



**AUDIT REPORT  
ON THE ACCOUNTS OF  
TEHSIL MUNICIPAL ADMINISTRATIONS  
IN DISTRICT MARDAN**

**KHYBER PAKHTUNKHWA**

**AUDIT YEAR 2016-17**

**AUDITOR GENERAL OF PAKISTAN**

## TABLE OF CONTENTS

ABBREVIATION AND ACRONYMS.....	i
PREFACE.....	ii
EXECUTIVE SUMMARY.....	iii
SUMMARY TABLES AND CHARTS.....	vi
I: Audit Work Statistics.....	vi
II: Audit Observations regarding Financial Management.....	vi
III: Outcome Statistics.....	vii
IV: Irregularities pointed out.....	viii
V: Cost Benefit.....	viii
CHAPTER-1.....	1
1.1    Tehsil Municipal Administrations in District Mardan.....	1
1.1.1    Introduction.....	1
1.1.2    Comments on Budget and Accounts (Variance Analysis).....	1
1.1.3    Brief comments on the status of compliance with PAC Directives.....	3
1.2    TEHSIL MUNICIPAL ADMINISTRATION MARDAN.....	4
1.2.1    Non-production of record.....	5
1.2.2    Irregularity & Non-compliance.....	6
1.2.3    Internal Control Weaknesses.....	9
1.3    TEHSIL MUNICIPAL ADMINISTRATION TAKHTBHAI.....	17
1.3.1    Non-production of record.....	18
1.3.2    Internal Control Weaknesses.....	19
Annex-1 MFDAC Paras.....	26
Annex-2 Detail of irregular purchases.....	28
Annex-3 Detail of less receipts of TDR profit.....	29
Annex-4 Detail of penalty for late deposit of revenue.....	30
Annex-5 Detail of non recovery of income tax.....	31
Annex-6 Detail of Penalty for late completion of work.....	33
Annex-7 Detail of penalty for late deposit of revenue.....	34
Annex-8 Detail of non surrender of saved amount.....	37
Annex-9 Detail of penalty for late completion of work.....	38
Annex-10 Detail of less receipt of TDR profit.....	38

## **ABBREVIATION AND ACRONYMS**

AIR	Audit & Inspection Report
BOK	Bank of Khyber
B&R Code	Building and Roads Code
CMD	Chief Minister's Directives
DAC	Departmental Accounts Committee
DG	Director General
FIR	First information Report
GFR	General Financial Rules
LGA	Local Government Act
MB	Measurement Book
MOU	Memorandum of Understanding
NC	Neighbor Hood Council
NIT	Notice Inviting Tender
PAO	Principal Accounting Officer
PAC	Public Accounts Committee
POL	Petrol Oil and Lubricant
RDA	Regional Directorate of Audit
TDR	Term Deposit Receipts
TMA	Tehsil Municipal Administration
VC	Village Council

## Preface

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections-8 and 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 37 of Khyber Pakhtunkhwa Local Government Act 2013, require the Auditor-General of Pakistan to conduct audit of the receipts and expenditure of Local Fund of Tehsil/ Town Municipal Administrations.

The report is based on audit of the accounts of TMAs, in District Mardan 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 and in all cases where the PAO does not initiate appropriate action, the Audit observation will be brought to the notice of Public 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 Mardan, on behalf of the DG District Governments Audit, Khyber Pakhtunkhwa carries out the audit of four District Governments, TMAs and VCs/NCs of four Districts i.e. Mardan, Swabi, Malakand and Buner respectively.

The Regional Directorate of Audit Mardan has a human resource of 11 officers and staff with a total of 2761 man days. The annual budget amounting to Rs 16.856 million was allocated to 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 Administrations Mardan, Takht Bhai and Katlang in District Mardan perform their functions under Khyber Pakhtunkhwa Local Government Act 2013. Each TMA has one Principal Accounting Officer (PAO) as provided in Rule 8 (1P) of the Khyber Pakhtunkhwa Tehsil and Town Municipal Administration Rules of Business 2015. Financial provisions of the Act establish a local fund for each Tehsil and Town Administration for which Annual Budget Statement is authorized by the Tehsil/Town Council in the form of budgetary grants.

### **a. Scope of Audit**

The total expenditure of the Tehsil Municipal Administrations Mardan, Takht Bhai and Katlang, in District Mardan for the Financial Year 2015-16 was Rs 505.377 million. Out of this, RDA Mardan audited an expenditure of Rs 303.226 million which, in terms of percentage, was 60 % of auditable expenditure.

The total receipts of Tehsil Municipal Administrations Mardan, Takht Bhai and Katlang, in District Mardan for the Financial Year 2015-16, was Rs 179.576 million. Out of this, RDA Mardan audited receipts of Rs 107.745 million which, in terms of percentage, was 60% of auditable receipts.

The total expenditure and receipts of Tehsil Municipal Administrations Mardan, Takht Bhai and Katlang in District Mardan, for the Financial Year 2015-16 was Rs 684.953 million. Out of this, RDA Mardan audited transactions of Rs 410.971 million which, in terms of percentage, was 60% of auditable amount.

**b. Recoveries at the instance of audit**

Recovery of Rs 59.577 million was pointed out during the audit. However, no recovery was effected till finalization of this report. Out of the total recoveries, Rs 20.063 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 Mardan 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 during scrutiny and substantive testing in the field.

**d. Audit Impact**

Audit pointed out various irregularities of serious nature. Cases related to weak internal control were also pointed out to which management has been sensitized. In certain cases management has taken action which may further be verified. In cases of recovery management has issued orders for recovery. However, 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.

#### **f. Key Audit Findings of the Report**

- i. Non production of record was found in two cases amounting to Rs 13.232 million<sup>1</sup>
- ii. Irregularity & Non-compliance were noticed in three cases amounting to Rs 13.271 million<sup>2</sup>
- iii. Internal control weaknesses were noticed in sixteen cases amounting to Rs 69.394 million<sup>3</sup>

#### **g. Recommendations**

- The record may be produced to audit for scrutiny besides disciplinary action against the person responsible for lapse.
- Disciplinary actions need to be taken to stop the practice of violation of the rules and regulations in spending the public money.
- Deduction of taxes on contracts needs to be ensured.
- Recoveries of taxes and outstanding amount shall be recovered from the concerned besides action against the person(s) at fault.
- Internal controls may be strengthened to minimize the lapse.

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<sup>1</sup> Para: 1.2.1.1 and 1.3.1.1

<sup>2</sup> Para: 1.2.2.1 to 1.2.2.3

<sup>3</sup> Para: 1.2.3.1 to 1.2.3.8 and 1.3.2.1 to 1.3.2.8

## SUMMARY TABLES AND CHARTS

### I: Audit Work Statistics

(Rs in million)

S. No	Description	No.	Budget
1	Total Entities (PAO)in Audit Jurisdiction	03	684.953
2	Total formations in audit jurisdiction	03	684.953
3	Total Entities (PAO)Audited	03	410.971
4	Total formations Audited	03	410.971
5	Audit and Inspection reports	03	410.971
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

### II: Audit Observations regarding Financial Management

(Rs in million)

Sr. No.	Description	Amount under audit observation
1	Asset management	-
2	Financial management	20.503
3	Internal controls	69.394
4	Others	6.00
<b>Total</b>		<b>95.897</b>



### III: Outcome Statistics

(Rs in million)

S#	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total for year (2015-16)	Total for the year (2014-15)
1	Outlays Audited	-	90.068	107.745	212.258	410.971	626.511
2	Amount Placed under Audit Observation /Irregularities of Audit	-	8.82	19.995	67.082	95.897	459.704
3	Recoveries Pointed Out at the instance of Audit	-	3.720	23.823	32.034	59.577	168.128
4	Recoveries Accepted /Established at the instance of Audit	-	-	6.098	19.593	25.691	-
5	Recoveries Realized at the instance of Audit	-	-	-	-	-	-

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

#### IV: Irregularities pointed out

(Rs in million)

S. No	Description	Amount under Audit observation
1	Violation of rules and regulations and principle of propriety and probity.	40.977
2	Reported cases of fraud, embezzlement, theft, misappropriations and misuse of public funds.	0
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.	0
4	Quantification of weaknesses of internal controls system.	14.765
5	Recoverable and overpayments, representing cases of established overpayment or misappropriations of public monies.	25.691
6	Non-production of record to Audit	13.232
7	Others, including cases of accidents, negligence etc.	1.232
<b>Total</b>		<b>95.897</b>

#### V: Cost Benefit

(Rs in million)

S. No	Description	Amount
1	Outlays Audited	410.971
2	Expenditure on audit	3.891
3	Recoveries realized at the instance of Audit	0
4	Cost Benefit Ratio	1:0

## **CHAPTER-1**

### **1.1 Tehsil Municipal Administrations, in District Mardan**

#### **Introduction, Functions and powers of Tehsil Municipal Administration:**

District Mardan has three tehsils i.e, Mardan, Takht Bhai and Katlang. Each tehsil office is managed by a Tehsil Municipal Officer. Each Tehsil has its own Tehsil Officers (Finance), Tehsil Officers (Infrastructure) and Tehsil Officers (Regulation). The functions and powers of Tehsil Municipal Administration shall be to-

- Monitor and supervise the performance of functionaries of Government offices located in the Tehsil and prepare spatial plans for the Tehsil including plans for land use and zoning and disseminate these plans for public enquiry;
- Execute and manage development plans for improvement of municipal services and infrastructure;
- Exercise control over land-use, land-subdivision, land development and enforce municipal laws, rules and bye-laws and prevent and remove encroachments;
- Regulate affixing of sign-boards and advertisements;
- Prepare budget, long term and annual municipal development programmes;
- Collect taxes, fines and penalties and organize sports, cultural, recreational events, fairs and shows; organize cattle fairs and cattle markets, co-ordinate and support municipal functions amongst village and neighborhood councils  
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 administration in district Mardan for the year 2015-16 is as under:

(Rs in million)

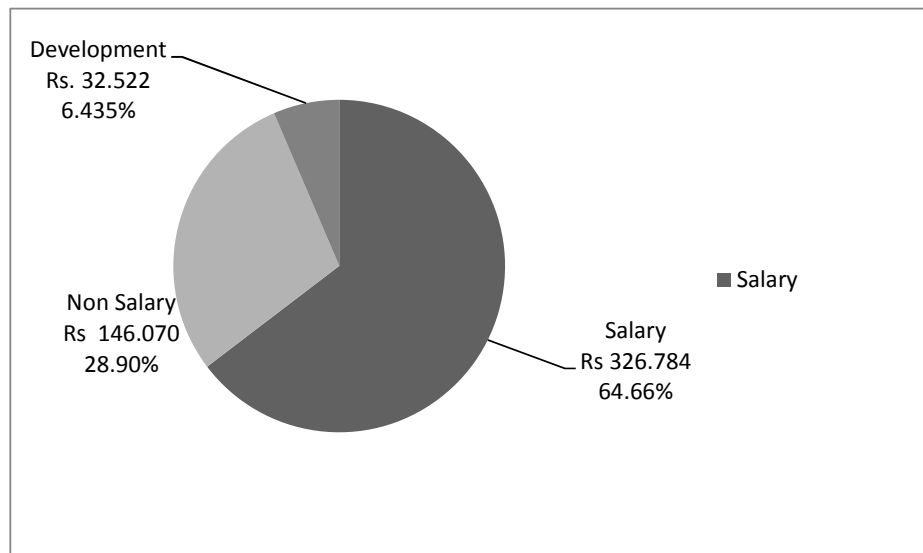
Head	Budget	Expenditure	Excess (Saving)	%age (Saving)
Salary	337.968	326.784	(11.845)	8.311
Non-salary	169.117	146.070	(23.046)	17.120
Development	132.899	32.522	(100.376)	74.569
<b>Total</b>	<b>639.984</b>	<b>505.376</b>	<b>(134.607)</b>	-

2015-16	Budgeted receipts	Actual Receipts	Variation	%age
	490.960	716.365	225.404	

The savings of Rs 134.607 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.

## **1.2 TEHSIL MUNICIPAL ADMINISTRATION MARDAN**

## 1.2 TMA Mardan

### 1.2.1 Non production of record

#### 1.2.1.1 Non production of record –Rs 7.232 million

According to Section 14(1-b) & (3) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 the Auditor General has the authority to require any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to transactions to which his duties in respect of audit extend. A person or authority hindering the auditorial functions of the Auditor General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

Tehsil Municipal Officer Mardan incurred expenditure of Rs 7,232,041 on account of POL under various heads. The expenditure was unauthentic and unverified as log books of the vehicles were not produced despite requisition for record repeatedly. Detail is given below:

S. No	Head	Amount (Rs)
1	Chairman office	165,601
2	Tehsil Municipal Officer	489,629
3	Tehsil Officer Infrastructure	179,652
4	Tehsil Officer Regulation	69,544
5	Chief Officer	32,013
6	Sanitation	6,295,602
<b>Total</b>		<b>7,232,041</b>

Audit observed that non production of record was occurred due to weak financial control, which resulted in non-compliance of Section 14 (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and non-authentication of public expenditure.

The irregularity was pointed out to the management in January 2017, management did not respond to audit observation. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 05 (2015-16)**

## 1.2.2 Irregularity & Non-compliance

### 1.2.2.1 Irregular and unauthentic expenditure on account of repair of transformer–Rs 5.5 million

According to clause 5 of NIT the contractor must have Government of Khyber Pakhtunkhwa Energy and Power, Pakistan Engineering Council and Local Council Board registered certificate. According to clause 20 all the repair bill of transformer must be verified from the concerned sub division. According to clause 21 the contractor should submit the replaced items to the office and According to clause 22 the contractor must have their own work shop with spare transformer.

Tehsil Municipal Officer Mardan during the year 2015-16 incurred expenditure of Rs 5,500,000 on repair of transformer, in various areas of district Mardan. Detail is given below:

S No	Location	Amount (Rs)
1	PK-30	1,000,000
2	PK-24	3,000,000
3	Pk-28	1,500,000
<b>Total</b>		<b>5,500,000</b>

Audit observed the following short comings

1. The contractor was not registered with Pakistan Engineering Council in the relevant field/category.
2. The bills were not verified from the concerned Sub-division.
3. The items replaced were not shown to audit.
4. Documentary evidence regarding work shop of the contractor and spare transformer was not shown to audit.
5. Site location was not available on record.
6. Demand from the community was not produced to audit.
7. Energy and Power department Government of Khyber Pakhtunkhwa registration certificate not available on record.



Audit observed that unauthentic and irregular expenditure occurred due to weak financial control, which resulted in suspected loss to the government.

The irregularity was pointed out to the management in January 2017, management did not respond to audit observation. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 32 (2015-16)**

**1.2.2.2 Unverified expenditure on account of developmental work—  
Rs 5.1 million**

According to Para 2.22 of the B&R Department Code the papers to be submitted with the project for a work will consist of a report, a specification and a detailed statement of measurements, quantities and rates, with an abstract showing the total estimated cost of each item.

Tehsil Municipal Officer Mardan during the year 2015-16 incurred expenditure of Rs 4,217,758 and Rs 882,768 in the works construction of Bebe Abai road at union council Hoti and construction of street, drain etc at union council Babainai respectively, However, neither bill was available on record nor measurement book was shown to authenticate the expenditure.

Audit observed that unverified expenditure occurred due to weak financial control, hence chances of misappropriation could not be avoided.

Audit observed that unauthentic and irregular expenditure occurred due to weak financial control, which resulted in suspected loss to the government.

The irregularity was pointed out to the management in January 2017, management did not respond to audit observation. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 29 (2015-16)**

### **1.2.2.3 Irregular and unverified purchases –Rs 2.671 million**

According to para 01 chapter-II of KPPRA Rules 2014, the procurement shall use open competitive bidding as the principal method of procurement of goods over the value of Rs 100,000.

Tehsil Municipal Officer Mardan during the year 2015-16 incurred expenditure of Rs 2,671,000 on purchasing various items out of endowment fund. However neither tender documents/sanctions nor stock entries were shown to audit to authenticate the expenditure. Moreover no documentary evidence regarding replacement of Energy Savers was shown, having one year warranty in all such cases. Detail is given in Annex-2.

Audit observed that unverified and unverified expenditure occurred due to weak financial control, which resulted in suspected loss to the TMA.

The irregularity was pointed out to the management in January 2017, management did not respond to audit observation. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 26 (2015-16)**

### **1.2.3 Internal Control Weaknesses**

#### **1.2.3.1 Loss due to less receipts of TDR profit–Rs 17.725 million**

According to clause 3 of MOU signed by the authorities of Municipal Committee and Bank of Khyber, period of the TDR is for 30 years and according to clause 5, the profit rate will be 14.61 % and 11.5% per annum respectively. (

Tehsil Municipal Officer Municipal Committee Mardan enter into a contract with the Bank of Khyber for placement of an amount of Rs.250 million in TDR # 8386 @ 14.61% profit per annum and Rs.150 million in TDR # 33174 @ 11.50% profit per annum for 30 years but failed to recover full amount of the profit, causing loss of Rs17,725,416. Detail is given at Annex-3

Audit observed that less receipt of profit occurred due to weak financial control, which resulted in loss to Government.

The irregularity was pointed out to the management in January 2017, management stated that the matter is in the court of law. Progress will be shown to audit, but no progress was intimated. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 02 (2015-16)**

#### **1.2.3.2 Non recovery of income tax from the allottee of shops–Rs 5.794 million**

According to section 236A of the income tax ordinance 2001, income tax @ 10% is liable on any auction.

Tehsil Municipal Administration Mardan auctioned various shops in TMA plaza, but failed to recover income tax of Rs 4,699,500 from the allottees. Detail is given at Annex-4

Moreover awarded contracts of General Bus Stand Mardan and Cattle fair Rustam to contractors on daily/fair basis, however income tax of Rs 1,095,000 was not recovered from them. Detail is given below:

S No	Name of contract	From	To	Total Period	Daily/ fair amount (Rs)	Total Amount (Rs)	Income tax (Rs)
1	GBS Mardan	06-02-2016	20-05-2016	105 days	100,000	10,500,000	1,050,000
2	Cattle fair Rustam	18-01-2016	06-05-2016	15 fair	30,000	450,000	45,000
<b>Total</b>							<b>1,095,000</b>

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

The irregularity was pointed out to the management in January 2017, in connection of shops management stated that recovery is under process and progress will be shown to audit, on account of contracts management stated that case has been initiated against the contractor in civil court, which is under process. Reply is not correct as no documentary evidence was shown to audit but no progress was intimated. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 10&21 (2015-16)**

**1.2.3.3 Non recovery of penalty for late deposit of monthly instalment–Rs 4.895 million**

According to clause 2 of contract agreement, the contractor should deposit monthly installments up to end of each month failing which 2% daily penalty would be imposed for late deposit.

Tehsil Municipal Officer Mardan failed to impose and recover 2% penalty amounting to Rs 4,895,316 from the contractors of local fund receipts contracts for the years 2015-16 on late deposit of monthly installments. Detail is given at Annex-5

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

The irregularity was pointed out to the management in January 2017, management stated that notices have already been served to the contractors for recovery and progress will be shown in near future, but no progress was intimated. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 01 (2015-16)**

**1.2.3.4 Non Imposition of penalty for late completion of work–Rs 3.720 million**

According to clause 2 of the contract agreement, the contractor shall pay compensation amount equal to 1% of the estimated cost for every day that the work remains incomplete and the entire amount of compensation shall not exceed 10% of the estimated cost.

Tehsil Municipal Officer Mardan during the year 2015-16 failed to impose and recover penalty of Rs 3,720,900 in various developmental schemes for their late completion. Detail is given at Annex-6

Audit observed that non imposition/recovery of penalty occurred due to weak internal control, which resulted in an undue favour to the contractor and delay in timely completion of the scheme.

The irregularity was pointed out to the management in January 2017, management did not respond to audit observation. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 39 (2015-16)**

**1.2.3.5 Non recovery of loan–Rs 3.714 million**

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

Tehsil Municipal Officer Mardan during the year 2015-16 paid Rs 3,714,319 as loan to District Government Mardan but failed to recover the amount till the date of audit.

Audit observed that non-recovery of loan was occurred due to weak internal control, which resulted in loss to the TMA.

The irregularity was pointed out to the management in January 2017, management stated that correspondence for the recovery will be made and progress will be shown to audit, but no progress was intimated. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 35 (2015-16)**

### 1.2.3.6 Non recovery of water rate fee–Rs 3.209 million

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

Tehsil Municipal Officer Mardan during the year 2015-16 failed to recover water rate fee amounting to Rs 3,209,390 outstanding against the consumers. Detailed is given below:

S No	Circle	Amount Due (Rs)	Amount Recovered (Rs)	Outstanding Amount (Rs)
1	Hoti	1,533,600	707,205	826,395
2	Bicket Gang	2,554,200	1,594,340	959,860
3	Mardan Khas	790,200	657,395	132,805
4	Bari Cham	810,000	420,075	389,925
5	Kass Koroona	1,076,400	315,315	761,085
6	Baghdada	383,400	244,080	139,320
<b>Total</b>				<b>3,209,390</b>

Audit observed that non recovery was occurred due to weak internal control, which resulted in loss to the TMA.

The irregularity was pointed out to the management in January 2017, management stated that efforts are continued for the recovery of said amount and progress will be shown in near future, but no progress was intimated. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 04 (2015-16)**

### 1.2.3.7 Non recovery of contractual amount–Rs 1.646 million

According to Para 28 of GFR Vol.-I, no amount due to government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought. According to clause 5 of the contract agreement the contractor shall deposit the amount in 11 equal instalments.

Tehsil Municipal Officer Mardan during the year 2015-16 awarded contract of General Bus Stand Mardan to a contractor on 04-02-2016 @ Rs 100,000 per day. However the department failed to recover contractual amount of Rs 1,600,000 for the period from 05-05-2016 to 20-05-2016. Similarly contract of cattle fair Bakhshali was awarded to another contractor for Rs 1,448,085. An amount of Rs 1,112,000 was recovered from the contractor on account of monthly instalment and Rs 289,617 was adjusted against advance of the contractor, causing less collection of Rs 46,468. Detail is given below:

S No	Name of contract	Outstanding amount
1	General Bus Stand Mardan	1,600,000
2	Cattle fair Bakhshali	46,468
Total		1,646,468

Audit observed that non recovery of amount occurred due to weak internal control, which resulted in loss to the TMA.

The irregularity was pointed out to the management in January 2017, management stated that case has been initiated against the contractor in civil court and FIR has also been lodged in the matter which is under process. Reply is not correct as no documentary evidence was shown to audit. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 09 (2015-16)**



**1.2.3.8 Loss due to non-award of contract of cattle fair-Rs 1.027 million**

According to Para 23 of the General Financial Rules Volume I 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.

Tehsil Municipal Officer Municipal Administration Mardan during the year 2015-16 failed to award the contract of cattle fair Baghdada on bid offered by Muhammad Zubair S/o Roshan Zameer for Rs 3,000,000 for the current year having increase of 20.95 % on previous year bid, and was run departmentally. Later on the contract was awarded to Mr. Laiqat Ali S/o Ghulam Zarin on 15-01-2016 for Rs1,415,385. Thus the TMA sustained loss of Rs 1,027,925 as detailed below:

Departmental recovery	Rs. 556,690
Contractual amount	Rs. 1,415,385
Total amount realized	Rs. 1,972,075
Bid Offer	Rs. 3,000,000
<b>Loss</b>	<b>Rs. 1,027,925</b>

Audit observed that non award of contract occurred due to weak internal control which resulted in loss.

The irregularity was pointed out to the management in January 2017, management stated that after checking of record reply will be furnished, but no reply was intimated. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 06 (2015-16)**

### **1.3 MUNICIPAL COMMITTEE TAKHTBHAI**

### **1.3 TMA TAKHTBHAI**

#### **1.3.1 Non production of record**

##### **1.3.1.1 Non production of auditable record –Rs 6.00 million**

According to Section 14(1-b) & (3) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 the Auditor General has the authority to require any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to transactions to which his duties in respect of audit extend. A person or authority hindering the auditorial functions of the Auditor General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person.

Tehsil Municipal Officer Takht Bhai failed to produce measurement book in respect of expenditure of Rs 2,000,000 and Rs 4,000,000 incurred during the year 2015-16 in the works construction of remaining works of road of Ashraf Uddin kalay Union council Jalala and construction of Janazgah at jewar respectively.

Audit observed that non-production of record occurred due to weak internal control, which resulted in non-compliance of Section 14 (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and non-authentication of public expenditure.

The irregularity was pointed out to the management in February 2017, management did not respond to audit observation. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 13 (2015-16)**

### 1.3.2 Internal Control Weaknesses

#### 1.3.2.1 Non recovery of Penalty for late deposit of monthly instalment–Rs 10.691 million

According to clause 2 of contract agreement, the contractor should deposit monthly instalment up to end of each month failing which 2 % daily penalty would be imposed for late deposit.

Tehsil Municipal Officer Takht Bhai during the year 2015-16 failed to impose and recover 2% penalty amounting to Rs 10,691,290 from the contractors of local fund receipts for late deposit of monthly installments as summarized below and detail is given at Annex-7

S No	Name of contract	Amount (Rs)
1	Property tax	4,344,524
2	General Bus S Sher garh	2,650,208
3	Cattle fair Lund Khwar	37,975
4	General Bus Stand Lundkhwar	837,159
5	Cattle fair Takht Bhai	2,821,424
<b>Total</b>		<b>10,691,290</b>

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

The irregularity was pointed out to the management in February 2017, management stated that the principal amount of the contract has been deposited, therefore penalty may be considered as waved off. Reply is not correct as terms and conditions issued by the competent authority and agreement with the contractor is clear in the matter and undue favour was extended to contractors. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 01 (2015-16)**

**1.3.2.2 Non surrender of saving in to government treasury–Rs 6.152 million**

According to Para 95 of General Financial Rules volume I, all anticipated savings should be surrendered to Government well before close of financial year. No savings should be held in reserve for possible future excesses.

Tehsil Municipal Officer Takht Bhai during the year 2015-16 failed to surrender an amount of Rs 6,152,000 saved in various works completed under the head CMD. Detail is given at Annex-8

Audit observed that non-surrender of saving occurred due to weak internal control, which resulted in non-compliance of rules.

The irregularity was pointed out to the management in February 2017, management did not respond to audit observation. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 14 (2015-16)**

**1.3.2.3 Non recovery of income tax–Rs 4.050 million**

According to section 236A of the income tax ordinance, income tax @10% should be deducted if the contract awarded through auction.

Tehsil Municipal Officer Takht Bhai during the year 2015-16 awarded the contract of property tax to a contractor for Rs 40,500,000. An amount of Rs 4,050,000 on account of income tax @ 10% was required to be recovered which was not done.

Audit observed that non recovery of income tax occurred due to weak internal control, which resulted in loss to the government.

The irregularity was pointed out to the management in February 2017, management stated that notice has already been issued to the contractor for the deposit of income tax. Reply is not correct as the amount is outstanding against the contractor and no progress was made/shown in the matter. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 05 (2015-16)**

**1.3.2.4 Non Imposition of penalty for late completion of work—Rs 1.750 million**

According to Clause-2 of the terms and condition of the contract agreement, a penalty up to 10% of the estimated cost should be imposed on contractors who fail to complete the work in due time.

Tehsil Municipal Officer Takht Bhai during the year 2015-16 failed to impose and recover penalty of Rs 1,750,000 from various contractors for late completion of various works. Detail is given at Annex-9

Audit observed that non imposition/recovery of penalty indicated weak internal control, which resulted in an undue favour to the contractor and delay in timely completion of the scheme.

The irregularity was pointed out to the management in February 2017, management did not respond to audit observation. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 09 (2015-16)**

**1.3.2.5 Loss to government due to non-awarding of contract—Rs 1.406 million**

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

Tehsil Municipal Officer Takht Bhai during the year 2015-16 rejected bid of Rs 7,000,000 offered by a contractor for the contract of General Bus Stand Takht Bhai. However the contract was not awarded to the contractor and run departmentally. An amount of Rs 5,759,410 was realized during the financial year causing less receipts of Rs 1,240,590. Moreover Rs 166,000 was spent on stationery used in departmental recovery, which could be saved if the contract was awarded to the contractor. Thus TMA sustained loss of Rs 1,406,590. Detail is given below:

Bid offer	7,000,000
Departmental recovery	5,759,410
Difference	1,240,590
Stationery used	166,000
<b>Total loss</b>	<b>1,406,590</b>

Audit observed that non-award of contract occurred due to weak internal control, which resulted in loss to the TMA.

The irregularity was pointed out to the management in February 2017, management stated that 20% increase target has not achieved as per terms and condition, therefore the contract was not awarded. Reply is not correct as the committee sustained loss while running the contract departmentally. Request for

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

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

**AIR Para No. 03 (2015-16)**

#### **1.3.2.6 Loss due to less receipt of TDR profit–Rs 1.243 million**

According to clause 3 of MOU signed by the authorities of Municipal Committee and Bank of Khyber, period of the TDR is for 30 years and according to clause 5, the profit rate will be 11.5% per annum.

Tehsil Municipal Officer Municipal Committee Takht Bhai entered in to a contract with the Bank of Khyber for placement of an amount of Rs 50 million in TDR @ 11.50% profit per annum for 30 years but failed to recover full amount of the profit, causing loss of Rs 1,243,793. Detail is given at Annex-10

Audit observed that less receipt of profit occurred due to weak internal control, which resulted in loss to the TMA.

The irregularity was pointed out to the management in February 2017, management stated that the case will be taken up with the provincial government in light of agreement executed between TMA and BOK. Reply is not correct as huge loss sustained and the issue was required to be taken up with government too earlier. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 06 (2015-16)**



**1.3.2.7 Loss to Government due to cancelation of award of contract–  
Rs 1.232 million**

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

Tehsil Municipal Officer Takht Bhai did not awarded the contract of map fee to a contractor who offered rate of Rs 1,751,000 after auction during the year 2015-16. The contract was run departmentally and an amount of Rs 518,044 was shown realized causing difference of Rs 1,232,956. Thus the local office sustained loss.

Audit observed that non award of contract occurred due to weak internal control, which resulted in loss to TMA.

The irregularity was pointed out to the management in February 2017, management stated that as per provincial government instructions the contract was not approved and cancelled. Reply is not correct as the contract was cancelled without any cogent reason. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 02 (2015-16)**

**1.3.2.8 Non recovery of loan from District Government–Rs 1.14  
million**

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

Tehsil Municipal Officer Takht Bhai during the year 2015-16 failed to recover an amount of Rs 1,140,958 which was paid as loan to District Government Mardan.

Audit observed that non-recovery of loan was occurred due to weak internal control, which resulted in loss to the TMA.

The irregularity was pointed out to the management in February 2017, management stated that the case will be taken up with the District Government Mardan for recovery, but no progress was shown to audit. Request for convening DAC meeting was made in March 2017, however meeting of DAC could not be convened till finalization of this Report.

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

**AIR Para No. 16 (2015-16)**

## ANNEXURE

### Annex-1

### MFDAC Paras

Sr. No.	AIR Para No..	Department	Caption	(Rs in million)
1.	39	TMA Mardan	Non recovery of rent of shops	0.059
2.	43	-do-	Non recovery of professional tax	0.0153
3.	44	-do-	Less deposit of RTA share	0.913
4.	47	-do-	Non accountal of property tax	0.306
5.	48	-do-	Non recovery of income tax in to government treasury	0.126
6.	49	-do-	Unauthorized payment on account of non BOQ item	0.395
7.	50	-do-	Overpayment due to showing unjustified execution of work	0.119
8.	51	-do-	Unjustified and unauthentic execution of work	0.738
9.	52	-do-	Overpayment due to non-deduction of voids	0.212
10.	53	-do-	Overpayment due to allowing work on higher rate than required	0.242
11.	54	-do-	Non recovery of principal amount from the allottee of shops	0.897
12.	55	-do-	Unjustified expenditure on account of electricity of road light	0.302
13.	56	-do-	Less deduction of income tax	0.396
14.	58	-do-	Overpayment due to allowing excess quantity than MB	0.954
15.	59	-do-	Less deduction/deposit of Income tax, Sales tax and stamp duty	0.628
16.	60	-do-	Overpayment due to purchasing on higher rate than approved by the competent authority	0.124
17.	61	-do-	Overpayment due to purchasing on high rate than admissible	0.962
18.	63	-do-	Overpayment due to allowing contract on higher rate than offered by the contractor	0.547
19.	64	-do-	Overpayment due to allowing contract on higher rate than offered by the contractor	0.174
20.	66	-do-	Overpayment due to allowing high rate than BOQ	0.555
21.	67	-do-	Overpayment due to allowing contract on higher rate	0.496

22.	69	-do-	Non forfeiture of earnest money	0.060
23.	70	-do-	Un-authorized business with Bank	0.910
24.	72	-do-	Non –recovery of Advances	0.800
25.	73	-do-	Non -deduction of stamp duty	0.045
26.	74	-do-	Overpayment due to allowing higher rates than approved BOQ	0.244
27.	76	-do-	Overpayment due to allowing unjustified and illogical hight of PCC (1:3:6)	0.064
28.	77	-do-	Overpayment due to wrong calculation in MB	0.076
29.	78	-do-	Overpayment due to non-using of available materials	0.203
30.	79	-do-	Unauthentic expenditure due to non-production of MB	0.594
31.	80	-do-	Overpayment due to allowing inadmissible item	0.258
32.	81	-do-	Misappropriation due to allowing repair of non-functional tube wells	0.201
33.	85	TMA Takht bai	Non recovery of contractual amount	0.166
34.	88	-do-	Overpayment on account of LCB share	0.266
35.	89	-do-	Unauthorized expenditure out of endowment fund	0.898
36.	91	-do-	Non recovery of pay and allowances from the contractor	0.572
37.	92	-do-	Non recovery of water rate fee	0.116
38.	93	-do-	Overpayment due to recording wrong measurement in MB	0.299
39.	96	-do-	Less deposit of RTA share	0.174
40.	98	-do-	Non –recovery of Advances	0.055
41.	99	-do-	Overpayment due to non-deduction of voids and non-using of Available material	0.222
42.	100	-do-	Less charging of Sales tax	0.112
43.	101	-do-	Irregular award of Government property to Private person	-
44.	102	TMA Katlung	Non recovery of outstanding contracts amount	0.695
45.	103	-do-	Unjustified payment of training charges	0.100
46.	104	-do-	Unauthentic and unverified payment -	0.400
47.	105	-do-	Non recovery of Penalty for late deposit of monthly installment	0.191

**Annex-2****Detail of irregular purchase****(Para No. 1.2.1.4)**

<b>S. No</b>	<b>Items</b>	<b>Qty (No)</b>	<b>Rate (Rs)</b>	<b>Amount (Rs)</b>
1	Energy Saver 25 watt	5000	175	875,000
2	Energy Saver 45 watt	200	600	120,000
3	7/29 wire	3000	90	270,000
4	7/52 wire	2000	88	176,000
5	3/29 wire	3000	30	90,000
6	Energy Saver body	800	1,225	980,000
7	Holder thread	2000	40	80,000
8	Glad 500 volts 60/65 Amp Pak made	50	1,000	50,000
9	Glad 500 volts 30/35 Amp Pak made	50	600	30,000
<b>Total</b>				<b>2,671,000</b>

**Annex-3**

**Detail of less receipts of TDR profit**

**(Para No. 1.2.3.1)**

<b>TDR Amount (Rs)</b>	<b>Rate per annum</b>	<b>Profit per annum (Rs)</b>	<b>Profit per month (Rs)</b>
250,000,000	14.61%	36,525,000	3,043,750
150,000,000	11.5%	17,250,000	1,437,500
<b>Total</b>		<b>53,775,000</b>	<b>4,481,250</b>

<b>Months</b>	<b>Required profit (Rs)</b>	<b>Profit received (Rs)</b>	<b>Difference (Rs)</b>
7-2015	4,481,250	3,057,534	1,423,716
8-2015	4,481,250	3,057,534	1,423,716
9-2015	4,481,250	2,958,904	1,522,346
10-2015	4,481,250	3,057,534	1,423,716
11-2015	4,481,250	2,958,904	1,522,346
12-2015	4,481,250	3,057,534	1,423,716
1-2016	4,481,250	3,049,181	1,432,069
2-2016	4,481,250	2,852,459	1,628,791
3-2016	4,481,250	3,049,181	1,432,069
4-2016	4,481,250	2,950,819	1,530,431
5-2016	4,481,250	3,049,181	1,432,069
6-2016	4,481,250	2,950,819	1,530,431
<b>Total</b>	<b>53,775,000</b>	<b>36,049,584</b>	<b>17,725,416</b>

**Annex-4****Detail of Non-recovery of income tax****(Para No. 1.2.3.2)**

<b>Shop No</b>	<b>Name of owner</b>	<b>Income Tax (Rs)</b>
F-28	Ibrahim	139,500
F-31	Asal Khan	151,000
F-32		88,000
F-34	Zahir Uddin	151,000
F-37	Shah Zeb	138,000
F-35	Farzana	138,000
F-39	Asal Khan	121,000
F-40	Faisal Khattak	85,500
F-41	Nisar Gul	81,000
F-42		135,500
F-44	Ibrahim	183,500
Y-2	Ahmad Wadood	121,000
Y-4	Saqib Ur Rahman	87,000
Y-7	Imran	82,000
Y-14	Mufti Nisar	152,500
Y-17	Abdul Haq	81,000
Y-16	Ahmad Wadood	81,000
Y-19	Haji Israr	82,500
F-27	Ibrahim	142,500
F-24	Farhan Ullah	107,000
F-25	Javid Amin	129,000
F-15	Muhammad Nabi	168,000
F-16	-do-	172,000
F-14	Abdul Haq	164,000
F-8	Azeem Khan	168,000
Y-21	Malak Tila	81,000
Y-8	Rahat Ullah	150,000
Y-6	Amir Akbar	81,000
Y-5	Ameer Akbar	81,000
F-38	Zahir Muhammad	124,000
F-10	Samia Naz	167,000
F-9		170,000
F-7	Azeem Khan	180,000
G-32	Muhammad Sadeeq	167,000
G-30	Israr ul Haq	180,000
F-29	Hidayat ur Rahman	169,000
<b>Total</b>		<b>4,699,500</b>

**Detail of penalty for late deposit of monthly installment**

(Para No. 1.2.3.3)

**2% Property Tax**

Month	Due date	Deposit date	Late period (days)	Inst Amount (Rs)	2% penalty (Rs)	Total Penalty (Rs)
10-2015	31-10-2015	2-11-2015	2	12,100,000	242,000	484,000
12-2015	31-12-2015	4-1-2016	4	3,500,000	70,000	280,000
2-2016	28-2-2016	7-3-2016	7	7,100,000	142,000	994,000
3-2016	31-3-2016	6-4-2016	6	12,100,000	242,000	1,452,000
4-2016	31-5-2016	2-5-2016	2	2,420,000	48,400	96,800
<b>Total</b>						<b>3,306,800</b>

**Flash System Latrin**

Month	Due date	Deposit date	Late period (days)	Inst Amount (Rs)	2% penalty (Rs)	Total Penalty (Rs)
10-2015	31-10-2015	5-11-2015	5	69,000	1,380	6,900
11-2015	30-11-2015	4-12-2015	4	69,000	1,380	5,520
12-2015	31-12-2015	6-1-2016	6	69,000	1,380	8,280
1-2016	31-1-2016	15-2-2016	15	69,000	1,380	20,700
2-2016	28-2-2016	7-3-2016	7	69,000	1,380	9,660
3-2016	31-3-2016	19-4-2016	19	69,000	1,380	26,220
4-2016	30-4-2016	16-5-2016	16	78,327	1,566	25,056
<b>Total</b>						<b>102,336</b>

**Sign Board**

Month	Due date	Deposit date	Late period (days)	Inst Amount (Rs)	2% penalty (Rs)	Total Penalty (Rs)
9-2015	30-9-2015	5-10-2015	5	834,000	16,680	83,400
12-2015	31-12-2015	4-1-2016	4	833,334	16,666	66,664
4-2016	30-4-2016	5-5-2016	5	126,962	2,539	12,695
<b>Total</b>						<b>162,759</b>



**Cattle Fair Bughdada**

Month	Due date	Deposit date	Late period (days)	Inst Amount (Rs)	2% penalty (Rs)	Total Penalty (Rs)
2-2016	28-2-2016	3-3-2016	3	353,900	7,078	21,234
3-2016	31-3-2016	6-4-2016	6	235,000	4,700	28,200
3-2016	31-3-2016	13-4-2016	13	100,000	2,000	26,000
4-2016	30-4-2016	11-5-2016	11	128,000	2,560	28,160
4-2016	30-4-2016	31-5-2016	31	173,869	3,477	107,787
<b>Total</b>						<b>211,381</b>

**Cattle Fair Bakshali**

Month	Due date	Deposit date	Late period (days)	Inst Amount (Rs)	2% penalty (Rs)	Total Penalty (Rs)
10-2015	31-10-2015	5-11-2015	5	10,000	2000	10,000
do	31-10-2015	19-11-2015	19	21,000	420	7,980
do	31-10-2015	16-11-2015	16	60,000	1200	19,200
11-2015	30-11-2015	10-12-2015	10	110,000	2200	22,000
do	do	31-12-2015	31	70,000	1400	43,400
12-2015	31-12-2015	10-2-2016	41	132,000	2640	108,240
do	do	3-3-2016	62	90,000	1800	111,600
1-2016	31-1-2016	22-3-2016	50	30,000	600	30,000
do	do	24-3-2016	52	50,000	1000	52,000
do	do	28-3-2016	56	100,000	2000	112,000
2-2016	28-2-2016	15-4-2016	46	35,000	700	32,200
do	do	19-4-2016	50	40,000	800	40,000
3-2016	31-3-2016	12-5-2016	42	100,000	2000	84,000
4-2016	30-4-2016	24-5-2016	24	100,000	2000	48,000
do	do	2-6-2016	33	33,000	660	21,780
do	do	16-6-2016	47	21,000	420	19,740
do	do	30-6-2016	61	20,000	400	24,400
<b>Total</b>						<b>786,540</b>

**GBS Rustam**

Month	Due date	Deposit date	Late period (days)	Inst Amount (Rs)	2% penalty (Rs)	Total Penalty (Rs)
11-2015	30-11-2015	17-12-2015	17	100,000	2000	34,000
12-2015	31-12-2015	20-1-2016	20	100,000	2000	40,000
1-2016	31-1-2016	18-2-2016	18	100,000	2000	36,000
2-2016	28-2-2016	14-3-2016	14	50,000	1000	14,000

do	do	24-3-2016	24	50,000	1000	24,000
3-2016	31-3-2016	14-4-2016	14	55,000	1100	15,400
do	do	29-4-2016	29	60,000	1200	34,800
4-2016	30-4-2016	15-6-2016	46	30,000	600	27,600
do	do	22-6-2016	53	30,000	600	31,800
do	do	28-6-2016	59	30,000	600	35,400
do	do	4-7-2016	65	25,000	500	32,500
<b>Total</b>						<b>325,500</b>

**Annex-6**

**Detail of Penalty on account of Late completion of work**

**(Para No. 1.2.3.4)**

<b>S. No</b>	<b>Name of scheme</b>	<b>Estimated cost (Rs)</b>	<b>Required date of completion</b>	<b>Actual date of Completion</b>	<b>Delay</b>	<b>10% penalty(Rs)</b>
1	water tank at Jamia Taheemul Quran Mardan	3,000,000	27-6-2015	17-03-2016	9 M	300,000
2	Constt: of R/wall at U/C Saro Shah	4,000,000	16-08-2015	05-04-2016	8 M	400,000
3	street pavement at UC Aloo	2,000,000	15-8-2015	12-1-2016	6 M	200,000
4	street pavement UC Mardan rural	3,000,000	10-5-2016	21-1-2016	8 M	300,000
5	imp of road at Shah dand baba par hoti	4,097,000	21-6-2015	3-2-2016	9 M	409,700
6	street pavement UC sikandarai	2,200,000	21-6-2015	15-2-2016	9 M	220,000
7	street pavement UC Muslim abad	7,500,000	20-5-2015	3-2-2016	9 M	750,000
8	const of Janaz gah at kot doulatzai	3,150,000	24-5-2015	4-1-2016	8 M	315,000
9	street pavement UC Qasamai	2,000,000	15-8-2015	1-6-2016	10 M	200,000
10	Cont of cause way UC Kata hat	6,262,000	15-8-2015	25-5-2016	9 M	626,200
<b>Total</b>						<b>3,720,900</b>

**Detail of penalty for late deposit of revenue****(Para No. 1.3.2.1)****2% Property Tax**

Month	Due date	Deposit date	Late period (days)	Inst Amount(Rs)	2% penalty(Rs)	Total Penalty (Rs)
9-2015	30-9-2015	30-10-2015	30	3,681,820	73,636	2,209,080
10-2015	31-10-2015	4-11-2015	4	3,681,820	73,636	294,544
11-2015	30-11-2015	4-12-2015	4	3,681,820	73,636	294,544
12-2015	31-12-2015	6-1-2016	6	3,681,820	73,636	441,816
1-2016	31-1-2016	8-2-2016	8	3,681,820	73,636	589,088
2-2016	28-2-2016	7-3-2016	7	3,681,820	73,636	515,452
<b>Total</b>						<b>4,344,524</b>

**GBS Sher Garh**

Month	Due date	Deposit date	Late period(days)	Inst Amount (Rs)	2% penalty (Rs)	Total Penalty (Rs)
7-2015	31-7-2015	5-10-2015	66	477,500	9550	630,300
8-2015	31-8-2015	4-11-2015	65	250,000	5000	325,000
		6-11-2015	67	200,000	4000	268,000
		11-11-2015	72	27,500	550	39,600
9-2015	30-9-2015	11-11-2015	42	150,000	3000	126,000
		17-11-2015	48	100,000	2000	96,000
		20-11-2015	51	227,500	4550	232,050
10-2015	31-10-2015	25-11-2015	25	300,000	6000	150,000
		26-11-2015	26	177,500	3550	92,300
11-2015	30-11-2015	11-12-2015	11	150,000	3000	33,000
		22-12-	22	150,000	3000	66,000

		2015				
		28-12-2015	28	177,500	3550	99,400
12-2015	31-12-2015	04-01-2016	4	100,000	2000	8,000
		11-01-2016	11	150,000	3000	33,000
		18-01-2016	18	200,000	4000	72,000
		22-01-2016	22	27,500	550	12,100
1-2016	31-1-2016	03-02-2016	3	350,000	7000	21,000
		08-02-2016	8	50,000	1000	8,000
		09-02-2016	9	77,500	1550	13,950
2-2016	28-2-2016	09-03-2016	9	100,000	2000	18,000
		14-03-2016	14	100,000	2000	28,000
		25-03-2016	25	100,000	2000	50,000
		01-04-2016	32	100,000	2000	64,000
		15-04-2016	46	27,500	550	25,300
3-2016	31-3-2016	15-04-2016	15	72,500	1450	21,750
		19-04-2016	19	309,100	6182	117,458
<b>Total</b>						<b>2,650,208</b>

#### Cattle fair Lund Khwar

Month	Due date	Deposit date	Late period (days)	Inst Amount (Rs)	2% penalty (Rs)	Total Penalty (Rs)
7-2015	31-7-2015	5-10-2015	66	7750	155	10230
8-2015	31-8-2015	5-11-2015	66	7750	155	10230
9-2015	30-9-2015	5-11-2015	36	7750	155	5580
10-2015	31-10-2015	23-11-2015	23	7750	155	3565
11-2015	30-11-2015	9-12-2015	9	7750	155	1395
12-2015	31-12-2015	13-01-2016	13	7750	155	2015

1-2016	31-1-2016	16-02-2016	16	7750	155	2480
2-2016	28-2-2016	16-03-2016	16	7750	155	2480
<b>Total</b>						<b>37975</b>

#### GBS Lund Khwar

Month	Due date	Deposit date	Late period (days)	Inst Amount (Rs)	2% penalty (Rs)	Total Penalty (Rs)
8-2015	31-8-2015	22-10-2015	52	97000	1940	100880
9-2015	30-9-2015	22-10-2015	22	80400	1608	35376
9-2015	30-9-2015	17-11-2015	48	16600	332	15936
10-2015	31-10-2015	22-12-2015	52	97000	1940	100880
11-2015	30-11-2015	22-12-2015	22	61652	1233	27126
11-2015	30-11-2015	23-12-2015	23	35350	707	16261
12-2015	31-12-2015	28-03-2016	87	97000	1940	168780
1-2016	31-1-2016	28-03-2016	56	26000	520	29120
1-2016	28-2-2016	2-05-2016	61	71000	1420	86620
2-2016	28-2-2016	2-05-2016	63	29000	580	36540
2-2016	31-3-2016	18-05-2016	77	68000	1360	104720
3-2016	31-3-2016	18-05-2016	58	77000	1540	89320
3-2016	31-3-2016	3-6-2016	64	20000	400	25600
<b>Total</b>						<b>837159</b>

#### Cattle fair Takht Bhai

Month	Due date	Deposit date	Late period (days)	Inst Amount (Rs)	2% penalty (Rs)	Total Penalty (Rs)
8-2015	31-8-2015	6-10-2015	36	155,440	3108	111,916
	31-8-2015	14-10-2015	44	290,160	5803	255,340
9-2015	30-9-2015	20-10-2015	20	145,940	2918	58,376
	30-9-2015	27-10-2015	27	110,000	2200	59,400
	30-9-2015	3-11-2015	34	89,660	1793	60,968
	30-9-2015	11-11-2015	42	30,000	600	25,200
	30-9-2015	18-11-2015	49	100,000	2000	98,000
10-2015	31-10-2015	24-11-2015	24	100,000	2000	48,000
	31-10-2015	10-12-2015	40	75,880	1517	60,704
	31-10-2015	15-12-2015	45	100,000	2000	90,000
	31-10-2015	22-12-2015	52	150,000	3000	156,000
	31-10-2015	29-12-2015	59	19,720	394	23,269
11-2015	30-11-2015	29-12-2015	29	80,280	1605	46,562
	30-11-2015	5-1-2016	36	100,000	2000	72,000
	30-11-2015	19-1-2016	50	115,000	2300	115,000

	30-11-2015	27-1-2016	58	70,000	1400	81,200
	30-11-2015	2-2-2016	64	80,320	1606	102,809
12-2015	31-12-2015	9-2-2016	40	94,600	1892	75,680
	31-12-2015	16-2-2016	47	200,000	4000	188,000
	31-12-2015	23-2-2016	54	89,000	1780	96,120
	31-12-2015	8-3-2016	67	62,000	1240	83,080
1-2016	31-1-2016	8-3-2016	36	133,000	2660	95,760
	31-1-2016	16-3-2016	44	80,000	1600	70,400
	31-1-2016	22-3-2016	50	85,000	1700	85,000
	31-1-2016	29-3-2016	57	70,000	1400	79,800
	31-1-2016	30-3-2016	58	80,000	1600	92,800
2-2016	28-2-2016	3-5-2016	64	30,000	600	38,400
	28-2-2016	24-5-2016	85	26,000	520	44,200
	28-2-2016	31-5-2016	92	61,000	1220	112,240
	28-2-2016	14-6-2016	106	30,000	600	63,600
	28-2-2016	21-6-2016	113	60,000	1200	135,600
	28-2-2016	28-6-2016	120	40,000	800	96,000
<b>Total</b>						<b>2,821,424</b>

**Annex-8****Detail of non-surrender of saved amount****(Para No. 1.3.2.2)**

<b>S No</b>	<b>Name of scheme</b>	<b>Amount(Rs)</b>
1	Construction of janazgah at Takar	500,000
2	Construction of janazgah at Makori	400,000
3	Pavement of street etc at gharibabaducmaday baba	48,000
4	pavement of street at harichandsehergarh	660,000
5	construction of remaining road at ashraf Uddin kalay	10,000
6	construction of cause way pirsaddi	920,000
7	pavement of street drain at GulshanabadLundkhwar	485,000
8	pavement of street drain at Gugarabad UC Purkho	644,000
9	pavement of street drain at abazodehri UC Pirsaddi	508,000
10	pavement of street drain at mosakhelokalay UC pirsaddi	609,000
11	pavement of street drain at sherdil khan kiliHatyan	585,000
12	pavement of street drain at ittehad colony UC lalala	783,000
Total		6,152,000



**Annex-9**

**Detail of penalty for late completion of work**

**(Para No. 1.3.2.4)**

<b>Name of work</b>	<b>work order date</b>	<b>target period</b>	<b>completion date</b>	<b>delay</b>	<b>Estimated Cost (Rs)</b>	<b>Penalty (Rs)</b>
street, drain, culverts etc at Muhammad Ali Khan kili UC Jalala	15-2-2016	15-5-2016	1-8-2016	3 M	4,000,000	400,000
construction of remaining road of Ashraf Uddin Kili	18-6-2015	30-12-2015	3-01-2017	13M	2,000,000	200,000
construction of cause way pirsaddi	16-3-2015	30-12-2015	running on 1-09-2016	--	4,000,000	400,000
Drain, culverts at harichand	16-3-2015	30-12-2015	in prog	15 M	3,000,000	300,000
Rehabilitation of pipe ward 3	16-3-2015	30-12-2015	in prog	15 M	1,000,000	100,000
Rehab of road Shekhanokili	29-5-2015	30-12-2015	in prog	15 M	3,500,000	350,000
<b>Total</b>						<b>1,750,000</b>

**Annex-10**

**Detail of less receipts of TDR profit**

**(Para No. 1.3.2.6)**

<b>TDR Amount (Rs)</b>	<b>Rate per annum</b>	<b>profit per annum(Rs)</b>	<b>profit per month(Rs)</b>
50,000,000	11.5%	5,750,000	479,166

<b>Months</b>	<b>Required profit(Rs)</b>	<b>Profit received(Rs)</b>	<b>Difference (Rs)</b>
7-2015	479,166	382,192	96,974
8-2015	479,166	382,192	96,974
9-2015	479,166	369,863	109,303
10-2015	479,166	382,192	96,974
11-2015	479,166	369,863	109,303
12-2015	479,166	382,192	96,974
1-2016	479,166	381,148	98,018
2-2016	479,166	356,557	122,609
3-2016	479,166	381,148	98,018
4-2016	479,166	368,852	110,314
5-2016	479,166	381,148	98,018
6-2016	479,166	368,852	110,314
<b>Total</b>	<b>53,775,000</b>	<b>4,506,199</b>	<b>1,243,793</b>