

# OpenVoiceNews Pakistan

Transparent. Unbiased. Yours.

## KP Audit Uncovers Rs354bn in Irregularities

August 2, 2025

– Categories: Finance



A recent audit of Khyber Pakhtunkhwa's (KP) local government funds has exposed financial irregularities amounting to over Rs354 billion, marking one of the largest fiscal discrepancies recorded in the province's administrative history. The revelations, stemming from two decades of oversight failures, point to longstanding weaknesses in financial governance and accountability within the region's devolved administrative units.

The audit, conducted by the Auditor General of Pakistan, highlights extensive violations in fund management, unauthorized expenditures, unaccounted advances, and widespread non-compliance with financial rules. Despite repeated recommendations in previous reports, systemic reforms appear to have been neglected, allowing financial mismanagement to persist across district and tehsil administrations. Alarming, a substantial portion of the amount remains unrecovered, with little progress on holding responsible officials to account.

According to the audit document, many of the irregularities stem from unchecked spending without proper documentation or approval, misappropriation of development funds, and poor reconciliation practices between finance departments and local entities. The findings suggest that while local government autonomy has expanded, institutional capacity to manage such funds transparently has not kept pace. In response, fiscal experts are calling for stricter enforcement of procurement rules and real-time monitoring of budget flows to restore public trust in local institutions.



This revelation has reignited debates on the effectiveness of decentralisation in Pakistan. While empowering grassroots governance remains a critical goal, the KP case underlines the importance of ensuring financial discipline alongside administrative autonomy. Unless robust audit trails and punitive measures are institutionalised, local governments risk becoming centres of unchecked spending. Strengthening transparency frameworks, along with political will for reform, will be essential if KP's local bodies are to regain credibility and deliver public services efficiently.