



**AUDIT REPORT
ON
THE ACCOUNTS OF
TEHSIL MUNICIPAL ADMINISTRATIONS
LAYYAH**

AUDIT YEAR 2013-14

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AGP	Auditor General of Pakistan
AIR	Audit and Inspection Report
ATO (I&S)	Assistant Tehsil Officer (Infrastructure & Services)
B&R	Building & Road
CCB	Citizen Community Board
CO	Chief Officer
DAC	Departmental Accounts Committee
DDOs	Drawing and Disbursing Officers
DG	Directorate General
IPSAS	International Public Sector Accounting Standards
LG&CD	Local Government & Community Development
MB	Measurement Book
MEFDAC	Memoranda for Departmental Accounts Committee
MRS	Market Rate Schedule
NAM	New Accounting Model
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PFR	Punjab Financial Rule
PDG	Punjab District Government
PLGO	Punjab Local Government Ordinance, 2001
PPRA	The Punjab Procurement Regulatory Authority
RD	Reduced Distance
RDA	Regional Directorate of Audit
S&GAD	Services & General Administration Department
TMA	Tehsil / Town Municipal Administration
TMO	Tehsil / Town Municipal Officer
TS	Technical Sanction
TO (I&S)	Tehsil / Town Officer (Infrastructure & Services)
TO (P&C)	Tehsil / Town Officer (Planning & Coordination)
TO (R)	Tehsil / Town Officer (Regulation)
TSE	Technically Sanctioned Estimate

Preface

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 115 of the Punjab Local Government Ordinance, 2001 require the Auditor General of Pakistan to audit the accounts of the Provincial Governments and the accounts of any authority or body established by, or under the control of, the Provincial Government. Accordingly, the Audit of all Receipts and Expenditures of the District Government Fund and Public Account of District Government is the responsibility of the Auditor General of Pakistan.

The report is based on audit of the accounts of various offices of Tehsil Municipal Administrations of District Layyah for the Financial Year 2012-13. The Directorate General of Audit District Governments Punjab (South), Multan conducted audit during 2013-14 on test check basis with a view to report significant findings to the relevant stakeholders. The main body of Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 million or more and also the non-compliant observations which were included in Annexure-I of Audit Report for the Audit Year 2012-13. Relatively less significant issues are listed in the Annex-I of the Audit Report. The Audit observations listed in the Annex-I shall be pursued with the Principal Accounting Officer at the DAC level and in case the PAO does not initiate appropriate action, the Audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

The Audit results indicate the need for adherence to the regularity framework besides instituting and strengthening internal controls to prevent recurrence of such violations and irregularities.

Most of the observations included in this Report have been finalized in the light of written responses and discussion in DAC meetings.

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

Islamabad
Dated:

(Muhammad Akhtar Buland Rana)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General Audit, District Governments, Punjab (South), Multan, a Field Audit Office of the Auditor General of Pakistan is responsible to carry out the audit of all District Governments in Punjab (South) including Tehsil and Town Municipal Administrations. Its Regional Directorate of Audit D.G.Khan has audit jurisdiction of District Governments, TMAs and UAs of four Districts i.e. D.G.Khan, Rajanpur, Layyah and Muzaffargarh.

The Regional Directorate has human resource of 21 officers and staff, constituting 260 mandays and a budget allocation of Rs 11.953 million per Financial Year. It has the mandate to conduct financial attest audit, audit of sanctions, audit of compliance with authority and audit of receipts as well as the performance Audit of entities, projects and programs. Accordingly Regional Director Audit D.G.Khan carried out audit of the accounts of three TMAs of District Layyah for the Financial Year 2012-13 and the findings included in the Audit Report.

Each Tehsil Municipal Administrations in District Layyah is headed by a Tehsil Nazim / Administrator. He / she carries out operations as per Punjab Local Government Ordinance, 2001. Tehsil Municipal Officer being Principal Accounting Officer (PAO) acts as coordinating and administrative officer is responsible to control land use, division and development and to enforce all laws including Municipal Laws, Rules and By-laws. The financial provisions of Local Government Ordinance, 2001 require the establishment of Tehsil / Town Local Fund and Public Account for which Annual Budget Statement is authorized by the Tehsil Council / Nazim / Administrator in the form of Budgetary Grants.

Total Development Budget of three TMAs in District Layyah mentioned above, for the Financial Year 2012-13, was Rs 427.294 million and expenditure incurred was of Rs 370.987 million, showing savings of Rs 56.307 million in the year. Total Non development Budget for Financial Year 2012-13 was Rs 333.703 million and expenditure was of Rs 285.843 million, showing savings of Rs 47.860 million. The reasons for savings in Development and Non development Budgets are required to be provided by the concerned TMO.

Audit of TMAs of District Layyah was carried out with a view to ascertaining that the expenditure was made with proper authorization, in conformity with laws/ rules/ regulations, economical procurement of assets and hiring of services etc.

Audit of receipts / revenues was also conducted to verify whether the assessment, collection, reconciliation and allocation of revenues were made in accordance with laws and rules and there was no leakage of revenue and revenue did not remain outside Government account/ Local Fund.

a. Scope of Audit (Audit of Expenditure and Receipts)

Total Development Budget allocation for Financial Year 2012-13 was of Rs 427.294 million, out of which total expenditure was Rs 370.987 million. Audit of the development expenditure of Rs 159.524 million was carried out which was 43% of total expenditure. Audit of Non- Development expenditure of Rs 285.843 million out of total expenditure of Rs 333.703 million for the year was conducted which is 33% of total expenditure. Total overall expenditure of the TMAs of District Layyah for the Financial Year 2012-13 was Rs 656.830 million, out of which, overall expenditure of Rs 445.367 million was audited which, is 68% of total expenditure. Therefore, there was 100% achievement against the planned audit activities.

Total overall receipts of the Tehsil Municipal Administrations, Layyah, for the Financial Year 2012-2013, were Rs 492.382 million, out of which overall receipt of Rs 162.486 million was audited which, is 33% of total receipts.

b. Recoveries at the Instance of Audit

Recoveries of Rs 48.076 million were pointed out through various audit paras recovery of Rs 1.627 million was effected till compilation of this Report. Out of the total recoveries Rs 11.207 million was not in the notice of the Executive before audit.

c. Audit methodology

Audit was conducted after understanding the business processes of TMA with respect to its functions, control structure, prioritization of risk areas by determining their significance and identification of key controls. This helped the

Auditors in understanding the systems, procedures, environment, and the audited entity before starting field audit activity. Audit used desk audit techniques for analysis of compiled data and review of permanent files / record. Desk Audit greatly facilitated identification of high risk areas for substantive testing in the field.

d. Audit Impact

Significant issues like non-production of record, outstanding recoveries, financial irregularities and non-compliance of rules were provided by Audit. PAOs agreed in DAC meetings to effect recoveries relating to water charges, conversion fee of private housing schemes, map fees, etc. This huge amount of outstanding recoveries would bring revenue to Government exchequer besides promulgation of rules and financial discipline.

In some cases, PAOs agreed to hold enquiries to rule out reasons for non-production of record to Audit/deviation from financial discipline, overpayments to contractors etc. and fix responsibilities accordingly.

e. Desk Audit

Desk review helped auditors in understanding the systems, procedures, environment of entity and identification of high risk areas for additional compliance testing in the field. The Audit Command Language (ACL) was applied centrally on the Payroll part of Appropriation Account. As a result, certain irregularities and overpayments were identified, which were communicated to field audit officers for verification and follow-up action.

f. Comments on Internal Controls and Internal Audit Department

Internal control mechanism of TMAs of District Layyah was not found satisfactory during audit. Many instances of weak Internal Controls have been highlighted during the course of audit which includes some serious lapses like withdrawal of public funds against ghost schemes. Negligence on the part of TMA authorities may be captioned as one of important reasons for weak Internal Controls.

Section 115-A (1) of PLGO, 2001, Nazim of each District Government and Tehsil/Town Municipal Administration shall appoint an Internal Auditor but the same was not appointed in all TMAs of District Layyah.

g. Key audit findings of the Report:

- i. Misappropriation amounting to Rs 1.160 million was noted in one case.¹
- ii. There were two cases pertaining to non-production of record –Rs 8.599 million.²
- iii. There were nineteen cases of irregular expenditure / payments and violation of rules / financial propriety, amounting to Rs 424.028 million.³
- iv. There were three cases of non-recovery of overpayment amounting to Rs 3.455 million.⁴
- v. There were eight cases of non-recovery of Government revenue amounting to Rs 46.916 million.⁵

Audit Paras on the accounts for 2012-13 involving procedural violations including internal control weaknesses and irregularities, which were not considered worth reporting to Provincial PAC, have been included in MFDAC, (Annexure-A).

¹Para 1.2.1.1

² Para 1.3.1.1, 1.4.1.1

3Para 1.2.2.1,1.2.2.3,1.2.2.5,1.2.2.6,1.2.2.8,1.3.2.1,1.3.2.2,1.3.2.3,1.3.2.5,1.3.2.6,1.3.2.7, 1.3.2.10,1.3.2.11,1.3.2.13,1.4.2.1,1.4.2.2,1.4.2.3,1.4.2.4,1.4.2.6

4 Para 1.2.2.9,1.4.2.7,1.4.2.8

⁵Para 1.2.2.2, 1.2.2.4, 1.2.2.7, 1.3.2.4, 1.3.2.8,1.3.2.9,1.3.2.12,1.4.2.5

h. Recommendations

The Principal Accounting Officer should ensure that the rules, regulations, instructions and procedures as laid down are followed in letter and spirit, besides compliance of the following recommendations:

- i. Strengthening of internal controls
- ii. Production of record to Audit for verification
- iii. Compliance of relevant laws, rules, instructions and procedures, etc.
- iv. Expediting recoveries pointed out by Audit as well as bringing other recoverable to the notice of management
- v. Holding of DAC meetings well in time
- vi. Proper maintenance of accounts and record
- vii. Appropriate actions against officers/officials responsible for negligence in performance of duties and achievement of targets
- viii. Addressing systemic issues to prevent recurrence of various omissions and commissions.

SUMMARY, TABLES & CHARTS

Table 1: Audit Work Statistics

(Rupees in Million)			
Sr. No.	Description	No.	Budget/Expenditure
1.	Total Entities (PAOs) in Audit Jurisdiction	03	1,253.379
2.	Total formations in audit jurisdiction	03	1,253.379
3.	Total Entities (PAOs) Audited	03	1,253.379
4.	Total Formations audited	03	1,253.379
5.	Audit & Inspection Reports	03	1,253.379
6.	Special Audit Reports	Nil	Nil
7.	Performance Audit Reports	Nil	Nil
8.	Other Reports	Nil	Nil

Table 2: Audit Observations Classified by Categories

(Rupees in Million)		
Sr. No.	Description	Amount Placed under Audit Observations
1.	Unsound asset management	-
2.	Weak Financial management	48.076
3.	Weak Internal controls relating to financial management	424.028
4.	Others	8.599
Total		480.703

Table 3: Outcome Statistics**(Rupees in Million)**

Sr. No.	Description	Expenditure on acquiring Physical Assets	Civil Works	Receipts	Others	Total current year	Total last year
1.	Outlays Audited	104.167	370.987	492.382	285.843	1,253.379	1,111.614
2.	Amount Placed under Audit Observation/ Irregularities by Audit	-	421.861	41.464	17.378	480.703	46.593
3.	Recoveries Pointed out at the instance of Audit	-	5.452	41.464	1.160	48.076	26.906
4.	Recoveries Accepted / Established at the instance of Audit	-	-	-		-	
5.	Recoveries realized at the instance of Audit	-	-	1.627		1.627	

*The amount mentioned against serial No. 1 in column of "Total Current Year" is the sum of Expenditure and Receipts whereas the total expenditure is Rs 760.997 million for the current year.

Table 4: Irregularities Pointed Out

(Rupees in Million)

Sr. No.	Description	Amount Placed under Audit Observation
1.	Violation of rules and regulations and violation of principle of propriety and probity in public operations.	424.028
2.	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	1.160
3.	Accounting errors (accounting policy departure from IPSAS ¹ , 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.	If possible quantify weaknesses of internal control system	0
5.	Recoveries and overpayments, representing cases of establishment overpayment or misappropriations of public monies	46.916
6.	Non-production of record	8.599
7.	Others, including cases of accidents, negligence, non-accountal of store etc.	0
Total		480.703

Table 5: Cost - Benefit Ratio

(Rupees in Million)

Sr. No.	Description	2013-14	2012-13
1.	Outlays Audited (Items 1 of Table 3)	1253.379	1,111.614
2.	Expenditure on Audit	0.075	0.075
3.	Recoveries realized at the instance of Audit	1.627	0
4.	Cost –Benefit Ratio	21.693	0

CHAPTER-1

1.1 Tehsil Municipal Administrations, District Layyah

1.1.1 Introduction

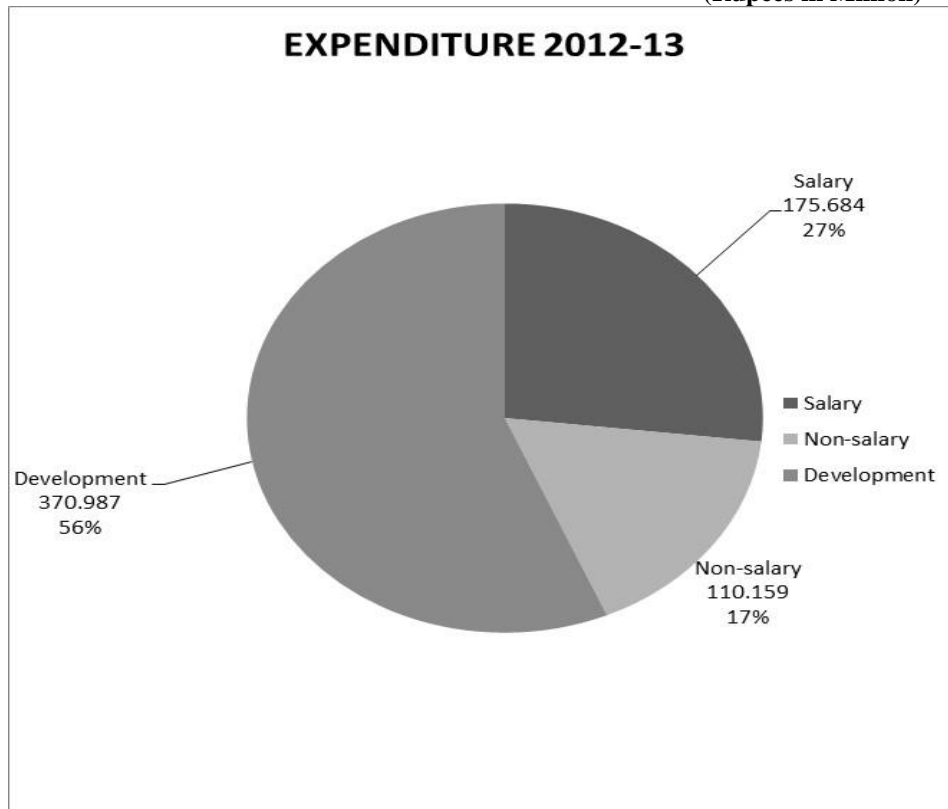
According 1998 population census, the population of District Layyah is Rs 1.457 million. District Layyah comprises of three TMAs namely Layyah, Karor and Chwobara. Business of TMAs is run through the Administrator and five Drawing & Disbursing Officers i.e. TMO, TO (I&S) TO (Finance), TO (P&C) and TO (Regulations) under Punjab Local Government Ordinance, 2001.

1.1.2 Comments on Budget and Accounts (Variance Analysis)

The detail of budget and expenditure is given below in tabulated form

(Rupees in Million)							
Sr. No.	Name Of TMA	Head	Budget	Supplementary Grant	Revised / Final Grant	Actual Expenditure	Excess / (Saving)
1	TMA Layyah	Salary	118.883	-	118.883	111.161	(7.722)
		Non-Salary	86.865	-	86.865	76.77	(10.095)
		Sub Total	205.748	-	205.748	187.931	(17.817)
		Development	161.688	-	161.688	141.992	(19.696)
		Total	367.436	-	367.436	329.923	(37.513)
2	TMA Karor	Salary	61.981	-	61.981	51.197	(10.784)
		Non-Salary	31.28	-	31.28	23.611	(7.669)
		Sub Total	93.261	-	93.261	74.808	(18.453)
		Development	159.063	-	159.063	127.428	(31.635)
		Total	252.324	-	252.324	202.236	(50.088)
3	TMA Chowbara	Salary	19.161	-	19.161	13.326	(5.835)
		Non-Salary	15.533	-	15.533	9.778	(5.755)
		Sub Total	34.694	-	34.694	23.104	(11.59)
		Development	106.543	-	106.543	101.567	(4.976)
		Total	141.237	-	141.237	124.671	(16.566)

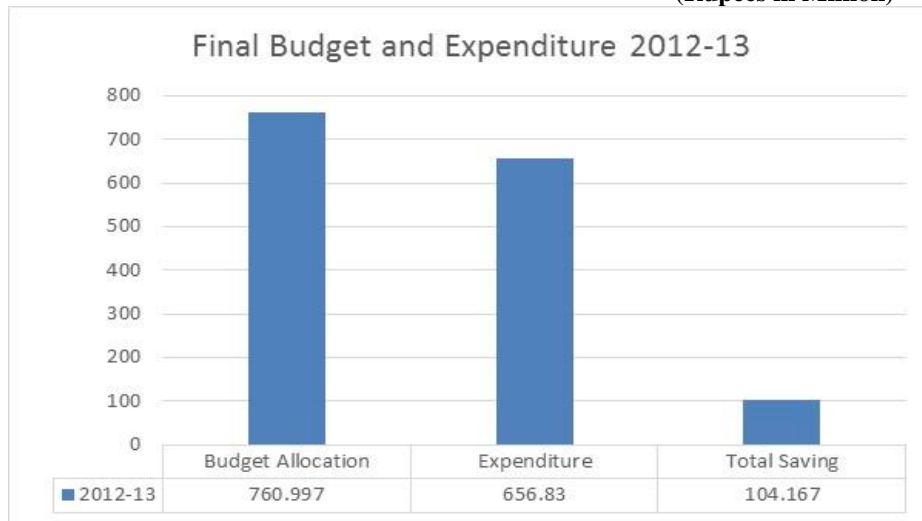
(Rupees in Million)



Details of the budget allocations, expenditures and savings of each TMA of District Layyah for three Financial Year are at Annexure-B.

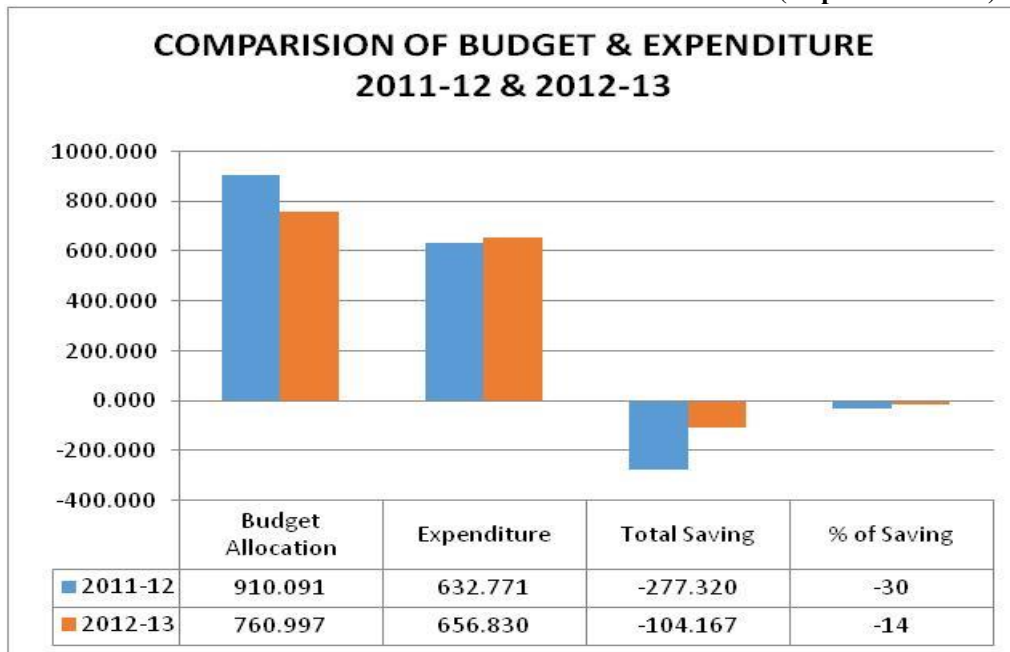
As per budget books for the Financial Year 2012-13 of TMAs in District Layyah, the original and final budget were of Rs 760.997 million. Total expenditure by these TMAs during Financial Year 2012-13 were Rs 656.830 million. There was a saving of Rs 104.167 million for which reasons were not provided by the PAO, Tehsil Nazims and management of TMAs.

(Rupees in Million)



The comparative analysis of the budget and expenditure of current and previous financial years is depicted as under:

(Rupees in Million)



There was overall saving in the budget allocations for the financial year 2012-13 is as follows:

(Rupees in Million)

Financial Year	Budget Allocation	Expenditure	Total Saving	% of Saving
2011-12	910.091	632.771	-277.320	-30
2012-13	760.997	656.83	-104.167	-14

The justification of saving when the development schemes have remained incomplete is required to be provided/ explained by PAO concerned.

1.1.3 Brief Comments on the Status of Paras of Audit Reports of Remaining TMAs for the Audit Year 2012-13

Paras of Audit Reports of Remaining TMAs for the Audit Year 2012-13 have not been attended to despite the direction of DAC. These Paras are also reported in this Report.

1.1.4 Brief Comments on the Status of Non Compliant Paras of Annex-I of Audit Reports for Audit Year 2012-13

Audit Paras reported in Annex-I of last year Audit Report have not been attended to despite the direction of DAC. These Paras are also reported at the end of this Report.

1.1.5 Brief Audit Comments on Status of Compliance with PAC Directives

Sr. No.	Audit Report Year	No. of Paras	Status of PAC/TAC Meeting
1	2009-12	31	Nil
2	2012-13	15	Nil

As indicated in the above table, no PAC/TAC meeting was convened to discuss the audit reports of TMAs.

AUDIT PARAS

1.2 Tehsil Municipal Administration Layyah

1.2.1 Misappropriation

1.2.1.1 Misappropriation on Account of POL - Rs 1.160 Million

According to Rule 2.33 of PFR Vol-I, every Government servant 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.

Contrary to the above, Tehsil Municipal Officer withdrew an amount of Rs 1.160 million on account of POL, during 2012-13. Physical checking of meters of vehicles revealed that reading entered in the log books had a huge difference vis-à-vis actual reading on the meter. The reading in the log books was deliberately advanced just to draw the money from local fund, without actual consumption of POL. The detail is as below:

(Amount in Rupees)

Vehicle No	Last date of entry of POL in log book	Average Consumption of POL	Progressive Reading as per Log Book	Actual reading as per meter as on 14-02-14	Excess reading	Cost of POL@ 110/Liters
Fire Brigade 5709	31.01.2014	3km/liter	31340	29553	1787	65,523
Tractor Loader	10.02.2014	7liter/hour	3015	2765	340	261,800
Massy Ferguson 240	31.01.2014	4 liter/hour	3162	2494	668	293,920
John Dear Excavator/tractor	-do-	7 liter/hour	2560	1886	700	539,000
Total						1,160,243

Audit was of the view that due to weak internal controls, a heavy amount was withdrawn on account of POL without actual consumption.

Purchase of POL without consumption resulted in misappropriation and loss to TMA.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 08.05.2014 TMO replied that the meter of the said vehicles were out of order and POL was consumed under the ceiling fixed by the competent authority. Consumption of POL without entry in log book was not justified, DAC directed the ATO (I&S) to enquire the matter. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for misappropriating the Government money by maintaining fictitious record, besides recovery of the misappropriated amount.

[AIR Para: 6]

1.2.2 Non-Compliance of Rules

1.2.2.1 Irregular Expenditure due to Defective Tendering Process— Rs 37.950 Million

According to Finance Department letter No. RO (TECH) FD-1-2/83/-VI dated 29.03.2005, the particulars of technical sanction i.e. amount, number and date of orders of technical sanction be mentioned in the tender inviting notice.

Contrary to the above, Tehsil Municipal Officer invited tenders for 38 development schemes valuing Rs 37.950 million, during 2012-13, through advertisement in single Urdu newspaper. No particulars of technical sanction i.e. TS number and date of orders of Technical Sanctions were laid down in advertisement.

Due to weak internal controls tenders were not advertised on the PPRA's web site and technical sanction was accorded by the TO (I&S) who was not competent.

Non compliance of rules resulted in unfair competition and unauthorized expenditure.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 08.05.2014 TMO replied that tender were advertised in the Daily News Papers. The reply was not tenable because the same were not advertised on the PPRA web site. DAC directed to get the expenditure regularized from the competent authority. No progress was reported till finalization of this report.

Audit recommends that disciplinary action be initiated against the person(s) at fault, besides getting the irregularities condoned from the competent authority

[AIR Para: 16]

1.2.2.2 Loss due to Non-Implementation of Commercialization Rules - Rs 13.199 Million

According to Government of Punjab LG&CD Department Notification No.SOR(LG)38-18/2009 dated 6.6.2012, the conversion fee for the conversion of

a residential, industrial, Peri Urban area or intercity service to commercial use shall be as under:

Less than one million rupees	5%
From one million to ten million rupees	10%
More than ten million	20%

Contrary to the above, Tehsil Municipal Officer did not recover commercialization charges of Rs 13.199 million during 2012-13 from owners of commercial markets. **(Annexure-C)**

Due to weak internal controls, undue favour was given to the owners of commercial property and no significant steps were taken to realize the revenue.

Non-recovery of dues resulted in loss to TMA.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 08.05.2014 TMO replied that the areas under audit observation were already declared as commercial land only building plan fee will be recoverable, but in support no documentary evidence were shown as commercial road/land. DAC directed to provide documentary evidence, in case of failure the said amount should be recovered from the person concerned. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for non-recovery of Government revenue, besides recovery of the said amount.

[AIR Paras: 29,25]

1.2.2.3 Non-Obtaining of Additional Performance Security – Rs 10.976 Million

As per Clause 26(A) of general directions for the guidance of tender given in the Contract Agreement notified by LG&CD Department, in case the total tendered amount is 5% less than the approved estimated amount, the lowest bidder will have to deposit additional performance security from the scheduled bank ranging from 5% to 10%. Furthermore, According to Government of Punjab, Finance Department letter No. RO(Tech)FD 1-2/83 VI (P) dated 24th January,

2006 the contractor shall deposit additional performance security as subsequent percentage below the estimated cost.

Contrary to the above, Tehsil Municipal Officer did not demand additional performance security of Rs 10.976 million during 2012-13, from certain contractors, for satisfactory completion of development works; as rates were quoted below tendered value, which resulted in undue financial support to contractors. **(Annexure-D)**

Due to weak internal controls, additional performance security was not obtained by TMO, for satisfactory completion of work.

Non deposit of additional performance security caused undue favour to contractors.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 08.05.2014 TMO replied that 10% additional performance securities were recovered from the concerned contractors, the reply was not tenable because the performance security in the ratio of subsequent percentage below the estimated cost was not recovered. DAC directed the TO(I&S) for strict compliance. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for providing undue favour to the contractor, besides completion report of satisfactory performance of the work.

[AIR Para: 33]

1.2.2.4 Loss due to Less Collection of Immovable Property Tax - Rs 7.901 Million

According to Government of Punjab Board of Revenue Lahore notification No. 1807-2004 /1414 -LR-I dated 29.6.2004, the mutation fee on transfer of agriculture land in rural area shall be charged @ 3% of the value of land. And Registration fee in the urban area will be charged @ 1% of the value of land. Furthermore according to schedule of taxes notified by the TMA, 1% tax will be charged on transfer of immovable property in urban and rural areas.

Contrary to the above, Tehsil Municipal Officer charged 1% tax on transfer of immovable property and collected Rs 41.190 million during 2012-13. Whereas, on the same events, tax is also charged by the Government of Punjab as Registration Fee for urban property and Mutation Fee for rural property @ 1% and 3% respectively. In Tehsil Layyah, an amount of Rs 13.020 million was recovered as Registration Fee and Rs 108.212 million as Mutation Fee. TMO should have collected receipt of Rs 49.091 million (13.020 million+1/3 of 108.212 million). So, an amount of Rs 7.901 million was not recovered. The detail is as below:

(Amount in Rupees)

Recovery by the Revenue Department			Proportionate recovery by TMA			Actual recovery by TMA	Less Recovery
Mutation Fee 3%	Registration Fee 1%	Total	Mutation Fee 1%	Registration Fee 1%	Total		
108,211,920	13,019,652	121,231,572	36,070,640	13,019,652	49,090,292	41,189,828	7,900,464

Due to weak internal controls, income of immovable property tax was not accounted for and no reconciliation of receipts was made with Revenue Department to expedite the collection.

Non-recovery of dues resulted in loss to Local Government.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 08.05.2014 TMO replied that figures of Registry fee are reconciled with the figures of Revenue Department. But the figures of Mutation fee did not reconcile with the Revenue Department. DAC directed the TO(Regulation) to reconcile the amount and probe the matter into. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for non-recovery of Government revenue, besides recovery of the said amount.

[AIR Para: 4]

1.2.2.5 Irregular Expenditure without Advertisement and Record of Store Items – Rs 6.207 Million

According to Clause 12(1) of Punjab Public Procurements Rules 2009, procurements over one hundred thousand rupees and up to the limit of two

million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency. Furthermore, according to Rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken and they should be kept in charge of a responsible Government servant. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. When materials are issued a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or dispatched and when materials are issued from stock for departmental use, manufacture or sale, etc., the Government servant in charge of the stores should see that an indent in PFR Form 26 has been made by a properly authorized person.

Contrary to the above, Tehsil Municipal Officer incurred an expenditure of Rs 6.207 million during 2012-13, on consumable store items without advertisement on the PPRA's website/ inviting open tenders and consumption record along with public demand/ approved indents was also not maintained. The detail is given below:

(Amount in Rupees)

Token No.	Date	Description	Amount
1711	25.02.13	Sodium light bulbs	489,960
1669	18.03.13	Purchase of insecticide spray, (Fenthion)	735,000
1163	30.11.12	Tentage for Ramzan Bazar at Chowk Azam	535,610
617	03.10.12	Tentage for Youth festival at various places	723,955
1557	29.01.13	Tentage for Ramzan Bazar at Kot Sultan	606,320
1558	29.01.13	Tentage for Ramzan Bazar at Layyah	772,250
1556		Tentage for Jaman Shah	281,650
189	31.07.12	Purchase of section pipe 4" & 6" size and delivery pipe	159,400
443	12.09.13	Purchase of delivery pipe 10" size for water delivery	100,000
3883	29.06.13	Repair of disposal Jinnah Park	223,330
644	03.09.12	Expenditure on hiring of generator and movie camera for youth festival at sports complex	105,000
1589	06.03.13	Expenditure on hiring of 4 Nos 12 Kv generators for muharram routes for 10 days	100,800

975	12.11.12	Purchase of plants	172,000
1979	20.03.13	Purchase of 6 Nos. big containers from Kisan Engineering @ Rs 176,000	1,056,000
2481	25.04.13	Dhaka Grass for sports complex	145,233
Total			6,206,508

Due to weak internal controls, purchases were made without fair competition and no proper record was maintained for authentication of expenditure.

Issuance of stores items without approved indent and consumption record resulted in doubtful consumption.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 08.05.2014 TMO replied that tender were advertised in the Daily News Papers and consumption record is available. The reply was not tenable because the same were not advertised on the PPRA web site and consumption record was not produced. DAC directed to get regularized the expenditure from the competent authority. No progress was reported till finalization of this report. No progress was reported till finalization of this report.

Audit recommends investigation of the matter and fixing of responsibility on the officer concerned for issuance of consumable store items without maintenance of record, besides regularization of expenditures.

[AIR Paras: 12,14,30]

1.2.2.6 Unauthorized Payment without Detailed Measurements - Rs 3.836 Million

According to Paragraph 4.5, 4.7 of B & R Code, every measurement must be recorded in the measurement book at the time it is taken and nowhere else. The practice of entering measurements in note books and elsewhere and afterwards copying them into measurement book is strictly prohibited. No payment should be made without detailed measurement in the measurement book. The description of the work must be lucid so as to admit of easy identification and check.

Contrary to the above, Tehsil Municipal Officer made payment of Rs 3.836 million without any detailed measurement recorded in the measurement

book, during 2012-13. Earthwork, construction of soling etc. was not measured RD wise, without which, the authenticity/accuracy of measurement could not be verified. The detail is given below:

(Rupees in Million)				
Detail	Agency	Token No.	Date	Amount
Construction of soling metalled road chak No. 360/TDA to Chak No. 381/TDA to 383/TDA	Bukhari Citizen Community Board	1914	01.03.11	1.568
		2055	21.01.11	1.568
		292	21.06.11	0.700
Total				3.836

Due to weak internal controls, no proper record was maintained for authentication of expenditure.

Incurrence of expenditure without measurement was unauthorized and depicts poor financial management.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 08.05.2014, TMO replied that the scheme is being executed through CCB, detailed measurement will be made after completion of the scheme. DAC directed to get regularized the expenditure from the competent authority. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for unauthorized payments without recording measurements in measurement book, besides regularization of the expenditure from the competent authority.

[AIR Para: 38]

1.2.2.7 Loss due to Non-Imposition of Penalty – Rs 1.997 Million

As per Clause-39 of Contract Agreement, if contractor failed to complete the work within stipulated / extended period, he was required to be penalized at 1 to 10 percent of the agreement amount, for delayed completion of work.

Contrary to the above, Tehsil Municipal Officer did not impose penalty of Rs 1.997 million on contractors as the contractors failed to complete works within stipulated period, which resulted in loss to local Government, during

2012-13. The contractors neither applied for time extension, nor the competent authority extended the period of execution of development schemes. (**Annexure-E**)

Due to weak internal controls, penalty was not imposed by the department and undue favour was given to contractors.

Non-imposition of penalty resulted in loss to Local Government.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 08.05.2014, TMO replied that at the time of completion of the schemes penalty will be effected, DAC directed to effect the recovery from contractors. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for non-recovery of penalty from contractors, besides recovery of the said amount under intimation to it.

[AIR Para: 7]

1.2.2.8 Unjustified Payment On Account of Contingent Paid Staff - Rs 1.955 Million

According to Government of Punjab Finance Department Letter No. FD.SO (GOOD) 44-4/2011 dated 23.07.2011 “no contingent paid staff shall be appointed without obtaining the prior approval of Finance Department.

Contrary to the above, TMO incurred an expenditure of Rs 1.955 million against salaries of work charged / contingent paid staff, during year 2012-2013, through repeated sanction of 89 days without prior approval of Finance Department and without advertisement in leading newspapers. No recruitment policy was followed as issued by the S & GAD. The detail is given below:

(Amount in Rupees)

No. of employees	pay Per Month	Amount
20	162,950	1,955,400

Due to weak financial management, the work charged staff was appointed and salaries were paid without approval from the concerned quarter.

The recruitment of contingent paid staff without approval of Finance Department was unauthorized.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 08.05.2014 TMO replied that the staff was appointed on contract basis for the period of 89 days against the vacant posts. Prior approval was not obtained from the S&GAD. DAC directed to get regularized the expenditure. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for appointing contingent paid staff without approval of the Finance Department, besides regularization of the expenditure from the competent authority.

[AIR Para: 23]

1.2.2.9 Overpayment Due to Wrong Calculation and Excess Consumption of Steel- Rs 1.202 Million

As per Para No.2.31 (a) of Punjab Financial Rules Vol;I, a drawer of bill for pay and allowances contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation.

Contrary to the above, Tehsil Municipal Officer made overpayment of Rs 1.202 million during 2012-13 on Construction of “Peer Khurshid Stadium Chowk Azam” to “M/S Laraib Associates, Govt. contractor” due to wrong division of grand total of rate analysis for taking of rate of one Sft area of steel bars for boundary wall, taking of excessive steel bars and steel rings between the bars by wrong calculation of their center to center distance and allowing of excessive thickness of cement concrete or stone ballasts i.e. 5” with the toe wall. The detail is given below:

(Amount in Rupees)

Sr. No.	Description	Overpaid Amount
1	Overpayment due to division of grand total of rate analysis for one Sft area amount, by 200 instead of 316(100x3.161=316.1 Sft)	335,606
2	Overpayment due to wrong calculation of center to center distance resulted excessive bars quantity(Total length 1200” – 337” thickness of bars and rings=863”/4”=216)	167,475
3	Overpayment due to wrong calculation of rings, resulted excessive	14,515

	quantity of rings (rings was used 216 Nos. instead of 299 Nos.)	
4	Overpayment due to less relaying of 5" thick cement concrete because floor of tuff tile was equal to the height of toe. (14425 Cft x 5/6= 12,020 Cft @Rs. 5692.85%).	684,280
Total		1,201,876

Due to weak financial controls, overpayment was made to the contractors which resulted in loss to Government.

Excess payment to contractor caused loss to the TMA.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 08.05.2014 TMO replied that only mathematical mistake was made no overpayment is involved. The reply is not tenable as estimate and further payments were made on the basis of fictitious estimates. DAC directed to recover the amount from the concerned contractors. No progress was reported till finalization of this report.

Audit recommends that the overpayment made due to wrong calculation and excess rate should be recovered and deposited into Government Treasury.

[AIR Para: 2]

1.3 Tehsil Municipal Administration Karor

1.3.1 Non-Production of Record

1.3.1.1 Non-Production of Record–Rs 7.035 Million

According to Section 14(3) of Auditor General of Pakistan Ordinance, 2001 envisages that 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. According to Section 115(6) of Punjab Local Government Ordinance 2001, the officials shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

Contrary to the above, Tehsil Municipal Officer did not produce the Administrative Approval, Technically Sanctioned Estimates, Tender Register, Measurement Books and Contractors bills, in support of development expenditure of the following schemes, amounting to Rs 7.035 million during 2012-13, as detailed below:

(Amount in Rupees)

Sr. No.	Schemes No.	Name of Scheme	TS Value
1	17	Construction of drain &PCC slab of Soling, re-soling , Iron cross RCC U/C Karor city	1,455,000
2	60	Construction of soling & drain Chak No.242/TDA Rozianwala	700,000
3	1/MS	Construction and renovation of Park Karor	1,600,000
4	2/MS	Construction of Green Ballet Karor, Fatehpur	880,000
5	3/MS	Improvement General bus stand, Construction drain Tuff tile Ahmed Ali Market Fatehpur	2,400,000
Total			7,035,000

Audit held that non-production of record reflected irresponsible attitude on the part of executives and weak internal controls.

Owing to non-production of record, authenticity of the expenditure could not be verified.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 07.05.2014 TMO replied that now the record is available for verification,

but the whole record was not produced, DAC directed that complete record should be provided to Audit. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer / official concerned for non-production of record and disciplinary action in terms of Section 14(3) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001.

[AIR Para: 9]

1.3.2 Non-Compliance of Rules

1.3.2.1 Irregular Expenditure due to Defective Advertisement- Rs 115.186 Million

According to Clause 12(1) of Punjab Public Procurements Rules 2009, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency. Furthermore, According to LG & CD Department Punjab letter No.SOR (LG) 6-48/ 2002(P) 20-03-2012 for implementation of Punjab Procurement Rules 2009 was mandatory for construction of works.

Contrary to the above, Tehsil Municipal Officer incurred expenditure of Rs 108.131 million on different development schemes which were not advertised on the PPRA's website, during 2012-13. The works were allotted on the basis of defective advertisements without considering the facts of wide circulation through national dailies, one in English and the other in Urdu, which resulted in unhealthy competition and undue favour to contractors of own choice. The detail is given below.

Table-1

(Amount in Rupees)

Sr. No.	Name of Scheme	TS Value
1	Advertisement of 23 development schemes on 30.01.2013 Khabrain, Multan	29,111,000
2	Advertisement of 170 development schemes on 02.12.2012 Khabrain, Multan	79,020,000
Total		108,131,000

Table-2

(Amount in Rupees)

Sr. No.	Name of Work	Acceptance No./Date	Completion Date	Original TS	Revised TS	Actual Expenditure
1	Construction of Metaled Road from MM Road	1054-59/TO (I&S)TMA/KR	03.01.2013	4,000,000	4,600,000	3,539,248

Sr. No.	Name of Work	Acceptance No./Date	Completion Date	Original TS	Revised TS	Actual Expenditure
	Fatehpur to along with Frooq Minor	13-06-2012				
2	Construction of Metaled Road from Chak No. 102/TDA to 104/ML	1102-07 /TO (I&S)TMA/KR 13-06-2012	17-01-2013	2,000,000	2,665,000	2,001,072
3	Construction of Metaled Road Basti Sabani from Chak No. 109/TDA to 98/TDA	1096-110/TO (I&S)TMA/KR 13-06-2012	15-01-2013	2,000,000	2,000,000	1,514,728
Total				8,000,000	9,265,000	7,055,048

Due to weak internal controls, Government instructions were not followed.

Due to non observance of prescribed rule, the tenders could not be considered as fair and competitive.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 07.05.2014 TMO replied that tender were advertised in the Daily News Papers. The reply was not tenable because the same were not advertised on the PPRA web site. DAC directed to get regularized the expenditure from the competent authority. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned besides regularization of the expenditure from the concerned competent authority.

[AIR Paras: 1,6]

1.3.2.2 Unauthorized Approval of TSE and Tender from Irrelevant Authority – Rs 16.885 Million

As per Chief Engineer letter No.CE(HQ)PLGB-6/2008 dated 13-05-2008, the scheme beyond the competency of Tehsil Officer (I&S) was required to be forwarded to the Chief Engineer for technical sanction.

Contrary to the above, Tehsil Municipal Officer executed schemes having TS value of Rs 16.885 million during 2012-13. The schemes were either technically sanctioned by irrelevant authority or were beyond competency of TO (I&S). Tenders were accepted/approved by the TO (I&S)/TMO beyond his

competency, as the power of acceptance of tenders also rests with the authority equal to the power of technical sanction. TS number and dates were neither mentioned on technical sanctions nor were laid down on the advertisement. The detail is given below:

(Amount in Rupees)				
Sr. No.	Name of Scheme	Sanctioned by	Competent Authority	Cost
1	Construction of drain & PCC slab of Soling, re-soling, Iron cross RCC U/C Karor city	TO(I&S) Layyah	Chief Engineer Local Government	1,455,000
2	Construction of soling Re-soling PCC Slab Culverts Iron Cross Chak No. 250/TDA	TO(I&S) Layyah		1,175,000
3	Construction of soling Re-soling PCC Slab Culverts Iron Cross in hadood thana Fatehpur	TO(I&S) Layyah		1,600,000
4	Construction of soling Re-soling PCC Slab Culverts Iron Cross U/C Samtia	EDO(W&S) Layyah		1,500,000
5	Improvement General bus stand, Construction drain Tuff tile Ahmed Ali Market Fatehpur	TO(I&S) Layyah		2,400,000
6	Construction of drain Sewer line, PCC Construction of road, park Karor City	EDO(W&S) Layyah		2,255,000
7	Improvement General bus stand, Construction drain Tuff tile PCC karor/ Fatehpur	TO(I&S) Layyah		3,000,000
8	Construction of soling re-soling PCC culverts in haddod thana, walls of graveyards Karor	EDO(W&S) Layyah		2,000,000
9	Culverts in hadood thana Karor	TO(I&S) Layyah		1,500,000
Total				16,885,000

Due to weak internal and technical controls, TSE and acceptance of tender of development schemes, was made by irrelevant authority.

Non-approval of tenders by competent authority caused non-compliance of procedure prescribed by Government and irregular execution of schemes.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 07.05.2014, TMO replied that the technical sanction was got approved from the competent authorities as per Govt. instructions, but as per instruction circulated by the Secretary Local Govt. the technical sanctioned beyond the competency of the concerned TO (I&S) should be approved from the Chief Engineer Lahore. DAC directed the TO (I&S) to clarify the matter from the quarter concerned. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the person concerned besides regularization of the expenditure from the competent authority.

[AIR Para: 2]

1.3.2.3 Irregular Expenditure due to Splitting of Development Schemes – Rs 8.835 Million

According to Para 2.70 of B&R Code and vide Finance Department Letter No.FD(D-11)10(3)90 Dated 27th June 1991, the splitting will have to be got approved from the Chief Engineer concerned. Furthermore, according to Rule 15.2 (c) of Punjab Financial Rules, Vol-I, expenditure should not be split up so as to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.

Contrary to the above, Tehsil Municipal Officer executed works of Rs 8.835 million during 2012-2013 by splitting up development schemes, without approval of the Chief Engineer. The schemes were split to avoid obtaining the sanction of higher authority. **(Annexure-F)**

Due to weak internal and technical controls, development schemes were split up by the department without justification and approval of the competent authority.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 07.05.2014, TMO replied that the schemes were split in two phases due to political influence of MNA and MPA of the tehsil. DAC directed to get regularized the expenditure from the competent authority. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the person concerned besides regularization of the expenditure from the competent authority.

[AIR Para: 14]

1.3.2.4 Recovery of Outstanding Lease Amount of Cattle Mandies- Rs 6.280 Million

According to Rule 76 (1) of the PDG and TMA (Budget) Rules, 2003, the primary obligation of the Collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

Contrary to the above, Tehsil Municipal Officer did not recover lease amount of cattle mandies of Rs 6.280 million, from the contractors, to whom the contracts for collection of rights were given, but revenue was still outstanding. The detail is given below:

(Amount in Rupees)

Sr. No.	Name of Lease	Letter No	Contractor	Auctioned Money	Recovered	Outstanding Balance
1	Cattle Mundi Karor	L No. 1047 -A/F date 14.07.12	Mr. Saifullah	21,501,000	17,135,073	4,365,927
2	Cattle Mundi Fatehpur	L No. 1047/F date 14.07.12	Mr. Safeer Ahmed	35,000,000	33,085,724	1,914,276
			Total	56,501,000	50,220,797	6,280,203

Audit held that timely action was not taken for recovery of outstanding revenue.

Non-recovery of outstanding revenue caused loss to TMA.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 07.05.2014 TMO replied that notices have been issued to concerned for recovery. DAC directed to recover the amount from the defaulters without further delay. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for non-recovery of outstanding amount from the defaulter without further delay.

[AIR Para: 17]

1.3.2.5 Unjustified Payment on Account of Salaries of Contingent Paid Staff - Rs 6.237 Million

According to Government of Punjab Finance Department Letter No. FD.SO (GOOD) 44-4/2011 dated 23.07.2011 “no contingent paid staff shall be appointed without obtaining the prior approval of Finance Department.

Contrary to the above, TMO Karor incurred expenditure of Rs 6.237 million against salaries of contingent paid staff, during year 2012-13, through repeated sanction of 89 days without prior approval of Finance Department and without advertisement in leading newspapers. Recruitment policy issued by S&GAD was not followed either. The detail is given below.

(Amount in Rupees)

Sr No	Month	Sanctioned/Filled Posts		CO Unit Karor	CO Unit Fateh Pur	Total
		Karor	Fateh Pur			
1	July-12	38	23	250,779	140,407	391,186
2	August-12	38	23	260,808	153,348	414,156
3	September-12	39	23	328,046	193,349	521,395
4	October-12	39	23	338,700	198,300	537,000
5	November-12	39	23	343,409	200,879	544,288
6	December-12	39	23	335,100	200,700	535,800
7	January-13	40	23	353,604	193,055	546,659
8	February-13	40	23	355,059	199,735	554,794
9	March-13	40	23	347,127	201,210	548,337
10	April-13	40	23	356,227	200,315	556,542
11	May-13	40	23	350,400	198,300	548,700
12	June-13	40	23	344,593	193,637	538,230
TOTAL				3,963,852	2,273,235	6,237,087

Due to weak financial management, contingent paid staff was appointed and salaries were paid without approval from the quarter concerned.

The recruitment of contingent paid staff without approval of Finance Department was unauthorized.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 07.05.2014 TMO replied that appointments were made against the vacant posts for the period of 89 days. But the prior approval was not got from the

S&GAD. DAC directed to get regularized the expenditure from the competent authority. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for appointing contingent paid staff without approval of the Finance Department, besides regularization of expenditure from the competent authority.

[AIR Para: 31]

1.3.2.6 Unauthorized Payment without Detailed Measurements - Rs 5.451 Million

According to Paragraph 4.5, 4.7 of B & R Code, every measurement must be recorded in the measurement book at the time it is taken and nowhere else. The practice of entering measurements in note books and elsewhere and afterwards copying them into measurement book is strictly prohibited. No payment should be made without detail measurement in the measurement book. The description of the work must be lucid so as to admit of easy identification and check.

Contrary to the above, Tehsil Municipal Officer made payment of Rs 5.451 million without any detailed measurement recorded in the measurement book, during 2012-13. Earthwork, construction of soling etc. was not measured RD wise, without which, the authenticity/accuracy of measurement could not be verified. The detail is given below:

(Amount in Rupees)

Sr. No.	Name of Scheme	Contractor	MB No./ page No.	TS Value	Amount
1.	Construction of soling Layyah Karor Road Awan Basti Zaffar Khan	M. Iqbal	1126/30-32, 65-69 & 81-86	800,000	721,872
2.	Construction of soling Re-soling PCC Slab Culverts Iron Cross Chak No. 250/TDA	Malik Ramzan	1150/ 9-12 & 49	1,175,000	965,251
3.	Construction of soling Re-soling PCC Slab Culverts Iron Cross Chak No. 84/TDA	M. Shahid Iqbal	1142/ 1-4 &59-75	1,000,000	100,3390

Sr. No.	Name of Scheme	Contractor	MB No./ page No.	TS Value	Amount
4.	Construction of soling Re-soling PCC Slab Culverts Iron Cross U/C Santia	Malik Altaf	1145/22 -25& 46-49	1,500,000	119,8446
5.	Construction of soling re-soling PCC culverts in hadood thana, walls of graveyards Karor	Zareef Khan	5008/1-6, 7-13,18-28, 29-39 &73-93	2,000,000	1,561,734
Total					5,450,693

Due to weak internal controls, no proper record was maintained for authentication of expenditure.

Incurrence of expenditure without proper measurement was unauthorized and shows poor financial management.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 07.05.2014 TMO replied that measurement was made with reference to street name/ street No. The reply was not tenable as the detailed measurement was not made. DAC directed to get regularized the expenditure from the competent authority. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for unauthorized payments without recording the measurements in measurement book, besides regularization of the expenditure from the competent authority.

[AIR Para: 11]

1.3.2.7 Non Deposit of Additional Performance Security – Rs 3.786 Million

As per Clause 26(A) of general directions for the guidance of tender given in the Contract Agreement, in case the total tendered amount is less than 5% of the approved estimated amount, the lowest bidder will have to deposit additional performance security from the scheduled bank ranging from 5% to 10% as under within 15 days of issuance of notice or with expiry of bid, whichever is earlier. Furthermore, According to Government of Punjab, Finance Department letter No. RO(Tech)FD 1-2/83 VI (P) dated 24th January, 2006 the contractor shall deposit

additional performance security as subsequent percentage below the estimated cost.

Contrary to the above, Tehsil Municipal Officer did not demand additional performance security of Rs 3.786 million during 2012-13, from contractors for satisfactory completion of development works, as rates were quoted below tendered value. This resulted in undue financial support to contractors. **(Annexure - G)**

Due to weak internal controls, additional performance security was not deposited for satisfactory completion of work.

Non deposit of additional performance security caused undue favour to contractors.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 07.05.2014 TMO replied that additional performance security was not taken just to complete the work in time. Govt. instructions were not followed. DAC directed to get regularized the expenditure from the competent authority. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for giving undue favour to the contractors, besides completion report of satisfactory performance of the same work.

[AIR Para: 5]

1.3.2.8 Loss of Revenue due to Non Leasing of Shops - Rs 3.495 Million

As per PLGO (Property) Rules 2003, Ch-V 16(a) the immovable property shall be given on lease through competitive bidding.(b) the period of such lease shall be upto five years at a time (c) the legal occupant shall be allowed the right of first refusal of the highest bid. According to Rule 4 (C&D) of Punjab Local Government (Property Rules) 2003, the manager shall take steps to ensure that property meant for use of public is actually used to the maximum benefit of the public and ensure that the rented property fetches the maximum rent.

Contrary to the above, Tehsil Municipal Officer did not lease out the shops since construction which was repeatedly advertised on 2010-2011 and 20-

01-2012, but shops were illegally occupied by the shopkeepers without rent. Neither the rent was received nor any administrative was action taken against the illegal possession, which resulted in loss of Rs 3.495 million. The detail is given below.

(Amount in Rupees)

Sr. No.	Detail	Shops	Nominal Rent per month	Months	Amount	Period
1	Shop No. 1 to 78 General Bus stand Karor	78	1500	25	2,925,000	February 2012 to February, 2014
2	Shop No.79 to 90, opposite takbeer chowk Layyah Bhakkar Road Karor	12	1500	25	450,000	
3	Shop No. 91 to 94 Near Old Dispensary Karor	4	1500	20	120,000	July 2012 to February, 2014
Total					3,495,000	

Due to weak internal controls, auction process was not completed and valuable commercial property was illegally occupied by the tenants.

Audit held that timely action was not taken which caused a huge loss to the TMA.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 07.05.2014 TMO replied that nine times efforts were made through advertisement for open auction but were not rented out due to non participation. DAC directed the TO (Regulation) probe in to the matter and to expedite the matter for open auction. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for allowing illegal possessions of shops, besides recovery of the said amount under intimation to audit.

[AIR Para: 21]

1.3.2.9 Less Rate of Rent due to Non Lease of Shops-Rs 3.490 Million

As per PLGO (Property) Rules 2003, Ch-V 16(a) the immovable property shall be given on lease through competitive bidding.(b) the period of such lease shall be upto five years at a time (c) the legal occupant shall be allowed the right of first refusal of the highest bid. According to Rule 4 (C&D) of Punjab Local Government (Property Rules) 2003, the manager shall take steps to ensure that property meant for use of public is actually used to the maximum benefit of the public and ensure that the rented property fetches the maximum rent.

Contrary to the above, Tehsil Municipal Officer did not lease out the shops since long (more than 20 years) which resulted in very less rate of rent of shops and petty collection of revenue of massive property Rs 3.490, million during 2012-13. No significant steps were taken to lease out the immovable property for increasing revenue. The detailed is given below.

(Amount in Rupees)

Sr. No.	Location	Total Shops	Range of Rent of plots and shops received by the TMA per month	Amount
1	Ahmed Ali market Fatehpur	178 shops & 9 plots	Rs351 to 1106	3,288,322
2	Gallani market General bus stand Fatehpur	125 shops/plots		
3	Shops in Karor city	14 shops	Rs385 to 485	201,413
Total				3,489,735

Due to weak internal controls, department did not ensure that the rented property fetches the maximum rent.

Immovable property was not leased out keep in view the prevailing market rate of commercial rent, which resulted in loss to public exchequer.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 07.05.2014, TMO replied that the said shops were rented out by the Tehsil Nazim through open auction with 10% increase every year. Now the efforts are being made for new contract. DAC directed the TO (Regulation) to expedite the matter for new rate contract through open auction on maximum rent. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officers/officials concerned, besides probing the matter and taking necessary steps for new rent agreement.

[AIR Para: 26]

1.3.2.10 Unauthorized Expenditure on Fair and Exhibition- Rs 2.845 Million

According to Rule 2.33 of the PFR, Vol-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through negligence on his part. Furthermore, according to Rule 12 (2) of the Punjab Procurement Rules 2009, all procurement opportunities over two million rupees should be advertised on PPRA website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu. Furthermore according to Rule 28(1) of ibid, the date for opening of bids and the last date for the submission of bids shall be the same. Bids shall be opened at the time specified in the bidding documents.

Contrary to the above, Tehsil Municipal Officer incurred unjustified and irregular expenditure of Rs 2.845 million during 2012-13, on occasions of Mela at Darbar Laal Eesan, because expenditure were incurred on the basis of quotations by ignoring tendering process and without advertisement on PPRA's website. Whole process was hastily completed in a short period i.e. within one week from 7-09-2012 to 14-09-2012 which was contrary to procurement rules. List of total participants/teams was not on record and winners were also recommended by the concerned committees without acknowledgement receipts. Audit is of view that Darbar falls under the jurisdiction of Punjab Auqaf Department. As income of the said Darbar is collected by the Auqaf Department, the expenditure incurred against these fairs should also be shared by the said department. Detail is given below.

(Amount in Rupees)

Date of payment	Date of Billing	Period	Description	Amount
08.10.2012	28.09.2012	N/A	Payment to Ch. M. Shahid Iqbal for Misc.	347,280

Date of payment	Date of Billing	Period	Description	Amount
			Shield cup	
08.10.2012	28.09.2012	28.09.2012	Payment for Qawali	130,000
16.10.2012	09.10.2012	26 .09.2012 to 30.09.2012	Rent of land to Mr. Dilshad Khan S/o Mr. Abdul Nabi	440,000
16.10.2012	09.10.2012	26 .09.2012 to 30.09.2012	Payment to M/S Data Light decoration and sound system Karor for provision of Sound system, lighting system and 3 generators	282,000
16.10.2012	12.10.2012	N/A	Payment to Tajdare-Harim Printing press Karor for printing of 6638 Invitation Card and 17 Panaflex board	144,900
16.10.2012	8.10.2012	26 .09.2012 to 30.09.2012	Payment to M/S Thal Tent Service Karor for provision of Tent service	644,500
16.10.2012	Nil	26 .09.2012 to 30.09.2012	Cash prize to winners and participants	632,000
16.10.2012	Nil	29.10.2012	Honoraria to poets	224,000
Total				2,844,680

Due to weak internal controls, expenditure incurred without following prescribed rules and proper maintenance of record was unjustified.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 07.05.2014, TMO replied that the expenditure were made on conducting of Mela which is the function of the TMA. The said procurement was not advertise on the PPRA website. DAC directed to get regularized the expenditure from the competent authority. No progress was reported till finalization of this report.

Audit recommends fixing responsibility on the officers/officials concerned, besides probing the matter and its regularization from the competent forum.

[AIR Para: 33]

1.3.2.11 Unauthorized Enhancement of Development Schemes and Change in Scope of Work -Rs 2.205 Million

According to Para 2.7, 2.12 and 2.86 of the B&R Code, The cost, scope and specifications of a scheme involving material deviations from the original proposals once approved, cannot be modified without approval of the authority competent to grant administrative approval. The procedure of the revision of

administrative approval will also apply to modifications of the proposals originally approved, if likely to necessitate the eventual submission of a revised estimate, to material deviations from the original proposals even though the cost of the same may possibly be covered by savings on other items. The authority granted by a sanction to an estimate has to be looked upon as strictly limited by the precise object for which the estimate was intended to provide. No anticipated of actual saving on approved estimate can be utilized to carry out additional work, not contemplated in the original project.

Contrary to the above, Tehsil Municipal Officer enhanced development through consumption of actual savings to carry out additional work of Rs 2.205 million which was not contemplated in the original estimates during 2012-13 as tenders rate of following schemes were quoted below than technical estimates which resulted in savings. The technically sanctioned scope of work in the original TSE as per administrative approval was revised with modification and savings were utilized without getting its approval and justification to oblige the contractors. **(Annexure-H)**

Due to weak internal controls, unjustified favor was provided to the contractors and schemes were enhanced to adjust the savings.

Enhancement of development without approval and justification, only to utilize the savings caused loss to public exchequer and benefitted the contractors.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 07.05.2014 TMO replied that expenditure were incurred after prior approval from the concerned. The reply was not tenable because no documentary evidences were provided. DAC directed to get regularized the expenditure from the concerned. No progress was reported till finalization of this report.

Audit recommends fixing the responsibility on the officer concerned and regularization of the expenditure from the competent authority, under intimation to Audit.

[AIR Para: 3]

1.3.2.12 Non-Registration of Residential Colonies Resulting in Loss – Rs 1.921 Million

According to Chapter VIII Rule 60 (C) of Commercialization Rules 2008, the conversion fee for the conversion of peri-urban area or intercity services area to residential and commercial use shall be 1% and 20% respectively, of the value of the land as per valuation table circulated by Revenue Department. Further according to TMA By-Laws Notified vide No. Tax/138 dated 11.06.2012, conversion Fee of 1% of Value of land as per valuation table and plan/Map approval fee and land Sub-division fee will be deposited by the housing colony.

Contrary to the above, Tehsil Municipal Officer did not recover commercialization/conversion charges of Rs 1.921 million from the owners during 2012-13. Neither was any significant effort made, nor was any action taken against the defaulting persons. The detail is as below:

(Amount in Rupees)

Sr. No.	Nature	Location	Amount
1	Housing/ Residential Colonies	Gulzar Homes, Chak No. 85/TDA Fatehpur Road Karor Gul –Shen- Noor Chak No. 106/ML Karor Road Fatehpur, Bismillah Colony, 230/TDA MM Road Fatehpur	661,930
2	Grain Market	New grain commercials market, Fatehpur	1,259,410
Total			1,921,340

Due to negligence and disinterest of the TMA authorities, Govt. sustained loss of Rs 1.921 million and illegal housing schemes/Buildings were established in the area.

Non registration of residential schemes and non collection of Govt. fee caused loss to Local Government.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 07.05.2014, TMO replied that notices has been issued to concerned for recovery. DAC directed to recover the amount from the defaulters without further delay. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for non-recovery of Government revenue, besides recovery of the said amount.

[AIR Paras: 23,25]

1.3.2.13 Unauthorized Cash Payments – Rs 1.575 Million

According to Clause 37(1) of Punjab Local Government Accounts Manual, Contractors/Suppliers and employees shall be paid by direct credit into

their bank account and may apply to be paid by cheque. All Cheques of payments over Rs 1,000 shall be crossed.

Contrary to the above, Tehsil Municipal Officer made cash payments of Rs 1.575 million on account of expenditure during 2012-13, instead of crossed cheques / direct credit into their bank account in violation of the above rules, as detailed below:

(Amount in Rupees)

Sr. No	Date	Reference / Cheque No.	Amount
1	03.07.2012	335	119,520
2		13	185,876
3	28.9.2012	75	196,329
4	10.10.2012	11	131,033
5	11.10.2012	74	100,000
6	18.10.2012	111	210,560
7	19.10.2012	24	632,000
Total			1,575,318

Due to weak financial controls, all the payments were made in cash.

Cash payment resulted in chances of misappropriation of TMA money.

The matter was reported to TMO in February, 2014. In the DAC meeting held on 07.05.2014 TMO replied that instructions were noted for future compliance. DAC directed to get regularized the expenditure from the competent authority. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the person concerned, besides regularization of the expenditure.

[AIR Para: 32]

1.4 Tehsil Municipal Administration Chowbara

1.4.1 Non-Production of Record

1.4.1.1 Non-Production of Record –Rs 1.564 Million

According to Section 14(3) of Auditor General of Pakistan Ordinance, 2001 envisages that 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. According to Section 115(6) of Punjab Local Government Ordinance 2001, the officials shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

Contrary to the above, Tehsil Municipal Officer did not produce vouched accounts of expenditure of Rs 1.564 million, incurred during 2012-13, for audit scrutiny, in violation of the above rule. The detail is given below.

(Amount in Rupees)

Token No.	Date of Drawal	Head of Expenditure	Amount
5	4/7/2012	Pay of S/W	115,100
6	10/7/2012	Pay of S/W of 8 day of June 2012	26,124
32	1/9/2012	Banners for Dengue	24,360
34	1/9/2012	Paid to DGPR	20,000
41	4/9/2012	Repair of LYA-111	16,770
43	4/9/2012	Purchase Copper Tar	24,850
48	15-09-2012	POL Tractor LYG-1002	47,736
51	15-09-2012	Generator	18,435
52	15-09-2012	Tractor LYA-2611	40,256
53	15-09-2012	POL LYA-111	36,780
56	15-09-2012	Tantange at Ramzan Bazar	190,914
57	15-09-2012	HBA Habullah T/C	50,000
58	15-09-2012	HBA to Ijaz Ahmad J/C	50,000
62	18-09-2012	Electricity Bill	239,913
63	24-09-2012	Kits for Punjab Sports kits	68,534
64	24-09-2012	Pension fund	99,315
65	24-09-2012	Pension fund	24,240
66	27-09-2012	Electricity Bill	93,428
69	27-09-2012	Purchase of Banners for Punjab Sports Festival	24,500
72	27-09-2012	Tantage for Punjab Youth Festival	191,100
73	27-09-2012	Cash Prizes Punjab Sports Festival	95,000
35	20-10-2012	Payment to DGPR	20,000

Token No.	Date of Drawal	Head of Expenditure	Amount
48	18-02-2013	Pay to DGPR	46,273
Total			1,563,628

Audit held that non-production of record reflected weak internal controls and irresponsible attitude on the part of executive.

Owing to non-production of record, authenticity of the receipts could not be verified.

The matter was reported to TMO in February, 2014. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the person concerned for non-production of record and disciplinary action in terms of Section 14(3) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001.

[AIR Para: 34]

1.4.2 Non-Compliance of Rules

1.4.2.1 Unauthorized Approval of TSE and Acceptance of Tenders from the Irrelevant Authority – Rs 86.310 Million

As per Chief Engineer letter No.CE(HQ)PLGB-6/2008 dated 13-05-2008, the scheme beyond the competency of Tehsil Officer (I&S) was required to be forwarded to the Chief Engineer for technical sanction.

Contrary to the above, Tehsil Municipal Officer executed schemes having TS value of Rs 86.310 million during 2012-13. The schemes were either technically sanctioned by irrelevant authority or were beyond competency of TO (I&S). Tenders were accepted/approved by the TO (I&S)/TMO beyond his competency as power of acceptance of tender also rests with the authority equal to the power of technical sanction. TS number and dates were neither mentioned on technical sanctions nor were laid down on the advertisement. **(Annexure-I)**

Due to weak internal controls, TSE and acceptance of tender of development schemes, was made by irrelevant authority.

Non-approval of tenders by the competent authority caused irregular execution of schemes.

The matter was reported to TMO in February, 2014. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing responsibility on the officer concerned and regularization of the expenditure from the competent authority, under intimation to Audit.

[AIR Para: 23]

1.4.2.2 Irregular Expenditure due to Defective Tendering Process – Rs 82.652 Million

According to Rule 13 (1) of the Punjab Procurement Rules 2009, under no circumstances the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice.

Contrary to the above, Tehsil Municipal Officer did not advertise 64 Nos. development schemes of having value Rs 82.652 million on PPRA's website, during 2012-13. The works were allotted on the basis of defective advertisements without considering wide circulation for fair competition. Schemes were not technically sanctioned by competent authority at the time of advertisement as no particulars of technical sanction i.e. TS number and date of orders of Technical Sanctions were laid down in advertisement. As a result, healthy competition could not take place and the schemes were allotted to the contractors of own choice. **(Annexure-J)**

Due to weak internal controls, Government instructions were not followed.

Due to non observance of prescribed rule, the tenders could not be considered as fair and competitive.

The matter was reported to TMO in February, 2014. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing responsibility on the officer concerned and regularization of the expenditure from the competent authority.

[AIR Para: 1]

1.4.2.3 Irregular Expenditure due to Tendering with Insufficient Response time– Rs 16.000 Million

According to Rule 13 (1) of the Punjab Procurement Rules 2009, under no circumstances the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice.

Contrary to the above, Tehsil Municipal Officer invited tenders of TMA Complex valuing Rs 16.000 million, through advertisement in press and allowed only 9 days for purchase and submission of tender forms. As a result, healthy competition could not take place.

(Rupees in Million)

Scheme	Advertisement Date	Tender opening date	T.S
TMA Complex	6/4/2011 Jang Multan	14.04.2011	16.000

The irregularity occurred due to non compliance of relevant rules and just to award works to the contractors of own choice

The matter was reported to TMO in February, 2014. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends that disciplinary action be initiated against the person(s) at fault, besides getting the irregularities condoned from the competent authority

[AIR Para: 39]

1.4.2.4 Unauthorized Payment for Base Course without Quality Testing Report -Rs 13.097 Million

According to Note-2 of Chapter 18 of 2nd MRS 2012, “Road & Road Structure” The rates include the provision and maintenance of field test laboratory, pay of laboratory staff, cost of material for testing, etc. Furthermore according to Chief Engineer(C&W) letter No.PA/SECY(C&W)26-05/2009 dated 25-05-2009 the compaction must be ensured, “the payment were being released by the relevant staff without applying quality tests.”

Contrary to the above, Tehsil Municipal Officer executed road works of Rs 13.097 million during 2012-13 without getting quality testing reports of base course. **(Annexure-K)**

The irregularity occurred due to setting aside the relevant rules and to award works to the contractors of own choice and undue favour to them.

Without lab compaction test reports, quality of development could not be ascertained.

The matter was reported to TMO in February, 2014. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends that disciplinary action be initiated against the person(s) at fault, besides getting the irregularities condoned from the competent authority

[AIR Para: 35]

1.4.2.5 Loss due to less collection of Immoveable Property Tax - Rs 5.178 Million

According to Government of Punjab Board of Revenue Lahore notification No. 1807-2004 /1414 -LR-I dated 29.6.2004, the mutation fee on transfer of agriculture land in rural area shall be charged @ 3% of the value of land. And Registry fee in the urban area will be charged @ 1% of the value of land. Furthermore as per TMA notification No.720/TN/TMA/DGK dated 20.6.2006, 1% tax will be charged on transfer of immovable property in urban and rural areas.

Contrary to the above, Tehsil Municipal Officer charged 1% tax on transfer of immovable property and collected Rs 13.971 million during 2012-13. Whereas, on the same events, tax is also charged by the Government of Punjab as Registration Fee for urban property and Mutation Fee for rural property @ 1% and 3% respectively. In Tehsil Chowbara, an amount of Rs 2.837 million was recovered as Registration Fee and Rs 48.936 million as Mutation Fee. TMO should have collected receipt of Rs 19.149 million (2.837 million+1/3 of 48.936 million). So, an amount of Rs 5.178 million was not recovered. The detail is as below:

(Amount in Rupees)

Recovered by Revenue Department			TMA Department should have to collect			Realized amount	Less Recovery
Mutation Fee 3%	Registration Fee 1%	Total	Mutation Fee 1%	Registration Fee 1%	Total		
48,936,530	2,836,677	51,773,207	16,312,177	2,836,677	19,148,854	13,971,430	5,177,424

Due to weak internal controls, income of immovable property was not brought to books properly and no reconciled with revenue department to expedite the collection.

Non-recovery of dues resulted in loss to Local Government.

The matter was reported to TMO in February, 2014. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing responsibility on the officer concerned for non-recovery of Government revenue, besides recovery of the said amount.

[AIR Para: 19]

1.4.2.6 Unjustified Payment on Account of Salaries of Contingent Paid Staff - Rs 2.042 Million

According to Government of Punjab Finance Department Letter No. FD.SO (GOOD) 44-4/2011 dated 23.07.2011 “no contingent paid staff shall be appointed without obtaining the prior approval of Finance Department.

Contrary to the above, TMO incurred expenditure of Rs 2.042 million against salaries of contingent paid staff, during year 2012-2013 through, repeated sanction of 89 days without prior approval of Finance Department and without advertisement in leading newspapers. No recruitment policy was followed as issued by the S & GAD. The detail is given below.

(Amount in Rupees)

Date Of Payment	Month	Token no.	No. Of Employ	Designation	Amount
4/7/2012	Jun-12	5	20	Sanitary Worker	115,100
10/7/2012	Jun-12	6	20	Sanitary Worker	26,124
1/9/2012	Aug-12	24	20	Sanitary Worker	144,580
1/8/2012	Jul-12	21	20	Sanitary Work	129,596
1/8/2012	Jul-12	13	1	Sanitary Worker	7,000
2/10/2012	Sep-12	14	20	Sanitary Worker	150,562
24/10/2012	Oct-12	28	20	Sanitary Worker	115,158
6/11/2012	Oct-12	1	20	Sanitary Worker	60,226
12/11/2012	Oct-12	5	1	Baildar	9,000
1/12/2012	Nov-12	13	20	Sanitary Worker	184,500
1/1/2013	Dec-12	23	20	Sanitary Worker	180,328
1/2/2013	Jan-13	12	20	Sanitary Worker	182,748
1/3/2013	Feb-13	12	20	Sanitary Worker	184,500
1/4/2013	Mar-13	20	20	Sanitary Worker	180,445
3/6/2013	May-13	14	20	Sanitary Worker	184,500
1/7/2013	Jun-13	16	20	Sanitary Worker	180,000
3/6/2013	May-13	5	1	Baildar	8129

Total	2,042,496
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Due to weak financial management, the contingent staff was appointed and salaries were paid without approval from the quarter concerned.

Recruitment of contingent paid staff without prior approval of Finance Department was unauthorized.

The matter was reported to TMO in February, 2014. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing responsibility on the officer concerned for appointing contingent paid staff without approval of Finance Department, besides regularization of expenditure from the competent authority.

[AIR Para: 30]

1.4.2.7 Overpayment due to Unjustified Carriage and Non Deduction of Shrinkage Allowance – Rs 1.208 Million

According to Para No.2.31 (a) of Punjab Financial Rules Vol; I , a drawer of bill for pay and allowances contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation. Furthermore, according to the directions in chapter 3 of MRS in for Earth Work (Excavation & Embankment at Serial No. 2(b), deduction for settlement from the bank measurement when the earth work is done by machines, deduction of shrinkage between 3% to 6% should be agreed to with the contractor.

Contrary to the above, Tehsil Municipal Officer made an overpayment of Rs 1.208 million to contractors during year 2012-13, by allowing unjustified lead/carriage from factory to site of work because the rate analysis of tuff tile was prepared inclusive carriage/lead from factory to site of work and no separate/additional carriage was allowed. Furthermore, no deduction of shrinkage on making of embankment work was done, which resulted in overpayment. The detail is given below;

(Amount in Rupees)		
Sr. No.	Detail	Amount

1	Overpayment due to Allowing Unjustified Carriage & Wastage	377,148
2	Overpayment due non deduction of shrinkage	830,712
Total		1,207,860

Due to provision of unjustified carriage and non deduction of shrinkage, excess payment was made to contractors.

Non recovery of overpaid amount caused loss to Local Government.

The matter was reported to TMO in February, 2014. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing responsibility on the officer concerned for favouring the contractors, besides recovery of the said amount.

[AIR Paras: 3,6]

1.4.2.8 Overpayment due to Excess Measurement and Allowing Unjustified Rates/items of Earthwork- Rs 1.045 Million

As per Para No.2.31 (a) of Punjab Financial Rules Vol;I, a drawer of bill for pay and allowances contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation.

Contrary to the above, Tehsil Municipal Officer made overpayment of Rs 1.045 million to contractor during years 2012-13, by allowing excess measurement of earth work than actual and unjustified item in estimates of solings was allowed because compaction was allowed up to 85% ;despite the fact that compaction was already included in composite rate of solings, which resulted in double payment. The detail is given below.

(Amount in Rupees)

Sr. No.	Detail	Amount
1	Overpayment due to Excess Measurement on account of Earth Work because earth filling was shown 3.48 to 6 feet instead of 1feet	539,483
2	Overpayment due to allowing unjustified rate of ramming of earthwork because double compaction included in soling works	505762
Total		1,045,245

Excess payment was made to contractors due to provision of unjustified item and negligence of management,

Non recovery of the overpaid amount caused loss to Local Government.

The matter was reported to TMO in February, 2014. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing responsibility on the officer concerned for favouring contractors, besides recovery of the said amount.

[AIR Paras: 2,5]

**Non-Compliant Paras of Annex-1 of
Audit Reports for the Audit year
2012-13**

1.5 TMA Layyah

1.5.1 Non Compliance of Rules

1.5.1.1 Non Deposit of Sales Tax – Rs 0.961 Million

According to the Finance Department letter No. FD (1-1) 1-15 / 82. P – I dated 17.01.2000, amounts due to the Government as receipt should be deposited within seven days from the date of actual receipt, in case of delay, interest at bank rate may be recovered for delay period.

Contrary to the above, Tehsil Municipal Officer retained the deducted amount of Sales tax in DDO account during 2011-12, without depositing it into the FBR account up till 30.09.2012. This resulted in loss of Rs 960,711 as neither the amount of GST, nor Bank Profit@ 17% was deposited into Exchequer. The detail is given below:

(Amount in Rupees)

Period	Delayed period in Months	17% Bank Profit PA	Rate of Bank Profit Per Month	Amount of GST Held	Interest Amount	Total Amount
Aug-2011	13	5,662	472	33,304	6,133	39,437
Sep-2011	12	19,191	1,599	112,889	19,191	132,080
Oct-2011	11	20,305	1692	119,443	18,613	138,056
Nov-2011	10	2,498	208	14,694	2,082	16,776
Feb-2012	07	12,198	1,017	71,755	7,116	78,871
Mar-2012	06	10,087	841	59,336	5,044	64,380
Apr-2012	05	20,090	1,674	118,174	8,371	126,545
May-2012	04	15,551	1,296	91,479	5,184	96,663
Jun-2012	03	43,687	3,641	256,981	10,922	267,903
Total				878,055	82,656	960,711

Due to weak internal controls, public money was retained without justification.

Non deposit of Sales tax resulted in loss to Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned of negligence, besides recovery of the said amount.

[AIR Para: 38]

1.5.1.2 Unauthorized Splitting of Scheme – Rs 0.822 Million

According to para 2.70 of B&R Code and vide Finance Department Letter No. FD(D-11)10(3)90 Dated 27th June 1991, the splitting will have to be got approved from the Chief Engineer. Furthermore, according to Rule 15.2 (c) of Punjab Financial Rules, Vol-I, expenditure should not be split up so as to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders.

Contrary to the above, Tehsil Municipal Officer split up one development scheme into two small schemes valuing Rs 821,578 during 2011-12 either to avoid the sanction of higher authority or to award the contractor of lower category. The detail is given below:

(Amount in Rupees)

Name of Scheme	TS Value	Amount
Const. of metalled road from Gujar More to Chak No.424/TDA towards south(P-1)	500,000	498,525
Const. of metalled road from Gujar More to Chak No.424/TDA towards south(P-2)	325,000	323,053
Total		821,578

Due to weak internal controls, scheme was split up to avoid the sanction of higher authority or to award the contractor.

Audit was of the view that development scheme was split up without approval of the competent authority which resulted in unauthorized expenditure.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for not complying with the standing rules and instructions, besides regularization of the expenditure from the competent authority.

[AIR Para: 27]

1.5.1.3 Undue Financial Aid to Contractor due to Non Deposit of Additional Performance Security – Rs 0.756 Million

As per Clause 26(A) of general directions for the guidance of tender given in the contract agreement, in case the total tendered amount is less than 5% of the approved estimated (Draft for Tender Inviting Notice, “DNIT”) amount, the lowest bidder will have to deposit additional performance security from the scheduled bank ranging from 5% to 10% as under within 15 days of issuance of notice or with expiry of bid, whichever is earlier.

Tehsil Municipal Officer did not demand additional performance security of Rs 756,000 during 2011-12 from contractor because the contractor quoted rates below the tendered value, which resulted in undue financial support to contractor. The detail is given below:

(Amount in Rupees)

Name of Scheme	Work order No./ date	TS Amount	Contractor Bid	Below %	AP Security
Cons of M/R Chowk shahedan to Chak No 161/TDA	282(I&S)TMA/14 dated 11.02.11	4,000,000	3243787	18.90	756,000
Total					756,000

Due to weak internal controls, additional performance security was not deposited for satisfactory completion of work.

Non deposit of additional performance security caused undue favour to contractor.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for undue favouring the contractor, besides completion report of satisfactory performance of this work.

[AIR Para: 24]

1.5.1.4 Irregular expenditure on Repair and Maintenance - Rs 0.735 Million

According to amended Notification No. SOV(LG) 5-33/2002, issued by Government of the Punjab Local Government & Rural Development dated 06-07-2005, in case the cost of a project is not more than Rs 100,000, the Nazim / Administrator shall, before grant of approval, prepare and obtain sanction of cost estimates and Technical Sanction of a project from the concerned Tehsil/Town Officer (Infrastructure and Services). Furthermore, according to B & R Code Paragraph 4.5, No payment should be made without detail measurement in the measurement book.

Contrary to the above, Tehsil Municipal Officer incurred expenditure of Rs 735,296 on repair and maintenance during 2011-12. Neither the detailed estimates were prepared, nor were technically sanctioned by the competent authority. Work executed at site was not recorded in measurement book for justification of work done for each scheme/work. No open tender was called and work was split up. The detail is given below:

(Amount in Rupees)

Token No	Date	Description	Paid To	Amount
573	20-09-11	Rep of W Purification Plant	Qaiser	24,730
572	-do-	Disposal K.sultan	-do-	22,838
617	26-09-11	Disposal	Bashir	24,524
781	5/10/2011	Do	Nasir	15,560
800	-do-	Rep Adm room	Al-Habib	24,900
2276	19-12-11	Do	-do-	22,500
3615	-do-	Rep of Disposal K sultan	Zia	21,950
3693	11/6/2012	Rep of Slaughter House	Nasir	24,935
3691	-do-	Tanki for Slaughter House	-do-	24,800
3669	-do-	Rep of water works	Ayaz	10,521
3754	23-06-12	Disposal works F Pur	Bashir	19,500
2020	29-11-11	Rep of peter pump	-do-	14,500
2435	2/1/2012	Rewinding motors disposal	Bashir	151,200
2218	26-12-11	Rep of Water Plant DHQ	Qaiser	15,900
2300	-do-	P/F Barriers	Nasir	207,000
2989	26-03-12	Mainte of Football Ground	shakeel	21,750
3386	5/5/2012	Rep of Sewerage Line	Qaiser	17,290
3388	-do-	Rep of Family Park	-do-	13,650
3441	14-05-12	Maint Of Disposal	Zia	14,748

Token No	Date	Description	Paid To	Amount
3447	-do-	Rep Sewerage Paharpur	Ayaz	18,830
3483	21-05-12	Installation of Hand Pump	Bashir	23,670
Total				735,296

Due to weak internal controls, proper estimates/Technical sanctions were not prepared, nor was the work done recorded in the measurement book.

Legitimacy of the expenditure could not be ascertained due to incomplete record.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility and disciplinary action against the officer concerned for making payment without proper maintenance of record, besides getting the expenditure regularized from the competent authority.

[AIR Para: 21]

1.5.1.5 Irregular Expenditure without Sanction of Competent Authority – Rs 0.387 Million

According to Sr.No.2 (b) (xix) of Delegation of Financial Powers Rules 2006, The Officer in category I is empowered to accord the sanction of expenditure on hire charges of Tentage up to Rs 75,000, during the Financial Year.

Contrary to the above, Tehsil Municipal Officer incurred an expenditure of Rs 386,823 on hiring of tentage without sanction of the competent authority, during 2011-12. The detail is given below:

(Amount in Rupees)				
TNo	Date	Description	Paid to	Amount
2447	10/1/2012	Tentage for Ramzan Bazar	Bismillah	86,650
2441	2/1/2012	Tentage Ramzan Bazar K Sultan	Arsalan	220,698
3435	11/5/2012	Tentage for Eid Melad u Nabi	Qadri tents	79,475
Total				386,823

Due to weak financial controls, expenditure took place without sanction of the competent authority.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility and disciplinary action against the officer concerned, besides regularization of the expenditure from the competent authority.

[AIR Para: 9]

1.5.1.6 Overpayment due to Inadmissible Carriage Charges - Rs 0.386 Million

As per Para No.2.31 (a) of Punjab Financial Rules Vol;I , a drawer of bill for pay and allowances contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation.

Contrary to the above, Tehsil Municipal Officer made overpayment of Rs 386,314 to contractors because rate of carriage of tuff tile was included on lump sum basis from factory to site of work instead of preparing of lead chart showing the actual carriage/distance of tuff tile from Izhar Co. Taxla to site of work. Inclusion of lump sum carriage shows that the local built tuff tile was used in the work and carriage rate was charged from factory to site of work. The detail is given below:

(Amount in Rupees)				
Name of Schemes	Name of Contractor	Quantity of tuff tile used	Rate of Carriage	Amount
Const. of Peer Khurshid stadium chowk azam Phase-I	Laraib Associates	28420 Sft	12.60 Per Sft	358,090
P/F of Tuff Tile, Municipal Park Layyah City	Nasir Gujar	2240 Sft	12.60 Per Sft	28,224
Total				386,314

Audit was of the view that provision of unjustified item resulted in excess payment to contractor.

Non recovery of overpaid amount caused loss to TMA.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for overpayment to contractors, besides recovery of the said amount.

[AIR Para:14]

1.5.1.7 Overpayment due to Non Deduction of Shrinkage – Rs 0.297 Million

According to the direction in chapter 3 of MRS in for Earth Work (Excavation & Embankment at Serial No. 2(b), deduction for settlement from the bank measurement when the earth work is done by machines, deduction of shrinkage between 3% to 6% should be agreed to with the contractor.

Contrary to the above, Tehsil Municipal Officer did not deduct shrinkage of Rs 296,567 from contractor's bills on making of earth embankment work during 2011-12, which resulted in loss to local Government. The detail is given below:

(Amount in Rupees)

Name of Work	Agency	MB No. & Page	Total Quantity of Earth Work (Cft)	6% deduction of Shrinkage (Cft)	Rate (%0Cft)	Amount
Const. of Metaled Road from M.M Road Chak No.360/TDA to Chak No.381/TDA via of 383 TDA	M.Hussain Khan	73/1-10	862,767	51766	2524.95	130,706
Const. of M/R Chak No. 169/TDA to 425/TDA Dhori Adda Road	A.Ghafoor Chanida	1943/	75,680	3748.5	4541	17,018
Cons. of M/RCh No 171/TDA	Ch Mukhtar	136/3	280,050	16803	2524.95	42,427
Cons of Pir Khurshid Stadium Phase I	Laraib	170/91	87,557	87556	3722.5	32,593
Cons. of M/R Peer Jagi 171/TDA Panah Kharal	Saeed	125/21	281,157	16869	2524.95	42,594
Const. of Metaled Road Shareen Wala Road to Basti Bhatian	A Latif	2328/47	206,377	12383	2521.95	31,229
Total						296,567

Audit was of the view that non deduction of shrinkage resulted in excess payment to contractor.

Non recovery of overpaid amount caused loss to Local Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for non deduction of shrinkage, besides recovery of the said amount.

[AIR Para: 5]

1.5.1.8 Non Recovery of Professional Tax – Rs 0.454 Million

According to Section 5 of the Punjab Finance Act 1977, every contractor, builder working under the district boundary is liable to pay professional tax at prescribed rate i.e Rs 3,000 for work valuing up to Rs 10 million, Rs 5000 for work valuing up to Rs 50.000 million and Rs 10,000 for work valuing more than 50 million.

Contrary to the above, Tehsil Municipal Officer did not recover the professional tax at prescribed rates during 2011-12 from contractors resulting in loss of Rs 454,000 to Government. (**Annexure-L**)

Due to weak internal controls, no effort was made for generation of revenue.

Non recovery of professional tax resulted in loss to Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for non recovery of professional tax from the contractors, besides recovery of the pointed out amount, under intimation to audit.

[AIR Para: 40]

1.5.1.9 Non Recovery of Outstanding Rent of Shops – Rs 0.366 Million

According to Rule 76 (1) of the PDG and TMA (Budget) Rules 2003, the primary obligation of the Collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

Contrary to the above, Tehsil Municipal Officer did not recover outstanding amount of Rs 365,700 of rent of shops from the lessees of the shops, during 2011-12, because shopkeepers deposited less amount than agreement. The detail is given below:

(Amount in Rupees)				
NAME of Market	Qty	Total Rent	Recovered	Balance
Plots GS Stand Layyah	107	1,743,096	1,547,794	195,302
Plots Thal Hospital Road Layyah	12	97,589	58,168	39,420
Shop Layyah City	7	430,176	418,299	11,877
Shops Chowk Qasaban	4	140,124	108,904	31,220
Shops Bombay Bazar	1	14,460	0	14,460
Shops Tanki TDA	3	53,856	48,525	5,331
Shop GB Stand Layyah	3	61,740	56,008	5,720
Plot TDA Colony	4	32,628	10,626	22,002
Shops Thal Hospital	2	18,888	0	18,888
Building Chungi	5	30,504	9,024	21,480
Total		2,623,061	2,257,348	365,700

Due to weak financial controls, outstanding rent of shops was not recovered.

Non recovery of rent of shops caused loss to Local Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for non recovery of Government revenue, besides recovery of the said amount.

[AIR Para: 4]

1.5.1.10 Non Recovery of Outstanding Lease Amount – Rs 0.209 Million

According to Rule 76 (1) of the PDG and TMA (Budget) Rules 2003, the primary obligation of the Collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

Contrary to the above, Tehsil Municipal Officer did not recover remaining amount of Rs 208,850 of lease from the contractors during 2011-12 because contractors deposited less amount than agreement. The detail is given below:

(Amount in Rupees)

Name of Lease	Contractor	Auctioned Amount	Recovered	Balance
Parking fee K. Sultan	M Aslam	506,000	381,800	124,200
Advertisement Fee	Amer Abas	1,001,000	916,350	84,650
Total		1,507,000	1,298,150	208,850

Due to weak financial controls, outstanding amount of lease was not recovered.

Non recovery of Government dues caused loss to Local Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for non recovery of Government revenue, besides recovery of the said amount.

[AIR Para: 8]

1.5.1.11 Overpayment on Carriage Charges – Rs 0.112 Million

According to the section 402.6 and 411.9 of buildings and roads specification, the earth available at site obtained from structural excavation be deducted from the quantity of earth brought from outside source.

Contrary to the above, Tehsil Municipal Officer allowed extra lead/distance than the actual distance from the site of work to quarry on

development schemes, during 2011-12, which resulted in overpayment of Rs 111,543 to contractors. The detail is given below:

(Amount in Rupees)

Name of Scheme	Item	Qty Cft	Lead Charged	Lead Due (Sakhi Serwer)	Extra Lead	Extra Amount charged %cft	Total Amount
Const. of M/R from Peer Jagi Chak No.171/ TDA road to Janib Gharb Mouza Panah Kharal Gharbi	Sub Base Course	17516	173 KM	150 km	23	288	50,479
Const. of metteld road from Chak No.426/A TDA to 428 TDA	Sub Base Course	14025	195	160	35	435.4	61,064
Total							111,543

Audit was of the view that provision of extra lead resulted in excess payment to contractor.

Non recovery of overpaid amount caused loss to Local Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned for making overpayment, besides recovery of the said amount.

[AIR Para: 19]

1.5.1.12 Overpayment due to Profit of Contractor on Scheduled Items – Rs 0.095 Million

According to the instructions contained in para 4 (i) (iv) in preface of CSR 1998, the rate analysis for the non scheduled item is required to be prepared by the Executive Engineer and approved by the Superintendent Engineer before the work is undertaken and copies of such analysis are required to be sent to the Secretary Standing Rate Committee.

Contrary to the above, Tehsil Municipal Officer made an overpayment of Rs 95,375 to contractors during 2011-12, because Contractor profit was calculated by including carriage and sand filling in the estimates which was not admissible. The detail is given below:

(Amount in Rupees)

Name of Scheme	Contractor	Total Tuff tiles in sft	Contractor profit per Sft including carriage and Sand filling	Contractor profit per Sft excluding carriage and Sand filling	Difference per sft	Over payment
Const. of Peer Khurshid stadium chowk azam Phase-I	Laraib Associates	28420	15.59	12.48	3.11	88,386
Providing & fixing of Tuff Tile, Municipal Park Layyah City	M Nasir Gujar	2240	15.60	12.48	3.12	6,989
Total						95,375

Audit was of the view that excess amount was paid than entitlement due to provision of unjustified item.

Non recovery of overpaid amount caused loss to Local Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing of responsibility on the officer concerned making of excess payment to contractors, besides recovery of the said amount.

[AIR Para: 2]

1.6 TMA Karor

1.6.1 Non Compliance of Rules

1.6.1.1 Overpayment by Allowing Unjustified Rates/items of Earthwork- Rs 0.686 Million

According to Para No.2.31 (a) of Punjab Financial Rules Vol;I, a drawer of bill for pay and allowances contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation.

Contrary to the above, Tehsil Municipal Officer made overpayment of Rs 686,054 to contractor during the years 2010-12, by allowing unjustified item in estimates of development schemes because of an item “Earthwork in ordinary soil for embankments with lead up to 100 ft. (30 m), including ploughing and mixing with blade grade or disc harrow or other suitable equipment, and compaction by mechanical means up to 90% at optimum moisture content and dressing to designed section, complete in all respects”. Audit is of the view that this item was required for road work of heavy traffic, compaction of earthwork and other suitable means as included in this item was required up to particular level whereas, in streets, for soling work, compaction by road roller was neither required, nor was it possible because in one work some street were wide and some were narrow and only transportation of earth, dressing, leveling and ramming of earthwork was required there. **(Annexure-M)**

Due to provision of unjustified item and negligence of management, excess payment was made to contractor.

Non recovery of overpaid amount caused loss to Local Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing the responsibility on the officer concerned for favouring the contractors, besides recovery of the said amount.

[AIR Para: 15]

1.6.1.2 Non Recovery of Professional Tax – Rs 0.665 Million

According to Section 5 of the Punjab Finance Act 1977, every contractor and builder working under the district boundary is liable to pay professional tax at prescribed rate of Rs 3,000, for work valuing up to Rs 10 million, Rs 5000 for work valuing up to Rs 50 million and Rs 10,000 for work valuing more than 50 million.

Contrary to the above, Tehsil Municipal Officer did not recover professional tax at prescribed rates from contractors during 2011-12, resulting in loss of Rs 665000 to Local Government. (**Annexure-N**)

Due to weak internal controls, no effort was made for generation of revenue.

Non recovery of professional tax resulted in loss to Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing the responsibility on the officer concerned for non recovery of professional tax from the contractors, besides recovery of the said amount, under intimation to Audit.

[AIR Para: 14]

1.6.1.3 Irregular Expenditure on Repair of Tractor– Rs 0.220 Million

According to Clause 12(1) of Punjab Public Procurements Rules 2009, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency. Furthermore, according to the Finance Department letter No. FD (1-1) 1-15 / 82. P – I dated 17.01.2000, amounts due to the Government as receipt should be deposited within seven days from the date of actual receipt.

Contrary to the above, Tehsil Municipal Officer incurred an amount of Rs 220,000 during 2011-12 on purchase of front and loader of tractor without advertising on the PPRA website/ inviting tenders through newspapers except quotations and without specification of front and loader for tractor i.e. bullet type, operation, lift capacity etc. Deduction of Sales/Income Tax along with deposit challan was not shown to audit.

Due to improper maintenance of record authentication of expenditure could not be ascertained.

Incurrence of expenditure without compliance of rules shows poor financial management.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing responsibility on the officer concerned for unauthorized payments without maintenance of record, besides regularization of the expenditure from the competent authority.

[AIR Para: 21]

1.6.1.4 Overpayment by Allowing Unjustified Items – Rs 0.207 Million

As per Para No.2.31 (a) of Punjab Financial Rules Vol;I , a drawer of bill for pay and allowances contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation.

Contrary to the above, Tehsil Municipal Officer allotted the work “Construction of Janazagah / boundary wall Karor city” to Malik Fayyaz Hussain Govt. contractor but it was observed from TS estimate and MB No. 1619, page-79 that unjustified item “Earthwork in ordinary soil for embankments with lead upto 1 mile, including ploughing and mixing with blade grade or disc harrow or other suitable equipment, compaction upto 85% by mechanical means at optimum moisture and dressing to designed section” was made in graveyard. Audit is of the view that this item was required in road work and not in

graveyard, because allowing compaction with mechanical means, ploughing and mixing etc. was unjustified and needless; only the transportation of earth and its dressing and leveling as detailed below was required. Due to allowing unjustified MRS item an overpayment of Rs 206,153 was made to the contractor during 2011-12. The detail is given below:

(Amount in Rupees)

3 rd Quarter 2011			Rate Applied	Difference	Qty	Over Paid amount
Items No.	Items	Rate required				
Item No. 18 (b) Chapter Earthwork	Dressing and leveling of earthwork to designed section, complete (Ordinary or hard soil)	177.85	4634.85%o	2624.90%o	78485Cft	206,153
Carriage as provided in the estimate	Transportation of Earth, including the lead cover in the item of work.	1832.1				
Total		2009.95				

Due to provision of unjustified item and negligence of management, excess payment was made to contractor.

Non recovery of overpaid amount caused loss to Local Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing responsibility on the officer concerned for making overpayment, besides recovery of the said amount.

[AIR Para: 8]

1.6.1.5 Overpayment by Allowing Higher Rate of Tuff Tiles- Rs 0.175 Million

According to rate analysis of tuff tile 60 mm Izhar Co. 3rd quarter 2011 for the work “providing and fixing of tuff tile for office of Administrator Karor” was Rs 64 P.Sft.

Contrary to the above, Tehsil Municipal Officer made an over payment of Rs 175,162 on item work of tuff tiles to contractors during 2011-12 because rates of tuff tile was charged higher than the approved rate analysis of 2nd quarter 2011 by the competent authority. The detail is given below:

(Amount in Rupees)

Name of Scheme	Name of Contractor	Quantity consumed	Applied rate	Rate to be applied	Diff.	Recovery	Remarks
Improvement of General bus stand near water purification plant-I (Phase-III)	Muhammad Tariq Khan	11260 Sft (80mm)	82	75.2	6.8	76,568	The rate can also compared with the schemes "providing and fixing of tuff tile for office of Administrator Karor" which was launched in the same quarter i.e. 2nd 2011.
		1725 Sft (60mm)	72	64	8	13,800	
-do- (Phase-II)	Muhammad Riaz Khan	11658 Sft (80mm)	82	75.2	6.8	79,274	
		690 Sft 60 Sft (60mm)	72	64	8	5,520	
Total						175,162	

Audit was the view that excess amount was paid to contractors than entitlement due to provision of inadmissible rate

Non recovery of overpaid amount caused loss to Local Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing responsibility on the officer concerned for favouring the contractors, besides recovery of the said amount.

[AIR Para: 17]

1.6.1.6 Overpayment due to Non Deduction of Shrinkage Allowance – Rs 0.107 Million

According to the direction given in chapter 3 of MRS in for Earth Work (Excavation & Embankment at Serial No. 2(b), deduction for settlement from the bank measurement when the earth work is done by machines, deduction of shrinkage between 3% to 6% should be agreed to with the contractor.

Contrary to the above, Tehsil Municipal Officer did not deduct shrinkage charges amounting to Rs 106,781 from contractor's bills on making of

embankment work during 2011-12, which resulted in excess payment to contractors. The detail is given below:

(Amount in Rupees)

Name of work	Agency	MB No./ Page No.	Rate Applied	Actual Qty used	6% Shrinkage	Amount
Const. of soling from Darbar Shah Hussain to Basti Sibani	M/S Sher Ghul Khan	1620 P-70	3863.75	84779 Cft	5086.74	19,654
Const. of soling basti hotel to metalled road Kachi Piaz Shah	Khyzer Hayat Khan	10 P-1	2914.7	49562 Cft	2973.72	8,668
Const. of soling and resoling chak No. 103/TDA to 261/TDA	M/S Muhammad Sharif	18383 P-53	2332.35	141011 cft	8460.66	19,733
Const. of soling from Chak No. 110/TDA to Rajba Moharan (chak 258) (lead ¼)	M/S Sher Ghul Khan	93 page 50 to 54 (4 th Qtr.10)	3367.35	140,642	8438.52	28,415
Const. of soling gali malik Sana ullah ward No. 2	M/S Asghar Khan	1561 page-53	5222.15	13175	790	4,125
Const. of soling nail gali Ch. Shahid Wali Fatehpur	M/S Akhtar Khan	1561 page-46	5222.15	26171	1570	8,200
Const. of soling nail in various ward Fatehpur		1561 page-40	5222.15	23226	1393.6	7,277
Const. of soling nail in Chak No. 218/TDA	Malik Ramzan	1561 page-19	4292.4	41578	2495	10,709
Total						106,781

Due to non deduction of shrinkage on earthwork, excess amount was paid to contractors.

Non recovery of overpaid amount caused loss to Local Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing responsibility on the officer concerned for non deduction of shrinkage, besides recovery of the said amount.

[AIR Para: 11]

1.7 TMA Chowbara

1.7.1 Non Compliance of Rules

1.7.1.1 Doubtful Consumption of Stores – Rs 0.438 Million

According to Rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as a case may be, when delivery is taken and they should be kept in charge of a responsible Government servant. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. When materials are issued a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or dispatched and when materials are issued from stock for departmental use, manufacture or sale, etc., the Government servant in charge of the stores should see that an indent in PFR Form 26 has been made by a properly authorized person.

Contrary to the above, Tehsil Municipal Officer incurred an amount of Rs 437,782, during 2010-12, on purchase of insecticides but consumption record along with public demand was not maintained and material was issued without any approved indents/ detailed plan of spray in the union councils. The detail is given below:

(Amount in Rupees)

Date	Description	Supplier	Amount
20.4.11	Delta Methrine	Pakistan Insecticide chemicals Lahore	248,332
19.1.12	Purchase of Insecticides	Khursheed Bros	189,450
Total			437,782

Issuance of stores items without approved indent and consumption record resulted in doubtful consumption.

Management did not offer any comments on the audit observation.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends investigation of the matter and fixing of responsibility on the officer concerned, for issuing the store without proper requisition and non maintenance of consumption record.

[AIR Para: 12]

1.7.1.2 Overpayment Due to Excessive Use of Steel – Rs 0.257 Million

According to Rule 2.33 of the PFR, Vol-I, every Government servant 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. Moreover 6.75 pounds of steel or 3.06 kg (6.75x 0.454) was required to be consumed in one Cft area for reinforced cement concrete work according to technically sanctioned estimate based on design.

Contrary to the above, Tehsil Municipal Officer made overpayment of Rs 256,776 to contractor “M/S Liaqat Ali” on construction of TMA Complex Chowbara, vide MB No. 1602 pages No. 38 to 68, due to excessive use of steel than technical sanction as detailed below:

(Amount in Rupees)

Item work	Quantity Required as per TS/Design	Quantity consumed	Excess Quantity	Work Done	Rate	Overpaid
Steel in reinforcement of cement concrete work	3.06 kg per cft	3.273 kg per cft	0.213kg per cft	13624 cft	8848.5% Kgs	256,776

Due to weak financial controls, excess amount was paid than entitlement.

Non recovery of the overpaid amount caused loss to Local Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing responsibility on the officer concerned for favouring contractors, besides recovery of the said amount.

[AIR Para: 1]

1.7.1.3 Overpayment due to Non Deduction of Surcharge on Income Tax – Rs 0.238 Million

According to FBR letter No Enf-o5/JBD/2010-11-83 dated 22.04.2011, 15% surcharge on income tax will be deducted at source from the payments w.e.f. 15.3.2011 to 30.06.2011.

Contrary to the above, Tehsil Municipal Officer did not deduct surcharge of Rs 238,011 on amount of income tax, which was payable by the contractors during 2011-12. The detail is given below:

(Amount in Rupees)

Date of Payment	Name of contractor	Amount	Income tax	15% surcharge tax
22.3.11	Nazar Hussain	826,730	59,052	8,858
22.3.11	Muhammad Hussain	968,415	69,173	10,376
22.3.11	Muhammad Hussain	797,917	56,994	8,549
2.4.11	Liaqat ali balouch	493,301	43,835	6,575
11.4.11	Liaqat ali balouch	630,025	4,500	675
11.4.11	Liaqat ali balouch	1,679,657	119,976	17,996
11.4.11	Liaqat ali balouch	1,005,912	71,850	10,778
11.4.11	CCB	2,395,200	143,712	21,557
11.4.11	Awan CCB	2,313,600	138,816	20,822
11.4.11	Al Haseeb CCB	2,399,040	143,942	21,591
11.4.11	Bahoo CCB	2,397,600	143,856	21,578
11.4.11	Bahoo CCB	2,398,560	143,914	21,587
14.4.11	Muhammad Hussain	1,597,268	95,836	14,375
20.4.11	Dost Muhammad Khan	6,500,000	325,000	48,750
20.4.11	Tasadaq Hussain	525,800	26,290	3,944
Total			1,586,746	238,011

Audit was of the view that due to negligence on the part of management, surcharge payable on income tax was not deducted from the contractors.

Non deduction of surcharge on income tax payable resulted in loss to Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing responsibility on the officer concerned for non recovery of surcharge on Income Tax, besides recovery of the said amount.

[AIR Para: 11]

1.7.1.4 Overpayment on purchase of M.S Bars – Rs 0.201 Million

As per additional condition issued by the Finance Department Government of the Punjab vide Notification No, RO/(TECH) F-D-2-3/2004, invoice and certificates that steel bars are manufactured from either of three authorized manufacturers, viz, M.S AFKO, Prime Industry & MS Fazal steel should be the part of contractor's bill. However, if the invoice and manufacturers certificate are not provided by the contractor and not annexed with paid vouchers, the rate of M.S bars shall be reduced by Rs 4,500 Per ton.

Contrary to the above, Tehsil Municipal Officer made an overpayment of Rs 200,677 to contractor on development work because M.S bar were purchased without manufacturers invoices and without reducing the rate by Rs 4,500 per ton, during 2011-12. The detail is given below:

(Amount in Rupees)				
Work	Agency	W/O No date	Qty. of steel	Amount
TMA Complex Chowbara	Liaqat Ali	No.235 Dated 16.4.2011	44595 Kg	200,677

Audit was of the view that excess amount was paid to contractor due to lose measurement.

Non recovery of overpaid amount caused loss to Local Government.

The matter was reported to TMO in October, 2012. Neither any reply was submitted nor was the DAC meeting convened, despite written requests made by this office. No progress was reported till finalization of this report.

Audit recommends fixing responsibility on the officer concerned for favouring the contractors, besides recovery of the said amount.

[AIR Para: 9]

ANNEXURES

Annexure-1

Serious Irregularities of Less than Rupees One Million

(Rupees in Million)

Name of Formation	Sr. No.	A.P No.	Subject	Amount	Nature of Observation
TMA Layyah 2012-13	1.	8	Unjustified payment of earth work	0.185	Recovery
	2.	9	Overpayment of due to allowance of unjustified carriage and 20% contractor profit on carriage.	0.174	
	3.	11	Loss to Govt. due to unjustified provision of excess carriage/lead of crushed stone for triple surface treatment	0.113	
	4.	17	Less recovery of self collection of adda parking fee	0.256	
	5.	24	Non-collection of Map Fee	0.290	
	6.	27	Overpayment of due to allowance of unjustified leveling and compaction.	0.051	
	7.	35	Overpayment due to non-deduction of sewer pipe	0.166	
	8.	36	Overpayment due to non-application of deduction factor	0.226	
TMA Karor 2012-13	9.	7	Loss to Government due to unjustified provision of excess carriage/lead of crushed stone for triple surface treatment and non-adjustment of excavated earth	0.171	Violation of Rule Recovery Recovery
	10.	8	Overpayment due to allowing of unjustified rates/item of earthwork	0.370	
	11.	10	Overpayment due to allowing of unjustified rates/item of earthwork	0.181	
	12.	13	Unjustified and doubtful expenditure on culverts of	0.896	
	13.	15	Non- forfeiture of earnest money	0.204	
	14.	16	Doubtful expenditure on plants and Tree protection iron jangla worth	0.499	
	15.	18	Less Recovery of Rent of Shops	0.247	
	16.	19	Recovery of unauthorized deduction worth	0.140	
	17.	24	Loss due to non recovery of pay from the contractor of cattle Mandies	0.192	

Name of Formation	Sr. No.	A.P No.	Subject	Amount	Nature of Observation
	18.	39	Irregular and unjustified expenditure on tentage	0.777	Violation of Rule
TMA Chowbara 2012-13	19.	4	Overpayment on account of earthwork	0.239	Recovery
	20.	9	Overpayment on account of extra measurement than earth work	0.023	Recovery
	21.	11	Overpayment on account of earthwork	0.052	Recovery
	22.	12	Overpayment due to allowing of unjustified 20% contractor profit on carriage.	0.046	Recovery
	23.	13	Overpayment payment of on account of use of local sand	0.075	Recovery
	24.	14	Unjustified provision of lead on earth work	0.048	Recovery
	25.	16	Unjustified payment On Account of Compaction	0.540	Recovery
	26.	21	Misappropriation of POL on account of machinery	0.700	Misappropriation
	27.	25	Non recovery of water charges	0.305	Recovery
	28.	36	Un-justified expenditure and loss Due to Hire of tentage	0.439	Violation of Rule

Annexure-A

LIST OF MFDAC PARAS

(Rupees in Million)

Name of Formation	Sr. No.	A.P No.	Subject	Amount
TMA Layyah 20012-13	1.	1	Unjustified closing balance of cash book	11.245
	2.	3	Non-achievement of receipt target of income	3.126
	3.	5	Non recovery of rent of shop	0.062
	4.	10	Less rate of rent of shops due to non lease of immovable property since long	2.992
	5.	13	Unjustified expenditure on repair of machinery	0.642
	6.	15	Non-collection of NOC fee	0.554
	7.	18	Non-recovery of arrear	2.205
	8.	19	Overpayment due to excess rate of compaction of earth work	0.442
	9.	20	Over payment due to non deduction of shrinkage	0.610
	10.	21	Estimates technically sanctioned beyond competency	9.000
	11.	22	Less recovery of water rate	0.007
	12.	26	loss due to un-approved residential schemes	2.410
	13.	28	Loss due to less recovery of salaries of staff from the contractors-	0.427
	14.	31	Payments without detailed measurements worth	4.111
	15.	34	Overpayment due to allowance of excessive rate	0.099
	16.	39	Loss to Government due to less relaying of dismantled material as sub base coursers.	0.046
	17.	40	Un-authorized expenditure of due to lapse of sanction	3.500
	18.	42	Unjustified expenditure on Tanis tournament	0.173
	19.	43	Unjustified expenditure on POL	1.003
TMA Karor 2012-13	20.	12	Unjustified and unauthorized expenditure on development scheme	2.251
	21.	20	Unauthorized retention of Security deposit in DDO Account	5.048
	22.	27	Overpayment on Account of income tax to suppliers	0.100
	23.	28	Non-Recovery of Pending Liabilities/Arrear	1.250
	24.	30	Unjustified auction of leases due to defective tendering process	46.916
	25.	31	Unjustified payment of on account of contingent paid / work charge staff	6.274

Name of Formation	Sr. No.	A.P No.	Subject	Amount
	26.	34	Overpayment on account of hiring of tentage	0.336
	27.	35	Underage Appointment and Irregular Withdrawal of Salary	1.353
	28.	36	Non recovery and temporary misappropriation on account of Electricity bills worth	0.114
	29.	37	Misappropriation and doubtful consumption of Diesel (POL) for Green Ballet worth	0.266
	30.	38	Doubtful consumption of POL on fire brigade worth	0.050
	31.	40	Loss due to unjustified advertisement and publicity	0.492
TMA Chowbara 2012-13	32.	7	payment of work done without dates of	36.048
	33.	17	Unjustified laying of sub-base	0.492
	34.	18	substandard execution of work	16.00
	35.	24	Un-authorized modification in scope of work	2.91
	36.	26	Non achievements of receipt targets and loss thereof	0.948
	37.	27	Less realization of various leases resulting in loss	0.280
	38.	28	Non realization of income and estimated loss	1.500
	39.	31	Un-justified expenditure on repair of vehicle.	0.171
	40.	32	Non-recovery of penalty due to delay in completion of work.	1.6
	41.	33	Un-authorized consumption of POL due to defective maintenance of log book & without routes	0.571
	42.	37	Non recovery of professional tax	0.070
	43.	38	Irregular Expenditure due to Acceptance of Single Tender	1.500
	44.	40	Doubtful consumption of stores	0.150
	45.	41	Splitting of development Schemes	2.59
	46.	42	Non accountal of stores	0.069
	47.	43	Un-authorized expenditure on works	1.00
	48.	44	Unjustified refund of securities to contractor	8.532
	49.	45	Irregular payment due to entrusting the charge of tehsil officer	124.669
	50.	46	Irregular drawal of house building advance	0.500
	51.	48	Payment to MEPCO on manual bills without detail of consumption	0.256
	52.	49	Unjustified payment against bitumen	9.578
	53.	50	Un-authorized payment against weather shield	0.026

TMAs of District Layyah

Budget and Expenditure Statement for Financial Year 2011-12

(Rupees in Million)

1. TMA Layyah				
Head	Budget	Expenditure	Excess / Savings	%age
Salary	118.883	111.161	7.722	6%
Non-Salary	86.865	76.77	10.095	12%
Development	161.688	141.992	19.696	12%
Revenue	215.352	219.442	-4.09	-2%
Total	582.788	549.365	33.423	40%
2. TMA Karor				
Head	Budget	Expenditure	Excess / Savings	%age
Salary	61.981	51.197	10.784	17%
Non-Salary	31.28	23.611	7.669	25%
Development	159.063	127.428	31.635	20%
Revenue	176.8	169.376	7.424	4%
Total	429.124	371.612	57.512	13%
3. TMA Chowbara				
Head	Budget	Expenditure	Excess / Savings	%age
Salary	19.161	13.326	5.835	30%
Non-Salary	15.533	9.778	5.755	37%
Development	106.543	101.567	4.976	5%
Revenue	117.025	103.564	13.461	12%
Total	258.262	228.235	30.027	12%

(Annexure-C)

[Para 1.2.2.2]

Loss due to Non-Implementation of Commercialization Rules

(Amount in Rupees)

Sr. No.	Name of owner	Address	Area	Rate as per Valuation table	Value of land	Commercial ization rates applied	Commercial ization Fee
1	Amir Ijaz gil S/O Ch. Ijaz Ahmad gil	Layyah road chowk azam opside CO unit of TMA chowk Azam (34 shops)	28 Marla	410,000	8,400,000	10%	840,000
2	Musarrat Jillani W/O Dr. Ghulam Abbas	Akbar Petrol Pump to chak No. 336/TDA	5 Marla	180,000	900,000	5%	45,000
3	Muhammad Ismail s/o Farooz Din	Hospital chowk to chak 336/TDA	1 Marla	1,900,000	1,900,000	10%	190,000
4	Muhammad Boota S/O Haq Nawaz	Christen Abadi to ali chowk Faisal Abad road Chowk azam	2.44 Marla	2,300,000	5,631,617	10%	563,161
5	Muammad Iftikhar S/O Muhammad Arshad	Ward No. 5 Fateh Pur road Chowk Azam	2.47 Marla	90,000	222,353	5%	11,176
6	Muhammad Azam S/O Muhammad Latif	Faisal Abad road near Azam iron store Chowk Azam	18 Marla	2,300,000	41,400,000	20%	8,280,000
7	Al-Noor cotton factory ginning factory	Chak No. 117- A/TDA karor road Layyah	3 acre	900,000	2,700,000	10%	270,000
8	Pak cotton ginning & oil mills	Chak No. 134/TDA heera adda chowk Azam road Layyah	300 Marla	50,000	15,000,000	20%	3,000,000
Total							13,199,337

(Annexure-D)

[Para1.2.2.3]

Non Obtaining of Additional Performance Security

(Amount in Rupees)

Name of work	Agency	Letter No.	Estimated cost	% Below Tender amount	Amount of Security
Const. of M/Road Layyah Chowk Azam road near Madarsa Ashraf ul Mararus to Jani Nanob basti Darbol Chak No. 148-B/TDA, Govt.	Mr. Abdu Ghafoor	11544 dt. 29.06.12	4,000,000	Sub-base 50%, Base course 40%, edging & base course 33%, TST & other 35%	1,547,156
Const. of metalled road from MM road to chak No. 386/TDA	Mr. Saeed ur Rehman	20024 dt. 19.12.2012	4,400,000	Sub-base 50%, Base course 45%, edging 42%, base course 38%, TST 25% & other 32%	1,780,624
Const. of soling, drain chak No. 433/TDA	Mr. Aziz Khan	21086 dt. 20.12.2012	1,500,000	32.10%	481,500
Const. of metalled road from Choubara road to pull angra gharbi side Layyah minor Layyah city opposite mohallah Faiz abad	Saeed ur Rahman Khan	11577 dt. 29.06.12	2,800,000	Earth filling 45%, Sub-base 45% and other allied work 32.05%	964,960
Const. of metalled road from chak No. 422/TDA to Chak No. 420/TDA	Ali Real Estate Developer	11469 dt. 29.06.12	2,500,000	38.10%	952,500
Const. of metalled road kot Sultan Diara Din Panah road to Bakhari Road	Mr. Abdul Razzaq Khan	22037 dt.20.12.2012	4,000,000	2,480,000	1,520,000
Const. of metalled road from Multan road to Faisal Abad road Chowk Azam city	Saeed ur Rehman Khan	22093 dt. 20.12.12	9,000,000	Earth work 50%, sub-base 45%, base course 36%, TST-40% & other 35%	3,729,860
Total					10,976,600

Annexure-E

[Para 1.2.2.7]

Loss due to Non-Imposition of Penalty

(Amount in Rupees)

Name of Scheme	TS Amount	Completion Date	Utilization of Budget	Penalty @10%
Providing & Fixing Protection Jangla of Plantations Layyah & Chowk Azam City	200000	30.6.05	13%	20000
Const. & repair of shed General bus stand Layyah	2,000,000	30.06.10	98%	200,000
Providing & Fixing Fiber Plastic Drum for Solid Waste Layyah City.	300000	30.6.2009	95%	30000
Const.& Repair of Fawarah Chowk Layyah City.	200000	31.12.09	24%	20000
Const. of Fire Hide Rent Layyah City.	200000	30.6.09	23%	20000
Const. of Slaughter House Chowk Azma City.	800000	31.08.2011	6%	80000
Const. of Slaughter House Chowk Azma City (remaining part)	2,000,000	30.06.12	90%	200,000
Const. of Janaza Gah Chah Doaday Wala Chak No. 145-A/TDA.	300000	30.06.2011	95%	30000
Const. of concrete flooring, drain street Ashraf Khan Driver Wali Mohallah Eid Gah Layyah City.	307000	30.04.2011	79%	30700
Const. of concrete flooring, drain street disposal works mohallah Shumali Eid Gah wali Layyah city	2,348,000	31.08.12	56%	234,800
Const. of concrete flooring, drain ,street Chacha Shabaz Chowk Azam.	500000	31.3.2011	93%	50000
Providing & Installing Pumping Machinery Forcemen disposal works near Zila Council Layyah.	1500000	30.06.2011	99%	150000
Const. of concrete flooring, sewer street peshawri chapel kabab wali mohallah Qadar abad Layyah city	1,065,000	-do-	100%	106500
Const. of fawarah plantations near pull Layyah minor Layyah city	250,000	-do-	7%	25,000
Const. & beautification chowk TDA chowk Lyyah city	500,000	31.12.2010	32%	50,000
Const. of soling Aziz Waqas street Kot Sultan	200,000	30.06.2011	44%	20,000
Const. of soling basti Allah Dad Sanjrani Kharal Azeem Nashib	200,000	-do-	62%	20,000
Const. of concrete flooring, mohallah Asgar Abad, St: Dr. Sharif Wali ward No. 7 chowk Azam	1,000,000	31.03.12	25%	100,000
Const. of room shifting water filtration plant chowk Azam at Tail Monda	500,000	30.06.13	70%	50,000
Const. & repair office, const. of latreen office TMA Layyah	500,000	30.03.2012	18%	50,000
Const. of hide-rent & other allied works Chowk azam city	300,000	30.06.12	88%	50,000
Const. of metalled road chowk Azam road to basti Pawli wali Chak No. 138/TDA	1,052,000	31.10.12	77%	105,200
Const. of park/ green belt from railway crossing gulberg hotel to railway crossing Layyah	3,550,000	30.06.12	64%	355,000
			Total	1,997,200

Annexure-F**[Para 1.3.2.3]****Irregular Expenditure due to Splitting of Development Schemes**

S. No.	Scheme No.	Name of Scheme	TS Value	Expenditure upto 30.6.13
1.	22	Construction of drain &PCC slab of Basti Khokhar Bhattian Ward No, 3 Karor Part-I	300,000	300,000
2.	28	Construction of drain &PCC slab of Ch. Tayyab S/o Haji Ghulam Rasool Arhti Part-1	300,000	300,000
3.	30	Construction of remaining work of drain &PCC slab of Basti Khayra Part-1	250,000	162,000
4.	37	Construction of soling Basti Araian Hafiz M. Ishaq Part-I	200,000	136,097
5.	44	Construction of Drain & soling Basti Ghunjar Part-I	200,000	135,429
6.	45	Construction of wall of Graveyard Ghunjar Part-I	300,000	221,775
7.	53	Construction of soling Chak No. 221/TDA Part-I	500,000	361,038
8.	54	Construction of Drain & Soling Chak No. 97/TDA Part-I	500,000	460,596
9.	55	Construction of soling Chak No. 113/TDA NawaDillo Part-I	500,000	333,180
10.	63	Construction of soling re-soling PCC slabs Chank No.75-c/TDA Part-I	1,000,000	742,911
11.	79	Construction of Drain & soling Chak No. 114/ML Part-I	600,000	431,207
12.	80	Construction of drain &PCC slab Basti Kalian Thal Part-I	500,000	366,302
13.	81	Construction of Drain & soling Chak No. 242-A/TDA Part-I	500,000	462,013
14.	86	Construction of drain &PCC slab culverts U/C Samtia Part-I	900,000	607,390
15.	3 phase- II	Construction drain sewerage soling PCC slab, Road park Karor city phase-II	2255000	2,250,576
16.	1/MS phase-I	Construction and renovation of Park Karor phase-I	1,600,000	1,565,000
Total			10,405,000	8,835,514

(Annexure - G)

[Para 1.3.2.7]

Non Deposit of Additional Performance Security

(Amount in Rupees)

Sr. No.	Scheme	Work order No./ date	Contractors	TS Amount	Tender Rate	Amount of Security
1	Construction of Metalled Road from MM Road Fatehpur to alongwith Frooq Minos	1054-59/T O (I&S)TMA/KR 13-06-2012	M. Husnain Mustafa Khan	4,000,000	22.97% Below Than TS	918,000
2	Construction of Metalled Road from Chak No. 102/TDA to 104/ML	1102-07 /TO (I&S)TMA/KR 13-06-2012	M. Husnain Mustafa Khan	2,000,000	24.60% Below Than TS	492,000
3	Construction of Metalled Road BastiSabani from Chak No. 109/TDA to 98/TDA	1096-110/TO (I&S)TMA/KR 13-06-2012	M. GhulamRasool Khan	2,000,000	22.60% Below Than TS	452,000
4	Construction of Metalled street Imdad Zarger Ward No.6 Fatehpur	1288-93/TO (I&S)TMA/KR 13-06-2012	M. Husnain Mustafa Khan	1,000,000	13.10% Below Than TS	131,000
5	Construction of soling Re-soling PCC Slab Culverts Iron Cross in haddodthana Fatehpur	1604-05/TO (I&S)TMA/KR 24-12-2012	Malik Ramzan	1,600,000	21% Below than TS	3,36,000
6	Construction of soling re-soling PCC culverts in haddodthana, walls of graveyards Karor	1696-97/TO (I&S)TMA/KR 19-2-2013	Zareef Khan	2,000,000	40.46% Below Than TS	817,000
7	Construction of soling Re-soling PCC Slab Culverts Chak No. 251/TDA Fatehpur	1600-01/TO (I&S)TMA/KR 24-12-2012	Malik Ramzan	1,000,000	25% Below Than TS	250,000
8	Improvement General bus stand, Construction drain Tuff tile PCC karor/ Fatehpur	1692-3/TO (I&S)TMA/KR 24-12-2012	Abdul MajeedNiazi	3,000,000	23% Below Than TS	690,000
Total						3,786,003

Annexure-H
[Para 1.3.2.11]

**Unauthorized Enhancement of Development Schemes and Change
in Scope of Work**

(Amount in Rupees)

Sr. No	Scheme	Admin approval/Original TS	Revised TS	Tender Rate	Completion cost at tender rate	Expected Saving	Description	Enhancement cost
1.	Construction of Metalled Road from MM Road Fatehpur to alongwithFrooq Minos	4,000,000	4,600,000	22.97% Below Than TS	3,081,200	918,800	200% enhancement of RCC and its relevant hidden items	918,800
2.	Construction of Metalled Road from Chak No. 102/TDA to 104/ML	2,000,000	2,665,000	24.60% Below Than TS	1,508,000	492,000	Enhancement of all Quantity items of the scheme	492,000
3.	Improvement General bus stand, Construction drain Tuff tile PCC karor/ Fatehpur	3,000,000	3,450,000	23% Below Than TS	2,310,000	690,000	Enhancement in road work	794,000
Total								2,204,800

Annexure-I**[Para 1.4.2.1]****Unauthorized Approval of TSE and Tender from the Irrelevant Authority**

Sr. No.	Name of Project / Scheme	T.S Value (Rs. in million)	T.S Authority	Sanctioned By
1	Construction of Ware House TMA Choubara	0.98	Chief Engineer (LG& CD) Department	EDO (W&S) Layyah
2	Construction of Metalled Road L.G Road Turkoo ADDA Ravinda Road dera Allah Nawaz Khan Wala To Chah Phuskin Wala	4.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
3	Construction of Drain,PCC flooring Nawan Kot City	2.30	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
4	Construction of Metalled Road Missing link chah Bhullar Wala	1.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
5	Construction of solling Nawan Kot Jindy thind wala Road to Basti karyali	0.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
6	Construction of solling chah Khokhri wala	0.25	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
7	Construction of Metalled Road L.G Road Darbar Shamshair Shah to Basti Shabir Langah	3.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
8	Construction of Metalled Road Choubara Exchange Road to Rawinda Road Basti kang Wala	3.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
9	Construction of Solling chah butt Wala	0.15	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
10	Construction of Metalled Road Chak No. 370 TDA to Chah Borany wala	4.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
11	Construction of Metalled Road from Hayyat Minor to Rawinda Road chak No. 331 TDA	4.60	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
12	Construction of Solling Chak No. 363 TDA to Basti Raja Ali Adnan	1.80	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
13	Construction of Solling basti Atta Muhammad Langrial Chak No. 328/TDA	0.30	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
14	Construction of Metalled Road Chowk Azam Jamal Chapri Road to Chak No. 329/TDA	1.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
15	Construction of Bridge between Chak No. 327/TDA & 329/TDA at dasu minor	1.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
16	Construction of Solling Chak No. 313/TDA	0.80	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
17	Construction of Solling Chak No. 321/TDA	0.81	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
18	Construction of Solling Chak No. 322/TDA	0.80	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
19	Construction of Solling Adda Jamal Chapri Chak No.325/TDA	0.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
20	Construction of Metalled Road Chak No 246/TDA	3.45	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
21	Construction of Solling Chak No.299/TDA	0.50	Chief Engineer (LG&CD)	TO(I&S) TMA

Sr. No.	Name of Project / Scheme	T.S Value (Rs. in million)	T.S Authority	Sanctioned By
			Department	Layyah
22	Construction of Solling Chak No. 313/TDA Basti Sindhian Wali	1.38	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
23	Construction of Metalled Road Peer Baroo Road to Basti Ghorian Wala	4.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
24	Construction of Solling Tarkoo Kharkan Road to Chak No.488/TDA	0.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
25	Construction of Drain PCC Flooring Chak No. 492/TDA	2.20	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
26	Construction of Mattled Road Chak No 451/Tda to Chak No 452/TDA	2.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
27	Construction of Mattled Road Nawan Kot Athara Hazari Road dogar more to Chah yaseen wala	2.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
28	Construction of Metalled road from Grid staion Nawan kot to Basti Kalwar	1.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
29	Construction of Metted Road Nawan Kot Bypass Road to Basti Malik Atta Muhammad Kalwar	1.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
30	Construction of Metalled Road Nawan Kot Athara Hazari Road to Basti Utrah (Remaining portion)	1.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
31	Construction of Metalled Road Jamal Chapri Road to Chak No 315/TDA	2.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
32	Construction of Metalled Road from Tarko Head Warary Road to Chak No. 407/TDA	1.15	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
33	Construction of Jahnaza Gha Chak No. 412/TDA	0.58	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
34	Construction of Metalled Road Nawan Kot Road Basti Makhni , Basti Khokharan Wali	4.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
35	Construction of Metalled Road Mallana Khoo to Basti Sohara	2.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
36	Construction of Metalled Road Head Wairary Road to Basti Kanwaira Chak No. 484/TDA	0.81	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
37	Construction of metalled road tarko head Warary Road to chak no.406/TDA	1.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
38	Construction of Solling Chak No.407/TDA Basti Khairian Wali	0.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
39	Construction of Metalled Road from adda Hafiz abad to basti Burana	1.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
40	Construction of Solling darbar Peer Baroo Sharif to basti Sahibzada Abdul Hakeem	1.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
41	Construction of Solling Chak No. 445/Tda to Basti Sahou	0.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
42	Construction of solling Jamal Chapri Road to Darbar Hazrat Kamal chishti	0.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
43	Construction of Metalled Road from L.G Road to Chak No. 367/Tda	1.15	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
44	Construction of Metalled Road Choubara Nawan Kot Road Adda Mai Walayat to Basti Zafar Khan Magasi	1.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
45	Construction of Metalled Road Link road Chak 379/TDA basti haji iftakhar aarain	1.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah

Sr. No.	Name of Project / Scheme	T.S Value (Rs. in million)	T.S Authority	Sanctioned By
46	Construction of solling chak no 413/TDA darbar Baba Anyat Gondal	0.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
47	Construction of solling chak no 303/TDA	0.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
48	Construction of solling nawan kot to Basti Jhangwi wali	0.20	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
49	Construction of Solling Street Ijaz Hussain Shah Choubara City	0.05	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
50	Construction of Solling Street Talib Hussain Hamam Wala Choubara City	0.10	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
51	construction of Solling nawan kot Road basti Sultan Dhat wali	0.40	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
52	Construction of Solling nawan kot Road to Street Mazhar Awan Wali Choubara city	0.05	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
53	Construction of Drain PCC Flooring Street Khan Markeet to Street Irshad Hussain Budh	1.10	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
54	Construction of Solling Link Road Rehman Abad to Abadi nasir Subhani Wali	0.10	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
55	Extension of water Supply pipe line Choubara City	0.10	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
56	Construction of solling nawan kot Road to Basti Ahamad Shair snakhay wali Choubara City	0.20	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
57	Construction of solling jamal chapri Road to Basti ameer Muhammad Saharan	0.40	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
58	Construction of Boundary wall ,Earth Filling , Tuff tile , Office of TMA Choubara	3.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
59	Construction of solling Chak No.369/TDA To Masjid 369/TDA	0.35	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
60	Construction of Solling Chak No.369/TDA	0.63	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
61	Construction of Drain,PCC flooring Chak No.377/TDA	0.58	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
62	Construction of Solling Chak No.379/TDA To Graveyard Chak No.379/TDA	1.40	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
63	Construction of Mattalled Road Chak No.367/TDA To Basti Makali	2.00	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
64	Construction of Solling Basti Mahmood Saharan	0.50	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
65	Construction of Tuff Tile Flooring Both sides of L.G road Choubara City	2.50	Chief Engineer (LG& CD) Department	EDO (W&S) Layyah
66	construction of Public letrine Choubara City	0.64	Chief Engineer (LG& CD) Department	TO(I&S) TMA Layyah
	Total	86.31		

Annexure-J
[Para 1.4.2.2]

Irregular Expenditure due to Defective Tendering Process

(Rupees in Million)

Sr No.	Name of Project / Scheme	TS (Million)	No. of Bidders
1	Construction of Ware House TMA Choubara	0.98	2
2	Construction of Mettled Road L.G Road Turkoo ADDARavinda Road dera Allah Nawaz Khan Wala To Chah Phuskin Wala	4	2
3	Construction of Drain,PCC flooring Nawan Kot City	2.3	2
4	Construction of Mettled Road Missing link chah Bhullar Wala	1.5	2
5	Construction of solling Nawan Kot Jindy thind wala Road to Basti karyali	0.5	2
6	Construction of solling chah Khokhri wala	0.25	2
7	Construction of Mettled Road L.G Road Darbar Shamshair Shah to Basti Shabir Langah	3.5	2
8	Construction of Mettled Road Choubara Exchange Road to Rawinda Road Basti kang Wala	3.5	2
9	Construction of Solling chah butt Wala	0.15	2
10	Construction of Mettled Road Chak No. 370 TDA to Chah Borany wala	4	2
11	Construction of Mettled Road from Hayyat Minior to Rawinda Road chak No. 331 TDA	4.6	2
12	Construction of Solling Chak No. 363 TDA to Basti Raja Ali Adnan	1.8	3
13	Construction of Solling basti Atta Muhammad Langrial Chak No. 328/TDA	0.3	2
14	Construction of Mettled Road Chowk Azam Jamal Chapri Road to Chak No. 329/TDA	1.5	2
15	Construction of Bridge between Chak No. 327/TDA & 329/TDA at dasu minor	1	2
16	Constrution of Solling Chak No. 313/TDA	0.8	3
17	Constrution of Solling Chak No. 321/TDA	0.805	2
18	Constrution of Solling Chak No. 322/TDA	0.8	2
19	Constrution of Solling Adda Jamal Chapri Chak No.325/TDA	0.5	2
20	Constrution of Mettled Road Chak No 246/TDA	3.45	2
21	Construction of Solling Chak No.299/TDA	0.5	3
22	Construction of Solling Chak No. 313/TDA Basti Sindhian Wali	1.38	2
23	Construction of Mettled Road Peer Baroo Road to Basti Ghorian Wala	4	2
24	Construction of Solling Tarkoo Kharkan Road to Chak No.488/TDA	0.5	2
25	Construction of Drain PCC Flooring Chak No. 492/TDA	2.2	2
26	Construction of Mattled Road Chak No 451/Tda to Chak No 452/TDA	2	3
27	Construction of Mattled Road Nawan Kot Athara Hazari Road	2	2

Sr No.	Name of Project / Scheme	TS (Million)	No. of Bidders
	dogar more to Chah yaseen wala		
28	Construction of Mettled road from Grid staion Nawan kot to Basti Kalwar	1	2
29	Construction of Metted Road Nawan Kot Bypass Road to Basti Malik Atta Muhammad Kalwar	1	2
30	Construction of Mettled Road Nawan Kot Athara Hazari Road to Basti Utrah (Remaining portion)	1.5	2
31	Construction of Mettled Road Jamal Chapri Road to Chak No 315/TDA	2	3
32	Construction of Mettled Road from Tarko Head Warary Road to Chak No. 407/TDA	1.15	2
33	Construction of Jahnaza Gha Chak No. 412/TDA	0.575	2
34	Construction of Mettled Road Nawan Kot Road Basti Makhni , Basti Khokharan Wali	4	2
35	Construction of Mettled Road Mallana Khoo to Basti Sohara	2	2
36	Construction of Mettled Road Head Wairary Road to Basti Kanwaira Chak No. 484/TDA	0.805	2
37	Construction of mettled road tarko head Warary Road to chak no.406/TDA	1	2
38	Construction of Solling Chak No.407/TDA Basti Khairian Wali	0.5	2
39	Construction of Mettled Road from adda Hafiz abad to basti Burana	1	2
40	Construction of Solling darbar Peer Baroo Sharif to basti Sahibzada Abdul Hakeem	1	2
41	Construction of Solling Chak No. 445/Tda to Basti Sahou	0.5	2
42	Construction of solling Jamal Chapri Road to Darbar Hazrat Kamal chishti	0.5	2
43	Construction of Mettled Road from L.G Road to Chak No. 367/Tda	1.15	2
44	Construction of Mettled Road Choubara Nawan Kot Road Adda Mai Walayat to Basti Zafar Khan Magasi	1.5	2
45	Construction of Mettled Road Link road Chak 379/TDA basti haji iftakhar aarain	1	2
46	Construction of solling chak no 413/TDA darbar Baba Anyat Gondal	0.5	2
47	Construction of solling chak no 303/TDA	0.5	2
48	Construction of solling nawan kot to Basti Jhangwi wali	0.2	2
49	Construction of Solling Street Ijaz Hussain Shah Choubara City	0.05	2
50	Construction of Solling Street Talib Hussain Hamam Wala Choubara City	0.1	2
51	construction of Solling nawan kot Road basti Sultan Dhat wali	0.4	2
52	Construction of Solling nawan kot Road to Street Mazhar Awan Wali Choubara city	0.05	2
53	Construction of Drain PCC Flooring Street Khan Markeet to Street Irshad Hussain Budh	1.1	2
54	Construction of Solling Link Road Rehman Abad to Abadi nasir Subhani Wali	0.1	2
55	Extension of water Supply pipe line Choubara City	0.1	2
56	Construction of solling nawan kot Road to Basti Ahamad Shair snakhay wali Choubara City	0.2	2

Sr No.	Name of Project / Scheme	TS (Million)	No. of Bidders
57	Construction of solling jamal chapri Road to Basti ameer Muhammad Saharan	0.4	2
58	Construction of solling Chak No.369/TDA To Masjid 369/TDA	0.35	2
59	Construction of Solling Chak No.369/TDA	0.632	3
60	Construction of Drain,PCC flooring Chak No.377/TDA	0.575	3
61	Construction of Solling Chak No.379/TDA To Graveyard Chak No.379/TDA	1.4	3
62	Construction of Mattalled Road Chak No.367/TDA To Basti Makali	2	3
63	Construction of Solling Basti Mahmood Saharan	0.5	2
64	Construction of Tuff Tile Flooring Both sides of L.G road Choubara City	2.5	3
G. TOTAL		82.652	

Annexure-K

[Para 1.4.2.4]

Un-authorized payment of base course material without quality testing report

Name of Project / Scheme	M.B No	Page	B.Course Quantity	Rate	Amount
	2521	69	8758	10037.15	879053
Construction of Mettled Road L.G Road Turkoo ADDA Ravinda Road dera Allah Nawaz Khan Wala To Chah Phuskin Wala	264	56	3480	9528.76	331600
Construction of Mettled Road Missing link chah Bhullar Wala	20716	33	8134	9969.74	810938
Construction of Mettled Road L.G Road Darbar Shamshair Shah to Basti Shabir Langah	1608	96	7875	10041.11	790737
Construction of Mettled Road Choubara Exchange Road to Rawinda Road Basti kang Wala	264	69	8807	9973.71	878384
Construction of Mettled Road Chak No. 370 TDA to Chah Borany wala	1614	88	9217	9629	887504
Construction of Mettled Road from Hayyat Minior to Rawinda Road chak No. 331 TDA	1614	94	3133	9945.85	311603
Construction of Mettled Road Chowk Azam Jamal Chapri Road to Chak No. 329/TDA	2521	91	7226	9328.1	674048
Constrution of Mettled Road Chak No 246/TDA	1615	58	9191	9729.43	894231
Construction of Mettled Road Peer Baroo Road to Basti Ghorian Wala	1613	73	4395	9969.74	438170
Construction of Mattled Road Chak No 451/Tda to Chak No 452/TDA	1606	71	4578	9778	447636
Construction of Mattled Road Nawan Kot Athara Hazari Road dogar more to Chah yaseen wala	1608	99	2243	9949.95	223177
Construction of Mettled road from Grid staion Nawan kot to Basti Kalwar	1606	77	3330	9938	330935.
Construction of Metted Road Nawan Kot Bypass Road to Basti Malik Atta Muhammad Kalwar	2523	92	15200	9553.85	1452185

Name of Project / Scheme	M.B No	Page	B.Course Quantity	Rate	Amount
Construction of Mettled Road Jamal Chapri Road to Chak No 315/TDA	263	76	2603	9977.67	259718.
Construction of Mettled Road from Tarko Head Warary Road to Chak No. 407/TDA	2521	95	8427	10017.32	844159
Construction of Mettled Road Nawan Kot Road Basti Makhni , Basti Khokharan Wali	1606	88	4495	70	3146
Construction of Mettled Road Mallana Khoo to Basti Sohara	1615	65	1814	9934.06	180203
Construction of Mettled Road Head Wairary Road to Basti Kanwaira Chak No. 484/TDA	20716	37	1990	9989.57	198792
Construction of mettled road tarko head Warary Road to chak no.406/TDA	1606	85	2231	9997.5	223044
Construction of Mettled Road from adda Hafiz abad to basti Burana	1608	54	2730	9600	262080
Construction of Mettled Road from L.G Road to Chak No. 367/Tda	2521	89	3363	9969.74	335282
Construction of Mettled Road Choubara Nawan Kot Road Adda Mai Walayat to Basti Zafar Khan Magasi	263	82	2963	9930.09	294228
Construction of Mettled Road Link road Chak 379/TDA basti haji iftakhar aarain	2521	49	4495	9800	440510
Construction of Mattalled Road Chak No.367/TDA To Basti Makali	1603	81	7760	9103.88	706461
Total					13,097,836

Annexure-L**[Para 1.5.1.8]****Detail of Non Recovery of Professional Tax**

Name	Category	P Tax	Name	Category	P Tax
M/s Shafqat Mansoor Khan	A	10,000	M/s Muhammad Hafeez	C	5,000
Malik Riaz Hussain	C	5,000	Ali Real State Developer	C	5,000
Mutiallah Kherani	C	5,000	Pak Net Con Engineering	C	5,000
Ch. Mukhtiar Ahmad	C	5,000	Sher Gul Khan	D	3,000
Abdul Ghafoor Khan Chandia	C	5,000	Malik Ejaz Ahmad	D	3,000
Syyed Ilyas Raza Shah	C	5,000	Muhammad Saeed Bhutta	D	3,000
Tariq	C	5,000	Muhammad Qaisar Ansari	D	3,000
Zareef Khan	C	5,000	Adnan Saqib	D	3,000
Ch. Iftikhar Hussain	C	5,000	Nazar Hussain	D	3,000
Hameedullah Khan Marvat	C	5,000	Laal Hussain	D	3,000
Hazrat Khan Pathan	C	5,000	Abdul Latif Khan Pathan	D	3,000
Abdul Majeed Niazi	C	5,000	Rana Ghulam Abbas	D	3,000
Tasadduq Hussain	C	5,000	Mahar Ejaz Ali	D	3,000
Muhammad Saeed Khalid	C	5,000	Abdul Latif Khan Kulachi	D	3,000
Mahar Zafar Iqbal	C	5,000	Ch. Gulzar Ahmad	D	3,000
Ayyaz Mahmood	C	5,000	Malik Muhammad Nasir	D	3,000
Ali Construction Co.	C	5,000	Imtiaz Ahmad	D	3,000
Saeed ur Rahman Khan	C	5,000	Iftikhar Ahmad	D	3,000
Tanveer Hussain Malana	C	5,000	Mian Muhammad Saleem	D	3,000
Safdar Iqbal Malghani	C	5,000	Malik Shahbaz Ahmad	D	3,000
Muhammad Hussain Khan	C	5,000	Haji Muhammad Irshad	D	3,000
Ghulam Abbas Gujjar	C	5,000	Haji Noor Muhammad	D	3,000
Muhammad Azhar Naveed	C	5,000	Zia ur Rahmad	D	3,000
Syyed Mujtaba Hassan	C	5,000	Abu Zar Khan	D	3,000
Ayyub Khan Pathan	C	5,000	Haji Allah Divaya	D	3,000
Laaraib Associates	C	5,000	Abdul Jabbar Khan	D	3,000
Haji Abdul Qayyum	C	5,000	Ch. Muhammad Ishfaq	D	3,000

Name	Category	P Tax	Name	Category	P Tax
Syyed Gulzar Hussain Shah	C	5,000	Basheer Ahmad Siyal	D	3,000
Muhammad Hasnain Mustafa	C	5,000	Muhammad Nasir Gujjar	D	3,000
Mujahid Zubair Khan Alyani	C	5,000	Abu Saeed Khan	D	3,000
Sajjad Qadir Khan	C	5,000	Mirza Shakeel Baig	D	3,000
Malik Muhammad Bakhsh	C	5,000	Muhammad Akbar Khan	D	3,000
Mian Muhammad Khaleeq	C	5,000	Muhammad Iqbal Anwar	D	3,000
Aziz Khan	C	5,000	Manzoor Hussain Sial	D	3,000
Saeed Ahmad Khan	C	5,000	Abdul Hameed	D	3,000
Abdul Razzaq Khan	C	5,000	(Shakeel Ahmad) S.S	D	3,000
Malik Mukhtiar Ahmad Jota	C	5,000	Muhammad Kalu	D	3,000
Abdul Hameed Khand	C	5,000	Saeedullah Khan	D	3,000
Ghulam Abbas	C	5,000	Faqeer Muhammad	D	3,000
Ali Haidar Construction Co.	C	5,000	Muhammad Irshad	D	3,000
Muhammad Ayyub Khan	C	5,000	Nazar Hussain Khan	D	3,000
Liaquat Ali Alvi	C	5,000	Muhammad Ramzan	D	3,000
Muhammad Saleem Akhtar	C	5,000	Muhammad Shafeeq	D	3,000
Khizar Hayyat Mashhadi	C	5,000	Fayyaz Ahmad Gujjar	D	3,000
Asghar Khan	C	5,000	Arif Naeem Hashmi	D	3,000
Khuda Bakhsh	C	5,000	Shaukat Ali Khan	D	3,000
Muhammad Abu Bakar	C	5,000	Ch. Maqsood Akhtar	D	3,000
Amjad Ali Sahi	C	5,000	Muhammad Iqbal Qureshi	D	3,000
Malik Muhammad Hussain	C	5,000	Hamza Rasool S/o G Rasool	D	3,000
Dawn Construction Company	C	5,000	Mirza Waheed Baig	D	3,000
Malik Muhammad Shafi	C	5,000	Zuhr-ul-Hassan	D	3,000
Malik Muhammad Saleem	C	5,000	Syyed Saqlain Shah	D	3,000
Muhammad Nawaz Khera	D	3,000	M. Tayyab Manzoor	D	3,000
Sheikh Adnan Ilyas	D	3,000	Muhammad Saleem Akhtar	D	3,000
Muhammad Hanif	E	3,000	S. Khalid Mahmood Shah	D	3,000
Abid Hussain Khawas	E	3,000	Muhammad Iqbal Alyani	D	3,000
(Muhammad Yamin	E	3000	S Total II		174,000
S Total I		280000	S Total I		280,000
			G Total		454,000

Annexure- M

[Para 1.6.1.1]

Recovery of Overpayment Due to Allowing Unjustified Rates/items of Earthwork

Table-A		Sr. No. 1	Sr. No. 2	Sr. No. 3
Items No.	Items	Rate		
1 Chapter Earthwork 18(b)	Dressing and leveling of earthwork to designed section, complete (Ordinary or hard soil)	170.45	170.45	170.45
24 (c)	Compaction/Ramming earthwork (all types of soil)	348.50	348.50	348.50
	Transportation of Earth, including the lead cover in the item of work.	1435.1	0	939.7
Total		1954.05	518.95	1458.65

(Amount in Rupees)

Table-B								
Sr. No.	Name of work	Agency	MB NO. Page	Rate Applied %o	Rate to be Applied %o	Difference %o	Actual Qty used	Amount
1	Const. of soling from Darbar Shah Hussain to Basti Sibani	M/S Sher Ghul Khan	1620 P-70	3863.75	1954.05	1909.7	84779	161,902
2	Const. of soling and resoling chak No. 103/TDA to 261/TDA	M/S Muhammad Sharif	18383 P-53	2332.35	518.95	1813.4	141011	255,709
3	Const. of soling from Chak No. 110/TDA to Rajba Moharan (chak 258) (lead ¼)	M/S Sher Ghul Khan	93 page 50 to 54 (4 th Qtr.10)	3367.35	1458.65	1908.7	140,642	268,443
Total								686,054

Annexure-N

[Para 1.6.1.2]

Detail of Non Recovery of Professional Tax

List-A for the year 2010-11

Sr #	Name of Contractor	Category	Amount	Sr #	Name of Contractor	Category	Amount
1	Muhammad Tariq Khan	C	10,000	32	Mr. Tanveer Hussain malana	D	5,000
2.	Haji Muhammad Akram 103/ML	C	10,000	33	Muhammad Arshad Merani	D	5,000
3.	Irshad Hussain S/O Faiz Muhammad	D	5,000	34	Mr. Parveez Iqbal	D	5,000
4.	Mr. Nazir Ahmad Karor	D	5,000	35	Muhammad Zeshan Khan	D	5,000
5.	Malik Fida Hussain	D	5,000	36	Malik Mukhtar Ahmad Jota	D	5,000
6.	Muhammad Hasnin Mustafa Karor	D	5,000	37	Muhammad Tariq Nadeem	C	10,000
7.	Malik Wazir Ahmad	D	5,000	38	Mian Ghul Khan	E	3,000
8	Muhammad Yousaf Baloch	D	5,000	39	Malik Abdul Rehman Jag	E	3,000
9.	Zarif Khan Pathan	D	5,000	40	Tajammal Hussain Sandela	E	3,000
10	Mashooq Ali	D	5,000	41	Ch. Ghulam Nabbi	D	5,000
11	Ghulam Safdar	D	5,000	42	Malik Ameer Muhammad	D	5,000
12	Azam Hussain	D	5,000	43	Ch. Muhammad Toufail 226/tda	D	5,000
13	Asghar Khan Pathan	D	5,000	44	Aslam Khan Pathan	E	3,000
14	Muhammad Saleem	D	5,000	45	Rashid Ahmad	D	5,000
15	Malik Muhammad Iltaf Khandoya	D	5,000	46	Mr. Madib Khan	D	5,000
16	Mr. Mulazim Khan	C	10,000	47	Malik Hussain Karor	D	5,000
17	Mr. Akhtar Khan	D	5,000	48	Ghulam Sarwar	E	3,000
18	Mr. Khyzer Hayat Khan	D	5,000	49	Muhammad Ashraf Khan	E	3,000
19	Mr. Sher Gul Khan	D	5,000	50	Abdul Majeed	D	5,000
20	Mr. Sh. Faiz Ullah	D	5,000	51	Mr. Kaleem	E	3,000
21	Mr. Khalil Ahmad Bhatti	D	5,000	52	Muhammad Rafiq	D	5,000
22	Mr. Rahim Khan Pathan	E	3,000	53	Asghar Khan Pathan	C	10,000
23	Muhammad Sadiq	E	3,000	54	Aman Ullah Baloch	E	3,000
24	Nazir Ahmad Mughal	D	5,000	55	Muhammad Abid Ch.	D	5,000
25	Malik Abdul Hameed Khand	C	10,000	56	Muhammad Ibrahim	D	5,000
26	Malik Muhammd Ramzan Khan	D	5,000	57	Muhammad Ashraf Kulachi	D	5,000
27	Hafiz Khalil Ahmad	E	3,000	58	Shjad Qadir Layyah	D	5,000
28	Muhammad Fayyaz Hussain	D	5,000	59	Safdar Iqbal Mulghani	D	5,000
29	Mr. Muhammad Sharif 109/ML	D	5,000	60	Jumma Gul Khan	D	5,000
30	Mr. Ghulam Fareed	E	3,000	61	Malik Muhammad Ishfaq	D	5,000

Sr #	Name of Contractor	Category	Amount	Sr #	Name of Contractor	Category	Amount
31	Mr. Muhammad Danyal	E	3,000	S. Total			144,000
S. Total			165,000	G. Total			309,000

List-B for the year 2011-12

Sr #	Name of Contractor	Category	Amount	Sr #	Name of Contractor	Category	Amount
1	Mr. Irshad Hussain	D	5,000	30	Mr. Madib Khan	D	5,000
2.	Shahzad Anjum Multan	C	10,000	31	Malik Muhammad Ramzan	D	5,000
3.	Muhammad Hussain Mustafa Khan	C	10,000	32	Mr. Kaleem Ullah	D	5,000
4.	Muhammad Safdar Multan	C	10,000	33	Muhammad Yousaf Khan	D	5,000
5.	Mr. Ghulam Rasool Khan	C	10,000	34	Muhammad Sadiq	E	3,000
6.	Mr. Asghar Khan	C	10,000	35	Mian Muhammad Saleem	D	5,000
7.	Muhammad Danial Mustafa Khan	D	5,000	36	Tajamal Hussain Malana	D	5,000
8	Mr. Abdul Majeed	D	5,000	37	Nazir Ahmad Ambar	D	5,000
9.	Muhammad Hashim	E	3,000	38	Muhammad Sharif	C	10,000
10	Aslam Khan	E	3,000	39	Syed Mujtaba Shah	C	10,000
11	Mr. Akhtar Khan	D	5,000	40	Khalil Ahmad Bhatti	D	5,000
12	Mr. Shahid Iqbal	D	5,000	41	Malik Muhammad Ashfaq	D	5,000
13	Mr. Zareef Khan	D	5,000	42	Ch. Muhammad Ashfq	D	5,000
14	Mr. Muhammad Ishaq Aziz	E	3,000	43	Abdul Majeed Niazi	C	10,000
15	Haji Wazir Ahmad	D	5,000	44	Ch. Tasadaq Hussain	C	10,000
16	Ranjha Const. Co.	C	10,000	45	Muhammad Tariq Khan	C	10,000
17	Sh. Faiz Ullah	D	5,000	46	Muhammad Shabir	E	3,000
18	Malik Riaz Hussain	C	10,000	47	Ansar Abbas	E	3,000
19	Mr. Abdul Hameed Khand	C	10,000	48	Ch. Abid	D	5,000
20	Mr. Ghulam Safdar	D	5,000	49	Sher Gul Khan	C	10,000
21	Mr. Azam Hussain	D	5,000	50	Ch. Ghulam Nabi	D	5,000
22	Muhammad Saeed Khalid	C	10,000	51	Mr. Masood Danish	E	3,000
23	Mr. Jumma Gul Khan	D	5,000	52	Malik Muhammad Iltaf	D	5,000
24	Muhammad Ibrahim	D	5,000	53	Sajjad Hussain Noshera	D	5,000
25	Rahim Khan	E	3,000	54	Muhammad Iqbal	E	3,000
26	Muhammad Haris Khan	E	3,000	55	Saeed Ahmad Khan	C	10,000
27	Khazir Hayat Khan	D	5,000	56	Malik Saleem Akhtar	C	10,000
28	Ashraf Khan	E	3,000	57	Malik Tariq Sandeela	E	3,000
29	Gul Khan S/O Gul Dad Khan	C	10,000	58	Ghulam Rasool Khan Bhakkar	D	5,000
S. Total			183,000	S. Total			173,000
			G. Total				356,000
			G. Total of List A+B				665,000