



**AUDIT REPORT
ON
THE ACCOUNTS OF TOWN/TEHSIL
MUNICIPAL ADMINISTRATIONS
DISTRICT GUJRANWALA
AUDIT YEAR 2014-15**

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

ACL	Audit Command Language
AIR	Audit Inspection Report
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 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 Municipal Administration
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 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 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:

(RANA ASSAD AMIN)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General of Audit, District Governments, Punjab (North), Lahore is responsible to carry out the Audit of City District / District Governments, Tehsil / Town Municipal Administrations and Union Administrations of three (03) City District Governments and sixteen (16) District Governments. Its Regional Directorate of Audit, Gujranwala has Audit jurisdiction of District Governments, TMAs and UAs of one (01) City District Government i.e. Gujranwala and five (05) District Governments i.e. Gujrat, Hafizabad, Narowal, Sialkot and Mandi Baha-ud-Din.

The Regional Directorate has a human resource of 17 officers and staff, total 4,760 man-days and the annual budget of Rs16.337 million for the Financial Year 2014-15. It has the 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 2013-14.

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 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 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 / rules, there was no leakage of revenue and revenue did not remain outside Government Account / Local Fund.

a. Scope of Audit

Out of seven (07) TMAs, five (5) TMAs were audited. The expenditure of five (05) audited TMAs of City District Gujranwala for the Financial Year 2013-14 under the jurisdiction of DG Audit, District Governments, Punjab (N) was Rs 836.393 million covering five (05) PAO and five (05) formations. Out of this, the Directorate General Audit, Punjab (N) audited an expenditure of Rs411.31 million which, in terms of percentage, was 49% of the auditable expenditure.

Total receipts of the five (5) Tehsil / Town Municipal Administrations of Gujranwala District for the financial year 2013-14 were Rs 1,206.66 million. Directorate General Audit, District Governments, Punjab (N) audited receipts of Rs 603.33 million which was 50% of total receipts.

b. Recoveries at the instance of audit

Recovery of Rs 17.358 million was pointed out during audit but no recovery was effected and verified during the year 2014-15 till the time of compilation of report.

c. 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.

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 Town / Tehsil Municipal Administrations of City 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. 237.165 million was noted in two cases.¹
- ii. Irregularity / non-compliance of Rs. 22.841 million was noted in ten cases.²
- iii. Internal Control Weakness of Rs. 11.08 million was noted in two cases.³
- iv. Non-realization of Government revenue of Rs. 6.052 million was noted in one case.⁴

Audit paras for the audit year 2014-15 involving procedural violations including internal control weaknesses, poor asset management and irregularities not considered worth reporting are included in MFDAC (Annex-A).

g. Recommendations

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

- i. Production of record to audit for verification.

- ii. Investigate cases involving wastage, fraud, misappropriation and losses, and take disciplinary actions after fixing responsibility.
- 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 other amounts pointed out by audit and conveyed to the management.
- viii. Ensure compliance of relevant laws, rules, instructions and procedures, etc.
- ix. Maintenance of accounts and record in prescribed format / manner.
- x. Realizing and reconciling of various receipts.
- xi. Physical stock-taking of the fixed and current assets.
- xii. Addressing systemic issues to prevent recurrence of various omissions and commissions.

¹ Para 1.2.1.1, 1.4.1.1

² Para 1.2.2.3, 1.2.2.4, 1.3.1.1, 1.4.2.1, 1.4.2.2, 1.5.1.1, 1.5.1.2, 1.5.2.1, 1.6.1.1, 1.6.2.1

³ Para 1.2.2.1, 1.2.2.2,

⁴ Para 1.6.3.1

SUMMARY OF TABLES AND CHARTS

Table 1: Audit Work Statistics

Sr. #	Description	No.	Budget (Rs in millions)
1	Total Entities (PAOs) in Audit Jurisdiction	07	1,508.012
2	Total Formations in Audit Jurisdiction	07	1,508.012
3	Total Entities (PAOs) Audited	05	1,120.823
4	Total Formations Audited	05	1,120.823
5	Audit & Inspection Reports	05	1,120.823
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	237.165
3	Weak internal controls relating to Financial Management	17.06
4	Others	22.841
TOTAL		277.066

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	-	220.587	20.566	615.979	857.132*	1857.883
2	Amount placed under audit observation / Irregularities of Audit	-	15.857	6.052	255.167	277.066	120.273
3	Recoveries pointed out at the instance of Audit	-	11.306	6.052	-	17.358	44.058

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	-	-	-	-	-	-
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 836.393 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.	11.761
2	Reported cases of fraud, embezzlement, theft 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	Quantification of weaknesses of internal control systems.	11.08
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money.	17.06
6	Non-production of record.	237.165
7	Others, including cases of accidents, negligence etc.	-
Total		277.066

Table 5: Cost-Benefit

Sr. No.	Description	Amount (Rs in millions)
1	Outlays Audited (Items 1 of Table 3)	857.132
2	Expenditure on Audit	1.361
3	Recoveries realized at the instance of Audit	-
4	Cost Benefit Ratio	1:0

CHAPTER-1

1.1 City District Government, Gujranwala

1.1.1 Introduction of Departments

TMA consists of Town Nazim, Town Naib Nazim and Town Municipal Officer. Each TMA comprises five Drawing & Disbursing Officers i.e. TMA, TO (Finance), TO (I&S), TO (Regulation), TO (P&C), Town Nazim and Town Naib Nazim. The 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 bye-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 City District Government and Town Municipal 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 five (05) TMAs selected for audit was Rs.1,120.823 million (inclusive salary, non-salary and development) whereas, the expenditure incurred (inclusive salary, non-salary and development) was Rs 836.393 million, showing savings of Rs 284.430 million which in terms of percentage was 25% of the final budget (detailed below). Less utilization of development budget (25%) deprived the community from getting better municipal facilities.

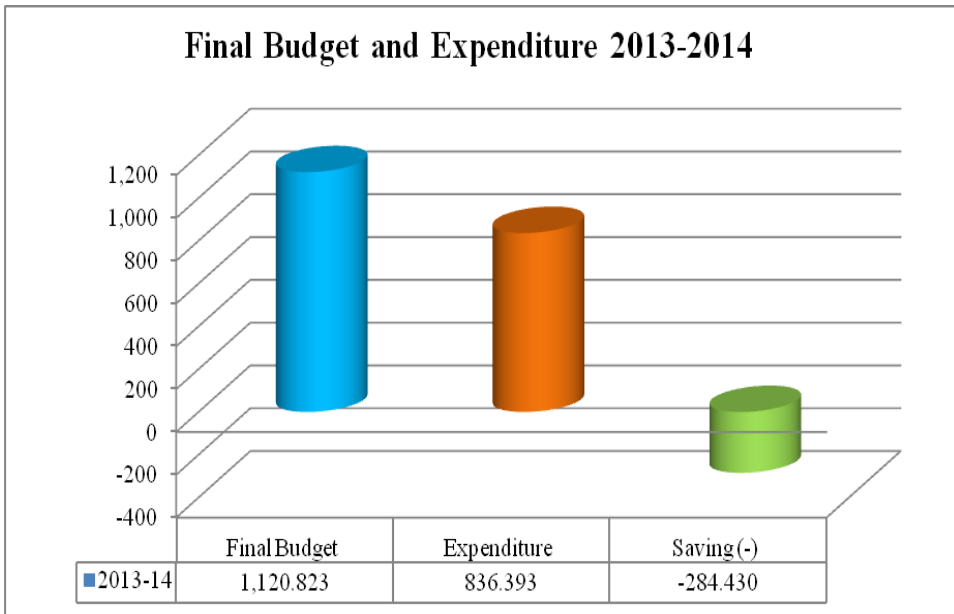
Financial Year 2013-14	Budget (Rs in million)	Expenditure (Rs in million)	Savings (-) (Rs in million)	%age of Savings
Salary	454.487	354.511	-99.976	22
Non Salary	323.054	261.295	-61.759	19
Development	343.282	220.587	-122.695	36
TOTAL	1120.823	836.393	-284.430	25

The budgeted outlay was Rs. 1120.823 million of five (05) TMAs includes PFC award of Rs. 351.824 million whereas total expenditure incurred by the TMAs during 2013-14 was Rs. 836.393 million with a savings of (-) Rs. 284.430 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)

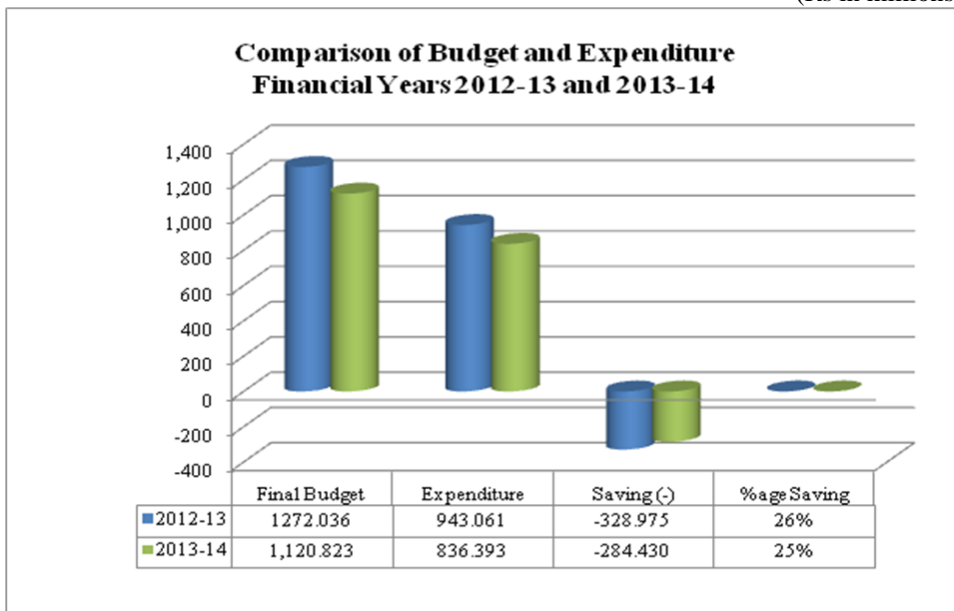
Name of TMAs	Budgeted Figure			Budgeted Outlay	Actual Expenditure	Savings	%age of Savings
	Own receipt including OB	PFC award	Total Receipts				
Aroop Town	248.360	39.372	287.732	259.647	191.590	68.057	26
Kamoke	66.213	90.649	156.862	56.938	53.872	3.066	05
Khiali Shahpur	13.488	4.265	17.753	176.027	105.339	70.688	40
Nowshera Virkan	85.473	77.112	162.585	189.966	177.382	12.584	07
Wazirabad	132.642	140.426	273.068	438.245	308.210	130.035	30
Total	546.176	351.824	898.000	1120.823	836.393	284.430	25

(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 2012-13 and 2013-14 as follows:

(Rs in million)

Financial Year	Budget	Expenditure	(-) Savings	%age of savings
2012-13	1,272.036	943.061	-203.649	16
2013-14	1,120.823	836.393	-284.430	25

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 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 the Governor of the Punjab:

Status of Previous Audit Reports

Sr. #	Audit Year	No. of Paras	Status of PAC Meetings
1	2009-10 to 2011-12	14	Not convened
2	2012-13	12	Not convened
3	2013-14	35	Not convened

1.2 AUDIT PARAS

1.2.1 TMA, AROOP TOWN

1.2.1. Non-production of record

1.2.1.1 Non-production of Record - Rs 226.375 million

According to 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. Further, 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.

TMA, Aroop Town, Gujranwala made payment of Rs 191.588 million but no record was produced for audit. Further, the expenditure of Rs 12.874 million incurred by TMO, TO (P&C) and TO (Regulation) TMA, Aroop Town, Gujranwala was not produced for audit verification despite repeated requests. Development expenditure of Rs 21.912 million was incurred on account of development schemes but the relevant record was not produced. In the absence of such record, audit was unable to verify the expenditure as detailed below:-

Sr. #	Particulars	AIR Para #	Amount (Rs. in millions)	Remarks
1.	TMO Branch	7	191.588	-
2.	TMO, TO (P&C) & TO (Regulation)	7	12.875	Annex-C
3.	Development Schemes	19	21.912	
Total			226.375	-

Audit holds that non-production of expenditure records could 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, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

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

[AIR Para No. 07]

1.2.2 Irregularity / Non-compliance

1.2.2.1 Non-collection of Fine for Violation of By-laws and illegal Construction – Rs 6.405 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, Aroop Town did not decide the fate of received building plans either in shape of approval or rejection during the year 2013-14 which tends towards negligence and poor performance of the department. Notices for objection were issued to the applicants but later on no action was taken to stop the unauthorized construction in the territory of TMA and no penalty was imposed against the defaulters carrying out construction without prior approval of the competent authority.

The above reflects poor monitoring non-adherence of by-laws and weak internal controls. Details of such cases involving amount Rs.6.405 million are as under:

Total no of cases received 2013-14	Total no of cases approved and rejected 2013-14	No of cases pending for approval	Amount of penalty for illegal construction (Rs)
553	Approved cases 61 Rejected cases 65	427	427x15000 = 6,405,000

Audit holds that this is a typical case of illegal construction where both Planning and Enforcement wings 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, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends fixing of responsibility, besides recovery of fine of Rs 6.405 million for illegal constructions under intimation to audit. It is also proposed that detailed report in respect of current status of unapproved sites may be maintained after site visit.

[AIR Para No.04]

1.2.2.2 Non-recovery of Performance Security – Rs 4.602 million

According to Contract Agreement Clause No 26 (a), 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 from the Scheduled Bank ranging from 5% to 10%, within 15 days of issuance of notice or within expiry period of bid, whichever is earlier.

In violation of above clause of the contract agreement, TMA Aroop Town did not obtain performance security below percentage quoted in the tender as detailed at Annex-D.

Audit holds that due to non-compliance of rules, recovery of performance security was not made from the contractors.

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

Audit recommends that Performance Security be recovered from the concerned contractors under intimation to Audit.

[AIR Para No.25]

1.2.2.3 Non-imposition of Penalties for delay in Completion of Work – Rs 3.208 million

According to clause 39(a) of the contract agreement, the time frame given from 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.

In TMA, Aroop Town, the contractors did not complete 21 number of development schemes within the specified time but no penalty for delay in completion of work was imposed by the TMO. This resulted in loss of Rs 3.208 million to the TMA as detailed at Annex-E.

Audit holds that non-compliance of contract clause and financial rules, penalties for delayed completion of work was not imposed on the contractors.

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

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

Audit recommends penalty may be imposed and recovered from concerned contractors under intimation to Audit.

[AIR Para No.23]

1.2.2.4 Irregular Payment – Rs 3.189 million

According to Para-2.20 of B&R Code, the Divisional Officer shall get the estimate sanctioned and then order the immediate execution of the work.

TMA, Aroop Town, Gujranwala awarded the work relating “Constt. PCC Malik Jamil, Gulzar Shah, Hafiz Eman” to Mr. Tariq Mehmood Goraya contractor vide work order No. 37 dated 28-12-13 for Rs 1,516,000 @ 24.15% below estimated rate. The work in question was executed without sanction of detailed cost estimate as under:

S. #	Particular of work	Amount involved (Rs)
1	Constt. PCC Malik Jamil, Gulzar Shah, Hafiz Eman	1,516,000
2	24 Nos. manholes	141,275
Total		1,657,275
1	Constt. PCC Seth Ikram Haji Ashraf wali Gill Road” to contractor vide work order No.53 dated 07.01.2014	1,532,000
Grand Total		3,189,275

Audit holds that due to non-compliance of rule, irregular payment of Rs 3.189 million was made to the contractors.

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

Audit recommends fixing of responsibility for irregular payment of Rs. 3.189 million under intimation to Audit.

[AIR Para No.14,16]

1.3.1 TMA, KAMOKE

1.3.1 Irregularity / Non-compliance

1.3.1.1 Irregular Expenditure on Sports Items – Rs. 1.033 million

According to rule 15.8 & 15.9 of PFR (Vol-I), the exact forms in which the store accounts described above should be kept depend on the nature of store and separate stock accounts or inventory should be maintained along with actual date of receiving / issuing

TMA, Kamoke paid Rs. 1.033 million on Sports items / material for Sports Festival 2013-14. Neither stock entries were made for purchase of sports items / material nor its consumption account was maintained. Further, last year (2012-13) the same items / material were also purchased but previous financial year stock balance entries were not shown. Therefore, in absence of such formality the actual expenditure could not be verified as detailed at Annex-F.

Audit holds that due to non-compliance of financial rules, irregular payment of Rs 1.033 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, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

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

[AIR Para No.01]

1.4.1 TMA, KHALI SHAHPUR

1.4.1 Non-production of record

1.4.1.1 Non-production of Record - Rs 10.791 million.

According to 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. Further, Section 14 (1) (b) of the 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.

T.O (P&C) of TMA, Khiali Shahpur Town paid Rs 10.791 million on various accounts but the vouched account was not provided for audit scrutiny. In absence of record, the actual expenditure could not be authenticated.

Audit holds that relevant record was not produced to Audit in violation of constitutional provisions and was deliberate on the part of the auditee due to defective financial discipline and weak internal controls.

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

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

[AIR Para No 01]

1.4.2 Irregularity / Non-compliance

1.4.2.1 Irregular Expenditure on RCC Pipe – Rs 1.389 million

As per clause 41 of Revised Contract Form for Execution of Work, no deviation from specification stipulated in the contract or additional items of work shall be carried out by the contractor unless the rate of the substituted, altered or additional items have been approved in writing failing which government will not be bound to entertain any claim on this account. The interpretation of the engineer in-charge in the event of any dispute due to any ambiguity in the specification or nomenclature shall be binding and final.

TMO, Khiali Shahpur, Gujranwala awarded two (02) contracts for laying sewerage RCC pipe 12” in the scheme Construction Sewerage Street Saddique Karyanawali Muhammadi Town Graveyard Road to Taranwala Bazar and scheme construction of main bazaar Moh. Karamabad including streets Hashmi Colony, Gujranwala.

It was observed that RCC pipe 12” dia was replaced with RCC pipe 18” & 15” dia without revision of Technical Sanction and approval by competent authority. Similarly the pipe was purchased and supplied by contractors from the firms that was not pre-qualified / specified by the Public Health Engineering Department. It was also observed by audit that the mandatory Measurement Books were not maintained for these works and payments were released without any certified and recorded quantities / work done by the engineers to the contractors. Details are as under:

(A) RCC pipe 12” dia supplied by unapproved firm

Contractor	Contacto r bill	Description	Qty.	Rate (Rs)	Amount (Rs)
M. Asif Khan	3 rd /final bill	RCC pipe 12” dia	2138 rft	342	731,196

(B) RCC pipe 12” dia was replaced with RCC pipe 18” & 15” and procured through unapproved firms

Contractor	Contacto r bill	Description	Qty.	Rate (Rs)	Amount (Rs)
R.A Majeed	3 rd / bill	RCC pipe 18” dia	1220 rft	487	594,140
-do-	-do-	15” dia	142 rft	448	63,616
Total					657,756

Audit holds that due to non-compliance of financial rules, unauthorized payment of Rs 1,388,952 was made to the contractors

without approved specification and invoices of RCC pipe. Audit stresses recovery of the amount besides fixing of responsibility.

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

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

[AIR Para No.04 & 05]

1.4.2.2 Irregular Payment without TS Estimate – Rs 1.05 million

According to Para 2.20 of B&R Code, the divisional officer shall get the estimate sanctioned and then will order for the immediate execution of the work.

TO (I&S), TMA, Khiali Shahpur, Gujranwala paid 1st/running contractor bill of Rs1.05 million to M/s R. A. Majeed for the construction of main Bazar Mohallah Karmabad including streets of Hashmi Colony without technical sanction of estimate. The estimate having the non scheduled items need Technical Sanction of the Chief Engineer, LG & CD which was not obtained. Rate analysis of non scheduled items were also not prepared and approved.

Audit holds that due to non compliance of financial rules, irregular payment of Rs 1.05 million was made to the contractor without fulfilling requirements of the B&R Code.

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

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

[AIR Para No.04]

1.5.1 TMA, NOWSHERA VIRKAN

1.5.1 Irregularity / Non-compliance

1.5.1.1 Irregular Expenditure on account of Tentage Charges – Rs 2.970 million

As per clause of PPRA rules, 2009 all procurements above Rs. 2 million has to be made through open tender in press and to be displayed on PPRA's website.

In violation of the above rule, the TMO, Nowshera Virkan placed an order valuing Rs. 2.970 million for supply of tentage for Ramzan bazaars to M/s Chatha Traders during financial year 2013-14 by splitting the amount thorough quotation basis instead of open tenders. This resulted in irregular award of supply order. The details of payment made are as under:

Token #	Date	Particular	Amount (Rs)
47	19.08.2013	Ramzan Bazar Noshera Virkan	278,400
48	-do-	Cattering Ramzan Bazar Noshera Virkan	749,280
49	-do-	Ramzan Bazar Tatlay Wali	692,160
50	-do-	Ramzan Bazar Nokhar	692,720
51	-do-	Different Items for Ramzan Bazar Tatlay Wali	278,400
52	-do-	Different items for Ramzan Bazar Nokhar	278,400
TOTAL			2,969,360

Moreover, the income tax works-out to Rs193,008 @6.5% (on services) but Rs 118,774 @4% was deducted. This resulted in less deduction of income tax of Rs 74,234.

Audit holds that due to non compliance of PPRA rules irregular payment of Rs 2.970 million was made to the contractor without fulfilling the requirements of PPRA rules.

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

Audit recommends fixing of responsibility for non-observing of rule besides recovery of balance income tax under intimation to Audit.

1.5.1.2 Irregular award of services for Youth Festival - Rs.1.852million

According to PPRA's Rules, the procurement above Rs.100,000 should be incurred after advertisement through PPRA's website and two nation wide newspapers.

TMA, Nowshera Virkan organized youth festival during January, 2014. Against awarded cost of Rs.1.852 million, an amount of Rs. 1.208 million was incurred on miscellaneous purchases / activities. These services were provided by M/s Bukhari & Co. Audit observed that instead of inviting open tenders through press, quotations were obtained in violation of PPRA's rules. Detail is as below:

Particular	Dates	Amount (Rs)
Purchase of sports items	28.01.2014	729,203
Flex Lunch Box		311,000
Rent of tentage		811,620
Total Bill		1,851,823
Paid	-	1,208,450

Audit holds that due to weak internal controls irregular payment of Rs1.208 million was made to the contractor.

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

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

[AIR Para No.07]

1.5.2 Internal Control Weaknesses

1.5.2.1 Irregular Expenditure on POL - Rs 3.270 million

According to 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, Nowshera Virkan incurred a sum of Rs.3.270 million on POL by CO (H.Q) during financial year 2013-14 but log books were not provided to audit for scrutiny which renders the entire expenditure as doubtful. This resulted in irregular expenditure as detail below:

Branch	Vehicle No.	Amount (Rs)
CO (HQ)	Peter Engine	3,270,009
	Tractor Messe 385	
	Tractor Messe 240	
	Tractor GAJ42	
	Tractor GAJ43	
	Jetter Machine	
Succur Machine		
Total		3,270,009

Audit holds that due to weak internal controls, irregular payment of Rs3.270 million was made without maintaining the log books.

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

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

[AIR Para No.11]

1.6.1 TMA, WAZIRABAD

1.6.1 Irregularity / Non-compliance

1.6.1.1 Non-imposition of Penalty for delay in Completion of Project – Rs 3.506 million

According to clause 39(a) of the contract agreement, the time frame given from 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.

TMA, Wazirabad awarded certain works to various contractors but the works could not be completed within stipulated time. Either the contractors did not apply for extension in time limit to the engineer-in-charge or the applications were received from contractor after the expiry of time limit but no penalty was imposed on the contractors on account of delay. This resulted in non-recovery of 10% penalty besides delaying the desired benefits due to non-completion of the schemes within the stipulated period as detailed at Annex-G.

Audit holds that due to non-compliance and non-imposition of penalty for delayed works, irregular payment of Rs 3.506 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, 2015. Neither any reply was furnished by the Department nor DAC meeting was convened till finalization of this Report.

Audit recommends fixing of responsibility, besides recovery of penalty for delayed works from concerned contractors under intimation to Audit.

[AIR Para No.01]

1.6.1.2 Irregular Expenditure of Rs 1.937 million

As per clause of PPRA rules, 2009 all procurements above Rs.150,000 has to be made through open tender in press and to be displayed on PPRA's website.

In violation of the above rule, the TMO, Wazirabad placed an order valuing Rs.1.937 million for supply of tentage for Ramzan bazaars and street lights for various locations during financial year 2013-14 by splitting the amount on quotation basis instead of open tenders. This resulted in irregular award of supply order; details of payment made are as under:

Item	Cheque #	Date	Amount (Rs)
Ramzan Bazaar	0859183	09.09.2013	1,714,284
Street lights items for Allah Wala Chowk	70372459	15.01.2014	95,370
			27,640
Street lights of park near PSO Pump	-	27.03.2014	100,000
Total			1,937,294

Audit holds that due to non-compliance of PPRA rules, irregular payment of Rs1.937 million was made to the contractor.

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

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

[AIR Para No.08]

1.6.2 Inter Control Weaknesses

1.6.2.1 Non-recovery of Arrears of Water Rate charges – Rs6.053 million

According to Section 118 of the Punjab Local Government Ordinance, 2001 read with Rule 12 of the Punjab Local Government (Taxation) Rules, 2001, the failure to pay any tax and other money claimable under this Ordinance was an offence and the arrears were recoverable as Land Revenue. Further, as per 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.

Audit of TMA, Wazirabad revealed that a sum of Rs.6.053 million was due from the water users but was not recovered by the TMA as under:-

Sr. No.	Name of CO Unit	Amount (Rs)
1	Wazir abad	4,080,643
2	Sohdra	1,309,100
3	Gakkharh	514,425
4	Ali Pur Chattha	25,375
5	Rasool Nagar	123,425
Total		6,052,968

Non recovery of water rate charges resulted in loss to government. Audit requires the recovery of amount.

Audit holds that due to weak internal controls and slackness on part of the management arrears of water rate charges worth Rs.6.503 million were not recovered from the defaulters.

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

Audit recommends fixing of responsibility besides recovery of arrears of water rate charges from concerned water users under intimation to Audit.

[AIR Para No.12]

ANNEXURES

PART-I

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

Sr. #	Formation	AP #	Description of Paras	Amount (Rs)	Nature of Paras
1.	TMA, Aroop Town	01	Less Collection of Receipts Targets	3,143,000	Inter Control Weaknesses
2.		05	Unjustified drawl of HRA and Conveyance Allowance -	106,326	Inter Control Weaknesses
3.		06	Un-authentic Govt. receipt due to non-conduct of survey of manufacturer, vendor and trader .	1,927,000	Irregular/Non-compliance
4.		08	Non-cooperation and non-production of records.	0	Inter Control Weaknesses
5.		09	Overpayment of and undue favor-	156,979	Irregular/Non-compliance
6.		10	Loss to Government -	74,565	Irregular/Non-compliance
7.		11	Irregular expenditure –	828,000	Irregular/Non-compliance
8.		12	Irregular payment (s)	246,829	Inter Control Weaknesses
9.		13	Irregular payment without rate analysis -	126,446	Irregular/Non-compliance
10.		15	Doubtful payment	427,150	Irregular/Non-compliance
11.		17	Irregular acceptance of single tender -	989,000	Irregular/Non-compliance
12.		18	Wasteful expenditure -	184,455	Irregular/Non-compliance
13.		20	Unjustified drawl of POL and repair -	512,393	Inter Control Weaknesses
14.		23	Irregular expenditure on purchase of manhole covers -	273,278	Irregular/Non-compliance
15.		24	Irregular expenditure on account tent-age supplies -	6,297,000	Inter Control Weaknesses
16.	TMA, Kamoki	02	Overpayment due to non deduction -	556,957	Inter Control Weaknesses
17.		03	Overpayment due to non-approval of lead chart	548,125	Inter Control Weaknesses
18.		04	Doubtful purchase on various items / materials	381,657	Irregular/ Non-compliance
19.		05	Unjustified payment	369,000	Irregular/Non-compliance
20.		06	Non-recovery of water rate charges from defaulters	336,882	Irregular/Non-compliance
21.		07	Doubtful purchase of material for Sasta Bazar	293,900	Irregular/Non-compliance

Sr. #	Formation	AP #	Description of Paras	Amount (Rs)	Nature of Paras
22.		08	Irregular expenditure on Sasta Bazar	293,900	Irregular/Non-compliance
23.		09	Overpayment due to non-approval of lead chart	256,749	Irregular/Non-compliance
24.		10	Doubtful expenditure on advertisement -	134,300	Inter Control Weaknesses
25.		11	Doubtful expenditure on advertisement items -	60,400	Inter Control Weaknesses
26.	TMA, Khiali Shah Pur	03	Irregular expenditure on Youth Festival -	749,800	Irregular/Non-compliance
27.		06	Doubtful expenditure on Sports Items -	592,050	Inter Control Weaknesses
28.		07	Wasteful expenditure on account of plants -	447,360	Irregular/Non-compliance
29.		09	Undue favor to contractor	372,900	Irregular/Non-compliance
30.		10	Wasteful expenditure on account of PCC (1:2:4)	347,992	Irregular/Non-compliance
31.		11	Overpayment due to charging of excess rate	268,035	Irregular/Non-compliance
32.		08	Unjustified late transfer of balance income tax - Rs	404,487	Internal Control Weaknesses
33.		12	Balance in DDO Bank Account -	257,501	Irregular/Non-compliance
34.		14	Unjustified late transfer of Income Tax to FBR -	183,000	Irregular/Non-compliance
35.		13	Unjustified payment -	250,000	Irregular/Non-compliance
36.		15	Doubtful expenditure on Sports Festival -	151,625	Irregular/Non-compliance
37.		16	Overpayment due to non approval of lead chart -	149,677	Internal Control Weaknesses
38.		17	Excess payment of quantity executed over and above estimate quantities --	145,007	Internal Control Weaknesses
39.		18	Unjustified payment to Enforcement Inspector -	137,125	Irregular/Non-compliance
40.		19	Unauthorized expenditure on removal of excavated earth lead upto 2 mile -	125,438	Irregular/Non-compliance
41.		20	Irregular expenditure on repair of various items -	108,505	Irregular/Non-compliance
42.		21	Non- recovery of penalty -	100,000	Irregular/Non-compliance
43.		22	Undue favor to contractor -	100,000	Irregular/Non-compliance
44.		23	Non-adjustment of temporary advances -	100,000	Irregular/Non-compliance
45.		24	Doubtful expenditure on flex, sign board, banners / advertisement -	94,500	Irregular/Non-compliance

Sr. #	Formation	AP #	Description of Paras	Amount (Rs)	Nature of Paras
46.		25	Doubtful Payment on various Purchases -	73,850	Irregular/Non-compliance
47.		26	Expenditure on purchases	44,995	Irregular/Non-compliance
48.	TMA, Nowshera Virkan	01	Non-deduction of Harrow Sand	200,680	Irregular/Non-compliance
49.		02	Non-deduction of Shrinkage charges	220,677	Non-deduction of Harrow Sand
50.		04	Doubtful expenditure on purchase of plants -	99,250	Inter Control Weaknesses
51.		05	Irregular expenditure on purchase Hand Trolleys - Rs.105,000	105,000	Irregular/Non-compliance
52.		06	Irregular expenditure on repair - Rs.39,650	39,650	Internal Control Weaknesses
53.		09	Irregular expenditure on Kerry	96,000	Irregular/Non-compliance
54.		10	Less recovery of receipts	322,844	Internal Control Weaknesses
55.		13	Un-authentic Govt. receipt due to non-conduction of survey of manufacturer, vendor and trader -	200,000	Irregular/Non-compliance
56.		14	Loss to Government	200,000	Irregular/Non-compliance
57.		15	Non-auction of removed material	50,000	Irregular/Non-compliance
58.		TMA, Wazirabad	02	Excess payment earth filling	111,135
58	03		Irregular generation of liabilities Rs30.923 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

PART-II

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

Sr. #	Formation	AP #	Description of Paras	Amount (Rs)	Nature of Pars
1.	TMA, Aroop Town	06	Non-reconciliation of expenditure	144,590,000	Internal Control Weaknesses
2.		07	Un-authentic receipts due to non-conduction of survey	1,762,100	Internal Control Weaknesses
3.		02	Non-achievement of receipt targets	997,200	Irregular/Non-compliance
4.		16	Non-recovery of penalty due to delay	406,900	Internal Control Weaknesses
5.		11	Un-justified drawl of POL	389,862	Irregular/Non-compliance
6.		14	Irregular Expenditure	338,000	Irregular/Non-compliance
7.		12	Likely embezzlement on sale of trees	166,000	Internal Control Weaknesses
8.		08	Un-justified drawl of POL	142,319	Irregular/Non-compliance
9.		09	Non-recovery of planning fee arrear	140,00	Internal Control Weaknesses
10.		17	Less deduction of shrinkage charges	101,872	Internal Control Weaknesses
11.		18	Excess payment	76,228	Internal Control Weaknesses
12.		05	Non-recovery of arrear of license fee	69,800	Internal Control Weaknesses
13.		01	Non-deduction of conveyance allowance	59,520	Internal Control Weaknesses
14.	TMA, Kamoki	06	Un-authentic receipts due to non-conduction of survey	410,100	Internal Control Weaknesses
15.		07	Irregular payment without steel testing	399,777	Internal Control Weaknesses
16.		09	Doubtful payment on earth filling	330,454	Irregular/Non-compliance
17.		10	Unjustified payment to contractor	322,428	Irregular/Non-compliance
18.		12	Irregular payment on measal campaign	199,750	Irregular/Non-compliance
19.		14	Over payment to contractor	197,647	Internal Control Weaknesses
20.		15	Excess payment of earth filling	144,961	Internal Control Weaknesses
21.		16	Non-collection of professional tax	65,000	Internal Control Weaknesses
22.		10	Doubtful recovery of Govt receipts	177,532,000	Irregular/Non-compliance
23.		03	Unauthorized payment to contractor	2,146,490	Internal Control Weaknesses
24.		16	Non-maintenance of receipts accounts	914,160	Internal Control Weaknesses

Sr. #	Formation	AP #	Description of Paras	Amount (Rs)	Nature of Pars
25.	TMA, Khiali Shah Pur	05	Irregular payment to contractor	842,422	Irregular/Non-compliance
26.		01	Unauthorized purchase	4,905,000	Irregular/Non-compliance
27.		06	Doubtful payment to contractor	721,554	Irregular/Non-compliance
28.		12	Unauthorized payment for hire charges	262,940	Irregular/Non-compliance
29.		18	Non-recovery of arrear of House tax	262,891	Internal Control Weaknesses
30.		13	Over payment for over head charges	144,467	Internal Control Weaknesses
31.		19	Doubtful collection	137,064	Irregular/Non-compliance
32.		14	Unjustified payment on earth filling	111,991	Irregular/Non-compliance
33.	TMA, Nowshera Virkan	14	Non-reconciliation of expenditure	160,874,000	Internal Control Weaknesses
34.		21	Irregular provision of block allocation	120,686,000	Irregular/Non-compliance
35.		23	Un realistic estimates	16,145,000	Internal Control Weaknesses
36.		03	Irregular expenditure on tentage	981,312	Irregular/Non-compliance
37.		17	Less recovery of receipt targets	903,966	Internal Control Weaknesses
38.		10	Irregular payment to contractor	611,250	Irregular/Non-compliance
39.		05	Irregular expenditure on purchase of diesel	564,814	Irregular/Non-compliance
40.		06	Irregular expenditure on purchase	490,205	Irregular/Non-compliance
41.		07	Overpayment to contractor	353,127	Internal Control Weaknesses
42.		20	Unjustified drawl of POL	332,121	Irregular/Non-compliance
43.		19	Un-authentic receipts due to non-conduction of survey	173,300	Internal Control Weaknesses
44.		04	Irregular purchase of Sullage Pump	166,100	Irregular/Non-compliance
45.		09	Non-collection of professional tax	47,000	Internal Control Weaknesses
46.		11	Non-deduction of Shrinkage charges	36,039	Internal Control Weaknesses
47.		12	Unjustified payment on earth filling	30,752	Irregular/Non-compliance
48.	TMA, Qila Deedar Singh	12	Non-reconciliation of expenditure	118,891,000	Internal Control Weaknesses
49.		17	Irregular payment on daily wages	3,460,000	Irregular/Non-compliance
50.		07	Irregular expenditure on tentage	1,673,237	Irregular/Non-compliance
51.		13	Un-authentic receipts due to non-conduction of survey	1,112,756	Internal Control Weaknesses
52.		09	Doubtful expenditure on hiring of machinery	1,095,000	Internal Control Weaknesses

Sr. #	Formation	AP #	Description of Paras	Amount (Rs)	Nature of Pars
53		10	Non-collection of fine	395,000	Internal Control Weaknesses
54		01	Irregular expenditure on main holes	324,002	Irregular/Non-compliance
55		11	Non-recovery of arrear of license fee	290,250	Internal Control Weaknesses
56		14	Non-recovery of performance security	191,436	Internal Control Weaknesses
57		06	Doubtful repair of vehicle	163,256	Irregular/Non-compliance
58		02	Doubtful expenditure on repair of transformer	103,700	Internal Control Weaknesses
60	TMA, Nandi Pur Town	19	Non-reconciliation of expenditure	103,240,000	Internal Control Weaknesses
61		02	Undue retention of money in DDO bank	2,895,005	Internal Control Weaknesses
62		04	Irregular drawl of contract	1,756,000	Irregular/Non-compliance
63		01	Irregular cash disbursement	1,334,749	Irregular/Non-compliance
64		10	Un-authentic receipts due to non-conduction of survey	609,475	Internal Control Weaknesses
65		07	Doubtful repair of vehicle	508,948	Irregular/Non-compliance
66		08	Irregular expenditure on Sports Festival	94,782	Irregular/Non-compliance
67		14	Irregular expenditure	73,523	Irregular/Non-compliance
68		12	Non-recovery of license arrear	71,200	Internal Control Weaknesses
69		19	Overpayment to contractor	64,788	Internal Control Weaknesses
70		18	Unjustified payment	46,192	Irregular/Non-compliance
71		16	Non-recovery of departmental charges	36,000	Internal Control Weaknesses
72		13	Overpayment to contractor	27,302	Internal Control Weaknesses
73		TMA, Wazirabad	03	Irregular Expenditure on previous year liability	3,199,040
74	08		Irregular expenditure on hiring of tentage	835,694	Irregular/Non-compliance
75	09		Doubtful expenditure on Advertisement	754,796	Internal Control Weaknesses
76	12		Irregular expenditure on Entertainment	450,840	Irregular/Non-compliance
77	13		Doubtful expenditure on water supply	438,133	Irregular/Non-compliance
78	15		Non-recovery of rent of shops	103,753	Internal Control Weaknesses
79	16		Wasteful expenditure	85,256	Internal Control Weaknesses

**TMA of Gujranwala District
Budget and Expenditure
Financial Year 2013-14**

1. TMA, Nowshera Virkan*(Rs. in millions)*

Head	Budget	Expenditure	Excess / Savings	%age	Comments
Salary	45.715	42.902	2.813	6	-
Non Salary	70.202	67.917	2.285	3	-
Development	74.049	66.563	7.487	10	-
Total	189.966	177.382	12.584	7	-

2. TMA, Kamonke

Head	Budget	Expenditure	Excess / Savings	%age	Comments
Salary	13.280	12.195	1.085	8	-
Non Salary	10.000	9.563	0.437	4	-
Development	33.658	32.114	1.544	5	-
Total	56.938	53.872	3.066	5	-

3. TMA, Wazirabad

Head	Budget	Expenditure	Excess / Savings	%age	Comments
Salary	255.880	179.830	76.050	30	-
Non Salary	170.590	119.860	50.730	30	-
Development	11.775	8.520	3.255	28	-
Total	438.245	308.210	130.035	30	-

4. TMA, Khiali Shah Pur

Head	Budget	Expenditure	Excess / Savings	%age	Comments
Salary	63.150	50.484	12.666	20	-
Non Salary	34.477	32.215	2.262	7	-
Development	78.400	22.640	55.760	71	-
Total	176.027	105.339	70.688	40	-

5. TMA, Aroop Town

Head	Budget	Expenditure	Excess / Savings	%age	Comments
Salary	76.462	69.100	7.362	10	-
Non Salary	37.785	31.740	6.045	16	-
Development	145.400	90.750	54.650	38	-
Total	259.647	191.590	68.057	26	-

Grand Total	1120.823	836.393	-284.430	25	-
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Annex-C
Para 1.2.1.1

A. Non-Production of Record - Rs12.875 million

TMO Branch		
Head of Account	Amount (Rs)	Reasons
Pay and allowaces	7,958,649	Paid vouchers, service books, DDO bank statement
Financial Assistance	300,000	Paid vouchers, succession certificate, service book
Postage	40,000	Postage register, Paid vouchers etc
Telephone & Cals	88,433	Paid vouchers, Telephone register etc
Others	24,100	Paid voucher, stock register etc
T.A	5,600	Paid voucher, approved tour programe, tour dairy tour notes etc
POL	366,708	Paid voucher, log book tour dairy notes, mileage certificate etc
Stationary	61,187	Paid voucher, stock register, consumption record, indents etc
HBA	300,000	Paid voucher, recovery register, approval
Transport Repair	30,242	History sheet of the vehicle, driver report, NOC by motor vehicle examiner report old parts register, paid vouchers etc
Total	9,174,919	
TO (P&C), Branch		
CCB Liability	2,000,000	Approval of the schemes, Estimates of the works, CCB records, CCB bank statement, reason for late execution, Measurement Book, Paid vouchers etc
Deposit Work	1,700,000	Detail of works, Paid vouchers, M,Bs Estimates etc
Total	3,700,000	
TO (Regulations) Branch		
Transfer grant of Haider Ali Chattha TO (R)	54,400	Drew full grant therefore Transfer orders, family shifting evidence, luggage charges receipt, approval, voucher
Transfer grant of Arif Tufail TO (R)	56,425	Drew full grant therefore Transfer orders, family shifting evidence, luggage charges receipt, approval, voucher
Total	110,825	
Grande Total	12,874,919	

B. Non-Production of Record (Development) - Rs.21.912 million

Sr.#	Name of schemes	Agreement Amount (Rs)
1	Construction of Street Gulzar-i-Madina wali Samanabad.	1,176,000
2	Const: of PCC Street Rasta Faz Alam Town from (Doctor Nasir)	760,000
3	Const: of PCC Streets Civil Line.	2,233,530
4	Const: of Street No.2, 5 Farooq-i-Azam Road Suianwala Khhoo.	1,544,400
5	Const: of PCC Sewer Line Street Saddique Mehar wali etc. Jagna.	1,185,000
6	Const: of Gala Bau Khalid wala Dhullay from Syed Pak Bazar to Residence of Shaukat Butt.	1,963,150
7	P/Laying Sewer Line, PCC etc Graveyard Road Jagna.	1,975,000
8	Const: of Street Haji Sardar wali & Road Chowk Chardi Masjid to	809,104

Sr.#	Name of schemes	Agreement Amount (Rs)
	Janazgah Dhullay.	
9	Const: of PCC & Drains Streets etc. Lohianwala.	1,952,500
10	Const: of PCC & Laying Sewer Line Street Deen-e-Rehmat Masjid wali Imran Colony Katcha Fatomand.	1,808,537
11	Const: of PCC Drains Street Asghar Mehar wali Master Mansha etc.	879,900
12	Const: of Street No.7 Mustafa Colony Sui Gas Road Gujranwala.	225,000
13	Providing & Fixing Fiber Glass Sheet wall thickness 12mm Steel frame work 1.5x1.5 inches 16 gauge fiber glazing paint as per drawing steel paint with frame Electric Work With spot light 99 Name of Allah Mighty Allah size 9x9 inches Total complete with fitting with carriage etc. and Const: of Brick Work Wall 40' long as per required site etc. along G.T Road West Side near Al-Falah Bank.	2,350,000
14	Re-Construction of Boundary Wall Westorn Side of Gulshan Iqbal park.	1,700,000
15	Providing & Lyaing Tuff Tile Munji Ground College Road.	1,350,000
Total		21,912,121

Annex-D
Para 1.2.1.2

Non-recovery of performance security - Rs4.602 million

Sr. #	Name of schemes	Estimate Cost (Rs)	Name of Contractor	Below Percentage	Performance security (Rs)
1	Const: of Gali from Allied School to Educator School A-Block Model Town.	1,416,200	Tariq Mehmood Goraya	25%	354,050
2	Const: of Streets Munir Mughal wali, Gifto Fan wali, Abdul Rasheed Mehar wali & Gali Noor Chaki wali etc. Rajkot.	2,500,000	-do-	25%	625,000
3	Construction of Street Gulzar-i-Madina wali Samanabad.	1,568,000	-do-	25%	392,000
4	Const: of Road from Chowk Afaq Genenral Store to Chwok Bawa Saeed Road Dhullay	1,200,000	-do-	22.40%	268,800
5	Const: of PCC Streets Malak Jamil, Gulzar Shah, Hafiz Iman, Mohammad Sabar Khan etc. Gulzar Colony.	2,000,000	-do-	24.20%	484,000
6	Construction of Street Bilal Masjid wali and Street No.5 Zahid Colony.	2,434,000	-do-	25%	608,500
7	Const: of PCC Drains Street Riasat Chaki/ Sheikh Anees wali and Master Ajmal wali etc. Gulzar Colony.	2,000,000	-do-	24.07%	481,400
8	Const: of PCC Drains Street Ghulam Qadar, Abdul Rouf Khokhar, Nasir Sandhu etc. Jalal Blagan.	2,000,000	-do-	23.75%	475,000
9	Const: of Mian Gala Rabbani Town.	2,500,000	-do-	25%	625,000
10	Const: of Streets Climax Garden.	1,155,000	-do-	25%	288,750
Total					4,602,500

Annex-E

Para 1.2.2.3

Non-imposition of penalties for delayed work – Rs3.208 million

Sr.#	Name of Scheme	Agreement Cost (Rs)	Name of Contractor	Physical progress	10 % Penalty (Rs)
1	Providing / Fixing Dust Bins and Sitting Benches & T&P Gulshan Iqbal Park.	800,760	Rana Shabir Hussain	Work in progress	80,076
2	Const: of PCC Street Pipan wali Usman Colony.	90,541	Imran Yousaf	-do-	9,054
3	Repair of Road Beta Fain Khokharki from Factory Shaikh Naeem to Sindhu Milk Point.	2,368,926	H.Chohan Builder	-do-	236,893
4	Const: of PCC Road Khawaja Akram wali from Lady Park to Gondlanwala Road. (Meer Maqsood).	2,668,000	Asif Khan	-do-	266,800
5	Const: of PCC Gali Rana Ashiq wali etc Faisal Town Sui Gas Road.	810,000	Rouf Aziz & Co	-do-	81,000
6	Const: of Nallah & Providing / Laying Sewer Line PCC Main Bazar Rasta Jamia Masjid Gulzar-e-Madina (Gumbad wali) Lohianwala.	6,515,075	Muhammad Arshad	-do-	651,507
7	Laying of Sewer PCC Street No.1 to Meray wala Khoo (Taranwala Gala) Barkat Colony.	1,300,000	Rana Shabir Hussain	-do-	130,000
8	Const: of PCC Street No.3 Sui Gas Road	400,000	Rana Shabir Hussain	-do-	40,000
9	Const: of Link Road Street No.6 & Street No.8 Sui Gas Road.	500,000	Shahid Hassan	-do-	50,000
10	Const: of PCC Usman Colony Sialkot Road.	1,000,000	Shahid Builders &	-do-	100,000
11	Const: of Street Sewer & Tuff Tile Street No.5 Gobind Garh.	1,000,000	Muhammad Ashraf	-do-	100,000
12	Const: of Streets & Drains Buttranwali.	1,421,000	Waqas Builders	-do-	142,100
13	Const: of PCC & Drains Butteranwali.	1,000,000	Raja Muhammad Zahid	-do-	100,000
14	Const: of Street House Idrees Malik wali Lodhi Town.	450,000	Shahid Builders &	-do-	45,000
15	Const: of PCC Street Anwar Warriach wali Ameer Park.	500,000	Malak Enterprizis	-do-	50,000
16	Const: of PCC & Sewerage Parvaz Jatt wali Fatomand.	1,000,000	Moon Star Construction Company	-do-	100,000
17	P/L Kerb Stone & Tuff Tiles Paver and P/F Barbed wire etc. in front of Facilitation Center G.T Road Gujranwala.	1,055,000	Rouf Aziz & Co	-do-	105,500
18	P/L Kerb Stone & Tuff Tiles etc. Dastgir Chowk.	1,736,000	Rouf Aziz & Co	-do-	173,600
19	Const: of Drains & PCC Gala Olympia Packages Sialkot Bypass.	2,150,000	Rana Shabir Hussain	-do-	215,000
20	Const: of Lawn Tennis Court and Balance work at Basket Ball court Sports Complex Jinnah Road Grw.	4,265,000	Muhammad Arshad	-do-	426,500
21	Const: of Table Tennis Hall (Balance Work) Sports Complex Jinnah Road Gujranwala.	1,050,000	Muhammad Ashraf	-do-	105,000
Total		32,080,302			3,208,030

Annex-F
Para 1.3.1.1

Doubtful expenditure on sports items - Rs1.033 million

Contractor Name	Item Name	Qty & Rate (Rs)	Cost (Rs)
M.K.K & Co (Govt. Contractor) Work Order No 21, dated 18-01-14	Shield for Chief Guest	8 x 2800	22,400
	Certificate for Players	100 x 55	5,500
	Fun Race Shirts	100 x 395	39,500
	Track Suit for officials	25 x 2,200	55,000
	Track Suit / Trousers for Players	175 x 2,200	385,000
	Nicker Shirts for Players	50 x 2,200	110,000
	Joggers	175 x 2,200	385,000
	Hand Ball	36 x 350	12,600
	Tennis Ball	36 x 95	3,420
	Neto Tape	40 x 39	1,560
	GT Hockey Ball	9 x 600	5,400
	Shuttle Cock	9 x 600	5,400
	Racket	2 x 1,000	2,000
Total			1,032,780

Annex-G
Para 1.6.2.1

Non-imposition of penalty for delay in project – Rs 3.506 million

Sr. No	Name of Work	Contractor	Target Date	Physical Progress	Amount of Agreement (Rs)	10% penalty recoverable (Rs)
1	Imp of Molana Zafar Ali Khan Park Purani Siran at Wzd	Rauf Aziz & Co	04.05.2014	30%	3,076,700	307,670
2	Const of Drain PCC Dad Wali	Azeem Const	22.07.2014	80%	2,000,000	200,000
3	Const of Drain PCC Mattan	M Yaseen	22.05.2014	85%	500,000	50,000
4	Const of Drain PCC at Dhapai Ameer Singh	M Yaseen	22.05.2014	75%	500,000	50,000
5	Const of Drain PCC Bagrian Kona	Bukhari & Co	22.06.2014	60%	1,000,000	100,000
6	Const of Drain PCC Kot Yousaf	Azeem Const	22.07.2014	90%	1,000,000	100,000
7	Const of Drain PCC Mandial Chatha	Azeem Const	22.06.2014	30%	1,000,000	100,000
8	Const of Drain PCC Dera Shahid Chatha	Zubair Khan	22.05.2014	40%	500,000	50,000
9	Const of Drain Ullah PCC at Mancher Chatha	Rana Zahoor Elahi	22.06.2014	70%	1,200,000	120,000
10	Const of Drain PCC Ladday Wala Cheema	Shamshad Khan	22.06.2014	60%	1,500,000	150,000
11	Const of Drain PCC Boray Wali	Shamshad Khan	22.06.2014	50%	800,000	80,000
12	Const of Drain PCC Dil Muhammad Colony	Shamshad Khan	22.06.2014	50%	1,000,000	100,000
13	Const of Drain PCC Nallah at Darvaiskey	Shamshad Khan	22.07.2014	60%	2,000,000	200,000
14	Const of Drain PCC Nallah at Dhelam	Farkhan Shabbir	22.06.2014	80%	1,000,000	100,000
15	Const of Drain PCC Booma Bath	Shamshad Khan	22.05.2014	80%	600,000	60,000
16	Const of Drain PCC Nallah at Gillwala	Farkhan Shabbir	22.06.2014	40%	800,000	80,000
17	Const of Drain PCC Nallah at Chakan Wali	Ishtiaq Ahmed	22.05.2014	35%	500,000	50,000
18	Const of Drain PCC Nallah at Kot Jan Baksh	Ishtiaq Ahmed	22.05.2014	45%	500,000	50,000
19	Const of slaughter house wazirabad B/W	Shamshad Khan	22.07.2014	75%	2,000,000	200,000
20	Lying of tuff tiles Ghala Mandi Wzd	Ali Azam	22.05.2014	40%	249,700	24,970
21	Repair residence TO (I&S) Wzd	Rasheed Chohan	22.05.2014	65%	500,000	50,000

Sr. No	Name of Work	Contractor	Target Date	Physical Progress	Amount of Agreement (Rs)	10% penalty recoverable (Rs)
22	Const of Drain PCC Riasat Cheema Wali Ghakhar	Humair Traders	22.05.2014	50%	284,000	28,400
23	Const of Drain PCC Haji Nawaz Wali Dhunkal	Al-Murtaza	22.05.2014	55%	317,000	31,700
24	Const of Drain PCC Bohar Wala Ahmed Nagar	Ishtiaq Ahmed	22.06.2014	40%	668,000	66,800
25	Const of street Graveyard wali Ghakar	Azeem Const	22.06.2014	50%	700,000	70,000
26	Const of Drain PCC Maratababad Near Sar Walai	Abdul Rasheed	22.06.2014	35%	1,050,000	105,000
27	Const of Drain PCC Sohdra	Ali Azam	22.06.2014	40%	600,000	60,000
28	Const of footpath green belt and P/F Lights Molana Zafar Ali Chowk Wzd	Umar & Co	12.09.2014	45%	1,800,000	180,000
29	Repair road Bhattikey link road to Gulshan Colony Wzd	Z.A Const Co	12.08.2014	60%	1,278,000	127,800
30	Const of PCC Nullah Sialkot road to session court wzd	Shamshad Khan	12.09.2014	55%	2,640,000	264,000
31	Lying of tuff tiles manzoorabad	Bukhari Cont	12.07.2014	40%	500,000	50,000
32	Const of shops & Parking facilities near Lahori Gate Wzd	Umar & Co	12.09.2014	15%	3,000,000	300,000
Total					35,063,400	3,506,340