



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
TOWN MUNICIPAL ADMINISTRATIONS  
DISTRICT GUJRANWALA**

**AUDIT YEAR 2015-16**

**AUDITOR GENERAL OF PAKISTAN**

# TABLE OF CONTENTS

<b>ABBREVIATIONS &amp; ACRONYMS</b> .....	<b>i</b>
<b>PREFACE</b> .....	<b>ii</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>iii</b>
<b>SUMMARY OF TABLES AND CHARTS</b> .....	<b>vii</b>
Table 1: Audit Work Statistics .....	vii
Table 2: Audit observation regarding Financial Management.....	vii
Table 3: Outcome Statistics.....	vii
Table 4: Table of Irregularities pointed out.....	viii
Table 5: Cost-Benefit .....	viii
<b>CHAPTER-1</b> .....	<b>1</b>
1.1    TEHSIL MUNICIPAL ADMINISTRATIONS, DISTRICT GUJRANWALA .....	1
1.1.1    Introduction .....	1
1.1.3    Brief Comments on the Status of Compliance on MFDAC Paras of Audit Year 2015-16.....	4
1.1.4    Brief Comments on the Status of Compliance with PAC Directives .....	4
<b>1.2 AUDIT PARAS</b> .....	<b>5</b>
<b>1.2.1    TMA, QILA DIDAR SINGH</b> .....	<b>6</b>
1.2.1    Non Production of Record.....	7
1.2.2    Irregularity and Non compliance .....	8
1.2.3    Internal Control Weaknesses.....	11
<b>1.3.1    TMA KAMOKE</b> .....	<b>14</b>
1.3.1    Irregularity / Non-compliance .....	15
1.3.2    Internal Control Weakness .....	16
<b>1.4.1    TMA, WAZIRABAD</b> .....	<b>17</b>
1.4.1    Irregularity / Non-compliance .....	18
1.4.2    Weak Internal Control.....	24
<b>1.5.1    TMA, NOWSHERA VIRKAN</b> .....	<b>26</b>
1.5.1    Internal Control Weakness .....	27
<b>ANNEXURES</b> .....	<b>28</b>
Annexure-A .....	29
Annexure-B .....	35
Annexure-C .....	36
Annexure-D .....	37
Annexure-E.....	38
Annexure-F.....	39
Annexure-G.....	40
Annexure-H.....	41
Annexure-I.....	42

## **ABBREVIATIONS & ACRONYMS**

ACL	Audit Command Language
AIR	Audit Inspection Report
APR	Actual Payee Receipt
B&R	Building & Road
C&W	Communication and Works
CDG	City District Government
CPW	Central Public Department
DAC	Departmental Accounts Committee
DCO	District Coordination Officer
DDO	Drawing and Disbursing Officer
DDC	District Disposal Committee
DNIT	Detailed Notice for Inviting Tender
FD	Finance Department
F&P	Finance and Planning
HR	Human Resource
HRA	House Rent Allowance
IPSAS	International Public Sector Auditing Standards
MB	Measurement Book
MRS	Market Rate Schedule
NAM	New Accounting Model
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PDG & TMA	Punjab District Governments & Tehsil Municipal Administration
PFR	Punjab Financial Rules
PLGO	Punjab Local Government Ordinance
PPRA	Punjab Procurement Regulatory Authority
PW	Public Works
RDA	Regional Directorate of Audit
Rs	Rupees
SAP	System Application Product
S&GAD	Services and General Administration Department
TA	Travelling Allowance
TMA	Tehsil/Town Municipal Administration
TMO	Tehsil/Town Municipal Officer
TS	Technical Sanction
W&S	Works and Services

## **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 Local Fund and Public Accounts of Town / Tehsil Municipal Administrations of the City District / District Government 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, Gujranwala for the Financial Year 2014-15. The Directorate General of Audit, District Governments, Punjab (North), Lahore conducted audit during 2015-16 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 Rs1.00 million or more. Relatively less significant issues are listed in the Annexure-A of the Audit Report. The audit observations listed in the Annexure-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 framework 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 DAC meeting by the 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:**

**(Imran Iqbal)**

**Acting-Auditor General of Pakistan**

## **EXECUTIVE SUMMARY**

The Directorate General Audit (DGA), District Governments, Punjab (North), Lahore is responsible to carry out the Audit of Eighty One Tehsil / Town Municipal Administrations. Its Regional Directorate of Audit, Gujranwala has audit jurisdiction of twenty one TMAs of six Districts i.e Gujranwala, Gujrat, Hafizabad, Mandi Baha-ud-Din, Narowal and Sialkot.

The Regional Directorate had a human resource of 17 officers and staff, total 4,760 man-days and the annual budget of Rs25.199 million for the Financial Year 2015-16. It had mandate to conduct Financial Attest Audit, Regularity Audit and Compliance with Authority & Performance Audit of entire expenditure including programmes / projects & receipts. Accordingly, Director General Audit District Governments Punjab (North), Lahore carried out Audit of accounts of Tehsil / Town Municipal Administrations of Gujranwala District for the Financial Year 2014-15.

Each Town/Tehsil Municipal Administration in City District Gujranwala conducts its operations 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, 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 Tehsil / Town Nazim / Tehsil / Town Council / Administrator in the form of Budgetary Grant.

Audit of Tehsil / Town Municipal Administrations of Gujranwala District was carried out with the view to ascertaining whether the expenditure was incurred with proper authorization and in conformity with laws / rules / regulations for 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.

## **Scope of Audit**

Out of seven TMAs, four TMAs were audited. The expenditure of four audited TMAs of City District Gujranwala for the Financial Year 2014-15 under the jurisdiction of DG Audit, District Governments, Punjab (N) was Rs 910.66 million covering four PAO and four (04) formations. Out of this, the Directorate General Audit, Punjab (N) audited an expenditure of Rs 345.33 million which, in terms of percentage, was 38% of the auditable expenditure.

Total receipts of the four Tehsil / Town Municipal Administrations of Gujranwala District for the Financial Year 2014-15 were Rs 768.92 million. Directorate General Audit, District Governments, Punjab (N) audited receipts of Rs 384.46 million which was 50% of total receipts.

### **a. Recoveries at the instance of audit**

Recovery of Rs 65.47 million was pointed out during audit but no recovery was effected and verified during the year 2015-16 till compilation of report.

### **b. Audit Methodology**

Audit was performed through understanding the business processes 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. Formations were selected for Audit according to risks analyzed. Audit was planned and executed accordingly.

### **d. Audit Impact**

Audit was performed through understanding the business processes 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.

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 not been significant due to non-convening of regular PAC meetings. Had PAC meetings been regularly held, audit impact would have been manifold.

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

Internal control mechanism of Town / Tehsil Municipal Administrations of District Gujranwala 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 CDG Gujranwala authorities may be captioned as one of important reasons for weak Internal Controls.

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

**f. The Key Audit findings of the report**

- i. Non-production of record of Rs 6.78 million was noted in one case<sup>1</sup>
- ii. Irregularity / non-compliance of Rs 41.23 million was noted in eleven cases<sup>2</sup>
- iii. Internal Control Weakness of Rs 42.36 million was noted in six cases<sup>3</sup>.

Audit paras for the audit year 2015-16 involving procedural violations including internal control weaknesses, poor asset management and irregularities not considered worth reporting are included in MFDAC (Annexure-A).

---

<sup>1</sup> Para 1.2.1.1

<sup>2</sup> Para 1.2.2.1, 1.2.2.2, 1.2.2.3, 1.3.1.1, 1.4.1.1, 1.4.1.2, 1.4.1.3, 1.4.1.4, 1.4.1.5, 1.4.1.6, 1.4.1.8

<sup>3</sup> Para 1.2.2.1, 1.2.3.2, 1.2.3.3, 1.3.2.1, 1.4.2.1, 1.5.1.1

**g. Recommendations**

Audit recommends that the PAO / Management of TMAs should ensure the following:

- i. Holding of investigation for wastage, fraud, misappropriation and losses, and take disciplinary actions after fixing responsibilities
- ii. Strengthening of internal controls
- iii. Appointing of internal auditor
- iv. Holding of DAC meetings well in time
- v. Expediting the recoveries pointed out by Audit as well as other amounts pointed out by audit and conveyed to the management
- vi. Compliance of relevant laws, rules, instructions and procedures, etc.



## SUMMARY OF TABLES AND CHARTS

**Table 1: Audit Work Statistics** (Rs in million)

Sr. No.	Description	Number	Budgeted Figure FY 2014-15		
			Expenditure	Receipt	Total
1	Total Entities (PAOs) in Audit Jurisdiction	07	5,930.51	1,255.51	7,186.02
2	Total formations in audit jurisdiction	07	5,930.51	1,255.51	7,186.02
3	Total Entities (PAOs) Audited	04	910.66	768.92	1,679.58
4	Total formations Audited	04	910.66	768.92	1,679.58
5	Audit & Inspection Reports	04	910.66	768.92	1,679.58
6	Special Audit Reports	--	--	-	-
7	Performance Audit Reports	--	--	-	-
8	Other Reports	--	--	-	-

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

Sr. #	Description	Amount Placed under Audit Observations (Rs in millions)
1	Unsound Asset Management	--
2	Weak Financial Management	11.38
3	Weak internal controls relating to Financial Management	42.36
4	Others	36.63
<b>TOTAL</b>		<b>90.37</b>

**Table 3: Outcome Statistics**

(Rs in million)

Sr. #	Description	Expenditure on Acquiring of Physical Assets (Procurement)	Civil Works	Receipts	Others	Total current year	Total Last Year
1	Outlays Audited	-	271.36	768.92	639.30	1679.58*	857.132
2	Amount placed under audit observation / Irregularities of Audit	-	15.98	45.84	28.53	90.37	277.066
3	Recoveries pointed out at the instance of Audit	-	2.96	11.37	51.14	65.47	17.358

Sr. #	Description	Expenditure on Acquiring of Physical Assets (Procurement)	Civil Works	Receipts	Others	Total current year	Total Last Year
4	Recoveries accepted / established at the instance of Audit	-	2.96	11.37	51.14	65.47	-
5	Recoveries realized at the instance of Audit	-	-	-	-	-	-

\* The amount mentioned against serial No.1 in column of Total Current Year is the sum of Expenditure and Receipts whereas the total expenditure for the current year was Rs 910.661 million.

**Table 4: Table of Irregularities pointed out**

Sr. #	Description	Amount Placed under Audit Observations (Rs in millions)
1	Violation of Rules and regulations, principle of propriety and probity in public operations.	----
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	-----
3	Accounting Errors <sup>1</sup> (accounting policy, departure from NAM, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-----
4	Quantification of weaknesses of internal control systems.	18.12
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money.	65.47
6	Non-production of record.	6.78
7	Others, including cases of accidents, negligence etc.	-----
<b>Total</b>		<b>90.37</b>

**Table 5: Cost-Benefit**

Sr. No.	Description	Amount (Rs in millions)
1	Outlays Audited (Items 1 of Table 3)	1679.58
2	Expenditure on Audit	2.099
3	Recoveries realized at the instance of Audit	-
4	Cost Benefit Ratio	1:0

<sup>1</sup> The accounting Policies and procedures prescribed by the Auditor General of Pakistan

# CHAPTER-1

## 1.1 TEHSIL MUNICIPAL ADMINISTRATIONS, DISTRICT GUJRANWALA

### 1.1.1 Introduction

TMA consists of Town/Tehsil Nazim, Town/Tehsil Naib Nazim and Town/Tehsil Municipal Officer. Each TMA comprises five (05) Drawing & Disbursing Officers i.e. TMA, TO (Finance), TO (I&S), TO (Regulation), TO (P&C), As per Section 54 of PLGO of TMA budget rule 2001, the functions of TMAs are as follows:

- i. Prepare spatial plans for the Town including plans for land use, zoning and functions for which TMA is responsible.
- ii. Exercise control over land-use, land-sub division, 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.
- iii. Enforce all municipal laws, rules and bye-laws governing TMA's functioning.
- iv. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils.
- v. 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.
- vi. Collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties.
- vii. Manage properties, assets and funds vested in the Town Municipal Administration.
- viii. Develop and manage schemes, including site development in collaboration with City District Government and Union Administration.
- ix. 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.

- x. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
- xi. Maintain municipal records and archives.

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

Total Budget of four TMAs selected for audit was Rs 1062.09 million (inclusive salary, non-salary and development) whereas, the expenditure incurred (inclusive salary, non-salary and development) was Rs 910.66 million, showing saving of Rs 151.43 million which in terms of percentage was 14% of the final budget (detailed below). Less utilization of development budget (17%) deprived the community from getting better municipal facilities.

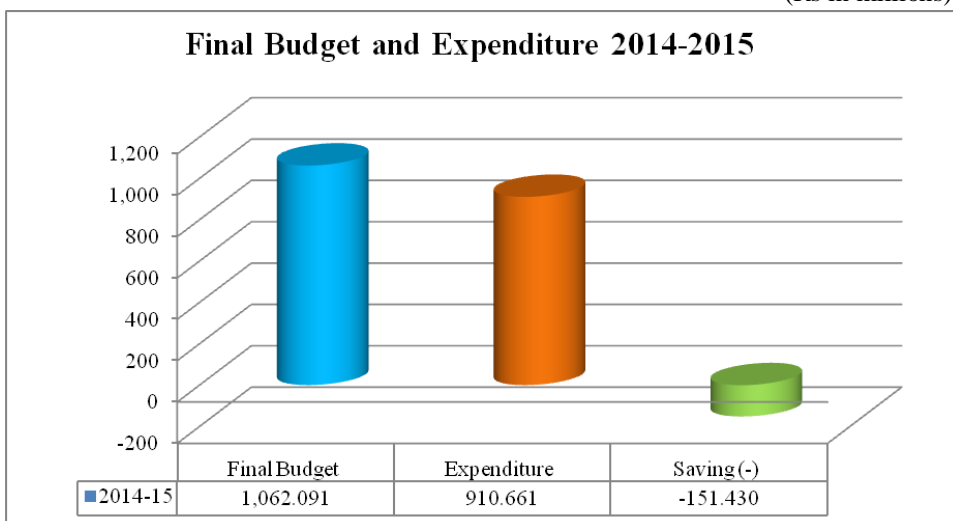
Financial Year 2014-15	Budget (Rs in million)	Expenditure (Rs in million)	Saving (-) (Rs in million)	%age of Savings
Salary	404.66	375.36	-29.29	07
Non Salary	330.27	263.93	-66.34	20
Development	327.155	271.36	-55.79	17
<b>TOTAL</b>	<b>1,062.09</b>	<b>910.66</b>	<b>-151.430</b>	<b>14</b>

The budgeted outlay was Rs 1062.09 million of four TMAs includes PFC award of Rs 411.76 million whereas total expenditure incurred by the TMAs during 2014-15 was Rs 910.66 million with a savings of (-) Rs 151.43 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 lesser need of injection of PFC award.

(Rs in million)

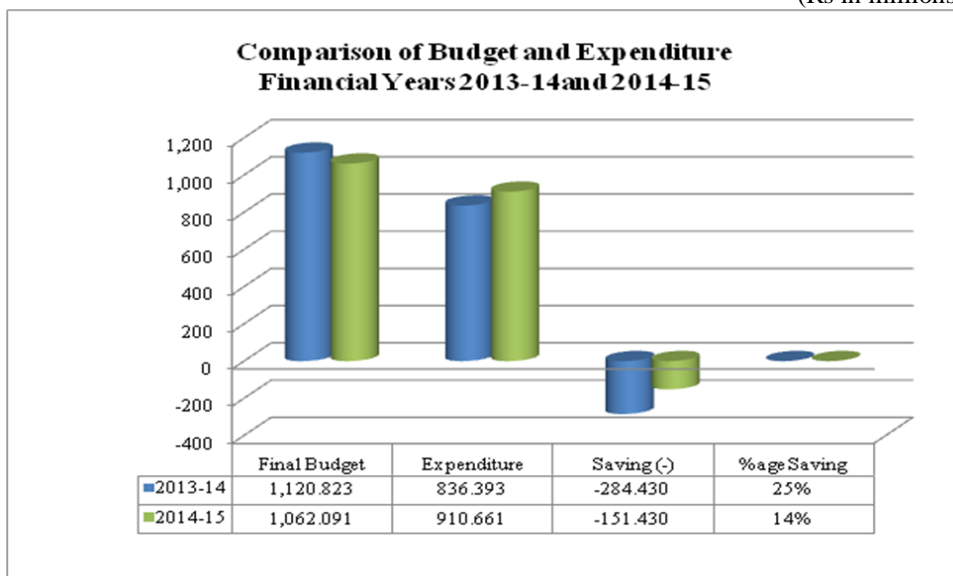
Name of TMAs	Budgeted Figure			Budgeted Outlay	Actual Expenditure	Savings	%age of Savings
	Own receipt including OB	PFC award	Total Receipts				
TMA Qila Deedar Sing	177.52	110.42	287.95	307.31	220.95	86.36	-28%
Kamoke	59.84	88.71	148.55	161.73	151.31	34.49	-21%
Wazirabad	472.83	129.624	602.46	445.803	427.79	-18.01	-4%
Noshera Virkan	70.06	82.99	153.07	123.18	110.60	-12.58	-10%
<b>Total</b>	<b>780.26</b>	<b>411.76</b>	<b>876.31</b>	<b>1062.091</b>	<b>910.66</b>	<b>-151.43</b>	<b>14%</b>

(Rs in millions)



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

(Rs in millions)



There was saving in the budget allocation of the financial years 2013-14 and 2014-15 as follows:

(Rs in million)

<b>Financial Year</b>	<b>Budget</b>	<b>Expenditure</b>	<b>(-) Savings</b>	<b>%age of savings</b>
2013-14	1,120.82	836.39	-284.43	25
2014-15	1062.09	910.66	-151.43	14

The management needs to justify the saving when the development schemes have remained incomplete.

### **1.1.3 Brief Comments on the Status of Compliance on MFDAC Paras of Audit Year 2015-16**

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 Annexure-A.

### **1.1.4 Brief Comments on the Status of Compliance with PAC Directives**

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

#### **Status of Previous Audit Reports**

<b>Sr. #</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC Meetings</b>
1	2009-10 to 2011-12	14	Not convened
2	2012-13	12	Not convened
3	2013-14	35	Not convened
4.	2014-15	16	Not convened

## **1.2      AUDIT PARAS**

## **1.2.1 TMA, QILA DIDAR SINGH**



## 1.2.1 Non Production of Record

### 1.2.1.1 Non production of record – Rs 6.78 million

According to Section 14 (1) (b) of Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, the Auditor General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. Further, 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.

TMO Qila Didar Singh, incurred an expenditure of Rs 5.29 million under object head "others" during the financial year 2014-15 but vouched accounts of the expenditure were not produced for audit scrutiny in violation of rule *ibid*.

Further TMA Qila Didar Singh paid Rs 1.49 million on purchase of banned ornamental plants during Financial Years 2013-15 for different green belts and places without PPRA provisions but related record like bids, comparative statement, original vouchers, stock register, purchase process, approval of administrator and APR were not found on record as detailed below.

Cheque No.	Dated	Supplier	Description	Amount (Rs)
-----	F.Y 2014-15	Various Suppliers	Object head Others	5,296,888
130173233	04-05-14	Madni & Co.	purchased plants and earth filling	237,099
132233517	06-10-14	Kashif & Co.	purchased plants sheranwala bagh and Khalifa Aslam Park	520,094
81406600	01-10-14	Madni & Co.	grass cutting machine, palnts etc.	733,513
<b>Total</b>				<b>6,787,594</b>

Audit holds that non production of expenditure records may lead to misuse of public funds and misappropriation / fraud.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

Audit recommends that matter may be investigated, fix responsibility for non-production of record, and ensure submission of record to audit for scrutiny.

[AIR Para No. 20, 36]

## **1.2.2 Irregularity and Non compliance**

### **1.2.2.1 Irregular Expenditure on Account of Jashn-e-Baharan and Sports Items Rs 5.29 million**

According to the Rule 9 of PPR's 2009, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or re-grouping of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website as well as on the website of the procuring agency in case the procuring agency has its own website. As per Rule 12(1) *ibid*, the 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. (PPRA 2014 change)

TMA Qila Didar Singh drew a sum of Rs 5,292,132 on account of Jashn-e- Baharan, sports items and street lights but advertisement on PPRA website was not uploaded to make the competition healthy. Further sealed quotations, comparative statements, vouchers etc. were not available which made the expenditure irregular (**Annexure-C**).

Audit holds that due to weak internal controls, irregular expenditure was incurred amounting Rs 5.292 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

Audit recommends fixing of responsibility, besides regularization of expenditure under intimation to Audit.

[AIR Para No.38,39&40]

### **1.2.2.2 Doubtful expenditure on account of tentage supplies - Rs 3.79 million**

According to Govt. of the Punjab, Finance Department Notification no. FD. SO(Goods)44-4/2011 dated 23-07-2011, regarding austerity/ economy measures, Provincial Government has decided to observe utmost austerity in usage of public money through prudent financial management, observance of financial discipline, judicious reduction of expenditure without compromising the essential and core organizational functions/ activities.

Audit of TMA Qila Didar Singh revealed that TO (R) drew a huge amount of Rs 3.790 million on account of purchase and tentage for Sasta Ramzan Bazar, Sahulat Bazar and procession of Moharam-ul-Haram at exorbitant rates detailed at (**Annexure-D**). The expenditure was held doubtful/ unauthorized due to the following:

- i. Physical inspection of stock was not made and staff showed reluctance for physical verification by audit team.
- ii. Huge expenditure was incurred on purchase of tentage but the stock and stores of tentage are not fully available and the chances of theft and misappropriation could not be ignored.
- iii. Approval of competent authority / finance department was not available.
- iv. Advertisement was not uploaded on PPRA's website.

Audit holds that due to non observance of rules and regulations, incurrence of expenditure amounting Rs 3.79 million was doubtful.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

Audit recommends fixing of responsibility, besides regularization of expenditure under intimation to Audit.

[AIR Para No.07]

### **1.2.2.3 Unjustified drawl of POL – Rs 1.18 million**

As per rules 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by Government through fraud or negligence on his part or to the extent he contributed to the loss by his own action or negligence.

Scrutiny of accounts record of TO (Regulation), TMA Qila Didar Singh revealed that an amount of Rs 1,177,080 was drawn by TO (Regulation) on account of POL of vehicles but log book was written without recording entries of meter reading which made the expenditure bogus. Only an amount of Rs 1,445,150 was collected under receipt head 'Fine' during 2013-14 and 2014-15. Confiscated goods record, auction record, stock register, gate inward outward passes was not maintained. Without confiscation and huge expenditure Rs 1.178 million on POL and low income of Rs 1.45 million resulted in poor performance of TO (R). The detail of expenditure is at (**Annexure-E**).

Audit holds that due to non observance of govt. instructions, drawl of Rs 1.18 million on account of POL was unjustified.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

Audit recommends investigation of the matter besides fixing of responsibility against the person (s) at fault under intimation to Audit.

[AIR Para No.08]

## **1.2.3 Internal Control Weaknesses**

### **1.2.3.1 Loss due to non realization of receipts – Rs 24.90 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.

Scrutiny of Demand & Collection Register of receipts of TMA Qila Didar Singh, Gujranwala revealed that management of the TMA collected Rs 50.784 million against the demand of Rs 75.684 million under different head of receipts. Due to non realization of local Govt. receipts amounting Rs 24.90 million, resulted into loss to TMA revenues. **(Annexure-F).**

Audit holds that weak financial management and non observance of Government rules resulted into non-realization of receipts worth Rs 24.90 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

Audit recommends that the matter may be probed into and the responsibility fixed against the person(s) at fault under intimation to Audit.

[AIR Para No.04&05]

### **1.2.3.2 Non realization of arrears of water rate charges - Rs 5.82 million**

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

TMA Qila Didar Singh did not recover arrears of water rate charges of Rs 5.823 million from the various water users up till 30-06-2015 which tends towards negligence and poor performance of the management. Further, local Govt. receipts regarding new water connections and reconnection was not shown to audit.

Audit holds that non observance of Government rules resulted into non-realization of receipts worth Rs 5.823 million

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

Audit recommends that the matter may be probed into and the responsibility fixed against the person(s) at fault under intimation to Audit.

[AIR Para No.15]

### **1.2.3.3 Non collection of fine for illegal construction – Rs 5.55 million**

According to Rule 76 of the PDG and TMA (Budget) Rules, 2003, the primary obligation of Collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately to Local Government Fund under proper receipt head. Further according to Section 144 & 145 and Fourth Schedule of PLGO, 2001, the minimum fine of Rs 15,000 will be imposed on person who carried out construction of building without prior permission of TMA.

TO (P&C), TMA Qila Didar Singh did not decide the fate of building plans received during the financial year 2013-14 and 2014-15, Notices for objection were issued to the applicants but later on no action was taken in the form of approval or rejection of building plan. Further TO (P&C) rejected 11 building plans during the year 2013-15 but report regarding the stop of construction or imposition of fine @ Rs 15,000/each were not found in record.

<b>Financial Year</b>	<b>Total no of cases received</b>	<b>Total no of cases approved &amp; rejected 2013-14</b>	<b>No of cases pending for approval</b>	<b>Amount of penalty @Rs 15,000 for illegal construction (Rs)</b>
2013-14	270	85 & 10	175	2,625,000
2014-15	261	76 & 1	184	2,760,000
2014-15	11	0	11	165,000
<b>Total</b>				<b>5,550,000</b>

Audit holds that this is a typical case of illegal construction where both Building Planning and Enforcement branches failed to perform their duties.

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

February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

Audit recommends fixing of responsibility, besides recovery of fine of Rs 5.550 million for illegal construction under intimation to Audit.

[AIR Para No.13& 14]

### **1.3.1 TMA, KAMOKE**



### **1.3.1 Irregularity / Non-compliance**

#### **1.3.1.1 Irregular award of work - Rs 2.40 million**

According to Para-2.10 & 2.86 of B&R Code Payment to the contractor should be restricted to the quantities as proposed in TS estimate of the scheme. If there is any excess due to change as per site requirement, Engineer Incharge shall have to obtain prior approval of the competent authority, who sanctioned TS estimate.

TMO Kamoke issued work order No.855 dated 08-12-2014 to M/s Naroo & Co for work P/F Filtration plants etc at Hardo Khoot Mauza Nangel Dona Singh Mouza Tong Bucha Kamoke for Rs 2.40 million without preparation of TS Estimate. Further the work was awarded without Administrative Approval as well as uploading on PPRA's website. This resulted into irregular award of work valuing Rs 2.400 million.

Audit holds that due to non-compliance of financial rules, the work was awarded without maintenance of requisite record.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

Audit recommends fixing of responsibility for non-observing of rules under intimation to Audit.

[AIR Para No.02]

## **1.3.2 Internal Control Weakness**

### **1.3.2.1 Loss to government due to less recovery of water rate charges - Rs 3.12 million**

According to Section 118 of the Punjab Local Government Ordinance 2001, read with Rule 12 of the Punjab Local Government (Taxation Rules) 2001, Failure to pay any tax and other money claimable under this Ordinance was an offence and the arrears were recoverable as Land Revenue. Furthermore, as clause 12( C ) of Local Rate (Assessment & Collection) Rules, 2001 the Nazim of the Local Government may direct that the tax with costs of recovery shall be recovered as arrears of land revenue.

Scrutiny of demand and collection of water rate register of TMA Kamoke revealed that a sum of Rs 5,542,590 were due from various water users during the financial 2014-15 but a sum of Rs 2,418,030 was recovered upto 30-06-2015. This resulted in less collection of water supply charges amounting Rs 3.125 million.

Audit holds that due to poor performance on the part of the management water rate charges worth Rs 3.125 million were not recovered which resulted in loss to local government.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

Audit recommends recovery of water rate charges under intimation to Audit.

[AIR Para No.04]

## **1.4.1 TMA, WAZIRABAD**

## **1.4.1 Irregularity / Non-compliance**

### **1.4.1.1 Non deposit of additional performance security - Rs 7.51 million**

As per instruction issued by Finance Department if contractor quotes his tender below 5% he would have to pay Performance Security upto such extent. Further, according to 26(a) general directions for the guidance of the contract documents, in case the total tendered amount is less than 5% of the approved estimated (DNIT) amount the lowest bidder will have to deposit additional performance security upto such extent from the schedule bank within 15 days of issuance of notice or within expiry period of bid, whichever is earlier.

TMO Wazirabad awarded Contracts of various schemes during the financial year 2014-2015 below the amount of TS Estimates however additional performance security amounting Rs 7.508 million was not recovered from the contractors as detailed at (**Annexure-G**).

Audit holds that due to non compliance of rules additional performance security was not recovered.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

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

[AIR Para No.11]

### **1.4.1.2 Unauthentic deposit of government receipt - Rs 7.00 million**

According to section 13 of The Tehsil/Town Municipal Administration Licensing By laws, 2007, the TO(R) shall cause the survey to be conducted at the beginning of each financial year to have complete list and particulars of all the manufacturers, vendors traders and the other persons carrying on any occupation or operation in the local area of the TMA and maintain a complete record on “form T.L.10” as appended to these bylaws.

Scrutiny of accounts record of TO (Regulation) of TMA Wazirabad revealed that survey of Professional Tax for the financial year 2014-15 was not conducted. The management of the TMA was required to maintain the list and particulars of all the manufacturers, vendors/ traders

and the other persons carrying any occupation or operation in the local area on “form T.L.10”.

This resulted in un-authentic collection and deposit of revenue amounting Rs 7.00 million

Audit holds that non-conducting of survey may cause decrease in revenue. Survey report was not shown to the audit for any preceding financial year to verify the current year receipts and arrears.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

Audit recommends investigation of the matter besides fixing of responsibility on the delinquent officers / officials under intimation to Audit.

[AIR Para No. 12]

#### **1.4.1.3 Loss due to less collection of water rates – Rs 4.99 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.

TMO Wazirabad paid Rs 10.042 million on account of electricity bills of the water supply schemes during the financial year 2014-15 against the total receipt of Rs 5.045 million. The expenditure was incurred more than the actual receipts. This was due to lack of interest in collection of revenue and non enhancement of water rates which resulted in loss to TMA as detailed below:

Financial year	Chief Officer Unit	Total expenditure on electricity bills (Rs)	Total Income recovery during the year (Rs)	Loss/ less recovery (Rs)
2014-15	Ghakar	5,226,524	2,436,745	2,789,779
	Ali Pur	1,500,814	136,090	1,364,724
	Rasool Nagar	3314,286	2,472,355	841,931
<b>TOTAL</b>		<b>10,041,624</b>	<b>5,045,190</b>	<b>4,996,434</b>

Audit holds that due to improper financial management on part of the management the TMA suffered a loss of Rs 4.996 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

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

[AIR Para No. 04]

#### **1.4.1.4 Unauthorized purchase of machinery worth – Rs 4.71 million**

According to the Rule 10 of PPRA's 2009, a procuring agency shall determine specifications in a manner to allow the widest possible competition which shall not favour any single contractor nor put others at a disadvantage. The specification shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar other classifications but if the procuring agency is satisfied that the use of , or a reference to , a brand name or a catalogue number is essential to complete an otherwise incomplete specification, such use or reference shall be qualified with the words "or equivalent".

The scrutiny of tender notice and paid vouchers of machinery purchased by TMO Wazirabad, during 2014-15 revealed that the specifications of the plant and machinery were not got approved from the standardization committee. Tender notice for purchase of tractor, hydraulic trolley, Tractor front blade, Grass cutting machine and sand water filtration plant etc. was published in the press without giving detailed specifications thereof. Further, sanction to incur expenditure by the competent authority i.e. District Coordination Officer was not available in record.

Audit holds that due to non compliance of govt. rules, unauthorized expenditure was incurred on purchase of machinery.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

Audit recommends inquiry besides fixing of responsibility under intimation to Audit.

[AIR Para No.19]

#### **1.4.1.5 Loss due to non utilization of excavated earth – Rs 2.01 million**

Para 127 (6) and 129 (i) of PWD Code provide that payment for all work done should be made on the basis of measurement recorded in MB in accordance with the work actually done at site, measured in person by the SDO and he will be responsible for the general correctness of the bill as a whole.

TMO Wazirabad executed an item excavation in foundation in various schemes during the financial year 2015-16 and due to which excavated earth was recuperated. An item of provision of and laying of new earth at site was used for earth filling instead of using the 2/3<sup>rd</sup> of excavated earth. This resulted in overpayment of Rs 2.011 million detailed at **(Annexure-H)**.

The audit holds that due to weak internal controls and financial discipline recovery on account of excavated earth was not recovered.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

Audit recommends recovery of the amount besides fixing of responsibility against the person (s) at fault under intimation to Audit.

[AIR Para No.07]

#### **1.4.1.6 Unauthorized expenditure on festivals without observing the rules - Rs 1.24 million**

According to PPRA's Rules, 12(1) 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. Further According to PPRA's Rules, 9 a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned.

TMO Wazirabad, incurred an expenditure of Rs 1.24 million on account of different items without observing the rules as detailed below:

<b>Voucher No. &amp; date</b>	<b>Description</b>	<b>Amount (Rs)</b>
5/13-1-15	Rent of catering services on 14 <sup>th</sup> August	99,800
6/13-1-15	-do-	99,700
7/13-1-15	-do-	99,220

Voucher No. & date	Description	Amount (Rs)
8/13-1-15	-do-	99,890
9/13-1-15	Flags, badges, Deeva and lights on 14 <sup>th</sup> August	99,900
12/13-1-15	Rent of catering servies on 14 <sup>th</sup> August	40,800
16/13-1-15	Provision of Jugnu lights & flexes	99,378
5/3-1-15	Expenditure on exhibition	99,899
6/3-1-15	-do-	99,700
7/3-1-15	-do-	99,200
	-do-	99,840
97-90/5-8-14	Arrangement of Independent Day	99,940
9/30-1-15	-do-	100,000
	<b>TOTAL</b>	<b>1,237,267</b>

Audit holds that due to weak internal controls and financial discipline unauthorized expenditure on festivals was incurred without legal provision.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

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

[AIR Para No.15]

#### **1.4.1.7 Unauthorized payment of non-schedule items - Rs 1.10 million**

The rates for various components of the Non-Scheduled items of work shall be based on Composite Schedule of Rates (CSR) 1998 Vol-III, Part-II, (now MRS) and where such components of item of work are not contained in the CSR 1998 Vol-III, Part-II (MRS) average prevailing market rates shall be made basis for arriving at the Non-Schedule Rate. Copies of the analysis and of composite rates sanctioned by the Superintending Engineer for non-Schedule items shall be sent to the Secretary, Standing Rates Committee, according to Para 4(iii & iv) of CSR. In no case, the procurement shall be made without getting the specification of stores vetted / approved by the competent authority as per para 5 of the Purchase Manual. Further in order to arrive at the rate analysis of non schedule items the standard format on website has been prescribed which is to be filled from MRS and the market rates.

During scrutiny of record of TMA Wazirabad for the financial year 2014-15 it was observed that non schedule items were paid without obtaining approval of competent authority by violating the government



instructions. This resulted in unauthorized payment valuing Rs 1.10 million as detailed below:

<b>Name of Work/ Contractor</b>	<b>Amount (Rs)</b>
Const. of Beautiful Walls at Bab-e-Wazirabad	450,000
P/Fixing safety Jangla Mine Park G.T Road	250,000
Plantation of Trees and Beautification at Lado di Pully	400,000
<b>Total</b>	<b>1,100,000</b>

Audit holds that due to weak internal controls, unauthorized payment for non schedule items was made.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

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

[AIR Para No.03]

## 1.4.2 Weak Internal Control

### 1.4.2.1 Non recovery of liquidated damages for delay in completion of work - Rs 1.10 million

According to 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 or any smaller amount as decided by the Engineer Incharge to be worked out per day but not exceeding maximum of 10% of the cost of contract. The contractor shall have to apply within one month for extension in time limit before the expiry of scheduled time of completion.

Audit of TMA Wazirabad revealed that different schemes were not completed within stipulated time during the financial year 2014-15. It was observed that the incomplete works were finalized beyond the stipulated completion period without any time extension and imposition of penalty. This resulted in inordinate delay in completion of schemes, and delayed delivery of service for several years and non recovery of liquidated damages amounting Rs 1.102 million.

Name of work	Status of project	Work cost (Rs)	Amount of penalty (10%) (Rs)
Laying of Tuff tiles main bazaar Jamke Chattha	WIP	2,309,700	230,970
Const. of Nullah Kot Muhammad Hussain Bishmoola Pathan Wali	WIP	25,5000	25,500
Const. of Drain PCC/Nullah Chak Daska Road	WIP	1,499,400	149,940
Const. of Severage Gali No.01 to Balochi Gallah No.2	WIP	499,950	49,995
Const. of Drain PCC at Behram	WIP	920,000	92,000
Const. of Drain PCC at Mohallah Kakay Zai	WIP	499,000	49,900
Const. of Drain PCC at Chak Sanata	WIP	236,700	23,670
Const of Nallah/repair of road at Sohdra	WIP	3,888,300	388,830
Improv. Of City Park Sialkot Road	WIP	59,9850	59,985
Plantation of Trees and Beautification at Lado di pully	WIP	307,760	30,776
<b>TOTAL</b>	-	<b>11,015,660</b>	<b>1,101,566</b>

Audit holds that due to weak internal controls, penalty was not imposed.

This resulted in non-recovery of 10% penalty amounting Rs 1.102 million besides delaying the desired benefits to the general public due to non-completion of the schemes within the stipulated period

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

February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

Audit recommends investigation of the matter besides recovery of penalty under intimation to Audit.

[AIR Para No.10]

## **1.5.1 TMA, NOWSHERA VIRKAN**

## **1.5.1 Internal Control Weakness**

### **1.5.1.1 Non imposition of penalty for delay in completion of project – Rs 1.86 million**

According to clause 39(a) of the Contract Agreement, the time frame given for completion of work is required to be observed and in case of failure to complete the work within stipulated time, a maximum penalty of 10% shall be imposed of agreement amount.

Scrutiny of account record of TMA Nowshera Virkan revealed that Contracts of different schemes were awarded to the contractors during the financial year 2014-15. However the schemes were not completed within the stipulated time. Neither the contractor applied for extension in time limit nor penalty was imposed by the management due to delay, as detailed at (**Annexure-I**).

Audit holds that due to internal control weakness non-imposition of penalty for delayed works, irregular payment of Rs 1.861 million was made.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. However, no reply was furnished by the TMA and DAC meeting was also not convened till finalization of this Report.

Audit recommends fixing of responsibility, besides recovery of penalty under intimation to Audit.

[AIR Para No.01]

# **ANNEXURES**

## PART-I

**Memorandum for Departmental Accounts Committee  
Paras Pertaining to Current Audit Year 2015-16**

Sr. #	Name of Formations	AIR Para No.	Description of Paras	Nature of Paras	Amount (Rs)
1.	TMA Qila Didar Sing	01	Irregular provision of block allocation	Inter Control Weaknesses	54.863 million
2.		02	Non allocation for CCB funds	Inter Control Weaknesses	6.00 million
3.		03	Non-utilization of development funds	Irregular/Non-compliance	8.61 million
4.		06	Likely misappropriation on account of death birth fee	Inter Control Weaknesses	0
5.		09	Un-authentic Govt. receipt due to non conduction of survey of manufacturer, vendor and trader	Irregular/Non-compliance	1,996,750
6.		10	Loss to the Government due to less realization of receipts from the previous year	Irregular/Non-compliance	3.010 million
7.		11	Un-authentic and doubtful Govt. receipts on account of approval of Building Plans	Irregular/Non-compliance	2,180,431
8.		12	Non-appointment of Internal Auditor	Inter Control Weaknesses	0
9.		16	Irregular execution of pre audit system	Irregular/Non-compliance	0
10.		17	Illegal opening of DDOs accounts in Govt. approved banks	Irregular/Non-compliance	282.097 million
11.		18	Irregular opening balance	Irregular/Non-compliance	1.578 million
12.		19	Doubtful collection of receipts on account of rent of shops	Irregular/Non-compliance	9.763 million
13.		21	Non maintenance of cash book	Inter Control Weaknesses	0
14.		22	Irregular transfer of pension and group insurance funds	Irregular/Non-compliance	1.584 million
15.		23	Irregular payment of arrears of pay and allowances	Inter Control Weaknesses	171,120
16.		25	Non-deduction of income tax	Inter Control Weaknesses	39,672
17.		26	Unjustified expenditure on political activity	Inter Control Weaknesses	106,462
18.		27	Irregular Expenditure	Irregular/ Non-compliance	135,297
19.		28	Unauthorized expenditure	Irregular/Non-compliance	64,408
20.		29	Overpayment	Irregular/Non-compliance	72,560
21.		30	Overpayment	Irregular/Non-compliance	48,837
22.		31	Non-accountal of manhole covers with frame on condemned material register and unjustified expenditure	Irregular/Non-compliance	335,490
23.		32	Less recovery of old material	Irregular/Non-compliance	10,379

Sr. #	Name of Formations	AIR Para No.	Description of Paras	Nature of Paras	Amount (Rs)	
24.		33	Unjustified payment	Inter Control Weaknesses	108,461	
25.		34	Irregular expenditure of Rs 246,168 without rate analysis	Inter Control Weaknesses	246,168	
26.		37	Unjustified payment to daily paid staff	Irregular/Non-compliance	5.389 million	
27.		41	Un-authentic and doubtful expenditure on the purchase of diesel	Inter Control Weaknesses	3.294 million	
28.	TMA Kamonke	01	Non Imposition of penalty-recovery thereof	Inter Control Weaknesses	273,500	
29.		03	Non forfeiture of earnest money	Inter Control Weaknesses	203,000	
30.		05	Irregular payment to NADRA	Irregular/Non-compliance	44,000	
31.		06	Likely misappropriation on repair of tractor	Inter Control Weaknesses	60,650	
32.		07	Irregular/Doubtful expenditure on repair of dewatering pumps	Irregular/Non-compliance	177,775	
33.		08	Doubtful expenditure on repair of tractors	Irregular/Non-compliance	78,300	
34.		10	Irregular expenditure on panaflex	Irregular/Non-compliance	338,400	
35.		11	Irregular expenditure on flood relief distributions	Inter Control Weaknesses	297,800	
36.		12	Irregular expenditure on National celebrations	Irregular/Non-compliance	446,000	
37.		13	Irregular expenditure on dewatering pump & succer machine	Irregular/Non-compliance	520,800	
38.		14	Irregular expenditure on purchase of street light/water supply items	Irregular/Non-compliance	454,900	
39.		15	Likely misappropriation on purchases	Irregular/Non-compliance	578,930	
40.		16	Loss to Government on account of commercialization/conversion fees	Inter Control Weaknesses	0	
41.		17	Non preparation of Annual Accounts and non preparation of monthly expenditure/receipt statement	Irregular/Non-compliance	0	
42.		TMA Wazirabad	01	Non-achievement of targets resulting in revenue loss	Irregular/Non-compliance	31,191,919
43.			02	Unjustified expenditure through wrong classification	Irregular/Non-compliance	1500,000
44.			05	Overpayment due to excess rates	Irregular/Non-compliance	57,106
45.	06		Less deduction of shrinkage on earth work	Irregular/Non-compliance	229,719	
46.	08		Non Approval of Lead Chart by the Competent Authority for Earth Filling	Irregular/Non-compliance	948,971	
47.	09		Non-reduction of steel rate from the bills of contractors	Irregular/Non-compliance	12,920	
48.			13	Non-observance of austerity measures and excessive use of POL	Irregular/Non-compliance	170,920
49.		14	Doubtful expenditure on TA/DA and recovery thereof	Non-deduction of Harrow Sand	255,955	
50.		16	Doubtful expenditure without entry in the measurement book	Inter Control Weaknesses	199,100	



Sr. #	Name of Formations	AIR Para No.	Description of Paras	Nature of Paras	Amount (Rs)
52.		17	Expenditure without Advertisement on PPRA Website	Irregular/Non-compliance	160,738
53.		18	Non-verification of payment of General Sales Tax	Internal Control Weaknesses	800,044
54.		20	Unjustified Expenditure as legal advisors	Irregular/Non-compliance	456,000
55.		22	Non preparation of Cash Book	Internal Control Weaknesses	0
56.		01	Irregular Payment on Previous Year Liabilities	Internal Control Weaknesses	5,324
58		04	Doubtful Expenditure	Internal Control Weaknesses	899,623
59		06	Doubtful Payment Without Lead Chart Approval	Irregular/Non-compliance	682,551
60		07	Non-accountal of Stock	Irregular/Non-compliance	527,420
61		08	Unjustified Payment of Pre-Cast Gilders	Internal Control Weaknesses	468,395
62		09	Excess Payment due to High Rates	Irregular/Non-compliance	252,696
63		10	Irregular Expenditure	Internal Control Weaknesses	230,320
64		11	Doubtful Local Receipt due to Non-conducting of Survey of Manufacturer, Vendor and Trader	Internal Control Weaknesses	218,400
65	TMA Noshera Virkan	12	Overpayment on Excess Qty	Irregular/Non-compliance	196,300
		13	Non-recovery of Water Rate Charges	Internal Control Weaknesses	180,070
		14	Doubtful Payment of GST	Irregular/Non-compliance	135,000
		15	Unauthorized Repair of Transformer	Irregular/Non-compliance	85,800
		16	Non-recovery of Local Govt Receipts	Internal Control Weaknesses	56,137
		17	Difference in Cash Book and Bank Account Balance	Irregular/Non-compliance	55,752
		18	Non-recovery of Rent	Internal Control Weaknesses	28,854
		19	Non-reduction of Steel Bars Rate	Irregular/Non-compliance	27,792
		20	Non-deduction of Old Material and Shrinkage Charges	Irregular/Non-compliance	15,216
		21	Non-production of Building / Map fee Record	Non compliance of Rules	0

## PART-II

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

Sr. #	Formation	AIR Para No.	Description of Paras	Amount (Rs)	Nature of Paras
57.	TMA, Aroop Town	01	Less Collection of Receipts Targets	3,143,000	Inter Control Weaknesses
58.		05	Unjustified drawl of HRA and Conveyance Allowance -	106,326	Inter Control Weaknesses
59.		06	Un-authentic Govt. receipt due to non-conduct of survey of manufacturer, vendor and trader .	1,927,000	Irregular/Non-compliance
60.		08	Non-cooperation and non-production of records.	0	Inter Control Weaknesses
61.		09	Overpayment of and undue favor-	156,979	Irregular/Non-compliance
62.		10	Loss to Government -	74,565	Irregular/Non-compliance
63.		11	Irregular expenditure –	828,000	Irregular/Non-compliance
64.		12	Irregular payment (s)	246,829	Inter Control Weaknesses
65.		13	Irregular payment without rate analysis -	126,446	Irregular/Non-compliance
66.		15	Doubtful payment	427,150	Irregular/Non-compliance
67.		17	Irregular acceptance of single tender -	989,000	Irregular/Non-compliance
68.		18	Wasteful expenditure -	184,455	Irregular/Non-compliance
69.		20	Unjustified drawl of POL and repair -	512,393	Inter Control Weaknesses
70.		23	Irregular expenditure on purchase of manhole covers -	273,278	Irregular/Non-compliance
71.	24	Irregular expenditure on account tent-age supplies -	6,297,000	Inter Control Weaknesses	
72.	TMA, Kamoki	02	Overpayment due to non deduction -	556,957	Inter Control Weaknesses
73.		03	Overpayment due to non-approval of lead chart	548,125	Inter Control Weaknesses
74.		04	Doubtful purchase on various items / materials	381,657	Irregular/ Non-compliance
75.		05	Unjustified payment	369,000	Irregular/Non-compliance
76.		06	Non-recovery of water rate charges from defaulters	336,882	Irregular/Non-compliance
77.		07	Doubtful purchase of material for Sasta Bazar	293,900	Irregular/Non-compliance

Sr. #	Formation	AIR Para No.	Description of Paras	Amount (Rs)	Nature of Paras
78.		08	Irregular expenditure on Sasta Bazar	293,900	Irregular/Non-compliance
79.		09	Overpayment due to non-approval of lead chart	256,749	Irregular/Non-compliance
80.		10	Doubtful expenditure on advertisement -	134,300	Inter Control Weaknesses
81.		11	Doubtful expenditure on advertisement items	60,400	Inter Control Weaknesses
82.		03	Irregular expenditure on Youth Festival -	749,800	Irregular/Non-compliance
83.		06	Doubtful expenditure on Sports Items -	592,050	Inter Control Weaknesses
84.		07	Wasteful expenditure on account of plants -	447,360	Irregular/Non-compliance
85.		09	Undue favor to contractor	372,900	Irregular/Non-compliance
86.		10	Wasteful expenditure on account of PCC (1:2:4)	347,992	Irregular/Non-compliance
87.		11	Overpayment due to charging of excess rate	268,035	Irregular/Non-compliance
88.		08	Unjustified late transfer of balance income tax - Rs	404,487	Internal Control Weaknesses
89.		12	Balance in DDO Bank Account -	257,501	Irregular/Non-compliance
90.		14	Unjustified late transfer of Income Tax to FBR -	183,000	Irregular/Non-compliance
91.		13	Unjustified payment -	250,000	Irregular/Non-compliance
92.		15	Doubtful expenditure on Sports Festival -	151,625	Irregular/Non-compliance
93.		16	Overpayment due to non approval of lead chart -	149,677	Internal Control Weaknesses
94.	TMA, Khiali Shah Pur	17	Excess payment of quantity executed over and above estimate quantities --	145,007	Internal Control Weaknesses
95.		18	Unjustified payment to Enforcement Inspector -	137,125	Irregular/Non-compliance
96.		19	Unauthorized expenditure on removal of excavated earth lead upto 2 mile -	125,438	Irregular/Non-compliance
97.		20	Irregular expenditure on repair of various items -	108,505	Irregular/Non-compliance
98.		21	Non- recovery of penalty -	100,000	Irregular/Non-compliance
99.		22	Undue favor to contractor -	100,000	Irregular/Non-compliance
100.		23	Non-adjustment of temporary advances -	100,000	Irregular/Non-compliance
101.		24	Doubtful expenditure on flex, sign board, banners / advertisement -	94,500	Irregular/Non-compliance

Sr. #	Formation	AIR Para No.	Description of Paras	Amount (Rs)	Nature of Paras
102		25	Doubtful Payment on various Purchases -	73,850	Irregular/Non-compliance
103		26	Expenditure on purchases	44,995	Irregular/Non-compliance
104	TMA, Nowshera Virkan	01	Non-deduction of Harrow Sand	200,680	Irregular/Non-compliance
105		02	Non-deduction of Shrinkage charges	220,677	Non-deduction of Harrow Sand
106		04	Doubtful expenditure on purchase of plants -	99,250	Inter Control Weaknesses
107		05	Irregular expenditure on purchase Hand Trolleys - Rs.105,000	105,000	Irregular/Non-compliance
108		06	Irregular expenditure on repair - Rs.39,650	39,650	Internal Control Weaknesses
109		09	Irregular expenditure on Kerry	96,000	Irregular/Non-compliance
110		10	Less recovery of receipts	322,844	Internal Control Weaknesses
111		13	Un-authentic Govt. receipt due to non-conduction of survey of manufacturer, vendor and trader -	200,000	Irregular/Non-compliance
112		14	Loss to Government	200,000	Irregular/Non-compliance
113		15	Non-auction of removed material	50,000	Irregular/Non-compliance
114	TMA, Wazirabad	02	Excess payment earth filling	111,135	Internal Control Weaknesses
58		03	Irregular generation of liabilitiesRs30.923 million	30,923,000	Internal Control Weaknesses
59		04	Doubtful expenditure	382,521	Irregular/Non-compliance
60		05	Doubtful expenditure	94,948	Irregular/Non-compliance
61		06	Doubtful expenditure on repair of transformers	263,600	Internal Control Weaknesses
62		07	Loss to Government		Irregular/Non-compliance
63		09	Irregular payment of Advertisement Expenditure	48,946	Internal Control Weaknesses
64		10	Loss to government due to less recovery of Lease	35,880	Internal Control Weaknesses
65		11	Less transfer of NADRA share -	60,758	Irregular/Non-compliance

**TMA of Gujranwala District  
Budget and Expenditure  
Financial Year 2014-15**

**1. TMA, Qila Dedar Sing***(Rs. in millions)*

Head	Budget	Expenditure	Excess / Savings	%age	Comments
Salary	153.16	131.127	-22.033	14	-
Non Salary	99.285	51.968	-47.317	48	-
Development	54.863	37.858	-17.005	31	-
<b>Total</b>	<b>307.308</b>	<b>220.953</b>	<b>-86.355</b>	<b>28</b>	-

**2. TMA, Kamonke**

Head	Budget	Expenditure	Excess / Savings	%age	Comments
Salary	92.945	94.191	1.246	01	-
Non Salary	44.374	34.374	-10.000	23	-
Development	48.478	22.74	-25.738	53	-
<b>Total</b>	<b>161.730</b>	<b>151.305</b>	<b>-34.492</b>	<b>21</b>	-

**3. TMA, Wazirabad**

Head	Budget	Expenditure	Excess / Savings	%age	Comments
Salary	122.013	115.193461	-6.820	06	-
Non Salary	155.84	149.735612	-6.104	04	-
Development	167.95	162.868	-5.082	03	-
<b>Total</b>	<b>445.803</b>	<b>427.797</b>	<b>-18.006</b>	<b>04</b>	-

**4. TMA, Noshera Virkan**

Head	Budget	Expenditure	Excess / Savings	%age	Comments
Salary	36.545	34.856	-1.689	05	-
Non Salary	30.774	27.855	-2.919	09	-
Development	55.864	47.895	-7.969	14	-
<b>Total</b>	<b>123.183</b>	<b>110.606</b>	<b>-12.577</b>	<b>10</b>	-

<b>Grand Total</b>	<b>1,062.091</b>	<b>910.661</b>	<b>-151.430</b>	<b>14</b>	-
--------------------	------------------	----------------	-----------------	-----------	---

**Annexure-C**

Para 1.2.1.1

**Irregular expenditure on account of Jashn-e-Baharan and Sports items Rs 5.292 million****Expenditure on Jashn-e- Baharan**

<b>Cheque No.</b>	<b>Dated</b>	<b>Supplier</b>	<b>Description</b>	<b>Amount (Rs)</b>
132233549	21-7-14	Madni & Co.	Jashn-e- Baharan	1,544,632

**Expenditure on Sports Items**

<b>Cheque No.</b>	<b>Dated</b>	<b>Supplier</b>	<b>Description</b>	<b>Amount (Rs)</b>
130610483	24-2-14	Kashif & Co.	Sports festival 2014	1,638,125
131203269	14-4-14	Kashif & Co.	Uniform purchased sports festival	145,700
<b>TOTAL</b>				<b>1,783,825</b>

**Expenditure on Electrical Items**

<b>Dated</b>	<b>Supplier</b>	<b>Description</b>	<b>Amount (Rs)</b>
10-02-13	Bashir & Co.	Street light items purchased	692,113
17-02-14	Bashir Electric Co.	Street light items purchased	203,104
23-12-14	Kashif & Co.	Purchased street light items	599,526
27-03-15	Kashif & co.	Purchased street light items	468,932
<b>TOTAL</b>			<b>1,963,675</b>

**Annexure-D**

Para 1.2.2.2

**Doubtful expenditure on account tent-age supplies Rs 3.790 million**

<b>Date</b>	<b>Supplier</b>	<b>Description</b>	<b>Amount (Rs)</b>
24-09-13	Aman Ullah & Co.	Purchased tentage supplies	1,980,536
08-10-13	Aman Ullah & Co.	purchased tentage supplies	420,365
22-02-14		hire charges of generator	22,320
04-04-14		tentage chehlum Moharam	139,118
19-04-14	Aman Ullah & Co.	Ramazan Bazar	17,298
-	Kashif & Co.	Ramazan Bazar	17,298
09-08-14	Kashif & Co.	Iron Boards Ramzan Bazar	31,356
-		shopping Bags for packing Sugar	68,832
19-08-14		flex banners sahulat bazar	45,733
27-10-14		Tentage ramzan bazar Noshehra Road	22,320
27-10-14	Kashif & Co.	tentage ramzan bazar	95,296
-	madni & co.	Ramazan Bazar	117,144
-	baig & co.	choona ramzan bazar	7,329
11-11-14	Aman Ullah & Co.	Choona Sahulat bazar	76,279
08-12-14		tentage ramzan bazar	22,320
09-12-14	Aman Ullah & Co.	Tentage Sahulat bazar	76,279
09-12-14	Kashif & Co.	tentage Moharram-ul-Moharram	80,220
20-12-14		tentage Moharram-ul-Moharram	80,220
02-01-15		tentage chehlum Moharam	79,956
14-01-15		tentage chehlum Moharam	79,956
23-06-15	Aman Ullah & Co.	tentage sahulat bazar Noshehra Road	310,292
<b>TOTAL</b>			<b>3,790,467</b>

**Annexure-E**

Para 1.2.2.3

**Unjustified drawl of POL Rs 1,177,080**

<b>Dated</b>	<b>Amount (Rs)</b>	<b>Vehicle No.</b>	<b>DDO code</b>
03-07-13	49,690	3768	TO R
27-07-13	52,910	1024	TO R
-	27,758	3768	TO R
-	52,910	1024, 3768	TO R
27-08-13	59,760	1024	TO R
12-10-13	27,450	GAG-1024	TO R
21-12-13	51,255	3768, 1024	TO R
28-01-14	24,960	1024	TO R
25-02-14	127,224	3768, 1024	TO R
04-04-14	102,864	3768, 1024	TO R
14-04-14	19,495	1024	-
26-05-14	16,092	3768	-
18-08-14	163,078	3768, 1024	TO R
17-10-14	48,750	1024	TO R
27-10-14	75,094	1024	TO R
08-12-14	45,070	1024	TO R
20-12-14	113,964	3768	TO R
21-02-15	22,919	3768	TO R
01-04-15	43,858	3768	TO R
22-06-15	51,979		
<b>Total</b>	<b>1,177,080</b>		



**Annexure-F**

Para 1.2.3.1

**Loss to TMA due to non realization of receipts Rs 24.90 million**

<b>Sr. #</b>	<b>Description</b>	<b>Demand (Rs)</b>	<b>Amount Realized (Rs)</b>	<b>Loss to TMA (Rs)</b>
1	Fee for license and permit	1500000	1144700	355,300
2	Fines and penalties	2000000	823800	1,176,200
3	Water rate Qila Didar Singh unit	2700000	1207180	1,492,820
4	Water rate Ladhay wala unit	3162000	1142710	2,019,290
5	Rent of Municipal Shops	4400000	4366838	33,162
6	Fee for approval of building plans	3500000	1806155	1,693,845
7	Slaughter house fee unit Qila	110000	96052	13,948
8	Sewerage fee unit Qila	2500000	0	2,500,000
9	Sewerage fee unit Ladhay wala	2500000	288000	2,212,000
10	Tax on transfer of immovable property	36,000,000	35,183,608	816,392
11	Fee for license and permit	1,500,000	85,2050	647,950
12	Fines and penalties	2,000,000	62,1350	1,378,650
13	Water rate Qila Didar Singh unit	2,700,000	929,408	1,770,592
14	Water rate Ladhay wala unit	3,612,000	288,780	3,323,220
15	Fee for approval of building plans	2,500,000	2,013,414	486,586
16	Sewerage fee unit Ladhay wala	2,500,000	0	2,500,000
17	Sewerage fee unit Ladhay wala	2,500,000	20,250	2,479,750
	<b>TOTAL</b>	<b>75,684,000</b>	<b>50,784,295</b>	<b>24,899,705</b>

**Annexure-G**

Para 1.4.1.1

**Non-deposit of Additional Performance Security – Rs 7,507,773**

Name of Scheme	Estimated cost (Rs)	%age below the approved Rate	performance security deducted %age	%age less deducted	Add. Performance security (Rs)
Const. of Drain PCC/Nallah Kalaskay	2,000,000	27.1	5	22.1	442,000
Const. of Nallah Heran Wala	900,000	9.25	5	4.25	38,250
Const. of drain PCC/Nallah Khiway wali	1,000,000	24.6	5	19.6	196,000
Const. of Drain PCC Mohallah Sadiq-e-Akbf	1,300,000	24.52	5	19.52	253,760
Const. of Drain PCC/ Nallah Langian Wali	1,000,000	25.7	5	20.7	207,000
Const. of Drain PCC/ Nallah Bagrian Now	1,000,000	24.2	5	19.2	192,000
Const. of Drain PCC/ Nallah Bankay Cheema	15833000	26.1	5	21.1	3,340,763
Const. of Drain PCC/ Nallah Iban Wali	1,000,000	25.2	5	20.2	202,000
Const. of Drain PCC/Nallah Kot Proya	1,000,000	25.1	5	20.1	201,000
Const. of Drain PCC/Nallah Bazar Darvaishkay	1,000,000	26.15	5	21.15	211,500
Const. of Drain PCC/ Nallah Pandori Kalan	1,000,000	22	5	17	170,000
Const. of PCC/Nallah Khiway Wali	1,000,000	24.6	5	19.6	196,000
Const. of Drain PCC/ Nallah at Kolar	1,400,000	26.1	5	21.1	295,400
Const. of DrainPCC/ Nallah Habib Bank	2,750,000	27.1	5	22.1	607,750
Const. of Drain PCC Goundal Pura	1,000,000	25.1	5	20.1	201,000
Const. of Drain PCC Allabad	1,000,000	25.2	5	20.2	202,000
Const. of Drain PCC severage street Jamia Masjid Khatija ul Kibra	1,000,000	25.7	5	20.7	207,000
Const of Drain PCC/ Nallah Rakh Singh Pura	900,000	20.15	5	15.15	136,350
Const. of Drain PCC Javid Katra	1,000,000	25.8	5	20.8	208,000
<b>TOTAL</b>					<b>7,507,773</b>

**Annexure-H**

Para 1.4.1.5

**Recovery on account of non utilization of excavated earth – Rs 2,011,049**

Name of the scheme	Earth filling Cft	Rate (Rs) 0% cft	Amount paid to contract or (Rs)	Availab le earth Cft	Over-payment (Rs)
Const. of Drain PCC/Nallah Radala	27287	5078	121,632	18,191	92,376
Const. of Drain PCC Moh. Sadiq-e-Akbar	27243	6371	164,893	18,162	115,710
Const. of Drain PCC/Nallah Khiway Wali	16924	5078	81,644	11,283	57,293
Const. of Drain PCC/Nallah Kalaskay	37751	5078	191,699	25,167	127,800
Const. of Drain PCC/Nallah Langian Wlai	11712	5078	56,497	7,808	39,649
Const. of Drain PCC/Nallah Bagrian Now	22776	5078	109,879	15,184	77,104
Const. of Drain PCC/Nallah Road Bharoki	52895	5078	268,601	35,263	179,067
Const. of Drain PCC/Nallah Bankay	18657	5078	90,002	12,438	63,160
Const. of PCC/Nallah Iban Wali	21918	5078	111299	14,612	74,200
Const. of PCC/Nallah Kot Proya	19374	5078	93465	12,916	65,587
Const. of PCC/Nallah Bazar Darvaishkay	18495	5078	89220	12,330	62,612
Const. of PCC/Nallah Pandori Kalan	19203	5078	92637	12,802	65,009
Const. of PCC/Nallah Khiway Wali	12583	5078	60774	8,389	42,598
Const. of boundary wall graveyard Mozia Gakka Mitter	61025	5078	309885	40,683	206,590
Const. of Grain PCC Goundal pura	11785	6371.2	72832	7,857	50,056
Const. of drain PCC/Nallah Habib Bank	8412	6370.2	53594	5,608	35,724
Const. of drain PCC/Nallah Kolar	14622	5078	70538	9,748	49,500
Const. of drain PCC/Nallah Rasool Nagri	21693	6371.2	131298	14,462	92,140
Const. of Drain PCC Allabad	6626	6371.2	42215	4,417	28,144
Const. of Drain PCC Jamia Khatija ul Kubra	16655	6371.2	100805	11,103	70,742
Const of Drain PCC/ Nallah Rakh Singh Pura	18117	5078	87397	12,078	61,332
Const. of Drain PCC Javid Katra	13749	6371.2	87598	9,166	58,398
Const. of Drain PCC Sangowali	3937	5078	19992	2,625	13,328
Const. of drain PCC Nizamabad	30467	6371.2	184408	20,311	129,408
Const. of Drain PCC /Nallah Mana Wala	27312	5078	131758	18,208	92,460
Const. of Drain PCC/ Nallah Dhupal Ameer Singh	18037	5078	87011	12,025	61,061
<b>Total</b>					<b>2,011,049</b>

## Annexure-I

### Para 1.5.1.1

### Non-imposition of Penalty for delay in Completion of Project – Rs 1.86 million

Name of Scheme	Est Cost (Rs)	Agreement Amount (Rs)	Expenditure up to 30-06-14 (Rs)	Work Order No and Dated	Time till dated	Penalty 10% (Rs)
P/F 20 No's LED street lights solar panels TMA Nowshera Virkan	4,000,000	2,392,000	0	920 dated 30-04-14	30-06-4	239,200
Const of PCC drains Udho wali	2,000,000	1,995,000	653,427	171 dated 25-04-14	90 Days 30-08-14	199,500
const of PCC drains, streets, street No 1, street 4, faisal colony tatlay aali	1,350,000	1,348,650	1,177,886		90 Days 30-08-14	134,865
P/F Main Lights Pole 2 LED	1,000,000	840,000	0	123 dated 05-05-14	30-06-14	84,000
Const of PCC drain, street, Maheya Goraya	1,250,000	1,247,500	37,819	93902-06-14	90 Days 30-08-14	124,750
const of PCC, Culvert / Nallah Leel virkan	400,000	399,000	42,803	939 02-06-14	90 Days 30-08-14	40,000
const of PCC street drain/ Nallah Nokhar	1,600,000	1,588,000	1,199,325	930 02-06-14	90 Days 30-08-14	158,800
<b>Total</b>						<b>981,115</b>

Name of Scheme	Estt Cost	Status	Penalty 10% (Rs)
Const of Nallah & soling kashmiri Mohallah Bashmoola Garmula Virkan	1,000,000	W-I-P	100,000
Const of Nallah Qila Dewan Singh	1,500,000	W-I-P	150,000
Const of PCC street drain Mangoki virkan	1,000,000	W-I-P	100,000
Const of PCC street drain Thattah Manak	1,000,000	W-I-P	100,000
Const of Waiting Room & Way Facilitation Center N.V	1,400,000	W-I-P	140,000
Const of Janazgah Baloki	2,000,000	W-I-P	200,000
Repair & Maintenance of Slaughter House N Virkan		W-I-P	0
Excavation of Nallah Babbar	500,000	W-I-P	50,000
Manhole covers, repair of mahnoles & Raising TMA Nowshera	400,000	W-I-P	40,000
<b>Total</b>		-	<b>880,000</b>