



**AUDIT REPORT  
ON  
THE ACCOUNTS OF TOWN/TEHSIL  
MUNICIPAL ADMINISTRATIONS  
DISTRICT RAWALPINDI**

**AUDIT YEAR 2014-15**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS & ACRONYMS**

ADP	Annual Development Program
CCB	Citizen Community Board
CDG	City District Government
DAC	Departmental Accounts Committee
DDC	District Development Committee
FD	Finance Department
IESCO	Islamabad Electric Supply Company
IPSAS	International Public Sector Accounting Standards
LG &CD	Local Government & Community Development
MFDAC	Memorandum for Departmental Accounts Committee
NAM	New Accounting Model
PAC	Public Accounts Committee
PDG	Punjab District Governments
PLG	Punjab Local Government
PLGB	Punjab Local Government Board
PLGO	Punjab Local Government Ordinance
PDSSP	Punjab Devolved Social Sector Program
PPRA	Punjab Procurement Regulatory Authority
TAC	Town Accounts Committee
TMA	Town/Tehsil Municipal Administration
TMO	Town Municipal Officer
TO (F)	Town Officer (Finance)
TO (I&S)	Town Officer (Infrastructure & Services)
TO (P&C)	Town Officer (Planning & Coordination)
TO (R)	Town Officer (Regulation)
TTIP	Tax on Transfer of Immoveable Property

## **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 of the Local Fund and Public Accounts of Town / Tehsil Municipal Administrations of the City District is the responsibility of the Auditor General of Pakistan.

The report is based on audit of the accounts of various offices of the Town / Tehsil Municipal Administrations of the City District Government, Rawalpindi for the Financial Years 2013-14. The Directorate General of Audit District Governments Punjab (North), Lahore conducted audit during 2014-15 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs 1.00 million or more. Relatively less significant issues are listed in the Annex-A of the Audit Report. The Audit observations listed in the Annex-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit observation will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

The observations included in this Report have been finalized after discussion of Audit Paras with the management. However, no Departmental Accounts Committee meeting by PAO was convened despite repeated requests.

The Audit Report is submitted to the Governor of the 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:**

**(RANA ASSAD AMIN)**  
**Auditor General of Pakistan**

## **EXECUTIVE SUMMARY**

The Directorate General Audit, District Governments, Punjab (North), Lahore is responsible to carry out the audit of District Governments, Town / Tehsil Municipal Administrations and Union Administrations of three (3) City District Governments and sixteen (16) District Governments. Its Regional Directorate of Audit, Rawalpindi has audit jurisdiction of District Governments, Town / Tehsil Municipal Administration and Union Administrations of one City District Government i.e. Rawalpindi and three (3) District Governments i.e. Jhelum, Chakwal and Attock.

The Regional Directorate of Audit Rawalpindi has a human resource of 15 officers and staff, constituting 1,574 man-days and the annual budget of Rs17.567 million for the financial year 2014-2015. It has the mandate to conduct Financial Attest audit, Regularity Audit and Compliance with Authority & Performance Audit of entire expenditure including programs / projects & receipts. Accordingly, the Directorate General of Audit District Governments Punjab (North), Lahore carried out audit of the accounts of the Town / Tehsil Municipal Administration of City District Government, Rawalpindi for the Financial Years 2013-14.

Each Town / Tehsil Municipal Administration, in City District Rawalpindi conducts its operation under Punjab Local Government Ordinance, 2001. Town / Tehsil Municipal Officer is the Principal Accounting Officer (PAO) and acts as coordinating and administrative officer, responsible to control land use, its division and development and to enforce all laws including Municipal Laws, Rules and Bye-laws. The PLGO, 2001 requires the establishment of Tehsil/Town Local Fund and Public Account for which Annual Budget Statement is authorized by the Town / Tehsil Nazim, Town / Tehsil Council / Administrator in the form of Budgetary Grant.

Audit of Tehsil / Town Municipal Administrations of City District Rawalpindi was carried out with the view to ascertaining that the expenditure was incurred with proper authorization and in-conformity with laws / rules / regulations, economical procurement of assets and hiring of services etc.

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

**a. Scope of Audit.**

Total expenditure of eight TMAs of City District Government Rawalpindi for the Financial Years 2013-14 under the jurisdiction of DG District Audit (N) Punjab was Rs. 1,324.234 million, covering 8 PAOs and 8 formations. Out of this DG District Audit (N) Punjab audited an expenditure of Rs. 607.757 million which in terms of percentage is 45.894 % of auditable expenditure.

Total receipts of the eight (8) TMAs of City District Government Rawalpindi for the Financial Year 2013-14, were Rs. 1,461.047 million. DG District Audit (N) Punjab audited receipts of Rs655.040 million which was 44.834 % of total receipts.

**b. Recoveries at the Instance of Audit**

Recoveries of Rs. 114.688 million were pointed out through various audit paras which were not in the notice of the executive before audit but no recovery was effected till compilation of this Report.

**c. Audit Methodology**

Audit was performed through understanding the business process of TMAs with respect to functions, control structure, prioritization of risk areas by determining the significance and identification of key controls. This helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field audit activity.

**d. Audit Impact**

A number of improvements as suggested by audit, in maintenance of record and procedures have been initiated by the concerned departments, however audit impact in shape of change in rules, has been less materialized due to non-convening of regular PAC meetings. Had PAC meetings been regularly convened, audit impact would have been manifold.

**e. Comments on Internal Control and Internal Audit Department**

Internal control mechanism of the TMAs of City District Government Rawalpindi 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 the entitlement of employees. Negligence on the part of TMAs authorities may be captioned as one of important reasons for weak Internal Controls.

Section 115-A (1) of PLGO, 2001, empowers Town / Tehsil Municipal Administration to appoint an Internal Auditor but the same was not appointed in Town / Tehsil Municipal Administrators.

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

- i. Non Production of Record of Rs. 1.853 million noted in two (2) cases<sup>1</sup>.
- ii. Non Compliance of Rules of Rs. 235.95 million noted in twenty two (22) cases<sup>2</sup>.
- iii. Non realization of Government Revenue of Rs114.688 million noted in thirteen (13) cases<sup>3</sup>.

Audit paras on the accounts for 2013-14 involving procedural violations including internal control weaknesses, and irregularities not considered worth reporting to the PAC have been included in Memorandum For Departmental Accounts Committee (Annex-A).

**g. Recommendations**

Audit recommends that the PAO / Management of TMAs should ensure to resolve the following issues seriously, regarding:

- i. Producing of record to audit for verification.
- ii. Holding investigations for wastage, fraud, misappropriation and losses, and take disciplinary actions after fixing responsibilities.
- iii. Strengthening of internal controls.
- iv. Appointing of internal auditor.
- v. Holding of DAC meetings well in time.
- vi. Ensuring compliance of DAC directives and decisions in letter and spirit.
- vii. Expediting the recoveries pointed out by Audit as well as others recoverable in the notice of management.
- viii. Ensuring compliance of relevant laws, rules, instructions and procedures, etc.
- ix. Maintaining of accounts and record in proper manner.
- x. Taking appropriate action against officers/officials responsible for violation of rules and losses.
- xi. Realizing and reconciling of various receipts.
- xii. Taking stock physically of the fixed and current assets.

- xiii. Addressing systemic issues to prevent recurrence of various omissions and commissions.
- xiv. Maintaining of permanent stock instead of huge expenditure on hiring of stock in regular events

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<sup>1</sup> Para 1.5.1.1 & 1.6.1.1

<sup>2</sup> Para 1.2.1.1 to 1.2.1.6, 1.3.1.1 to 1.3.1.4, 1.4.1.1 to 1.4.1.8 & 1.5.2.1 to 1.5.2.4

<sup>3</sup> Para 1.2.2.1 to 1.2.2.4, 1.3.2.1 to 1.3.2.3, 1.4.2.1 to 1.4.2.3 & 1.5.3.1 to 1.5.3.2



## SUMMARY TABLE & CHARTS

**Table 1: Audit Work Statistics**

Sr. No.	Description	No.	Budget (Rs. in million)
1	Total Entities (PAOs) in Audit Jurisdiction	8	2,290.001
2	Total formations in Audit Jurisdiction	8	2,290.001
3*	Total Entities (PAOs)/DDOs Audited	5	1,953.426
4*	Total formations Audited	5	1,953.426
5	Audit & Inspection Reports	5	1,953.426
6	Special Audit Reports	Nil	Nil
7	Performance Audit Reports	Nil	Nil
8	Other Reports	Nil	Nil

\* Figures at Serial No.3 & 4 represent expenditure.

**Table 2: Audit observations regarding Financial Management**

Sr. No.	Description	Amount under audit observations (Rs. in million)
1	Unsound asset management	--
2	Weak financial management	114.688
3	Weak Internal controls relating to financial management	235.95
4	Others	1.853
<b>Total</b>		<b>352.491</b>

**Table 3: Outcome Statistics**

**Expenditure Outlays Audited**

(Rs. in million)

Sr. No.	Description	Physical Assets	Civil Work	Receipt	Others	Total current year	Total last year
1	Outlays audited	0	404.339	1,461.046	919.895	2,785.28*	3,871.588
2	Amount Placed under Audit Observation /Irregularities of Audit	0	153.059	114.688	84.744	352.491	246.825
3	Recoveries Pointed Out at the instance of Audit	0	16.601	98.087	0	114.688	29.193
4	Recoveries Accepted /Established at	0	0	0	0	0	0

Sr. No.	Description	Physical Assets	Civil Work	Receipt	Others	Total current year	Total last year
	the instance of Audit						
5	Recoveries Realized at the instance of Audit	0	0	0	0	0	0

\* The amount in serial No 1 column of “total 2013-14” is the sum of Expenditure and Receipts, whereas the total expenditure for the year 2013-14 was 1324.234 million

**Table 4: Irregularities Pointed Out**

Sr. No.	Description	Amount Placed under Audit Observation (Rs. in million)
1	Violation of Rules and regulations and violation of principal of propriety and probity in public operations.	235.95
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	--
3	Accounting Errors (accounting policy departure from IPSAS, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	--
4	If possible quantify weaknesses of internal control systems.	--
5	Recoveries and overpayments, representing cases of establishment overpayment or misappropriations of public money	114.688
6	Non –production of record	1.853
7	Others, including cases of accidents, negligence etc.	--
	<b>TOTAL</b>	<b>352.491</b>

**Table 5: Cost-Benefit**

Sr. No.	Description	Amount (Rs. in million)
1	Outlays Audited(Items 1 of Table 3)	2,785.280
2	Expenditure on Audit	2.196
3	Recoveries realized at the instance of Audit	0
4	Cost Benefit Ratio	1:0

# **CHAPTER-1**

## **1.1 City District Government, Rawalpindi**

### **1.1.1 Introduction of Departments**

TMA consists of Town Nazim, Town Naib Nazim and Town Municipal Officer. Each TMA comprises of five Drawing and Disbursing Officers i.e. TMO, TO-Finance, TO-I&S, TO-Regulation, TO-P&C and Town Nazim and Naib Nazim. The main functions of TMAs are as follows:-

1. Prepare spatial plans for the Town including plans for land use, zoning and functions for which TMA is responsible;
2. Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
3. Enforce all municipal laws, rules and by-laws governing TMA's functioning;
4. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils;
5. Propose taxes, cess, user fees, rates, rents, tolls, charges, surcharges, levies, fines and penalties under Part-III of the Second Schedule and notify the same;
6. Collect approved taxes, cesses, user fees, rates, rents, tolls, charges, fines and penalties;
7. Manage properties, assets and funds vested in the Town Municipal Administration;
8. Develop and manage schemes, including site development in collaboration with District Government and Union Administration;
9. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice;
10. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction;
11. Maintain municipal records and archives.

## 1.1.2 Comments on Budget and Accounts (Variance Analysis)

Total Budget of eight (05) TMAs selected for audit was Rs. 1,953.426 million (inclusive Salary, Non-salary and Development) whereas the expenditure incurred (inclusive Salary, Non-salary and development) was Rs. 1,198.687 million showing savings of Rs.754.739 million which in terms of percentage was 39 % of the final budget (detailed below). Less utilization of development budget (67%) deprived the community from getting better municipal facilities.

(Rs. in million)

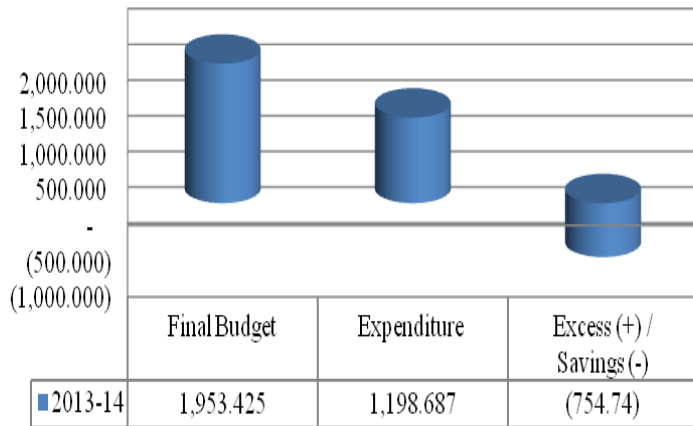
2013-2014	Budget	Expenditure	Excess (+) / Saving (-)	% age
Salary	578.898	526.602	- 52.296	-9
Non-Salary	254.388	305.373	50.985	20
Development	1,120.139	366.712	- 753.427	-67
<b>Total</b>	<b>1,953.426</b>	<b>1,198.687</b>	<b>-754.739</b>	<b>39</b>

The budgeted outlay was Rs. 1,953.426 million of eight (05) TMAs includes PFC award of Rs. 382.928 million whereas total expenditure incurred by the TMAs during 2013-14 was Rs. 1,198.687 million with a savings of Rs. 754.739 million (detailed below). This is indicative of the fact that the TMAs had sufficient funds to meet the expenditure from their own sources and there was no need of any injection of PFC award.

(Rs in million)

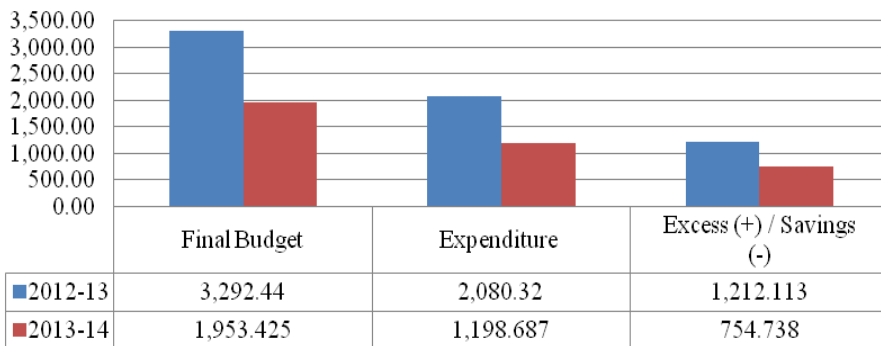
TMA	Budgeted Figure			Budgeted Outlay	Actual Expenditure	Savings/Excess	% age
	Own receipt including OB	PFC award	Total Receipts				
TMA Taxila	105.162	85.320	190.482	346.884	159.914	186.970	54
TMA Gujar Khan	120.422	82.073	202.495	236.489	177.154	59.336	25
TMA Potohar Town	285.116	91.884	377.000	162.750	211.212	-48.463	(30)
TMA Rawal Town	366.033	23.651	389.684	997.316	464.648	532.668	53
TMA Murree	160.845	100.000	260.845	209.987	185.760	24.228	12
<b>Total</b>	<b>1,037.578</b>	<b>382.928</b>	<b>1,420.507</b>	<b>1,953.426</b>	<b>1,198.687</b>	<b>754.739</b>	<b>39</b>

## Budget & Expenditure 2013-14 Rs in Million



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

## Comparison of Budget & Expenditure 2012-13 and 2013-14 Rs in million



There was savings in the budget allocation of the financial year 2012-13 and 2013-14 as follows:

(Rs in million)

Financial Years	Budget	Expenditure	Savings	% of Savings
2012-13	3,292.44	2,080.32	1,212.113	37
2013-14	1,953.425	1,198.687	754.738	39

The justification of saving, when the development schemes remained incomplete, is required to be provided, explained by PAOs and TMOs concerned.

**1.1.3 Brief Comments on the Status of Compliance on MFDAC Paras of Audit Year 2013-14**

Audit paras reported in MFDAC of last year audit report which have not been attended in accordance with the directives of DAC have been reported in Part-II of Annex-A.

**1.1.4 Brief Comments on the status of compliance with PAC Directives**

The audit reports pertaining to following years were submitted to Governor of the Punjab.

**Status of Previous Audit Reports**

<b>S. No.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2009-12	46	Not convened
2	2012-13	22	Not convened
3	2013-14	42	Not convened

## **1.2          AUDIT PARAS**

## **1.2.1 TMA, RAWAL TOWN**



## **1.2.1 Irregularity and Non-compliance of Rules**

### **1.2.1.1 Misuse of Financial Power Beyond the Limit - Rs100.000 million**

According to the Section 16(2) of TMA (Works) Rules, 2003 “The schemes costing above rupees twenty million shall be submitted to the Provincial Government for administrative approval”.

TMA Rawal Town awarded works worth Rs100.000 million without obtaining administrative approval of competent authority during 2013-14. This resulted in irregular expenditure of Rs100 million as detailed below:-

<b>Sr. No</b>	<b>Name of work</b>	<b>Agreement cost (Rs in million)</b>
1	Const. of Shah Allah Ditta road from house Agha Abdul Rasheed to paper market Shop <b>Phase-I</b>	50.000
2	Const. of Shah Allah Ditta road from Raja General Store to Paper market Shop <b>Phase-II</b>	50.000
<b>Total</b>		<b>100.000</b>

Audit holds that due to poor internal control and financial mismanagement, irregular expenditure was incurred.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -6)

### **1.2.1.2 Irregular Transfer of Funds to PLGB - Rs7.493 million**

According to Section 109(3) of PLGO, 2001 “No local Government shall transfer monies to a higher level except by way of re-payment of debts contracted before the coming into force of this Ordinance”.

TMA Rawal Town transferred an amount of Rs7.493 million to Punjab Local Government Board as contribution from income during 2013-14, in violation of above rule.

Audit holds that due to poor internal control and financial mismanagement, irregular payment was made.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -13)

### **1.2.1.3 Wasteful Expenditure on Account of Ramzan Bazaar - Rs4.797 million**

Rule 32 of PLGO (Accounts) Rules, provides that the expenditure should not be prima facie taken for more than the occasion demands.

TMA Rawal Town incurred an expenditure amounting to Rs4.797 million on account of rent charges of tent service during 2013-14 on the occasion of Sasta Ramzan Bazar. Department expended huge amount on rent instead of purchase of Tents & Furniture. Since holding of Ramzan Bazar is a regular feature of TMA activity, therefore Audit recommends that instead of hiring services on rent, the TMA may consider to procure their own stocks.

Audit holds that due to poor internal control and financial mismanagement, uneconomical expenditure was incurred.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -16)

### **1.2.1.4 Irregular Payment of Estimated Street Light Electricity Bill - Rs4.308 million**

As per Rule 2.10(b)(1) of PFR Vol-1, the authority incurring the expenditure should see that sanction of competent authority for the expenditure exists.

TMA Rawal Town paid an amount of Rs4.308 million on account of electricity charges during 2013-14. It was observed that payment was made without having any meter readings on record and bill was paid on

estimated readings. All electricity meters were shown “defective” and no tentative efforts were made for installation of new meters. This resulted in irregular payment amounting to Rs4.308 million.

Audit holds that due to poor internal control and financial mismanagement Rs4.308 million were irregularly paid to IESCO without any meter reading record resulting in irregular payment.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -8)

#### **1.2.1.5 Undue Retention of Sports Items - Rs1.889 million**

According to Rule 4 (a) of PLG (Property) Rules, 2003 The Manager shall take as much care of the Property entrusted to him as a man of ordinary prudence would, under similar circumstances, take of his own property of like nature.

TMA Rawal Town purchased sports items amounting to Rs1.889 million on Youth Festivals and distributed among players. The management did not maintain stock register and proper identities of recipients, which shows that proper internal controls were not put in place.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -15)

#### **1.2.1.6 Retention of Money in Bank Account of DDO - Rs1.474 million**

According to Rule 2.10 (b)(5) of PFR Vol-I, authorities incurring expenditure should see that no money has been drawn from the treasury unless it is required for immediate disbursement.

TMA Rawal Town drew an amount of Rs1.474 million during 2013-14, through 14 cheques on account of onward payment to GST, Income Tax and securities of Contractors but said payment was found undisbursed till June, 2014 without having any appropriate reasons on record. This resulted in undue retention of local fund amounting to Rs1.474 million.

Audit holds that due to poor internal control and financial mismanagement, Government money was kept by the DDO in an unauthorized manner.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -1)

## 1.2.2 Performance

### 1.2.2.1 Non Deduction of Additional Performance Security - Rs9.081 million

According to clause 18 of the agreement and notification issued by Finance Department Government of the Punjab vide No.RO (Tech) FD 1-2/83 (VI) (P) dated. 6-4-2005, in case the total tendered amount or the contracting agency quoting the rates (cost) of tender below 5% to 10% of estimates amount the difference amount i.e. below 5% of estimated cost would be deposited in cash within 7 days of the issuance of acceptance letter as additional performance security.

Scrutiny of record of TMA Rawal Town, District Rawalpindi revealed that the contractors quoted the lowest bids i.e. below 5% of the estimated cost of the works worth Rs32.500 million during 2013-14. The contractors were bound to deposit additional performance security equal to rate quoted below under the rule ibid but that was not obtained resulting non receipt of additional performing security amounting to Rs9.081 million which needs justification.

Name of Work	Estimated Amount (Rs)	Name of contractor	%age below Quoted	Additional Performance sec due (Rs)
Const. of street Gali No.2, Hameed Wali UC-36	1,000,000	Sajjad Ali	22.80	228,000
Const. of Retaining wall house Abdul Qadeer, UC-09	5,000,000	Mushtaq Ali	31%	1,550,000
Const. of retaining wall Zia Colony, House M.Rafiq UC-09	5,000,000	Mushtaq Ali	27%	1,350,000
Const. of Nullah Gali No-11 UC-16	2,800,000	Amir Const.	24.75%	693,000
Const. of Nullah Liaqat Road, Gardon College UC-46	1,500,000	Gulfraz Abbasi	19.86%	297,900
Const. of Path Retaining wall Javed Colony UC-45	4,900,000	M.Younis	33.11%	1,622,390
Retaining wall, near house Ameer Khan Khayaban Sir Syed UC-10	2,500,000	Muhammad Younis	34.11%	852,750
Const. of pullies and path Pull Gwalmandi UC-46	1,800,000	Bilal & CO	13.50	243,000
Const. of retaining wall Zia Colony UC-09	3,000,000	M.Younis	32.76%	982,800
Const. of Shah Allah Ditta Road Raja Bazar General Store Paper Mart Phase-II	5,000,000	Mushtaq Ali	25.24%	1,262,000
<b>TOTAL</b>	<b>32,500,000</b>			<b>9,081,840</b>

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -3)

### 1.2.2.2 Non Recovery of Outstanding Rent of Shops - Rs5.955 million

According to Rule 76 of PDG and TMA (Budget) Rules, 2003 read with Section 18(2) of PLGO, 2001, 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 the proper receipt head.

TMA Rawal Town did not recover an amount of Rs5.955 million on account of outstanding rent of shops during 2013-14. This resulted in non recovery of Rs5.955 million as detailed below:-

Name of Area	No. of Shops	Outstanding Rent (Rs)
Sher Pao Market	38,107,141,142,5	316,554
Kali Tanki	24	53,220
National Market	4,5,6,8,9,10,11,12,13,14,15,16,17,18,	4,333,620
Ghazni II	1,2,,3,178,183,204	72,296
Ghazni IV	48,49	18,132
Bani Market	49,56,59,92,94	28,988
	109,110,153,187,190	18,175
	213,230,249,279,290,	42,500
	324,336,364	7,666
Collehe Road	Rose Cinema	1,064,318
<b>Total</b>		<b>5,955,469</b>

Audit holds that due to poor internal control and financial mismanagement, recovery of rent was not made.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -18)

### **1.2.2.3 Delay in the Approval of Building Plan Caused Loss of Revenue - Rs4.752 million**

According to Clause 57, Chapter VIII of The Punjab Weekly Gazette dated March 12, 2008 a City District Government or a Tehsil Municipal Administration shall levy fee for the conversion of residential area to commercial use equal to 10% of the value of land as per valuation table read with the rule *ibid*.

Scrutiny of Buildings Plan (G-35 Register) of TMA Rawal Town revealed that during 2013-14, 81 cases of building plans were submitted but lying pending without having any appropriate reasons on record. This resulted in loss of expected revenue amounting to Rs4.752 million besides residents of the area were deprived of the commercial value of their land.

Audit holds that non approval of maps resulted in possible loss of revenue and public was deprived of the benefits of the commercial value of their land even at the cost of building fee.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -17)

### **1.2.2.4 Un realistic Budgeted Revenue Targets - Rs4.190 Million**

According to Rule 29 (ii) of the PDG & TMA (Budget), Rules, 2003, all relevant revenue implications have been described, quantified and included in the estimates of receipts.

TMA Rawal Town fixed un realistic revenue targets amounting to Rs4.285 million on account of sales of shop and trees for 2013-14, Department was able to collect only a sum of Rs0.95 million. It was noticed by the Audit that revenue targets were fixed without support of statistical data. This resulted in less realization of revenue against budgeted target amounting to Rs4.190 million as detailed below:-

Sr. No.	Description	Target (Rs)	Receipt (Rs)	Short realization (Rs)
1	Sales of Shops	2,985,000	76,055	2,908,945
2	Sales of Trees	1,300,000	19,000	1,281,000
<b>Total</b>		<b>4,285,000</b>	<b>95,055</b>	<b>4,189,945</b>

Audit holds that due to poor internal control, unrealistic budgeted revenue targets were fixed.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -19)

#### **1.2.2.5 Non-Forfeiture of Security Deposit of Defaulting Contractor -Rs3.728 million**

As per Clause 61 of the Contract Agreement (PEC approved), in every case in which contract should be rescinded under clause 60 and in the opinion of the engineer in-charge such work should be done at the risk and expense of the contractor and the work shall be executed out of his hand and given to another contractor.

TMA Rawal Town awarded two contracts worth Rs4.422 million to contractors during 2013-14 for construction of retaining wall and street who failed to complete the work within the stipulated period and left the work incomplete despite several notices by TMO Rawal Town. The works were neither rescinded nor the contractors declared defaulter under clause 61 of the contract agreement. Security deposits of the contractors along with risk & cost amounting to Rs3.728 million were required to be forfeited as detailed below:-

Sr. No.	Name of Scheme	Agreement amount (Rs)	Running Bill paid to contractors (Rs)	Balance work (Rs)	Remarks 50% of Balance work (Rs)	Total Col.[4+5] (Rs)
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6 (4+5)</b>
1	Const. of retaining wall zia colony near house M.Rafique	3,650,000	1,626,974	2,023,026	1,011,513	3,034,539
2	Const. of street Galli NO-2, Hameed Khan wali, UC-36	772,000	309,697	462,303	231,152	693,455
<b>Total</b>		<b>4,422,002</b>	<b>1,936,674</b>	<b>2,485,333</b>	<b>1,242,670</b>	<b>3,727,994</b>



Audit holds that due to poor internal control and failure to invoke clause 61 of the contract, recovery could not be made.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -5)

### **1.3.1 TMA, POTHOHAR TOWN**

### **1.3.1 Irregularity and Non-compliance of Rules**

#### **1.3.1.1 Loss to the Government Due to Non Auction of Collection Rights - Rs59.60 Million**

According to Rule 4(b) of the PLG (Property) Rules 2003, the manager shall administer the property as a trust used to the maximum benefit of the public.

TMA Pothohar Town did not award contract of Cattle Mandi Channi Alam Sher during 2013-14. Last auction was done in 2011-12 which fetched Rs59.600 million. After that TMA has not auctioned the Cattle Mandi without any cogent reasons which could leads to possible loss of revenue at least Rs59.600 million per anum.

Audit holds that due to poor internal control and financial mismanagement, collection rights were not auctioned.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -2)

#### **13.1.2 Irregular Expenditure on Account of POL – Rs4.25 million**

Para 20 of west Pakistan staff vehicle (use and maintenance) Rule 1969 laid down that log book containing petrol account, history sheet and all expenditure incurred there on should be maintained for each government vehicle.

TMA Pothohar Town incurred an expenditure amounting to Rs4.25 on account of POL during 2013-14. It was noticed by the audit that expenditure was incurred without fulfilling of codel formalities i.e neither mileage certificate was obtained not any meter reading was found on record. Further mobil oil was found frequently changed without observing and regular distance covered. This resulted in an irregular expenditure of Rs4.25 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in

January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -3)

### **1.3.1.3 Irregular Transfer of Monies to PLGB - Rs2.740 million**

As per Section 109(3) of PLGO, 2001 no local Government shall transfer monies to a higher level except by way of re-payment of debts contracted before the coming into force of this Ordinance.

TMA Pothohar Town transferred an amount of Rs2.740 million to Punjab Local Government Board as contribution from income during 2013-14, in violation of above rules.

Audit holds that due to poor internal control and financial mismanagement, amount was transferred to PLGB Lahore from District Account IV without the approval of Finance Department, resulting in unauthorized transfer payment of Rs2.740 million.

The matter was reported to the TMO/PAO in January, 2015. It was replied that funds were transferred on the directions of Punjab Local Government Board. Audit holds that the instructions of local government board PLGB were without any legal authority and should have been regretted. Neither any compliance was reported nor DAC meeting convened till finalization of this report.

Audit recommends that this practice being ultra-vires of the law should be discontinued forthwith under intimation to audit.

(AIR Para -6)

### **1.3.1.4 Non-Utilization of Sports Fund – Rs2.500 million**

According to Rule 64(1)(ii) of PDG & TMA (Budget) Rules, 2003 every Drawing & Disbursing Officer (DDO) shall ensure that authorized budget allocations are expended in conformity with the Schedule of Authorized Expenditure (SAE).

TMA Pothohar Town was allocated funds of Rs.2.500 million on account of sports activities during 2013-14. It was noticed by the audit that said funds were not utilized for the purpose they were allocated. This resulted in depriving the masses of the benefits of sports funds amounting to Rs2.500 million.

Audit holds that due to negligence, inefficiency and poor financial management, sports fund has not been utilized for a very positive activity.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -15)

## **1.3.2 Performance**

### **1.3.2.1 Short Achievement of Revenue Targets – Rs41.12 million**

According to Rule 13 (i & ii) read with 16 of the PDG & TMA Budget Rules 2003, the collecting officer shall prepare the estimates of receipts diligently and accurately and in relation to revised estimates.

TMA Pothohar Town fixed a revenue target amounting to Rs48.629 million for the year 2013-14. It was noticed that TMA collect only a revenue of Rs7.613 million resulted in a non recovery of Rs7.613 million as detailed below:-

<b>Sr. No.</b>	<b>Head of Income</b>	<b>Target (Rs)</b>	<b>Actual Recovery (Rs)</b>	<b>Less Recovery (Rs)</b>
1.	Fee of Building Plans	3500,000	3,266,000	334,000
2.	License fee	500,000	394,300	105,700
3.	Fee on sale of animals	44,379,000	3,900,000	40,479,000
4.	Fine for building violation	100,000	0	100,000
5.	TOR Fines	150,000	52,800	97,200
<b>TOTAL</b>		<b>48,629,000</b>	<b>7,613,100</b>	<b>41,115,900</b>

Audit holds that due to poor internal control and financial mismanagement, recovery of receipts was not made.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para-9)

### **1.3.2.2 Non Obtaining of Additional Performance Security Rs2.792 million**

According to clause 18 of the agreement and notification issued by Finance Department Government of the Punjab vide No. RO (Tech) FD 1-2/83 (VI) (P) dated. 6-4-2005 In case the total tendered amount or the contracting agency quoting the rates (cost) of tender below 5% to 10% of estimates amount the difference amount i.e. below 5% of estimated cost would be deposited in cash within 7 days of the issuance of acceptance letter as additional performance security.

Scrutiny of record of TMA Pothohar Town, City District Rawalpindi revealed that the contractors quoted the lowest bids i.e. below 5% of the estimated cost of the works. The contractors were bound to produce/ deposit cash performance security or bank guarantee with the department equal to rate quoted below under the rule ibid but that was not obtained resulting none receipt of additional performing security Rs2.792 million as detailed below:-

S. No.	Name of Schemes	T.S (Rs)	Rate Quoted below	Performance Security Due (Rs)
1	Const. of street from house Raja Aziz wali UC-102 Bassali	1,500,000	18.8 %	207,900
2	Const. of path and drains of Dhok Dhall UC-95	1,457,500	15.5%	153,038
3	Const. of Street Darbar wali and different streets and drains Dhok Roza	2,000,000	26 %	420,000
4	Const of street Home fazal Hussain to House Manzoor	1,490,688	20 %	223,603
5	Const. of street in UC Loser	1,847,300	21.05 %	296,492
6	Constn of streets subedar, Masjid to bohar	1400,000	18.20 %	184,800
7	Constn of street Boys High school to main Road street Shakeel to Raja Majeed Maira Mohra UC-115	1,232,938	18.20 %	162,747
8	Constn of street and drains village Gheela Khurd UC-94	1,000,000	26 %	210,000
9	Constn of street village Chakri UC-94	3,000,000	26 %	630,000
10	Constn of street Abassi khan centre to ghafar khan house UC-88	1,600,000	23.95 %	303,200
<b>Total</b>				<b>2,791,780</b>

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -10)

### **1.3.2.3 Non-Deposit of Income Tax - Rs 6.674 million**

According to Section 153 of Income Tax Ordinance, 2001, Income Tax @ 3.5% and 6% respectively on account of supplies and services rendered should be deducted.

TMA Pothohar Town made payments on account of non salary and development charges amounting to Rs285.639 million. An amount of Rs15.556 million was required to be deducted on account of Income Tax but only a sum of Rs8.882 million was found deducted. This resulted in short recovery of Rs.6.674 million as detailed below:

<b>Particular</b>	<b>Amount (Rs)</b>	<b>Income Tax @ (Rs)</b>	<b>Income Tax (Rs)</b>
Non-Salary	120,427,251	04%	4,817,090
Development	165,211,824	6.5%	10,738,768
<b>Total</b>	<b>285,639,075</b>		<b>15,555,858</b>
Tax Recovered			8,881,560
<b>Difference</b>			<b>6,674,298</b>

Audit holds that due to poor internal control and financial mismanagement, recovery was not made.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -7)



## **1.4.1 TMA, GUJAR KHAN**

## 1.4.1 Irregularity and Non-compliance of Rules

### 1.4.1.1 Non Completion of Schemes in a Financial Year- Rs10.900 million

According to the Clause 39(a) of the Contract Agreement, contractor shall pay as compensation for delay in completion of work an amount equal to one percent of the amount of contract subject to a maximum of 10 percent on the amount of estimated cost.

TMA Gujar Khan awarded works costing Rs10.900 million to different contractors during 2013-14. Scrutiny of the accounts record revealed that an amount of Rs7.899 million was paid to contractors but works remained incomplete. Non completion of work during the same financial year resulted in non-compliance of TMA Rules as detailed below:-

Name of Schemes	Cost (Rs)	Expenditure (Rs)	Completion Period	In Progress as on
Const. of street/drain bhattian UC Bhuddana	900,000	641,616	30.09.2014	07-01-2015
Const. of culvert and street near house hafiz istiaq and mosque syed ul mursaline dhok wadi.	400,000	215,096	-do-	07-01-2015
Const. of street and drain dhok shahzaman UC 52/2	400,000	104,182	-do-	07-01-2015
Const of street/path primary school towards house raja javed chakri wakeelan uc kaniat	700,000	566,243	-do-	07-01-2015
Const. of path dhok mehtab	800,000	595,418	-do-	07-01-2015
Const. of street and drains chehary kalyal	1,000,000	735,475	-do-	07-01-2015
Const. of nallah from house munshi akhtar towards house Khalid Jhanda UC 51/1	1,000,000	746,326	-do-	07-01-2015
Const of Path Adda Piddar UC Kaunterila	2,000,000	1,471,964	-do-	07-01-2015
Const. of street chakki to Haji Liaqat	900,000	636,991	-do-	07-01-2015
Const. of street people colony mandra	900,000	723,716	-do-	07-01-2015
Const. of street house israr to Naveed	800,000	643,329	-do-	07-01-2015
Const. of street kiyal Dhok syedan	1,100,000	819,615	-do-	07-01-2015
<b>Total</b>	<b>10,900,000</b>	<b>7,899,971</b>		

Audit holds that due to poor internal control and financial mismanagement, development schemes were not completed within same financial year.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in

January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -4)

#### **1.4.1.2 Irregular Execution of Development Schemes-Rs10.004 million**

According to Finance Department Government of the Punjab letter no FD (F-R) ii 2/89 dated 27-03-1990, in order to watch the transparency that the Estimate of the work has been technically sanctioned by the component Authority prior to start the work so the no, date and amount of TS Estimate and name of Authority who TS the Estimate should be mentioned in the notice of press advertisement. According to Rule 60 of PDG & TMA (Works) Rules, 2003 All measurements under rules 58 and 59 shall be recorded in a measurement book in the form prescribed in Departmental Financial Rules Volume-III.

TMA Gujar Khan made payment of Rs10.004 million on account of 12 development schemes during 2013-14. It was noticed by the audit that neither Technical Sanctioned numbers were provided in press advertisement nor Measurement Books were found maintained. This resulted in irregular payment amounting to Rs10.004 million as detailed below:

<b>Sr. No.</b>	<b>Name of Scheme</b>	<b>Agreement Amount (Rs)</b>
1	Const. of street/drain bhattian UC Bhuddana	641,616
2	Const of street/path primary school towards house Raja Javed Chakri Wakeelan UC Kaniat	566,243
3	Const. of path Dhok Mehtab	595,418
4	Const. of street and drains Chehary Kalyal	735,475
5	Const. of nallah from house munshi akhtar towards house Khalid Jhanda UC 51/1	746,326
6	Const of Path Adda Piddar UC Kaunterila	1,471,964
7	Const. of street chakki to Haji Liaqat	636,991
8	Const. of street people colony mandra	723,716
9	Const. of street house israr to Naveed	643,329
10	Const. of street kiyal Dhok syedan	819,615
11	Const. of street chak doulat to UC Sukhu	1,660,500
12	Const. of street muradi. Bandot Bangali Gujar Mamniala UC jhungal	762,775
<b>Total</b>		<b>10,003,968</b>

Audit holds that due to poor internal control and financial mismanagement, irregular expenditure was incurred.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -12)

#### **1.4.1.3 Non-Allocation of Maintenance & Repair (M&R) Funds for Roads –Rs9.806 million**

As per Finance Department Government of the Punjab No.FD(TMA)1-1/2007 dated 21-04-2007, all TMA's are bound to allocate M&R funds in their budget as per revised yard stick of annual maintenance of road and buildings. According to Finance Department No. FD (D-I)-21/78 P-II dated 17-3-2007, the Finance Department Government of the Punjab agrees to approve the financial yard stick for annual maintenance and repair of roads @ Rs63000 / per km / 10 feet width. Special repair, fixed charges and repair of structure (bridges and culverts) @ 9% 2.5% and 1% per annum respectively would be in addition of the yard stick.

TMA Gujar Khan did not allocate Maintenance & Repair (M&R) funds out of total development budget of Rs98.061 million during 2013-14. This resulted in depriving the community of Maintenance & Repair of roads amounting to Rs9.806 million (approximate).

Audit holds that due to poor internal control and financial mismanagement, budget was not allocated for Maintenance & Repair (M&R).

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -3)

#### 1.4.1.4 Non-Commencement of Work – Rs4.550 million

According to the Clause 13 of the Contract Agreement, if the contractor fails to start the work within 15 days from the date of acceptance letter, the earnest money will stand forfeited to Government.

TMA Gujar Khan awarded following 9 works during 2013-14 amounting to Rs4.550 million but after issuance of the work orders, the contractors failed to start the work within stipulated period. The department neither forfeited the earnest money nor cancelled the work orders as detailed in Annex-C.

Audit holds that due to non enforcement of contractual clauses the contractor did not mobilize resources on-site for execution of work and development funds remained un-utilized.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -7)

#### 1.4.1.5 Excess Expenditure due to Rich Specification - Rs1.198 million

According to Rule 128 (d) of PLG (Budget) Rules, 2001 and Rule 32 of PLGO (Accounts) Rules, the expenditure should not be prima facie taken for more than the occasion demands.

TMA Gujar Khan provided unnecessary Rich Specification of PCC 1:2:4 (6") thick in the bed of PCC Streets in following schemes during 2013-14 instead of required quantity of PCC 1:2:4 (3") thick. This resulted in an excess expenditure of Rs1.198 million as detailed below:-

Sr. No.	Scheme	Quantity executed with 6" thickness (cft)	Rate %cft	Required PCC 1:2:4 using 3" thickness	Difference in rates	Over Expenditure (Rs)
1	Const. of street UC Kayanat Khalil	5,032	17,590	2,537	2,537	446,258
2	Const. of path graveyard wala dhok kurmi	4,894	1,7590	2,447	2,447	430,427
3	Const. of path Dongi UC Doltala	3,654	1,7590	1,826	1,828	321,545
	<b>Total</b>	<b>13,580</b>	<b>52,770</b>	<b>6,810</b>	<b>6,812</b>	<b>1,198,230</b>

Audit holds that due to poor internal control and financial mismanagement, rich specifications were executed.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -5)

#### **1.4.1.6 Wasteful Expenditure on Account of Pay and Allowances – Rs1.357 million**

According to Rule 128 (d) of PLG (Budget) Rules, 2001 and Rule 32 of PLGO (Accounts) Rules, the expenditure should not be prima facie taken for more than the occasion demands.

TMA Gujar Khan incurred an expenditure of Rs1.357 million on account of pay and allowances of Fire Brigade Branch of TMA. It was noticed by the Audit that Fire Brigade branch was found un functional during 2013-14. This resulted in wasteful expenditure amounting to Rs.1.357 million.

Audit holds that due to poor internal control and financial mismanagement, irregular payment was made.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -8)

#### **1.4.1.7 Loss to Government due to Non-Regularization of Contract Employees – Rs1.209 million**

As per S&GAD Department Government of the Punjab No.DS(O&M) (S&GD) 5-3/2013 dated 01.03.2013 Government of the Punjab issued policy for the regularization of contract employees under which those in BS-16 and above will be regularized through the Punjab

Public Service Commission (PPSC) and those in lower grades by the departments concerned

TMA Gujar Khan did not regularize the services of contract employees in violation of government 's instructions. This resulted in expenditure of Rs1.209 million on account of social security and allied benefit.

Audit holds that due to poor internal control and financial mismanagement, government instructions were not followed.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -14)

#### **1.4.1.8 Retention of Government Money-Rs1.150 million**

According to Rule 2.10 (b)(5) of PFR Vol-I, authorities incurring expenditure should see that no money has been drawn from the treasury unless it is required for immediate disbursement.

TMA Gujar Khan drew an amount of Rs1.150 million through 11 cheques on account of onward payment to GST, Income Tax and securities of Contractors during 2013-14 but said payment was found undisbursed till June, 2014 without having any appropriate reasons on record. This resulted in undue retention of local fund amounting to Rs1.150 million.

<b>DDO</b>	<b>Account No.</b>	<b>Amount in Rs</b>
TMO	2971-20	660,883
TOF	2972-4	35,496
TOR	2983-1	151,301
P&C	2955-1	74,848
I&S	2951-1	227,460
<b>Total</b>		<b>1,149,988</b>

Audit holds that due to poor internal control and financial mismanagement, Government money was kept by the DDO in an unauthorized manner.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -15)



## 1.4.2 Performance

### 1.4.2.1 Non Realization of Revenue-Rs21.257 million

As per Rule 20 of the PDG & TMA (Budget) Rules, 2003, budget estimates should be sound and realistic. According to Rule 76(1) of PDG & 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 the local government fund under the proper receipt head.

Audit of the accounts of TMA Gujar Khan revealed that revenue target amounting to Rs28.055 million was fixed for the FY 2013-14 but TMA only recovered an amount of Rs6.798 million during 2013-14. This resulted in less realization of revenue amounting to Rs21.257 million as detailed below:-

Head	Targets (Rs)	Achievement (Rs)	Less recovery (Rs)
Cattle Mandi G Khan	4,025,000	3,491,518	533,482
Arrear of Khokha	21,000,000	2,155,000	18,845,000
Fee for building plans urban	1,200,000	973,693	226,307
Fee for building Plans Rural	1,430,000	177,535	1,252,465
HBA	400,000	0	400,000
<b>Total</b>	<b>28,055,000</b>	<b>6,797,746</b>	<b>21,257,254</b>

Audit holds that due to poor internal control and financial mismanagement, income targets were not achieved.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -1)

### 1.4.2.2 Underestimation of Receipts – Rs7.888 million

As per Rule 20 of the PDG & TMA (Budget) Rules, 2003, budget estimates should be sound and realistic.

TMA Gujar Khan prepared budget estimates showing revenue recoverable in arrears amounting to Rs12.634 million for FY 2013-14. It was noticed by the Audit that TMA revised the budget targets amounting to Rs4.746 million without having any appropriate reasons on record. as detailed below:-

<b>Head</b>	<b>Budget Estimates 2013-14 (Rs)</b>	<b>Revised 2013-14 (Rs)</b>	<b>Short allocation (Rs)</b>
Water rates (arrear)	4,325,790	3,000,000	1,325,790
Water rates (arrear)	6,358,000	930,000	5,428,000
Rent of Shops(arrear)	1,950,000	816,000	1,134,000
<b>Total</b>	<b>12,633,790</b>	<b>4,746,000</b>	<b>7,887,790</b>

Audit holds that due to poor internal control and financial mismanagement, recovery targets were underestimated in annual budget.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -2)

#### **1.4.2.3 Non-Imposition of Penalty-Rs1.000 million**

According to the clause 39 read with clause 37 of contract agreement, if a contractor fails to complete the work within stipulated period, he is liable to pay compensation @1% to 10% of amount of the agreement.

TMA Gujar Khan awarded different works of worth Rs.10.004 million to contractors during 2013-14 but the work could not be completed within stipulated time. The contractors neither applied for time extension nor penalty was imposed on the contractors on account of delay. This resulted in non-recovery of liquidated damages of Rs.1.000 million as detailed in Annex-D.

Audit holds that due to poor internal control and financial mismanagement, penalty was not imposed and recovered.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -6)

## **1.5.1 TMA, TAXILA**

## **1.5.1 Non-production of Record**

### **1.5.1.1 Non-Production of Record – Rs1.853 million**

According to Section 14 (2) of Auditor General's (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001 read with Section 115 (6) of PLGO, 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.

TMA Taxila did not produce following record to audit during 2013-14. In the absence of record, authenticity, validity, accuracy and genuineness could not be verified.:-

<b>Period</b>	<b>Description of record</b>	<b>Amount in Rs</b>
2013-14	Repair & maintenance of water supply schemes	800,155
-do-	Vouched account of Sports Fund	1,053,090
	<b>Total</b>	<b>1,853,245</b>

Audit holds that non-production of relevant record was a deliberate violation of constitutional provisions by the auditee resulting in doubtful expenditure of Rs1.853 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para 6 & 17)

## **1.5.2 Irregularity and Non-compliance of Rules**

### **1.5.2.1 Less Allocation of 2% Sports Fund from Development Fund - Rs2.591 million**

According to Government of the Punjab, LG & CD Department Notification No. SO. D-1 (LG) 8-14 /02 dated 28-10-2008, 2% of allocation of funds may be placed at the disposal of District and Tehsil Sports Committees. It is therefore directed that 2% of Development budget for sports activities may be placed at the disposal of Tehsil Sports Committee.

Audit of the accounts of TMA Taxila revealed that an amount of Rs4.806 million was required to be allocated for sports activity but annual account revealed that only Rs2.215 million was allocated for the purpose. This resulted in less allocation of Rs2.591 million in violation of the above criteria.

Audit holds that due to weak internal controls and financial mismanagement, sports fund was less allocated.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -15)

### **1.5.2.2 Irregular Expenditure on Account of POL - Rs 1.60 million**

Para 20 of west Pakistan staff vehicle (use and maintenance) Rule 1969 laid down that log book containing petrol account, history sheet and all expenditure incurred there on should be maintained for each government vehicle.

TMA Taxila incurred an expenditure amounting to Rs1.600 on account of POL during 2013-14. It was noticed by the audit that expenditure was incurred without fulfilling of codel formalities i.e neither mileage certificate was obtained not any meter reading was found on record. Further mobil oil was found frequently changed without observing and regular distance covered. This resulted in an irregular expenditure of Rs1.600 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -10)

### **1.5.2.3 Irregular Transfer of Monies to PLGB-Rs1.285 million**

As per Section 109(3) of PLGO 2001, no local Government shall transfer monies to a higher level except by way of re payment of debts contracted before coming into force of this ordinance.

TMA Taxila transferred an amount of Rs.1.285 million to Punjab Local Government Board (PLGB) during 2013-14 on account of payment of contribution towards the maintenance fund of PLGB. The payment was made on the direction of Secretary PLGB Lahore in violation of above rule and without concurrence of Finance Department, Government of Punjab.

Audit holds that due to poor internal control and financial mismanagement, amount was transferred to PLGB Lahore from District Account IV without the approval of Finance Department, resulting in unauthorized payment of Rs1.285 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

[AIR Para-5]

### **1.5.2.4 Irregular Purchases without Advertisement on the PPRA's Website – Rs1.25 million**

According to Rule 12 (1) of PPRA, 2014 a procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest.

TMA Taxila incurred an expenditure of Rs1.250 million on account of sports items for youth festival 2013-14 and other material amounting to Rs1.250 million without advertisement on the PPRA's website in violation of rule ibid. This resulted in mis-procurement of Rs.1.250 million as detailed below:-

<b>Period</b>	<b>Name of items</b>	<b>Amount (Rs)</b>
2013-14	Track suit	468,000
2013-14	Uniform Kit	280,000
2013-14	Shields	176,000
2013-14	Trophy Big	43,200
2013-14	Trophy small	28,800
2013-14	Tyres and Tube	254,398
	<b>Total</b>	<b>1,250,398</b>

Audit holds that due to non observance of PPRA rules irregular expenditure was incurred.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -21)

### **1.5.3 Performance**

#### **1.5.3.1 Non-Collection of Building Conversion Fee – Rs4.492 million**

According to clause 57 chapter VIII of the Punjab Weekly Gazette dated March 12.02.2008 a City District Government or Tehsil Municipal Administration shall levy fee for the conversion of residential area to commercial use, 20% of the value of land as per evaluation table.

TMA Taxila did not recover the 20 % commercialization / conversion fee from the owners of the building who were using the property for commercial purpose during 2013-14. This resulted in non recovery of Rs4.492 million as detailed below:-

<b>Name of owner</b>	<b>Area in marlas</b>	<b>Rate per Marla (Rs)</b>	<b>Value per marla @ 20% (Rs)</b>	<b>Total Amount (Rs)</b>
Munir Jalal	23.17	210,000	42,000	973,140
Fayaz Hussain	83.79	210,000	42,000	3,519,180
			<b>Total</b>	<b>4,492,320</b>

Audit holds that due to weak internal controls and financial mismanagement, commercialization/ conversion fees was not recovered.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -7)

#### **1.5.3.2 Non-Recovery of Out-Standing Water Charges – Rs1.397 million**

According to Rule 76(1) read with Rule 77, 78 & 79 of PDG & 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 the local government fund under the proper receipt head.

TMA Taxila only realized Rs.88,288 against the total recoverable arrears of Rs.1,485,250 on account of out-standing water charges due up to 30.06.2013. This resulted in less recovery of Rs.1.397 million against the water charges as detailed below:-



<b>Name of Scheme</b>	<b>Recoverable (Rs)</b>	<b>Recovered (Rs)</b>	<b>Outstanding (Rs)</b>
Water supply scheme Taxila	1,103,000	68,292	1,034,708
Water supply scheme Jamil Abad	382,250	19,996	362,254
<b>Total</b>	<b>1,485,250</b>	<b>88,288</b>	<b>1,396,962</b>

Audit holds that due to weak internal controls and financial mismanagement, recovery of arrears was not made.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in January, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para -12)

## **1.6.1 TMA, MURREE**

## **1.6.1 Non-production of Record**

### **1.6.1.1 Non-Production of Record of Rs1.853 million**

According to Section 14 (2) of Auditor General's (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001 read with Section 115 (6) of PLGO, 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.

TMA Murree did not produce record on account of the auction and collection of the record of Sozo Park, Murree during 2013-14. In the absence of record, authenticity, validity, accuracy and genuineness could not be verified.

Audit holds that non-production of relevant record was a deliberate violation of constitutional provisions by the auditee amounting to Rs1.853 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in May, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends that matter be inquired and fix responsibility on the delinquent officers/ officials for non-production of record and ensure submission of record to audit for scrutiny.

(AIR Para -1)

## **ANNEXURES**

## PART-I

**Memorandum for Departmental Accounts Committee  
Paras Pertaining to Current Audit Year 2014-15**

Sr. No.	Name of Formation	AP #	Description of Paras	Amount (Rs in millions)	Nature of Irregularity
1	TMA Rawal Town		Non reconciliation of expenditure worth Rs464.647 million with TAO by DDO	464.647	Non Compliance of Rules
2	TMA Rawal Town		Loss to TMA due to less execution of work-Rs644,118	0.644	Non Compliance of Rules
3	TMA Rawal Town		Un-Authorized Collection on Account of Receipts - Rs59.150 million	59.150	Non Compliance of Rules
4	TMA Rawal Town		Less deduction of income tax loss to TMA Rs450,250	0.450	Recoverable
5	TMA Rawal Town		Non accountal of stock Rs5.512 million	5.512	Non Compliance of Rules
6	TMA Rawal Town		Auction of Slaughter House below Reserve Price - Rs1.210 million	1.210	Non Compliance of Rules
7	TMA Rawal Town		Non-Reconciliation of UIP Tax with District Government Rs181.832 million	181.832	Non Compliance of Rules
8	TMA Rawal Town		Non-Reconciliation of TIPP Tax with the bank Rs80.613 million	80.613	Non Compliance of Rules
9	TMA Pothohar Town		Loss due to acceptance of bid below Reserve Price - Rs 380,000	0.380	Non Compliance of Rules
10	TMA Pothohar Town		Non-utilization of Development Funds for katchi Abadi Rs.3.36 million	8.860	Non Compliance of Rules
11	TMA Pothohar Town		Un- authentic Govt. receipt of Rs394,300/- million due to non conduction of survey of manufacturer, vendor and trader.	0.895	Non Compliance of Rules
12	TMA Pothohar Town		Auction of Collection Rights without Bank guarantees Rs 1.32 million	1.820	Non Compliance of Rules
13	TMA Pothohar Town		Non-transparent purchases without advertisement on the PPRA's website – Rs 297,550	0.297	Non Compliance of Rules
14	TMA Pothohar Town		Non –Reconciliation Of receipt with Bank Rs.175.785 million	175.785	Non Compliance of Rules
15	TMA Pothohar Town		Non-imposing of penalty due to delay in completion of work - Rs214,500	214,500	Non Compliance of Rules
16	TMA Pothohar Town		Un-authorize Payment of Rs4.96 million	4.960	Non Compliance of Rules
17	TMA Pothohar		Loss on Account of Water Supplies – Rs.15.168 Million	15.168	Non Compliance

Sr. No.	Name of Formation	AP #	Description of Paras	Amount (Rs in millions)	Nature of Irregularity
	Town				of Rules
18	TMA Gujar Khan		Non maintenance of Cashbook- Rs.177.153 million	177.153	Non Compliance of Rules
19	TMA Gujar Khan		Irregular expenditure without history sheet– Rs500,620	0.501	Non Compliance of Rules
20	TMA Gujar Khan		Non recovery on account of of TTIP - Rs702,370	0.702	Recoverable
21	TMA Gujar Khan		Doubtful payment of Rs10.000 million	10.000	Non Compliance of Rules
22	TMA Gujar Khan		Loss on Account of Water Supplies – Rs.15.168 Million	15.168	Non Compliance of Rules
23	TMA Taxila		Irregular and un-authorized deduction of income tax in installments valuing RS770.000	0.770	Non Compliance of Rules
24	TMA Taxila		Non –Reconciliation Of receipt with Bank Rs.18.65(M)	18.650	Non Compliance of Rules
25	TMA Taxila		Non-Deposit of Income Tax Rs 324,986	0.325	Non Compliance of Rules
26	TMA Taxila		Non realization of water rate charges – Rs164,417	0.164	Non Compliance of Rules
27	TMA Taxila		Loss to Government due to Non-imposing of Penalty-Rs420,000	0.420	Non Compliance of Rules
28	TMA Taxila		Un-justified expenditure of diesel - Rs 873786	0.879	Non Compliance of Rules
29	TMA Taxila		Un- authentic Govt. receipt Rs 162400/- due to non conduction of survey of manufacturer, vendor and trader	0.162	Non Compliance of Rules
30	TMA Taxila		Loss to Government due less taken of discount Rs 721709	0.721	Non Compliance of Rules
31	TMA Taxila		Non Recovery of Government Receipt		Non Compliance of Rules
32	TMA Taxila		Doubtful expenditure of Rs 150,000	0.150	Non Compliance of Rules
33	TMA Taxila		Over payment of Rs 95,433	0.954	Non Compliance of Rules
34	TMA Taxila		Un-authorized Payment of Rs 5.216 million	5.216	Non Compliance of Rules
35	TMA Taxila		Doubtful expenditure of Rs 27546	0.028	Non Compliance

Sr. No.	Name of Formation	AP #	Description of Paras	Amount (Rs in millions)	Nature of Irregularity
					of Rules
36	TMA Taxila		Loss due to acceptance of bid below Reserve Price - Rs 1.600 million	1.600	Non Compliance of Rules
37	TMA Murree		Un-justified purchase of POL Rs1.725 million	1.725	Non Compliance of Rules
38	TMA Murree		Non maintenance of cash book in proper manner Rs230.470 million	230.470	Non Compliance of Rules
39	TMA Murree		Doubtful purchase of books & Stationary of Rs457,090	0.457	Non Compliance of Rules
40	TMA Murree		Doubtful payment on account of Punjab youth festival Rs2.500 million	2.500	Non Compliance of Rules
41	TMA Murree		Doubtful payment on account of repair of vehicles of Rs440,445	0.440	Non Compliance of Rules
42	TMA Murree		Doubtful purchase of various items of Rs700,000	0.700	Non Compliance of Rules
43	TMA Murree		Irregular purchase of machinery & equipments Rs263,993	0.264	Non Compliance of Rules
44	TMA Murree		Irregular creation of liability Rs4.953 million	4.953	Non Compliance of Rules
45	TMA Murree		Misappropriation of Government receipt of Rs4.213 million on account of chair lift	4.213	Non Compliance of Rules
46	TMA Murree		Misappropriation of Government receipt of Rs180.201 million on account of City District Government Rawalpindi	180.201	Non Compliance of Rules

**PART-II****Memorandum for Departmental Accounts Committee  
Paras Pertaining to previous Audit Year 2013-14**

Sr. No.	Name of Formation	AP #	Description of Paras	Amount (Rs)	Nature of Irregularity
1	TMA Rawal Town		Non-reconciliation of receipt with Bank Rs46.33 million	Rs46.33 million	Non Compliance of Rules
2	TMA Rawal Town		Un-authorize Payment of Rs 6.62 million	Rs 6.62 million	Non Compliance of Rules
3	TMA Rawal Town		Loss to Government Rs 1.20 million due to non auctioning of vehicle	Rs 1.20 million	Non Compliance of Rules
4	TMA Rawal Town		Doubtful payment of Rs 1.094 million	Rs 1.094 million	Non Compliance of Rules
5	TMA Rawal Town		Irregular expenditure of Rs.278,954 due to Splitting of Purchase Transaction	Rs.278,954	Non Compliance of Rules
6	TMA Rawal Town		Loss due to acceptance of bid below Reserve Price - Rs 2.86 million	Rs 2.86 million	Non Compliance of Rules
7	TMA Rawal Town		Non recovery of outstanding rent of Shops Rs 763,911	Rs 763,911	Recoverable
8	TMA Rawal Town		Un-authentic recovery of License Fee Rs 748,700 on Professional Traders and vendors without notifying of bye Laws and issuance of Licence	Rs 748,700 on	Non Compliance of Rules
9	TMA Rawal Town		Loss to Government due to non realization of license fee of Rs 510,000	Rs 510,000	Recoverable
10	TMA Rawal Town		Un-authorize Payment of Rs 230,295	Rs 230,295	Non Compliance of Rules
11	TMA Rawal Town		Overpayment due to incorrect application of rate – Rs 191993	Rs 191993	Non Compliance of Rules
12	TMA Rawal Town		Overpayment of Tuff Tile Rs 144,620	Rs 144,620	Non Compliance of Rules
13	TMA Rawal Town		Non-forfeiture of earnest money Rs 172,209	Rs 172,209	Non Compliance of Rules
14	TMA Rawal Town		Loss to Government due to rent out the shops below prevailed rate		Non -Compliance of Rules
15	TMA Pothohar Town		Non Maintenances of Cash Book in Proper Manner		Non -Compliance of Rules
16	TMA Pothohar Town		Non utilization of Govt Funds Rs 281.325 million	Rs 281.325 million	Non Compliance of Rules
17	TMA Pothohar		Irregular Purchase of Machinery and	Rs 5.756	Non



Sr. No.	Name of Formation	AP #	Description of Paras	Amount (Rs)	Nature of Irregularity
	Town		Equipments Rs 5.756 million	million	Compliance of Rules
18	TMA Pothohar Town		Unjustified Purchase of POL Rs 4.604 million	Rs 4.604 million	Non Compliance of Rules
19	TMA Pothohar Town		Irregular purchase of Vehicles and Fabrication of street lights Rs 2.647 million	Rs 2.647 million	Non Compliance of Rules
20	TMA Pothohar Town		Doubtful Purchase of Various Items of Rs1.575 million	Rs1.575 million	Non Compliance of Rules
21	TMA Pothohar Town		Doubtful purchase of Electric Items of Rs 625,112	Rs 625,112	Non Compliance of Rules
22	TMA Pothohar Town		Doubtful Payment on account of Punjab Youth Festival Rs 625,151	Rs 625,151	Non Compliance of Rules
23	TMA Pothohar Town		Doubtful Payment on purchase of insecticides Rs 375,346	Rs 375,346	Non Compliance of Rules
24	TMA Pothohar Town		Misappropriation of Government Receipt of Rs 23.933 million	Rs 23.933 million	Non Compliance of Rules
25	TMA Pothohar Town		Doubtful Payment on account of repair of Vehicles of Rs 1.169 million	Rs 1.169 million	Non Compliance of Rules
26	TMA Pothohar Town		Irregular creation of liability - Rs30.289 million	Rs30.289 million	Non Compliance of Rules
27	TMA Murree		Loss of Rs 20.76 million	Rs 20.76 million	Non Compliance of Rules
28	TMA Murree		Non –Reconciliation Of receipt with Bank Rs11.16 million	Rs1.160 million	Non Compliance of Rules
29	TMA Murree		Loss in Million of Rupees Due to Non re-auctioning of TMA property and also non recovery of Rs 415,993	Rs415,993	Non Compliance of Rules
30	TMA Murree		Loss to government of Rs 264,000 due to sealed shops	Rs264,000	Non Compliance of Rules
31	TMA Murree		Loss due non auctioning of collection rights - Rs 146,149	Rs146,149	Non Compliance of Rules
32	TMA Murree		Un-authentic Govt. receipt due to non-conduction of survey of manufacturers vendors and traders	--	Non Compliance of Rules
33	TMA Murree		Non –Reconciliation Of receipt with Bank Rs11.16 million	Rs11.16Million	Non Compliance of Rules
34	TMA Kotli Sattian		Irregular Expenditure without preparing and approval of PC-1 amounting to Rs. 18.300 million	Rs. 18.300 million	Non Compliance of Rules
35	TMA Kotli Sattian		Irregular Purchases from Un-Registered Firms Amounting to Rs3.329 million	Rs3.329 million	Non Compliance of Rules

Sr. No.	Name of Formation	AP #	Description of Paras	Amount (Rs)	Nature of Irregularity
36	TMA Kotli Sattian		Doubtful payment of Rs 1.094 million	Rs 1.094 million	Non Compliance of Rules
37	TMA Kotli Sattian		Non Realization of Revenue in Arrears- Rs1.966 million	Rs1.966 million	Recoverable
38	TMA Kotli Sattian		Non reconciliation of TTIP receipt with Revenue Department- Rs540,275	540,275	Non Compliance of Rules
39	TMA Kotli Sattian		Doubtful Expenditure of Rs 450,000	Rs 450,000	Recoverable
40	TMA Kotli Sattian		Non-recovery of liquidated damages due to delay in completion of work Rs410,000	Rs410,000	Recoverable
41	TMA Kotli Sattian		Doubtful expenditures on a/c of Photostate –Rs103,561	Rs103,561	Non Compliance of Rules
42	TMA Kotli Sattian		Misappropriation on account of Pay & Allowances Rs115,070	Rs115,070	Recoverable
43	TMA Kotli Sattian		Non Deduction of G.S.T amounting to – Rs82,280	Rs82,280	Recoverable
44	TMA Kotli Sattian		Irregular Expenditures due to splitting amounting to Rs2.445 million	Rs2.445 million	Non Compliance of Rules
45	TMA Kotli Sattian		Irregular Expenditures without Specifications amounting to –Rs484,000	Rs484,000	Non Compliance of Rules
46	TMA Gujar Khan		Misappropriation of Govt. Receipt of Rs 41.623 million	Rs 41.623 million	Recoverable
47	TMA Gujar Khan		Doubtful payment on account of rent of tents and other items Rs 1.386 million at the time of Ramzan Bazar	Rs 1.386 million	Non Compliance of Rules
48	TMA Gujar Khan		Doubtful on account of repair & maintenance of Rs 1.174 million	Rs 1.174 million	Non Compliance of Rules
49	TMA Gujar Khan		Doubtful payment on youth Festival of Rs 963,718	Rs 963,718	Non Compliance of Rules
50	TMA Gujar Khan		Doubtful Payment on account of Repair of Vehicles of Rs 779,930	Rs 779,930	Non Compliance of Rules
51	TMA Gujar Khan		Doubtful purchase of Electric Items of Rs 581,680	Rs 581,680	Non Compliance of Rules
52	TMA Gujar Khan		Doubtful payment of Machinery & Equipment Rs 450,920	Rs 450,920	Non Compliance of Rules
53	TMA Gujar Khan		Non-utilization of Govt. Funds Rs 38.317 million	Rs 38.317 million	Non Compliance of Rules
54	TMA Gujar Khan		Irregular creation of liability – Rs4.354 million	Rs4.354 million	Non Compliance of Rules
55	TMA Taxila		Loss due to acceptance of bid below Reserve Price - Rs 5.5 million	Rs 5.5 million	Non Compliance of Rules
56	TMA Taxila		Un-justified expenditure of diesel - Rs	Rs 1.393	Non

Sr. No.	Name of Formation	AP #	Description of Paras	Amount (Rs)	Nature of Irregularity
			1.393 million	million	Compliance of Rules
57	TMA Taxila		Over payment of Rs 290,976	Rs 290,976	Recoverable
58	TMA Taxila		Over payment of Rs 174,663	Rs 174,663	Recoverable
59	TMA Taxila		Loss to government of Rs 150,000	Rs 150,000	Non Compliance of Rules
60	TMA Taxila		Un-authentic Govt. receipt due to non-conduction of survey of manufacturer, vendor and trader	--	Non Compliance of Rules
61	TMA Taxila		Doubtful expenditure of Rs 1.308 million	Rs 1.308 million	Non Compliance of Rules
62	TMA Taxila		Irregular / doubtful purchase of diesel - Rs 745,000	Rs 745,000	Non Compliance of Rules
63	TMA Taxila		Non-Deposit of Income Tax Rs 511,035	Rs 511,035	Recoverable
64	TMA Taxila		Non realization of water rate charges -Rs 362,870	Rs 362,870	Recoverable
65	TMA Taxila		Non Imposition of penalty Rs 340,000	Rs 340,000	Recoverable
66	TMA Kaller Syedan		Irregular payment without Counter check from next authority – Rs2.350 million	Rs2.350 million	Non Compliance of Rules
67	TMA Kaller Syedan		Un-authorized accord of Technical Sanctions – Rs14.950 million	Rs14.950 million	Non Compliance of Rules
68	TMA Kaller Syedan		Un-justified payment against sub standard PCC work Rs2.221 million	Rs2.221 million	Non Compliance of Rules
69	TMA Kaller Syedan		Unjustified expenditure on POL – Rs566,294	Rs566,294	Non Compliance of Rules
70	TMA Kaller Syedan		Loss on account of building fee – Rs406,388	Rs406,388	Recoverable
71	TMA Kaller Syedan		Irregular payment of bitumen without invoice – Rs214,322	Rs214,322	Non Compliance of Rules
72	TMA Kaller Syedan		Irregular purchase of sport articles Rs.193,557	Rs.193,557	Non Compliance of Rules
73	TMA Kaller Syedan		Un-justified expenditure on POL- Rs 190,189	Rs 190,189	Non Compliance of Rules
74	TMA Kaller Syedan		Non/ less imposing penalty Rs185,000	Rs 190,189	Recoverable
75	TMA Kaller Syedan		Unjustified expenditure of tentage Rs165,000	Rs165,000	Non Compliance of Rules
76	TMA Kaller Syedan		Less collection of contractors renewal fee-Rs134,000	Rs134,000	Recoverable
77	TMA Kaller Syedan		Unjustified expenditure on rent of walk through gates Rs128,000	Rs128,000	Non Compliance of Rules
78	TMA Kaller		Doubtful disbursement of cash prizes	Rs90,600	Non

Sr. No.	Name of Formation	AP #	Description of Paras	Amount (Rs)	Nature of Irregularity
	Syedani		Rs90,600		Compliance of Rules
79	TMA Kaller Syedani		Non-deduction of on income tax Rs86,250	Rs86,250	Recoverable
80	TMA Kaller Syedani		Over payment due to excess measurement of CR masonry – Rs60,495	Rs60,495	Recoverable
81	TMA Kaller Syedani		Overpayment due to enhancing the PCC rates – Rs57,502	Rs57,502	Non Compliance of Rules
82	TMA Kaller Syedani		Unjustified Construction of CR Masonry – Rs56,026	Rs56,026	Non Compliance of Rules
83	TMA Kaller Syedani		Un-authorized excavation of item not included in TS-Rs48,624	Rs48,624	Non Compliance of Rules
84	TMA Kaller Syedani		Unjustified utilizing CCB fund – Rs 25.573 million	Rs 25.573 million	Non Compliance of Rules
85	TMA Kahuta		Irregular Execution of Development Schemes worth –Rs28.067 million	Rs28.067 million	Non Compliance of Rules
86	TMA Kahuta		Loss to Local Government on accounts of water charges –Rs12.992 million	Rs12.992 million	Non Compliance of Rules
87	TMA Kahuta		Non-reconciliation of TTIP receipt with Revenue Department-Rs7.655 million	Rs7.655 million	Non Compliance of Rules
88	TMA Kahuta		Irregular Purchases from un-registered firms amounting to –Rs2.015 million	Rs2.015 million	Non Compliance of Rules
89	TMA Kahuta		Loss to Government due to non auction/ lease of shops-Rs 509,808	Rs 509,808	Non Compliance of Rules
90	TMA Kahuta		Non-realization of Revenue in Arrears-Rs267,500	Rs267,500	Recoverable
91	TMA Kahuta		Loss to Local Government on Account of Slaughter House Amounting –Rs218,360	Rs218,360	Recoverable
92	TMA Kahuta		Non- Credit of Lapsed Securities to Government Revenue –Rs102,554	Rs102,554	Recoverable
93	TMA Kahuta		Non approval of building maps worth –Rs58,316	Rs58,316	Non Compliance of Rules
94	TMA Kahuta		Irregular Expenditures amounting to Rs57,500	Rs57,500	Non Compliance of Rules
95	TMA Kahuta		Irregular Expenditure without preparing and approval of PC-1 amounting to Rs20.442 million	Rs20.442 million	Non Compliance of Rules
96	TMA Kahuta		Non Implementaion of Action Plan for Reduction of Expenditure, amounting to Rs349,130	Rs349,130	Non Compliance of Rules

## Annexure-B

### TMAs of Rawalpindi District Budget and Expenditure Statement for Financial Years 2013-2014

1. TMA, Murree						Rs in million
Financial Year 2013-2014						
Head	Budget	Expenditure /Actual	Excess / Savings	%age	Comments	
Salary	172,947,180	155,697,157	-17,250,023	-9.97	-	
Non Salary	30,040,300	24,307,853	-5,732,447	-19.08	-	
Development	7,000,000	5,754,529	-1,245,471	-17.79	-	
<b>Total</b>	<b>209,987,480</b>	<b>185,759,539</b>	<b>-24,227,941</b>		-	
2. TMA, Taxila						Rs in million
Financial Year 2013-2014						
Head	Budget	Expenditure /Actual	Excess / Savings	%age	Comments	
Salary	72,032,000	55,816,656	-16,215,344	-22.51	-	
Non Salary	34,530,000	24,140,463	-10,389,537	-30.09	-	
Development	240,321,809	79,957,119	-160,364,690	-66.73	-	
<b>Total</b>	<b>346,883,809</b>	<b>159,914,238</b>	<b>-186,969,571</b>		-	
3. TMA, Gujar Khan						Rs in million
Financial Year 2013-2014						
Head	Budget	Expenditure /Actual	Excess / Savings	%age	Comments	
Salary	62,817,000	62,707,312	-109,688	-0.17	-	
Non Salary	62,707,312	41,333,959	-21,373,353	-34.08	-	
Development	110,964,802	73,112,265	-37,852,537	-34.11	-	
<b>Total</b>	<b>236,489,114</b>	<b>177,153,536</b>	<b>-59,335,578</b>		-	
4. TMA, Rawal Town						Rs in million
Financial Year 2013-2014						
Head	Budget	Expenditure/Actual	Excess / Savings	%age	Comments	
Salary	172,501,500	161,966,187	-10,535,313	-6.11	-	
Non Salary	115,150,000	111,598,808	-3,551,192	-3.08	-	
Development	709,664,503	191,082,768	-518,581,735	-73.07	-	
<b>Total</b>	<b>997,316,003</b>	<b>464,647,763</b>	<b>-532,668,240</b>		-	
5. TMA, Pothohar Town						Rs in million
Financial Year 2013-2014						
Head	Budget	Expenditure /Actual	Excess / Savings	%age	Comments	
Salary	98,600,600	90,414,690	-8,185,910	-8.3	-	
Non Salary	11,960,695	103,991,857	92,031,162	769.45	-	
Development	52,188,290	16,805,675	-35,382,615	-67.8	-	
<b>Total</b>	<b>162,749,585</b>	<b>211,212,222</b>	<b>48,462,637</b>		-	

**Annexure-C**  
**Para 1.4.1.6**

**Detail of work not commenced**

S.No	Name of works	Name of contractors	Work order No/date	Estimated Cost (Rs)	Agreement Cost (Rs)	Exp. (Rs)	Earnest money (Rs)
1	Const. of street Raja Habib wali, sohawa mirza UC Bewal	Eahsan and co	/04-02-14	100,000	99,700	0	20,000
2	Lying of sewerage line near house master walait sandal road 53/3	Ch. Abdul latif	1272/07-03-14	150,000	140,790	0	3,000
3	Const. of street pharati uc jhungle	Rafaqat hussain	1251/11-02-14	300,000	255,000	0	6,000
4	Const. of street dhok sahu	Rafaqat hussain	1249/11-02-14	300,000	255,000	0	6,000
5	Const. of street Gora Gujran, UC Devi	Zain builders	1288/04-04-14	400,000	384,400	0	8,000
6	Const. of street Doultala city	Rafaqat hussain	1246/11-02-14	500,000	420,000	0	10,000
7	Const. of path Dhok Qaim Din UC Mohra Noori	Zaryab buildzer	1264/26-02-14	1,000,000	795,000	0	20,000
8	Const. of street and sewerage line house sh. Mehmood opposite PSO Mandra	Awan brothers	1262/26-02-14	900,000	743,760	0	18,000
9	Const. of street path Dhok fazal, Bowly UC Pangran	Shabir and co	1214/04-02-14	900,000	749,790	0	18,000
<b>Total</b>				<b>4,550,000</b>	<b>3,843,440</b>	<b>0</b>	<b>109,000</b>

**Annexure-D**  
**Para-1.4.2.2**

Sr. No.	Name of Scheme	Agreement Amount (Rs)	Date of Commencement.	Date of Completion as per agreement.	Status of works	Liquidated damages @ Rs. 10% (Rs)
1	Const. of street/drain bhattian UC Bhuddana	641,616	04-02-14	28-05-14	Running	64,161
2	Const of street/path primary school towards house raja javed chakri wakeelan uc kaniat	566,243	04-02-14	28-05-14	Running	56,624
3	Const. of path dhok mehtab	595,418	04-02-14	28-05-14	Running	59,541
4	Const. of street and drains chehary kalyal	735,475	29-01-14		Running	73,548
5	Const. of nallah from house munshi akhtar towards house Khalid Jhanda UC 51/1	746,326	07-02-14	30-04-14	Running	74,633
6	Const of Path Adda Piddar UC Kaunterila	1,471,964	07-02-14	12-05-14	Running	147,196
7	Const. of street chakki to Haji Liaqat	636,991	29-01-14	04-04-14	Running	63,699
8	Const. of street people colony mandra	723,716	29-01-14	04-04-14	Running	72,372
9	Const. of street house israr to Naveed	643,329	27-01-14	21-03-14	Running	64,332
10	Const. of street kiyal Dhok syedan	819,615	29-01-14	21-03-14	Running	81,962
11	Const. of street chak doulat to UC Sukhu	1,660,500	30-01-14	21-03-14	Running	166,050
12	Const. of street muradi. Bandot Bangali Gujar Mammiala UC jhungal	762,775	29-01-14	02-04-14	Running	76,278
	<b>Total</b>	<b>10,003,968</b>				<b>1,000,396</b>