



**AUDIT REPORT
ON
THE ACCOUNTS OF
TEHSIL MUNICIPAL ADMINISTRATIONS
DISTRICT JHELUM**

AUDIT YEAR 2015-16

AUDITOR GENERAL OF PAKISTAN

Table of Contents

| | |
|--|----------|
| ABBREVIATIONS AND ACRONYMS | i |
| PREFACE | ii |
| EXECUTIVE SUMMARY | iii |
| SUMMARY OF TABLE & CHARTS | vi |
| Table 1: Audit Work Statistics | vi |
| Table 2: Audit observation regarding Financial Management | vi |
| Table3: Outcome Statistics | vi |
| Table4: Irregularities Pointed Out | vii |
| Table 5: Cost-Benefit | vii |
| CHAPTER 1 | 1 |
| 1.1 TEHSIL MUNICIPAL ADMINISTRATIONS, | 1 |
| DISTRICT JHELUM | 1 |
| 1.1.1 Introduction | 1 |
| 1.1.2 Comments on Budget and Accounts (Variance Analysis) | 2 |
| 1.1.3 Brief Comments on the Status of Compliance on MFDAC Paras of Audit Year 2014-15 | 4 |
| 1.1.4 Brief Comments on the status of compliance with PAC Directives | 4 |
| 1.2 TEHSIL MUNICIPAL ADMINISTRATION JHELUM | 5 |
| 1.2.1 Fraud / Misappropriation | 6 |
| 1.2.2 Non-production of Record | 7 |
| 1.2.3 Irregularity and Non-compliance | 8 |
| 1.2.4 Performance | 18 |
| 1.2.5 Internal Controls Weaknesses | 21 |
| 1.3 TEHSIL MUNICIPAL ADMINISTRATION DINA | 24 |
| 1.3.1 Non-production of Record | 25 |
| 1.3.2 Irregularity and Non-compliance | 26 |
| 1.3.3 Performance | 36 |

1.3.4 Internal Controls Weaknesses 37

Annexure 38

Annex-A 39

Annex-B 41

Annex-C 42

Annex-D 43

Annex-E 43

Annex-F 44

Annex-G 45

Annex-H 45

Annex-I 46

Annex-J 47

Annex-K 47

Annex-L 48

ABBREVIATIONS AND ACRONYMS

| | |
|----------|--|
| ADP | Annual Development Program |
| AIR | Audit & Inspection Report |
| B&R | Buildings and Roads |
| CCB | Citizen Community Board |
| DAC | Departmental Accounts Committee |
| DDO | Drawing & Disbursing Officer |
| FD | Finance Department |
| LG &CD | Local Government & Community Development |
| MFDAC | Memorandum for Departmental Accounts Committee |
| NAM | New Accounting Model |
| NIT | Notice for Inviting Tenders |
| PAC | Public Accounts Committee |
| PAO | Principal Accounting Officer |
| PCC | Plain Cement Concrete |
| PDG | Punjab District Governments |
| PLGB | Punjab Local Government Board |
| PLGO | Punjab Local Government Ordinance |
| PPRA | Punjab Procurement Regulatory Authority |
| TAC | Town Accounts Committee |
| TMA | Town/Tehsil Municipal Administration |
| TMO | Town Municipal Officer |
| TO (F) | Town Officer (Finance) |
| TO (I&S) | Town Officer (Infrastructure & Services) |
| TO (P&C) | Town Officer (Planning & Coordination) |
| TO (R) | Town Officer (Regulations) |
| TTIP | Tax on Transfer of Immoveable Property |
| UAs | Union Administrations |
| UIP | Urban Immovable 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 Controls of the Provincial Government. Accordingly, the audit of all receipts and expenditure of the Local Fund and Public Accounts of Tehsil/Town Municipal Administrations of the District is the responsibility of the Auditor General of Pakistan.

The report is based on audit of the accounts of various offices of the Tehsil Municipal Administrations of District Jhelum for the Financial Year 2014-15. The Directorate General of Audit District Governments Punjab (North), Lahore conducted audit during 2015-16 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of 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 after discussion of Audit Paras with the management. However, no Departmental Accounts Committee meeting by PAO was convened despite repeated requests.

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

Islamabad
Dated:

(Imran Iqbal)
Acting-Auditor General of Pakistan

EXECUTIVE SUMMARY

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

The Regional Directorate of Audit Rawalpindi had a human resource of fifteen officers and staff, total 1,292 man-days and the annual budget of Rs 16.02 million for the Financial Year 2015-16. It had the mandate to conduct Financial Attest audit, Regularity Audit and Compliance with Authority & Performance Audit of entire expenditure including programs / projects & receipts. Accordingly, the Directorate General of Audit District Governments Punjab (North), Lahore carried out audit of the accounts of various offices of the TMAs of District Jhelum for the Financial Year 2014-2015.

Each Tehsil Municipal Administration in District Jhelum conducts its operation under Punjab Local Government Ordinance, 2001. Town / Tehsil Municipal Officer is the Principal Accounting Officers (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 Punjab Local Government Ordinance, 2001 requires the establishment of the Tehsil/Town Nazim, / Thesil / Town Council /Administrator in the form of Budgetary Grant.

Audit of Tehsil Municipal Administrations of District Jhelum 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/ revenue was also conducted to verify whether or not the assessment, collection, reconciliation and allocation of revenues were made in accordance with laws and rules.

a. Scope of Audit

Total expenditure of four TMAs of District Jhelum for the Financial Year 2014-15 was Rs 472.00 million, covering four PAOs and four formations. Out of this, DG District Audit (N) Punjab audited an expenditure of Rs 342.32 million which in terms of percentage was 72.52% of auditable expenditure.

Total receipts of the four TMAs in District Jhelum for the Financial Year 2014-15, were Rs 413.27 million. DG District Audit (N) Punjab audited receipts of Rs 281.16 million which was 68.03% of total receipts.

b. Recoveries at the instance of audit

Recoveries of Rs 102.82 million were pointed out through various audit paras out of which Rs 3.72 million was not in the notice of the executive before audit but no recovery was effected till compilation of Report

c. Audit Methodology

Audit was performed through understanding the business process of TMAs with respect to functions, controls 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 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 Controls mechanism of the TMAs of District Jhelum was not found satisfactory during audit. Many instances of Weak Internal Controls have been highlighted during the course of audit which includes Non –Reconciliation of receipts with Bank & Non-Deposit of Income Tax. Negligence on the part of

TMA's authorities may be captioned as one of important reasons for weak Internal Controls.

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

f. Key Audit Findings

- i. Likely misappropriation of Rs 4.20 million was noted in one case¹
- ii. Non Production of Record Rs 30.44 million was noted in two cases²
- iii. Irregularities and Non compliance of Rs 484.64million was noted in twenty-one cases³.
- iv. Performance related issues of Rs 9.99 million were noted in three cases⁴.
- v. Internal Controls weaknesses of Rs 109.84 million was noted in five cases⁵.

Audit paras on the accounts for 2014-15 involving procedural violations including Internal Controls Weaknesses, and irregularities not considered worth reporting to the PAC have been included in Memorandum For Departmental Accounts Committee (**Annex-A**).

g. Recommendations

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

- i. Production of record to Audit for scrutiny
- ii. Holding investigations for wastage, fraud, misappropriation and losses, and take disciplinary actions after fixing responsibilities
- iii. Strengthening of Internal Controls
- iv. Holding of DAC meetings well in time
- v. Ensuring compliance of DAC directives and decisions in letter and spirit
- vi. Expediting recoveries pointed out by Audit
- vii. Compliance of relevant laws, rules, instructions and procedures, etc.

1 Para 1.2.1.1

2 Para 1.2.2.1, 1.3.1.1

3 Para 1.2.3.1, to 1.2.3.10 & 1.3.2.1 to 1.3.2.11, 1.2.4.2, 1.3.1.1

4 Para 1.2.4.1&1.2.4.2, 1.3.3.1

5 Para 1.2.5.1 to 1.2.5.4 & 1.3.4.1

SUMMARY OF TABLE & CHARTS

Table 1: Audit Work Statistics

(Rs in million)

| Sr. No | Description | No. | Budgeted Figures FY 2014-15 | | |
|--------|---|-----|-----------------------------|----------|---------|
| | | | Expenditure | Receipts | Total |
| 1 | Total Entities (PAOs) in Audit Jurisdiction | 4 | 550.69 | 566.38 | 1121.07 |
| 2 | Total Formations in Audit Jurisdiction | 4 | 550.69 | 566.38 | 1121.07 |
| 3 | Total Entities (PAOs) Audited | 2 | 342.32 | 381.16 | 723.48 |
| 4 | Total Formations Audited | 2 | 342.32 | 381.16 | 723.48 |
| 5 | Audit & Inspection Reports | 2 | 342.32 | 381.16 | 723.48 |
| 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 | Unsound asset management | 0 |
| 2 | Weak financial management | 102.82 |
| 3 | Weak internal controls relating to financial management | 90.67 |
| 4 | Others | 445.62 |
| Total | | 639.11 |

Table3: Outcome Statistics

Rs in million

| Sr. No. | Description | Expenditure on Acquiring Physical Assets | Civil Works | Receipts | Others | Total current year | Total Last year |
|---------|--|--|-------------|----------|--------|--------------------|-----------------|
| 1 | Outlays Audited | 25.21 | 115.64 | 381.16 | 201.47 | 723.48* | 341.27 |
| 2 | Amount Placed under Audit Observation/ Irregularities of Audit | 0 | 112.23 | 186.38 | 340.50 | 639.11 | 272.15 |
| 3 | Recoveries Pointed Out at the instance of Audit | 0 | 2.54 | 99.10 | 1.18 | 102.82 | 14.36 |
| 4 | Recoveries Accepted/ Established at | 0 | 0 | 0 | 0 | 0 | 14.36 |

| Sr. No. | Description | Expenditure on Acquiring Physical Assets | Civil Works | Receipts | Others | Total current year | Total Last year |
|---------|--|--|-------------|----------|--------|--------------------|-----------------|
| | the instance of Audit | | | | | | |
| 5 | Recoveries Realized at the instance of Audit | 0 | 0 | 0 | 0 | 0 | 0 |

* The amount in serial No 1 column of "total 2014-15" is the sum of Expenditure and Receipts audited, whereas the total expenditure for the year 2014-15 was Rs 342.32 million

Table4: Irregularities Pointed Out

(Rs in million)

| Sr. No. | Description | Amount Placed under Audit Observation |
|---------|---|---------------------------------------|
| 1 | Violation of Rules and regulations and violation of principle of propriety and probity in public operations. | 410.98 |
| 2 | Reported cases of fraud, embezzlement, theft and misappropriations and misuse of public funds. | 4.20 |
| 3 | Accounting errors ¹ (accounting policy departure from NAM, misclassification, overstatement or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements | 0.00 |
| 4 | Quantification of weaknesses of internal Controls systems | 90.67 |
| 5 | Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money | 0 |
| 6 | Non-production of record to Audit. | 30.44 |
| 7 | Others, including cases of accidents, negligence etc. | 102.82 |
| | Total | 639.11 |

¹The accounting Policies and Procedure Prescribed by the Auditor General of Pakistan

Table 5: Cost-Benefit

(Rs in million)

| Sr No | Description | Amount |
|-------|--|--------|
| 1 | Outlays Audited(Items 1 of Table 3) | 723.48 |
| 2 | Expenditure on Audit | 1.60 |
| 3 | Recoveries realized at the instance of Audit | 0 |
| 4 | Cost Benefit Ratio | 1:0 |

CHAPTER 1

1 1 TEHSIL MUNICIPAL ADMINISTRATIONS, DISTRICT JHELUM

1.1.1 Introduction

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

- i. To prepare spatial plans for the Tehsil including plans for land use, zoning and functions for which TMA is responsible;
- ii. To exercise Controls over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commercial markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- iii. To enforce all municipal laws, rules and by-laws governing TMA's functioning;
- iv. To prepare budget, long term and annual Municipal development programmes in collaboration with the Union Councils;
- v. To 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. To collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties;
- vii. To manage properties, assets and funds vested in the Tehsil Municipal Administration;
- viii. To develop and manage schemes, including site development in collaboration with District Government and Union Administration;
- ix. To 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. To prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction;
- xi. To maintain municipal records and archives.

1.1.2 Comments on Budget and Accounts (Variance Analysis)

Total budget of four TMAs of District Jhelum was Rs 550.67 million including salary component of Rs 187.83 million, non-salary component of Rs 182.42 million and development component of Rs 180.42 million. Expenditure against salary component was Rs 172.98 million, non-salary component was Rs 140.02 million and development component was Rs 158.98 million. Overall saving was Rs 78.61 million which was 14.29% of total budget.

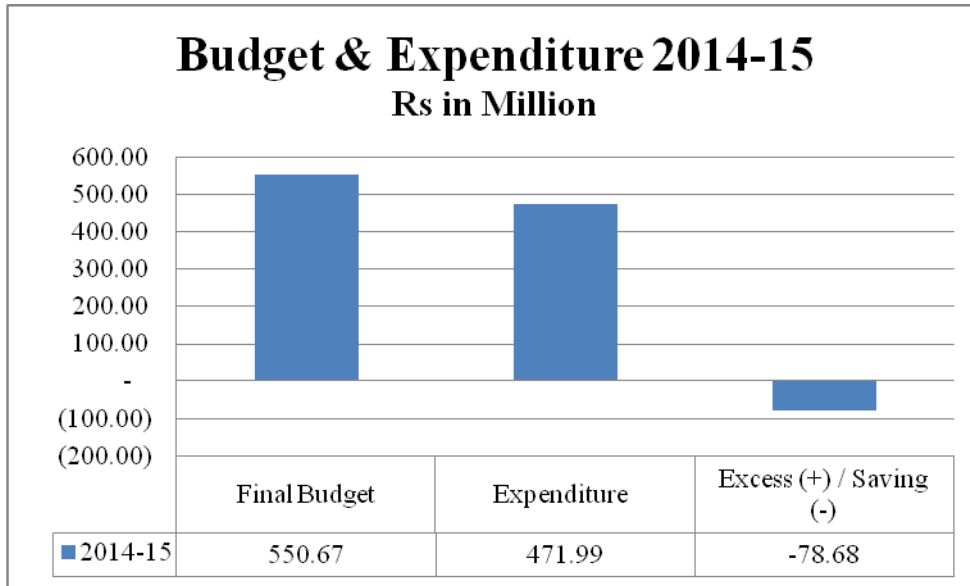
(Amount in million)

| Financial year 2014-2015 | Budget | Expenditure | Excess (+) / Saving (-) | % age saving |
|-------------------------------------|---------------|--------------------|------------------------------------|-------------------------|
| Salary | 187.83 | 172.98 | -14.85 | 7.91 |
| Non-salary | 182.42 | 140.02 | -42.40 | 23.24 |
| Development | 180.42 | 158.99 | -21.43 | 11.88 |
| Total | 550.67 | 471.99 | -78.68 | 14.29 |

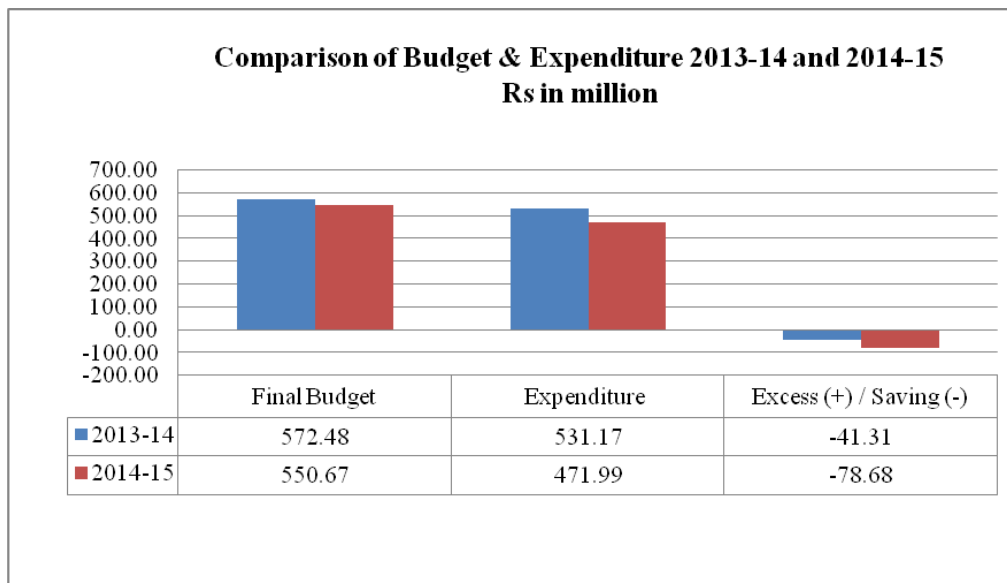
The budget outlays of Rs 382.14 million of two TMAs includes PFC award of Rs 95.89 million whereas total expenditure incurred by the TMAs during 2014-15 was Rs 342.32 million with a savings of Rs 39.81 million (detailed below).

(Amount in million)

| Name of TMAs | Budgeted Figure | | | Budgeted Outlay | Actual Expenditure | Saving | %age of Saving |
|-------------------------|---|----------------------|---------------------------|----------------------------|-------------------------------|---------------|---------------------------|
| | Own receipt including OB | PFC award | Total Receipts | | | | |
| TMA Jhelum | 135.86 | 80.400 | 216.26 | 213.37 | 185.95 | 27.42 | 12.85 |
| TMA Dina | 32.92 | 15.49 | 48.41 | 168.76 | 156.37 | 12.39 | 7.34 |
| Total | 168.78 | 95.89 | 264.68 | 382.14 | 342.32 | 39.81 | 10.42 |



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



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

(Rs in million)

| Financial Years | Budget Allocation | Expenditure | Saving | % of Saving |
|-----------------|-------------------|-------------|--------|-------------|
| 2013-14 | 572.48 | 531.17 | -41.31 | 7.20 |
| 2014-15 | 550.67 | 471.99 | -78.68 | 14.29 |

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

1.1.3 Brief Comments on the Status of Compliance on MFDAC Paras of Audit Year 2014-15

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

1.1.4 Brief Comments on the status of compliance with PAC Directives

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

Status of Previous Audit Reports

| S. No. | Audit Year | No. of Paras | Status of PAC Meetings |
|---------------|-------------------|---------------------|-------------------------------|
| 1 | 2009-12 | 24 | Not convened |
| 2 | 2012-13 | 8 | Not convened |
| 3 | 2013-14 | 8 | Not convened |
| 4 | 2014-15 | 9 | Not convened |

1.2 TEHSIL MUNICIPAL ADMINISTRATION JHELUM

1.2.1 Fraud / Misappropriation

1.2.1.1 Misappropriation on account of receipts - Rs 4.20 million

According to Rule 76 of PDG and TMA (Budget) Rules, 2003 read with Section 18(2) of PLGO, 2001, the primary obligation of the Collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under the proper receipt head. Further, according to Rule 2.33 of PFR Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

During audit of TMA Jhelum it was observed that the various amounts on account of contracts for auction of collection rights were received by TMA from the contractors but were not deposited in the TMA account/treasury as detailed at **Annex-C**.

Audit holds that due to weak internal controls, receipts were not deposited in treasury TMA which resulted in misappropriation of receipts amounting to Rs 4.19 million.

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

Audit recommends fixing responsibility for lapses and negligence against the person(s) at fault besides recovery under intimation to Audit.

[AIR Para No.09]

1.2.2 Non-production of Record

1.2.2.1 Non-production of record – Rs 25.80 million

According to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. Further, section 115(5) & (6) of PLGO, 2001 stipulates, inter alia, that auditee organization shall provide record for audit inspection and comply with requests for information in as complete form as possible and with all reasonable expedition.

TMA Jhelum did not produce record of receipt amounting to Rs 25.80 million for audit scrutiny. In the absence of income/receipt record, the Audit was unable to assess the authentic figure of revenue earned by the contractors and also unable to verify the chances of overcharging by the contractors. Detail of record not produced is given at **Annex-D**.

Audit holds that due to weak internal controls and negligence, relevant record was not produced for Audit verification which resulted in unauthentic collection of receipt.

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

Audit recommends fixing responsibility against the person(s) at fault for non-production of record besides early production of record under intimation to Audit.

[AIR Para No.01, 15, 32]

1.2.3 Irregularity and Non-compliance

1.2.3.1 Irregular payment on account of pension contribution - Rs 39.95 million

According to rule 13.2(ii)(c) of The Punjab Budget Manual, 2008 “The expenditure incurred is regular and proper, when the expenditure is incurred only in the public interest and upon objects for which the money was provided. Further according to rule 15.3(b)(xiii)(a) of The Punjab Budget Manual, 2008 “In the case of development scheme, funds cannot be transferred from ADP even through re-appropriation, except for approved schemes”

TMO Jhelum paid Rs 39.95 million for pension contribution from ADP during the year 2014-15. The payment of pension contribution from ADP was against the Government rules and irregular.

Audit is of the view that due to weak financial management, payment of pension contribution was made out of ADP which resulted in irregular payment of pension contribution.

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

Audit recommends regularization besides fixing responsibility for negligence against the person(s) at fault and recovery of amount paid irregularly.

[AIR Para No.08]

1.2.3.2 Loss to government due to fictitious tender process- Rs 10.15 million

According to section 10 chapter-III of the Punjab Local Government (Auctioning of Collection Rights) Rules, 2003 At least three attempts shall be made to award the contract of collection rights of an income through open bid by the administration of local government concerned before the commencement of financial year if the first and second attempt of auction have failed to fetch bid equal to the reserve price or more. According to Rule 2.33 of PFR Volume-I, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

TMO Jhelum awarded Contract for auction of collection rights of wagon stand (parking fee) to Mr. Muhammad Atif S/O Muhammad Shafique at Rs 13.00 million for the Financial Year 2014-15 on 15.05.2014. The contract was cancelled due to non deposit of initial payment by the contractor and arranged re-auction on 25.06.2014 instead of calling the second highest bidder. The contract was awarded at Rs 2.75 million to Mr. Raja Tahir Rehman in second auction who was the 2nd highest bidder at Rs 12.90 million in the first auction. The award of contract at lower rates resulted in loss of Rs 10.15 million. Documentary evidence to prove the forfeiture of security and earnest money of defaulting contractor of first auction was also not provided to Audit.

It showed that the first contract was intentionally cancelled just to give the un-due favor to contractor. Consequently, TMA Jhelum sustained loss of Rs 10.15 million.

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

Audit recommends regularization besides fixing responsibility against the person(s) at fault and recovery of loss of Rs 10.15 million from the concerned under intimation to Audit.

[AIR Para No.11]

1.2.3.3 Irregular award of contract – Rs 7.30 million

According to Rule 15(I) of Chapter - IV of The Punjab Local Government (Auction of Collection Rights) Rules, 2003 “Any person who is defaulter in respect of any dues to a local government, is not eligible for award of a contract”

TMA Jhelum awarded through auction, “Contract for collection rights of Advertisement fee” to Mr. Ijaz Mehmood Abbasi against the highest bid of Rs 7.30 million during the year 2014-15. The contractor was the defaulter of same TMA as the same contract was awarded to him for Rs 7.01 million during the year 2013-14. Record showed that he did not pay amount of Rs 3.14 million out of total amount of contract awarded during 2013-14. The award of contract to a defaulter was violation of above mentioned rule. This

showed that the tender process was not transparent and the auction was made without fair competition.

Audit is of the view that due to weak managerial discipline, the contract was awarded to person who was defaulter of previous year which resulted in irregular award of contract.

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

Audit recommends regularization besides fixing responsibility against the person(s) at fault, and recovery of arrears of Rs 3.14 million in addition to amount under current contract.

[AIR Para No.02]

1.2.3.4 Irregular expenditure on pol & repair charges - Rs 6.48 million

Rule 49 Appendix 14 of PFR Volume-II (i) to (vi) states, “The petrol, oil, lubricants and spare parts should be maintained separately for each vehicle. Full particulars of journey 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. Average consumption of petrol, oil and lubricants should be worked out and recorded in the Log Books at the close of each month. The Log Books should be maintained in the prescribed form. The Officers using the Government vehicles should sign the relevant entries in the Log Book. The matters of the vehicles should always be kept in order. Further, as per annexure 7.1 and 7(9) of B&R Manual, “annual estimate of repair and maintenance of each Government Vehicle taking both direct and indirect charges should be prepared and T.S should be approved by competent authority”.

TMO Jhelum incurred a sum of Rs 6.48 million on account of POL charges & repair of vehicles during the year 2014-15. Scrutiny of record revealed that the annual estimates (showing working hours, idle time consumption, annual running of tractor average consumption certificate etc) were not prepared for tractors and other vehicles used to remove the solid waste from different areas of city, in violation of the rules *ibid*.

Following lapses were also noticed:

- i. Oil, break oil, mobile oil were being changed frequently without observing due distance covered/milage.
- ii. There was no meter reading at all.
- iii. There was no record of replacmeent of spare parts.
- iv. The routes of the tractors/rikshaw were not defined.
- v. History sheet i.e model, manufacturer, book value etc were not available.
- vi. No ceiling / mileage / hour were fixed by the competent authority.
- vii. Average consumption cerficate / fitness certificate were not got obtained from the Motor Vehicle Examiner.
- viii. Detail of replacement of spare parts was also not on record.

Non fulfilment of codal formalities may result in misuse of funds of Rs 6.483 million on account of POL and repair charges during 2014-15 as detailed below.

| (Rs in million) | |
|-----------------|-------------|
| Description | Amount |
| POL charges | 6.03 |
| Repair Charges | 0.45 |
| Total | 6.48 |

Audit is of the view that due to weak managerial contols, codal formalities were not fuufilled during incurrance of expenditue which resulted in doubtful consumption of POL and expenditure on repair of vehicle amounting to Rs 6.48 million.

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

Audit recommends for regularization besides fixing responsibility for lapses and negligence under intimation to Audit.

[AIR Para No.05]

1.2.3.5 Preparation of irregular budget estimates – Rs 3.75 million

According to Rule 13(i) of The Punjab District Government and Tehsil Municipal Administration (Budget) Rules, 2003 “while preparing the estimates of receipts the Collecting Officers shall prepared diligently and accurately” Further, according to Rule 2.33 of PFR Volume-I, every government servant should realize fully and clearly that he would be held personally responsible

for any loss sustained by the government through fraud or negligence on his part.

Tehsil Municipal Officer Jhelum prepared budget estimates for the year 2014-15 causing shortfall of Rs 3.74 million. It was also observed that:

- i. Budget estimates for the year 2014-15 were not prepared on the prescribed formats as required under the PDG & TMA (Budget) Rules 2003.
- ii. Further Annual Development Program showed development schemes were not annexed with the budget.
- iii. Arrears of previous years had been shown as income of current year.
- iv. The actual income received during the year 2014-15 indicated that targets fixed under different heads in the budget of the concerned year were not achieved.
- v. The actual income received under different heads during the Financial Year 2014-15 was less than budget targets

Detail is given at **Annex-E**.

Audit holds that due to weak internal controls and negligence, budget targets could not be achieved and resulted in shortfall of budgeted income.

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

Audit recommends regularization besides fixing responsibility against the person(s) held responsible under intimation to Audit.

[AIR Para No.34]

1.2.3.6 Loss to govt., due to irregular award of contract-Rs 2.80 million

According to Rule 15(I) of Chapter-IV of The Punjab Local Government (Auction of Collection Rights) Rules, 2003 “Any person who is defaulter in respect of any dues to a local government is not eligible for a contract”

TMO Jhelum awarded the contract for the auction of collection rights of advertisement fee for the area under jurisdiction of TMA Jhelum to Mr. Ijaz Mehmood Abbasi on the highest bid of Rs 10.100 million during the year 2014-15 on 15.05.2014. The contract was cancelled by TMA in view of

non-deposit of 1st installment by the contractor namely Mr Ijaz Mehmood Abbasi without calling the second highest bidder. The auction was rearranged on 25.06.2014 and the contract was awarded to same contractor Mr. Ijaz Mehmood Abbasi for Rs 7.30 million instead of imposing of penalty or declaring him black listed. The evidence for forfeiture of security and earnest money was also not provided.

However the above position showed that the first contract was cancelled just to give favour to the contractor. This was not only the violation of NIT but also a loss of Rs 2.80 million to Government Treasury.

Audit is of the view that due to weak managerial discipline, the contract was cancelled and then awarded to same contractor at low value which resulted in Govt., sustained loss of Rs 2.80 million.

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

Audit recommends regularization besides fixing responsibility against the person(s) at fault and recovery of loss valuing Rs 2.80 million under intimation to Audit.

[AIR Para No.03]

1.2.3.7 Un-justified and unauthorized change in scope of work without approval – Rs 2.60 million

According to para 1(iii) of Finance Department's letter No. FD(R)11-2/89 dated 24th June, 1996 read with paras 1.59, 2.88 & 2.89 of Buildings and Roads Code, during the execution of work, Divisional Officers are strictly prohibited from making or permitting any material deviations from any sanctioned design without specific authority. Neither the specification nor the quantity of different items / any additional item scheduled / Non-scheduled approved in the Technical Sanction be changed and executed without prior approval of such change / new addition by the Competent Authority who has issued Technical Sanction. Such authority will record reasons if any. In case of material structural alterations, though not necessarily involving an increased outlay, orders of original sanctioning authority should be obtained. A revised estimate should be submitted for Technical Sanction, should the alterations involve any substantial change in the cost of work. In urgent cases, where the

delay thus caused would be inconvenient, an immediate report of the circumstances must be made to superior authority and dealt with as the case may be.

TMO Jhelum executed the following schemes mentioned below with estimated cost of Rs 2.60 million during the year 2014-15. Expenditure was unjustified and unauthorized as scope of work of these schemes was changed without obtaining prior approval of the competent authorities / Sponsoring agencies as detailed below

(Rs in million)

| Name of Work | Work Order | Item | Original as per TS | Executed | Deviation | Remarks |
|---|--------------|-----------------------------|--------------------|----------|-----------|-------------|
| Construction of road from main road to Nai abadi Khokhran | 2.000 | PCC (1:6:12) | 4,940 cft | 4,649 | 291 | (Decreased) |
| | | PCC (1:2:4) | 6,500 cft | 7,537 | 1,037 | (Increased) |
| P/L sewer pipe sewerage scheme | 0.600 | Excavation in ordinary soil | 6,984 cft | 8,195 | 1,211 | (Increased) |
| | | P/L sewer pipe 12" dia | 894 rft | 1,049 | 155 | (Increased) |
| Total | 2.600 | | | | | |

Audit is of the view that due to weak managerial discipline, work was executed without observing the original scope of work.

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

Audit recommends fixing responsibility against the person(s) at fault, besides regularization.

[AIR Para No.20]

1.2.3.8 Irregular and un-authorized allowing non-scheduled items – Rs 1.21 million

According to Sr.No.7, Notification No.35(23)RO(Coord)P&D/2010 dated 21.09.2010, "Non-scheduled items should not be exhibited in estimates, PC-1. If required, it may be first standardized and should be included in the schedule". Further as per Finance Department Government of the Punjab, Notification No.RO(TECH) FD2-3/2004 dated 02.08.2004, Composite Schedule Rate (CSR) 1998 has been replaced with Market Rate System w.e.f. 01.07.2004, any item not found in MRS, its rate analysis be prepared on basis

of input rates and got approved from EDO(W&S) and communicated to FD Technical Wing.

TMO Jhelum allowed payment of following non-scheduled items for Rs 1.21 million on execution of a scheme “Beautification of Shandar Chowk” during financial year 2014-15. These items were exhibited in Demand Notice for Inviting Tenders (DNIT) as Non-scheduled items without standardizing, in violation of above rule. Furthermore, non schedule items were also not approved by the Competent Authority as detailed at **Annex-F**.

Audit is of the view that due to weak internal controls and negligence, non-scheduled items were paid irregularly in violation of rules.

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

Audit recommends regularization of payment of non scheduled items from Competent Authority besides fixing responsibility of the person(s) at fault.

[AIR Para No.35]

1.2.3.9 Unjustified / irregular expenditure on youth festival and street lights- Rs 1.18 million

According to rule 15.4 of PFR Volume-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken and the same should be kept in charge of a responsible Government servant. Further, Rule 15.5 of PFR Volume-I states, “When materials are issued, a written acknowledgement should be obtained from the person to whom material is being delivered.

TMO Jhelum incurred an expenditure of Rs 1.18 million on purchase of different items for Youth Sports Festival and Street Lights items. Following irregularities were noticed:

- The relevant record of purchases was not provided to audit.
- The delivery challans, receiving and issuing record were not provided till the completion of audit.
- No item was available in the store.
- Non availability of items in the store and non availability of issuance and delivery challan showed that the payment was made on fake bills.

Audit holds that due to weak internal controls and negligence, the expenditure was incurred without observing the codal formalities which might lead to misuse of public money.

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

Audit recommends fixing responsibility against the person(s) at fault for incurring fake expenditure and fraudulent drawl besides recovery under intimation to the Audit.

[AIR Para No.14]

1.2.3.10 Unjustified / irregular expenditure on procurements - Rs 1.14 million

Rule 12(1) & (2) of PPRA, 2014 states that “Procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA’s website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency. Further, according to rule 15.4 of PFR Volume-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken and the same should be kept in charge of a responsible Government servant. Rule 15.5 of PFR Volume-I states, “When materials are issued, a written acknowledgement should be obtained from the person to whom material is being delivered.

TMO Jhelum incurred a sum of Rs 1.13 million on purchase of different items as detailed below.

(Rs in million)

| Sr. No | Event | Descriptions | Amount |
|--------|---|--|-------------|
| 1 | Ceremonies of Independence Day | Purchase of sweets, flags large and small, sound system and badges etc | 0.43 |
| 2 | Ramzan Bazar 2014 (Machin Mohallah, Ghalla Mandi) | Purchase of panaflex banner | 0.71 |
| | Total | | 1.14 |

Following irregularities were noticed by Audit:

- Purchases were made on quotation basis instead of tender as the procurement was of items valuing more than one hundred thousand rupees.

- Purchase was made without advertisement on PPRA website.
- Flags and other items were not available in the store.
- No evidence (pictures, video clips, any advertisement in newspaper etc) for any ceremony of Independence Day was provided by the department.
- Banners were not available in the store.
- Bills of payment were recorded on stock register but delivery challans, receiving and issuing record were not provided to audit till the completion of audit.
- Non availability of items in the store and non availability of issuance and delivery challans showed that the payment was made on fake bill.

Audit holds that due to weak internal controls and negligence, the expenditure was incurred without observing the codal formalities which might lead to misuse of public money.

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

Audit recommends regularization besides fixing responsibility against the person(s) at fault for fake expenditure and recovery of missing items.

[AIR Para No.17, 21]

1.2.4. Performance

1.2.4.1 Loss to government due to renting out the shops below market rate - Rs 5.46 million

According to Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001, the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection. Further, section 115(5) & (6) of PLGO, 2001 stipulates, inter alia, that auditee organization shall provide record for audit inspection and comply with requests for information in as complete form as possible and with all reasonable expedition. Under Rule 4(d) & (h) of the PLG (Property) Rules 2003, "the manager shall ensure that the rented property fetches the maximum rent and keep all title deeds and other documents, relating to the Property with duplicate copies of such title deeds and other documents, in safe custody". According to Govt. of The Punjab Local Government & Rural Development Department's letter No.SO III (LG)2-11, dated Lahore, 30th May, 2002, contracts of the shops shall be re-auctioned after 2001.

TMA Jhelum had 331 commercial units/shops. These units/shops had been rented out to different people since long. Following irregularities were also observed by Audit.

- These units had been allotted to people since long (more than five years). These units/shops were required to be re-auctioned which was not done.
- The rent agreements along with original file were not available in the record.
- The rent of shops was being collected at average rent of Rs 3,500 whereas the average market rent of other shops in the same locality was Rs 20,000 which resulted in loss of Rs 5.46 as detailed below.

| No. of Shops | Average Market Rent (Rs) | Average rent Collected (Rs) | Difference (Rs) | Loss (Rs in million) |
|---------------------|---------------------------------|------------------------------------|------------------------|-----------------------------|
| 331 | 20,000 | 3,500 | 16,500 | 5,461,500 |

- After expiry of even 10 years, the TMA did not maintain the files of auction.
- In absence of original agreement and basic record, the Audit was unable to verify the transparency of auction of shops.

- It was also observed that most of lessees of shops had sublet the shops of Government and were receiving the rate at maximum prevailing in the market.

Audit holds that due to weak internal controls and negligence, the rent of shops was not increased as per market rate which might be a cause of loss to TMA revenue.

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

Audit recommends regularization besides fixing responsibility against the person(s) at fault for not charging market rates of rent, recovery of loss under intimation to Audit.

[AIR Para No.18]

1.2.4.2 Delay in completion of works – Rs 2.26 million, Non-imposition of penalty due to delay – Rs 0.26 million

According to Clause 39 read with Clause 37 of contract agreement, the time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor. The work shall throughout the stipulated period of contract be proceeded with all due diligence in accordance with programme of work approved by the Engineer-in-charge. If a contractor fails to complete the work within stipulated period, he is liable to pay compensation @ 1% to 10% of amount of the agreement or any smaller amount as decided by the Engineer-in-charge to be worked out per day but not exceeding maximum of 10% of the cost of contract. The contractor shall have to apply within one month for extension in time limit before the expiry of scheduled time of completion.

TMO Jhelum allotted works valuing Rs 2.62 million to different contractors during 2014-15 but the works could not be completed within stipulated time and remained incomplete. The contractors neither applied for time extension nor penalty was imposed @ 10% due to delay in completion of works. This resulted in non-imposing penalty of Rs 0.26 million as detailed given at **Annex-G**.

Audit is of the view that due to weak managerial controls, engineering staff were unable to get the work done from contractor within stipulated time.

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

Audit recommends fixing responsibility against the person(s) at fault, besides recovery of penalty and expeditious completion of works under intimation to audit.

[AIR Para No.16]

1.2.5 Internal Controls Weaknesses

1.2.5.1 Non-reconciliation of receipts with bank - Rs 57.81 million

According to section 15(8) of PLG(Accounts) Rules 2001, at the close of every month figures of receipts shall be reconciled with the Bank within seven days of close of a Month. Any discrepancy in this regard shall immediately be brought to the notice of the Principal Accounting Officer.

Scrutiny of record of TMA Jhelum revealed that receipts amounting to Rs 57,806,319 were not reconciled with the Bank during 2014-15. In absence of compulsory reconciliation, transactions amounting to Rs 57.81 million of TMA could not be verified as detailed at **Annex-H**.

Audit holds that due to weak internal controls and negligence, the figures were not got reconciled with bank which resulted in doubtful collection and booking of receipts.

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

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

[AIR Para No.07]

1.2.5.2 Non-recovery on account of water supply charges - Rs 11.81 million

According to Rule 76(1) read with Rule 77, 78 & 79 of PDG & TMA (Budget) Rules, 2003 the primary obligation of the collecting officer shall be to ensure that all revenue due is claimed, realized and credited immediately into the local government fund under the proper receipt head.

TMA Jhelum realized only an amount of Rs 2.89 million against the total recoverable amount of Rs 14.70 million on account of arrears of water supply of previous years and current year charges. This resulted in less recovery amounting to Rs 11.81 million against the water charges up to 30.06.2013, as detailed below.

(Rs in million)

| Name of Scheme | Recoverable up to 6/2014 | Recovered | Outstanding |
|------------------------------------|---------------------------------|------------------|--------------------|
| Water supply scheme Jhelum Arrears | 10.20 | 0.12 | 10.07 |

| Name of Scheme | Recoverable up to 6/2014 | Recovered | Outstanding |
|------------------------------------|--------------------------|-------------|-------------|
| Water supply scheme Jhelum Current | 4.50 | 2.76 | 1.73 |
| Total | 14.7 | 2.88 | 11.8 |

Audit holds that due to weak internal controls, the amount of water charges was not recovered and Government sustained loss of Rs 11.81 million due to less realization of water supply charges.

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

Audit recommends for fixing responsibility for lapses and negligence against the person(s) at fault besides recovery.

[AIR Para No.06]

1.2.5.3 Loss to government due to non-recovery of outstanding rent of shops - Rs 5.84 million

According to Rule 76 of PDG and TMA (Budget) Rules, 2003 read with Section 18(2) of PLGO, 2001, the primary obligation of the Collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under the proper receipt head.

During audit of accounts of TMA Jhelum, it was observed that a sum of Rs 5.84 million was outstanding on account of rent for following shops up to 06/2015 as detailed at **Annex-I**.

Audit is of the view that due to weak internal controls, the amount of rent of shops was not recovered and local Government sustained loss of Rs 5.84 million due to non realization of rent of shops.

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

Audit recommends for fixing responsibility for lapses and negligence against the person(s) at fault besides recovery.

[AIR Para No.04]

1.2.5.4 Non-deduction of income tax - Rs 1.51 million

According to Sr. No32 of C No.4 (36) ITP/2013 date 19 July, 2013 Circular No.6 of 2013, Government of Pakistan Revenue Division Federal Board of Revenue “The rate of collection of Advance tax at the time of sale by auction under section 236A of Income Tax Ordinance,2001 has been increased from 5% to 10%”

During audit of TMA Jhelum for the year 2014-15, it was noticed that the following contracts for auction of collection rights were awarded to different contractors. Scrutiny of payment due for the year 2014-15 revealed that Income Tax at prevailing rates was not recovered from the contractors as detailed below.

(Rs in million)

| Name of Contract | Year | Contract Price | Income Tax @ 10% |
|------------------|---------|----------------|------------------|
| Wagon stand | 2014-15 | 2.75 | 0.27 |
| Slaughter House | 2014-15 | 1.11 | 0.11 |
| Chingchi Stand | 2014-15 | 3.95 | 0.39 |
| Advertising Fee | 2014-15 | 7.30 | 0.73 |
| Total | | 15.11 | 1.5 |

Audit is of the view that due to weak financial management, Income Tax was not recovered from the contractors and Govt., sustained loss of Rs 1.51 million on account of Income Tax.

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

Audit recommends fixing of responsibility for negligence against the person(s) at fault besides recovery.

[AIR Para No.12]

1.3 TEHSIL MUNICIPAL ADMINISTRATION DINA

1.3.1. Non-production of Record

1.3.1.1 (i) Non-production of record – Rs 4.22 million

(ii) Excess expenditure on POL - Rs 1.10 million

According to Section 14(1)(b) of Auditor General’s (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001, “the Auditor-General shall have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection”. Further, section 115(5) & (6) of PLGO, 2001 stipulates, inter alia, that auditee organization shall provide record for audit inspection and comply with requests for information in as complete form as possible and with all reasonable expedition.

TO(I&S) of TMA Dina District Jhelum did not produce auditable record amounting to Rs 4.22 million for Financial Year 2013-15. Furthermore, it was noticed that TO(I&S) Dina incurred expenditure of Rs 1.54 million on POL charges (at Sr No.02 mentioned in table at **Annex-J**) against the budget allocation of Rs0.45 million during 2014-15 resulting in irregular expenditure being excess than budget allocation amounting to Rs 1.10 million. In the absence of record, authenticity, validity, accuracy and genuineness could not be verified as detailed at **Annex-J**.

Audit holds that due to defective financial discipline and weak internal controls, relevant record was not produced to audit by the auditee in violation of Constitutional provisions and excess expenditure was incurred irregularly.

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

Audit recommends fixing responsibility for non-production of record besides ensuring early submission of record and regularization of excess expenditure under intimation to Audit.

[AIR Para-11, 13, 14 & 24]

1.3.2 Irregularity and Non-compliance

1.3.2.1 Non-maintenance of cash book/ non-reconciliation of expenditure by DDOs- Rs 259.65 million

According to Rule 2.2 of PFR Volume-I read with Rule 67(2)(i)(ii) & (3) of the PDG & TMA (Budget) Rules 2003, receipt side of the Cash Book is required to be compared with payment side thereof on the basis of schedule of payments received from Accounts Office every month. Moreover, on the basis of schedule of payments reconciliation statement is to be prepared and reconciled every month up to 10th of every calendar month with Accounts Office for the purpose of rectification of discrepancies and errors with regard to misclassification and wrong booking of expenditure.

DDOs/TOs of TMA Dina incurred an expenditure of Rs 259.65 million during 2014-15, but annual accounts had not been reconciled with the Tehsil Accounts Officer.

Audit holds that due to weak internal controls and negligence, neither DDO wise cash books were maintained nor annual accounts got reconciled with TAO.

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

Audit recommends regularization besides fixing responsibility for non reconciliation of expenditure by the DDO and to ensure early reconciliation.

AIR Para No.15

1.3.2.2 Irregular execution of development schemes - Rs 86.85 million

As per instructions contained in F.D letter No FD (F-R) ii 2/89 dated 27-03-1990 that in order to watch the transparency that the Estimate of the work has been technically sanctioned by the Competent Authority prior to start the work so the No, date and amount of TS Estimate and name of Authority who sanctioned TS Estimate should be mentioned in the notice of press advertisement, as well as in FD No.RO (tech) 1-2/83-iv dated 29.03.2009 also laid down that “a certificate should be obtained from end user that the repair / execution has been carried out satisfactorily before releasing the final payment to the contractor”.

TO(I&S) of TMA Dina, District Jhelum executed different development schemes during 2013-14 & 2014-15 worth Rs 86.85 million but TS, Estimate number, date, Amount and Name of Authority etc was not provided in the advertisement as well as requisite satisfactory completion certificate of the inhabitant of sites/DO technical was not produced for verification. In addition, department also did not produce post completion evaluation report of development Schemes as detailed below.

(Rs in million)

| Financial Years | No of Schemes | Amount | Tender opening date |
|-----------------|---------------|--------------|---------------------|
| 2014-15 | 85 | 18.60 | 12.05.2014 |
| 2013-14 | 95 | 68.25 | 28.10.2013 |
| Total | | 86.85 | |

Audit holds that due to weak internal controls, codal formalities were not followed for the execution of developments schemes resulting in irregular expenditure of Rs 86.85 million.

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

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

[AIR Para No.26]

1.3.2.3 Irregular execution due to change in scope of work- Rs 17.01 million

According to para 1(iii) of Finance Department's letter No.FD(R)11-2/89 dated 24th June, 1996 read with paras 1.59, 2.88 & 2.89 of Buildings and Roads Code, during the execution of work, Divisional Officers are strictly prohibited from making or permitting any material deviations from any sanctioned design without specific authority. Neither the specification nor the quantity of different items / any additional item scheduled / Non-scheduled approved in the Technical Sanction be changed and executed without prior approval of such change / new addition by the Competent Authority who has issued Technical Sanction. Such Authority will record reasons if any. In case of material structural alterations, though not necessarily involving an increased outlay, orders of original sanctioning authority should be obtained. A revised estimate should be submitted for Technical Sanction, should the alterations involve any substantial change in the cost of work. In urgent cases, where the delay thus caused would be inconvenient, an immediate report of the

circumstances must be made to superior authority and dealt with as the case may be. Under Section 14(1)(b) of Auditor General's (Functions, Powers and Terms and Conditions of Service), Ordinance, 2001 and Section 115(5) & (6) of PLGO, 2001 auditee organization shall provide record for audit inspection and comply with requests for information in as complete form as possible and with all reasonable expedition.

TMO Dina District Jhelum awarded development works amounting to Rs 14.95 million to different contractors during 2014-15. Scrutiny of record revealed that contractor had been paid Rs 17.01 million for the abovementioned works. The expenditure was un-justified as scope of work of these schemes was changed without obtaining prior approval from the Competent Authority. Proceedings to justify revised T.S, comparative statement of original and revised T.S, report relating to progress of works at the time of revision, were neither available on record nor produced to audit. In addition, the engineer-in-charge was required to submit the application for revision of technical estimate at the earliest moment when the probability of excess was arisen at the first time but he failed to comply accordingly. This resulted in irregular execution and payment amounting to Rs 17.01 million without prior approval of revised TS estimates due to change of quantities of items of works. The detail is given at **Annex-K**.

Audit is of the view that due to weak managerial discipline, work was executed irregularly without observing the original scope of work and prior approval of revised Technical Sanction and all relevant record was also not produced to Audit.

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

Audit recommends regularization besides fixing responsibility against the person(s) at fault and early production of all relevant record for scrutiny under intimation to audit.

[AIR Para No.04]

1.3.2.4 Non-transparent auction of collection rights of parking/ general bus stand/ adda fee –Rs 16.00 million

According to Chapter-III, Procurement advertisement Sr. No.12 & 13 of PPRA Rules 2014, "response time shall not be less than fifteen days for

national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice and the quotations should be sealed". As per Sr. No.05 of the terms and conditions of the agreement the contractor will not over charge and action will be taken for overcharging according to Section 22(1) of Lease Rules chapter XVI of local Government Ordinance, 2001 and contract will be cancelled by forfeiture of his all deposits".

TMO Dina awarded contract for the collection of parking fee to M/S Muhammad Ansar S/O Muhammad Anwar District Jhelum amounting to Rs 16.00 million during the Financial Year 2014-15, and following serious irregularities were noticed which made the auction non-transparent

- i. Advertisement was published in "Daily Nawa-e-Waqat dated June 01, 2014 and tender opening date was June 09, 2014 which showed that sufficient response time was not given for fair competition.
- ii. Quotations/bids were not sealed.
- iii. Bid was accepted without any guarantee and first instalment was deposited without signing agreement.
- iv. Printed tickets were not issued to auctioneer/ contractor for acknowledgement to general public for parking fee.
- v. Auctioneer/contractor issued parking tickets without mentioning of fee thereon.
- vi. During physical inspection, it was noticed that overcharging was continued at huge level i.e Rs 100 from Hiace (van) per route (triple charging) in violation of agreement.

Audit holds that due to weak managerial controls, collection rights were auctioned in non-transparent and irregular manner.

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

Audit recommends that non transparent auction of immovable property of local Government be regularized and responsibility fixed for recovery of overcharging from contractor in addition to cancellation of their contracts and forfeiture of their securities.

[AIR Para No.05]

**1.3.2.5 (i) Defective auction of collection of parking fee of bus stand-
Rs 12.83 million
(ii) Loss to TMA –Rs 3.82 million**

According to para-5(i) of PLG (Auction of Collection Rights) Rule 2003 “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. Further, according to para-8 of the PL G (Auction of Collection rights) Rules, 2003 “The contract of collection rights of an income of a local government shall be awarded to the highest bidder through an open bid by adopting the procedure of auction as laid down in Chapter-II”

TMO Dina awarded contract for the collection of Adda fee to M/S Raja Tahir Rehman Khalid for Rs 20.00 million during the Financial Year 2013-14, whereas the following serious irregularities were noticed which made the auction non-transparent in addition to consequential loss of Rs 3.82 million.

- i. Advertisement was published in "Daily Nawa-e-Waqat dated 05.06.2013 and tender opening date was 12.06.2013 which showed that sufficient response time was not given for fair competition.
- ii. After abandoning the contract, it was re-advertised in "Daily Nawa-e-Waqat dated 06.08.2013 and tender opening date was 15.08.2013 giving insufficient time for response.
- iii. Contract was awarded for Rs 12.82 million for period of 10 months instead of 12 months.
- iv. Quotations/bids were not sealed.
- v. Bid was accepted without any guarantee and first instalment was deposited without signing agreement.
- vi. Loss was not recovered from defaulting contractors as per Clause 22 of Lease Rules Chapter XVI of PLGO, 2001 which occurred due to re-auction
- vii. Audit observed that printed parking tickets were not issued to auctioneer/contractor for acknowledgement to general public for parking fee.
- viii. Auctioneer/contractor issued parking tickets without mentioning of fee thereon.

- ix. The overcharging was also obvious from complaints received from general public, but TMA did not take any step for stoppage of overcharging and financial loss to public. As detailed below.

(Rs in million)

| Auction 2013-14 | Initial dues deposited against 1st auction | Re-auction 2013-14 (for 10 months) | Loss |
|------------------------|--|---|--------------------|
| 1 | 2 | 3 | 4={1-(2+3)} |
| 20.010 | 3.36 | 12.82 | 3.82 |

Audit holds that due to weak managerial controls and negligence, irregular contract was awarded and TMA sustained a loss of Rs 3.82.

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

Audit recommends regularization besides fixing responsibility against the person(s) at fault, irregular award of contract and recovery of loss under intimating to Audit.

[AIR Para No.02]

1.3.2.6 Irregular expenditure without obtaining lab test reports of PCC – Rs 4.64 million

As per condition No.6 of the agreement “the contractor will perform the laboratory test on his own costs if required / considered essential by the Municipal Incharge”.

Scrutiny of record of TMA Dina revealed that the TMA incurred expenditure amounting to Rs 4.63 million on the execution PCC (1:2:4) in different schemes during 2014-15 but as per rule the cubical test report was not obtained from the government laboratory to check the concrete workability. In absence of the test, payment made for PCC (1:2:4) was irregular as detailed at **Annex-L**.

Audit is of the view that due to weak managerial controls, irregular payment of PCC was made without obtaining cubic test report.

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

Audit recommends regularization and P.C.C cubic test be conducted under intimation to audit.

[AIR Para No.17]

1.3.2.7 Irregular expenditure on account of ramzan bazaar - Rs 2.07 million

According to Rule 2(b) xix of Punjab Delegation of Financial Power Rules 2006 Second Schedule Part-I, “Power common to all Administrative departments, every department can incur expenditure upto Rs 0.100 million per annum on hiring of tentage”. Further, according to Rule 2.10 (b) (5) of PFR Volume-I “Authorities incurring expenditure should see that no money has been drawn from the treasury unless it is required for immediate disbursement or has already been paid out of permanent advance and that it is not permissible to draw advances from the treasury for the execution of works, the completion of which is likely to take a considerable time”.

TMA Dina District Jhelum incurred expenditure amounting to Rs 2.065 million on account of tentage charges under head A03921-Unforeseen Charges during 2013-14 on the eve of Sasta Ramzan Bazar/Package but the sanction of expenditure was not obtained from Competent Authority. Department incurred huge expenditure during last five years on hiring charges of tentage instead of purchase of goods for making the assets of TMA for future usage. Moreover, expenditure was incurred by calling quotations which were unsealed and without specification.

Audit is of the view that due to poor managerial controls and negligence, amount of Rs 2.07 million was irregularly paid resulting in loss to the public exchequer.

1.3.2.8 Irregular payment on account of non-schedule items - Rs 1.26 million

According to Finance Department, Government of the Punjab, Notification No.RO(TECH) FD2-3/2004 dated 02.08.2004, “Composite Schedule Rate (CSR) 1998 has been replaced with Market Rate System w.e.f. 01.07.2004, any item not found in MRS, its rate analysis be prepared on basis of input rates and got approved from EDO (W&S)/Competent Authority and communicated to FD technical wing. Further, according to the instructions contained in para 4 (i) (iv) in preface of CSR 1998, “the rate analysis for the non-scheduled items is required to be prepared and approved before the work

is undertaken and copies of such analysis are required to be sent to the Secretary, Standing Rate Committee”.

TMA Dina paid an amount of Rs 1.26 million to contractor pertaining to non-schedule items without their approval from Competent Authority during the financial year 2014-15. This resulted into irregular payment of Rs 1.256 million as detailed below.

(Rs in million)

| Name of work | Item | Qty | Rate | Amount |
|---|-----------------------|-----------|------------|--------|
| Construction of RCC Nullah, Sewerage PCC Street Village Calowal | P/L R.C.C Pipe 2” dia | 1,693 Rft | 741.90/rft | 1.26 |
| Total | | | | |

Audit is of the view that due to financial mismanagement, irregular payment amounting to Rs 1.26 million was made on account of unapproved Non-Schedule Items.

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

Audit recommends regularization and fixing responsibility for payment of non schedule items without approval from Competent Authority under intimation to Audit.

[AIR Para No.03]

1.3.2.9 Irregular expenditure on provision of mild steel deformed bar 60 grade for RCC Slab – Rs 1.22 million

According to Para 1.58 of B&R Code, Divisional Officer is responsible to organize and supervise the execution of works and to see that they are suitably and economically carried out with materials of good quality.

Scrutiny of accounts of TMA Dina District Jhelum, revealed that TO(I&S) had used an item fabrication of mild steel deformed weighing 11,530kg @ Rs 10,601.10%Kg bar 60 grade for RCC Slab instead of bar 40grade in a scheme “Construction of Submersible Culvert in Village Kari UC-Jangeel”. Execution and payment of extra ordinary rich specification resulted in irregular expenditure of Rs 1.22 million.

Audit holds that due to weak managerial controls and negligence, irregular expenditure was incurred without observing the justified requirements which might lead to misuse of public money.

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

Audit recommends regularization from the Competent Authority besides recovery of excess expenditure on account of rich specifications.

[AIR Para No.09]

1.3.2.10 Un-authorized and irregular payment of TST without invoices of bitumen – Rs 1.06 million

As per acceptance letter condition No.12, bitumen of required grade shall be obtained for use on road work from the Attock Oil Refinery Limited Karachi and documentary evidence in support shall be produced for record and reference.

TMA Dina District Jhelum awarded a scheme “Construction of road from Dharyala to dhok Jarri” worth Rs 2,365,000 to M/S Usman Ghani and had been paid Rs 1.056 million for an item of work TST using 67 lbs bitumen & 7.50cft bajri (24,780 Sft) without provision of invoices and allied documents resulting in irregular expenditure of Rs 1.06 million and un-authorized payment.

Audit is of the view that due to weak managerial controls, Un-authorized and irregular payment of Rs 1.06 million on account of TST was made being without invoices of bitumen.

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

Audit recommends regularization and fixing responsibility against the person(s) at fault, besides recovery.

[AIR Para No.06]

1.3.2.11 Loss due to auction at lower rate – Rs 1.02 million

According to Rule 11(1) of PLG (Auction of Collection Rights) Rules 2003, “The bid received in open auction, if less than the reserve price, shall be

rejected by the Nazim (Administrator) concerned or the person authorized by him in all cases and the contract shall be re-auctioned in the prescribed manner. Further according to rule 2.33 of PFR Volume-I, “every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence”.

TMO Dina re-auctioned the collection rights of advertisement tax and rickshaw stand fee for Rs 4.706 million during 2014-15. It was noticed that during the 1st auction proceedings, first highest bidder defaulted to deposit the first installment and amount of income tax. Therefore, earnest money was forfeited. Instead of awarding the contract to the 2nd highest bidder at Rs 5.730 million, the auction for collection of rights was re-auctioned at lower rates of Rs 4.706 million. This resulted in loss of Rs 1.024 million as detailed below.

(Rs in million)

| Name of Contractor | Name of Contract | 1 st Highest Bidder | 2 nd Highest Bidder | Awarded in 2 nd Auction | Loss |
|--------------------|-------------------|--------------------------------|--------------------------------|------------------------------------|-------------|
| Raja Adnan Arif | Advertisement Tax | 2.50 | 2.30 | 1.70 | 0.59 |
| Shahroz Naeem | Raksha Stand | 3.45 | 3.43 | 3.00 | 0.43 |
| Total | | 5.95 | 5.73 | 4.7 | 1.02 |

Audit holds that due to weak managerial controls and negligence, irregular contract was awarded which resulted in loss of Rs 1.024million to public exchequer.

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

Audit recommends regularization besides fixing responsibility against the person(s) at fault for irregular award of contract and recovery of loss.

[AIR Para No.01]

1.3.3. Performance

1.3.3.1 Non-utilization of sports fund – Rs 2.00 million

According to Government of the Punjab Local Government & Community Development Department letter No.SO.D-1 (LG) 8-14/02 dated 28.10.2008 “that 2% of allocation of funds may be placed at the disposal of District and Tehsil Sports Committees. It is therefore directed that 2% of Development budget for Sports Activities may be placed at the disposal of Tehsil sports Committee”. Furthermore, according to Rule 64(iv) of the PDG & TMA (Budget) Rule, 2003, “the resources of the Govt. should be utilized efficiently & effectively”.

TMA Dina allocated funds of Rs 2.00 million on account of sports activities during financial year 2014-15 which were required to be utilized to build a healthy and active, energetic youth generation but it was noticed that the said funds were not utilized till the end of the financial year which was against the government policy and the rules mentioned above.

Audit is of the view that due to poor managerial controls, funds were not utilized for the benefit of the community.

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

Audit recommends regularization besides fixing responsibility for non-utilization of funds under intimation to Audit.

[AIR Para No.12]

1.3.4 Internal Controls Weaknesses

1.3.4.1 Non-reconciliation of income in account No-900042-Rs 32.86 million

Accordinging para No.3 (iv) to Government of the Punjab Finance Department Letter No.F.D.(FR)III-5/82(P) dated 30th June, 2009 “periodical reconciliation of accounts with TAOs must be done”. Further Rule 78 (1) & (2) of PGD & TMA (Budget) Rule 2003 states that “The Collecting Officers shall reconcile his figures with the record maintained by the Accounts Officer by the 10th day of the month following the month to which the statement relates. In order to enable the Head of Offices concerned to verify whether the amounts shown as realized in the statements have actually been realized and credited to the proper head of account, the Accounts Officer concerned shall provide the Head of Offices with statements confirming the actual amounts credited under the relevant receipt heads”.

During audit of TMA Dian, a difference amounting to Rs 32.82 million was noticed in income A/C # 900042 between figures of TAO & TO(Finance) which was required to be reconcile as detailed below.

| (Rs in million) | | |
|------------------------|--------------------------|-------------------|
| Recorded by TAO | Recorded by TO(F) | Difference |
| 68.64 | 101.50 | 32.86 |

Audit holds that due to weak internal controls and negligence, the annual accounts were not got reconciled with TAO. It resulted in a difference amounting to Rs 32.864 million.

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

Audit recommends regularization besides fixing responsibility for non reconciliation of income by the DDO and to ensure early reconciliation.

[AIR Para No.08]

Annexure

Annex-A
Part-I

Current Audit Year 2015-16
Memorandum for Departmental Accounts Committee (MFDAC)

(Rs in million)

| Sr. No | Name of Formation | Description of Para | Nature of Irregularity | Amount |
|--------|-------------------|---|------------------------|--------|
| 1 | TMA Jhelum | Misappropriation on account of POL | Misappropriation | 0.09 |
| 2 | | Misappropriation on account of purchase of chairs | Misappropriation | 0.02 |
| 3 | | Misappropriation on account of engine of vehicle | Misappropriation | 0.10 |
| 4 | | Un-justified Consumption of POL | Non compliance of Rule | 0.19 |
| 5 | | Overpayment due to rich specifications | DO | 0.16 |
| 6 | | Over payment on Account of Beautification of Shandar Chowk | DO | 0.24 |
| 7 | | Non-issuance of Fitness Certificates and non imposing penalty thereof | DO | 0.05 |
| 8 | | Unjustified use of POL | DO | 0.08 |
| 9 | | Overpayment due to incorrect application of rate | DO | 0.09 |
| 10 | | Non recovery of advertising fee from the defaulter Contractors | Poor performance | 0.19 |
| 11 | | Non-cancellation of license and penalty thereof | DO | 0.20 |
| 12 | | Non-compliance of Policy for installation of BTS Towers | DO | 0.00 |
| 13 | | Less receipt of rent of stall | DO | 0.31 |
| 14 | | Irregular transfer of funds to PLGB – | Irregularity | 1.97 |
| 15 | TMA Dina | Over payment due to Rich Specification | Non compliance of Rule | 0.22 |
| 16 | | Overpayment due to Applying Rich Specification | DO | 0.03 |
| 17 | | Non recovery of TTIP | DO | 0.19 |
| 18 | | Non-recovery of Overpayment on account of non deduction of drainage from earth work | DO | 0.02 |
| 19 | | Non-recovery of cost of old material | DO | 0.03 |
| 20 | | Non deduction of 10% of shrinkage charges | DO | 0.04 |
| 21 | | Difference in summary and detail head of annual account | DO | 0.69 |
| 22 | | Irregular transfer of funds to PLGB- | Irregularity | 2.34 |

Part-II
[Para 1.1.3]

**Memorandum for Departmental Accounts Committee (MFDAC) Paras
Pertaining to Previous Audit Year 2014-15**

(Rs in million)

| Sr No | Name of TMA | Description | Nature of Irregularity | Amount |
|--------------|--------------------|--|-------------------------------|---------------|
| 1 | TMA Jhelum | Unjustified deduction of un-applicable tax - | Non Compliance of Rules | 0.20 |
| 2 | | Poor Performance of Regulation Wing | | Nil |
| 3 | | Non-verification of GST | | Nil |
| 4 | | Non auction of old material | | Nil |
| 5 | | Unlawful collection self imposed fine | | Nil |
| 6 | | Loss to Local Govt due to non auction of TMA Canteen | Losses/ Recoveries | Nil |
| 7 | TMA Dina | No para was converted to MAFDAC Para | - | - |

Annex-B

TMA's of District Jhelum
Budget and Expenditure Statement for Financial Years 2014-15

(Amount in Rs)

| Head | Budget | Expenditure | Excess / Savings | %age |
|--------------------------------|--------------------|--------------------|-------------------------|----------------|
| Financial Year 2014-15 | | | | |
| 1. TMA, Jhelum | | | | |
| Salary | 96,135,000 | 95,403,419 | 731,581 | 0.76 |
| Non Salary | 101,844,270 | 85,630,632 | 16,213,638 | 15.92 |
| Development | 15,400,000 | 4,923,017 | 10,476,983 | 68.03 |
| Head | Budgeted | Achieved | | |
| Revenue | 216,261,000 | 212,527,000 | 3,734,000 | 1.73 |
| Total | 161,629,270 | 185,957,068 | 31,156,202 | (19.28) |
| 2. TMA, Pind Dadan Khan | | | | |
| Financial Year 2014-15 | | | | |
| Head | Budget | Expenditure | Excess / Savings | %age |
| Salary | 35,867,210 | 35,545,519 | 321,691 | 0.90 |
| Non Salary | 39,208,000 | 27,878,207 | 11,329,793 | 28.90 |
| Development | 27,653,929 | 21,938,391 | 5,715,538 | 20.67 |
| Total | 102,729,139 | 85,362,117 | 17,367,022 | 16.91 |
| Head | Budgeted | Achieved | | |
| Revenue | 86,967,100 | 80,814,521 | 6,152,579 | 7.07 |
| 3. TMA, Dina | | | | |
| Financial Year 2014-15 | | | | |
| Head | Budget | Expenditure | Excess / Savings | %age |
| Salary | 29,787,000 | 24,959,035 | 4,827,965 | 16.21 |
| Non Salary | 28,256,500 | 20,692,971 | 7,563,529 | 26.77 |
| Development | 110,719,291 | 110,719,291 | - | - |
| Total | 168,762,791 | 156,371,297 | 12,391,494 | 7.34 |
| Head | Budgeted | Achieved | | |
| Revenue | 48,418,238 | 68,642,016 | (20,223,778) | (41.77) |
| 4. TMA, Sohawa | | | | |
| Financial Year 2014-15 | | | | |
| Head | Budget | Expenditure | Excess / Savings | %age |
| Salary | 26,050,000 | 17,076,472 | 8,973,528 | 34.45 |
| Non Salary | 13,120,000 | 5,822,410 | 7,297,590 | 55.62 |
| Development | 26,654,000 | 21,414,447 | 5,239,553 | 19.66 |
| Head | Budgeted | Achieved | | |
| Revenue | 52,867,000 | 51,286,889 | 1,580,111 | 2.99 |
| Total | 65,824,000 | 44,313,329 | 21,510,671 | 32.68 |

Annex-C

Para-1.2.1.1

(Rs in million)

| Month | Receipt No | Amount |
|------------------------------------|------------|-------------|
| (A) Wagon Stand | | |
| Aug-14 | 9422995 | 0.24 |
| Nov-14 | 162351 | 0.28 |
| Dec-14 | 162353 | 0.28 |
| Total | | 0.81 |
| (B) Slaughter House | | |
| Jul-14 | 942993 | 0.03 |
| Do | 942994 | 0.23 |
| Aug-14 | 942992 | 0.09 |
| Sep-14 | 942996 | 0.09 |
| Oct-14 | 943000 | 0.09 |
| Nov-14 | 162352 | 0.03 |
| Total | | 0.58 |
| (C) QING QHEE/ AUTO RIKSHAW | | |
| Jul-14 | 942997 | 1.00 |
| Aug-14 | 942998 | 0.35 |
| Sep-14 | 942999 | 0.36 |
| Oct-14 | 943000 | 0.36 |
| Nov-14 | 53001 | 0.37 |
| Dec-14 | 53002 | 0.35 |
| Total | | 2.79 |
| Grand Total(A+B+C) | | 4.19 |

Annex-D

Para-1.2.2.1

(Rs in million)

| AIR Para No | Detail of Record | Description | Amount |
|--------------------|---|--|---------------|
| 32 | The record of contractor regarding collection of income/receipts for the financial year 2014-15 | Advertisement fee | 7.30 |
| | | Slaughter house | 1.11 |
| | | Parking fee wagon stand | 2.75 |
| | | Qing que Rikshaw parking fee | 3.95 |
| 15 | Record of income realized through self collection for the period from 7/2013 to 06/2015 | Public latrine, parking fee of Adda Bilal town, Hath Rari and Mela Salman Paaris | Not available |
| 01 | Record including deposit challans, classified cash books and bank statements | TTIP for the period 01/07/2014 to 18/12/2014. | 10.68 |
| | Total | | 25.79 |

Annex-E

Para-1.2.3.5

(Rs in million)

| Head | Budgeted Target | Recovery as per Annual Account | Less Recovery |
|----------------------|------------------------|---------------------------------------|----------------------|
| Advertisement Fees | 7.30 | 7.13 | 0.167 |
| Slaughter House | 1.11 | 0.66 | 0.455 |
| Adda parking fees | 2.75 | 2.51 | 0.234 |
| Rikshaw fees | 3.95 | 2.16 | 1.789 |
| Water rates | 3.00 | 2.90 | 0.097 |
| Sewerage rate | 2.25 | 2.20 | 0.045 |
| Rent of shops | 17.20 | 17.08 | 0.119 |
| Municipal urban land | 0.84 | 0 | 0.840 |
| | 38.4 | 34.66 | 3.745 |

Annex-F
Para-1.2.3.8

(Rs in million)

| Sr. No. | Item | Qty | Rate | Amount |
|---------|--|------|----------|--------------|
| 1 | P/F Metallic Road studs (10 x 4x 3) with red & yellow diamond reflective Tape on each side embedded in bituminous road up to 4" depth I correct alignment 6" | 1520 | 0.000336 | 0.511 |
| 2 | P/F Metallic Road studs (8 x 4x2) with red & yellow diamond reflective Tape on each side embedded in bituminous road up to required depth In correct alignment 6" | 56 | 0.00109 | 0.061 |
| 3 | Making /fixing i/c erection at site Considering proper angle & direction of vertical part of fiber glass monument 15.25 ft height as per dimension given in required shape and design, including forms, moulds, shuttering, rendering. And finishing exposed surface with special weather resistant finishing material complete including the cost of steel reinforcement with M/S square conduit pipe 14SWG for its fabrication and placing in position as per designed/model given drawing | 01 | 0.343 | 0.343 |
| 4 | Making /fixing i/c erection at site Considering proper angle & direction of round/circular body of fiber glass monument as per dimension given in required shape and design, including jointing arrangement to make it dully monolithic with vertical erected part i/c fiber glass bell having 1'-6" radius i/c forms, moulds, shuttering, rendering. And finishing exposed surface with special weather resistant finishing material complete including the cost of steel exposed | 01 | 0.296 | 0.296 |
| | Total | | | 1.211 |

Annex-G

Para-1.2.4.2

(Rs in million)

| Sr. No | Name of Scheme | Name of Contractor | Approved Cost | Date of start | Date of completion | Penalty |
|--------|---|--------------------|---------------|---------------|--------------------|-------------|
| 1 | Construction of PCC Passage near sadar thana Jhelum (from computer centre to main Road) | Usman Ghani | 0.50 | 25.11.2014 | 24.02.2015 | 0.05 |
| 2 | Construction of Soling Pucca road to Grave yard) Pakwal | Adnan Enterprises | 0.30 | 22.12.2014 | 21.03.2015 | 0.03 |
| 3 | Patch work & closing of Divider, Machine Mohalla Road shandar Chowk to Jadda i/c Eye Cats | Muhammad shezad Ch | 0.72 | 22.12.2014 | 21.03.2015 | 0.07 |
| 4 | Construction of culverts 02 No Mauza Pakwal | Munawar Hussain | 0.25 | 30.05.2015 | 29.06.2015 | 0.02 |
| 5 | Construction of water filtration | Usman Ghani | 0.25 | 01.06.2015 | 30.06.2015 | 0.02 |
| 6 | Const: of PCC street Dera Ch Khalid Gujar & Khaleeq Ahmed Mohallah Abbas pura | A.M Brothers | 0.60 | 01.11.2013 | 31.01.2014 | 0.06 |
| | Total | | 2.62 | | | 0.25 |

Annex-H

Para-1.2.5.1

(Rs in million)

| Sr No | Name of Items | Amount |
|-------|-------------------------|--------------|
| 1 | Slaughter house Jhelum | 0.66 |
| 2 | Parking fee wagon stand | 2.51 |
| 3 | License fee | 0.18 |
| 4 | Rent of shops | 17.08 |
| 5 | Water rate | 2.90 |
| 6 | Sewerage | 2.20 |
| 7 | TTIP | 32.25 |
| | Total | 57.78 |

Annex-I
Para-1.2.5.3

(Rs in million)

| Name of Market | Shops No. | Outstanding Amount upto 6/2015 |
|--------------------|--------------|--------------------------------|
| Ghala Mandi Market | 17 | 0.14 |
| | 30 | 0.04 |
| Bano Bazar | 22 | 0.17 |
| | 23 | 0.17 |
| | 24 | 0.17 |
| | 25 | 0.17 |
| | 26 | 0.17 |
| | 47 | 0.17 |
| | 48 | 0.17 |
| | 49 | 0.17 |
| | 50 | 0.17 |
| | 51 | 0.17 |
| | 52 | 0.17 |
| | 53 | 0.17 |
| | 54 | 0.17 |
| | 55 | 0.17 |
| | 56 | 0.17 |
| | 57 | 0.17 |
| | 58 | 0.17 |
| | 59 | 0.17 |
| | 60 | 0.17 |
| | 61 | 0.17 |
| 62 | 0.17 | |
| 63 | 0.17 | |
| 70 | 0.04 | |
| 73 | 0.16 | |
| Near DHQ Hospital | 299 | 1.01 |
| | 300 | 0.30 |
| | 301 | 0.29 |
| | Total | 5.84 |

Annex-J

Para-1.3.1.1

(Rs in million)

| Sr. No. | AIR Para # | Name of Department | Description of Record | Financial Year | Amount |
|--------------|------------|--------------------|--|----------------|---------------|
| 1 | 11 | TO(I&S) | Sports funds | 2013-14 | 1.23 |
| 2 | 13 | TO(I&S) | Log Books of the Vehicles for which POL was consumed along with the movement register and monitoring reports | 2014-15 | 1.54 |
| 3 | 14 | TO(I&S) | POL chrages of Generator | 2013-14 | 0.78 |
| | | | POL chrages of Generator | 2014-15 | 0.65 |
| 4 | 24 | TO(I&S) | DDOs Bank Accounts Statements, Un due retention of money in bank account | 2013-15 | Not available |
| Total | | | | | 4.22 |

Annex-K

Para-1.3.2.3

(Rs in million)

| Sr. No | Name of work | T.S | Work done | Remarks |
|--------------|---|--------------|--------------|---|
| 1 | Const of Street UC-Kari Jangeel | 2.00 | 2.21 | Required date of completion was 22.10.2014 but revised TS was obtained on 02.01.2015 |
| 2 | Const. of road/drain soling kurla sharif | 2.05 | 2.33 | Required date of completion was 22.10.2014 but revised TS was obtained on 22.01.2015 |
| 3 | Const. of street Nei Abadi Said Hussain | 1.20 | 1.38 | Required date of completion was 12.05.15 but revised TS was obtained without date. No application for increase of work was submitted by Contractor. |
| 4 | Const. of Path Rooper | 1.50 | 1.64 | Required date of completion was 19.05.2015 but revised TS was obtained without date. No application for increase of work was submitted by Contractor. |
| 5 | Const. of Road from Domeli Station to Jodha & Culvert | 8.20 | 9.43 | Required date of completion was 25.05.2014 but revised TS application was submitted 22.01.2015. |
| Total | | 14.95 | 17.01 | |

Annex-L
Para-1.3.2.6

(Rs in million)

| Name of Schemes | TS Amount | Work Order No Date | Date of Start | Required date of Completion | Expenditure upto 06/15 |
|---|------------------|---------------------------|----------------------|------------------------------------|-------------------------------|
| Const. of street Kurla UC Mafukalas | 1.00 | 937/ 22-05-14 | 22-05-14 | 23-08-14 | 0.98 |
| Const. of street .Nali Malik Kjalif wali Rohtas | 0.300 | 624/ 08-11-13 | 08-11-13 | 09-12-13 | 0.29 |
| Const. of Street and Drain Cillage Khukha | 0.500 | 925 | 22-05-14 | 22-07-14 | 0.49 |
| Const. of road Daryalato Dhok Jari UC Badlot | 2.36 | 950/ 12-05-14 | 22-05-14 | 22-10-14 | 2.36 |
| Const. of street Village Gagar | 0.50 | 176/ 22-02-15 | 22-02-15 | 23-04-15 | 0.50 |
| | 4.66 | | | | 4.62 |