accounts with commercial banks	11.893
2	Others, including cases of accidents, negligence etc.	111.623
Total		134.441

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
5.	2007-08	N/A
6.	2008-09	N/A
7.	2009-10	N/A
8.	2010-11	N/A
9	2011-12	N/A
10	2012-13	Not Convened
11	2013-14	Not Convened
12	2016-17	Not Convened
13	2017-18	Not Convened
14	2018-19	Not Convened
15	2019-20	Not Convened
16	2020-21	Not Convened

3.5. AUDIT PARAS

3.5.1. Irregularities

A. HR/Employees related irregularities

3.5.1.1 Unauthorized expenditures on account of contingent paid staff – Rs 2.759 million

According to Para 10 of the Economy/Austerity Measures for the financial year 2020-21, circulated vide Government of Khyber Pakhtunkhwa Finance Department Letter No. BO-I/FD/5-8/2020-21/Austerity Measures dated Peshawar the 30.07.2020, no appointment of contingent paid/fixd pay staff shall be made without prior approval of Finance Department during the course of the financial year 2020-21.

Office of TMA Nowshera paid Rs 2,758,969 on account of salary to contingent paid staff during FY 2020-21. However, contingent paid staff was hired without the prior approval from Finance Department as no such evidence was shown to audit for verification.

The lapse occurred due to weak internal control, resulting into loss to public exchequer.

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

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

Audit recommends regularization of hiring of contingent paid staff besides inquiry against the person(s) at fault.

AIR Para No. 09/2020-21

3.5.1.2 Unauthorized expenditures on account of contingent paid staff – Rs. 1.903 million

According to Para 10 of the Economy/Austerity Measures for the financial year 2020-21, circulated vide Government of Khyber Pakhtunkhwa Finance Department Letter No. BO-I/FD/5-8/2020-21/Austerity Measures dated Peshawar the 30.07.2020, no appointment of contingent paid/fixd pay staff shall

be made without prior approval of Finance Department during the course of the financial year 2020-21.

Office of TMA Jehangira paid Rs 1,903,100 on account of salary to contingent paid staff during FY 2020-21. However, contingent paid staff was hired without the prior approval from Finance Department as no such evidence was shown to audit for verification.

The lapse occurred due to weak internal control, resulting into loss to public exchequer.

When pointed out in November 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was furnished till finalization of this report.

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

Audit recommends regularization of hiring of contingent paid staff besides inquiry against the person(s) at fault.

AIR Para No. 07/2020-21

B Procurement related irregularities

3.5.1.3 Irregular drawl on ineligible sectors as well as non- execution of mutation deed of lands – Rs. 6.263 million

According to guidelines for the release and utilization of developmental funds issued vide Government of Finance Department No SO (DEV-IV)FD/4-3/2013-14/Guidelines dated 02-01-2014, construction of community centers was not enlisted in the eligible sectors of development under ADP and PFC fund.

S/No. 5(c) of D.O. No. F.7(1)RO(RD)/2003 dated Islamabad, the January, 2004 of the Government of Pakistan Ministry of Local Government and Rural Development provides, “Land for the purpose for developmental schemes wherever applicable, is to be provided free of cost, it shall not form part of the cost estimates of the scheme. In case a member offers private land its mutation shall be effected before execution of scheme”.

The office of TMA Nowshera spent Rs. 6,262,850 on schemes of “Construction/Repair of Community Centers” at various areas during FY 2020-

21. However, construction of Community Centers was neither included in the list of eligible sectors nor any deed of mutation of land in the name of government was executed before initiating construction of community centers. Details are as under:

S. No	Name of Schemes	Estimated Cost	Below	Below Amount	Net Amount
1	Construction of community center at chowk drub	3000,000	23.28%	(698,400)	2,301,600
2	Construction/Repair of Community Centre in Dhobi Ghat Nowshera	2500,000	22.22%	(555,500)	1,944,500
3	Construction of community center in Kati Khana Nowshera Cantt.	2,500,000	19.33%	(483,250)	2,016,750
Total					6,262,850

The lapse occurred due to weak internal controls resulting in loss to the public exchequer.

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was submitted.

Request for convening DAC meeting was made in November 2021. 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. 02/2020-21

C Management of accounts with commercial banks

3.5.1.4 Non-deposit of Bank profit – Rs. 5.000 million

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

Office of TMA Nowshera earned profit of Rs. 5,000,000 on the public funds placed in designated bank account during FY 2020-21. However, the same

was retained in the bank till the date of audit (October, 2021) and not deposited into the Government treasury.

The lapse occurred due to weak internal controls which resulted in non-deposit of bank profit into Government treasury.

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was furnished.

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

Audit recommends that Profit earned be immediately deposited into Government Treasury.

AIR Para No. 02/2020-21

3.5.1.5 Non-deposit of Bank profit – Rs. 1.518 million

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

Office of TMA Pabbi earned profit of Rs. 1,517,611 on the public funds placed in designated bank account during FY 2020-21. However, the same was retained in the bank till the date of audit (October, 2021) and not deposited into the Government treasury.

The lapse occurred due to weak internal controls which resulted in non-deposit of bank profit into Government treasury.

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record.

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

Audit recommends that Profit earned be immediately deposited into Government Treasury.

AIR Para No. /2020-21

3.5.1.6 Non-deposit of Bank profit – Rs. 5.374 million

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

Office of TMA Jehangira earned profit of Rs. 5,374,090 on the public funds placed in designated bank account during FY 2020-21. However, the same was retained in the bank till the date of audit (November, 2021) and not deposited into the Government treasury.

The lapse occurred due to weak internal controls which resulted in non-deposit of bank profit into Government treasury.

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record.

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

Audit recommends that Profit earned be immediately deposited into Government Treasury.

AIR Para No. 03/2020-21

3.5.2 Others, including cases of accidents, negligence etc.

3.5.2.1 Irregular expenditure on account of repair of transformer- Rs6.994 million

According to Local Government & Rural Developmental Department, Government of Khyber Pakhtunkhwa, Peshawar letter No. 24-05-2016, PESCO will carry out repair of transformers in their approved workshops.

According to Chief Minister KPK letter No. SOV/CMS/KPK/E&P/2016/14586 dated 11.11.2016 addressed to all Chief Executives PESCO KPK, TMA will carry out repair of Transformers in cases in which TMA has already transferred the funds. The repair may be outsourced through PESCO pre-qualified/approval workshops and quality oil and accessories should be used to avoid recurrent repair.

According to SOPs for execution of repair of transformers Scheme, “On receipt of written report from Zilla Council member regarding a damage transformer the representative of PESCO will personally inspect the transformer and will write the detail of transformer i.e. Made, Serial No, PO No, Date and Year of manufacturing location capacity and fault in separate register to be maintained for this purpose. And after repair the transformer will be checked by the committee including representative of PESCO, Zilla Council member and representative of the owner of workshop and will sign the job/ inspection report. Approved PESCO Workshop will provide warranty for one year as PESCO SOP. The repaired transformers will be installed at the same location by the concerned SDO PESCO and in the presence of representative of Deptt/TMA concerned.

The office of the Tehsil Municipal Officer, Nowshera incurred expenditures of Rs 6,994,000 on account of repair of transformers during FY 2020-21. The following irregularities were noticed.

1. The transformers were the WAPDA’s assets and repair of the said was the responsibility of WAPDA. Hence, the repair of transformers in private workshops through contractor was unauthorized and illegal.
2. Payment was made on non-schedule items, however, Market Rate Analysis thereof was not available on record.

3. Technical sanction was accorded by the Engineer Civil for which he was not competent, the sanction was required to be obtained from the engineer electrical having experience/specialty in the relevant field.
4. Report regarding inspection by PESCO and the detail of transformer i.e. Made, Serial No, PO No date and year of manufacturing, location capacity and fault in separate register was not maintained as required.
5. The repaired transformers were not checked by the Committee including representative of PESCO, & Tehsil member concerned and representative of the owner of workshop.
6. Documentary evidence regarding work shop of the contractor duly approved by the WAPDA was not available on record.
7. Demand from the community and Site/ specific location where repair was carried out not available on record.

Award of contract of repair of transformers and expenditure thereon occurred due to weak internal control which resulted in unauthorized expenditure.

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was furnished.

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

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

AIR Para No. 01/2020-21

3.5.2.2 Non recovery of long outstanding dues –Rs. 39.113 million

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

Office of Tehsil Municipal Officer, TMA Nowshera did not recover the long outstanding dues amounting to Rs. 39,112,501 under various heads from defaulting contractors during FY 2020-21. Details are given below:

S.No.	Name of Contract	Period	Outstanding as on 30.06.2020 (Rs)
1.	Excavation of Minerals	2015-16	5,265,530
2.	Cattle Fair Rashakai	2015-16	373,950
3.	Cattle Fair Rashakai	2014-15	84,290
4.	Cattle Fair Rashakai	2013-14	75,650
5.	Excavation of Minerals	2012-13	823,424
6.	License Fee	2013-14	343,500
7.	License Fee	2014-15	320,500
8.	Property Tax	2013-14	240,000
9.	Property Tax	2014-15	16,255,745
10.	Property Tax	2015-16	3,781,549
11.	Excavation of Minerals	2013-14	5,455,000
12.	Excavation of Minerals	2017-18	4,646,363
13.	Cattle Fair Rashakai	2018-19	1,447,000
	Total		39,112,501

The lapse occurred due to weak internal controls which resulted in loss to the Government.

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was submitted.

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

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

AIR Para No. 06/2020-21

3.5.2.3 Non-recovery on account of water charges – Rs 2.938 million

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

Office of Tehsil Municipal Officer, TMA Nowshera did not recover Rs.2,937,950 on account of water charges outstanding against various consumers during the FY 2020-21. Detail is given below:

S#	Particulars	Amount (Rs)
1	Outstanding arrears on 30.06.2020	2,324,750
2	Water user charges for FY 2020-21	613,200
Total outstanding amount		2,937,950

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

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was furnished.

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

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

AIR Para No. 07/2020-21

3.5.2.4 Non-recovery of receipts and withholding tax—Rs 3.663 million

According to Clause 49 of the LGA, 2013. Taxation rules, all taxes and other charges levied by a local government shall be imposed, assessed, leased, compounded, administered and regulated in such a manner as may be prescribed by rules which may, among other matters, provide for the obligation of the tax payer and the duties and powers of the officials responsible for the assessment and collection of taxes.

According to Clause-21 of Terms and Conditions issued to contractor, any loss sustained by the TMA during the recovery of contractual amount, the contractor will be responsible for that loss.

Office of Tehsil Municipal Officer TMA, Nowshera did not recover receipts of Rs 1,312,480 along with income tax of Rs. 2,351,000 from contractor of Cattle Fair Khat Killi during FY 2020-21.

The lapse occurred due to weak financial management which resulted in loss to public exchequer.

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was furnished.

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

Audit recommends inquiry and appropriate action besides fixing responsibilities on person(s) at fault.

AIR Para No. 10/2020-21

3.5.2.5 Unauthentic execution of item of work PCC 1:2:4 – Rs. 6.949 million

According to Para 1.58 of B&R Department Code, the Divisional Officer is responsible to organize and supervise the execution of works and to see that they are suitably and economically carried out with material of good quality duly tested.

Office of TMA Nowshera paid Rs 6,948,859 on account of PCC 1:2:4 to different contractors in various developmental schemes during FY 2020-21 without carrying out laboratory/concrete test. The strength of PCC cannot be determined without conducting Laboratory test. Detail is as below:

S.No.	Name of Scheme	Contractor	Item Name	Amount (Rs)	Deduction of Below	Net Payment
1.	Pavement of street, drain and culverts, and installation of pressure pumps in UC Pir Piai	Yousaf Wajid Ali	PCC 1:2:4	7,331,742	45.45%	3,999,465
2.	Pavement of street, drain and culverts, and installation of pressure pumps in UC kurvi	Sir Buland Khan	PCC 1:2:4	5,898,788	50%	2,949,394
Total				5,360,682		6,948,859

The lapse occurred due to weak internal controls resulting in unauthentic concrete work.

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was furnished.

Request for convening DAC meeting was made in November 2021. 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. 12/2020-21

3.5.2.6 Unauthorized expenditure due to allowing excess quantities over and above PC-I/ BOQ – Rs 4.715 million

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

Office of TMA Nowshera, spent Rs 6,671,063 on execution of a scheme “Pavement of streets, construction of drain, culverts & side walls in different village/mohallahs of UC Akbar Pura during FY 2020-21. However, the quantities executed on site were in excess of approved quantities in PC-1/BOQ against various items of works which resulted in over payment of Rs 4,714,638. The abnormally enhanced work on the items mentioned in PC-I reflected defective estimates which must have been revised and retendered for health competition. Details are given below:

S.No.	Item of work	Qty. as per PC-I(M ³)	Qty. paid (M ³ /No.)	Excess qty. paid (M ³ /No.)	Rate (Rs)	Overpayment (Rs)
1.	Earth Excavation	42.89	2019.13	1976.24	362.11	715,616
2.	PCC 1:3:6	36.88	1086.92	1050.04	7,058.77	7,411,224
Total expenditure						8,126,840
Below 41.99%						(3,412,202)
Net over payment						4,714,638

The lapse occurred due to weak internal controls which resulted in loss to public exchequer.

When pointed out in October 2021, management stated that detailed reply will be furnished after scrutiny of record. However, no reply was furnished.

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

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

AIR Para No. 13/2020-21

3.5.2.7 Unauthorized advance payment for execution of work- Rs.6.05 million

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

Office of TMA Pabbi paid Rs. 6,050,000 to a contractor M/S Haji Hazrat Akbar upto 2nd and final bill for a work “Pavement of street, Construction of drains, culverts & side wall in different villages/Mohallahs at UC Jalozei” during FY 2020-21. The following irregularities were noticed:

1. The work was commenced without obtaining technical sanction.
2. Quantities of various items of works were decreased in the 2nd running bill when compared with 1st running bill. It appears that either work has not been executed or advance payment is made. Details are provided below:

S #	Item	Qty 1 st R/Bill	Qty 2 nd R/Bill	Decreased qty
1.	Earth Excavation	27.18	Nil	27.18
2.	Back fill	2,713.33	2,309.27	404.06
3.	PCC 1:2:4	493.77	403.89	89.88

3. Measurement book was not provided to verify original record entries.

The lapse occurred due to weak financial management which resulted in unauthorized advance payment to the contractor.

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was furnished.

Request for convening DAC meeting was made in November 2021. 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. 03/2020-21

3.5.2.8 Non-reconciliation of Property tax with Revenue office – Rs.23.267 million

According to Para 19(f) of the Model Terms & Conditions for auction of the contracts notified by the Government of Khyber Pakhtunkhwa Local Government Department vide No. AO-II/LCB/6-11/2017 dated 20/02/2017, complete record of mutation, month-wise statement showing actual recovery duly verified by the concerned Tehsildar/ Deputy Commissioner shall be obtained from the revenue officer.

According to para 5.4.3.1 of the Manual of Accounting Principles, Responsibilities of Finance and Accounts Officers include: ensuring proper maintenance of accounting information including reconciliation.

Office of TMA Pabbi realized Rs. 23,266,790 on account of 2% property tax during financial year 2020-21. However, no reconciliation was carried out with the Revenue office, Pabbi to ascertain whether the realized 2% property tax was according to the actual 2% recovery of property tax. In absence of proper reconciliation, the factual position of recovery could not be authenticated.

The lapse occurred due to the internal control resulting in non-reconciliation of property tax with revenue office.

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was furnished.

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

Audit recommends reconciliation with Revenue office be carried out.

AIR Para No. 09/2020-21

3.5.2.9 Irregular expenditure on account of repair of transformer- Rs. 11.892 million

According to Local Government & Rural Developmental Department, Government of Khyber Pakhtunkhwa, Peshawar letter No. 24-05-2016, PESCO will carry out repair of transformers in their approved workshops.

According to Chief Minister KPK letter No. SOV/CMS/KPK/E&P/2016/14586 dated 11.11.2016 addressed to all Chief Executives PESCO KPK,

TMA will carry out repair of Transformers in cases in which TMA has already transferred the funds. The repair may be outsourced through PESCO pre-qualified/approval workshops and quality oil and accessories should be used to avoid recurrent repair.

According to SOPs for execution of repair of transformers Scheme, “On receipt of written report from Zilla Council member regarding a damage transformer the representative of PESCO will personally inspect the transformer and will write the detail of transformer i.e. Make, Serial No, PO No, Date and Year of manufacturing location capacity and fault in separate register to be maintained for this purpose. And after repair the transformer will be checked by the committee including representative of PESCO, Zilla Council member and representative of the owner of workshop and will sign the job/ inspection report. Approved PESCO Workshop will provide warranty for one year as PESCO SOP. The repaired transformers will be installed at the same location by the concerned SDO PESCO and in the presence of representative of Deptt/TMA concerned.

Office of the Tehsil Municipal Officer Pabbi incurred expenditure of Rs.11,891,812 on account of repair of transformers during FY 2020-21. The following irregularities were noticed.

1. The transformers were the WAPDA’s assets and repair of the said was the responsibility of WAPDA. Hence, the repair of transformers in private workshops through contractor was unauthorized and illegal.
2. Payment was made on non-schedule items, however, Market Rate Analysis thereof was not available on record.
3. Technical sanction was accorded by the Engineer Civil for which he was not competent, the sanction was required to be obtained from the engineer electrical having experience/specialty in the relevant field.
4. Report regarding inspection by PESCO and the detail of transformer i.e. Make, Serial No, PO No date and year of manufacturing, location capacity and fault in separate register was not maintained as required.
5. The repaired transformers were not checked by the Committee including representative of PESCO, & Tehsil member concerned and representative of the owner of workshop.

6. Documentary evidence regarding work shop of the contractor duly approved by the WAPDA was not available on record.
7. Demand from the community and Site/ specific location where repair was carried out not available on record.

Award of contract of repair of transformers and expenditure thereon occurred due to weak internal control which resulted in unauthorized expenditure.

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was furnished.

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

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

AIR Para No. 13/2020-21

3.5.2.10 Unauthentic execution of item of work PCC 1:2:4 – Rs. 3.002 million

According to Para 1.58 of B&R Department Code, the Divisional Officer is responsible to organize and supervise the execution of works and to see that they are suitably and economically carried out with material of good quality duly tested.

Office of TMA Pabbi paid Rs 3,002,470 on account of PCC 1:2:4 to different contractors in various developmental schemes during FY 2020-21 without carrying out laboratory/concrete test. The strength of PCC cannot be determined without conducting Laboratory test. Detail is as below:

S.No.	Name of Scheme	Item Name	Amount (Rs)
1.	Pavement of street, sanitation works pressure pumps retaining wall, water supply at UC Chowk Mumreiz Package-01	PCC 1:2:4	1,016,126
2.	Pavement of street, sanitation works pressure pumps retaining wall, water supply at UC Chowk Mumreiz Package -02	PCC 1:2:4	783,755
3.	Sanitation works, pressure pumps, retaining wall, water supply at UC Taru Jabba	PCC 1:2:4	1,202,589
Total			3,002,470

The lapse occurred due to weak internal controls resulting in unauthentic concrete work.

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was furnished.

Request for convening DAC meeting was made in November 2021. 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. 14/2020-21

3.5.2.11 Unauthorized expenditure due to allowing excess quantities over and above PC-I/ BOQ – Rs 1.053 million and overpayment due to non-deduction of voids – Rs 153,069

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

Office of TMA Pabbi spent Rs 1,817,557 on execution of a scheme “Pavement of streets, sanitation works pressure pumps, retaining wall at UC Akbar Pura pakage 02, etc. during FY 2020-21. However, the quantities executed on site were in excess of approved quantities in PC-1/BOQ against various items of works which resulted in over payment of Rs 1,052,521. The abnormally enhanced work on the items mentioned in PC-I reflected defective estimates which must have been revised and retendered for health competition. Details are given below:

S.No.	Item of work	Qty. as per PC-I/(M ³)	Qty. paid (M ³ /No.)	Excess qty. paid (M ³ /No.)	Rate (Rs)	Overpayment (Rs)
1.	Structure backfills	132.5028	1417.83	1285.3272	981.461	1,261,498
2.	PCC 1:2:4	69.7848	175.22	105.4352	8358.28	881,256
Total expenditure						2,142,754
Below 50.88%						(1,090,233)
Net payment						1,052,521

Moreover, 11% voids as required in “Shingle filling” was not deducted from the bill of the contractor which put the Government into a loss of Rs. 153,069.

The lapse occurred due to weak internal controls which resulted in loss to public exchequer.

When pointed out in October 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was furnished.

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

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

AIR Para No. 16/2020-21

3.5.2.12 Unauthentic execution of item of work PCC 1:2:4 – Rs. 1.812 million

According to Para 1.58 of B&R Department Code, the Divisional Officer is responsible to organize and supervise the execution of works and to see that they are suitably and economically carried out with material of good quality duly tested.

Office of TMA Jehangira paid Rs 1,811,512 on account of PCC 1:2:4 to different contractors in various developmental schemes during FY 2020-21 without carrying out laboratory/concrete test. The strength of PCC cannot be determined without conducting Laboratory test. Detail is as below:

S. No	Scheme	Description	Qty as per PC-1	Rate	Total	Below	Amount Paid	
1	Construction of, Drains, culverts etc at U/C Mughal Kai	PCC 1;4;8	76.04	6359.02	483,546	34.57%	316,384	
	Construction of, Drains, culverts etc at U/C Mughal Kai	PCC1:2:4	100.35	8358.28	838753	34.57%	548,796	
2	Construction of Street, Drains, culverts etc at U/C Mandoori	PCC 1;4;8	105.90	5481.08	452,408	10%	407,167	
3	Construction of Street, Drains, culverts etc at U/C Mandoori	PCC1:2:4	105.90	7257.86	599,063	10%	539,157	
TOTAL AMOUNT								1,811,504

The lapse occurred due to weak internal controls resulting in unauthentic concrete work.

When pointed out in November 2021, Management stated that detailed reply will be furnished after scrutiny of record. However, no reply was furnished.

Request for convening DAC meeting was made in November 2021. 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. 15/2020-21

CHAPTER-4

AD LGE & RDD

4.1 Introduction

Assistant Director Local Government, Election and Rural Development Department in District Nowshera have 153 VCs/NCs. Each VC/NC has a Secretary. Assistant Director Local Government Election & Rural Development Department is Drawing and Disbursing Officer (DDO) for his office and PAO for VCs/NCs of the District Nowshera.

According to section 29 of the Khyber Pakhtunkhwa Local Government Act 2013 the authority and responsibilities of the District Government have been given as under:

Functions and Powers of Assistant Director, LGE&RDD 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

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

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

Audit profile of ADLG&RDD District Nowshera

(Rs. in million)

Sr No	Description	Total Nos	Audited	Expenditure audited FY 2020-21	Revenue /Receipts audited FY 2020-21
1	Formations	01	01	105.65	NA
Total		01	01	105.65	NA

4.2 Comments on Budget and Accounts (Variance Analysis)

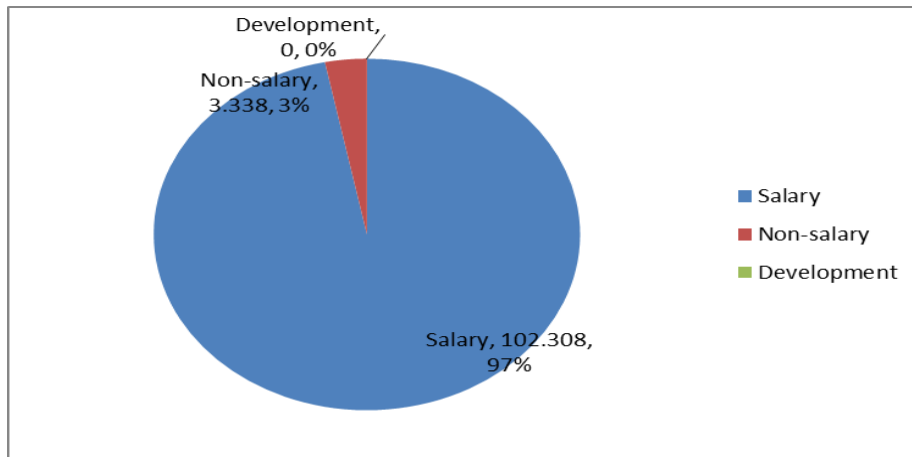
(Rs in million)

AD LGE&RDD				
2020-21	Budget	Actual Expenditure/ Receipts	Excess/(Saving)	%age
Salary	75.145	102.308	27.163	36.15
Non salary	2.981	3.338	0.357	11.98
Development	0	0	0	0
Total	78.13	105.65	27.520	35.23

The excess expenditure of Rs. 27.520 million indicates weakness in the capacity of AD, LGE&RDD for excess expenditure over budget allocation.

EXPENDITURE 2020-21

(Rs. in million)



4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs. 34.934 million were raised in this audit report. This amount also includes recoverable of Rs. 34.934 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Amount in Rs.)

Sr. No.	Classification	Amount
1	Irregularities	
A	HR/Employees related irregularities	1.530
B	Management of Accounts with Commercial Banks	18.669
2	Others, including cases of accidents, negligence etc.	14.735
Total		34.934

4.4 Comments on the status of compliance with Village/Neighborhood Accounts Committee Directives

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

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

4.4.1 AUDIT PARAS

4.5.1. Irregularities

A. HR/Employees related irregularities

4.5.1.1 Irregular payment of Pay & Allowances through DDO - Rs. 1.530 million

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.

Para 4.6.3.1 of APPM requires that the normal method of payment of monthly salaries of all government employees shall be by credit transfer directly to a bank account nominated by the employee.

Office of Assistant Director, LGE & RDD paid Rs.1,530,278 on account pay & allowances to different employees during the FY 2020-21. However, the amount was paid through DDO instead of direct credit system to the bank accounts of the employees in violation of rules. Details are as under:

Months	Payment
Nov 2020	107,190
Dec	111,935
January 2021	175,539
Feb	329,781
March	234,713
April	180,970
May	180,970
June	209,180
Total	1,530,278

The lapse occurred due to weak financial controls which resulted in unverified expenditure.

When pointed out in November 2021, Management stated that detailed reply will be furnished after consulting the record. However, no reply was furnished.

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

Audit recommends payment of pay and allowances through direct credit advice instead of DDOs and action against the person(s) at fault.

AIR Para No. 04/2020-21

B. Management of Accounts with commercial banks

4.5.1.2 Non-deposit of Bank Profit into Government Treasury – Rs.17.515 million

According to Para 1 and 2 of Finance Department Khyber Pakhtunkhwa letter No. 2/3-(F/L)/FD/2007-08/Vol-IX dated 10th February 2014, Khyber Pakhtunkhwa Finance Department has time to time allowed sanctioned Bank accounts in the commercial bank for various Departments/Autonomous/ Semi-Autonomous Bodies/Corporations in Khyber Pakhtunkhwa for particular and specific purposes. Such accounts may be converted to PLS mode and the profit earned be deposited in Government Treasury under relevant head of account immediately and not later than a week when declared by the concerned bank.

Office of Assistant Director LGE &RDD Nowshera earned profit of Rs. 17,514,758 on the public funds placed in designated bank account during FY 2020-21. However, the same was retained in the bank till the date of audit (October, 2021) and not deposited into the Government treasury.

The lapse occurred due to weak financial management which resulted in loss to Government.

When pointed out in November 2021, Management stated that detailed reply will be furnished after consulting the record. However, no reply was furnished.

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

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

AIR Para No. 01 (2020-21)

4.5.1.3 Non-reconciliation of closing balances of Rs – 1.154 million and unauthorized expenditure thereof without approval of Finance Department

Government of Khyber Pakhtunkhwa Finance Department vide letter No. 2/3(F/L)/FD/2018 / Vol-Xii dated: 03.07.2019 stated that closing balances in all designated bank accounts falling in the purview of the department concerned with respective Budget / Development Sections of Finance Department latest by July 15th, 2020. Moreover, the balances in the bank accounts, if any, remaining on June 30th, 2020 shall not be available for use without its prior revival by Finance Department.

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”.

Office of AD LGE&RDD Nowshera maintained designated bank account No: 4025961306 NBP, Nowshera Cantt: Branch during FY 2020-21. Bank statement shows closing balance of Rs. 1,153,512 as on 30.06.2021. However, neither-reconciliation of available funds was made with respective District Accounts Office nor was the case for revival of fund in the designated bank account submitted to the Finance Department for obtaining authorization for utilization of available fund.

The lapse occurred due to weak financial management resulting in non-reflection of true and fair picture of financial information.

When pointed out in November 2021, Management stated that detailed reply will be furnished after consulting the record.

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

Audit recommends that proper case for revival of funds to be sent to Finance Department for approval along with valid justification for retaining this amount in the designated bank accounts.

AIR Para No. 08/2020-21

4.5.2. Others, including cases of accidents, negligence etc.

4.5.2.1 Non-imposition of penalty for non-completion of works – Rs.0.476 million

According to clause 2 of the Contract Agreement and Para No. 5 of the work order, penalty of 1% per day and up to maximum of 10% of the bid cost shall be imposed for delay in completion of work.

In the office of AD LGE&RDD Nowshera it was observed that 03 contracts developmental schemes worth Rs. 4,760,000 were awarded to various contractors during FY 2020-21. The works were not completed within the stipulated period of time. However, neither time extensions were granted nor penalty @ 10% amounting to Rs. 476,000 was imposed on the contractors. Detail is attached as annex-5.

The lapse occurred due to weak internal controls which resulted in non-imposition of penalty.

When pointed out in November 2021, Management stated that detailed reply will be furnished after consulting the record. However, no reply was furnished.

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

AIR Para No. 10/2020-21

4.5.2.2 Unauthorized expenditure due to allowing excess quantities over and above PC-I/ BOQ - Rs 1.168 million

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

Office of AD LGE&RDD Nowshera for the financial year 2020-21 overpaid Rs. 1,168,279 due to allowing excess quantities over and above PC-I/BOQ during FY 2020-21. Details are given below:

S#	Item of work	BOQ Qty	Rate	Qty paid	Excess Qty	Excess payment
1	Construction of street, drain at VC/NC Badrashi District Nowshera					
	Tube well boring in all soil	0	4,115.26	112.77	112.77	464,079
	Below 43.43%					(201,550)
2	Total					262,529
	PCC streets, PCC R/wall at CV/NC Walai in Distret Nowshera					
	PCC 1:4:8	0.23	6004.18	44.82	44.59	267,726
	PCC 1:2:4	21.06	7783.08	58.65	37.59	292566
	Total					560,292
	Below 35%					(196,102)
3	Total					364,190
	Construction of PCC street R/Walls, P Pumps at N/C Mali Khel					
	PCC 1:6	119.47	7257.86	238.80	119.33	866,080
	Deduction below 37.47%					(324,520)
	Total					541,560
Grand total						1,168,279

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

When pointed out in November 2021, Management stated that detailed reply will be furnished after consulting the record. However, no reply was furnished.

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

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

AIR Para No. 11/2020-21

4.5.2.3 Unauthentic execution of item of work PCC 1:2:4- Rs. 1.341 million

According to Para 1.58 of B&R Department Code, the Divisional Officer is responsible to organize and supervise the execution of works and to see that they are suitably and economically carried out with material of good quality duly tested.

According to letter No Director (LG)3-16/ADP/2013 dated 29.01.2019 the contractor was required to perform the quality assurance during execution of the Schemes

Office of AD LGE&RDD Nowshera paid Rs. 1,341,792 on account of PCC 1:2:4 to different contractors in various developmental schemes during FY 2020-21 without carrying out laboratory/concrete test. The strength of PCC cannot be determined without conducting Laboratory test. Detail is attached as Annex-6.

The lapse occurred due to weak internal controls resulting in unauthentic concrete work.

When pointed out in November 2021, Management stated that detailed reply will be furnished after consulting the record.

Request for convening DAC meeting was made in November 2021. 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. 12/2020-21

ANNEXURES

Annex-1

MFDAC

(Rs. in million)

S#	Caption	Amount
Deputy Commissioner		
1.	Non deposit of domicile fee	0.254
2.	Non-utilization of development funds	4.365
3.	Irregular drawl of conveyance allowance	0.170
4.	Non reconciliation of monthly / yearly expenditure	206.524
5.	Loss to government due to cuttings in the issued challans of fines	0.030
6.	Non-Auctioning of condemn vehicles	
District Health Officer		
7.	Over payment to the doctors by allowing to draw salaries before arrival period	
8.	Non-imposition of penalty	0.472
9.	Non recovery from absent doctor	0.072
10.	Irregular payment of salary to the clinical technician during Extra ordinary leave	0.237
11.	Non recovery of electricity charges from staff	0.305
12.	Doubtful payment on account of 15% adhoc allowance	0.218
13.	Overpayment on account of Health Professional Allowance due to allowing higher rate	0.120
14.	Irregular repair of transport	0.300
15.	Unauthentic expenditure on account of POL for Dengue spray	1.40
16.	Non deduction of Income Tax on supply of medicine	0.177
17.	Loss to Government due to non-auction/ non-surrender of condemned vehicles	
18.	Non functioning of X-Ray machines	
19.	Loss to government due to non-conversion of current account into PLS	
TMA Nowshera		
20.	Unauthentic expenditure on account PESCO/Electricity bills	16.600
21.	Non-auction of un-serviceable/ condemned vehicles	
22.	Unauthorized payment for non-schedule items without rate analysis	0.418
23.	Overpayment due to allowing PCC 1:2:4 beyond the length of PCC 1:4:8	0.244
24.	Overpayment due to allowing PCC 1:2:4 beyond the length of PCC 1:4:8	0.847
25.	Unauthorized use of Ex-Tehsil Nazim vehicle by TMO	
26.	Irregular and unjustified expenditure on account of POL	6.00
27.	Loss to Council in million due to non-auction of shops	
28.	Irregular Payment of House Building Advance	0.943
29.	Irregular expenditure on account of overtime/late sitting charges	0.133
TMA Pabbi		
30.	Non-Submission of Accounts of TMA	123.954
31.	Irregular expenditure on account of overtime/late sitting charges	0.168
32.	Weak budgeting due to overstatement of expenditure	16.784

33.	Non-reconciliation of Property tax with Revenue office	23.267
34.	Doubtful payment on account of execution of work	0.930
35.	Irregular expenditure on Janaz Gahs without mutation of land	0.620
36.	Unauthorized expenditure due to allowing excess quantities over and above PC-I/ BOQ	0.188
TMA Jehangira		
37.	Irregular Payment of House Building Advance	2
38.	Non-deduction of service tax from payment to legal advisor	0.097
39.	Irregular procurement without quotations and market exploration	0.859
40.	Irregular expenditure on account of POL	2.696
41.	Loss due to non-recovery of 10% withholding tax	0.898
42.	Loss to TMA due to non-achievement of target	0.621
43.	Loss to TMA due to less recovery of water user charges	0.124
44.	Irregular expenditure on account of overtime/late sitting charges	0.267

Annex-2

Detail of non-deduction of HRA from Doctors

SN O	P. No	Name of Officer / Official	HRA drawn (Rs)	No of months (Rs)	Total (Rs)
1	421054	Dr. JAMAL SHAH	4,433	12	53,196
2	591344	Dr. MUHAMMAD TAHIR JADOON	4,433	12	53,196
3	713886	Dr. Nasir Iqbal Khattak	4,433	12	53,196
4	742732	Dr. Bilal Ahmad	4,433	12	53,196
5	807478	Dr. Fazal Amin	4,433	12	53,196
6	807479	Dr. Naeem Khan	4,433	12	53,196
7	812066	Dr. Fayaz Khan Khattak	4,433	12	53,196
8	812259	Dr. Suleman Nazir	4,433	12	53,196
9	829994	Dr. Zainab Ibad	4,433	12	53,196
10	862658	Dr. JAVED AKHTAR	4,433	12	53,196
11	874148	Dr. ZIA ULLAH IQBAL	4,433	12	53,196
12	884840	Dr. MUHAMMAD SHAHID	4,433	12	53,196
13	886722	Dr. ASIF HASSAN KHAN	4,433	12	53,196
14	886726	Dr. ADNAN SHAH	4,433	12	53,196
15	903746	Dr. MUNAZZA SHABIR	4,433	12	53,196
16	941432	Dr. Muhammad Mir Alam Khan	4,433	12	53,196
17	942715	Dr. Wajeh Hassan	4,433	12	53,196
18	943072	Dr. Muhammad Yaseen	4,433	12	53,196
19	943421	Dr. Uzma Yousaf	4,433	12	53,196
20	943709	Dr. Nazia	4,433	12	53,196
21	945709	Dr. Bushra Ikram	4,433	12	53,196
22	945768	Dr. Madiha Abdur Rehman	4,433	12	53,196
23	945728	Dr. Laraib Shafiq	4,433	12	53,196
24	839856	Dr. Khadija Rehman	4,433	12	53,196
Total					1,276,704

Annex-3**Detail of compulsory land acquisition charges**

(Amount in Rs.)

S.No	Award	Cost of land	15%
1	Acquisition of Land kotarpan	8,757,664	1,313,650
2	Acquisition of land for construction of bridge	8,920,949	1,338,142
3	Acquisition of land for construction of interchange kernel sher khan kaleee.	162,725,640	24,408,846
4	Acquisition of land for construction of interchange kernel sher khan kaleee access road.	13,030,172	1,684,623
Total		193,434,425	28,745,261

Annex-4

Detail of non-deposit of government dues into Government treasury

S.No	Name of Health facility	Name of receipts	Amount Not deposited	Remarks
01	EPTC	OPD	101,650	3 Financial Years receipts not deposited
02	Category B Hospital Pabbi	ECG	46,360	Shown Free without any entitlement documents
03	Category B Hospital Pabbi	Ultrasound	235,440	Shown Free without any entitlement documents
04	Category B Hospital Pabbi	X-Ray	181,440	Shown Free without any entitlement documents
05	Cat D Hospital Dak Ismail khail	OPD	10,650	July 2020 receipts not deposited.
06	BHU Dagai	OPD	2,010	June 2021 Receipts not deposited
07	MCH Pashtoon Ghari	OPD	43,230	July202 20 to June 2021 not deposited
08	BHU Saleh Khana	OPD	76,220	July202 20 to June 2021 not deposited
09	CD Mia Essa	OPD	109,760	July202 20 to June 2021 not deposited
10	BHU Enzari	OPD	115,040	July202 20 to June 2021 not deposited
11	BHU Mama Khail	OPD	57,960	July202 20 to June 2021 not deposited
12	BHU Mani	OPD	74,870	July202 20 to June 2021 not deposited
Total			1,054,630	

Annex-5
Para No. 2.5.4.6

Detail of overpayment due to inclusion GST in the cost-Rs 4,031,117

S.No.	Firm/Supplier Name	Item/Equipment	GST (Rs)
1	M/S Medco	Fracture Operation Table	108,247
		Spica Table	108,247
		Lab centrifuge	28,769
2	M/S Mirza Niaz Muhammad & Sons	Exam Coach	53,550
		Rev. Chair	32,700
3	M/S Ihtisham Enterprises	Cupboard Steel	221,850
		Blanket	14,025
		Mattress	96,798
		Pillows	23,205
4	M/S MKJ Associates	X-Ray Casstts	10,158
			57329
			72419
			42820
5	Matora	Mobile C Arm Image Intensifier	1,427,000
		X-Ray Plant(02 Nos.)	1,734,000
Total			4,031,117

Annex-5

Para No. 4.5.2.1

Detail of loss due to non-imposition of penalty

S#	Name of work	Estimated cost (Rs)	Date of commencement	Date of completion	Time period allowed	Penalty (Rs)
1	PCC Streets, PCC drains, RCC culvert, Installation of P/Pumps Pabbi 2	1,700,000	27.09.19	01.07.2020	180	170,000
2	PCC Streets, R/Walls, Installation of P/Pumps VC Malik Khel	1,680,000	27.09.19	19.10.2020	180	168,000
3	Construction of streets, drains R/Walls VC Histrang	1,380,000	27.09.19	In progress	180	138,000
	Total	4,760,000				476,000

Annex-6

Para No. 4.5.2.3

Unauthentic execution of item of work PCC 1:2:4

S. No	Scheme	Description	Qty	Rate	Total	Below	Amount paid (Rs)
1	Construction of, street, Drains, R/Walls VC Hisartang	PCC 1:2:4	119	7257.86	863,685	15.15%	732,837
2	PCC Street, PCC drains, Culverts etc VC Surya Khel	PCC 1:2:4	77.51	7783	603,267	33.26	402,620
3	PCC Street, PCC drains, Culverts etc, Installation of P Pumps at VC Pabbi 2	PCC 1:2:4	39.69	7257.86	288,065	38.88	176,065
4	R.R.M and Installation of P Pumps	PCC 1:2:4	6.67	7257.86	48,409	37.47	30,270
Total							1,341,792