



SPECIAL AUDIT REPORT
ON
OBJECT HEAD G10113-SECURITIES DEPOSIT
ACCOUNTANT GENERAL KHYBER PAKHTUNKHWA
FOR THE FINANCIAL YEAR 2007-24
AUDIT YEAR 2023-24

AUDITOR-GENERAL OF PAKISTAN

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

FOR THE CITIZENS OF PAKISTAN

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 (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 require the Auditor-General of Pakistan to conduct audit of the accounts of the Provincial Government and the accounts of any authority or body established by, or under the control of Provincial Government.

The Directorate General Audit, Khyber Pakhtunkhwa conducted Special Audit of the “Object Head G10113-Securities Deposit” during February and March 2024 for the period 2007-24. The focus of the audit was to examine the effectiveness of physical and SAP controls in payment under the Object Head G10113-Securities Deposit. Deductions and payments under the said Object Head were examined in 18 District Accounts Offices and observations were reported accordingly. Accounting treatment of the deductions and payments under the said Object Head were also examined.

The audit observations included in the report have been finalized in light of discussion with the management and the decisions made in the DAC meeting held on 01.08.2024.

The Audit Report is submitted to the Governor of Khyber Pakhtunkhwa in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan 1973, for causing it to be laid before the Provincial Assembly of Khyber Pakhtunkhwa.

(Muhammad Ajmal Gondal)
Auditor-General of Pakistan

Islamabad
Dated:

ABBREVIATIONS AND ACRONYMS

AGKP	Accountant General Khyber Pakhtunkhwa
ADP	Annual Developmental Program
APPM	Accounting Policies and Procedures Manual
C &W	Communication and Works
CAATs	Computer Assisted Audit Techniques
CGA	Controller General of Accounts
CPWD	Central Public Works Department
DAO	District Accounts Officer
DCA	District Comptroller of Accounts
DDO	Drawing and Disbursement Officer
DHQ	District Headquarter Hospital
FABS	Financial Accounting and Budgetary System
GFR	General Financial Rules
IGFC	Inspector General Frontier Corps
LG & RDD	Local Government and Rural Development Department
NBP	National Bank of Pakistan
RT	Receipt Transactions
SAP	System Application Product
SBP	State Bank of Pakistan
SOPs	Standard Operating Procedures
TMA	Town Municipal Administration
XEN	Executive Engineer

EXECUTIVE SUMMARY

The Directorate General Audit Khyber Pakhtunkhwa conducted a special audit of the “Object Head G10113-security deposits” in March 2024 on the request of Accountant General Khyber Pakhtunkhwa. The special audit was conducted in the Accountant General Office and District Accounts Offices under his control, uncovered significant deficiencies and irregularities in the financial management system. The primary objective was to identify flaws, rectify issues, and ensure the integrity of financial records spanning 2007 to March 2024.

The balance under the Object Head G10113 as on 1st July 2007 was Rs. 4,285.518 million, the receipts for the period 2007-24 remains Rs. 262,117.283 million, the withdrawals were Rs. 268,458.092 million and the closing balance as on 30th June 2024 was debit for Rs. 2,055.290 million. The audit revealed several critical findings, including incomplete availability of record across various District Accounts Offices (DAOs). Some offices, such as DAO Mansehra, adhered to prescribed Standard Operating Procedures (SOPs) by weeding out old records, while others like Bannu and Bajaur, along with the AGKP office, failed to produce proper documentation, raising concerns about data integrity and accuracy. Moreover, the absence of system controls within the SAP system facilitated dubious transactions. This lack of oversight resulted in significant overpayments to contractors, suspected to be fraudulent, amounting to millions of rupees. Furthermore, the misuse of Object Head G10113 for payments distinct to its intended purpose led to substantial financial mismanagement, exacerbating the risk of monetary irregularities.

The non-reconciliation and incorrect data entry in the SAP system further compounded financial discrepancies, making it challenging to accurately analyze accounts and identify recipients. Additionally, incorrect and unjustified transfer entries complicated financial management processes, highlighting the urgent need for improved controls and oversight mechanisms.

Based on the audit findings, the audit recommends a series of actionable steps to address the identified issues and improve financial management practices. These include implementing rules to ensure the proper maintenance of records in all DAOs, along-with providing necessary training and resources to facilitate compliance. Collaboration with relevant departments to incorporate proper controls into the SAP system is crucial, along with conducting regular internal audit to ensure ongoing compliance and effectiveness. Clear guidelines and training on manual record-keeping procedures are also recommended to mitigate the risk of fraudulent activities and improve data integrity. Furthermore, measures such as the recovery of excess payments to contractors, strict oversight on the use of Object Head G10113, centralized analysis of receipt transactions, and enhancement of reconciliation processes between Works Divisions and DAOs are essential to address the identified deficiencies comprehensively.

Overall, the recommendations aim to strengthen transparency, accountability, and efficiency in financial management within the Accountant General Office and District Accounts

offices of Khyber Pakhtunkhwa, ultimately safeguarding public funds and fostering public trust in the integrity of financial operations.

Key Audit Findings:

- The relevant record was not completely available. Some DAOs (DAO Mansehra) weeded out the old record as per the prescribed SOPs, while some of the DAOs (Bannu and Bajaur), including AGKP, failed to produce the proper record as it was not available or properly maintained. Non availability of physical record limited the scope of audit.
- Budget checks, restriction on issuance of multiple vendor numbers in same company code, and other controls for the prevention of fraudulent and duplicate transactions are not incorporated in the SAP by the Accountant General, nor was the matter of incorporating these controls taken up with the CGA office/FABS.
- In the absence of SAP system controls, the Accountant General office and DAOs also didn't maintain manual registers and ledgers of the contractors as prepared in the works divisions of the work to avoid any fraudulent drawl of contractors' securities.
- An amount of Rs. 55.317 million of securities was paid to contractors fraudulently more than their original claim. Besides, Rs. 108.28 million of securities are also suspected to be paid fraudulently as the record of its deduction is neither physically available nor in SAP. Due to the non-existence of system controls in SAP, overpayment of Rs. 1.883 million were made by debiting Object Head G10113 instead of crediting the same.
- As no budget check existed on the Object Head G10113, non-development and implementation of project module in SAP by CGA/DG FABS, this head of accounts was misused for payments of other heads of account amounting to Rs. 277.244 million.
- Due to the non-lapsable nature and non-implication of budget check over the Object Head G10113, developmental funds amounting to Rs. 535.425 million were drawn and deposited in the said head to avoid lapse and utilization in the future.
- Due to non-reconciliation and incorrect punching of Object Head G10113 in the SAP, a difference of Rs. 6,305.380 million was observed in the accounts and data extracted from SAP pertaining to works divisions.
- Incorrect and unjustified transfer entries amounting to Rs. 502.457 million were observed, which underscore the need for monitoring the transfer entries by AGKP on monthly basis.

Recommendations:

Based on key audit findings, the audit recommends the following.

- Implement rules regarding proper maintenance of old records to ensure all DAOs maintain complete and updated records in accordance with prescribed SOPs. Provide training and resources as needed to ensure compliance.
- The AGKP should take up the matter with the relevant departments, such as the CGA office/FABS, to incorporate budget checks and controls into the SAP system. Conduct regular reviews to ensure effective implementation and compliance.
- Establish clear guidelines and procedures for maintaining manual registers and ledgers of contractors in SAP clearly showing credit and debit entries for each contractor. Provide training to staff on the importance of accurate record-keeping and the potential consequences of fraudulent activities.
- The excess payments made to the contractors may be recovered besides fixing responsibility on the relevant officers/officials. To avoid fraudulent drawl in future, physical and systemic controls and verification processes be strengthened. The document number of the security deducted must be linked with the payment of the security so that the security deducted be released/paid only once and that document number cannot be used for another payment in future.
- Enforce strict internal controls on the receipts and payments from the Object Head G10113 to prevent misuse of this head of account for payment of other purposes. Implement approval processes and monitoring mechanisms to ensure expenditures are appropriately booked under their respective heads of account. A monthly report of the said Object Head be generated at the AGKP level ensuring deposits and drawls under the Object Head of account.
- To avoid misuse of the Object Head, the RT (Receipt transactions) be analyzed and compared centrally with manual challans on a test check basis and examine for any abnormal deposit and their subsequent releases.
- In the SAP system checks of the works divisions are recorded without entering their vendor number, payee, and check number, which make it impossible to identify the actual recipient. Moreover, multiple checks are punched using the same document number, which further makes it very hard to analyze the SAP data pertaining to works divisions. It is recommended that like pre-audit checks, the checks of the works divisions should also be entered with all possible information, and assigning unique document number to every check. Furthermore, there is a need to enhance reconciliation processes between the divisions and DAOs assigning dedicated staff to regularly reconcile accounts and investigate discrepancies promptly to ensure the accuracy and reliability of financial data.
- Strengthen internal controls and approval processes for transfer entries to prevent incorrect and unjustified transfers. Provide training to staff on proper procedures and conduct regular audit to detect and rectify any discrepancies.

1. INTRODUCTION

On the request of Accountant General Khyber Pakhtunkhwa made vide letter No.Admn-II/2022-23/374-75 dated 01.06.2023, the Auditor-General of Pakistan office vide letter No.02-07/AGP Chamber/Vol-IV/4867 dated 03.11.2023 directed this office through Deputy Auditor General (North) to conduct Special Audit of the Object Head of account G10113-Security Deposits covering at least 50% of the Accounts Offices based on risk evaluation. The Object Head G10113 is used for both the deduction/payment of the contractor's securities and for the deposit works. Contractor's bills of local Government are passed at the counter of Accountant General/DAO offices, while Works Divisions compile their accounts on their own. However, for proper budgeting and overall compilation, the cheques of Works Divisions are punched in the SAP at the DAO level. At the Works Divisions Object Head G10113 is used both for deposit-II (contractor's securities) and deposit-III (deposit work). The main focus of the audit was to check whether physical and SAP controls exist to verify the authenticity of the bills passed in the Accountant General and DAO level and to ensure that the Object Head G10113 is accurately reflected in the accounts of the AGKP.

2. AUDIT OBJECTIVES

The main purpose of the audit was to identify the flaws/irregularities and deficiencies in the system and not only to rectify but also resolve the issues. Other objectives of the special audit G10113-Security Deposits are as under.

- I. To ascertain whether the relevant record from 2007 till now is intact, available and preserved for forming valid, reliable, sound and plausible audit opinion.
- II. To pin point the issues being faced by the AGKP in order to gauge the intensity and severity of the problems while determining the exact balances, payments and reconciliation in the Object Head G10113.
- III. To identify the flaws/irregularities and deficiencies in the system not only to rectify but also resolve the issues which confront by the office of the AGKP.
- IV. To check whether the conventional system of payment of security deposit to the contractors was switched over to information technology system (SAP).
- V. To identify and quantify the volume of deposits and payments made by the Accounts offices to contractors.
- VI. To pin point the officers/officials of the office of the AGKP and DCAs/DAOs responsible for not eliciting official response to the flaws/blunders/understatement and overstatements found in the monthly civil accounts compiled and rendered by the DCAs/DAOs to the office of AGKP.
- VII. To verify the validity and authenticity of the contractors bills and payments made thereupon.

- VIII. To check whether the concerned officials/officers deputed on security deposits and payments to the contractors recorded the transactions in sufficient detail in the relevant registers/ledgers on real time basis.
- IX. To assess the prevalence and efficacy of internal controls in DCAs/DAOs and AGKP office.
- X. To gather any information/record pertaining to this special audit assignment from the quarters concerned.

3. AUDIT SCOPE

Special audit of the Object Head G10113 pertaining to Accountant General office and District Accounts offices under the Accountant General Khyber Pakhtunkhwa was carried out for the period of 2007 till March 2024. As directed by the office of the Auditor-General of Pakistan, out of the total 35 DAOs, 18 (50 %) were selected on the basis of risk evaluation for a special audit of the Object Head G10113. Object Head G10113 is used for the contractor's securities of local government/TMAs, whose bills are passed at the counter of Accountant General/DAO, and this Object Head is also used for the deposit-II and deposit-III of the Works Divisions. Works Divisions compile their accounts by themselves, however, for proper budgeting and overall compilation, the receipts and the cheques of the Works Divisions are punched in the District Accounts Offices. To carry out the audit of the Object Head G10113, the receipts and payments punched in the SAP were examined for both the District Accounts Offices and the Works Divisions.

4. AUDIT METHODOLOGY

This special audit was carried out on the basis of an extensive desk audit on the data extracted from SAP. Initially, the data pertaining to Object Head G10113 from 2016-17 till February 2024, of all districts of Khyber Pakhtunkhwa was extracted. This data included the bills paid through the counter of the AGKP and the bills paid by the Works Divisions as well. The data was sorted and the Works Division data was separated from the data of the bills paid at the counter of AGKP. Analysis was carried out using Microsoft Excel to ascertain negative balances of the vendors whose bills are passed at the Accountant General counter. In the first stage, risk-based analysis was carried out to select DAOs for detailed audit. For selection, three main factors for risk were, the total volume of transactions in the said Object Head including the data of Works Divisions, negative balances of vendors whose bills are paid at the counter of the AGKP, and abnormal transactions from the said Object Head including transfer entries.

After selecting the DAOs, the data of each DAO was separated and the data of each vendor was extracted from 2007 till March 2024 using queries in the SAP. After completing desk audit samples of bills and transfer entries were requisitioned from the AGKP and selected DAOs. The bills and other physical record was audited in the office of AGKP and DAOs.

5. AUDIT FINDINGS

5.1 Fraudulent excess payment of securities Rs. 109.401 million

According to Para 4.2.7.4 of the APPM, the audit function involves, scrutinizing of the claim voucher to identify possible fraud and irregularities that a reasonable person would be expected to discover.

During the special audit of Object Head G10113 for the audit year 2023-24, it was observed from the data extracted from SAP that certain payments of Rs. 55.319 million were made to the contractors, however, their deductions were missing in the data. Upon detailed analysis and physical verification of the record, it was observed that in some instances, an amount of Rs. 55.317 million had been fraudulently disbursed to various contractors multiple times (Detail in Annexure-I). Furthermore, despite intensive desk audit and cross-matching the deductions of securities paid amounting to Rs. 54.084 million could not be traced (Detail in Annexure-II). In this regard, the bills and contractor's ledgers/registers were requisitioned from the relevant payroll sections of AGKP, despite repeated verbal and written requests the said record was not produced to audit to authenticate the accuracy of the payments whose deductions were not traced.

The lapse occurred due to the non-maintenance of physical records and the absence of system controls, resulting in fraudulent excess payment of securities to contractors.

When pointed out in February 2024, the department furnished no reply.

In the DAC meeting held on 01.08.2024, it was informed to the DAC that an amount of Rs. 104.66 million has been recovered. It was decided that the recovered amount may be get verified from the audit and the balance of Rs. 4.741 million may also be recovered.

The recovered amount was duly verified by the audit.

Audit recommends the implementation of robust system controls in the SAP to prevent such occurrences in the future. Specifically, a system should be in place where the document number of a security deducted once paid can be locked or cancelled so that it can never be claimed again. Additionally, a comprehensive contractor ledger should be maintained in SAP, documenting each transaction of security deducted and paid, facilitating cross-matching to ensure accurate payments. Moreover, it is also recommended to fix the responsibility on the officers/officials involved in fraudulent payments.

5.2 Non-production of auditable record 83.504 million

According to Para 17 of GFR Vol I read with Section 14 (of the Auditor-General's Ordinance 2001, no such information nor any books or other documents, to which the Auditor-General has a statutory right of access, may be withheld from the Director General Audit.

During the special audit of Object Head G10113 for the audit year 2023-24, it was observed from the data extracted from SAP on a test check basis that securities were paid to various contractors against the deductions previously made from their bills. However, despite intensive desk audit and cross-matching the deductions of securities paid could not be traced. In this regard, the bills and contractor's ledgers/registers were requisitioned from the relevant payroll sections of AGKP. Despite repeated verbal and written requests, paid vouchers amounting to Rs. 83.504 million were not produced to audit to authenticate the accuracy of the payments whose deductions were not traced. The relevant sections even failed to produce the most recent record for 2021 and 2022. Moreover, office orders regarding proper weeding of records were also not produced to audit to verify that the old record was properly disposed of. Audit held that the record had been destroyed without following the proper procedure for weeding of the record.

The lapse occurred due to non-observance of rules, improper maintenance of the record, and unauthorized destruction of the old record before its due time.

When pointed out in February 2024, the department furnished no reply.

In the DAC meeting held on 01.08.2024, it was decided to produce relevant records including lists of records weeded out as per the required SOPs. However, no record was produced till the finalization of this report.

The audit recommends taking corrective action, including the retrieval of missing records, conducting inquiries to ascertain responsibility, and holding accountable those individuals who authorized payments and prematurely disposed off record.

5.3 Irregular payment of securities not previously deducted/credited Rs. 10.278 million

According to Para 394 of CPWD code read with para 4.3.5.1 of APPM, percentage deductions for security deposit made from contractors, bills should be credited to the Object Head Public Works Deposits. Deductions made against claim (e.g. withholding tax, security, adjustment of advances, penalties etc.) shall be carried out at the time of making the payment by the amount as identified on the claim voucher and as per relevant rules.

During the special audit of Object Head G10113 for the audit year 2023-24, it was observed on a test check basis that a sum of Rs. 10.278 million was paid to various contractors, however, the deductions of these securities were not made in the SAP. On detail analysis of the data and physical verification of record audit observed that the DAO Bajaur and AGKP Peshawar allowed

payment of Rs. 8,400,882 and Rs. 2,050,875 respectively without available balances in the concerned Object Head. Deductions of 8% securities were made in the contractor bills but the deducted securities were not credited to the security Object Head G10113 and retained in the concerned ADPs while refunds of such securities were charged (debited) to the Object Head G10113. Moreover, securities amounting to Rs. 1,200,000 were released to Mr. Asad Ullah Khan on 16.12.2021, including an amount of Rs. 418,937 (Doc No 1900416039). The said deduction was actually made on 22.06.2022, six months after the payment was made.

The lapse occurred due to the non-existence of system and physical controls to verify the payment was previously deducted (Credited) or not? which resulted in irregular payment and a negative balance in the said vendor.

When pointed out in February 2024, the department furnished no reply.

In the DAC meeting held on 01.08.2024, it was decided that the correction may be made and get it verified from the audit. However, the adjustments/corrections have not been made/verified till finalization of this report.

Audit recommends the implementation of robust controls in the SAP to prevent such occurrences in the future.

5.4 Mis-classification of contractor's securities into Object Head G10113 and incomplete punching of transactions of Works Divisions in the SAP

According to Para 4.2.7.1 of the APPM, every claim voucher (bill) must be certified by an officer in the relevant District Accounts Office/Accountant General Office/Accountant General Pakistan Revenue Office and who shall be deemed to be the certifying officer. Read with para 4.2.7.3, the verification function involves, the certifying officer verifying the validity of the claim voucher, in accordance with procedures set out in para 4.5.5, and ensure it correctly identifies the account head to which payment will be charged. Read further with para 4.5.3.2 All claim vouchers shall be issued by the department/entity with a unique sequential voucher number. This shall incorporate a reference number for the particular department/entity (the DDO). The DDO must account for any 'gaps' in the sequential number series.

During the special audit of Object Head G10113 for the audit year 2023-24, it was noticed that the bills of the contractors of local government and other departments were pre-audited by the Accountant General Khyber Pakhtunkhwa and District Accounts Offices under AGKP. It was observed that the securities from these bills were deducted and subsequently released to the said contractors under the Object Head G10113 (Public Works/Pakistan PWD Deposits). As per the Chart of Accounts the proper Head of Account for the securities deposits from contractors/suppliers is G11290, whose bills are pre-audited on the counter of AGKP. Object Head G10113 pertains to Public Works Deposits (Both Deposit II and III). Due to the use of same Object

Head for both deposit II and III, it is not possible to distinguish between the contractor's security and actual deposit work in the SAP.

Moreover, in the SAP the expenditure of the Public Works Department is recorded without assigning them a unique document number and without entering information of the payee. Multiple transactions are posted with a single document number, making it impossible to analyse the data of the respective work divisions.

The lapse occurred due to violation of the Chart of Accounts and incomplete punching of the transactions of the Works Divisions in SAP. It resulted into misclassification and inability to analyse the data pertaining to Works Divisions.

When pointed out in February 2024, the department furnished no reply.

In the DAC meeting held on 01.08.2024, it was informed to the DAC, that separate Heads of Accounts have been created for the divisions of the work, which are in the implementation stage. The DAC decided to settle the para subject to the implementation of new Chart of Accounts and communication to the DAOs to punch the cheques with a unique document number.

Audit recommends implementation of the DAC decision.

5.5 Irregular retention of developmental funds for future utilization Rs. 535.425 million

According to Para 3.7 of Budget manual, all anticipated savings should be surrendered to the government immediately they are foreseen but not later than 31st March of each year in any case. Unless they are required to meet excesses under some other unit or units which are definitely foreseen at the time. However, savings accruing from funds provided after 31st March shall be surrendered to Government immediately they are foreseen but not later than 30th June of each year. No savings should be held in reserve for possible future excesses.

During Special Audit of Object Head G10113, it was noticed in the data extracted from SAP that an amount of Rs. 535.425 million was deposited in Object Head G10113 as detail below.

Name of DAO	Date/Month of deposit	Amount (Rs.)
DAO Bannu	June 2017	506,425,000
DAO Kohat	27.06.2019	29,000,000
Total		535,425,000

On further scrutiny, it was observed that the said budget was originally released for different developmental schemes, but to avoid lapse on 30th June, the funds were drawn through simple receipt and deposited in the Object Head G10113, to be spent over the next years. Audit held that the DAO concerned irregularly adopted the procedure used for deposit work (Deposit-

III). The authorization to undertake deposit works lies with the Chief Engineer and Superintending engineer of Works Divisions. Moreover, instead of surrendering the budget, the funds were irregularly withdrawn and deposited it in the non-lapsable “G Head”. As evident from SAP and appropriation registers maintained at the DAO, the funds were irregularly utilized over the next years.

The lapse occurred due to non-observance of rules, which resulted into irregular retention of funds and its subsequent utilization.

When pointed out in February 2024, the department furnished no reply.

In the DAC meeting held on 01.08.2024, it was discussed that the out of the total receipts, an amount of Rs. 4,964,205 is unspent and the remaining budget has been utilized. The DAC decided to transfer the remaining amount of the revenue receipts of the government and get it verified from audit, which has not been made/verified from audit.

Audit recommends implementation of the DAC decision.

5.6 Unreconciled accounts resulting difference in closing balances – Rs 6,305.380 million

According to Para 7.2.2.1 and 7.2.2.2 of APPM, a separate Monthly Account shall be produced for the Consolidated Fund and the Public Account for both the Federal and Provincial Governments. The Monthly Accounts submitted by DAOs and self-accounting entities shall be a statement of receipts and payments by entity and object, recorded in that month according to the Chart of Accounts classifications.

During special audit of the Object Head G10113-Security Deposit for the audit year 2023-24, it was observed in the record of District Accounts Offices that the closing balances of the Object Head G10113 of different Works Divisions were Rs. 7,529.649 million. However, on comparison of the data with the monthly accounts of the Works Divisions, it was observed that the closing balances in the said Object Head were Rs. 9,253.891 million. On comparison of the individual Works Division with the relevant data extracted from SAP, a difference of Rs. 6,305.380 million was observed. Audit held that the closing balances of the Object Head G10113 are not authentic. Detail is given in Annexure-III.

Differences in the closing balances of the Object Head G10113 occurred due to a weak accounting system and non-reconciliation between the District Accounts Office and Works Divisions which resulted in unauthentic closing balances of monthly accounts and SAP.

When pointed out in February 2024, the department furnished no reply.

In the DAC meeting held on 01.08.2024, it was informed to the DAC that a new system of controls has been adopted in consultation with the FABS, which is in the implementation stage. The DAC decided to stand the para till implementation of the new system.

Audit recommends implementation of the DAC decision.

5.7 Unknown balances of Object Head G10113- Deposits due to incomplete punching in SAP- Rs. 1,230.208 million

According to Para 2.2.2.9 of APPM, the District Accounts Officers are responsible for the accounting functions of the District. The DAOs have the authority to pre-audit bills, issue payments, and record government transactions at a district level. They receive reports from the DDOs and Bank scroll from the SBP/NBP and prepare reports for submission to the AG/AGPR offices. The DAO performs the above-mentioned functions for both Federal and Provincial transactions occurring within the District. Separate accounting records are maintained for Federal and Provincial transactions. In turn the DAO reports both to the AG and AGPR sub-offices.

During Special audit of the Object Head G10113-Security Deposit for the audit year 2023-24, it was observed in the data extracted from SAP that some DAOs punched receipts and payments under the Object Head G10113 without entering the cost center/department/division to which these transactions pertain. Without mentioning the cost center it is not possible to ascertain the actual department/division to which these receipts/payments pertain. As on 30th June 2023, an amount of Rs. 1,230.208 million was punched in the SAP without mentioning the cost center to which these deposits pertain as given below.

Name of the District Accounts Office	Amount (Rs)
DAO Bajaur	143,855,842
DCA Mardan	107,606,142
DAO Swabi	370,547,435
DAO Buner	138,619,114
DAO Swat	469,580,310
Total	1,230,208,843

The lapse occurred due to incomplete punching in SAP and neglecting to make the cost center option mandatory while entering a transaction in the system, which resulted into unknown balances in the Object Head G10113.

When pointed out in February 2024, the department furnished no reply.

In the DAC meeting held on 01.08.2024, it was informed to the DAC that a new system of controls has been adopted in consultation with the FABS, which is in the implementation stage. The DAC decided to stand the para till implementation of the new system.

Audit recommends implementation of the DAC decision.

5.8 Irregular payment of other heads from the Object Head G10113 Rs. 277.244 million

According to Para 7.4.2.2 of APPM, the monthly accounts prepared by DAO/AG/AGPR is summarized entity cum object classification of expenditure and receipts, by minor head of accounts, recorded during the month by that office, in accordance with the format set out in the Financial Reporting Manual.

During special audit of the Object Head G10113-security deposits for the audit year 2023-24, it was observed that payments of Rs. 277,243,881 were made from the Object Head G10113, which didn't pertain to the said Head of Accounts. Detail of the irregular payment is given below.

Date/month	Amount (Rs.)	Head of Account used instead of Object Head G10113
03.01.2020	10,000,000	A12470-other works to IGFC
June and Nov 2019	2,502,678	A03927-Purchase of medicine
06.11.2018	4,972,081	GP Fund Payment
01.10.2020	150,000	A03970-Others to PD Swat Cadet College
June 2014 and Nov 2015	259,619,122	Pension Payment
Total	277,243,881	

Audit held that the DAOs concerned irregularly paid the claims of other heads from the Object Head G10113.

The lapse occurred due to violation of Chart of Accounts, which resulted in misclassification and creation of un-necessary debit balances in the Object Head G10113. Payments from the Object Head G10113 is overstated and the actual Heads of Account from which the payments should have been made were under-stated.

When pointed out in February 2024, the department furnished no reply.

In the DAC meeting held on 01.08.2024, it was decided that the necessary corrections/adjustments may be made and get it verified from the audit. The corrections were shown to audit and were also verified by the audit.

Audit recommends implementation of system controls to avoid such lapses in the future.

5.9 Incorrect transfer of balances of Object Head G10113 from the Federal Government to the Provincial Government after merger of FATA in Khyber Pakhtunkhwa- Rs 502.457 million

According to Para 12.1.4.1 of APPM, there are two types of transactions between (i) Departments in the same Government (inter-department) (ii) Governments (inter-Government), who maintain separate accounting records and bank accounts.

During special audit of the Object Head G10113-security deposit for the audit year 2023-24, it was noticed in the data extracted from SAP pertaining to the District Accounts Officer Bajaur that the DAO concerned transferred Rs. 502.457 million from Federal Government to the Provincial Government on account of credit balances of the Object Head G10113- Deposits after merger of FATA into Khyber Pakhtunkhwa. In SAP, incorrect entries were made in the Federal Government and Provincial Government by giving debit and credit effects to the Object Head G10113 and G-5107- Adjusting Accounts in both the Governments but the Object Head F01101- Banks were totally ignored which was required as per the procedure given in chapter 12 of the APPM. Adjusting accounts were created in each Government but were not cleared so far. Detail of transferred amounts is given as under:

S.No	Name of Division	Amount transferred from Federal Government to Provincial Government (Rs)
01	C&W Building Division Bajaur	166,359,752
02	C&W Highway Division Bajaur	258,052,026
03	Irrigation Division Bajaur	46,342,627
04	PHE Division Bajaur	31,702,917
Total		502,457,322

The lapse occurred due to violation of APPM which resulted in incomplete transfer of balances of Object Head G10113- Deposits from Federal Government to Provincial Government and un-cleared adjusting accounts.

When pointed out in February 2024, the department furnished no reply.

In the DAC meeting held on 01.08.2024, it was decided that Book Section of AG KP shall take up the case with AGPR for transfer of fund and these instructions will be circulated to all field offices for necessary action. The para stands till the requisite corrections.

Audit recommends implementation of the DAC decision.

5.10 Incorrect/Unjustified punching/posting of transactions of Works Divisions in the SAP – Rs 222.505 million

According to paras 7.2.2.1 and 7.2.2.2 of APPM, a separate Monthly Account shall be produced for the Consolidated Fund and the Public Account for both the Federal and Provincial Governments. The Monthly Accounts submitted by DAOs and self-accounting entities shall be a statement of receipts and payments by entity and object, recorded in that month according to the Chart of Accounts classifications.

During special audit of the Object Head G10113-security deposit for the audit year 2023-24, it was noticed in the data extracted from SAP that several transfer entries were passed in the Object Head G10113. On detailed scrutiny audit observed the following.

- On 29.06.2020 District Accounts Officer Bajaur made a payment amounting to Rs. 198.900 million on 29.06.2020 (Document No 100014079) from the Object Head G10113. On further scrutiny and comparison of the SAP data with the accounts of Executive Engineer Highway Division Bajaur it was observed that the actual payment was for Rs. 19.890 million. Hence, the posting was made for excess amount of Rs 179.010 million without any subsequent correction in the monthly accounts as well as in SAP system resulting in overstatement of balance in the Object Head G10113.
- On 26.06.2010 District Accounts Swabi posted a transfer entry crediting Object Head G10113 by Rs. 33.495 million but supporting record was neither available in DAO office nor the transfer entry was accounted for in the monthly accounts of the respective Works Divisions of district Swabi resulting in overstatement of balance in Object Head G10113.
- On 30.06.2010 District Accounts Office Buner posted a transfer entry in SAP for Rs. 10.000 million by giving debit effect to the Object Head G10113-Deposits. On further analysis and comparison of the SAP data with the monthly accounts, it was observed that no such transaction existed in the monthly accounts of the concerned Division. Hence, deposits were unnecessarily understated in the SAP system.

Audit held that due to no budget check on the Object Head G10113, the said head of account is regularly mis-used for passing temporary entries, used as a medium of transferring balances and correcting other Object Heads giving second effect to this Object Head.

The lapse occurred due to non-existence of budget check on the Object Head G10113 and non-reconciliation between District Accounts Offices and Works Division which resulted overstatement of payment from the concerned Object Head.

When pointed out in February 2024, the department furnished no reply.

In the DAC meeting held on 01.08.2024, it was decided that the para stands till necessary correction/adjustment, which has not been made till finalization of this report.

Audit recommends imposition of budget check on Object Head G10113, proper reconciliation between Works Division and district accounts offices to verify the actual balances, besides fixing responsibility for incorrect posting in the SAP.

6. Conclusion

The special audit of Object Head G10113-Security Deposits of the Accountant General Office and District Accounts offices has shed light on critical deficiencies and irregularities within the financial management system. The audit findings underscore the exigency for comprehensive configuration in SAP to enhance transparency, accountability and efficiency in financial operations regarding Object Head G10113.

The issues identified ranging from incomplete record-keeping to fraudulent transactions and gross violations of objectives of the fund pose significant risks to the integrity of SAP and the prudent utilization of public resources. Addressing these challenges requires concerted efforts from all stakeholders, including the Controller General of Accounts, the Accountant General, Provincial Works Departments and the Directorate of FABS.

The recommendations outlined in the audit report provide a roadmap for actionable steps to rectify the identified deficiencies in order to strengthen financial management practices. By implementing these recommendations, the Accountant General office and District Accounts offices can enhance their capacity to safeguard public funds, mitigate risks, and foster public trust in the integrity of financial operations.

It is imperative that the authorities take swift and decisive action to implement the recommendations to further improve the established procedures and controls. Moreover, placing and enforcing strict internal controls coupled with necessary configuration in the SAP are essential to sustainably improve financial management practices and uphold the highest standards of accountability and transparency.

The Accountant General office and District Accounts offices of Khyber Pakhtunkhwa can fulfill their mandate of effectively managing public funds, contributing to the overall development and well-being of the region, and earning the trust and confidence of the citizens they serve.

Keeping in view the lapses mentioned above, it is recommended that similar special audit may also be carried out in other Accountant General Offices as well as AGPR to create deterrence and develop standardized and identical accounting system.

7. Annexures

Annexure-I (A)

5.1 Fraudulent excess payment of securities Rs. 55.317 million

S No	Date	Double Claim (Rs.)	Document No	Vendor No	Name	Total amount of the bill (Rs.)	Remarks
1	07.04.2022	3,986,893	1900289520	30215860	Asad Ullah Khan	3,986,893	The same has been claimed on 25.05.2021 in the claim voucher of 3,986,893 (1900314448)
2	24.04.2022	1,170,268	1900331584	30215860	Asad Ullah Khan	2,663,177	The same has been claimed on 25.05.2021 in the claim voucher of 3,986,893 (1900314448)
3	29.04.2022	1,787,885	1900332946	30215860	Asad Ullah Khan	1,787,885	Previously claimed in the bill on 30.09.2021 in the claim voucher of 3,280,000 (1900074996)
4	24.04.2022	816,000	1900331584	30215860	Asad Ullah Khan	2,663,177	The same has been claimed individually on 07.04.2022 (1900289484)
5	24.04.2022	676,909	1900331584	30215860	Asad Ullah Khan	2,663,177	The same has also been claimed on 07.04.2022 in the voucher of 1,193,000 (1900289528)
6	29.04.2022	1,984,000	1900332948	30215860	Asad Ullah Khan	1,984,000	The same has been released on 04.02.2022 (1900218707)
7	11.05.2022	1,323,897	1900022989	30215152	Niaz Wali Khan	1,323,897	The same security has also been released 14.06.2018 (1900218555), deduction made on 12.06.2018
8	20.12.2019	300,967	1900117208	30215860	Asad Ullah Khan	300,967	The same security has been Previously released on 16.02.2018 (1900115683)
9	18.05.2020	300,967	1900229874	30215860	Asad Ullah Khan	300,967	The same security has been Previously released on 16.02.2018 (1900115683)
10	10.03.2021	300,967	1900227945	30215860	Asad Ullah Khan	300,967	The same security has been Previously released on 16.02.2018 (1900115683)
11	28.04.2022	1,864,440	1900331568	30215860	Asad Ullah Khan	3,332,716	The same has Previously been claimed on 25.05.2021 in the claim voucher of 3,986,893 (1900314448)
12	28.04.2022	516,091	1900331568	30215860	Asad Ullah Khan	3,332,716	The same has Previously been claimed on 7.04.2022 in the claim voucher of 3,986,893 (1900289528)
13	28.04.2022	952,185	1900331568	30215860	Asad Ullah Khan	3,332,716	The same has Previously been claimed on 7.04.2022 in the claim voucher of 3,986,893 (1900289528)
14	20.12.2019	255,453	1900117204	30215163	Ali Haidar,	255,453	The same was Previously released on 16.02.2018 (1900115682)
15	08.05.2020	255,453	1900229869	30215163	Ali Haidar,	255,453	The same was Previously released on 16.02.2018 (1900115682)
16	09.09.2020	194,135	1900038047	30221983	Falak Niaz	194,135	The same has been Previously been released on 12.08.2020 (1900014016)

17	01.04.2020	194,135	1900252812	30221983	Falak Niaz	194,135	The same has been Previously been released on 12.08.2020 (1900014016)
18	20.12.2019	300,967	1900117208	30215860	Asad Ullah Khan	300,967	the same Previously been released on 16.02.2018 (1900115683)
19	08.05.2020	300,967	1900229874	30215860	Asad Ullah Khan	300,967	the same Previously been released on 16.02.2018 (1900115683)
20	10.03.2021	300,967	1900227945	30215860	Asad Ullah Khan	300,967	the same Previously been released on 16.02.2018 (1900115683)
21	09.09.2020	194,396	1900038048	30221983	Falak Niaz	194,396	The same has also been released on 12.08.2020 (1900014015)
22	01.04.2021	194,396	1900252809	30221983	Falak Niaz	194,396	The same has also been released on 12.08.2020 (1900014015)
23	28.04.2022	2,848,307	1900331558	30457878	ZAID ALI SHAH & CO	5,392,203	The same has been Previously claimed individually on 07.04.2022 (1900289514)
24	28.04.2022	1,973,874	1900331558	30457878	ZAID ALI SHAH & CO	5,392,203	The same has been Previously claimed individually on 07.04.2022 (1900289514)
25	28.04.2022	2,035,877	1900331563	30457878	ZAID ALI SHAH & CO	4,375,467	The same has been Previously claimed individually on 07.04.2022 (1900289503)
26	28.04.2022	1,787,884	1900332946	30215860	Asad Ullah Khan	1,787,884	The same has been Previously claimed on 30.09.2021 in the claim of 3,280,000 (1900074996)
27	20/12/2019	240,000	1900117202	30215152	Niaz Wali Khan	240,000	The same has been Previously released on 27.06.2018 (1900236192)
		27,058,280				47,111,881	

Annexure-I (B)

S No	Date	Doc.no.	Cost ctr	Amount (Rs.)	Vendor	Payee Name	Cheque #	Remarks
1	20/12/2019	1900117192	PR5072	277,900	30215152	Niaz Wali Khan	1940745	Previously released on 14.03.2017 (1900117962)
2	20/12/2019	1900117202	PR5072	240,000	30215152	Niaz Wali Khan	1940745	Previously paid on 27.06.2018 (1900236192)
3	08/05/2020	1900229889	PR5099	178,344	30215152	Niaz Wali Khan	1959241	Previously released on 16.01.2020 (1900137072)
4	20/12/2019	1900117204	PR5099	255,453	30215163	Ali Haidar,	1940746	Deduction made on 14.06.2017 (1900206528) and Previously released on 16.02.2018
5	16/02/2018	1900115683	PR5099	300,967	30215860	Asad Ullah Khan	1551197	Previously paid on 16/02/2018 (1900115683)

6	30/05/2018	1900200668	PR5072	200,000	30215860	Asad Ullah Khan	1631992	Previously paid on 30/05/2018 (1900200668)
7	14/06/2018	1900218554	PR5072	273,130	30215860	Asad Ullah Khan	1633688	Deducted in three bills on 8.3.17, 23.6.17 and 7.6.18 and paid 5 times on 14.6.18, 26.3.20,14.4.20, 11.5.20 and 10.3.21
8	20/06/2018	1900220869	PR5099	1,187,160	30215860	Asad Ullah Khan	1634046	Previously on 24.05.2018 (1900220869)
9	11/10/2019	1900057522	PR5781	160,000	30215860	Asad Ullah Khan	1881041	Previously paid on 05.04.2016 (1900116425)
10	11/10/2019	1900057515	PR5781	200,000	30215860	Asad Ullah Khan	1881041	Previously paid on 30/05/2018 (1900200668)
11	20/12/2019	1900117208	PR5099	300,967	30215860	Asad Ullah Khan	1940747	Previously paid on 16/02/2018 (1900115683)
12	20/03/2020	1900191338	PR5072	273,130	30215860	Asad Ullah Khan	1963849	Deducted in three bills on 8.3.17, 23.6.17 and 7.6.18 and paid 5 times on 14.6.18, 26.3.20,14.4.20, 11.5.20 and 10.3.21
13	20/03/2020	1900191339	PR5072	200,000	30215860	Asad Ullah Khan	1963849	Previously paid on 30/05/2018 (1900200668)
14	14/04/2020	1900204851	PR5072	273,130	30215860	Asad Ullah Khan	1964309	Deducted in three bills on 8.3.17, 23.6.17 and 7.6.18 and paid 5 times on 14.6.18, 26.3.20,14.4.20, 11.5.20 and 10.3.21
15	23/04/2020	1900212051	PR5072	426,793	30215860	Asad Ullah Khan	1965019	Previously paid on 14.04.2020 (1900204855)
16	08/05/2020	1900229883	PR5781	200,000	30215860	Asad Ullah Khan	1959243	Previously paid on 30/05/2018 (1900200668)
17	08/05/2020	1900229888	PR5781	273,130	30215860	Asad Ullah Khan	1959243	Deducted in three bills on 8.3.17, 23.6.17 and 7.6.18 and paid 5 times on 14.6.18, 26.3.20,14.4.20, 11.5.20 and 10.3.21
18	14/05/2020	1900234328	PR5781	534,358	30215860	Asad Ullah Khan	1966225	Previously paid on 14.06.2018 (1900218551)
19	03/11/2020	1900094791	PR5707	196,464	30215860	Asad Ullah Khan	2019695	Previously paid on 04/11/2020 (1900094791)
20	03/11/2020	1900094783	PR5707	398,800	30215860	Asad Ullah Khan	2019695	Previously paid on 17/10/2019 (1900057520)

21	03/11/2020	1900094781	PR5707	534,358	30215860	Asad Ullah Khan	2019695	Previously paid on 14.06.2018 (1900218551)
22	19/11/2020	1900110541	PR5707	196,464	30215860	Asad Ullah Khan	2052007	Previously paid on 04/11/2020 (1900094791)
23	19/11/2020	1900110398	PR5707	415,650	30215860	Asad Ullah Khan	2052007	Previously released on 03.11.2020 (1900110398)
24	19/11/2020	1900110402	PR5707	451,250	30215860	Asad Ullah Khan	2052007	Previously paid on 03.11.2020 (1900110402)
25	19/11/2020	1900110397	PR5707	534,358	30215860	Asad Ullah Khan	2052007	Previously paid on 14.06.2018 (1900218551)
26	25/01/2021	1900180230	PR5707	398,928	30215860	Asad Ullah Khan	2087491	Previously paid on 19.11.20 (1900180230)
27	25/01/2021	1900180228	PR5707	652,445	30215860	Asad Ullah Khan	2087491	Previously paid on 19.11.2020 (1900110392)
28	10/03/2021	1900227938	PR5072	235,329	30215860	Asad Ullah Khan	2090254	Previously Paid on 16/02/2018 (1900115665)
29	10/03/2021	1900227941	PR5072	273,130	30215860	Asad Ullah Khan	2090254	Deducted in three bills on 8.3.17, 23.6.17 and 7.6.18 and paid 5 times on 14.6.18, 26.3.20,14.4.20, 11.5.20 and 10.3.21
30	10/03/2021	1900227944	PR5072	278,428	30215860	Asad Ullah Khan	2090254	Previously paid on 14.03.2017 (1900117972)
31	10/03/2021	1900227945	PR5072	300,967	30215860	Asad Ullah Khan	2090254	Previously paid on 16/02/2018 (1900115683)
32	10/03/2021	1900227940	PR5072	318,400	30215860	Asad Ullah Khan	2090254	Previously paid on 12.04.2017 (1900133839)
33	29/04/2022	1900332906	PR8406	2,315,550	30215860	Asad Ullah Khan	2378780	Paid twice
34	29/04/2022	1900332948	PR5781	1,984,000	30215860	Asad Ullah Khan	2378780	Previously paid on 04.02.2022 (1900218707)
35	23/01/2017	1900083666	PR5707	393,000	30215863	Malang Jan	1433064	Previously released on 20.05.2016 (1900149754)
36	18/04/2018	1900161254	PR5072	158,399	30215863	Malang Jan	1585942	Previously released on 24.05.2016 (1900149916)
37	18/04/2018	1900161256	PR5072	313,599	30215863	Malang Jan	1585942	Previously released on 24/5/2016 (1900149920)
38	02/06/2019	1900246546	PR5099	391,999	30215863	Malang Jan	1820014	Previously released on 10/12/2015 (1900058003)
39	02/06/2019	1900246549	PR5099	393,000	30215863	Malang Jan	1820014	Previously released on 20.05.2016 (1900149754)

40	17/05/2020	1900240728	PR5072	99,073	30221983	Falak Niaz	1960008	Paid Previously on 19.09.2019 (1900039576)
41	09/09/2020	1900038047	PR5707	194,135	30221983	Falak Niaz	2016794	Paid Previously on 31.08.2020 (1900014016)
42	09/09/2020	1900038048	PR5707	194,396	30221983	Falak Niaz	2016794	Paid Previously on 31.08.2020 (1900014015)
43	07/10/2020	1900063829	PR5707	99,073	30221983	Falak Niaz	2018210	Paid Previously on 19.09.2019 (1900039576)
44	07/10/2020	1900063837	PR5707	187,406	30221983	Falak Niaz	2018210	Previously paid on 07.10.2020 (1900063837)
45	25/11/2020	1900115948	PR5707	337,961	30221983	Falak Niaz	2046610	Previously paid on 07.10.2020 (1900063834)
46	25/11/2020	1900115947	PR5707	470,911	30221983	Falak Niaz	2046610	Paid Previously on 12.08.2020 (1900014018)
47	25/11/2020	1900115943	PR5707	490,214	30221983	Falak Niaz	2046610	Previously paid on 12.08.2020 (190014017)
48	01/04/2021	1900252871	PR5707	47,259	30221983	Falak Niaz	2092071	Previously paid on 7.10.2020 (1900063833)
49	01/04/2021	1900252862	PR5707	51,203	30221983	Falak Niaz	2092071	Previously paid on 07.10.2020 (1900063846)
50	01/04/2021	1900252800	PR5707	56,723	30221983	Falak Niaz	2092071	Previously paid on 07.10.2020 (1900063831)
51	01/04/2021	1900252869	PR5707	99,073	30221983	Falak Niaz	2092071	Paid Previously on 19.09.2019 (1900039576)
52	01/04/2021	1900252793	PR5707	105,768	30221983	Falak Niaz	2092071	Previously paid on 07.10.2020 (1900063836)
53	01/04/2021	1900252804	PR5707	124,415	30221983	Falak Niaz	2092071	Previously paid on 7.10.2020 (1900063839)
54	01/04/2021	1900252828	PR5707	146,889	30221983	Falak Niaz	2092071	Previously paid on 09.09.2020 (1900038050)
55	01/04/2021	1900252853	PR5707	149,188	30221983	Falak Niaz	2092071	Previously paid on 07.10.2020 (1900063843)
56	01/04/2021	1900252826	PR5707	159,610	30221983	Falak Niaz	2092071	Previously paid on 09.09.2020 (1900038042)
57	01/04/2021	1900252812	PR5707	194,135	30221983	Falak Niaz	2092071	Paid previously on 31.08.2020 (1900014016)
58	01/04/2021	1900252809	PR5707	194,396	30221983	Falak Niaz	2092071	Paid previously on 31.08.2020 (1900014015)

59	01/04/2021	1900252844	PR5707	196,478	30221983	Falak Niaz	2092071	Previously paid on 07.10.2020 (1900063838)
60	01/04/2021	1900252832	PR5707	199,105	30221983	Falak Niaz	2092071	Previously paid on 07.10.2020 (1900063841)
61	01/04/2021	1900252789	PR5707	337,961	30221983	Falak Niaz	2092071	Previously paid on 07.10.2020 (1900063834)
62	01/04/2021	1900252785	PR5707	470,911	30221983	Falak Niaz	2092071	Paid previously on 12.08.2020 (1900014018)
63	01/04/2021	1900252780	PR5707	490,214	30221983	Falak Niaz	2092071	Previously paid on 12.08.2020 (190014017)
64	23/01/2017	1900083668	PR5707	395,999	30238769	ABDUL QAHAR	1433065	Previously paid on 20.05.2016 (1900149756)
65	18/04/2018	1900161253	PR5072	317,962	30238769	ABDUL QAHAR	1585941	Previously paid on 24.05.2016 (1900149915)
66	02/06/2019	1900246543	PR5099	389,999	30238769	ABDUL QAHAR	1820016	Previously paid on 20.05.2016 (1900149756)
67	02/06/2019	1900246548	PR5099	395,999	30238769	ABDUL QAHAR	1820016	Previously paid on 20.05.2016 (1900149756)
68	04/11/2016	1900044846	PR5099	160,533	30241514	Habib Ur Rahman	1377237	deducted in three bills and pad 8 times
69	04/11/2016	1900044847	PR5099	160,533	30241514	Habib Ur Rahman	1377237	deducted in three bills and pad 8 times
70	04/11/2016	1900044850	PR5099	160,533	30241514	Habib Ur Rahman	1377237	deducted in three bills and pad 8 times
71	16/04/2020	1900206416	PR5072	160,533	30241514	Habib Ur Rahman	1964753	deducted in three bills and pad 8 times
72	16/04/2020	1900206418	PR5072	174,023	30241514	Habib Ur Rahman	1964753	Previously claimed on 31/7/2019 (1900002511)
73	16/04/2020	1900206421	PR5072	181,335	30241514	Habib Ur Rahman	1964753	Previously claimed on 31/7/2019 (1900002512)
74	05/05/2020	1900225943	PR5072	160,533	30241514	Habib Ur Rahman	1965646	deducted in three bills and pad 8 times
75	05/05/2020	1900225944	PR5072	160,533	30241514	Habib Ur Rahman	1965646	deducted in three bills and pad 8 times
76	05/05/2020	1900225947	PR5072	160,533	30241514	Habib Ur Rahman	1965646	deducted in three bills and pad 8 times
77	05/05/2020	1900225950	PR5072	160,533	30241514	Habib Ur Rahman	1965646	deducted in three bills and pad 8 times
78	05/05/2020	1900225951	PR5072	187,867	30241514	Habib Ur Rahman	1965646	Previously claimed on 31/7/2019 (1900002510)

79	10/11/2021	1900115708	PR5099	204,500	30297982	Shahid Const. Co	2255251	Previously paid on 11.05.2020 (1900230697)
80	20/04/2020	1900208480	PR5072	42,981	30320503	Faizan & Brothers	1965332	Previously released on 28.04.2020 (1900208480)
81	20/04/2020	1900208481	PR5072	247,713	30320503	Faizan & Brothers	1965333	Previously released on 28.04.2020 (1900208481)
82	16/09/2020	1900042621	PR5707	258,438	30320503	Faizan & Brothers	2012355	Previously released on 22.09.2020 (1900042621)
83	16/09/2020	1900042666	PR5707	284,724	30320503	Faizan & Brothers	2012355	Previously released on 22.09.2020 (1900252744)
84	16/09/2020	1900042670	PR5707	116,300	30320503	Faizan & Brothers	2012355	Previously released on 22.09.2020 (1900042670)
85	16/09/2020	1900042672	PR5707	125,608	30320503	Faizan & Brothers	2012355	Previously released on 22.09.2020 (1900042672)
86	01/04/2021	1900252740	PR5707	258,438	30320503	Faizan & Brothers	2092072	Previously released on 22.09.2020 (1900042621)
87	01/04/2021	1900252744	PR5707	284,724	30320503	Faizan & Brothers	2092072	Previously released on 22.09.2020 (1900042666)
88	01/04/2021	1900252749	PR5707	294,546	30320503	Faizan & Brothers	2092072	Previously released on 22.09.2020 (1900042676)
89	01/04/2021	1900252753	PR5707	296,215	30320503	Faizan & Brothers	2092072	Previously released on 22.09.2020 (1900042668)
90	01/04/2021	1900252758	PR5707	125,608	30320503	Faizan & Brothers	2092072	Previously released on 22.09.2020 (1900042672)
91	01/04/2021	1900252860	PR5707	116,300	30320503	Faizan & Brothers	2092072	Previously released on 22.09.2020 (1900252860)
92	01/04/2021	1900252891	PR5707	42,027	30320503	Faizan & Brothers	2092072	Previously released on 22.09.2020 (1900042678)
93	08/04/2021	1900261889	PR5072	247,713	30320503	Faizan & Brothers	2121152	Previously released on 28.04.2020 (1900208481)
				28,258,760				

Annexure-II

5.2 Suspected Fraudulent Payments of securities Rs. 54.084 million

S No	Year	Date	Doc.no.	Cost ctr	Amount	Vendor	Payee Name1	Cheque #
1	2016	07/06/2017	1900197223	PR5099	239,291	30215860	Asad Ullah Khan	1487767
2	2016	07/06/2017	1900197226	PR5099	239,291	30215860	Asad Ullah Khan	1487767
3	2016	12/06/2017	1900204633	PR5099	239,292	30215860	Asad Ullah Khan	1477500
4	2016	22/06/2017	1900225966	PR5099	800,000	30269171	Akhowans Traders	1479681
5	2017	08/11/2017	1900052441	PR7029	562,362	30328107	MUHAMMAD AYUB KHAN	1499074
6	2017	24/05/2018	1900194309	PR5781	1,187,160	30215860	Asad Ullah Khan	1631524
7	2017	20/06/2018	1900220858	PR5099	239,292	30215860	Asad Ullah Khan	1634046
8	2018	03/09/2018	1900015451	PR5072	187,680	30297982	SHAHID CONSTRUCTION Co	1651657
9	2018	03/09/2018	1900015448	PR5072	193,200	30297982	SHAHID CONSTRUCTION Co	1651655
10	2018	18/06/2019	1900263914	PR5072	480,000	30221983	Falak Niaz	1821346
11	2019	02/09/2019	1900029431	PR5072	480,000	30221983	Falak Niaz	1877182
12	2019	20/09/2019	1900040490	PR5781	492,000	30320503	FAIZAN & BROTHERS	1878670
13	2019	20/09/2019	1900040493	PR5072	484,000	30320503	FAIZAN & BROTHERS	1878670
14	2019	14/10/2019	1900058298	PR5781	400,000	30215860	Asad Ullah Khan	1881041
15	2019	21/10/2019	1900064702	PR5072	396,170	30351715	KHAN GROUP OF COMPANY	1881465
16	2019	21/10/2019	1900064703	PR5072	361,362	30351715	KHAN GROUP OF COMPANY	1881465
17	2019	21/10/2019	1900064705	PR5072	389,432	30351715	KHAN GROUP OF COMPANY	1881465
18	2019	05/11/2019	1900077708	PR5781	496,000	30221983	Falak Niaz	1903303
19	2019	14/04/2020	1900204853	PR5072	400,000	30215860	Asad Ullah Khan	1964309
20	2019	16/04/2020	1900206412	PR5072	469,850	30241514	HABIB UR RAHMAN	1964753
21	2019	20/04/2020	1900208482	PR5072	125,000	30320503	FAIZAN & BROTHERS	1965334
22	2019	20/04/2020	1900208483	PR5072	144,000	30320503	FAIZAN & BROTHERS	1965317
23	2019	20/04/2020	1900208485	PR5072	112,000	30320503	FAIZAN & BROTHERS	1965317
24	2019	20/04/2020	1900208486	PR5072	109,000	30320503	FAIZAN & BROTHERS	1965317
25	2019	23/04/2020	1900212049	PR5072	400,000	30215860	Asad Ullah Khan	1965019
26	2019	08/05/2020	1900229893	PR5099	516,232	30351715	KHAN GROUP OF COMPANY	1959244
27	2019	08/05/2020	1900229896	PR5781	516,228	30351715	KHAN GROUP OF COMPANY	1959244
28	2019	17/05/2020	1900240736	PR5099	199,000	30351715	KHAN GROUP OF COMPANY	1960010
29	2019	17/05/2020	1900240737	PR5072	500,000	30351715	KHAN GROUP OF COMPANY	1960010
30	2019	17/05/2020	1900240738	PR5072	474,944	30351715	KHAN GROUP OF COMPANY	1960010
31	2019	17/05/2020	1900240739	PR5099	471,596	30351715	KHAN GROUP OF COMPANY	1960010
32	2019	17/05/2020	1900240740	PR5781	413,053	30351715	KHAN GROUP OF COMPANY	1960010
33	2019	22/06/2020	1900284220	PR5707	1,555,631	30215163	Ali Haidar,	1998633
34	2019	22/06/2020	1900284219	PR5707	875,941	30218716	Wajid Ali	1998634
35	2020	12/08/2020	1900014018	PR5707	470,911	30221983	Falak Niaz	1999796
36	2020	12/08/2020	1900014017	PR5707	490,214	30221983	Falak Niaz	1999796
37	2020	09/09/2020	1900038043	PR5707	498,200	30221983	Falak Niaz	2016794
38	2020	15/09/2020	1900041790	PR5072	1,135,000	30215860	Asad Ullah Khan	2011649
39	2020	15/09/2020	1900041713	PR5072	1,155,000	30215860	Asad Ullah Khan	2011649

40	2020	15/09/2020	1900041701	PR5072	1,930,000	30215860	Asad Ullah Khan	2011649
41	2020	23/09/2020	1900046656	PR5707	387,764	30351715	KHAN GROUP OF COMPANY	2017774
42	2020	23/09/2020	1900046657	PR5707	373,958	30351715	KHAN GROUP OF COMPANY	2017774
43	2020	23/09/2020	1900046658	PR5707	421,595	30351715	KHAN GROUP OF COMPANY	2017774
44	2020	07/10/2020	1900063813	PR5707	475,000	30215163	Ali Haidar,	2017959
45	2020	07/10/2020	1900063815	PR5707	486,000	30215163	Ali Haidar,	2017959
46	2020	07/10/2020	1900063823	PR5707	348,711	30218716	Wajid Ali	2017960
47	2020	07/10/2020	1900063825	PR5707	450,000	30218716	Wajid Ali	2017960
48	2020	07/10/2020	1900063830	PR5707	183,717	30221983	Falak Niaz	2018210
49	2020	07/10/2020	1900063842	PR5707	296,215	30221983	Falak Niaz	2018210
50	2020	07/10/2020	1900063849	PR5707	492,800	30221983	Falak Niaz	2018210
51	2020	07/10/2020	1900063847	PR5707	494,800	30221983	Falak Niaz	2018210
52	2020	07/10/2020	1900063848	PR5707	496,900	30221983	Falak Niaz	2018210
53	2020	02/11/2020	1900072566	PR5099	781,170	30351715	KHAN GROUP OF COMPANY	2019756
54	2020	25/11/2020	1900115939	PR5707	296,215	30221983	Falak Niaz	2046610
55	2020	25/11/2020	1900115945	PR5707	649,248	30221983	Falak Niaz	2046610
56	2020	25/11/2020	1900115950	PR5707	712,224	30221983	Falak Niaz	2046610
57	2020	11/12/2020	1900137916	PR5707	799,322	30215163	Ali Haidar,	2053510
58	2020	11/12/2020	1900137920	PR5707	800,000	30215163	Ali Haidar,	2053510
59	2020	11/12/2020	1900137927	PR5707	800,000	30215163	Ali Haidar,	2053510
60	2020	11/12/2020	1900137929	PR5707	800,000	30215163	Ali Haidar,	2053510
61	2020	11/12/2020	1900137912	PR5707	999,153	30215163	Ali Haidar,	2053510
62	2020	25/01/2021	1900180233	PR5707	278,651	30215163	Ali Haidar,	2087490
63	2020	25/01/2021	1900180238	PR5707	1,961,973	30215163	Ali Haidar,	2087493
64	2020	25/01/2021	1900180239	PR5707	1,316,091	30215860	Asad Ullah Khan	2087494
65	2020	04/02/2021	1900196870	PR5707	364,405	30319998	ROYAL BUILDERS	2088816
66	2020	04/02/2021	1900196871	PR5707	570,796	30319998	ROYAL BUILDERS	2088816
67	2020	01/04/2021	1900253311	PR5707	400,000	30215860	Asad Ullah Khan	2092084
68	2020	01/04/2021	1900252875	PR5707	183,717	30221983	Falak Niaz	2092071
69	2020	01/04/2021	1900252849	PR5707	495,366	30221983	Falak Niaz	2092071
70	2020	01/04/2021	1900252771	PR5707	560,250	30221983	Falak Niaz	2092071
71	2020	01/04/2021	1900252776	PR5707	806,531	30221983	Falak Niaz	2092071
72	2020	01/04/2021	1900253327	PR5707	387,951	30351715	KHAN GROUP OF COMPANY	2092085
73	2020	01/04/2021	1900253331	PR5707	593,929	30351715	KHAN GROUP OF COMPANY	2092085
74	2020	01/04/2021	1900253333	PR5707	375,148	30351715	KHAN GROUP OF COMPANY	2092085
75	2020	01/04/2021	1900253336	PR5707	595,687	30351715	KHAN GROUP OF COMPANY	2092085
76	2020	25/05/2021	1900314448	PR5707	3,986,893	30215860	Asad Ullah Khan	2156657
77	2021	30/09/2021	1900074994	PR5781	1,026,080	30215860	Asad Ullah Khan	2234437
78	2021	27/10/2021	1900098531	PR5781	3,840,000	30457878	ZAID ALI SHAH & CO	2248147
79	2021	11/04/2022	1900292193	PR8406	3,967,600	30457878	ZAID ALI SHAH & CO	2359141
		Total			54,084,192			

Annexure-III

5.6 Difference in the closing balances of Object Head G10113 between the figures of monthly accounts of Works Divisions and the figures in SAP – Rs 6,305.380 million

S.No		Closing balance of Deposits		Difference (Rs)
		As per monthly accounts (Rs)	As per SAP (Rs)	
1	C&W Building Division Bajaur	139,355,020	137,991,020	1,364,000
2	C&W Highway Division Bajaur	192,593,286	93,511,503	99,081,783
3	Irrigation Division Bajaur	48,037,845	52,032,972	3,995,127
4	PHE Division Bajaur	109,224,297	243,075,264	133,850,967
5	C&W Division Malakand	440,972,620	506,091,580	65,118,960
6	Irrigation Division Malakand	149,014,125	138,444,670	10,569,455
7	PHE Division Malakand	139,203,161	134,335,854	4,867,307
8	C&W Building Division Mardan	548,082,757	215,738,129	332,344,628
9	C&W Highway Division Mardan	426,813,396	352,504,670	74,308,726
10	Irrigation Division Mardan	116,046,420	237,839,023	121,792,603
11	PHE Division Mardan	240,556,602	186,517,939	54,038,663
12	C&W Building Division Swabi	416,635,387	694,496,490	277,861,103
13	Irrigation Division I & II Swabi	293,750,903	337,398,736	43,647,833
14	PHE Division Swabi	180,362,761	450,395,776	270,033,015
15	C&W Building Division-I Buner	520,654,504	553,259,092	32,604,588
16	C&W Highway Division-II Buner	313,287,210	160,042,705	153,244,505
17	PHE Division Buner	270,530,155	135,885,264	134,644,891
18	C&W Division No. 01 Saidu Swat	876,304,749	602,521,817	273,782,932
19	C&W Division No. 02 Matta Swat	1,554,659,890	-70,986,528	1,625,646,418
20	PHE Division No. 01 Saidu Swat	198,533,994	1,346,683,052	1,148,149,058
21	PHE Division No. 02 Matta Swat	777,940,723	-434,811,202	1,212,751,925
22	Irrigation Division No. 01 Saidu Swat	153,447,933	108,722,557	44,725,376
23	Irrigation Division No. 02 Matta Swat	536,689,319	542,195,328	5,506,009
24	C&W Mega Division Swat	617,754,152	650,463,290	32,709,138
25	Local Government Mardan	(6,559,577)	155,300,865	148,741,288
	Total	9,253,891,632	7,529,649,866	6,305,380,298