



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
TEHSIL MUNICIPAL ADMINISTRATIONS  
DISTRICT NANKANA SAHIB**

**AUDIT YEAR 2015-16**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS AND ACRONYMS**

ADP	Annual Development Programme
CCB	Citizen Community Board
DAC	Departmental Accounts Committee
EDO(W&S)	Executive District Officer (Works & Services)
FD	Finance Department
LG&CD	Local Government & Community Development
MFDAC	Memorandum for Department Accounts Committee
NAM	New Accounting Model
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCC	Plain Cement Concrete
PDG	Punjab District Government
PDSSP	Punjab Devolved Social Sector Programme
PLGO	Punjab Local Government Ordinance
PLG	Punjab Local Government
POL	Petrol, Oil and Lubricants
RCC	Reinforced Cement Concrete
RMR	Road Maintenance Register
TMA	Town/Tehsil Municipal Administration
TMO	Town Municipal Officer
TO (F)	Town/Tehsil Officer (Finance)
TO (I&S)	Town /Tehsil Officer (Infrastructure & Services)
TO (P&C)	Town /Tehsil Officer (Planning & Coordination)
TO (R)	Town /Tehsil Officer (Regulations)
TS	Technical Sanction
UIP	Urban Immoveable Property

## **PREFACE**

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 115 of the Punjab Local Government Ordinance, 2001 require the Auditor General of Pakistan to audit the accounts of the Provincial Governments and the accounts of any authority or body established by, or under the control of the Provincial Government. Accordingly, the audit of all receipts and expenditures of the Local Fund and Public Accounts of Tehsil / Town Municipal Administrations of the Districts is the responsibility of the Auditor General of Pakistan.

The Report is based on audit of accounts of various offices of Tehsil Municipal Administrations of District Nankana Sahib for the Financial Year 2013-15. 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 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 observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

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

The Audit Report is submitted to the Governor of the Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan 1973, so as 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 District Governments, Tehsil / Town Municipal Administrations and Union Administrations of nineteen (19) districts. Its Regional Directorate of Audit, Lahore has Audit jurisdiction of District Governments, TMAs and UAs of five districts i.e. Lahore, Kasur, Sheikhpura, Okara and Nankana Sahib.

The Regional Directorate of Audit Lahore had a human resource of 20 officers and staff with a total of 5,706 man days for utilization and annual budget of Rs 25.020 million for the Financial Year 2015-16. It had a mandate to conduct Financial Attest, Regularity Audit, Compliance with Authority and Performance Audit of programmes & projects. Accordingly, Directorate General Audit, District Governments Punjab (North), Lahore carried out audit of various offices of two TMAs of District Nankana Sahib for the Financial Years 2013-15.

Each Tehsil Municipal Administration in District Nankana Sahib conducts its operations under Punjab Local Government Ordinance, 2001. It comprises one Principal Accounting Officer (PAO) i.e. Tehsil Municipal Officer 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 Punjab Local Government Ordinance, 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 grants.

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

Audit of receipts / revenues was also conducted to verify whether the assessment, collection, reconciliation and allocation of revenues were made in accordance with laws and rules.

### a) **Scope of Audit**

Total expenditure of two out of three TMAs of District Nankana Sahib for the Financial Years 2013-15 under the jurisdiction of DG District Audit (North) Punjab was Rs 304.098 million covering two PAOs

and two formations. Out of this, the Directorate General Audit (North) Punjab audited an expenditure of Rs 174.529 million, which in terms of percentage, was 57% of the auditable expenditure.

Total receipts of two TMAs of District, Nankana Sahib for the Financial Years 2013-15 was Rs 315.290 million. Directorate General Audit, District Governments Punjab (North), Lahore audited receipts of Rs 277.008 million which was 72% of total receipts.

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

Recovery of Rs 43.490 million was brought into the notice of the executive. An amount of Rs 0.020 million was affected and verified during the year 2015-16, till the 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 their 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 in accordance with risks analyzed. Audit was planned and executed accordingly.

**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 the 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 TMAs of Nankana Sahib 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 without advertisement at PPRA website. Negligence on the part of TMA authorities may be captioned as one of important reasons for weak Internal Controls.

Section 115-A (1) of PLGO, 2001 empowers Nazim / Administrator of each TMA to appoint an Internal Auditor but the same was not appointed in TMAs of Nankana Sahib.

**f) Key audit findings of the report**

- i. Non-production of record of Rs 3.464 million in one case.<sup>1</sup>
- ii. Irregularity & Non-Compliance of Rs 65.472 million in fourteen cases.<sup>2</sup>
- iii. Recoveries of Rs 30.836 million in six cases.<sup>3</sup>

Audit paras for the Audit Year 2015-16 involving procedural violations including internal control weaknesses and poor financial management not considered worth reporting are included in MFDAC (Annex-A).

**g) Recommendations**

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

- i. The PAO needs to take appropriate action for non-production of record.
- ii. Departments need to comply with the Public Procurement Rules for economical and rational purchases of goods and services.
- iii. The PAO needs to make efforts for expediting the realization of various Government receipts.
- iv. Inquiries need to be held to fix responsibility for losses, unauthorized/irregular payments and wasteful expenditure.

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<sup>1</sup>Para 1.3.1.1

<sup>2</sup>Para 1.2.2.1-3, 1.2.2.5, 1.3.2.2-4, 1.3.2.8-12, 1.3.2.14, 1.3.3.1

<sup>3</sup>Para 1.2.2.4, 1.3.2.1, 1.3.2.5-7, 1.3.2.13

## SUMMARY TABLES & CHARTS

**Table 1: Audit Work Statistics**

Rs in million

Sr. No.	Description	No.	Budgeted Figure		
			Expenditure	Receipts	Total
1	Total Entities (PAOs) in Audit Jurisdiction	03	580.062	430.371	1010.433
2	Total formations in audit jurisdiction	03	580.062	430.371	1010.433
3	Total Entities (PAOs) Audited	02	304.098	315.290	619.388
4	Total formations Audited	02	304.098	315.290	619.388
5	Audit & Inspection Reports	02	304.098	315.290	619.388
6	Special Audit Reports	-	-	-	-
7	Performance Audit Reports	-	-	-	-
8	Other Reports	-	-	-	-

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

Rs in million

Sr. No.	Description	Amount Placed under Audit Observation
1	Asset Management	--
2	Weak Financial Management	30.836
3	Weak Internal Controls relating to Financial Management	65.472
4	Others	3.464
<b>Total</b>		<b>99.772</b>



**Table 3: Outcome Statistics**

Rs in million

Sr. No.	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total Current Year	Total Last Year
1	Outlays Audited	4.102	22.12	315.290	277.876	619.388	366.535
2	Amount Placed under Audit Observation / Irregularities of Audit	-	25.003	36.851	37.918	99.772	4.263
3	Recoveries Pointed Out at the instance of Audit	-	6.412	22.003	2.421	30.836	2.151
4	Recoveries Accepted /Established at the instance of Audit	-	6.412	22.003	2.421	30.836	2.911
5	Recoveries Realized at the instance of Audit	-	-	0.020	-	0.020	1.600

\* 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 304.098 million.

**Table 4: Irregularities Pointed Out**

Rs in million		
Sr. No.	Description	Amount Placed under Audit Observation
1	Violation of Rules and Regulations, principle of propriety and probity in public operation.	65.472
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	-
3	Accounting Errors (accounting policy departure from NAM <sup>1</sup> , 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.	-
5	Recoveries and overpayment, representing cases of established overpayment or misappropriations of public monies.	30.836
6	Non-production of record.	3.464
7	Others, including cases of accidents, negligence etc.	-
<b>Total</b>		<b>99.772</b>

**Table 5: Cost-Benefit**

Rs in million		
Sr. No	Description	Amount
1	Outlays Audited (Items 1 of Table 3)	619.029
2	Expenditure on Audit	1.317
3	Recoveries realized at the instance of Audit	0.020
4	Cost Benefit Ratio	1:0.015

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<sup>1</sup>The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan.

## **CHAPTER-1**

### **1.1 TEHSIL MUNICIPAL ADMINISTRATIONS, NANKANA SAHIB**

#### **1.1.1 Introduction**

TMA consists of Tehsil Nazim / Administrator, Tehsil Naib Nazim and Tehsil Municipal Officer. Each TMA comprises of five Drawing & Disbursing Officers i.e. TMO, TO-Finance, TO-I & S, TO-Municipal Regulation, and TO-P & C. As per section 54 of PLGO, 2001, the main functions of TMAs are as following:

- i. Prepare spatial plans for the Tehsil including plans for land use, zoning and functions for which TMA is responsible.
- ii. 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.
- iii. Enforce all municipal laws, rules and bye-laws governing TMAs 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 Tehsil Municipal Administration.
- viii. Develop and manage schemes, including site development in collaboration with 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.

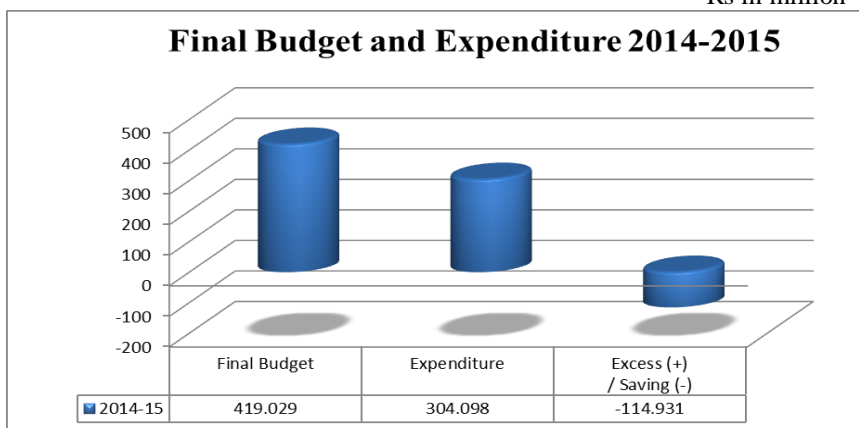
### 1.1.2 Comments on Budget and Accounts (Variance Analysis)

Total Budget of TMAs of District Nankana Sahib was Rs 419.029 million (inclusive of Salary, Non-salary and development) whereas the expenditure incurred (inclusive of Salary, Non-salary and development) was Rs 304.098 million showing savings of Rs 114.931 million which in terms of percentage was 27% of the final budget as detailed in (**Annex-B**). Less utilization of development budget (27%) deprived the community from getting better municipal facilities as detailed below:

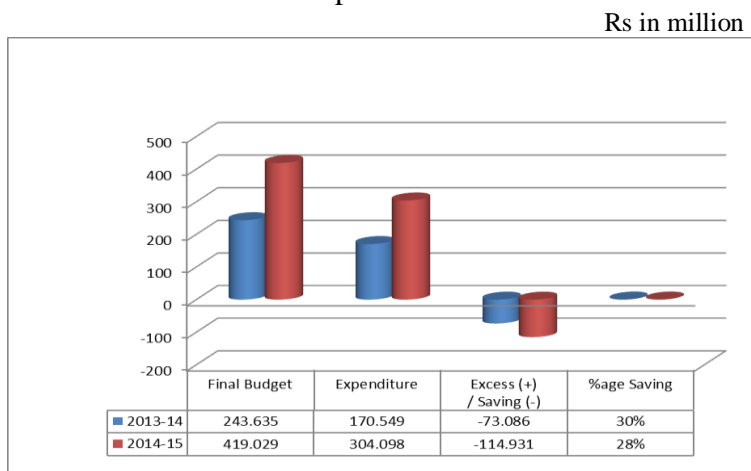
(Rs in million)

<b>F.Y. 2014-15 and 2013-14</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Saving</b>	<b>%age of Saving</b>
Salary	211.464	159.417	52.047	25
Non Salary	144.847	98.702	46.145	32
Development	62.718	45.979	16.739	27
<b>Total</b>	<b>419.029</b>	<b>304.098</b>	<b>114.931</b>	<b>27</b>

Rs in million



The comparative analysis of the budget and expenditure of current and previous Financial Year is depicted as under:



There was savings in the budget allocation of the Financial Years 2013-14 and 2014-15 as follows:

Rs in million

Financial Year	Budget	Expenditure	(+) Excess (-) Saving	%age of Saving
2013-14	243.635	170.549	-73.086	30%
2014-15	419.029	304.098	-114.931	28%

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

### 1.1.3 Brief Comments on the Status of Compliance on MFDAC Audit Paras

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. No.	Audit Year	No. of Paras	Status of PAC meetings
1	2009-12	09	Not convened
2	2012-13	02	Not convened
3	2013-14	26	Not convened
4	2014-15	03	Not convened

# **1. AUDIT PARAS**

## **1.2 TMA NANKANA SAHIB**

## 1.2.2 Irregularities and Non-compliance

### 1.2.2.1 Irregular accord of Technical Sanction -Rs 11.304 million

Finance Department, Government of the Punjab vide letter No. FD(FR)11-5/82 dated 2.04.2002 stated that Governor of the Punjab has approved the following authorities for the grant of Technical Sanction:

- i. TO (I&S) of (BS-18) of District Headquarter TMA up to Rs 5.0 million
- ii. All schemes of other TMAs in the District up to Rs 5.0 million will be submitted to TO(I&S) of District Headquarter TMA, whereas schemes exceeding Rs 5.0 million and up to Rs 20.0 million will be submitted to EDO (W&S) of the concerned district for Technical Sanction.

TO (I&S) of (BS-17) of TMA Nankana Sahib obtained Technical Sanction of the following schemes from Chief Engineer LG&CD Department instead of from EDO (W&S) Nankana Sahib in violation of the clear direction of the Finance Department as detailed below:

(Rs in million)		
Scheme	TS accorded by	Estimated cost
Const. of culverts and Earth Filling in Halqa PP-174	Chief Engineer LG&CD Department Lahore	2.010
Supply of goods sanitation & sewerage Nankana Sahib	-do-	1.910
Installation of tube well at lady park	-do-	4.389
Const. of Nallah Muhallah Sultan Pura Qazi Warbuton Nankana Sahib	-do-	2.995
<b>Total:-</b>		<b>11.304</b>

Audit holds that due to management lapse and weak internal controls, Technical Sanction was obtained from irrelevant authority.

This resulted in irregular expenditure of Rs 11.304 million.

The matter was reported to Management in February 2016. In DAC meeting held on 10.03.2016, it was replied that Chief Engineer directed the department to get the works approved from his office. Audit was of the view that as per FD's letter dated 02-04-2002, the next authority to TO (I&S) was EDO (W&S) and the schemes in question would have been got approved from EDO (W&S). DAC directed the department to get the matter regularized.

Audit recommends seeking regularization of the expenditure in the



manner prescribed besides fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para No.4)

### 1.2.2.2 Execution of PCC Work without Strength Quality Test Reports - Rs 3.270 million

As per Section 511-4(a)(b)(c) of Book of Specification, prior to start of works, contractor will carry out test of soils to be used to determine the exact percentage of cement to be used in consultation with engineer.

TMA Nankana Sahib executed following PCC schemes at a cost of Rs 3.270 million without having following quality strength test reports during 2014-15;

- i. No soil test report before execution of work was obtained by the contractors and similarly PCC item 1:7:20, 1:2:4 and 1:6:12 were advised without any consultation.
- ii. Five cylindrical pieces test and laboratory report was not obtained regarding the mean strength of the PCC i.e.

Sr. No.	Name of project	Amount (Rs in million)
1.	Const. of PCC Nullah & Drain Dara Haji Salabat Ali Kot Ameer Ali Mandi Faiz Abad Nankana Sahib	0.687
2.	Const. of PCC sewerage St. Near Madrasa Dar ul Alum Madina Mohallah Rehmania Nankana Sahib	0.799
3.	Const. of drain, PCC Chhind pur Gali Hakeem Khuwaja Fayaz	0.427
4.	Const. of Drain PCC St. Masjid Alhadic near Bus Stand	0.499
5	Rough cost estimate for const. of Drain, Nullah & PCC Flooring at Kot Amir Ali Tehsil & District Nankana Sahib	0.858
<b>Total</b>		<b>3.270</b>

Audit holds that due to mismanagement and weak internal controls PCC works were executed without observing stipulated criteria.

This resulted in irregular expenditure without fulfillment of codal formalities.

The matter was reported to Management in February 2016. In DAC meeting held on 10.03.2016, it was replied that there was no need of soil testing for drains etc. and that it was needed only for heavy earthwork in embankment. Further cylindrical PCC test and lab test report were

carried out. Reply was not accepted as soil test report was not produced. DAC directed the department to expedite the production of withheld record. No compliance was reported till finalization of this report.

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

(AIR Para No.10)

### **1.2.2.3 Unauthorized Expenditure on Non-scheduled Item- Rs 2.957 million**

According to FD's letter No.RO (Tech) FD.18-23/2004 dated 21<sup>st</sup> September 2004, standardized analysis shall be used to work out the rate of an item from input rate. A copy of analysis shall be sent to Technical Cell of Finance Division for standardization. Moreover, Para 4(iii & iv) of CSR (now MRS) states that the rates for various components of the non-scheduled items of work shall be based on CSR 1998 Vol-III, Part-II, 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 Chief Engineer for non-Scheduled items shall be sent to the Secretary, Standing Rates Committee.

TO (I&S), TMA Nankana Sahib made payment of Rs 2.957 million on account of non-scheduled items during 2014-15. Analysis and approval of composite rates was not obtained from Superintending Engineer and sent to Secretary Standing Rates Committee in violation of above directions as detailed below:

<b>Sr. No.</b>	<b>Work</b>	<b>Contractor</b>	<b>Technical Sanction (Rs)</b>	<b>Items</b>	<b>Amount (Rs in million)</b>
1.	Beautification and Improvement of Parks City Nankana Sahib	M. Sarfraz Ahmed	810,000	Plants	0.791
3	Special Repair of disposal pump Kot Sanat Ram	Mohammad Aslam Ansari	2,500,000	Sullage pump	1.816
4	Improvement of parks Nabbi pur Parrian Nankana Sahib	N.M Javid	350,000	Misc. items	0.350
<b>Total:</b>					<b>2.957</b>

Audit was of the view that due to weak financial management payment of non-scheduled items were made by violating the standing instructions.

This resulted in unauthorized payment without approval of rate analysis Rs 2.957 million

The matter was reported to Management in February 2016. In DAC meeting held on 10.03.2016, it was replied that approval for non-scheduled items included in the estimate was obtained from EDO (W&S). The reply was not accepted because approval of Chief engineer was required for non-scheduled items. DAC directed the department for regularization. No compliance was reported till finalization of this report.

Audit recommends regularization of the expenditure in the manner prescribed besides fixing responsibility against the persons at fault under intimation to Audit.

(AIR Para No.3)

#### **1.2.2.4 Unauthorized Payment to Punjab Local Government Board - Rs 2.421 million**

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

TMA Nankana Sahib transferred an amount of Rs 2.421 million to Punjab Local Government Board (PLGB) as contribution during 2014-15. The payment was made on the direction of Secretary PLGB Lahore in violation of above rule as detailed below;

<b>Date</b>	<b>Cheque No.</b>	<b>Particulars</b>	<b>Amount (Rs in million)</b>
03.12.2014	C980618	Subscription to PLGB	0.973
19.02.2015	C980695	Subscription to PLGB 2014-15	1.448
<b>Total:-</b>			<b>2.421</b>

Audit holds that due to poor internal controls and mismanagement amount was transferred to PLGB Lahore without the approval of Finance Department, resulting in un-authorized payment of Rs 2.421 million.

This resulted in irregular payment in violation of PLGO.

The matter was reported to Management in February 2016. In DAC meeting held on 10.03.2016, it was replied that payment was made on the demand of the PLGB, Lahore. DAC directed that no local government shall transfer monies to a higher level except by way of repayment of debts contracted before coming into force as per Section 109(3) of PLGO, 2001. DAC further directed to get the matter clarified from Secretary Finance Department. DAC directed the department to get

the matter clarified. No compliance was reported till finalization of this report.

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

(AIR Para No.7)

#### **1.2.2.5 Irregular Purchase of Store Items - Rs 1.915 million**

According to the Government of the Punjab, Finance Department letter No. RO (Tech) FD-18-29/2004 dated 03-03-2005, store items are required to be purchased as per the procedure prescribed in the Purchase Manual and additional profit and overhead charges are prohibited on account of purchase of store items. As per Rule 4 of PPRA 2014, a procuring agency while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

During audit of TMA Nankana Sahib, scrutiny of payment record of store items revealed that an expenditure of Rs 1.915 million was incurred through adopting the procedure of awarding works to contractors by adding to price estimation inadmissible additional contractor's profit and overhead charges instead of adopting procedure prescribed in PPRA.

Audit holds that incurring of expenditure without adopting PPRA Rules was due to defective financial discipline and weak internal controls.

This resulted in not only irregular expenditure of Rs 1.915 million but also over payment of Rs 0.319 million at the expense of the Local Fund. **Annex-C**

The matter was reported to Management in February 2016. In DAC meeting held on 10.03.2016, it was replied that the manufacturing firms did not submit their rates for Restoration of Water Treatment Plants and the rates of non-scheduled items were obtained on lowest market rates. Audit did not agree with this point as the realistic estimation was not made. DAC directed the department for regularization.

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

(AIR Para No.5)

## **1.3 TMA SANGLA HILL**

### 1.3.1 Non-production of Record

#### 1.3.1.1 Non-production of Record -Rs 3.464 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, 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.

Management of TMA Sangla Hill did not provide the auditable record relating to expenditure to the tune of Rs 3.464 million for audit scrutiny. The requisite record like Administrative Approval, Technical Sanction, Tender Documents, Agreements, Completion Reports and relevant MBs was not provided for audit verification in violation of the rule *ibid*.

Token No.	Date	Head of Expenditure	Amount (Rs in million)
17	18-7-2014	Repairing Tube well	0.430
20	18-7-2014	Sewerage	0.800
23	18-7-2014	Pipes in the name of Aftab Hussain	0.416
25	18-7-2014	Disposal work	0.192
648	20-3-2015	PCC Old railway station	1.162
11	18-7-2014	Repair of road	0.130
14	18-7-2014	Repair of boundary wall	0.334
<b>Total</b>			<b>3.464</b>

Audit was of the view that relevant record was not maintained and hence not produced to Audit for verification which may lead to misappropriation and misuse of public resources.

This resulted in non-production of record valuing Rs 3.464 million.

The matter was reported to the TMO/PAO in February 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

Audit recommends that matter be inquired into and responsibility be fixed against the delinquent officers/ officials for non-production of record so as to ensure prompt submission of record to audit for scrutiny.

(AIR Para No.1)

## **1.3.2 Irregularities and Non-compliance**

### **1.3.2.1 Non-recovery of Shop Rent due to Non-auction-Rs 13.572 million**

According to the Rule 76 (1) of The Punjab District Government & TMA (Budget) Rules 2003, the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head.

TMA Sangla Hill did not auction 288 number of shops during the Financial Year 2013-14 and 2014-15 as detailed below;

<b>Year</b>	<b>Description</b>	<b>Amount (Rs in million)</b>
2013-14	288 shops (288*1870*12)	6.463
2014-15	288 shops (2057*288*12)	7.109
<b>Total</b>		<b>13.572</b>

Audit holds that due to defective financial management and weak internal controls shops were not auctioned.

This resulted in loss of Rs 13.572 million to the public exchequer.

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

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

(AIR Para No.2)

### **1.3.2.2 Doubtful Payment due to Want of Acknowledgement- Rs 11.142 million**

According to Rule 2.22 of P.F.R Vol-I, every voucher should bear or have attached to it an acknowledgement of payment signed by the person by whom or in whose behalf, the claim is put forward. This acknowledgement would always be taken at the time of payment. As per Rule 4.49 of Sub Treasury Rules, payments of Rs 100,000 and above to contractors and suppliers shall not be made in cash by the Drawing and Disbursing Officers. As per Para 4.2.9.4 of Accounting Policies and Procedure Manual, payment of approved claims must be made only to the claimant as indicated on the claim voucher.

TMA Sangla Hill made payment of Rs 11.142 million to the vendors in cash instead of crossed cheques without receipt of acknowledgement of payment. Moreover, Cheques were issued in favor of DDO instead of vendors.

Audit holds that due to weak financial controls payment was made in cash instead of cross cheques.

This resulted in doubtful payment of Rs 11.142 million.

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

Audit recommends fixing responsibility against the persons held responsible for cash payment and non-fulfillment of other codal formalities.

(AIR Para No.3)

### **1.3.2.3 Irregular Payment of Salaries to the Contingent Paid a Staff –Rs 7.200 million**

According to Rule 4(3)(v) of PDG & TMA (Budget) Rules 2003, the head of office is responsible for ensuring that the funds allotted are spent on the activities for which the money was provided. According to Finance Department letter No. FD. SO (GOODS)44-4/2011 dated 6<sup>th</sup> August, 2014, no contingent paid staff shall be appointed without obtaining prior approval of Finance Department to keep the expenditure strictly within the budgetary allocation. As per preface of Schedule of Wage Rates, 2007 issued by the Government of the Punjab Finance Department, the appointment of contingent staff may be made by competent authority subject to the following conditions;

- a) The posts shall be advertised properly in leading newspapers.
- b) The recruitment to all posts in the Schedule shall be made on the basis of merit specified for regular establishment vide para 11 the Recruitment policy issued by S&GAD vide No. SOR-IV (S&GAD) 10-1/2003 dated 17.09.2004.

TMA Sangla Hill drew Rs 7.200 million from the Local Fund for payment of salaries to daily wage staff / contingent paid staff during 2014-15 as detailed in (**Annex-D**). Expenditure was held irregular due to the following reasons:



- i) Money was drawn from accounting head pay of staff i.e regular budget instead of relevant head payment to contingent paid staff.
- ii) The prior approval of Finance Department was not obtained as the same was neither available on record nor shown to audit.
- iii) Staff was appointed without fulfilling codal formalities as mentioned in the recruitment policy referred above.
- iv) Payment was made without sanctioned strength to the contingent paid staff.
- v) Joining Report and attendance of the employees was also not provided to audit.

Audit holds that payment on account of contingent paid staff without approval and was made due to defective financial discipline and weak internal controls.

This resulted in irregular expenditure from the Local Fund to the tune of Rs 7.200 million.

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

Audit recommends fixing responsibility against the person(s) at fault besides disciplinary action against the incumbents under intimation to Audit.

(AIR Para No.4)

#### **1.3.2.4 Unauthorized Expenditure on POL and Repair-Rs 6.865 million**

According to Clause 48(1)(i) and 49 of Appendix 14-Miscellaneous Rulings relating to Contingent Charges of PFR Vol-II, the purchase and replacement of vehicles including commercial vehicles shall be made subject to the condition that the strength of vehicles in the Department shall be sanctioned by the Finance Department. The accounts of petrol, oil, lubricant and spare parts should be maintained separately for each vehicle. Full particulars of the journeys and distances between two places should be correctly exhibited. The purpose of journey indicating the brief particulars of the journey performed should be recorded. The term "official" is not sufficient. The officer using the vehicle should sign the relevant entries in the Log Book.

TMO Sangla Hill incurred Rs 6.865 million on purchase of POL and repair of transport during the Financial Years 2013-15. The expenditure was held unauthorized because no log books and history sheets were produced to the audit.

Sr. No.	Financial Year	Amount (Rs in million)
1	2013-14	3.905
2	2014-15	2.960
<b>Total</b>		<b>6.865</b>

Audit holds that relevant record was not maintained and hence not produced to Audit for verification which may lead to misappropriation and misuse of public resources.

This resulted in doubtful consumption of POL worth Rs 6.865 million.

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

Audit recommends recovery besides fixing responsibility for unauthorized payment.

(AIR Para No.5)

### **1.3.2.5 Non-recovery of Arrears of Shop Rent – Rs 5.431 million**

According to Section 118 of the PLGO 2001 read with Rule 12 of Punjab Local Government (Taxation) Rules 2001, failure to pay any tax and other money claimable under this ordinance shall be an offence and amount shall be recoverable as arrears of Land Revenue.

TMA Sangla Hill did not recover arrears of rent of shops amounting to Rs 5.431 million (**Annex-E**) from the defaulters during the Financial Years 2013-15.

Audit holds that non-recovery of arrears was due to defective financial discipline and weak internal controls causing non-recovery of arrears of Rs 5.431 million.

This resulted in non-receipt of arrear of rent of shops Rs 5.431 million

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

Audit recommends imposition of recovery besides fixing responsibility against the persons at fault under intimation to Audit.

(AIR Para No.6)

### **1.3.2.6 Loss due to Non-collection of Departmental Charges – Rs 4.236 million**

According to para 2.29 of B&R Code, Departmental Charges @ 12% was required to be recovered from the works executed on behalf of other departments.

TMA Sangla Hills developed Area in a Development Schemes Sangla Hills for Rs 35.297 million on behalf of Government of Punjab (Punjab Housing & Town Planning Agency Punjab) but the departmental charges @ 12% amounting to Rs 4.236 million was not recovered from the concerned department.

Audit holds that non-collection of departmental charges was due to defective financial management resulting in loss of Rs 4.236 million.

This resulted in non-receipt of departmental charges worth Rs 4.236 million

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

Audit recommends recovery besides fixing responsibility for non-recovery.

(AIR Para No.6)

### **1.3.2.7 Loss to Government due to Non-realization of Water Rates -Rs 3.00 million**

According to Rule 76 of PGD & TMA (Budget) Rules 2003, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head.

TMA Sangla Hill made payment on account of pay and allowances to tube well operators and staff related to operation of water supply. Scrutiny of record revealed that the complete infrastructure for supply of

water in the city was available but due to negligence of the management and poor management of resources, water was not supplied to the community. During visit of area, it was observed that private persons were collecting water from canal bank points developed by the PHE and were supplying the same to community and water charges were collected against this activity without remission in the Local Fund.

Number of connections in the community (Approximate)	5,000
Monthly Rate of water charges (Rs)	25
Annual Rate of water charges (Rs)	300
Loss per Financial Year (Rs in million)	1.500
Loss during FY 2013-15 (Rs in million)	3.00
	0

Audit holds that government resources were not utilized and remained idle due to protecting the business of private individual.

This resulted in loss of Rs 3.00 million to the government.

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

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

(AIR Para No.7)

### **1.3.2.8 Unauthorized Awards of Contracts- Rs 3.008 million**

According to Rule 25 of PLG (Auctioning of Collection Rights) Rules 2003, the contractor shall provide at least two sureties or bank guarantees equal to the amount of contract. The sureties and guarantor shall be personally responsible for payment of dues recoverable from the contractor in case of default. The local government shall be entitled to recover all dues from the sureties and guarantor in case of default on the part of contractor due to any reason whatsoever. All costs and consequential costs of legal proceedings shall also be recoverable from them. As per Rule 5(1) (i) of said Rules, for the contract of awarding of collection rights of an income, a public notice for conduct of an auction, in not less than two national daily newspapers, shall be published by the local government through the office of the Director General, Public Relations, Punjab at least seven days before the date of auction.

TMA Sangla Hill auctioned certain contracts for collection rights worth Rs 3.008 million (**Annex-F**) during 2013-15, award of contracts were held unauthorized because the contract was auctioned without

obtaining the Bank Guarantees. The attendance of auction committee was not produced to audit. Public notices for conduct of auctions were also not published in newspapers in violation of rule ibid.

Audit holds that due to poor management, auctions were made without fulfillment of codal formalities.

This resulted in award of contract by violating the procedure.

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

Audit recommends seeking regularization of the matter in the manner prescribed besides fixing responsibility against the persons at fault for not observing rules under intimation to Audit.

(AIR Para No.8)

### **1.3.2.9 Unauthorized Purchase of Pumping Machine and Manhole covers- Rs 2.192 million**

According to the Government of the Punjab, Finance Department letter No. RO (Tech) FD-18-29/2004 dated 03-03-2005, store items are required to be purchased as per the procedure prescribed in the Purchase Manual and additional profit and overhead charges are prohibited on account of purchase of store items. As per Rule 4 of PPRA 2014, a procuring agency while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

During audit of TMA Sangla Hill, scrutiny of payment record revealed that an expenditure of Rs 2.192 million was incurred through adopting the procedure of awarding works to contractors by adding additional contractor's profit and overhead charges instead of adopting procedure prescribed in PPRA i.e.

<b>Name of the schemes</b>	<b>Name of contractor</b>	<b>Item</b>	<b>Qty</b>	<b>Rate (Rs)</b>	<b>Amount (Rs in million)</b>	<b>Contractor Profit (Rs in million)</b>
Rehabilitation of Disposal work at Sangla Hill	Ali Abbas & C	Pumping machinery	2	588,000	1.176	0.235
Rehabilitation of ADS Schemes at Sangla Hills	Zaheer Abbas & Co.	Manhole cover	267	3,804	1.016	0.203
<b>Total:-</b>					<b>2.192</b>	<b>0.438</b>

Audit holds that incurring of expenditure without adopting proper procedure was due to defective financial discipline and weak internal controls.

This resulted in not only irregular expenditure of Rs 2.192 million but also over payment of Rs 0.438 million at the expense of the Local Fund.

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

Audit recommends imposition of recovery besides fixing responsibility for unauthorized expenditure against the persons at fault under intimation to Audit.

(AIR Para No.9)

### **1.3.2.10 Loss of Government Money due to Non-utilization of Land- Rs 1.114 million**

According to Rules 3 & 4(k) & 5 of the PLG (Property) Rules 2003, the Local Government concerned, with approval of its Council, shall take such steps as may be necessary to ensure that the property vested in the Town Municipal Administration is managed and maintained in the best interest of the public

TMA Sangla hill owned certain pieces of land but the land was not prudently managed by the TMA because the property remained non-utilized since devolution.

Audit holds that due to weak internal and financial controls TMA property was not auctioned.

This resulted in loss to local fund Rs 1.114 million (**Annex-G**).

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

Audit recommends imposition of recovery besides fixing responsibility against the persons at fault under intimation to Audit.

(AIR Para No.10)

### **1.3.2.11 Unauthorized and Doubtful Expenditure on Sports Festival - Rs 1.098 million**

As per Rule 9 of PPRA Rules 2014, 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 procurement so planned. According to Rule 12(1) of PPRA 2014 for procurements over one hundred thousand rupees and up to the limit of two million rupees tender be advertised on the PPRA's website in the manner and format specified by regulation from time to time. According to Rule 2.32 (a) of PFR Vol-1, all details about all accounts shall be recorded as fully as possible, so as to satisfy any enquiry that may be made into the particulars of any case.

According to the Government of the Punjab, Finance Department's letter No. RO (Tech) FD-18-29/2004 dated 03-03-2005, store items are required to be purchased as per the procedure prescribed in the Purchase Manual and additional profit and overhead charges are prohibited on account of purchase of store items. As per Rule 4 of PPRA 2014, a procuring agency while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

TMA Sangla Hill incurred expenditure of Rs 1.098 million on sports festival during 2013-2015 without advertisement on PPRA website and in press. No minutes of meeting, attendance sheet of bidders was found on record. Stock entries and consumption was not found on record. Moreover, items were not physically found in the TMA office. Cheques were issued in favor of DDO and acknowledgements of payment of vendors were also not found on record.

Moreover, the purchases were made through adopting the procedure of awarding works to contractors by adding 0.220 million contractor's profit and overhead charges instead of adopting procedure prescribed in PPRA Rules. Income Tax @ 4% was also not deducted from the payment of suppliers to the tune of Rs 0.044 million.

<b>Rs in million</b>			
<b>Token No.</b>	<b>Date</b>	<b>Item Purchased</b>	<b>Amount</b>
1235	23/01/2014	Purchase of goods at sports festival	0.618
1273	07/02/2014	Purchase of goods at sports festival	0.480
<b>Total:</b>			<b>1.098</b>

Audit holds that due to weak internal and financial controls expenditure was incurred by violating the PPRA Rules.

This resulted in unauthorized purchase without advertisement on PPRA website worth Rs 1.098 million and overpayment of Rs 0.264 million.

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

Audit recommends imposition of recovery besides fixing responsibility for unauthorized expenditure against the persons at fault under intimation to Audit.

(AIR Para No.11)

#### **1.3.2.12 Payment to Contract Employees Over and Above Sanctioned Strength -Rs 4.615 million**

According to Rules 4(3)(v) of PDG & TMA (Budget) Rules 2003, the head of office is responsible for ensuring that the funds allotted are spent on the activities for which the money was provided.

TMO Sangla Hill paid Rs 4.615 million to the contract employees during 2013-15. The payment was held unauthorized because the expenditure was incurred over and above the sanctioned strength. Scrutiny of record revealed that against 29 sanctioned posts payment was made to 67 individuals, leading to unauthorized expenditure of Rs 4.615 million (**Annex-H**).

Audit holds that due to weak internal and financial controls appointments of contract employees were made over and above the strength.

This resulted in irregular expenditure of Rs 4.615 million.

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

Audit recommends recovery besides fixing for unauthorized expenditure.

(AIR Para No.13)



### 1.3.2.13 Non-recovery of Liquidated Damages– Rs 2.176 million

As per Clause 39 of contract agreement, the contractor shall pay, as compensation, an amount equal to 1% of the amount of the contract subject to the maximum of 10% or such smaller amount as the Engineer in-charge may decide, for delay in completion of work.

TO (I&S) Sangla Hill awarded different works to various contractors during the Financial Year 2014-15 but the works were not executed within stipulated period. The contractors neither completed the works within stipulated time nor applied for any time extension. Department did not impose penalty on the contractors due to late completion of the schemes to the tune of Rs 2.176 million as detailed below:

Name of the Schemes	Contractor Name	Cost (Rs in million)	As per Agreement		Delay
			Start date	Completion date	
Construction of B/Wall ADS Sangla Hills Group-1	Mr Umer Dilber & Co.	5.195	19-1-12	24-6-12	One Month
Water supply in ADS Sangla Hills	Aftab Hussain	1.962	19-1-12	24-9-13	17 Months
Scheme Sangla Hills Group-1	Malik Brothers	1.910	19-1-12	24-9-13	17 Months
Rehabilitation of Severage System in ADS Sangla Hills	Zaheer Abbas Construction Co.	5.070	19-1-14	24-9-13	17 Months
Rehabilitation of Disposal work at Sangla Hill	Ali Abass & Co.	1.959	19-1-12		18 Months
Rehabilitation of road and street Shill	Zaheer Abbas Construction Co.	5.665	17-1-12	24-9-13	17 Months
<b>Total</b>		<b>21.761</b>	-	-	-
<b>10% penalty</b>		<b>2.176</b>	-	-	-

Audit holds that penalty for delay in completion of work was not imposed due to defective financial discipline and weak internal controls.

This resulted in overpayment to the contractors and loss of Rs 2.176 million to the Local Fund.

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

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

(AIR Para No.14)

### 1.3.2.14 Expenditure without Preparation of Rate Analysis -Rs 1.190 million

According to FD's letter No.RO (Tech) FD.18-23/2004 dated 21<sup>st</sup> September 2004, standardized analysis shall be used to work out the rate of an item from input rate. A copy of analysis shall be sent to Technical Cell of Finance Division for standardization. Moreover, Para 4(iii & iv) of CSR (now MRS) states that the rates for various components of the non-scheduled items of work shall be based on CSR 1998 Vol-III, Part-II, 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 Chief Engineer for non-Scheduled items shall be sent to the Secretary, Standing Rates Committee.

TMA Sangla hill made payment of different item without approval of rate analysis. This caused unauthorized expenditure of Rs 1.190 million.

Name of the Schemes	Contractor Name	Cost (Rs)	Broken Glasses	Rs in million
Construction of Boundary Wall Area Development Scheme Sangla Hills Group-1	Mr Umer Dilber & Co.	5,195,000	4456*67.9 =302562	0.303
Water supply in ADS Sangla Hills	Aftab Hussain	1,961,632	Iron Gate	0.031
			617.20 =30860	
Construction of Boundary Wall Area Development Scheme Sangla Hills Group-1	Malik Brothers	1,910,500	Broken glass	0.312
			4594*67.90 =311797	
			Steel door	0.138
			138253	
Rehabilitation of Disposal work at Sangla Hill	Ali Abass & Co.	1,959,360	Glazed tile	0.029
			289*99.53 28764	
			Vertical shafts one	0.262
			Starters one	0.115
<b>Total:</b>				<b>1.190</b>

Audit was of the view that due to weak financial management payment of non-scheduled items was made by violating the standing instructions.

This resulted in unauthorized payment without approval of rate analysis worth Rs 1.190 million

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

Audit advises that matter be investigated for fixing responsibility against the person(s) at fault.

(AIR Para No.16)

### 1.3.3 Performance

#### 1.3.3.1 Less Achievements of Targets of Receipts – Rs 7.604 million

According to Rule 16(1) and 79(3) of PDG and TMA Budget Rules 2003, on receiving the estimates of receipts from the Collecting Officer, each Head of Offices concerned shall finalize and consolidate the figures furnished by his Collecting Officers. The Head of Offices and Collecting Officers shall be responsible for the correctness of all figures supplied to the Finance and Budget Officer and the sanction of the competent authority is necessary for the remission of, and abandonment of claims to revenue.

Management of TMA Sangla Hill collected Rs 0.964 million on account of various heads of income against target figure of Rs 8.568 million as mentioned in the budget i.e.

(Rs in million)

Head of Account	Target	Actual Receipts	Less Realization
License Fee	5.000	0.138	4.862
Building fee	1.000	0.586	0.414
Agriculture Land	0.124	0.040	0.084
Housing schemes	1.000	0	1.000
Parking fee hill park	0.311	0.200	0.111
Water rates	1.133	0	1.133
<b>Total</b>	<b>8.568</b>	<b>0.964</b>	<b>7.604</b>

Audit holds that Head of Offices/ Administrator and Collecting Officers/ concerned Town Officers were responsible for the targets which were not achieved due to defective financial discipline and weak internal controls.

This resulted in less achievement of targets of receipts worth Rs 7.603 million.

The matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of this report.

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

(AIR Para No.28)

## **ANNEXURE**

**ANNEX-A**

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

(Rs in million)

Sr. No.	Formation	Description of Para	Nature of Para	Amount
1	TMA, Nankana Sahib	Non-deduction of Road Crust	Recovery	0.802
2.		Unauthorized Departmental Collection	Irregularity	0.742
3		Irregular and Doubtful Repair of Transformer	Irregularity	0.225
4		Payment without Having GST Invoice	Irregularity	0.104
5		Irregular and doubtful expenditure on repair of vehicles	Irregularity	0.179
6	TMA Sangla hill	Shortfall of Government receipts of Due to Non non-auction of contracts	Recovery	0.930
7		Wastage of public money on unnecessary item	Irregularity	0.792
8		Unauthorized Expenditure over and above Budget allocation	Irregularity	0.751
9		Un-authorized purchase of Street lights / electric material and overpayment to contractors for supplies	Recovery	0.135
10		Unjustified payment for RCC sewer Pipe	Irregularity	0.637
11		Un-authorized purchase of tents and overpayment to contractors for supplies	Recovery	0.096
12		Unauthorized expenditure on account of Pay and allowances and SSB	Recovery	0.381
13		Irregular and doubtful Expenditure on Account of Refreshment	Irregularity	0.359
14		Loss due to non collection 10% advance income tax.	Recovery	0.313
15		Un-authorized payment of previous year liability	Irregularity	0.365
16		Loss of government receipts due to non recovery	Recovery	0.224
17		Irregular and doubtful Expenditure on Account Of Purchase of Plants	Irregularity	0.266
18		Irregular and doubtful Expenditure during youth festival	Irregularity	0.241
19		Unauthorized and Doubtful expenditure for development works	Irregularity	0.210
20		Irregular expenditure without tender	Irregularity	0.131
21		Irregular and doubtful Expenditure on hire charges of generator	Irregularity	0.129
22	Less Recovery of Government Receipts Due to unauthorized award of Contract due to wrong calculation of reserve price	Recovery	0.349	

**Annex-B****TMA Nankana Sahib Budget & Expenditure Statement for the  
Financial year 2014-15****(Rs in million)**

Description	BUDGET				EXPENDITURE			
	Salary	NS	Dev	Total	Salary	NS	Dev	Total
NNS	125.373	105.527	51.597	282.497	84.556	75.394	45.92	205.871
Sangla Hill 2014-15	43.396	20.25	5.571	69.217	38.355	13.954	0	51.949
Sangla Hill 2013-14	42.695	19.07	5.55	67.315	36.506	9.354	0.059	45.919
Total:-	211.464	144.847	62.718	419.029	159.417	98.702	45.979	303.739

**Annex-C**

**(Para- 1.2.2.5)**

**(Rs in million)**

<b>Sr.#</b>	<b>Supplier/ contractor</b>	<b>Item</b>	<b>Qty</b>	<b>Rate</b>	<b>Value Rs</b>	<b>20% profit</b>
1	N.M Javid Govt. Contractor	Supply of kassi	20	850	17,000	2,833
2		Supply of ganti	24	825	19,800	3,300
3		Supply of suble	10	3500	35,000	5,833
4		Supply of basket	20	750	15,000	2,500
5		Supply of khudal	20	1794	35,880	5,980
6		Supply of hummer	10	1038	10,380	1,730
7		Supply of structure	600kg	194	116,400	19,400
8		Supply of rope	100 rft	154	15,400	2,567
9		Supply of uniform	180	769	138,420	23,070
10		Supply of long boot	60 #	1794	107,640	17,940
11		Supply of musk	1000	1281	128,100	21,350
12		Supply of basket	60#	1281	76,860	12,810
13		Supply of Axel	200	897	17,940	2,990
14		Supply of Bambo	200	1250	250,000	41,667
15		Supply of	100	950	95,000	15,833
16		Supply of cap	200	800	160,000	26,667
17		Supply of	01	439600	439,600	73,267
18		Supply of breath oprt	1	237000	237,000	39,500
<b>Total:-</b>					<b>1,915,420</b>	<b>319,237</b>



**Annex-D**  
**(Para- 1.3.2.3)**

<b>Token#</b>	<b>Date</b>	<b>Amount (Rs in million)</b>	<b>Token #</b>	<b>Date</b>	<b>Amount (Rs in million)</b>
758	5/7/2013	0.041	1516	3/6/2016	0.444
880	2/9/2013	0.461	48	23 /7/2014	0.105
952	5/10/2015	0.435	71	23/7 /2014	0.373
1024	1/11/2013	0.463	142	1/9/2014	0.408
1128	17/12/2013	0.451	275	5/11/2015	0.468
1224	22/1/2013	0.168	389	15/12/14	0.465
1269	2/2/2014	0.414	404	22/12/2014	0.118
1333	4/3/2015	0.374	437	3/1/2015	0.284
1395	4/3/2014	0.426	510	3/1/2015	0.442
1401	4/3/2014	0.012	562	14/2/15	0.408
1421	18/4/2014	0.220	625	1/4/2015	0.222
<b>Total:-</b>					<b>7.200</b>

**Annex-E**  
**(Para-1.3.2.5)**

<b>Name of the market</b>	<b>Amount (Rs)</b>
Sarkari Qater Market	0.194
Hameed Nizami Road market	0.223
Gost Markeet	0.103
Poorani sabsi mandi market	0.430
Main Bazar market	0.579
Sabzi Mandi market	0.665
Gardan market	0.276
Jamia Masjid market	0.079
Bus stand market No.1	0.460
Bus stand market No.2	0.001
Police Chowki market	0.241
Shopping Centre No.1	0.629
Shopping Centre No.2	0.287
Lari Adda Markeet	1.089
Modh Bolochain road market	0.122
Lari Adda markeet No.II	0.043
<b>Total:-</b>	<b>5.431</b>

**Annex-F**  
**(Para-1.3.2.8)**

<b>Financial Year</b>	<b>Description of contract</b>	<b>Name of contractor</b>	<b>Rs in million</b>
2013- 14	Contract of Jhula Jat	Abid Hussain	0.505
	Contract Balance of Muraba No. 30	Hussain Javed Chatta	0.109
	Parking stand Sangla Hill Park	Sheikh Zaiud din	0.606
	Contract Slater House	Hussain Javed Chatta	0.151
	Contract Canteen Sangla Hill Park	Muhammad Nawaz S/O M. Ishaq	0.252
	Contract Sangla Hill Park II	Muhammad Nazaz S/O M. Ishaq	0.150
	Contract Advertisement	Muhammad Ashfaq Shekupura	0.305
2014-15	Parking fee Sangla Hill	Safqat Ali	0.615
	Advertisement	Muhammad Ashfaq	0.315
<b>Total:-</b>			<b>3.008</b>

**Annex-G**  
**(Para-1.3.2.10)**

<b>Sr. No</b>	<b>Location</b>	<b>Area</b>	<b>Calculation of rent</b>	<b>Rent (Aprox)</b>
1	MP High School	2Kanal 10Marla	50Mx250	12,500
2	Yaka Adda	2Kanal 5Marla	45Mx250	11,250
3	Munispal Choki	I Kanal	20Mx250	500
4	Water works	19 Kanal 5 Marla	385x250	96,250
5	Dhobi Ghat	6 Marla	6Mx250	1,500
6	Talab Mawasiah	16 Kanal 4 Marla	324x250	81,000
7	Kodi Band	31 Kanal	620x250	155,000
8	Agriculture Land Eid Gah	56 Kanal	1120x250	280,000
9	Agriculture Land Mazba Khana	35 Kanal	700x250	175,000
10	Bhatta Kust	32 Kanal	640x250	160,000
11	Fishing Tank	2Kanal 18 Marla	58x250	14,500
12	Municipal park	25Kanal 5 Marla	505x250	126,250
	<b>Total</b>			<b>1,113,750</b>

**Annex-H**  
**(Para-1.3.2.12)**  
**(Rs in million)**

<b>Date</b>	<b>Token</b>	<b>Salary (Rs)</b>	<b>Date</b>	<b>Token</b>	<b>Salary Rs</b>
5/8/2013	812	0.042	04/03/2014	1393	0.374
5/8/2013	814	0.058	18/04/2014	1419	0.087
5/8/2013	817	0.276	05/05/2014	1432	0.045
2/9/2013	866	0.061	05/05/2014	1444	0.062
5/10/2013	934	0.032	03/06/2014	1501	0.033
2/12/2013	1097	0.032	02/07/2014	1568	0.062
2/12/2013	1099	0.061	02/07/2014	1576	0.334
2/12/2013	1100	0.302	23/07/2014	46	0.328
1/1/2014	1176	0.276	23/07/2015	47	0.358
2/2/2014	1261	0.293	01/09/2014	135	0.066
2/2/2014	1263	0.187	01/09/2014	139	0.346
4/3/2014	1326	0.174	01/09/2014	141	0.197
4/3/2014	1380	0.033	15/12/2014	403	0.174
4/3/2014	1390	0.321	<b>Total</b>		<b>4.615</b>