



**AUDIT REPORT
ON THE ACCOUNTS OF
TEHSIL MUNICIPAL ADMINISTRATIONS
IN DISTRICT CHARSAKDA
KHYBER PAKHTUNKHWA**

AUDIT YEAR 2016-17

AUDITOR GENERAL OF PAKISTAN

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	i
Preface	iii
SUMMARY TABLES AND CHARTS.....	vii
I: Audit Work Statistics	vii
II: Audit observations classified by Categories	vii
III: Outcome Statistics.....	viii
IV: Table of Irregularities pointed out.....	ix
V: Cost-Benefit	ix
CHAPTER-1	1
1.1 Tehsil Municipal Administrations, District Charsadda.....	1
1.1.1 Introduction.....	1
1.1.2 Comments on Budget and Accounts (Variance Analysis).....	2
1.1.3 Comments on the status of compliance with PAC Directives.....	3
1.2 Audit Paras of TMA Charsadda.....	5
1.2.1 Irregularity& non-compliance.....	5
1.2.2 Internal Control Weaknesses.....	16
1.3Audit Paras of TMA Tangi.....	27
1.3.1 Irregularity& non-compliance.....	27
1.3.2 Internal Control Weaknesses.....	31
1.4Audit Paras of TMA Shabqadar	36
1.4.1 Misappropriation/Fraud.....	36
1.4.2 Irregularity& non-compliance.....	40
1.4.3 Internal Control Weaknesses.....	54
ANNEXURES.....	67

Annexure-1 MFDAC.....	67
Annexure-2 Detail of overpayment.....	69
Annexure-3 Detail of non-imposition of penalty.....	70
Annexure-4 Detail of Non-imposition of penalty.....	73
Annexure-5Detail of non-availability of record.....	82
Annexure-6 Detail of Mis-appropriation of Funds of Municipal School Charsadda.....	83
Annexure-7 Detail of less deduction of income tax.....	87
Annexure-8 Detail of overpayment due to allowing quantities over and above BOQ/PC-I.....	92
Annexure-9 Detail of non-imposition of penalty.....	94
Annexure-10 Sanitation scheme Daman, Battagram.....	97
Annexure-11 Sanitation scheme at Chora Khel Battagram.....	99
Annexure-12 (1)Less /Non-deposit of taxes.....	101
(2) Repair work and supply of furniture at Tehsil Shabqadar Bar.....	105
Annexure-13 Non recovery of income tax and bid amount.....	106
Annexure-14 Detail of variation between receipt figure two set of Accounts.....	107
Annexure-15 Detail of drawl of cash payment of pay and allowances.....	108

ABBREVIATIONS AND ACRONYMS

AP	Advance Para
ADP	Annual Development Programme
BOQ	Bill of Quantity
C&W	Communication and Works
CMD	Chief Minister Directives
CPWA Code	Central Public Works Account Code
CPWD Code	Central Public Works Department Code
DAC	Departmental Accounts Committee
DC	Deputy Commissioner
DDC	District Development Committee
DDI	District Development Initiative
FBR	Federal Board of Revenue
GFRs	General Financial Rules
KPPRA	Khyber Pakhtunkhwa Public Procurement Authority
LCB	Local Council Board
LGA	Local Government Act
M ³	Cubic Meter
MB	Measurement Book
MC	Municipal Committee
MPA	Member Provincial Assembly
NIT	Notice Inviting Notice
PAO	Principal Accounting Officer
PAC	Public Accounts Committee
PC-I	Planning Commission Proforma-I
PCC	Plain, Cement and Concrete
PEC	Pakistan Engineering Council
PFC	Provincial Finance Commission
PHE	Public Health Department
PLA	Personal Ledger Account
RCC	Reinforced Concrete Cement
RDA	Regional Director Audit

SDO	Sub-Divisional Officer
TS	Technical Sanction
TMA	Town Municipal Administrator
TMO	Tehsil Municipal Officer
TO (I)	Tehsil Officer (Infrastructure)
TO (R)	Tehsil Officer (Revenue)
U/C	Union Council
WAPDA	Water and Power Development Authority
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 (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 receipts and expenditure of Local Fund of Tehsil Municipal Administrators.

The report is based on audit of the accounts of TMAs in District Charsadda for the financial year 2015-16. The Directorate General of Audit, District Governments, Khyber Pakhtunkhwa conducted audit on test check basis during 2016-17 with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and 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 Officer at the DAC level. In all cases where the PAO does not initiate appropriate action, the Audit observations will be brought to the notice of Tehsil Accounts Committee 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.

The observations included in this Report have been finalized in the light of written replies of the departments. However, in some observations, department did not submit written replies. DAC meetings were not convened despite repeated requests.

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

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Director General Audit, District Governments, Khyber Pakhtunkhwa carries out the audit of all Tehsil Municipal Administrations and Town Municipal Administrations. The Regional Directorate of Audit Peshawar, on behalf of the DG District Governments Audit, Khyber Pakhtunkhwa carries out the audit of one City District Government, two District Governments, TMAs and VCs/NCs of three Districts i.e. Peshawar, Charsadda and Nowshera respectively.

The Regional Directorate of Audit Peshawar has a human resource of 10 officers and staff with a total of 3000 person days. The annual budget amounting to Rs 16.877 million was allocated to the RDA during financial year 2016-17. The directorate is mandated to conduct regularity (financial attest audit and compliance with authority audit) and performance audit of programmes and projects.

Tehsil Municipal Administration Charsadda, Tangi and Shabqadar District Nowshera perform their functions under Khyber Pakhtunkhwa Local Government Act 2013. Each TMA has one Principal Accounting Officer (PAO) as provided in Section 8 (1P) of the Khyber Pakhtunkhwa Tehsil and town Municipal Administration Rules of Business 2015. Financial provisions of the Act describe the Government fund as Tehsil Local Fund for which Annual Budget Statement is authorized by the Tehsil Council in the form of budgetary grants.

a. Expenditure and Receipt Audit

The total expenditures of TMO Charsadda, Tangi and Shabqadar in District Charsadda for the Financial Year 2015-16 were Rs 531.617 million. Out of this, RDA Peshawar audited an expenditure of Rs 212.647 million which, in terms of percentage, was 40% of auditable expenditure.

The receipts of TMO Charsadda, Tangi and Shabqadar in District Charsadda for the financial year 2015-16 were Rs 164.015 million. Out of this,

RDA Peshawar audited receipts of Rs 88.568million which, in terms of percentage, was 54% of auditable expenditure.

The total expenditure and receipts of TMAs, Shabqadar, Tangi and Charsadda in District Charsadda for the financial year 2015-16 were 695.632 million. Out of this RDA Peshawar audited transactions of Rs 301.215 million which, in terms of percentage, was 43.301% of auditable amount.

b. Recoveries at the instance of audit

Recovery of Rs 106.815 million was pointed out during the audit. However, no recovery was effected till finalization of this report. Out of the total recoveries, Rs 63.484 million was not in the notice of the executive before audit.

c. Audit Methodology

Audit was conducted after understanding the business processes of TMAs, District Charsadda with respect to their functions, control structure, prioritization of risk areas by determining their significance and key controls. This helped auditors in understanding the systems, procedures, environment, and the audited entity before starting the audit. Audit used desk audit techniques for analysis of compiled data and review of actual vouchers called for scrutiny and substantive testing.

d. Audit Impact

Audit pointed out various irregularities of serious nature. Cases related to weak internal were also pointed out to which management has been sensitized. In certain cases management has taken action which may further be verified. However, in cases of recovery management has issued orders for recovery. No impact was visible as the management failed to reply and the irregularities could not come to the light in the proper forum i.e. DAC.

e. Comments on Internal Control and Internal Audit department

The purpose of internal control system is to ensure effective operation of an organization. It consists of measures employed by the management to achieve

objectives, safeguard assets, ensure accuracy, timeliness and reliability of financial and accounting information for decision making.

Another basic component of internal control, as envisaged under section 37(4) of LGA 2013, is internal audit which was not found in place in the domain of TMAs.

Key audit findings of the report

- i. Misappropriation / Fraud were found in three cases amounting to Rs 5.678 million¹
- ii. Irregularities and non-compliance were noted in twenty three cases amounting to Rs 236.096 million²
- iii. Internal control weaknesses were noted in twenty five cases amounting to Rs 466.579 million³

g. Recommendations

- i. Departmental enquiries to be initiated in the reported cases of misappropriation/frauds.
- ii. Fraudulent drawl / misappropriated money may be recovered and deposited in the government treasury.
- iii. Enquiries on urgent basis to be initiated against the responsible officers and officials.
- iv. Internal control weaknesses to be plugged to stop irregularities in public spending.
- v. All sectors of TMAs need to strengthen internal controls i.e. financial, managerial, operational, administrative and accounting controls etc to ensure that reported lapses are preempted and fair value for money is obtained from public spending.

¹ Paras No. 1.4.1.1 to 1.4.1.3

² Paras No. 1.2.1.1 to 1.2.1.11, 1.3.1.1 to 1.3.1.3, 1.4.2.1 to 1.4.2.9

³ Paras No. 1.2.2.1 to 1.2.2.11, 1.3.2.1 to 1.3.2.4, 1.4.3.1 to 1.4.3.10

SUMMARY TABLES AND CHARTS

I: Audit Work Statistics

(Rs in million)

S.No	Description	No.	Budget
1	Total Entities in (PAO) Audit Jurisdiction	01	695.632
2	Total formations in audit jurisdiction	03	695.632
3	Total Entities in (PAO) Audited	01	301.215
4	Total formations Audited	03	301.215
5	Audit and Inspection Reports	03	301.215
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

II: Audit observations classified by Categories

(Rs in million)

S.No.	Description	Amount Placed under Audit Observation
1.	Unsound asset management	4.789
2.	Weak financial management	232.99
3.	Weak Internal controls relating to financial management	344.052
4.	Others	126.522
Total		708.353

III: Outcome Statistics

(Rs in million)

S. No	Description	Expenditure on Acquiring Physical Assets Procurement	Civil Works	Receipts	Others	Total for the year 2015-16	Total for the year 2014-15
1.	Outlays Audited	-	130	88.568	82.647	301.215	104.520
2.	Amount Placed under Audit Observation /Irregularities of Audit	-	496.926	82.395	129.032	708.353	45.917
3.	Recoveries Pointed Out at the instance of Audit	-	38.06	68.76	-	106.815	38.585
4.	Recoveries Accepted /Established at the instance of Audit	-	-	-	-	-	-
5.	Recoveries Realized at the instance of Audit	-	-	-	-	-	-

Note: - The outcome figures reported for the year 2014-15 pertain to the Municipal Committees audited last year. Since PAOs are the same therefore, these amounts have been included here to show cumulative effect against the PAOs.

IV: Irregularities pointed out

(Rs in million)

S.No.	Description	Amount Placed under Audit Observation
1.	Violation of Rules and regulations, principle of propriety and probity in public operation	168.332
2.	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	-
3.	Accounting Errors (accounting policy departure from NAM, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4.	Quantification of weaknesses of internal control systems.	302.073
5.	Recoveries and overpayment, representing cases of established overpayment or misappropriations of public monies	-
6.	Non-production of record	-
7.	Others, including cases of accidents, negligence etc.	237.948
Total		708.353

V: Cost-Benefit

(Rs in million)

S.No.	Description	Amount
1.	Outlays Audited (items 1 of Table-3)	301.215
2.	Expenditure on Audit	0.50
3.	Recoveries realized at the instance of Audit	0
4.	Cost-Benefit Ratio	1:0

CHAPTER-1

1.1 Tehsil Municipal Administrations, District Charsadda

1.1.1 Introduction

District Charsadda has three tehsils i.e. Charsadda, Tangi and Shabqadar and a District Council. Each tehsil office is managed by a Tehsil Municipal Officer. Each Tehsil has its own Tehsil Officer (Finance), Tehsil Officer (Infrastructure) and Tehsil Officer (Regulation). The functions and powers of Tehsil municipal administration shall be to:

- (a) Monitor and supervise the performance of functionaries of Government offices located in the Tehsil and hold them accountable by making inquiries and reports to the district government or, as the case may be, Government for consideration and action;
- (b) Prepare spatial plans for the Tehsil including plans for land use and zoning and disseminate these plans for public enquiry;
- (c) Execute and manage development plans for improvement of municipal services and infrastructure;
- (d) Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commercial markets, shopping centers; residential, recreation, parks, entertainment, passenger and freight transport and transit stations;
- (e) Enforce municipal laws, rules and bye-laws;
- (f) Prevent and remove encroachments;
- (g) Regulate affixing of sign-boards and advertisements;
- (h) Provide, manage, operate, maintain and improve municipal services;
- (i) Prepare budget, long term and annual municipal development programmes;
- (j) Maintain 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;
- (k) Collect taxes, fines and penalties provided under this Act;
- (l) Organize sports, cultural, recreational events, fairs and shows;

- (m) Organize cattle fairs and cattle markets;
- (n) Co-ordinate and support municipal functions amongst village and neighborhood councils;
- (o) Regulate markets and services, issue licenses, permits, grant permissions and impose penalties for violation thereof;
- (p) Manage municipal properties, assets and funds;
- (q) Develop and manage schemes, including site development in collaboration with district government;
- (r) Authorize officers to issue notice, prosecute, sue and follow up criminal, civil and recovery proceedings against violators of municipal laws; and
- (s) Prepare financial statements and present them for audit.

1.1.2 Comments on Budget and Accounts (Variance Analysis)

The budget and expenditure position of Tehsil Municipal Administrations in District Charsadda for the year 2015-16 is as under:

(Rs in million)

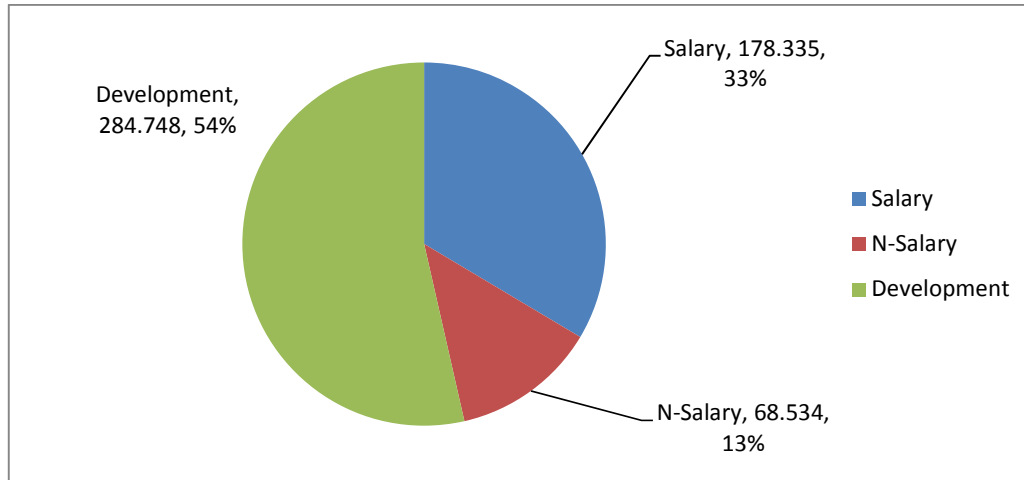
2014-15	Budget	Expenditure	Excess/ (Saving)	%age
Salary	174.722	178.335	3.613	8.971%
Non-salary	72.145	68.534	(3.611)	27.630%
Developmental	355.466	284.748	(70.718)	82.867%
Total	602.333	531.617	(70.716)	64.588%

	Budgeted receipt	Actual receipt	Variation	%age
2015-16	163.444	164.015	0.571	0.35

The savings of Rs 70.716 million indicates weakness in the capacity of these local institutions to utilize the allocated budget.

Expenditure 2015-16

(Rs in million)



1.1.3 Comments on the status of compliance with PAC Directives

The Audit Reports pertaining to Financial Years 2009-10 to 2014-15 on accounts of Tehsil Municipal Administration/Municipal Committees have not been discussed in PAC/ZAC. The Provincial Assembly Khyber Pakhtunkhwa has returned the Audit Reports during February, 2017 with the remarks that the same may be examined by respective Accounts Committees as provided under Khyber Pakhtunkhwa Local Government Act, 2013.

TMA CHARSAKDA

1.2 Audit Paras of TMA Charsadda

1.2.1 Irregularity & non-compliance

1.2.1.1 Overpayment to contractor – Rs. 2.900 million

According to PC-I/Detailed Cost Estimates of the scheme “Sanitation scheme at Mehmood Abad”, thickness of PCC 1:2:4 is 3 inches.

Para 220 & 221 of the CPWA Code requires that the sub-divisional Officer, before making payments to the contractor is required that all the rates are correctly entered and that all the calculations have been checked arithmetically.

TMO Charsadda during 2015-16 overpaid Rs 319,156 due to allowing extra quantity of 1” (one Inch) thickness in PCC 1:2:4 in street pavement in the scheme of “Sanitation Scheme at Mehmood Abad UC Chindrodag Mohammad Narai vide MB No. 05 page 12. Detail is as under:

Name of Item	Quantity paid M ³	Quantity req: M ³	Diff in Qty M ³	Rate (Rs)	Overpayment (Rs)
PCC 1:2:4	121.97	76.13	45.86	6962.39	319,156

An amount of Rs 1,397,804 was overpaid due to allowing higher rate of PCC 1:3:6 in side wall instead of PCC 1:3:6 Mass concrete using 40% boulders in various developmental schemes during 2015-16. The overpayment resulted in loss to public exchequer. Details given at **Annex-2**.

Moreover, an item of work PCC 1:2:4 was paid @ Rs 6,997 for a quantity of 232.85 M³ against the approved quantity of 63.72 M³ as per PC-I (365% more than admissible) in a work “Street pavement drain culvert, Muslim Abad, Babu Miraj MC-IV Charsadda”. This resulted in overpayment of Rs 1,183,402 (232.85-63.72 x 6,997).

Overpayment was made due to weak internal controls, which resulted in loss to Government.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

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

AIR Para No. 01, 03 &37/2015-16

1.2.1.2 Irregular tendering process and execution of developmental scheme - Rs 1.999 million and overpayment - Rs 162,233

According to NIT, Photo copy of registration with Pakistan Engineering Council for the year 2015-16 shall be accompanied by the bidding documents and the bidders shall send their bids/tender documents in shape of original and in the sealed envelope through registered mail/courier service in the name of TMA Charsadda. The tenders received through fax or by hand will not be accepted.

According to para 178 of GFR Vol-I read with para 56 of CPWD Code and para 2.4 of B&R Department Code, no work should be commenced or liability incurred in connection with it until technical sanctions have been obtained from competent authority.

Further clause No.2 of the condition of the contract of percentage rate tender and contract for work guide line states if the work not completed within the stipulated period, then penalty of 1 % per day up to 10 % of the estimated cost will be imposed by the competent authority.

Tehsil Municipal Officer, TMO Charsadda during 2015-16 awarded a work "Sanitation scheme at U/C Rajjar-I" at a bid cost of Rs 1,998,675 against the estimated cost of Rs 2,000,000. The following irregularities were noticed:

1. Tender documents were not received through courier and were hand received as no stamp of courier or diary number of the TMA Charsadda on the envelopes of tender documents was found.

2. The bid amount was neither written in words nor in figures in the tender form.
3. Tender documents including envelopes, tender forms, contractor BOQ etc. were not signed by TMO and other members of tender opening committee.
4. Tender form register was not maintained to verify the record of contractors participated in the bid.
5. An amount of Rs 162,233 on account of cost of old bricks was deducted from the final bill. However total payment against bid amount was made to the contractor, which resulted in overpayment as per following detail:

Amount paid	Cost of old bricks	Amount required to be paid	Overpayment
1,998,675	162,233	1836342	162,233

6. The scheme was executed without technical sanction and PC-I was not signed by the TMO and Tehsil Nazim.
7. Completion certificate of the scheme was not signed by the MPA concerned or his authorized person.

Irregular execution of scheme and overpayment of Rs 162,233 occurred due to negligence of the management.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, 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. 06 / 2015-16

1.2.1.3 Irregular expenditure on account of non-execution of PC-1/BOQ due to non-execution of 60% items – Rs 2.974 million

Para 220 & 221 of the CPWA Code read with PC-I and BOQ of the scheme requires that the sub-divisional Officer, before making payments to the contractor is required that all the rates are correctly entered and that all the calculations have been checked arithmetically.

TMO Charsadda during 2015-16 awarded the work 'Pavement of Street, Drain, Culvert at UC Muhammad Nari' with estimated cost of Rs 2,989,000 at a bid cost of Rs 2,973,970.07 .Audit observed that 60% items of the PC-1/BOQ were not executed and all cost was spent on the items which were profitable to contractor. Thus either engineers estimate was defective or undue favour was extended to contractor for ulterior motives.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

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

AIR Para No. 08 / 2015-16

1.2.1.4 Non-imposition of penalty -Rs 5.830 million

According to Clause 1 of the Work Orders and Clause 2 of the Contract Agreement, penalty @ 1% per day and up to maximum of 10% of the tender cost may be imposed for delay in completion of work.

TMO Charsadda during 2015-16 awarded 31 developmental schemes with the estimated cost of Rs. 58,300,000 to various contractors. The contractors failed to complete the works within stipulated period mentioned in the work orders. Neither time extension was granted nor penalty @ 10% amounting to Rs 5,830,000 was imposed. Details given at **Annex-3**.

Non imposition of penalty occurred due to weak internal control, which resulted in loss to Government.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

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

AIR Para No. 10 / 2015-16

1.2.1.5 Less realization of receipts -Rs. 3.825 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

Clause 2 of the model terms and conditions of contracts provide for minimum 20% increase over the previous year bid.

TMO Charsadda less realized an amount of Rs 3,825,375 from the contract of “Bus Stand Charsadda” and Cattle Fair Charsadda” which was run departmentally during 2015-16. As per model terms and conditions of contract the reserve bid price was required to be Rs 15,800,000 (20% higher than previous year), against which an amount of Rs 11,974,625 was realized, which resulted into less realization of receipts amounting to Rs. 3,825,375. Detail as under:

Description	Income for the year 2014-15 (Rs)	Target without income tax 2015-16 (Rs)	Amount realized as per income & expenditure statement (Rs)	Less Realized (Rs)
Bus Stand Charsadda (Departmental)	11,700,000	14,040,000	10,711,645	3,328,355
Cattle Fare Charsadda	1,467,000	1760,000	1,262,980	497,020
Total	13,167,000	15,800,000	11,974,625	3,825,375

Less realization of receipts occurred due weak financial control.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, 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 & 13 /2015-16

1.2.1.6 Non-recovery of penalty from contractors - Rs 24.289 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.

According to Para-6 of the Model terms and condition issued by the Local Council Board of Government of Khyber Pakhtunkhwa letter No. AO-II/LCB/6-11/2013 dated 01.06.2015, 2% penalty per day will be liable on contractor/firm fails to clear dues by 10th of each month to which the monthly installment relates, the contract may be cancelled and his security and advances deposited by the contractor shall be forfeited.

TMO Charsadda awarded receipts contracts to various contractors during the year 2015-16. However, the contractors did not deposit the due amount of monthly installment on due date. Local office neither cancelled the contracts on risk and cost of contractors nor imposed late penalty of Rs 24,288,928. Hence undue favor was extended to contractors. Details given at **Annex-4 (i to iii)**.

Non-imposition of penalty occurred due to negligence of management which resulted in loss.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

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

AIR Para No .14, 15 & 16 / 2015-16

1.2.1.7 Non-compliance with Local Govt Act 2013, Rules of Business 2015 & Budget Rules 2016

According to section 37(4) of Local Government Act 2013, every Nazim, district council and tehsil council shall appoint an Internal Auditor. Section 39 of the Act describes that every Nazim shall, on assumption of his office and thereafter, once in every year on a date fixed by him, take physical stock of movable and immovable properties of the local government and present a report to the local council.

According to Rules of Business 2015 schedule-I to (f) shall prepare financial statements. And as per Budget Rule 2016 Section (4), the TO (Finance) shall develop fiscal forecasts for 3 years.

During the scrutiny of accounts record of TMO Charsadda for the financial year 2015-16, it was observed that:

1. Internal Auditor has not been appointed.
2. The annual stock verification Report of moveable immoveable property/stock has not been prepared for submission to local council.
3. Financial Statement has not been prepared for internal and external audit.
4. The 03 years fiscal forecast has not been prepared as required under Budget Rules 2016.
5. Monthly progress reports of the developmental schemes were not prepared.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, 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. 24/ 2015-16

1.2.1.8 Irregular payment without technical sanction - Rs 126.055 million

According Para 56 of CPWA code and Para 178 of GFR Vol-I provides that no works can be started/executed without administrative approval and Technical Sanction.

TMO Charsadda during 2015-16 incurred expenditure of Rs 126,054,922 in respect of the developmental schemes till date of Audit. The schemes were executed without the approval of the Technical Sanctions in violation of the standing orders, rules and regulations of the government.

Irregular payment without technical sanction occurred due to weak internal control.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

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

AIR Para No. 30 / 2015-16

1.2.1.9 Doubtful expenditure due to non-availability of record – Rs 10.00 million

According to Section 14(3) of Auditor General's Functions, Powers and Terms and Conditions of Service Ordinance, 2001 provides, "any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person."

TMO Charsadda, during 2015-16 awarded different developmental works to contractors. However, the record pertaining to the schemes was not available as the record was asked for by audit for verification:

1. Record of developmental schemes awarded during 2014-15 but carried out to financial year 2015-16.
2. Record of five developmental schemes from “CMD/DDI scheme in PK-18 Charsadda” awarded during 2015-16 with estimated cost of Rs 10,000,000. Details given at **Annex-5**.

Non-availability of record occurred due to weak internal controls.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

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

AIR Para No. 31/2015-16

1.2.1.10 Irregular execution of sanitation scheme-Rs 1.500 million and non-imposition of penalty - Rs 149,949

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.

TMO Charsadda during 2015-16 awarded a work “Repair of Road Safaullah Kilay U/C Dargai” at a bid cost of Rs 1,499,485.55 to a contractor Shah Jehan at 0.03% below against the estimated cost of Rs 1,500,000. The following irregularities were noticed:

1. The scheme was administratively approved and awarded for the “Repair of road at Safaullah Kilay U/C Dargai” but later on the nature of work was changed to “Sanitation scheme at Union Council Dargai”. However, neither the revised administrative approval nor approval for revision from Tehsil Council was obtained.
2. Tender documents were not received through courier and were hand received as no stamp of courier or diary number of the TMA Charsadda on the envelopes of tender documents was found.
3. PC-I of the scheme was neither signed by Tehsil Nazim nor TMO.
4. Photocopies of CNIC of the bidders were neither attached with the tender documents nor available on record.
5. 2% earnest money was not deposited by the bidders.
6. The bid amount was neither written in words nor in figures on the tender form.
7. Tender documents including envelopes, tender forms, contractor BOQ etc were not signed by the Tehsil Nazim, TMO and other members of tender opening committee.
8. Tender form register was not maintained to verify the record of contractors participated in the bid.
9. Work order was issued on 21.04.2016 with the completion period of 120 days. However, the scheme was not completed till the last date of Audit. However, penalty @ 10% amounting to Rs 149,949 was not imposed.

The irregularities occurred due to weak internal controls.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, 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. 35/2015-16

1.2.1.11 Irregular execution of developmental scheme-Rs 3.900 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.

TMO Charsadda during 2015-16 executed a developmental scheme “Pavement of street, drain culverts, boundary wall at Emad Bacha near Asmat Taj Kaka Jaga Bazar MC-3 Area’. The following irregularities were noticed:

1. MB 50 at page 53 showed a payment of Rs 139,000 for PCC 1:3:6 (22.16 M³ @ Rs 6,078) in floor. The payment was made on fake entries as the item had no relevancy with other item nor provided in approved PC-I/BOQ.
2. In 2nd Running bill at MB 50 page 94, a quantity of 71.20 M³ side wall was shown and paid for Rs 432,510 against the fake entry for excavation of 12.74 M³ as no payment for excavation was made.
3. PCC 1:2:4 for a quantity of 99.36 M³ at page 97 of MB 50 was shown executed which had no relevancy with another item PCC 1:4:8 carried out at page 95 for only 326 feet length whereas PCC 1:2:4 quantity was claimed for 1300 feet approximately which resulted in overpayment.

The irregularities occurred due to weak internal controls.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, 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. 36/2015-16

1.2.2 Internal Control Weaknesses

1.2.2.1 Unauthentic expenditure on developmental schemes without lab test – Rs 126.055 million

According to clause 10 of the contract agreement, the contractor will be bound for the material testing and no compensation will be paid to the contractor.

TMO Charsadda during 2015-16 paid Rs 126,054,922 to various contractors on account of various developmental works, while the materials utilized were not tested in the material testing laboratory. Audit had reasons to believe that sub-standard materials would have been used.

Unauthentic expenditure occurred due to weak internal control

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

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

AIR Para No. 07 / 2015-16

1.2.2.2 Unauthorized Execution of work – Rs 1.054 million

Para 220 & 221 of the CPWA Code read with PC-I and BOQ of the scheme requires that the sub-divisional Officer, before making payments to the contractor is required that all the rates are correctly entered and that all the calculations have been checked arithmetically.

TMO Charsadda during 2015-16 awarded the work “Pavement of Street, drain, culvert, Boundary Wall, at Emad Bacha, near Emad Bacha house. An item of work “Pacca brick work” was paid for a quantity of 38.13 M³ against the approved quantity of 6.37 M³ as per BOQ/PC-I resulting in unauthorized payment of Rs 216,920.80 (38.18-6.37 x 36830). Further, an item ‘Earth filling in **lawn**’ for Rs 206075 (1049.50 M³ @ Rs 196.46) was executed which could not

be justified in the work of **street pavement and the item was also not provided in the PC-I/BOQ**. Audit held the work done unauthentic and unauthorized which needs to be recovered.

Moreover, excess quantity than PC-1/BOQ of 90.48 M³ (225 M³-134.52 M³ BOQ Qty) was executed in the item of PCC 1:2:4 for Rs 631,822 (90 M³ x Rs 6983/M³) which also needs to be recovered.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

Audit recommends recovery of excess payment and action against the person(s) at fault.

AIR Para No. 09 / 2015-16

1.2.2.3 Execution of substandard works due to non-fixing ASTM Pipes -Rs 126.055 million

According to para (ii) of the minutes of the meeting of Tehsil Development Committee held on 04.03.2016, ASTM pipes claimed in the estimates must be ensured at site.

TMO Charsadda during 2015-16 incurred expenditure of Rs 126,054,922 on developmental schemes. The items of works Supplying and Fixing of various dia RCC pipes was executed. Estimates were prepared for ASTM quality pipes and approved with the direction to ensure the quality. However, during the execution local quality pipe was laid due to which the quality of work remained substandard. In some schemes, a small amount was deducted from the contractors but full payment against his bid amount was made.

Irregular execution of substandard work occurred due to weak internal controls.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

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

AIR Para No. 11 / 2015-16

1.2.2.4 Non-recovery of outstanding dues -Rs 22.973 million

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

TMO Charsadda during 2015-16, failed to recover Rs 22,972,558 outstanding on account of water user charges and rent of shops accumulated upto June 2016. Details are as under:

(Amount in Rs)

S.No	Particular	Receipts Demand	Recovery	Outstanding Amount
1	Water Rates	22,330,818	719,270	21,611,548
2	Rent of Shops	8,414,335	7,053,325	1,361,010
	Total	30,745,153	7,772,595	22,972,558

Non-recovery of outstanding dues occurred due to weak internal controls.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

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

1.2.2.5 Irregular/unauthorized drawl of Pay and Allowances -Rs 75.943 million

According to para 4.6.3.1 of Accounting Policies and Procedure Manual, 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. This is the most secure and economical method of payment and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by cheque or cash, against risks of theft or fraud.

TMO Charsadda during 2015-16 paid Rs 75,943,328 to the employees on account of pay & allowances on cash basis instead of direct credit system, violating government instructions as per detailed given below:

S.No	Particular	Amount (Rs)
1	Pay of TMA Charsadda	35,351,318
2	Pay of MC Charsadda	22,757,575
3	Pay of MC Utmanzai	7,859,568
4	Pay of Women Center	1,979,862
5	Pay of MPS Charsadda	7,995,005
	Total	75,943,328

The irregularity occurred due weak financial control.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

Audit recommends the pay and allowances be credited to bank accounts of employees without further delay.

1.2.2.6 Non recovery of staff emoluments working with the contractors

According to para-28 to 31 of Model Terms And Conditions for the contracts of Cattle Fair, Bus Stand, 2% tax on immovable property and other contracts for the year 2015-16, at the time of execution of agreement with the contractors the name and designation of the staff to be attached for working with the contractor be clearly mentioned. The contractor shall be bound to pay all the expenses including pay, leave salary, pension contribution to the employees etc of such employee/employees along with other valid charges and stationery /forms.

During audit of the accounts record of TMO Charsadda for the financial year 2015-16, it was observed that the contracts of Suzuki Stand Fee Charsadda, 2% of Property Tax etc were assigned to contractors but neither the names and designations of the staff attached for working with the contractors mentioned in the agreements nor any pay of the staff and other charges recovered from the contractors. Therefore, the loss in millions of rupees was sustained due to suspected collusion of TMA and contractors in violation of Government orders.

Non recovery of staff emoluments working with the contractors occurred due to weak internal control.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

Audit recommends recovery of pay and allowances of the staff working with contractors and action against the person(s) at fault.

AIR Para No. 19 / 2015-16

1.2.2.7 Irregular award of contract of receipts - Rs. 1.560 million

According to para-14 of the Model Terms and Condition of the Contracts for various taxes, the successful bidder within days of the acceptance of his bid,

shall produce a surety bond on a stamped paper to the extent of the bid of contract and shall execute an agreement with the concerned councils of contract duly attested by a Judicial / Municipal Magistrate to the satisfaction of the council. In case, the contractor / firm does not deposit advances or does not enter into an agreement within specified period, the contract shall stand canceled and loss if any shall be recouped at the risk & cost of the contractor and recoverable under land revenue act, along with blacklisting of the contractor / firm.

According to para 19 (v) and 19 (ii) of GFR Vol-I states that as far as possible, legal and financial advice should be taken in the drafting of contracts and before they are finally entered into and as far as possible, legal and financial advice should be taken in the drafting of contracts and before they are finally entered into.

TMO Charsadda during 2015-16 awarded contracts of receipts to various contractors. Detail is given below:

S. No.	Name of contract awarded	Amount of contract (Rs)
1	Rikshaw stand fees Utmanzai	450,000
2	Cattle Fare Nisatta	610,000
3	Bus stop Umarzai	500,000
Total		1,560,000

The following irregularities were noticed:

1. In case of S. No. 1,2 and 3, the agreements were not signed by Tehsil Council or its nominee. Moreover, the agreements were not attested by the Judicial Magistrate.
2. In case of S. No. 3, the sign of Tehsil Municipal Officer did not match with his signs on other contract agreements.

Irregular award of receipt contracts occurred due to weak internal controls.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days.

Request for convening DAC meeting was made in March 2017, 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. 23 / 2015-16

1.2.2.8 Misappropriation of Rs. 195,503 from Municipal School Charsadda

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

Municipal Public School Charsadda collected an amount of Rs. 4,553,985 on account of Admission fee and tuition during 2015-16. Income and expenditure statement of TMA Charsadda revealed collection of Rs. 4,358,482 on the same account. However, scrutiny of record maintained at the school revealed the collection of Rs. 4,553,985. Less account of receipts in the accounts lead to misappropriation. Details given at **Annex-6**.

Misappropriation occurred due to weak internal control.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

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

AIR Para No. 26/2015-16

1.2.2.9 Less recovery of income tax - Rs 3.151 million

According to Inland Revenue Officer, FBR Peshawar letter No. 17 dated 30.07.2015, Income tax from non-filer contractor shall be deducted @ 10% on the execution of contract referred to in clause (c) of section 153(1).

TMO Charsadda during 2015-16 incurred expenditure of Rs 126,054,922 on execution of various developmental schemes. This resulted in less recovery of income tax amounting to Rs 3,151,373. Details given at **Annex-7**. Income tax was deducted @7.5% amounting to Rs 9,454,119 instead of 10% amounting to Rs 12,605,492. The record was silent regarding the status of contractors whether they were filer or non-filer. CNIC photocopies were not produced to verify the status of contractors.

Less recovery of income tax occurred due to weak financial management which resulted in loss to government.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

Audit recommends complete recovery of income tax and action against the person(s) at fault.

AIR Para No. 29/2015-16

1.2.2.10 Overpayment due to allowing excess quantities over and above BOQ - Rs 3.972 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.

TMO Charsadda during 2015-16 awarded various developmental schemes out of 30% PFC share to various contractors. An amount of Rs 3,971,630 was

overpaid due to execution of excess quantities than BOQ / PC-I. Details given at **Annex-8**.

Overpayment occurred due to non-compliance of rules, which resulted into loss to Local Council.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

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

AIR Para No. 33 / 2015-16

1.2.2.11 Non-utilization of developmental funds –Rs 27.810 million

According to para 10 (i) of GFR Vol-I, every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys, as a person of ordinary prudence would exercise in respect of expenditure of his own money.

TMO Charsadda during 2015-16 failed to execute 20 developmental schemes to the tune of Rs 22,884,732 million. The schemes were administratively approved by the competent authority vide No. 356/A/PO-14/EW/Vol-VI/CHD-2012 dated 11.03.2016 and work orders issued on 21.04.2016 with the completion period of 120 days. However, the schemes were not commenced till December 2016. Non-commencement of development schemes not only deprived the locals of the facilities but also the government funds were blocked.

Non-utilization of funds occurred due to negligence, weak financial control and ill planning.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days.

Request for convening DAC meeting was made in March 2017, 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. 34 / 2015-16

TMA TANGI

1.3 Audit Paras of TMA Tangi

1.3.1 Irregularity& non-compliance

1.3.1.1 Less realization of receipts -Rs. 3.182 million

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

TMO Tangi realized an amount of Rs. 30,052,334 from the contracts which were run departmentally and awarded to contractors during 2015-16. As per model terms and conditions of contract the reserve bid price were required to be Rs 33,234,268 (20% higher than previous year), against which an amount of Rs 30,052,334 were realized, which resulted into less realization of receipts amounting to Rs. 3,181,934. Detail as under:-

Description	Income for the year 2014-15 (Rs)	Target without income tax 2015-16 (Rs)	Amount realized as per income & expenditure statement (Rs)	Less Realized (Rs)
Cattle Fare Tangi	2,489,603	2,987,524	2,900,954	86,570
Cattle Fare Zaim	1,113,096	1,335,715	1,279,420	56,295
Bus Stand Tangi	5,382,831	6,459,397	5,096,100	1,363,297
Bus Stand Hari Chand	3,808,187	4,569,824	4,379,370	190,454
2% Property Tax	14,859,976	17,831,971	16,353,450	1,478,521
Tanga Stand	20,000	24,000	22,890	1,110
Slaughter House	21,530	25,836	20,150	5,686
Total Amount	27,695,223	33,234,268	30,052,334	3,181,934

Less realization of receipts occurred due weak financial control.

The irregularity was pointed out to management in April 2017, management stated that the above mentioned contract were put to open auction through information several times, but these contracts remained un-auctioned as no successful bidder. Since these contracts were put to open auction in accordance with their terms and conditions 2015-16. Wherein it is mandatory the contracts be awarded at 20% increase. Thus none of the contractor given bid according to enhanced rates of these contracts resultantly these contracts were run departmentally.

Request for convening DAC meeting was made in April 2017, which could not be convened till finalization of this report.

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

AIR Para No. 15 / 2015-16

1.3.1.2 Non recovery of penalty on outstanding amount from contractors-Rs 18.896 million

According to para-V (b) of model terms & condition for contracts for 2015-16, “2% penalty per day will be liable on contractor for late deposit of monthly installment. If the contractor fails to clear dues by 10th of each month to which monthly installment relates, the contract may be cancelled and his security and advances deposited shall be forfeited.

TMO Tangi awarded receipts contract of “Cattle fare Tangi” and “Bus Stand Hari Chand” during the year 2015-16 for a bid price of Rs 2,910,000 and Rs 3,240,000 respectively. The contractors were required to submit in ten and seven equal monthly installments respectively. However, record revealed that the contractor did not deposited the due amount of monthly installment on due date. Moreover, Rs. 571,000 and Rs 650,100 including Rs.124,000 tax respectively were outstanding against the contracts till date of audit i.e. April 2017. Neither the contract was cancelled on risk and cost of contractors nor penalty of Rs

18,896,379 imposed. Due to non-deposit of the government receipt in time, the Government suffered loss of Rs 18,896,379. Details given in **Annex-9**:

Non-recovery of outstanding dues occurred due to weak internal controls.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

AIR Para No. 17 &18 /2015-16

1.3.1.3 Non-compliance with Local Govt Act 2013, Rules of Business 2015 & Budget Rules 2016

According to Local Government Act 2013 Section 37(4) Every Nazim, district council and tehsil council shall appoint an Internal Auditor as principal support person for provision of information to him and members of the respective local council on fiscal performance of the local government. Section 39 of the Act describes that every Nazim shall, on assumption of his office and thereafter, once in every year on a date fixed by him, take physical stock of movable and immovable properties of the local government and present a report to the local council .

According to Rules of Business 2015 schedule-I to fail shall prepare financial statements and present them for internal and external audit in the manner as may be prescribed; And as per Budget Rule 2016 Section (4) The TO (Finance) shall develop fiscal forecasts for 3 years on fiscal space and expenditure requirements based on the identified needs and priorities and firm up the indicative budgetary ceilings for both current and development budget to form integral part of the BCC and ADP guidelines.{See Rule 3 (2)}. As per instructions / requirements laid down in Schedule 1 of the Khyber Pakhtunkhwa Tehsil and Town Municipal Administration Rules of Business 2015 the Finance Office shall “prepare financial statement and present them for internal and external audit”.

During the scrutiny of accounts record of TMO Charsadda for the financial year 2015-16 it was Audit observed the following non-compliance of rules.

1. Internal Auditor has not been appointed.
2. The annual stock verification Report of moveable immoveable property/stock has not been prepared for submission to local council.
3. Financial Statement has not been prepared for internal and external audit.
4. The 03 years fiscal forecast has not been prepared as required under Budget Rules 2016.
5. Monthly progress report of the developmental schemes were not prepared.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, 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. 25/2015-16

1.3.2 Internal Control Weaknesses

1.3.2.1 Irregular/unauthorized drawl of Pay and Allowances - Rs 21.321 million

According to para 4.6.3.1 of Accounting Policies and Procedure Manual, 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. This is the most secure and economical method of payment and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by cheque or cash, against risks of theft or fraud.

TMO Tangi paid Rs 21,320,640 to the employees on account of pay & allowances on cash basis instead of direct credit system during 2015-16. Moreover, acknowledgement was not obtained from any employee, violating government instructions as per detailed attached.

S.No	Particular	Amount (Rs)
1	Pay of TMA Nazim	754,085
2	Pay of TMA Naib Nazim	16,866
3	Pay of TMA TMO	4,976,962
4	Pay of TMA TOF	634,454
5	Pay of TMA TOR	3,222,721
6	Pay of TMA Eng	10,906,380
7	Pay of TMA Women	709,172
	Total	21,320,640

The irregularity occurred due weak financial control.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

Audit recommends the pay and allowances be credited to bank accounts of employees without further delay.

AIR Para No. 13/2015-16

1.3.2.2 Non-recovery of outstanding dues -Rs 8.292 million

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

TMO Tangi failed to recover Rs 8,292,283 outstanding on account of water user charges and rent of shops accumulated upto June 2016. Details are as under:-

(Amount in Rs)

S.No	Particular	Receipts to be recovered	Recovery	Outstanding Amount
1	Water Rates	10,396,200	2,700,500	7,695,700
2	Rent of Shops	685,343	88,860	596,583
Total		11,081,543	2,789,360	8,292,283

Non-recovery of outstanding dues occurred due to weak internal controls.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

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

AIR Para No. 14/2015-16

1.3.2.3 Non-recovery of staff emoluments working with the contractors

According to para-28 to 31 of Model Terms And Conditions for the contracts of Cattle Fair, Bus Stand, 2% tax on immovable property and other contracts for the year 2015-16 at the time of execution of agreement with the contractors the name and designation of the staff to be attached for working with the contractor be clearly mentioned. The contractor shall be bound to pay all the

expenses including pay, leave salary, pension contribution to the employees etc of such employee/employees along with other valid charges and stationery /forms.

TMA Tangi during the financial year 2015-16, awarded the contracts of “Cattle fare Hari Chand” and “2% of Property Tax” etc to contractors but neither the names and designations of the staff attached for working with the contractors mentioned in the agreement nor any pay of the staff and other charges recovered from the contractors. Therefore the loss in millions of rupees was sustained due to suspected collusion of TMA and contractors in violation of Government orders.

Non-recovery of staff emoluments working with the contractors occurred due to weak internal control.

The irregularity was pointed out to management to in April 2017, management stated that there is no such clause in the terms and condition/ agreement deed of the above mentioned contracts, therefore the recovery of pay etc. has been included in the bid amount of these contracts are enhanced accordingly. Reply was not acceptable as the staff emoluments were not recovered from the concerned contractors. Request for convening DAC meeting was made in April 2017, which could not be convened till finalization of this report.

Audit recommends recovery of pay and allowances of the staff working with contractors and action against the person(s) at fault.

AIR Para No. 19/2015-16

1.3.2.4 Less-realization of balance funds from defunct District Council -Rs 1.294 million

According to minutes of the meeting regarding distribution of balance funds of defunct District Council Charsadda headed by the Deputy Commissioner Charsadda and Endorsement No. 2722-26 dated 11/3/2016, TMA Charsadda will receive Rs.7,887,347 from the balance funds of defunct District Council Charsadda.

Record of the TMO Tangi for the Financial Year 2015-16 revealed that TMA Tangi had to receive Rs. 7,887,347 from the defunct District Council Charsadda. However, as per Income and Expenditure Statement an amount of Rs. 6,593,721 was received resulting in less realization of Rs 1,293,626.

Less receipt of share occurred due to weak internal controls.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

Audit recommends for the realization of balance funds from the defunct District Council.

AIR Para No. 23/2015-16

TMA SHABQADAR

1.4 Audit Paras of TMA Shabqadar

1.4.1 Misappropriation/Fraud

1.4.1.1 Fraudulent tender process and unauthorized expenditure - Rs 3.00 million

According to Rule 30 of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders.

During audit of record of TMO Shabqadar for 2015-16 it was observed that a work “Rehabilitation/Construction of Janazagah at Gonda Shabqadar” with estimated cost of Rs 3,000,000 was tendered on 1st July, 2015. An amount of Rs 2,999,75 was paid in final bill. Following irregularities were noticed:

1. The BOQs/bids were not signed by the contractors.
2. The rate in bid of two contractors M/S Muhammad Karim and M/S Raees Khan were written with same handwriting and pen.
3. The TS was shown given by Superintendent Engineer C&W circle Peshawar on 02.08.2015 for seven items of work costing Rs 1,891,832. However, nineteen (19) items of work were included in the bid forms which indicate that either the TS was fake or the quantity of items of work were irregularly enhanced in tender. The scheme was shown completed by executing nine (09) items of works of Rs 2,999,745. Hence the expenditure was in excess for Rs 1,107,906 (2,999,745-1,891,832) which was 58.56% above the TS amount.
4. Work order was issued on 15.07.2015 with completion time of three months. The final bill was paid on 25.05.2016 without late penalty of Rs 300,000 (3,000,000*10/100). Completion report was not on record.
5. The contractor was paid Rs 1,170,376 up to 2nd running bill in advance and fake measurement was shown in MB # 29 page 23-30 as fresh measurement was carried out for 3rd running bill on page 86-99 of the same MB instead of carrying forward the quantities of 2nd running bill.

6. Very nominal work of bricks work 15.57 was paid in the final bill which indicates that the work was left incomplete by the contractor.

The irregularity occurred due to weak internal controls.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

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

AIR Para No. 03 / 2015-16

1.4.1.2 Fraudulent award of contract - Rs 1.500 million

According to Rule 30 of KPPRA Rules-2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders in accordance with section 22 of the Act.

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

TMO Shabqadar awarded the contracts of “Sanitation scheme Daman, Battagram” funded under 30% PFC and “Sanitation scheme at Bacha Ghari, Battagram” during the year 2015-16. The estimated cost of the schemes was Rs 1,000,000 and Rs 500,000 respectively. Audit has the following observation:

1. The rates and amount in the work “Sanitation scheme Daman, Battagram” offered by M/S Rais Khan and Wajid Ali were manipulated and enhanced from Rs 757,500 to Rs 1,757,500 and Rs 737,000 to Rs 1,037,000. Details given at **Annex-10 (1)**.

2. The rates and amount in the work “Sanitation scheme at Bacha Ghari, Battagram“ offered by M/S Wajid Ali were manipulated and enhanced from Rs 427,200 to Rs 627,200. **Detail given at Annex-10(2).**
3. To favor the choice contractor, the lowest bid of a contractor was manipulated and the contract was awarded to a higher bidder by showing him as lowest, the government sustained loss of Rs 262,995 (999,995 – 737,000) and Rs 72,799 (499,995 – 427,200) respectively.
4. The rates and amount of each item given by M/S Habib Ullahin the scheme “Sanitation scheme Daman, Battagram” as per BOQ quantity did not match each other.
5. The tender form of the contractor was not signed by the TMO or his representative.
6. Rates were not given in the tender form neither in the words nor in figure.

The irregularity was pointed out to management in April 2017, management stated that no manipulation was made in the tender process. The rates were offered by the contractor duly signed. However, if there is any miscalculation it is on the part of contractor. Reply was evasive as manipulation has been carried out in the BOQ of the contractor. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

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

AIR Para No. 41 /2015-16

1.4.1.3 Fraudulently tendering – Rs 1.00 million and loss of Rs 178,000

According to Rule 30 of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders.

TMO Shabqadar during 2015-16 awarded the contract of “Sanitation scheme at Chora Khel Battagram” out of 30% PFC share. Audit observed that the lowest bidder was M/S Wajid Ali with the bid cost of Rs 821,820. However, his rates were manipulated and his bid was enhanced in the comparative statement to Rs 1,021,820 to award the contract to the choice contractor. Furthermore, manipulation was also made in the BOQ of M/S Rais Khan and Habib Ullah and their rates were enhanced from Rs 878,190 to Rs 8,678,100 and Rs 1,141,149 to Rs 1,165,149 respectively and in the comparative statement their rates were again manipulated to Rs 1,219,690 and 1,051,849 respectively. Resultantly, the lowest contractor was shown on higher side and the work was awarded to M/S Naveed Khan with bid cost of Rs 999,994. Resultantly, government was put into loss of Rs 178,174 (999,994 -821,820). Details given at **Annex-11**.

The irregularity was pointed out to management in April 2017, management stated that no manipulation was made in the tender process. The rates were offered by the contractor duly signed. However, if there is any miscalculation it is on the part of contractor. Reply was evasive as manipulation was occurred in the BOQ of the contractor. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends inquiry into the matter besides fixing responsibility.

AIR Para No. 42/2015-16

1.4.2 Irregularity& non-compliance

1.4.2.1 Irregular and doubtful payment to project leader-Rs 3.00 million

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

According to Chapter-III (1) of KPPRA Rules “Save as otherwise provided hereinafter and subject to the provisions of rule 10, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs. 100,000 rupees one hundred thousand.

During audit of record of TMO Shabqadar for 2015-16 it was observed that Rs 3,000,000 paid to a project leader showing sanitation schemes at Sarekh Phase-I, II and Phase-III (Rs 1,000,000 for each phase) funded by CMD 2012-13. Following irregularities were noticed:

1. The project leader filed a case in the court of Civil Judge/Judicial Magistrate-V Charsadda stating the works were completed by them. The court decided the case on the basis of affidavits submitted by the legal advisor of the TMA duly verified by defendant No.1 (the management of TMA). The Secretary Local Council (defendant No.2) did not appear in the court despite summoned consequently and ex-parte decision was taken by the court in favor of project leaders subject to fulfillment of all codal formalities on 07-05-2015. It is worth mentioning here that Mr. Muhammad Hayat Khan Legal Advisor was paid Rs 120,000 by TMA on account of Legal charges during the year.
2. The site of schemes were changed after 12.10.2015 as evident from the note sheet of files and application of project leaders dated 08.10.2015 which indicate that the works were not executed at the time of appeal and court decision. However, in the appeal of project leaders it was stated that the works of Rs 3.00 million were carried out by them at Chora Khel,,

Battagram at their own cost which was totally wrong and baseless. Hence fake evidences were verified by the management of TMA and presented in the Honorable court for undue favor to project leaders.

3. The schemes were approved for Chora Khel, Dherakai and Battagram Phase-I, II and Phase III for Rs 1,000,000 for each phase in DDC meeting. However the site of schemes were irregularly changed by the local office from Chora Khel, Dherakai and Battagram to Sarekh without approval of competent forum i.e. DDC.
4. Three project leaders were nominated for three phases of work and were also petitioners in the court case. However payment was made to a single person Mr. Anwar Khan.
5. The works were carried out without adopting open tender system which was violation of KPPRA rules and non-compliance of court decision i.e. “fulfillment of codal formalities”.

The irregularity occurred due to weak internal controls.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days. Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

Audit recommends detail investigation under intimation to audit.

AIR Para No. 02/ 2015-16

1.4.2.2 Defective budgeting due to non-showing of receivable in revised budget-Rs 3.106, Un authentic income statement of Rs 2.260 million, Excess payment of Pool fund to LCB-Rs 125,885

According to Clause-34 (5) of Khyber Pakhtunkhwa Local Government Act, 2013, Before the commencement of a financial year each local government shall, for its Fund, prepare in the prescribed manner, a budget for that year.

According to clause-22 sub clause-S of Khyber Pakhtunkhwa Local Government Act, 2013, one of the major functions of Tehsil Municipal Administration is to prepare financial statements and present them for audit.

The income and expenditure statements of TMO Shabqadar for the financial year 2015-16 did not show true and fair view of the accounts due to following shortcomings:

1. An amount of Rs 3,106,320 (Rs 516,000 principal amount + Rs 2,590,320 penalty) was outstanding against contractor of cattle fare for 2014-15. However, no outstanding amount against contractors was shown under the head "target for arrears" even in the revised budget for 2015-16.
2. Octroi share of Rs 10,128,000 was released by the Provincial Government but Rs 9,572,584 was shown in income statement for 2015-16.
3. The pool fund of Rs 125,885 was paid in excess. The own source revenue of TMA for 2015-16 was Rs 38,863,710 and 2% pool fund was required to be paid Rs 777,271. However, Rs 903,160 was paid to LCB.
4. An amounting of Rs 2,260,352 as 2% pool fund including arrears for 2014-15 was paid to LCB vide cheque No. A184167 dated 28-01-2017. However, the amount was not shown in expenditure statement for 2015-16.
5. The outstanding pool fund for 2014-15 Rs 1,357,192 (2,260,352-903,160) paid during 2015-16 was not shown as liability/outstanding against TMA, in the revised budget 2015-16.

The irregularity was pointed out to management in April 2017, management replied that arrears of cattle fair was not included in the budget as per Government policy but the form of head of target for arrears was not incorporated in the budget unintentionally. In future the form of arrears will be incorporated as per budget rules.

The amount of octroi share Rs 12,128,000 was lying in PLA against which Rs 9,572,584 was transferred to general account for payment of salary. Rs 555,000 kept in PLA was not included as income of own source.

The payment of 2% pool fund applicable on own source and octroi share and not excess paid to LCB. The amount of Rs 226,352 was released from PLA and not included in the expenditure statement of Tehsil local fund. The reply was not convincing. The expenditure and receipts statements provided to audit include both from own source as well as from PLA.

Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends corrective action.

AIR Para No. 07 /2015-16

1.4.2.3 Loss to Government due to mismanagement of contract of Rs 0.504 million

According to clause-41 of Khyber Pakhtunkhwa Local Government Act, 2013, every official or servant of a local government, every member of a local council, and every person charged with administration and management of property of a local government shall be personally responsible for any loss or waste, financial or otherwise, of any property belonging to a local government which is a direct consequence of decisions made by him personally or under his directions in violation of this Act or any other law for the time being in force or which accrues as a result of his negligence or misconduct, and shall be liable to pay such surcharge as may be determined by the respective Accounts Committee and such amount shall be recoverable as arrears of land revenue.

TMO Shabqadar for the year 2015-16 awarded a contract "Cattle fair" at Rs 3,405,000 to the contractor Mr. Muhammad Khan for nine months w.e.f. 01.10.2015 to 30.06.2016. The contractor intimated the management of TMA on 26.10.2015 about the damaged boundary wall of the cattle fair and on 12-04-2016 about the illegal cattle fairs in the jurisdiction of TMA Shabqadar. It is worth mentioning that land of cattle fair was taken on lease from a land owner and during 2015-16 an amounting of Rs 686,296 paid as lease amount to land owner. Details are as under:

Period	Calculation	Amount (Rs)
7/2015 to 1/2016	658,845/12*7	384,326
2/2016 to 6/2016	724,729/12*5	301,970
Total		686,296

The local office neither taken concrete action for restoration of boundary wall thorough land owner nor against the illegal cattle fairs. Resultantly the contractor becomes defaulter and loss of Rs 504,000 was sustained to TMA.

The loss occurred due to negligence of management.

The irregularity was pointed out to management in April 2017, management replied that notice was issued to land owner and he repaired the boundary wall at that time. The illegal cattle fair is in UC Matta Mughul khel which is adjacent to tribal area and council facing hardship to bring it into the tax net of TMA. However, the TMA trying its best. Reply was not convincing. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends detail inquiry into the matter under intimation to audit.

AP No 08/2015-16

1.4.2.4 Irregular and doubtful expenditure on transformers -Rs 1.00 million

According to the Abridge Condition under the WAPDA Act, 1958, printed on every application form of electricity service connection, before any electrical wiring or energy consuming apparatus is connected to the authorities mains, the same shall be subject to inspection and testing by the authority and the whole of the service line, together with any wire meters and other apparatus installed on the premises of the consumer shall be property of the Authority. Moreover the consumer shall be solely responsible for and shall pay for any loss of or damage to any electric supply lines, main fuses meters and /or other apparatus belonging to the authority on the consumer premises whether caused maliciously or through culpable negligence or default on the part of the consumer or any of his employees or whether arising out, theft or any other cause beyond

the control of the authority, always accepting reasonable wear and tear and loss or damages.

According to Chapter-III (1) of KPPRA Rules “Save as otherwise provided hereinafter and subject to the provisions of rule 10, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs. 100,000 rupees one hundred thousand.

The accounts of TMO, Shabqadar for the year 2015-16 revealed that Rs 1,000,000 out of PFC fund was shown spent on the repair and maintenance of WAPDA transformers installed in various locations of UC Battagram Shabqadar through M/S Raees Khan. Audit has the following observations on the expenditure:

1. The responsibility of repair work of transformers rests with WAPDA
2. The repair work was executed and supervised by the non-technical staff of TMA hence substandard work and wastage of Government money could not be ruled out.
3. The contractor was not specialized in the relevant category i.e (EE 05 high voltage installation) work as per license/ registration with PEC.
4. NOCs proformas for repair of transformers issued to PHE Division were placed in file considering NOC to TMA Shabqadar which was dubious and need detail investigation.
5. The tendering process was not transparent as the bid of M/S Habib Ullah was in file but not included in comparative statement.

Audit held that expenditure was irregular and doubtful. Moreover, chance of misappropriation could not be ruled out.

The irregularity was occurred due to weak internal control.

The irregularity was pointed out to management in March 2017, management stated that detailed reply would be submitted within seven days.

Request for convening DAC meeting was made in March 2017, however, DAC meeting could not be convened till finalization of this report.

Audit recommends detail inquiry into the matter under intimation to audit.

AIR Para No. 13/2015-16

1.4.2.5 Non-compliance with Local Govt. Act 2013, Rules of Business 2015 & Budget Rules 2016

According to section 37(4) of Local Government Act 2013, every Nazim, district council and tehsil council shall appoint an Internal Auditor

According to section 39 of Local Government Act 2013, every Nazim shall, once in every year on a date fixed by him, take physical stock of movable and immovable properties

According to clause 1 (e) of section 23 of Local Government Act 2013, Nazim will prepare and present report on the performance of municipal administration in tehsil council at least twice a year. According to schedule-I of Rules of Business 2015, Finance section shall prepare financial statements.

According to section (4) of Budget Rule 2016, the TO (finance) shall develop fiscal forecasts for 3 years. {See Rule 3 (2)} As per instructions / requirements laid down in Schedule 1 of the Khyber Pakhtunkhwa Tehsil and Town Municipal Administration Rules of Business 2015 the Finance Office shall “prepare financial statement and present them for internal and external audit”

During the scrutiny of accounts record of TMO Shabqadar for the financial year 2015-16, it was observed that the Act and rules were not complied with due to following shortcomings.

1. Internal Auditor has not been appointed.
2. The annual stock verification, report of moveable, immoveable property/stock has not been prepared for submission to local council.
3. Performance report has not been prepared.
4. Financial Statement has not been prepared for internal and external audit.

5. The 03 years fiscal forecast has not been prepared as required under Budget Rules 2016.

The irregularity was pointed out to management in April 2017, management stated that as per non-compliance of Local Govt. Act still the resident audit director working in all TMAs of KPK and efforts are continue at provincial level and AG office constituted a committee Provincial Govt. to introduce SAP programme for TMAs and still waiting for the discussion. Para may please be dropped.

Reply was not convincing as Local government Act and Rules were not complied with. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

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

AIR Para No. 26/2015-16

1.4.2.6 Non-deposit of Taxes - Rs 3.884

According to Para 8 of GFR Vol-I, it is the duty of the Revenue or Administrative Department concerned to see that the dues of Government are correctly and promptly assessed collected and paid into the treasury.

Para 28 of GFR Vol-I states that no amount due to Government should be left outstanding without sufficient reason.

According to Inland Revenue Officer, FBR Peshawar letter No. 17 dated 30.07.2015, Sales tax from non-registered sales tax supplier @ 17% and registered sales tax supplier @ 1/5th of the sales tax amount.

TMO Shabqadar deducted income tax amounting to Rs 4,712,971 from the contractor bills during the year 2015-16. However, an amount of Rs 1,196,717 was sent to Assistant Commissioner, Income Tax vide cheque No. A184159 dated 26.01.2016 and the remaining amount of Rs 3,516,254 was not deposited into treasury. Moreover, professional tax and stamp duty amounting to

Rs 125,000 and 112,200 respectively were deducted from the contractor bills but not deposited to treasury. Details given in **Annex-12 (1)**.

Furthermore, TMA Shabqadar awarded the contract of “Repair work and supply of furniture at tehsil Shabqadar Bar” and “Repair and renovation of Nazim and Naib Nazim Office at TMA Shabqadar” to contractors. It was, however, observed that sales tax Rs 96,200 and stamp duty Rs 6,625 were not deducted on supply of furniture which resulting into loss to the Government. Details given at **Annex-12 (2)**.

The irregularity was pointed out to management in April 2017, it was relied that reply would be provided after the verification of the record. Para may please be dropped. Reply was not acceptable as the taxes were not deposited into Government treasury. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends deposit of all taxes immediately into government treasury.

AIR Para No. 33 & 34/2015-16

1.4.2.7 Fictitious tender process and Irregular award of work and execution without technical sanction – Rs 14.00 million, non-imposition of penalty - Rs 1.4 million

According Para 56 of CPWA code and Para 178 of GFR Vol-I provides that no works can be started/executed without administrative approval and technical sanction.

According to the Terms and Conditions of the NIT read with Finance Department KP letter No. SO (FR)FD/9-7/2011/Vol-II dated 05.11.2014 states that if the bidder cost is more than 10% below the Engineer Estimate, the bidder shall provide bank guarantee as additional security within 14 days equal to the amount of the difference of the quoted bid and the Engineer Estimate to firm up the bid. These guarantees will be discharged on the expiry of the defect liability period of the contracts.

Clause 2 of the standard contract agreement requires that penalty of 1% per day and up to maximum of 10% of the estimated cost may be imposed for delay in completion of work.

TMO Shabqadar awarded the contract of “Improvement of Drainage Sewerage system, desalting of drains and Construction of Dust bins at Tehsil Shabqadar” during 2015-16. The estimated cost of the scheme was Rs 14,000,000 against which the contractor bid cost of Rs 11,900,000 was accepted.

The following irregularities were noticed:

1. PC-I of the scheme was not available.
2. Technical sanction of the scheme was not awarded.
3. Eight contractors participated in the bidding process out of which seven contractors were shown in the comparative statement and the one whose name was not shown in the comparative statement his BOQ was missing from the Tender form
4. One of the contractor participated in the bidding submitted three bids (two in original and one in duplicate) bearing the same tender No. but different rates in the BOQ with different signatures in two BOQs and one without signature and was allowed in the tender process and shown in the comparative statement with different amounts.
5. Additional security amounting to Rs 2,100,000 (14,000,000 – 11,900,000) was not deposited by the successful bidder but work order was issued to him.
6. The work order of the scheme was issued on 01.02.2016 to be completed upto 6 months. However, the work was still in progress despite lapse of 13 months. The management failed to impose penalty of Rs 1,400,000 @ 10%. of the estimated cost.
7. Standard bidding documents were not used in bidding process whereas agreement was made on stamp paper.
8. 8% security from the contractor bill upto 4th running bill amounting to Rs 323,974 was not deducted as required under the rules as per detail given below:

S.No.	Bill No	Bill amount (Rs)	8% security not deducted (Rs)
1	1 st Running Bill	1,573,793	125,903
2	2 nd Running Bill	669,025	53,522
3	3 rd Running Bill	747,605	59,808
4	4 th Running Bill	1,059,265	84,741
Total			323,974

The irregularity was pointed out to management in April 2017, it was replied that (1) the work has been completed in stipulated period and some Dust Bin Remaining in various Union Councils. Delay concern Union Council member not cooperative. (2) Final payment not yet been paid without Technical sanction. Concern paper has been sent to the Chief Engineer, Local Council Board for technical sanction. (3) The Form has signed by the contractor and will be shown to next audit party. Department admitted the irregularity. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends for inquiry into the matter besides recovery of penalty.

AIR Para No. 38/2015-16

1.4.2.8 Doubtful tendering process– Rs 1.400 million and non-imposition of penalty – Rs 0.140 million

According to Rule 30 of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders.

TMO Shabqadar awarded the contract of “Petty repair and installation of filtration plant in jurisdiction of TMA Shabqadar” to a contractor during the year 2015-16. The following irregularities were observed:

1. PC-I and estimates of the scheme were not signed by the Sub-Engineer, TMO and Tehsil Nazim.

2. 05 contractors were shown participated in the tendering process. However, except the BOQ of the successful bidder, none of the BOQs were signed by Sub-Engineer, TO(I) and TMO.
3. The signatures of M/S F.R. & Sons contractor varies with signatures in tender forms and BOQs of other schemes.
4. Work order of the scheme was issued on 06.11.2015 to be completed in 2 months but the work was completed in June, 2016. Thus penalty of 10% of the estimated cost amounting to Rs 140,000 was not recovered.
5. Sales tax amounting to Rs 8,718 was not deducted as detail given below:

The irregularity was pointed out to management in April 2017, it was replied that in response to **para-1, 2,3** instructions noted for future compliance. **Para-4**. The work was completed in due course of time. However, final bill was withheld for physical check by Nazim etc. **Para-5** work is M&R nature and sales tax is not required. Reply was not correct as sales tax is applicable on purchase items. And the signature of one of the contractor varies with the signature in other schemes. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends for inquiry into the matter and recovery of sales tax.

AIR Para No. 40/2015-16

1.4.2.9 Non-transparent tender process and irregular expenditure - Rs 2.00 million

According to Chapter-III (1) of KPPRA Rules “Save as otherwise provided hereinafter and subject to the provisions of rule 10, the procuring entity shall use open competitive bidding as the principal method of procurement for the procurement of goods over the value of Rs. 100,000 rupees one hundred thousand.

According to the Abridge Condition under the WAPDA Act, 1958, printed on every application form of electricity service connection, before any electrical wiring or energy consuming apparatus is connected to the authorities mains, the same shall be subject to inspection and testing by the authority and the whole of the service line, together with any wire meters and other apparatus installed on the premises of the consumer shall be property of the Authority. Moreover the consumer shall be solely responsible for and shall pay for any loss of or damage to any electric supply lines, main fuses meters and /or other apparatus belonging to the authority on the consumer premises whether caused maliciously or through culpable negligence or default on the part of the consumer or any of his employees or whether arising out, theft or any other cause beyond the control of the authority, always accepting reasonable wear and tear and loss or damages.

TMO Shabqadar tendered a work “Repair of WAPDA transformers in PK-21” during 2015-16 funded by CM Directives (priority project). The tender process was not transparent and expenditure was irregular due to following observations:

1. There were 21 contractors shown participated in tender. However tender forms and bid of majority contractors were unsigned.
2. The signature in the tender form and bid form of majority contractors did not tally each others which indicate that original bids were replaced and manipulated in the office.
3. The bid of M/S Danish Malik & Co and M/S Naveed Khan was not included in the comparative statement.
4. The tender forms were not signed by the tender committee. Moreover, majority tender form and bid form of contractors were written with different pen.
5. The responsibility of repair work of transformers rests with WAPDA
6. The repair work was executed and supervised by the non-technical department, i.e. TMA and non-technical staff of said office hence substandard work and wastage of Government money could not be ruled out.

7. The contractor was not specialized in the relevant category of registration with PEC.
8. Neither party name nor date was mentioned in the contract agreement.
9. The original newspapers of tender were not available on record.
10. NOC forms were not signed by the MPA PK-21. The forms were signed on behalf of MPA by unknown person.

Audit held that expenditure was irregular and doubtful. Moreover, chance of misappropriation could not be ruled out.

The irregularity was occurred due to weak internal control.

The irregularity was pointed out to management in April, 2017 management replied that point 1-4 noted for compliance. For point 5-7, fund was provided by the Provincial Government under CMD. The TMA staff was competent enough to execute and the contractor was enlisted in relevant category by PEC and tender were downloaded from website. For the point 8-10, the record could be verified in office. The reply was not convincing and evasive. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit suggests that all repair of WAPDA transformers work in the Tehsil should be investigated through technical hands and detailed enquiry into the matter.

AIR Para No. 17/2015-16

1.4.3 Internal Control Weaknesses

1.4.3.1 Non-recovery of income tax and bid amount from highest bidders– Rs 5.626 million

According to Sections 236 A of the income tax ordinance 2001 income tax @ 10% may be collected from the successful bidders of the contracts of auction.

As per NIT the bid amount/premium was required to be deposited @ 25% on the spot and 75% within 15 days of auction by successful bidders.

The TMO Shabqadar auctioned shops and awarded to various contractor/lassoers during 2014-15 and 2015-16. Audit observed that:

1. Income tax Rs 3,788,350 and bid amount of Rs 1,837,750 was outstanding against the bidders till date of audit i.e. 07.04.2017.
2. neither written agreements were signed with the successful bidders nor condition of advance income tax was included in NIT. Resultantly the bidders refused to pay the income tax for last three years
3. loopholes in the NIT and contract management put the TMA into unnecessary litigation as the bidders have filed a petition in the civil court Charsadda against the TMA for waving off the 10% income tax and the matter was still sub-judice. Details given at **Annex-13**.

Non recovery of income tax and bid amount occurred due to weak contract management.

The irregularity was pointed out to management in April 2017, management replied that before the auction the bidders were informed about the terms and conditions of the plaza and income tax @ 10%. When notice issued to bidders for income tax they challenged the matter in the court of law and decision is awaited. The reply was evasive as no such terms and conditions in black and white were available on record. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends detail inquiry into the matter for fixing responsibility on the person (s) at fault besides immediate recovery of income tax and bid arrears.

AIR Para No. 04/2015-16

1.4.3.2 Non utilization of TMA land due to weak asset management, negligence of management and blockage of Government money—Rs 4.789 million

According to clause-41 of Khyber Pakhtunkhwa Local Government Act, 2013, every official or servant of a local government, every member of a local council, and every person charged with administration and management of property of a local government shall be personally responsible for any loss or waste, financial or otherwise, of any property belonging to a local government which is a direct consequence of decisions made by him personally or under his directions in violation of this Act or any other law for the time being in force or which accrues as a result of his negligence or misconduct, and shall be liable to pay such surcharge as may be determined by the respective Accounts Committee and such amount shall be recoverable as arrears of land revenue.

During the audit of the TMO Shabqadar for the financial year 2015-16, it was observed that slaughter house of 13 marla constructed in the residential area was closed since 2012. An amount of Rs 4.789 million was spent on acquisition of land in June 2012 for slaughter house in another place outside the residential area. The local office failed to construct the slaughter house till date of audit 10.04.2017. Resultantly receipts were not realized and community was got deprived of the facility of the slaughter house for the last 5 years.

Moreover, old area of the slaughter house (being commercial area) could be utilized for commercial purposes and revenue could be generated for TMA. Sincere efforts need to make to construct the new slaughter house as well as to utilize the old plot for commercial purposes.

The lapse was occurred due to negligence and weak asset management.

The irregularity was pointed out to management in April 2017, management replied that several letter have been issued to LCB for according sanction for auctioning of old building of slaughter house and to utilize the plot for other commercial purposes. The reply was not convincing as no evidence was provided. Further immediate corrective measures needed in the interest of TMA and Government. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends concrete efforts in the matter besides action against the person (s) at fault.

AIR Para No. 05/2015-16

1.4.3.3 Poor performance in recovery of own source revenue-Rs 0.568 million

According to clause-22 sub clause-K of Khyber Pakhtunkhwa Local Government Act, 2013, function of Tehsil Municipal Administration is to “collect taxes, fines and penalties.

During the audit of the TMO Shabqadar for the financial year 2015-16, it was observed that a contract Map fee was tendered for ten months during 2015-16. The highest offer was Rs 800,000 by a contractor however, the Provincial Government directed to collect the Map fee departmentally and to stop the collection through private contractors. The local office departmentally collected Rs 399,014 during the year which was less than the contractor bid abnormally. The low/less recovery of revenue for Rs 400,986 (800,000-399,014) and abnormal deviation from the contractor bid showed the poor performance and inefficiency of the local office in collection of taxes. Moreover misappropriation could not be ruled out.

Similarly, the target receipts of Tanga stand was Rs 450,000 for the year. However, the local office failed to achieve the target and managed to recover of Rs 283,212 resulted less recovery of revenue of Rs 166,788.

(Amount in Rupees)

S#	Name of Contract	Recovery for 2014-15	Target for 2015-16 after 20% increase	Actual Recovery	Less Recovery
1	Tanga/Donkey Stand	375,000	450,000	283,212	166,788

The loss occurred due to negligence and poor performance in collection of taxes.

The irregularity was pointed out to management in April, 2017 management replied that the contract map fee run departmentally on the direction of Provincial Government and Rs 399,014 was recovered. The contract of Tanga stand was also run departmentally due to non-auction of the contract during the year and Rs 283,212 was collected. The poor departmental performance in recovery of taxes was admitted by the local office. Request for convening the DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends recovery from the person (s) at fault/inquiry into the matter for fixing responsibility.

AIR Para No. 06/2015-16

1.4.3.4 Unauthentic payment of Rs 3.120 million, Irregular release of security -Rs 0.249 million and non-imposition of penalty-Rs 0.333 million

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

According to Clause 1 of the work order the work should be completed up to June 2015, and Clause 2 of the Contract Agreement requires that penalty of 1% per day and up to maximum of 10% of the tender cost may be imposed for delay in completion of work.

Finance Department KP letter No. SO (FR)FD/9-7/2011/Vol-II dated 05.11.2014 states that if the bidder cost is more than 10% below the Engineer Estimate, the bidder shall provide bank guarantee as additional security within 14 days equal to the amount of the difference of the quoted bid and the Engineer Estimate to firm up the bid. These guarantees will be discharged on the expiry of the defect liability period of the contracts.

TMO Shabqadar during 2015-16 awarded a work “Improvement of Peshawar Road from Gharangi to Zorkanday via Madrassa” to a contractor on 16.03.2015 with the stipulated time of completion on 30.06.2015. Audit observed that:

1. An amount of Rs 3,120,226 (above the bid cost) was paid up to 3rd running bill on 07-12-2015. However, the residents of the area filed a complaint with the MPA PK-22 Charsadda on 20-12-2015 about stoppage and non-completion of work by the contractor which indicates that the bill was paid to contractor on fake measurement and before work done. The MPA referred the case to DC Charsadda for inquiry. However the inquiry was not conducted till date of audit i.e. 30-03-2017.
2. The 8% security of Rs 249,585 was released to the contractor on 20-04-2016 before inquiry and completion of work.
3. The work was not completed till date of audit i.e 30-03-2017. Hence penalty of Rs 332,600 @ 10% on the estimated cost of Rs 3,326,000 needs to be recovered from the contractor.
4. The PC-I and BOQ was based on nine (09) items of works but up to 3rd running bill nineteen (19) items of works were paid to contractor which indicates inefficiency of technical staff in preparation of BOQ/payment of bill.

The irregularity occurred due to weak internal controls.

The irregularity was pointed out to management in April, 2017, management did not reply. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

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

AIR Para No. 12/2015-16

1.4.3.5 Non utilization of Developmental Fund worth—Rs 24.383 million

Para 66 of the General Financial Rules Volume 1 lays down that all estimates of revenue and expenditure included in the budget are for the financial year.

The PLA cash book of TMO Shabqadar revealed that developmental fund on account of 30% PFC share of Rs 62,261,728 was available to be spent on developmental works during 2015-16 however, only Rs 37,879,043 were spent and the balance amount of Rs 24,382,685 remained unutilized. Detail below:

(Amount in Rupees)

O/ Balance	Receipts	Total Fund Available	Expenditure	Balance
5,453,728	56,808,000	62,261,728	37,879,043	24,382,685

Moreover, CMD fund of Rs 10.00 million was released to TMA on 13.06.2016 for repair of transformers which was kept in PLA account for more than seven months and returned to DC Charsadda on 30-01-2017.

The lapse was occurred due to lack of internal check over dealing hands.

The irregularity was pointed out to management in April 2017, management replied that the amount was not utilized due to saving against the schemes of Rs 12.600 million. The remaining amount was the fund of incomplete schemes under PFC. the CMD fund Rs 10.00 million was released in June, 2015 and was returned on the direction of DC to execute the work of repair through WAPDA. The non-utilization of balance amount and un necessary blockage of CMD fund was admitted by the local office. Request for convening DAC meeting

was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends justification/action against the person (s) at fault.

AIR Para No. 14/2015-16

1.4.3.6 Loss of Rs 2.530 million due to retendering of the contract of Cattle Fair

According to para 26 of the Model terms and conditions of contract of receipts for the year 2015-16 issued by the Local Council Board, Government of Khyber Pakhtunkhwa letter No. AO-II/LCB/6-11/2013 dated 01.06.2015, contract once awarded to a party shall not be subletted to any other party, if original contractor is not interested to continue then contract shall be cancelled and re-auctioned at his risk and cost.

The contract of the Cattle Fair, Shabqadar for a period of 11 months auctioned by the TMO Shabqadar on 29.07.2016 for the Financial Year 2015-16. Four participants offered their rates as detailed below:

S N	Name of contractors	Bid amount Rs
1	Muhammad Khan	5,705,000
2	Muhammad Ajmal	5,000,000
3	Haji Habib Ullah	4,120,000
4	Nasir Khan	5,745,000

The highest rate offered by Mr. Nasir Khan was sent for approval to the competent authority vide No. 945 /MC/SQR dated 03.08.2016 and the contractor was issued notice to deposit 30% additional security vide letter No. 935/MC/SQR/MOR dated 30.07.2015, No. 976 dated 10.08.2016 and No. 1015 dated 19.08.2015. However, the contractor did not deposit the additional security and his contract was cancelled in light of notice issued vide No. 1015 dated 19.08.2015

The contract was required to be awarded to the second lowest bidder at serial No. 1 at a bid cost of Rs 5,705,000 which was not done and contract was retendered on 12.09.2015 and awarded to M/S Muhammad Khan contractor for 9 months at a bid cost of Rs 3,405,000 which resulted in loss of Rs 2,530,000 as detailed below:

	Amount (Rs)
Bid auction of the 2 nd lowest bidder (A)	5,705,000
Income tax of the 2 nd lowest bidder (B)	570,500
Total amount of receipt to be (C=A+B)	6,275,500
Bid auction of retendered bid (D)	3,405,000
Income tax of retendered bid (E)	340,500
Total amount of auctioned amount (F=C+D)	3,745,500
Loss / less realization due to re-tendered (C-F)	2,530,000

The irregularity was pointed out to management in April 2017, it was replied that the contract of Cattle fair was approved by the Administrator TMA Shabqadar but the contractor not deposited the security and his advance call deposit of Rs 210,000 was forfeited in favor of TMA Shabqadar and the contract was re-auctioned and there is no clause in terms and condition of the Provincial Govt. for the year 2015-16 to hand over /award the contract to the second bidder. The KPPRA Rules does not apply in the auction of cattle fair, bus stand, 2%property tax etc. the said rules is applicable on works and purchase of items. Para may please be dropped. Reply was not convincing since the original contractor has refused to deposit additional security therefore contract was required to re-auctioned at the risk and cost of the original contractor in accordance to para 26 of Model terms and conditions. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends clarification should be sought out from KPPRA regarding the applicability of KPPRA Rules 2014 on auction of receipt contract.

AIR Para No. 18/2015-16

1.4.3.7 Variation between receipt figure of two set of Accounts – Rs 7.556 million

According to LGA, 2013 section 36 the accounts of receipts and expenditure of local governments shall be kept in such form and in accordance with such principles and methods as the Auditor-General of Pakistan may prescribe.

During audit of record of TMO Shabqadar for the financial year 2015-16, it was noticed that there was a difference of Rs 7,556,307 between the receipt figure of Demand & Collection register (TOR Branch) and Income & Expenditure Statement (Accounts Branch). The receipts for the year as per DCR Rs 32,017,974 while Rs 24,469,727 was shown in income statement resulted a variation of Rs 7,556,307. Details given at **Annex-14**.

The irregularity was pointed out to management, management was replied that the actual monthly statement related with accounts branch regarding receipt income record as per cash book actual recovery and will be tally with DCR later on. Para may please be dropped. Reply was not convincing as record shows variation between two sets of accounts. Request for convening the DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends rectification of variation.

AIR Para No. 20/2015-16

1.4.3.8 Loss in millions due to non-conducting the survey for receipt tax

According to letter issued vide Local Council Board vide No. AOII/LCB/9-1/2016 dated 11.05.2016 to the TMAs in Peshawar, a proper survey report is required in order to streamline the recovery from various sources under the jurisdiction of TMAs.

TMO Shabqadar failed to conduct the survey of business / trade activities such as Petrol pumps, CNG stations, Marble / Chips factories, Ice factory, Private Hospitals, Motor Car Bargains, Shadi Halls, food / juice shops, bookshops, bakeries, restaurant, hotels, private stands, truck stand etc under the jurisdiction of TMA Shabqadar during the year 2015-16. As a result, the receipted target and realized amount could not be properly analyzed. The receipts during the year in the contract license fee was very nominal as compared to receipt potential of the Tehsil.

The irregularity was pointed out to management in April 2017, it was replied that the said letter for survey was not received to TMA Shabqadar till yet. The TMA Shabqadar already collecting taxes at the ratio of schedule which was revised in 2011-12 from Petrol Pumps, Ice Cream Factory, Private Hospitals, Juice Shops etc. and the Motor Bargain refused the TMA Tax in 2013-14. Chip Factory Shadi Hall are not present in the Shabqadar till yet. Now TMA Shabqadar revising the tax schedule which will be applicable for upcoming year 2017-18.

The Tehsil Council Shabqadar passed resolution to revise the existing tax schedule and also levy new taxes on marble factories and some other items vix Banks, Wedding Hall, UPS and Solar Agencies, Medicines Stores etc. to increase the revenue of Tehsil council. Para may therefore be dropped. Reply was not acceptable as no survey was conducted. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends survey of the trade activities to increase the revenue in the real times income generation of the TMA.

AIR Para No .21/2015-16

1.4.3.9 Irregular cash payment of Pay & Allowances – Rs 20.514 million

According to para 4.6.3.1 of Accounting Policies and Procedure Manual, 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. This is the most secure and economical method of payment and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by cheque or cash, against risks of theft or fraud.

TMO Shabqadar paid Rs 20,514,261 on account of pay & allowances to the staff through DDO open cheque instead by direct credit system through their bank account in violation of rules during the year 2015-16. Details given at **Annex-15**.

The irregularity was pointed out to management in April 2017, it was replied that after the issuance of Provincial Govt. instruction the TMA crediting the pay and allowances through their bank accounts from January, 2016 to employees accounts and compliance has already been made. Reply was evasive as no evidence in support of para provided and payment has been made in cash instead of cross cheque or direct credit system. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends stoppage of payment of pay and allowances though DDO open cheque and direct credit system be adopted as required under the rules.

AIR Para No. 27/2015-16

1.4.3.10 Poor Tendering process – Rs 8.270 million, non-deposit of additional security Rs 0.851 million and overpayment of Rs 0.185 million

According to Rule 30 of the Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014, each procuring entity shall plan its procurements with due consideration to transparency, economy, efficiency and timeliness, and shall ensure equal opportunities to all prospective bidders.

TMA, Shabqadar awarded a work “Improvement of road from Machni Road to Khair Bandi via Meer Ahmad Qilla” to a contractor. The following irregularities were noticed.

1. Rates were not given in the tender form neither in words nor in figure.
2. Six contractors were shown participated in the tender process. However, except the BOQ of the successful bidder, none of the BOQ was signed by Sub-Engineer, TO(I) , TMO and Nazim.
3. None of the tender forms were signed by the tender committee and TMO.
4. The tender form was not signed by the successful bidder.
5. Technical sanction of the scheme was obtained from C&W Division Charsadda instead of Chief Engineer of the Local Council Board.
6. Additional security amounting to Rs 850,731 was not deposited by the successful bidder.
7. The contractor was overpaid Rs 132,834 due to manipulating the rate of “Aggregate Base Course” from Rs 2,034 to Rs 2,334 in the BOQ after the tender for a quantity of 442.78 M³. Detail is as under:
- 8.

S.No.	Item	Rate paid due to manipulation in BOQ	Rate in approved BOQ	Difference of rate (Rs)	Qty paid (M ³)	Overpayment (Rs)
1.	Aggregate Base Course	2,334	2,034	300	442.78	132,834

9. The contractor was overpaid Rs 52,605 [(442.78 – 424.28) x 2334] in an item of work “Aggregate Base Course”. A quantity of 420.24 M³ was executed in the 3rd running bill at page 137 to 142 of MB 34 whereas the contractor was paid for a quantity of 442.78 M³ @ Rs 2,334 in 5th and final bill.
10. An expenditure of Rs 640,740 were incurred on the following three (e) items of work without any provision in the PC-I / BOQ as detail given below:

S.No.	Item of work	Rate (Rs)	Quantity executed	Amount (Rs)
1.	Sub-grade preparation	31.25	3763.78 M ³	117,623
2.	Filling as in Road	576	893.62 M ³	514,725
3.	RCC 9" dia	9..14	1029 M	8,392
Total				640,740

The irregularity was pointed out to management in April 2017, management did not reply. Request for convening DAC meeting was made in April 2017, which could not be conveyed till finalization of this report.

Audit recommends recovery of overpayment and inquiry into the matter as manipulation has been made in the BOQ of the contractor and award of work without submission of additional security and obtaining technical sanction from C&W Charsadda instead of Chief Engineer, LCB.

AIR Para No. 39/2015-16

ANNEXURES

Annex-1

MFDAC

(Rs in million)

S.No.	AP	Name of office	Caption of Para	Amount
1.	122	TMA Charsadda	Loss due to irregular execution of work	1.468
2.	124		Overpayment due to Uneconomical execution of work	0.461
3.	125		Appointment of sanitary workers without recruitment process and unauthorized payment of salaries	0.494
4.	140		Variation in DCR and Receipts and Expenditure statement	0.454
5.	141		Irregular Payment of advance salaries	1.316
6.	142		Unauthorized payment of salary	1.060
7.	143		Irregular award of contract of receipts	1.560
8.	145		Non obtaining additional security from bidders of contract of receipts	0.170
9.	147		Unauthorized payment on account of electricity bills	0.437
10.	152		Unauthorized expenditure on pay and pension and electricity charges out of development fund	2.679
11.	153		Overpayment due to allowing excess quantities over and above BOQ	3.972
12.	155		Irregular execution of sanitation scheme and non-imposition of penalty	1.500 & 0.150
13.	156		Irregular execution of developmental scheme	3.900
14.	230	TMA Shabqadar	Loss to TMA due to delay in award of contract	0.903
15.	238		Irregular split up of schemes to avoid sanction of higher authority and non-transparent tender process	2.500
16.	239		Non imposition of penalty and doubtful expenditure	1.581 & 0.553
17.	240		Overpayment to contractors	0.558
18.	244		Irregular appointments of staff/expenditure	0.316
19.	245		Where about the Motor Vehicle costing (approx) and misappropriation	0.400 & 0.022

20.	248		Non-recovery of outstanding receipt from the contractor and penalty	0.504 & 3.800
21.	251		Non-realization of receipt of tax	0.284
22.	252		Non-recovery of rent of shops	0.339
23.	253		Irregular collection of receipt departmentally	
24.	254		Non-Deduction of Professional Tax	0.082
25.	257		Non-recoupment of loan	0.776
26.	258		Non-recovery of advance	0.200
27.	260		Less released of fund on distribution of resources of Defunct District Council Charsadda	0.656
28.	261		Less recovery of income tax	0.963
29.	264		Less deduction of DPR	0.101
30.	265		Overpayment to contractor	0.078
31.	272		Loss	0.041
32.	273	TMA Tangi	Overpayment due to allowing excess quantity over & above BOQ	1.625
33.	275		Overpayment due to allowing higher rate	1.343
34.	276		Non imposition of penalty	1.422
35.	277		Unauthorized expenditure on renovation of room	0.095
36.	278		Irregular expenditure on R&M of transformers & loss	1.666 & 1.021
37.	282		Irregular execution of work and overpayment	1.292
38.	283		Irregular expenditure without technical sanction	1.596 & 0.149
39.	288		Non-imposition of penalty	0.702
40.	292		Variation in DCR and Receipts and Expenditure statement	0.454
41.	294		Irregular Payment of Personal Advance	0.240
42.	295		Unauthorized payment of salary	0.283
43.	296		Unauthorized payment to contractors	1.029
44.	298		Unauthorized payment on account of electricity bills	0.124
45.	299		Suspected Misappropriation	0.060

Annex-2

[Para No. 1.2.1.1]

Detail of overpayment

S.No.	Name of scheme	Item paid PCC 1:3:6		Item required to be paid PCC 1:3:6 Mass boulders/Form work					Difference (4-9)	Qty	Overpayment	MB#/Page #
		Code	Rate	Code	Rate	Code	Rate	Total				
1	2	3	4	5	6	7	8	9	10	11	12	13
1	Sanitation Scheme at U/C Dargai		4800		2700		300	3000	1800	141.98	255,564	44/182,185-187 & 13/24-30
2	St: Pavt: etc at U/C Muhammad Nari		6063		2700		300	3000	3063	115.21	352,888	
3	St: Pavt: etc at Hameed Koroon a MC-I		6093		2700		300	3000	3093	143.48	443,722	11/41-42
4	Sanitation scheme at Ghunda Karkana		5861.65		2700		300	3000	2861.65	120.78	345,630	11/2-3
Total											1,397,804	

Detail of non-imposition of penalty						
S/ #	Name of Schemes	E/Costs	Date of commence ment	Require d date of complet ion	Actual date of complet ion	Penalty @10%
1	Improvement of road at Abdul Hamid Killi U/C Chindrodag	3,300,000	Apr-16	Aug-16	In Progress	330,000
2	Flooring of street culvert drain at Qadeem Abad by Faqeer Gul	1,871,000	Apr-16	Aug-16	In Progress	187,100
3	Pavement of street culvert side wall etc pump koroonaa	1,440,000	Apr-16	Aug-16	In progress	144,000
4	Improvement of Street at Islam Abad Inamjee, Tarkanana, Mehmoodabad	1,500,000	Apr-16	Aug-16	In Progress	150,000
5	Flooring of PCC street, Road at Islamabad MC-4	250,000	Apr-16	Aug-16	In Progress	25,000
6	Sanitation Scheme at Meer Killi Muslimabad, Bridgekally, Milmanakilly, wardagaetc	3,200,000	Apr-16	Aug-16	In Progress	320,000
7	Sanitation Scheme at Nuzo, Nisar Qila, Ali Khan Qilla Aratyghanikorrana U/C Dheri Zardad	3,000,000	Apr-16	Aug-16	In Progress	300,000
8	Construction of Drain Street pavement Hand Pump Mandokhel, at Malmale Tarnab	3,000,000	Apr-16	Aug-16	In Progress	300,000
9	Improvement of PCC Road at u/c Tarnaab	500,000	Apr-16	Aug-16	In Progress	50,000
10	Improvement of PCC Road at Paindakhel MC 1	500,000	Apr-16	Aug-16	In Progress	50,000
11	Sanitation Scheme at Chetralkoroonaa, Purdil Khan Killi, Kuladher, U/C Ghundakarkana.	3,000,000	Apr-16	Aug-16	In Progress	300,000
12	Construction of PCC Road At U/C Ghunda Karkana	500,000	Apr-16	Aug-16	Completed	50,000

13	Repair of Road SafullahKallay U/C Dargai	1,500,000	Apr-16	Aug-16	In Progress	150,000
14	Sanitation Scheme at Akram Mama, Afzal Khan House Counstruction of JanazGaah at Islam Abad U/C Dargi.	3,000,000	Apr-16	Aug-16	In Progress	300,000
15	Sanitation Scheme at Niaz Ali ,Murtaza Abdul Majid, Muhammad Siraj streets ShiekhKilli and Construction of Janazgah at Gulabad U/C Agra	3,000,000	Apr-16	Aug-16	In Progress	300,000
16	Pavement Street ,Drain at Haji abad, Pordil Abad, Imran, AsmatKoldand, Mukamil Shah Meraumerzai	1,500,000	Apr-16	Aug-16	In Progress	150,000
17	Sanitation Scheme at Fazl e Ruhan ,Baht munir,,Hakim Koora ,Jamal Khan U/C MairaUmerZai	1,000,000	Apr-16	Aug-16	In Progress	100,000
18	Improvement of PCC Road at U/C MeraUmerzai	1,000,000	Apr-16	Aug-16	In Progress	100,000
19	Sanitation Scheme at Parech Khel , Khattakan, SanamGharyUtmanzai	3,000,000	Apr-16	Aug-16	In Progress	300,000
20	Construction of street, drain, culvert at U/C Shiekho	1,500,000	Apr-16	Aug-16	In Progress	150,000
21	Sanitation Scheme at Sherbahadarkilli, Bahadarkilli. Captinkilli U/C Dosehra	2,500,000	Apr-16	Aug-16	In Progress	250,000
22	Sanitation scheme at Mufti Abad, Khaury, U/c Muhammad Nari	1,000,000	Apr-16	Aug-16	In Progress	100,000
23	Pavement of street, drain, culverts at Kharbelaetc MC-2	2,750,000	Apr-16	Aug-16	In Progress	275,000
24	Sanitation Scheme At Mahal Saidan U/C UmerZai	1,750,000	Apr-16	Aug-16	In Progress	175,000
25	Pavement of Street Culvert at Aziz khel MC 3	1,250,000	Apr-16	Aug-16	In Progress	125,000
26	Pavement of Street Culvert at GhariKoroonaNawaKilli MC 3	500,000	Apr-16	Aug-16	In Progress	50,000
27	Improvement of road at Aziz khel MC 3	500,000	Apr-16	Aug-16	In Progress	50,000
28	Sanitation Scheme at Ameer Khan Kallay U/C Chindro Dag	2,000,000	Apr-16	Aug-16	In Progress	200,000

29	Pavement of street ,drain ,culvert, side wall & improvement of road at MianaKallay, Tarnab U/C Tarnab	2,000,000	Apr-16	Aug-16	In Progress	200,000
30	Improvement of Bus Terminal, Fire brigade shed etc Jurisdiction of TMA Charsadda	1,500,000	Apr-16	Aug-16	In Progress	150,000
31	Pavement of street, drain etc at U/C Muhammad Nari	2,989,000	Apr-16	Aug-16	Dec-16	298,900
31	Construction of Security post /Renovation of Municipal public School.	2,000,000	Apr-16	Aug-16	In Progress	200,000
	Total	58,300,000				5,830,000

Annex-4 (i)

[Para No. 1.2.1.6]

Detail of Non-imposition of penalty

Month of Installment	Monthly Installment	Amount Deposited within due date	Outstanding Amount	Due Date	Date of Deposit	Total days of delay	Calculation for penalty
Tehbazi Fee							
Aug-15	310750	0	310750	5/9/2015	11/11/2015	67	416405
	310750	50000	260750	12/11/2015	20/11/2015	8	41720
	260750	50000	210750	21/11/2015	24/11/2015	3	12645
	210750	100000	110750	25/11/2015	2/12/2015	7	15505
	110750	50000	60750	3/12/2015	8/12/2015	5	6075
	60750	50000	10750	9/12/2015	22/12/2015	3	645
	10750	10750	0				0
Sep-2-15	310750		310750	5/10/2015	22/12/2015	78	484770
	310750	39250	271500	23/12/2015	28/12/2015	5	27150
	271500	50000	221500	29/12/2015	5/1/2016	8	35440
	221500	50000	171500	6/1/2015	15/1/2015	9	30870
	171500	130000	41500	16/1/2015	21/1/2016	5	4150
	41500	41500	0				0
Oct	310750		310750	5/11/2015	21/1/2016	77	478555
	310750	98500	212250	22/1/2016	2/2/2016	11	46695
	212250	160000	52250	3/2/2016	8/2/2016	5	5225
	52250	50000	2250	9/2/2016	26/2/2016	17	765
	2250	2250	0				0
Nov-15	310750		310750	5/12/2015	26/2/2106	83	515845
	310750	97750	213000	27/2/2016	3/3/2016	4	17040
	213000	213000	0				0
Dec-15	310750	0	310750	5/1/2016	3/3/2016	57	354255
	310750	87000	223750	4/3/2016	21/3/2016	17	76075
	223750	200000	23750	22/3/2016	6/4/2016	15	7125
	23750	23750	0				0

	Jan-16	310750		310750	5/2/2016	6/4/2016	60	372900	
		310750	176250	134500	7/4/2016	3/5/2016	24	0.02	64560
		134500	134500	0				0.02	0
	Feb-16	310750		310750	5/3/2016	3/5/2016	59	0.02	366685
		310750	65500	245250	4/5/2016	16/5/2016	11	0.02	53955
		245250	100000	145250	17/5/2016	3/6/2016	16	0.02	46480
		145250	130000	15250	4/6/2016	15/6/2016	11	0.02	3355
		15250	15250	0				0.02	0
	Mar-16	310750		310750	5/4/2016	15/6/2016	71	0.02	441265
		310750	34750	276000	16/6/2016	29/6/2016	13	0.02	71760
		276000	127500	148500				0.02	0
	April-16	51500	0	51500	5/5/2016	29/6/2016	55	0.02	56650
		200000	0	200000	30/6/2016	28/2/2017	243	0.02	972000
Total Amount - A									5,026,565

Annex-4 (ii)

Contract	Contract Amount	Date of allotment	Month of Installment	Monthly Installment	Amount Deposited within due date	Outstanding Amount	Due Date	Date of Deposit	Total days of delay	Calculation for penalty (2%)
Suzuki Stand CH			Oct-15	275000	0	275000	5/11/2015	11/11/2015	6	33,000
				275000	100000	175000	11/11/2015	12/11/2015	1	3,500
				175000	100000	75000	12/11/2015	19/11/2015	7	10,500
			Nov-15	275000	150000	125000	5/12/2015	7/12/2015	2	5,000
			15-Dec	275000	250000	25000	5/12/2015	25/1/2016	20	10,000
			Mar-16	275000	150000	125000	5/12/2015	7/4/2016	2	5,000
				125000	75000	50000	7/4/2016	1/5/2016	24	24,000
			April =2016	50000	0	50000	5/5/2016	29/6/2016	56	56,000
Raksha fee CH			Aug-15	385000	345000	40000	5/9/2015	30/9/2015	25	20,000
			15-Sep	425000	315000	110000	5/10/2015	2/11/2015	29	63,800
			15-Oct	495000	350000	145000	5/11/2015	1/12/2015	27	78,300
			Nov-15	530000	350000	180000	5/12/2015	31/12/2015	26	93,600
			Dec-15	565000	350000	215000	5/1/2016	1/2/2016	27	116,100
			Jan-16	600000	350000	250000	5/2/2016	2/3/2016	27	135,000
			Feb-16	635000	349000	286000	5/3/2016	1/4/2016	28	160,160
			Mar-15	671000	344000	327000	5/4/2016	3/5/2016	28	183,120
			Apr-	397000	247000	150000	5/4/2016	16/5/2015	11	33,000

			16							
Sign Board	1,496,000	29/9/2015	Oct-15	187000	271000	-84000	5/11/2015	2/12/2015	28	-
			Nov-15	103000	151000	-48000	5/12/2015	4/1/2015	30	-
			Dec-15	139000	151000	-12000	5/1/2016	2/2/2016	28	-
			Jan-16	175000	151000	24000	5/2/2016	2/3/2016	25	12,000
			Feb-16	211000	151000	60000	5/3/2016	1/4/2016	27	32,400
			Mar-15	247000	151000	96000	5/4/2016	13/5/2016	39	74,880
Juma Bazar	253,000	29/6/2015	Aug-15	23000	9000	14000	5/9/2015	29/9/2015	24	6,720
			Sep-15	37000	20000	17000	5/10/2015	2/11/2015	28	9,520
Bus Stand Sardheri	605,000	29/6/2015	Jul-15	55000	45000	10000	5/8/2015	31/8/2015	25	5,000
			Aug-15	65000	50000	15000	5/9/2015	29/9/2015	24	7,200
			Sep-15	70000	50000	20000	5/10/2015	18/4/2016	194	77,600
			Oct-15	55000	0	55000	5/11/2015	11/11/2015	6	6,600
			Nov-15	55000		55000	5/12/2015	8/12/2015	3	3,300
			Dec-15	55000		55000	5/1/2016	8/1/2016	3	3,300
			Jan-16	55000		55000	5/2/2016	9/2/2015	4	4,400
			Feb-16	55000		55000	5/3/2016	14/3/2016	9	9,900
			Mar-16	55000		55000	5/4/2016	11/4/2016	6	6,600
Bus umarzai	550,000	29/9/2015	Oct-15	68750		68750	5/11/2015	4/12/2015	31	42,625
			Dec-15	68750		68750	5/1/2016	7/1/2016	2	2,750
			Jan-16	68750		68750	5/2/2016	22/2/2016	17	23,375
			Feb-16	68750		68750	5/3/2016	28/3/2016	23	31,625
			Mar-16	68750		68750	5/4/2016	3/6/2016	59	81,125

			Apr-16	37500		37500	5/5/2016	3/6/2016	29	21,750
	671,000	29/6/2015	Jul-15	61000		61000	5/8/2015	2/10/2015	58	70,760
			Aug-15	61000		61000	5/9/2015	2/10/2015	28	34,160
			Sep-15	182000	30000	152000	5/10/2015	7/10/2015	2	6,080
				152000	70000	82000	7/10/2015	3/11/2015	27	44,280
			Oct-15	143000	50000	93000	5/11/2015	15/12/2015	41	76,260
				93000	45000	48000	16/12/2015	13/1/2016	29	27,840
				48000	45000	3000	14/1/2016	3/2/2016	20	1,200
			Nov-15	61000		61000	5/12/2015	3/2/2016	60	73,200
			Dec-15	61000	0	61000	5/1/2016	3/2/2016	28	34,160
				125000	50000	75000	4/2/2016	17/3/2016	41	61,500
				75000	40000	35000	18/3/2016	8/4/2016	21	14,700
				35000	36000	-1000				
			Jan-16	61000	0	61000	5/2/2016	28/4/2016	82	100,040
			Feb-16	34000	0	34000	5/3/2016	28/4/2016	54	36,720
				95000	70000	25000	29/4/2016	16/5/2016	18	9,000
				25000	25000	0				-
Cattle Fare Dhosera	693,000	29/6/2015	Jul-15	63000		63000	5/8/2015	2/10/2015	58	73,080
			Aug-15	63000		63000	5/9/2015	2/10/2015	27	34,020
				126000	126000	0				-
			Sep-15	63000	24000	39000	5/10/2015	3/11/2015	29	22,620
				39000	39000	0				-
			Oct-15	63000	11000	52000	5/11/2015	15/12/2015	40	41,600
				52000	45000	7000	16/12/2015	13/1/2016	28	3,920
				7000	7000	0				-
			Nov-15	63000		63000	5/12/2015	13/1/2015	39	49,140
				63000	38000	25000	14/1/2015	17/2/2015	34	17,000

				25000	25000	0				-
			Dec-15	63000	0	63000	5/1/2016	17/2/2015	43	54,180
				63000	15000	48000	18/2/2016	17/3/2016	27	25,920
				48000	40000	8000	18/3/2016	8/4/2016	21	3,360
				8000	8000	0				-
			Jan-16	63000		63000	5/2/2016	8/4/2016	62	78,120
				63000	26000	37000	9/4/2016	16/5/2016	37	27,380
				37000	25000	12000	17/5/2016	22/6/2016	36	8,640
				12000	12000	0				-
			Feb	63000		63000	5/3/2016	22/6/2016	109	137,340
				63000	63000	0				-
Cattle fare serdheri	880,000	19/10/2015	Nov-15	125714	0	125714	5/12/2015	11/1/2016	37	93,028
				125714	70000	55714	11/1/2016	20/1/2016		-
				55714	55714	0				-
			Dec-16	125714		125714	5/1/2016	20/1/2016	15	37,714
				125714	44286	81428	21/1/2016	25/2/2016	35	57,000
				81428	60000	21428	26/2/2016	11/3/2016	13	5,571
				21428	21428	0				-
			Jan-16	125714	0	125714	5/2/2016	11/3/2016	34	85,486
				125714	572	125142	12/3/2016	15/3/2016	34	85,097
				125142	103000	22142	16/3/2016	5/4/2016	21	9,300
				22142	22142	0				-
			Feb-16	125714	0	125714	5/3/2016	5/4/2016	31	77,943
				125714	57858	67856	6/4/2016	18/4/2016	12	16,285
				67856	67856	0				-
			16-Mar	125714		125714	5/4/2016	18/4/2016	13	32,686
				125714	7144	118570	19/4/2016	24/6/2016	66	156,512
				118570	118570	0				-
			Apr-16	11430	0	11430	5/5/2016	24/6/2016	50	11,430
Bus stop	1,199,	29/6/	Jul-15	109000	0	109000	5/8/2015	4/9/2015	30	65,400

utmanzai	000	2016								
				109000	100000	9000	5/9/2015	7/9/2015	2	360
				9000	9000	0				-
			Aug-15	109000	0	109000	5/9/2015	7/9/2015	2	4,360
				109000	37000	72000	8/9/2015	29/9/2015	21	30,240
				72000	50000	22000	30/9/2015	2/10/2015	3	1,320
Cattle Fare Utmanzai	1,551,000	29/6/2016	Jul-15	141000	0	141000	5/8/2015	2/9/2016	28	78,960
				141000	96000	45000	3/9/2015	29/9/2015	26	23,400
			Aug-15	141000	0	141000	5/9/2015	29/9/2015	24	67,680
Raksha Fee Utmanzai	495,000	29/6/2016	Jul-15	45000	0	45000	5/8/2015	15/9/2015	41	36,900
				45000	37000	8000	16/9/2015	9/10/2015	23	3,680
				8000	8000	0				-
			Aug-15	45000	0	45000	5/9/2015	9/10/2015	34	30,600
Total – B										3,669,921

I

Annex-4 (iii)

[Para No. 1.2.1.6]

Month of Installment	Monthly Installment	Amount Deposited within due date	Outstanding Amount	Due Date	Date of Deposit	Total days of delay	Calculation for penalty
Dec-15	4,308,333	2482604	1,825,729	5/1/2016	10/2/2016	36	1,314,525
	1,825,729	1320000	505,729	11/2/2016	16/2/2016	5	50,573
	505,729	505729	0				-
Jan-16	4,308,333		4,308,333	5/2/2016	16/2/2016	11	947,833
	4,308,333	231371	4,076,962	17/2/2016	19/2/2016	2	163,078
	4,076,962	745000	3,331,962	20/2/2016	1/3/2016	10	666,392
	3,331,962	771580	2,560,382	2/3/2016	2/3/2016	0	-
	2,560,382	249500	2,310,882	3/3/2016	11/3/2016	8	369,741
	2,310,882	126700	2,184,182	12/3/2016	14/3/2016	2	87,367
	2,184,182	324100	1,860,082	15/3/2016	21/3/2016	6	223,210
	1,860,082	337488	1,522,594	22/3/2016	22/3/2016	0	-
	1,522,594	128000	1,394,594	23/3/2016	24/3/2016	1	27,892
	1,394,594	319400	1,075,194	25/3/2016	25/3/2016	0	-
	1,075,194	247280	827,914	26/3/2016	29/3/2016	3	49,675
	827,914	185200	642,714	30/3/2016	31/3/2016	1	12,854
	642,714	314796	327,918	1/4/2016	6/4/2016	5	
	327,918	327918	0				
Feb-16	4,308,333		4,308,333	5/3/2016	6/4/2016	32	2,757,333
	4,308,333	642942	3,665,391	7/4/2016	11/4/2016	4	293,231
	3,665,391	474180	3,191,211	12/4/2016	18/4/2016	6	382,945
	3,191,211	613140	2,578,071	19/4/2016	26/4/2016	7	360,930
	2,578,071	333260	2,244,811	27/4/2016	27/4/2016	0	-
	2,244,811	1256320	988,491	28/4/2016	2/5/2016	4	79,079
	988,491	439764	548,727	3/5/2016	3/5/2016	0	-
	548,727	305178	243,549	4/5/2016	9/5/2016	5	24,355
	243,549	243549	0				
Mar-16	4,308,333	0	4,308,333	5/4/2016	27/4/2016	22	1,895,667

	4,308,333	175331	4,133,002	10/5/2016	19/5/2016	9	743,940
	4,133,002	676436	3,456,566	20/5/2016	23/5/2016	3	207,394
	3,456,566	422640	3,033,926	24/5/2016	24/5/2016	0	-
	3,033,926	449300	2,584,626	25/5/2016	25/5/2016	0	-
	2,584,626	614837	1,969,789	26/5/2016	31/5/2016	5	196,979
	1,969,789	1804646	165,143	1/6/2016	3/6/2016	2	6,606
	165,143	165143	0				-
April	4,308,333	0	4,308,333	5/5/2016	3/6/2016	28	2,412,667
	4,308,333	317957	3,990,376	4/6/2016	8/6/2016	4	319,230
	3,990,376	547970	3,442,406	9/6/2016	10/6/2016	1	68,848
	3,442,406	268150	3,174,256	11/6/2016	14/6/2016	3	190,455
	3,174,256	900490	2,273,766	15/6/2016	15/6/2016	0	-
	2,273,766	469800	1,803,966	16/6/2016	16/6/2016	0	-
	1,803,966	218368	1,585,598	17/6/2016	22/6/2016	5	158,560
	1,585,598	699300	886,298	23/6/2016	23/6/2016	0	-
	886,298	50520	835,778	24/6/2016	29/6/2016	5	83,578
	835,778	463,406	372,372	30/6/2016	4/7/2016	4	29,790
	372,372	186020	186,352	5/7/2016	28/2/2017	238	887,037
May	108,335		108,335	5/6/2016	28/2/2017	268	580,676
Total - C							15,592,442
Grand Total (A+B+C)							24,288,928

Annex-5
[Para No. 1.2.1.9]

Detail of non availability of record

S. No.	Name of scheme	Estimated cost (Rs)
1	Repair of Damage Transformer at U/C Hisara Yaseenzai & Rajjar 1	2,000,000
2	Repair of Damage Transformer at U/C Rajjar 2 and Dargai	2,000,000
3	Repair of Damage Transformer at U/C Khanmai And Muhammad Nari	2,000,000
4	Repair of Damage Transformer at U/C Behloa and Turangzai	2,000,000
5	Repair of Damage Transformer at U/C Utmanzai and Dosehra	2,000,000
	Total	10,000,000

Annex-6

[Para No. 1.2.2.8]

Detail of Mis-appropriation of Funds of Municipal School Charsadda

		Nurser y	Prep M	Prep F	P I M	P I F	P II M	P II F	P III M	P III F	P I V M	P I V F	P V	VI	VII	VIII	IX Art	X	Total Amount
Jul-15	No. of stud	50	34	32	32	29	21	20	23	21	26	26	48	40	39	49	39	40	569
	Fee	22500	18700	17600	17600	15950	11550	11000	12650	11550	15600	15600	28800	26000	25350	34300	28275	29000	342,025
Aug-15	No. of stud	50	34	32	32	29	21	20	23	21	26	26	48	40	39	49	39	39	568
	Fee	22500	18700	17600	17600	15950	11550	11000	12650	11550	15600	15600	28800	26000	25350	34300	28275	28275	341,300
Sep-15	No. of stud	50	34	32	31	29	21	20	23	21	26	26	48	40	39	47	38	38	563
	Fee	22500	18700	17600	17050	15950	11550	11000	12650	11550	15600	15600	28800	26000	25350	32900	27550	27550	337,900
	Admissio n	23		1		1	1	1				1							28
	Adm.fee	33350	0	1550	0	1550	1550	1550	0	0	0	1750	0	0	0	0	0	0	41,300
Oct-15	No. of stud	73	34	33	31	30	22	21	23	21	26	27	48	40	38	47	38	38	590
	Fee	32850	18700	18150	17050	16500	12100	11550	12650	11550	15600	16200	28800	26000	24700	32900	27550	27550	350,400
	Admissio n	5																	5

	Adm.fee	7250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,250
Nov-15	No. of stud	78	34	33	31	30	22	21	23	21	26	26	48	40	37	47	38	38	593
	Fee	35100	18700	18150	17050	16500	12100	11550	12650	11550	15600	15600	28800	26000	24050	32900	27550	27550	351,400
	Admission	2					1		1				1		1				6
	Adm.fee	2900	0	0	0	0	1550	0	1550	0	0	0	1750	0	1950	0	0	0	9,700
8Dec-15	No. of stud	80	34	33	30	30	23	21	23	21	26	26	49	40	38	48	38	38	598
	Fee	36000	18700	18150	16500	16500	12650	11550	12650	11550	15600	15600	29400	26000	24700	33600	27550	27550	354,250
	Admission	5														1			6
	Adm.fee	7250	0	0	0	0	0	0	0	0	0	0	0	0	0	2150	0	0	9,400
Jan-16	No. of stud	82	33	33	30	29	23	21	22	21	26	26	44	41	38	48	38	38	593
	Fee	36900	18150	18150	16500	15950	12650	11550	12100	11550	15600	15600	26400	26650	24700	33600	27550	27550	351,150
	Admission	3	3					1								1			8
	Adm.fee	4350	4650	0	0	0	0	1550	0	0	0	0	0	0	0	2150	0	0	12,700
Feb-16	No. of stud	85	35	33	30	29	23	22	21	21	26	26	44	41	38	47	37	38	596
	Fee	38250	19250	18150	16500	15950	12650	12100	11550	11550	15600	15600	26400	26650	24700	32900	26825	27550	352,175

	Admission	7											1						8
	Adm.fee	10150	0	0	0	0	0	0	0	0	0	0	1750	0	0	0	0	0	11,900
Mar-16	No. of stud	92	35	33	30	29	23	22	21	21	26	26	45	41	38	47	37	38	604
	Fee	41400	19250	18150	16500	15950	12650	12100	11550	11550	15600	15600	27000	26650	24700	32900	26825	27550	355,925
Apr-16	No. of stud	46	38	40	35	33	24	29	19	22	14	31	55	37	40	40	44	36	583
	Fee	20700	20900	22000	19250	18150	13200	15950	10450	12100	8400	18600	33000	24050	26000	28000	31900	26100	348,750
	Promotion	46	40	40	35	33	24	29	19	22	14	31	55	37	40	45	44	37	591
	Prom.fee	13800	12000	12000	10500	9900	7200	8700	5700	6600	4900	10850	19250	12950	14000	18000	17600	14800	198,750
	Admission		2	7	0	2	1		3										15
	Adm.fee	0	3100	10850	0	3100	1550	0	4650	0	0	0	0	0	0	0	0	0	23,250
May-16	No. of stud	46	41	47	34	35	25	29	22	22	14	31	54	37	44	45	45	36	607
	Fee	20700	22550	25850	18700	19250	13750	15950	12100	12100	8400	18600	32400	24050	28600	31500	32625	26100	363,225
	Admission	3											2	4	4				13
	Adm.fee	4350	0	0	0	0	0	0	0	0	0	0	3500	7800	7800	0	0	0	23,450
Jun-16	No. of stud	49	41	47	34	35	25	29	22	22	14	31	56	40	44	45	45	36	615

	Fee	22050	22550	25850	18700	19250	13750	15950	12100	12100	8400	18600	33600	26000	28600	31500	32625	26100	367,725
Total																			4,553,925

Annex-7**[Para No. 1.2.2.9]****Detail of less deduction of income tax**

S/#	Name of Scheme	Expenditure	I.Tax deducted @ 7.5%	I. Tax required to be deducted @ 10%	I.Tax less deducted
1	Sanitation Scheme at U/C Rajjar 1	1,616,423	121,232	161,642	40,411
2	Sanitation Scheme at U/C Rajjar 2	900,000	67,500	90,000	22,500
3	Sanitation Scheme at U/C Utmanzai	1,184,884	88,866	118,488	29,622
4	Sanitation Scheme at U/C Dosehra	1,193,885	89,541	119,389	29,847
5	Sanitation Scheme at U/C Dargai	2,474,002	185,550	247,400	61,850
6	Sanitation Scheme at U/C Muhammad Nari	617,100	46,283	61,710	15,428
7	Sanitation Scheme at U/C HisaraYaseenzai	1,065,744	79,931	106,574	26,644
8	Sanitation Scheme at U/C Behlola	510,105	38,258	51,011	12,753
9	Sanitation Scheme at Marchaki	500,000	37,500	50,000	12,500
10	Repair of Damage Transformer at U/C HisaraYaseenzai&Rajjar 1	1,236,597	92,745	123,660	30,915
11	Repair of Damage Transformer at U/C Rajjar 2 and Dargai	814,245	61,068	81,425	20,356
12	Repair of Damage Transformer at U/C Khanmai And Muhammad Nari	253,335	19,000	25,334	6,333
13	Repair of Damage Transformer at U/C Behloa and Turangzai	813,145	60,986	81,315	20,329
14	Repair of Damage Transformer at U/C Utmanzai and Dosehra	1,229,213	92,191	122,921	30,730
15	Flooring of street culvert drain at Qadeem Abad by FaqeerGul	1821677	136,626	182,168	45,542
16	Sanitation Scheme at Qadeemabad no 2 by Azeem Bacha	1361959	102,147	136,196	34,049
17	SaitationScehem at AkhooonDhereQasim, Gul Khan, Shishtiabad, jankilli& Shah Qalla	1067373	80,053	106,737	26,684
18	Pevment of street, Drain ,Culvert at Muhammad Nari	2973970	223,048	297,397	74,349

19	Pavement of Street ,drain, side wall at EjaraKilli	2047168.7	153,538	204,717	51,179
20	Pavement of street side wall drain etc at jan Abad	1926615	144,496	192,662	48,165
21	Pavement of drain culvert, side wall at Gad banukilli, Sanitation Scheme at Chindro dag	1107870	83,090	110,787	27,697
22	Pavement of street drain culvert at Bhat yaranokilli	1129490	84,712	112,949	28,237
23	Pavement of street culvert side wall etc pump koroona	1358139	101,860	135,814	33,953
24	Pavement of street drain ,culvert side wall at JabaKoroona	1193712.7	89,528	119,371	29,843
25	Pavement of street drain culver at new shalmanokilli	1142284.7	85,671	114,228	28,557
26	Sanitation Scheme at Purdilabad&ShaeedKoroona	770567	57,793	77,057	19,264
27	Sanitation Scheme at Mehmoodabad	1491877	111,891	149,188	37,297
28	Sanitation Scheme Qandaharokilli, shah qalla& Bacha qalla, RCC Culvert at Chindrodag	1990050	149,254	199,005	49,751
29	Sanitation Scheme at EjaraKilliAkhoonDherey	995077.37	74,631	99,508	24,877
30	Construction ,culvert street flooring drain, Dab Killi	905451	67,909	90,545	22,636
31	Pavement of street culvert ,Drin ,Side wall etc U/C Chinro Dag	1492961	111,972	149,296	37,324
32	PCC Flooring & drain at Islam Abad MC 4	999762	74,982	99,976	24,994
33	Street pavement of stree, drain. culvert Muslim Abad, Fazalabad MC 4	2499186	187,439	249,919	62,480
34	Street pavement of street, drain. culvert Muslim Abad,Fazalabad ,babuMiraj MC 4 Area	2499186	187,439	249,919	62,480
35	Pavement of Street ,drain,culvert, B/wall at Emad bacha near Emaad Bacha house AsmatTaji kaka Jaga bazar MC -3 Area	3865847	289,939	386,585	96,646
36	Improvement of Street at Islam Abad Inamjee ,Tarkanen, Mehmoodabad	1439198	107,940	143,920	35,980
37	Flooring of PCC street,Road at Islam abad MC-4	230056	17,254	23,006	5,751
38	Pavement of street, drain culvert, Side wall at Hassan Abad, Lunda, Nissata	2995414	224,656	299,541	74,885
39	Construction/improvement of Road at Nissata	499917	37,494	49,992	12,498

40	Sanitation Scheme at Meer Killi Muslim abad. Bridge kally, Milmanakilly, wardagaetc	3151441	236,358	315,144	78,786
41	Flooring of street, Road at U/ C Rajjar-2	1298627	97,397	129,863	32,466
42	Sanitation Scheme at Azeem Khan, Behlola, Bajaurokilli,	2963871	222,290	296,387	74,097
43	Flooring of Road, street, drain at U/C Behlola	498550	37,391	49,855	12,464
44	Sanitation Scheme at Nuzo ,NisarQila, Ali khan qillaAratyghanikorrona U/C DheriZardad	2371095	177,832	237,110	59,277
45	Pavement of street ,drain, s/wall at Hazrat Kamal KashmirianMahala, bambatkilli, kaka khel U/C Umerzai	2994925.1	224,619	299,493	74,873
46	PCC road, street at Dheri kaka khel, Muftiabad, Sarwar Abad umerzai	992491.39	74,437	99,249	24,812
47	Construction of drain, culvert street pavement at Umerzai	1486791.7	111,509	148,679	37,170
48	Pavement of street drain ,culvert at MC4	1492607	111,946	149,261	37,315
49	Street pavement Drain Culvert ,Ghari Hameed Gul Raza Khan , Shahid Khan sher Bacha,MC-1	2586597	193,995	258,660	64,665
50	Pavement of street , drain ,Road flooring culvert at MC 1 area	1972669	147,950	197,267	49,317
51	Street, drain , culvert at Ghari Kaka Khel, sheikh abadRajjar 1	2176357	163,227	217,636	54,409
52	improvement of Road at Rajjar 1	1080502	81,038	108,050	27,013
53	Improvement of PCC Road at Shaeeda Bazar MC 2	249925.33	18,744	24,993	6,248
54	Construction of Drain Street pavement Hand Pump MandokhelatMalmaleTarnab	2530030	189,752	253,003	63,251
55	Improvement of PCC Road at u/c tarnaab	383773	28,783	38,377	9,594
56	Pavement of street ,construction of drain ,culvert at Hisarayaseenzai	2992826	224,462	299,283	74,821
57	Improvement of Drain Culvert at Painsa Khel, Khawa dad khel MC 1	1499485.6	112,461	149,949	37,487
58	Improvement of PCC Road at Painsakhel MC 1	476245	35,718	47,625	11,906
59	Shaeedaabad/Kamran Kallay, Majoki, Mera prang	1307943	98,096	130,794	32,699
60	Sanitation Scheme at Chetralkoroona, Purdil khan killi, Kula dherU/C Ghundakarkana.	832692	62,452	83,269	20,817

61	Construction of PCC Road At U/C GhundaKarkana	494302	37,073	49,430	12,358
62	Construction of RCC slab culvert at Qasimkhel Road U/C TurangZai	1997309	149,798	199,731	49,933
63	Repair of Road SaifullahKallay U/C Dargai	1016158	76,212	101,616	25,404
64	Sanitation Scheme at Akram Mama, Afzal Khan House Construction of JanazGah at Islam Abad U/C Dargi.	893864	67,040	89,386	22,347
65	Sanitation Scheme at Niaz Ali ,Murtaza Abdul Majid, Muhammad Siraj streets ShiekhKilli and Construction of Janazgah at Gulabad U/C Agra	841532	63,115	84,153	21,038
66	Improvement of Road at Sheikh killi U/C Agra	494365	37,077	49,437	12,359
67	Sanitation Scheme at New Bridge killi, Azeem khan kally and Khawroetc U/C Muhammad Nari	2998522	224,889	299,852	74,963
68	Improvement of PCC Road HarianoKilli U/C Muhammad Nari	495449.74	37,159	49,545	12,386
69	Sanitation Scheme at Kocho Tariq, School rasta, sabar Gul killi U/C Umerzai	1982119	148,659	198,212	49,553
70	Sanitation Scheme at Sheerin abad and Merautmanzai	1999377	149,953	199,938	49,984
71	Pavement Street ,Drain at Haji abad, Pordil Abad, Imran AsmatKoldandMukamil Shah Meraumerzai	1208789	90,659	120,879	30,220
72	Sanitation Scheme at Fazl e Ruhan ,Baht munir,,Hakim Koora ,Jamal Khan U/C MairaUmerZai	867648	65,074	86,765	21,691
73	Improvement of PCC Road at U/C MeraUmerzai	830051	62,254	83,005	20,751
74	Sanitation Scheme at ParechKhel , Khattakan, SanamGharyUtmanzai	990348	74,276	99,035	24,759
75	Construction of street, drain,culvert at U/C Shiekho	550058	41,254	55,006	13,751
76	Improvement of PCC Road at U/C Maira Prang	999588.87	74,969	99,959	24,990
77	Sanitation Scheme at Sati Abad /Ghareeb Abad, CaptanKilliMaira Prang	2998033	224,852	299,803	74,951
78	Sanitation Scheme at Sherbahadarkilli, Bahadarkilli. Captinkilli U/C Dosehra	2215592	166,169	221,559	55,390
79	Improvement of Road at Sherbahadar U/C Dosehrakilli,shahpasandkilli	998743	74,906	99,874	24,969
80	Sanitation scheme at Mufti Abad,Khaury,U/c Muhammad Nari	826416	61,981	82,642	20,660

81	Pavement of street, drain, culverts at Kharbelaetc MC-2	1571095	117,832	157,110	39,277
82	Construction of PCC Road At U/C UmerZai	243268	18,245	24,327	6,082
83	Sanitation Scheme At MahalSaidan U/C UmerZai	1050681	78,801	105,068	26,267
84	Pavement of Street Culvert at Aziz khel MC 3	1146937	86,020	114,694	28,673
85	Pavement of Street Culvert at GhariKoroonaNawaKilli MC 3	390043	29,253	39,004	9,751
86	Improvement of road at Aziz khel MC 3	446684	33,501	44,668	11,167
87	Sanitation Scheme at Ameer Khan Kallay U/C Chindro Dag	1792668	134,450	179,267	44,817
88	Pavement of street , drain , culvert, side wall & improvement of road at MianaKallay, Tarnab U/C Tarnab	1578173	118,363	157,817	39,454
89	Improvement of Bus Terminal, Fire brigade shed etc Jurisdiction of TMA Charsadda	1282973	96,223	128,297	32,074
90	Construction of Security post /Renovation of Municipal public School.	1301205	97,590	130,121	32,530
	Total	126,054,922	9,454,119	12,605,492	3,151,373

Annex-8

[Para No. 1.2.2.10]

Detail of overpayment due to allowing quantities over and above BOQ/PC-I

1	Pavement of street, construction of drain, culvert at HisaraYaseenZai						
Item	Unit	Qty as per BOQ	Qty Executed	Excess quantity	Rate	Overpayment	
Filling of common material	M3	42.48	183.29	140.81	828	116590.68	
PCC 1:3:6	M3	110.48	210.04	99.56	6093	606619.08	
S/F 9" dia RCC pipe	M	5.66	161.81	156.15	1125	175668.75	
S/F 12" dia RCC pipe	M	16.46	37.18	20.72	1813	37565.36	
S/F 18" dia RCC pipe	M	13.72	15.54	1.82	2820	5132.4	
PCC 1:2:4	M3	63.72	100.82	37.1	6997	259588.7	
Sub total						1201164.97	
2	Sanitation scheme at Parech Khel, Khattakan, SanamGharyUtmanzai						0
Filling of common material	M3	42.48	78.87	36.39	828.72	30157.1208	
S/F 12" dia RCC pipe		16.46	26.52	10.06	1813.36	18242.4016	
Sub total						48399.5224	
3	Sanitation scheme at Meer Killi Muslim Abad Bridge KilleyWardaga						0
Dismantling of PCC 1:3:6		4.2	13.22	9.02	938.05	8461.211	
Filling of common material		42.5	70.68	28.18	789.9	22259.382	
S/F 9" dia RCC pipe		25.6	121.09	95.49	1125	107426.25	
PCC 1:2:4		74.3	169.55	95.25	6997.38	666500.445	
RCC 1:2:4 in slabs		6.1	10.25	4.15	9074.66	37659.839	
Sub total						842307.127	
4	Pavement of street, drain, culvert, side wall and improvement of road at MianzaKallay, U/C Tarnab						
Filling of common material		63.72	267.95	204.23	828.72	169249.4856	

	PCC 1:3:6		25.34	233.81	208.47	6093.48	1270307.776
	S/F 9" dia RCC pipe		10.06	44.79	34.73	1125.55	39090.3515
	Sub total						1478647.613
5	Sanitation scheme at FazaleRuhan, Baht Munir, Jamal Khan U/C MairaUmerzai						
	PCC 1:4:8		18.69	44.95	26.26	5320	139703.2
	PCC 1:2:4		7.08	44.44	37.36	6997	261407.92
	Sub total						401111.12
	Total						3,971,630.35

Annex-9

[Para No. 1.3.1.2]

Detail of non-imposition of penalty

Month of Installment	Monthly Installment	Amount Deposited within due date	Outstanding Amount	Due Date	Date of Deposit	Total days of delay	Penalty 2% per day	Penalty (Rs)
Cattle Fare Tangi								
Aug-15	320,100	-	320,100	5.9.2015	14.10.2015	39	0.02	249,678
	320,100	200,000	120,100	15/10/2015	19/10/2015	4	0.02	9,608
	120,100	60,000	60,100	20/10/2015	30/11/2015	42	0.02	50,484
	60,100	60,100	-			7	0.02	-
Sep-2-15	320,100		320,100	5/10/2015	30/11/2015	42	0.02	268,884
	320,100	39,900	280,200	1/12/2015	7/12/2015	6	0.02	33,624
	280,200	100,000	180,200	8/12/2015	21/12/2015	13	0.02	46,852
	180,200	80,000	100,200	22/12/2015	4/1/2016	13	0.02	26,052
	100,200	85,000	15,200	5/1/2016	10/2/2016	36	0.02	10,944
	15,200	15,200	-					
Oct	320,100		320,100	5/11/2015	10/2/2016	67	0.02	428,934
	320,100	104,800	215,300	11/2/2016	23/2/2016	13	0.02	55,978
	215,300	75,000	140,300	24/2/2016	2/3/2016	7	0.02	19,642
	140,300	100,000	40,300	3.3.2016	8.3.2016	5	0.02	4,030
	40,300	40,300	-				0.02	-
Nov-15	320,100		320,100	5.12.2015	8.3.2016	94	0.02	601,788
	320,100	9,700	310,400	9.3.2016	11.4.2016	33	0.02	204,864
	310,400	170,000	140,400	12.4.2016	2.5.2016	20	0.02	56,160
	140,400	100,000	40,400	3.5.2016	27.5.2016	24	0.02	19,392
	40,400	40,400	-					
Dec-15	320,100	-	320,100	5.1.2016	27.5.2016	142	0.02	909,084
	320,100	79,600	240,500	28.5.2016	30.5.3016	2	0.02	9,620

	240,500	50,000	190,500	31.5.2016	6.6.2016	6	0.02	22,860
	190,500	50,000	140,500	7/6/2016	15/6/2016	8	0.02	22,480
	140,500	36,000	104,500	16/6/2016	27/6/2016	11	0.02	22,990
	104,500	104,500	-					
Jan-16	320,100		320,100	5/2/2016	27/6/2016	143	0.02	915,486
	320,100	320,100	-			24	0.02	-
Feb-16	320,100		320,100	5/3/2016	27/6/2016	114	0.02	729,828
	320,100	320,100	-			11	0.02	-
Mar-16	320,100		320,100	5/4/2016	27/6/2016	83	0.02	531,366
	320,100	98,300	221,800	28/6/2016	10/4/2017	286	0.02	1,268,696
							0.02	-
April	320,100	-	320,100	5/5/2016	10/4/2017	340	0.02	2,176,680
May	320,100	-	320,100	5/6/2016	10/4/2017	309	0.02	1,978,218
Total Amount – A								10,674,222

Month of Installment	Monthly Installment	Amount Deposited within due date	Outstanding Amount	Due Date	Date of Deposit	Total days of delay	Penalty 2% per day	Calculation for penalty
Bus Stand Hari Chand								
Nov-15	509,143	400,000	109,143	5/12/2015	29/12/2015	24	0.02	52,389
	109,143	109,143	(0)	9/3/2016	11/4/2016	33	0.02	(0)
Dec-15	509,143	120,857	388,286	5/1/2016	26/1/2016	21	0.02	163,080
	388,286	150,000	238,286	27/1/2016	10/2/2016	14	0.02	66,720
	238,286	160,000	78,286	11/2/2016	24/2/2016	13	0.02	20,354
	78,286	78,286	(0)					-
Jan-16	509,143		509,143	5/2/2016	24/2/2016	19	0.02	193,474
	509,143	11,714	497,429	25/2/2016	29/2/2016	4	0.02	39,794
	497,429	90,000	407,429	1/3/2016	12/4/2016	42	0.02	342,240
	407,429	190,000	217,429	13/4/2016	27/4/2016	14	0.02	60,880
	217,429	217,429	(0)					
Feb-16	509,143		509,143	5/3/2016	27/4/2016	53	0.02	539,691
	509,143	32,571	476,572	28/4/2016	11/5/2016	13	0.02	123,909
	476,572	125,000	351,572	11/5/2016	6/6/2016	26	0.02	182,817
	351,572	200,000	151,572	7/6/2016	27/6/2016	20	0.02	60,629
	151,572	120,000	31,572	28/6/2016	19/9/2016	83	0.02	52,409
	31,572	31,572	(0)					
Mar-16	509,143		509,143	5/4/2016	19/9/2016	167	0.02	1,700,537
	509,143	58,428	450,715	20/9/2016	20/3/2017	181	0.02	1,631,588
	450,715	100,000	350,715	20/3/2017	10/4/2017	21	0.02	147,300
April	418,286	-	418,286	5/5/2016	10/4/2017	340	0.02	2,844,345
Total Amount – B								8,222,157
Grand Total – A+B								18,896,379

Annex-10(1)
[Para No. 1.4.1.2]

Manipulated Rates

Item of work	Quantity	Naveed Khan		Nisar Muhammad & Sons		F.R. & Sons		Wajid Ali	
		Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
Filling of street with common material	25	900	22,500	900	22,500	1,100	27,500	400	10,000
Excavation as in ordinary soil	70	60	4,200	300	21,000	300	21,000	100	7,000
PCC (1:4:8)	28	5,400	151,200	6,450	180,600	6,100	170,800	5,000	140,000
PCC (1:2:4)	22	7,200	158,400	7,815	171,930	7,800	171,600	6,000	132,000
PCC (1:3:6) as in drain, pipe, culvert	22	6,000	132,000	6,250	137,500	6,300	138,600	5,500	121,000
12" dia pipe	10	1,800	18,000	3,100	31,000	3,000	30,000	1,000	10,000
18" dia pipe	4.8	2,854	13,699.2	4,820	23,136	5,000	24,000	1,500	7,200
Original Total			499,999.2		587,666		583,500		427,200

Annex-10(2)**[Para No. 1.4.1.2]****Sanitation scheme at Bacha Ghari, Battagram****Actual Rates**

Item of work	Quantity	Naveed Khan		Nisar Muhammad & Sons		F.R. & Sons		Wajid Ali	
		Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
Filling of street with common material	25	700	17,500	900	22,500	1,100	27,500	1,400	90,000
Excavation as in ordinary soil	70	60	4,200	300	21,000	300	21,000	700	17,000
PCC (1:4:8)	28	5,400	151,200	6,450	180,600	6,100	170,800	6,000	240,000
PCC (1:2:4)	22	7,200	158,400	7,815	171,930	7,800	171,600	8,000	182,000
PCC (1:3:6) as in drain, pipe, culvert	22	6,000	132,000	6,250	137,500	6,300	138,600	5,500	221,000
12" dia pipe	10	1,500	15,000	3,100	31,000	3,000	30,000	1,000	10,000
18" dia pipe	4.8	2,854	13,699.2	4,820	23,136	5,000	24,000	2,500	9,200
Total			491,999.2		587,666		583,500		769,200
Amount shown in comparative statement			491,999.2		587,666		583,500		627,200

Annex-11**[Para No. 1.4.1.3]****Sanitation scheme at Chora Khel Battagram**

Item of work	Quantity	Habib Ullah		Rais Khan		Naveed Khan		Wajid Ali	
		Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
Filling of street with common material	40	950	38,000	800	32,000	900	36,000	500	20,000
Excavation as in ordinary soil	100	190	19,000	10	1,000	100	10,000	100	10,000
PCC (1:4:8)	15	6,000	90,000	6,500	97,500	5,850	87,750	5,000	75,000
PCC (1:2:4)	12	7,000	84,000	7,500	90,000	7,350	88,200	6,000	72,000
PCC (1:3:6) as in drain, pipe, culvert	35	6,100	213,500	4,900	171,500	6,400	224,000	5,500	192,500
PCC (1:3:6) as in 40% Boulders	45	5,150	231,750	5,500	247,500	4,700	211,500	3,800	171,000
Erection and removal of form work	80	499	39,920	490	39,200	400	32,000	100	8,000
12" dia pipe	12	2,000	24,000	2,000	24,000	1,700	20,400	1,000	12,000
18" dia pipe	22	3,500	77,000	3,000	66,000	1,800	39,600	1,500	33,000
RCC (1:2:4)	25.2	10,000	252,000	2,000	50,400	7,800	196,560	7,000	176,400
Steel re-enforcement	0.59	121,999	71,979	100,000	59,000	94,380	55,684.2	88,000	51,920
Total			1,141,149		878,100		1,001,694		821,820

Manipulated Rates

Item of work	Quantity	Habib Ullah		Rais Khan		Naveed Khan		Wajid Ali	
		Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
Filling of street with common material	40	950	38,000	800	32,000	900	36,000	500	20,000
Excavation as in ordinary soil	100	190	19,000	10	1,000	100	10,000	100	10,000
PCC (1:4:8)	15	6,000	90,000	6,500	97,500	5,850	87,750	5,000	75,000
PCC (1:2:4)	12	9,000	108,000	7,500	90,000	7,350	88,200	6,000	72,000
PCC (1:3:6) as in drain, pipe, culvert	35	6,100	213,500	4,900	171,500	6,400	224,000	5,500	192,500
PCC (1:3:6) as in 40% Boulders	45	5,150	231,750	15,500	7,247,500	4,700	211,500	3,800	171,000
Erection and removal of form work	80	499	39,920	1,490	139,200	400	32,000	100	8,000
12" dia pipe	12	2,000	24,000	2,000	24,000	1,700	18,700	1,000	12,000

18" dia pipe	22	3,500	77,000	13,000	766,000	1,800	39,600	1,500	33,000
RCC (1:2:4)	25.2	10,000	252,000	2,000	50,400	7,800	196,560	7,000	176,400
Steel re-enforcement	0.59	121,999	71,979	100,000	59,000	94,380	55,684.2	88,000	51,920
Total			1,165,149		8,678,100		999,994.2		821,820
Amount in comparative statement			1,051,849		1,219,690		999,994		1,021,820

Annex-12 (1)**[Para No. 1.4.2.6]****Less /Non-deposit of taxes**

Name of Scheme	Name of contractor	Expenditure (Rs)	Income tax (Rs)	Professional Tax (Rs)	Stamp duty (Rs)
Sanitation Scheme at MC-I	F.R & Sons	680000	50998	5000	1850
Sanitation Scheme at MC-II	F.R & Sons	680000	50999		1850
Sanitation Scheme at MC-III	Eagle Mashwani	682000	51150	5000	1850
Sanitation Scheme at Haji zai	F.R & Sons	690000	49894		1850
Sanitation Scheme at Rashakai	F.R & Sons	680000	50486	5000	1850
Sanitation Scheme at Matta Mughal Khel	Bawar Khan & Brothers	664375	49827	5000	1850
Sanitation Scheme and Repair of Janazgah at U/C Katozai	F.R & Sons	690000	48299		1850
Sanitation Scheme and Repair of Janazgah at U/C Kangra	F.R & Sons	680000	51000		1850
Sanitation Scheme at U/C Daulatpura	Madina Construction	674052	67405	5000	1850
Sanitation Scheme at Tehsil Shabqadar	Bawar Khan	637655	47802		1850
Sanitation Scheme at Ala dad Khel	Wajid Ali Bin Taj Muhammad	998888	74915	5000	1850
Sanitation Scheme at Chora Khel	Naveed Khan	999994	74999	5000	1850
Sanitation Scheme at Bacha Ghari	Naveed Khan	499999	37499		1250
Sanitation Scheme at Mandizai, Battagram	MAK Mian Arshad	1500000	112499	7000	6250
Sanitation Scheme at Mathra, Battagram	Yousaf Khan	999770	74982	5000	1850
Sanitation Scheme at Ashara	Rais Khan	1000000	75000		1850
Sanitation Scheme at Marozai, Battagram	IhsanUllah& Sons	935637	74990		1850
Sanitation Scheme at Daman, Battagram	Naveed Khan	999995	75040		1850

Sanitation Scheme at Kandary	Wajid Ali Bin Taj Muhammad	999985	74998	5000	1850
Sanitation Scheme at Sharifay, Battagram	IhsanUllah& Sons	999971	74997		1850
Sanitation Scheme at U/C Hassan zai	Madina Construction	673552	67355	5000	1850
Sanitation Scheme at U/C Battagram	Madina Construction	1338857	133884	7000	6250
Sanitation Scheme at U/C Panjpao	Bawar Khan & Brothers	1243720	93278	7000	6250
Sanitation Scheme at MC-III	F.R & Sons	340000	25499		1250
Sanitation Scheme at MC-III	Eagle Mashwani	370000	27750		1250
Sanitation Scheme at U/C Haji Zai	Madina Construction	330752	33075		1250
Sanitation Scheme at NazarGhari U/C Katozai	Naveed Khan	378650	28398		1250
Repair of Church at Shabqadar bazaar	Wajid Ali Bin Taj Muhammad	310100	23256		1250
Sanitation Scheme at MC-I	F.R & Sons	544000	38446		1850
Sanitation Scheme at MC-II	F.R & Sons	544000	40800	5000	1850
Sanitation Scheme at MC-III and U/C Rashakai	Madina Construction	1590215	151411		6250
Sanitation Scheme at U/C Rashakai	Madina Construction	534,781	53478		1850
Sanitation Scheme at U/C Matta Mughal Khel and Panjpao	Madina Construction	1462,819	146280	7000	6250
Sanitation Scheme at U/C Katozai	Madina Construction	539,290	53929	7000	1850
Sanitation Scheme at U/C Daulatpura	Madina Construction	532,903	53290		1850
Sanitation Scheme at U/C Haji Zai Tarkha Bacha Khan Nazim	Madina Construction	667,047	66704		1850
Sanitation Scheme at U/C Haji Zai	InamUllah	304,101	22807		1250
Sanitation Scheme at U/C Katozai	InamUllah	306,520	22989	5000	1250
Repair of Transformers at U/C	Rais Khan	599,000	59900	5000	2250

Battagram					
Construction at Shabqadar Bar and supply of furniture	Dost Muhammad	600,000	44999		1850
Sanitation Scheme at U/C Hassan Zai	Naveed Khan	520,128	39011		1850
Improvement of Drainage Sewerage system, desalting of drains and Construction of Dust bins at Tehsil Shabqadar	MAK Mian Arshad	8,641,764	2218653	25000	18750
Total - A		39,064,520	4712971	125000	112200

Annex- 12(2)

[Para No. 1.4.2.6]

Work Name: Repair work and supply of furniture at Tehsil Shabqadar Bar

S. No.	Name of article	Qty	Rate (Rs)	Amount (Rs)
1.	S/F of Plastic Chairs	50	1300.5	65,026
2.	S/F of Plastic Tables	4	1110	4,440
3.	S/F of Wooden bench	12	2600	20,800
4.	S/F of corner Sofa Single piece	8	3500	28,000
5.	S/F of Dish	1	18000	18,000
6.	S/F of LCD	1	45320	45,320
Total				181,586
Sales Tax (17% = 181,586 *17/117) - (B)				26,384
Stamp Duty (1% of 181,586) - (C)				1,815
Total (B + C)				28,199

Work Name: Repair and renovation of Nazim and Naib Nazim Office at TMA Shabqadar

S.No.	Name of article	Qty	Rate (Rs)	Amount (Rs)
1.	Sofa Chair Wooden cushions	3	8000	24,000
2.	Gole Arm cushions Chair	20	4000	80,000
3.	Revolving chair	3	11000	33,000
4.	Computer revolving chair	20	9525	190,500
5.	Executive table with Rack (6 x 3)	3	22000	66,000
6.	Centre table set (3 piece)	3	9000	27,000
7.	Corner sofa single piece	36	4000	144,000
8.	Conference table	1	98000	98,000
Total				662,500
Sales Tax (17% = 662,500 *17/117) - (C)				96,260
Stamp duty (1% of 662,500) - (D)				6,625
Grand Total (A+C)				122,684
Stamp Duty (B+D)				8,440

Annex-13**[Para No. 1.4.3.1]****Non recovery of income tax and bid amount**

S#	Name of Contractor	Bid Amount Outstanding (Rs)	Outstanding Income tax (Rs)
1	Mr. Nadir Khan	105,000	161,400
2	Mr. Nadir Khan	1,168,000	155,000
3	Mr. Ihtisham	-	150,100
4	Mr. Awal Jan	-	551,000
5	Mr. Khairullah	-	120,500
6	Mr. Razaullah	-	300,950
7	Mr. Mukaram Khan	-	621,400
8	Mr. Asif Ur Rehman	-	240,200
9	Mr. Naib Khan	564,750	1,115,300
10	Mr. Raj Wali Khan	-	301,000
11	Mr. Bilal Khan	-	71,500
Total		1,837,750	3,788,350
Grand Total			5,636,100

Annex-14**[Para No. 1.5.3.7]****Detail of variation between receipt figure two set of Accounts****(Amount in Rupees)**

S#	Description	Receipt as per DCR 2015-16	Receipt as per Income statement 2015-16	Difference
1.	2% property tax	9,684,660	6,944,660	2,740,000
2.	Sign Board	40,000	11,600	28,400
3.	General Bus Stand	10,728,715	8,371,784	2,356,931
4.	License Fee	65,000	42,055	22,945
5.	Cattle Fair Shabqadar	4,102,910	2,985,410	1,117,500
6.	Rackshaw stand	2,824,528	2,144,017	680,511
7.	Truck stand	1,337,442	1,131,304	206,138
8.	Tehbazari	2,250,000	1,854,664	395,336
9.	Map Fee	400,497	399,041	1,456
10.	Road Roller	258,000	258,000	0
11.	Slaughter House	39,950	43,980	4,030
12.	Tonga / Donkey Cart	286,272	283,212	3,060
Total Difference		32,017,974	24,469,727	7,556,307

Annex-15**[Para No. 1.4.3.9]****Detail of drawl of cash payment of pay and allowances****(Amount in Rupees)**

S.No	Month of salary	Cheque No. and date	Amount (Rs)
1.	August, 2015	Ch. No. 23106000 dt. 01.09.2016	2,081,020
2.	September, 2015	Ch. No. 23106013 dt. 18.09.2016	2,413,947
3.	October, 2015	Ch. No. 23863236 dt. 30.10.2015	2,461,950
4.	November, 2015	Ch. No. 23863274 dt. 01.12.2015	2,474,344
5.	December, 2015	Ch. No. 23863296 dt. 04.01.2016	899,058
		Ch. No. 00480454 dt. 04.01.2016	1,451,703
6.	January, 2016	Ch. No. 00480468 dt. 01.02.2016	2,417,897
7.	February, 2016	Ch. No. 28811155 dt. 01.03.2016	2,429,080
8.	March 2016	Ch. No. 23863318 dt. 31.03.2016	563,181
9.	April, 2016	Ch. No. 25681783 dt. 29.04.2016	383,207
10.	May, 2016	Ch. No. 25681813 dt. 01.06.2016	389,199
11.	June, 2016	Ch. No. 25681840 dt. 28.06.2016	2,549,675
Total			20,514,261

Item of work	Quantity	Rais Khan		Naveed Khan		Wajid Ali		Habib Ullah		F.R. & Sons	
		Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
Filling of street with common material	30	650	19,500	900	27,000	400	12,000	728	21,840	920	27,600
Excavation as in ordinary soil	150	10	1,500	10	1,500	120	18,000	172	25,800	250	37,500
PCC (1:4:8)	35	4,500	157,500	5,800	203,000	4,000	140,000	4,678	163,730	6,300	220,500
PCC (1:2:4)	20	6,000	120,000	7,300	146,000	5,500	110,000	6,157	123,140	7,500	150,000
PCC (1:3:6) as in drain, pipe, culvert	40	3,000	120,000	6,500	260,000	4,700	188,000	5,362	214,480	6,900	276,000
PCC (1:3:6) as in 40% builders	60	4,000	240,000	4,600	276,000	3,700	222,000	8,844	530,640	5,900	354,000
Erection and removal of form work	100	450	45,000	495	49,500	100	10,000	500	50,000	550	55,000
12" dia pipe	15	1,600	24,000	1,133	16,995	1,200	18,000	6,595	98,925	3,000	45,000
24" dia pipe	10	3,000	30,000	2,000	20,000	2,000	20,000	8,323	83,230	4,500	45,000
Original Total			757,500		999,995		738,000		1,311,785		1,210,600

Manipulated Rate and amount										
Item of work	Quantity	Rais Khan		Naveed Khan		Wajid Ali				
		Rate	Amount	Rate	Amount	Rate	Amount			
Filling of street with common material	30	650	19,500	900	27,000	900	22,000			
Excavation as in ordinary soil	150	10	1,500	10	1,500	220	78,000			
PCC (1:4:8)	35	74,500	757,500	5,800	203,000	9,000	440,000			
PCC (1:2:4)	20	66,000	120,000	7,300	146,000	5,500	210,000			
PCC (1:3:6) as in drain, pipe, culvert	40	63,000	120,000	6,500	260,000	9,700	188,000			
PCC (1:3:6) as in 40% builders	60	14,000	7,240,000	4,600	276,000	3,700	221,000			
Erection and removal of form work	100	7,450	445,000	495	49,500	600	70,000			
12" dia pipe	15	1,600	24,000	1,133	16,995	2,200	18,000			
24" dia pipe	10	13,000	730,000	2,000	20,000	2,000	20,000			
Total			9,457,500		999,995		1,267,000			
Amount shown in comparative statement			1,757,000		999,995		1,037,000			