



**GOVERNMENT OF KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT**

Finance Department Civil Secretariat Peshawar

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No: 1/FD/Proc/2025-26

Dated Peshawar; the 30-07-2025

To

The Director General Information,
Government of Khyber Pakhtunkhwa.

Subject: **CORRIGENDUM.**

Dear Sir,

In continuation of this Department letter of even No. dated 22.07.2025, enclosed please find herewith Corrigendum in Expression of Interest (EOI) for publication in two leading newspapers as per Government Policy. Actual bill of the advertisement may be sent to this office for payment, please.

Encls: As above.

Yours Faithfully,


SECTION OFFICER (ADMN)

Endst: No. & date even.

Copy forwarded for information to:

1. PS to Managing Director, KP-PPRA, Khyber Pakhtunkhwa with the request to upload the Corrigendum along with the enclosed documents on the authority's website, please.
2. PS to Secretary, Finance Department.
3. PS to Special Secretary, (A&R) Finance Department.
4. Master file.


SECTION OFFICER (ADMN)

**GOVERNMENT OF KHYBER PAKHTUNKHWA
FINANCE DEPARTMENT**

CORRIGENDUM

This is with reference to EOI Advertisement **Info (P): 3178/25** published in Daily Aaj, Jang, Express and Dawn on 23.07.2025, the Scope of Work and Terms of Reference are amended and the updated/revised Scope of Work and Terms of Reference can be downloaded from the website www.kppra.gov.pk and www.finance.gkp.pk as well as can be obtained from the office of undersigned.

Note: All other terms & conditions will remain the same.

**Special Secretary (A & R)
Government of Khyber Pakhtunkhwa
Finance Department
Ph. # 091-9210673**

Terms of Reference – Third-Party Forensic Audit of GL-10113

Background

On 30th April 2025, a news circulated on the social media and was published in the Daily "The News" regarding the alleged bogus/fake drawl from head G-10113 – Security Deposits at the District Account Offices in Upper Kohistan (Dasu), Lower Kohistan and Kolai Pallas from FY 2020 to 2024.

The Controller General of Accounts (CGA) Ordinance, 2001 came into force on 1st July 2001 and was made applicable across Pakistan. Under this Ordinance, the responsibility for maintaining government accounts was formally transferred from the Accountant General of Pakistan Revenues (AGPR) to the Controller General of Accounts. This transfer was duly notified through publication in the official gazette. In accordance with subsection (1) of the Ordinance, the CGA supervises a wide network of accounting organizations at Federal, Provincial, and District Levels. These include, but are not limited to, the offices of the AGPR and its sub-offices, the Military Accounts Department, the offices of the Accountant Generals of the provinces along with their subordinate offices, Chief Accounting Officers (CAOs) of departmentalized accounting organizations, and other such entities.

Subsequently, in December 2000, the Accounting General of Pakistan, with the approval of the President, introduced the New Accounting Model (NAM). NAM was designed to maintain the accounts of the federation and provinces in alignment with the cash basis of the International Public Sector Accounting Standards (IPSAS). This model categorizes public sector organizations into three types. First, Centralized Accounting Entities (CAEs), whose accounts are prepared and maintained directly by the AGPR or the AG offices. Second, **Self-Accounting Entities (SAEs)**, which are authorized to prepare their own accounts independently and then submit them to AG/AGPR. Third, Exempt Entities (EEs), which are not required to consolidate their accounts with AG/AGPR. For example, works departments such as Communication and Works (C&W), Public Health Engineering (PHE) and Irrigation fall under the category of SAEs.

The security deposit system in public works contracts is designed to safeguard government funds by ensuring contractors fulfill their contractual obligations. Under the CPWA (Central Public Works Account) Code, security amounts deducted from contractors' bills are credited to the General Ledger (GL) Head G-10113, which consolidates multiple deposits (Deposit I to V).

Security deducted from a contractor's bill for the work done under the supervision of the Works Division used to be credited to GL Head G-10113, which was utilized to hold five different deposits maintained by the Works Division. Earnest money and security

deposit deducted from the contractors' bill for the work done were categorized as Deposit II as per CPWA code. The contract agreement signed between the contractor and the authorized officer of the Works Department prescribes a condition for the refund of security amount to the contractor. Refund of the security to a contractor resulted in a debit entry to the GL head G-10113.

However, in the month June 2024, the Controller General of Accounts (CGA) Islamabad blocked the GL Head G-10113 and split it into two GL Heads i.e. G-1120D (Security Deposits SPLGL) and G-10146 (PW Deposits – other departments). The creation of G-1120D introduced an internal control for retention and maintenance of security deposits of contractors. The new object shows how much security deposit is lying at the credit of a specific contractor, so that no payment in excess of actually deducted amount is refunded.

Scope of Forensic Audit

The Forensic Audit shall be conducted in two phases. The scope of the Forensic Audit includes the following and any additional areas that the Consultant might consider necessary during the review:

Phase 1

- (I) The Third-Party Auditor shall conduct detailed scrutiny of the transactions pertaining to Object Head G-10113, for the entire province of Khyber Pakhtunkhwa, for the period July 2013 to June 2024. This period shall also extend to the earlier years during which conversion of record from manual recordkeeping to SAP system took place in far-flung districts.
- (II) All credit/debit entries of G-10113 for the selected period shall be listed in chronological order for scrutiny purposes.
- (III) All doubtful entries shall be separately listed from the above-mentioned exhaustive list of transactions department-wise.
- (IV) Detailed examination of the doubtful transactions shall be conducted in light of original vouchers & record.
- (V) All these doubtful entries shall be linked with the budget head of the concerned Works department /Local Government, as the case may be.
- (VI) Full justification for the payments shall be verified in light of rules.
- (VII) Detailed trail of the transactions shall be ensured till disclosure in the accounts.
- (VIII) All sums, required to be lapsed after 3 years, shall be identified, and the concerned dealing hands may be probed for its non-lapse under para 399 of CPWA code.

- (IX) Authenticity of the cheques issued in support of doubtful transitions shall be ensured, and if found guilty of improper dialing of cheque books and other records, responsibility may be fixed.
- (X) Details of security against vendors prepared by respective departments in light of recent development for maintenance of new head (G-10146) shall be verified with the ledgers. In selected cases, its traces back may be checked with the original claim of the Works payment to the vendor concerned.
- (XI) Authority & Responsibility matrix between Works department & Accountant General Khyber Pakhtunkhwa / District Account Office shall be developed in light of the applicable rules.
- (XII) Responsibility shall be fixed on the officials found guilty in the process.
- (XIII) At the conclusion of Phase 1 of the forensic audit, the preliminary report to this effect shall be submitted within 60 days.

Phase 2

- (XIV) In light of Phase 1 of the forensic audit, so conducted, the gaps in the process of maintenance of such public accounts, including the newly created G-1120D (Security Deposits SPLGL) and G-10146 (PW Deposits – other departments) shall be identified, and recommendations shall be made to fill the gaps.
- (XV) Recommendations shall also be formulated for improvements required in SAP system in light of gaps identified.
- (XVI) Similarly, recommendations shall be made for a manual system for checks and balances to be conducted in the future by nominated set of stakeholders along with the recommended frequency for the routine checks and balances (e.g. monthly, quarterly, and annual).
- (XVII) Furthermore, recommendations shall be crafted for the overall extent of visibility required for ascertaining the responsibility/authority of key stakeholders, and the type of reports (whether automated or manual) needed to achieve the required extent of visibility.
- (XVIII) At the conclusion of Phase 2 of the forensic audit, the detailed and final report to this effect shall be submitted within 120 days.