



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

**AUDIT YEAR 2014-15**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS AND ACRONYMS**

ADP	Annual Development Programme
CCB	Citizen Community Board
CO	Chief Officer
DAC	Departmental Accounts Committee
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 Concrete Cement
PDG	Punjab District Government
PLGO	Punjab Local Government Ordinance
PLG	Punjab Local Government
POL	Petrol, Oil and Lubricants
PPRA	Punjab Procurement Regulatory Authority
TMA	Town/Tehsil Municipal Administration
TMO	Town Municipal Officer
RCC	Reinforced Concrete Cement
TO (F)	Town/Tehsil Officer (Finance)
TO (I&S)	Town /Tehsil Officer (Infrastructure & Services)
TO (P&C)	Town /Tehsil Officer (Planning & Coordination)
TO I	Town /Tehsil Officer (Regulations)
TTIP	Tax on Transfer of 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 control of, the Provincial Government. Accordingly, the audit of all Receipts and Expenditures of the Local Fund and Public Accounts of Town / Tehsil Municipal Administrations of the City District / District Government is the responsibility of the Auditor General of Pakistan.

The report is based on audit of the accounts of various offices of Tehsil Municipal Administrations of District Hafizabad for the Financial Year 2013-14. The Directorate General of Audit, District Governments, Punjab (North), Lahore conducted audit during 2014-15 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs1.00 million or more. Relatively less significant issues are listed in the Annex-A of the Audit Report. The Audit observations listed in the Annex-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit observation will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

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

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

**Islamabad**  
**Dated:**

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

## **EXECUTIVE SUMMARY**

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

The Regional Directorate has a human resource of 17 officers and staff, total 4,760 man-days and the annual budget of Rs16.337 million for the financial year 2014-15. It has the mandate to conduct Financial Attest, Regularity Audit and Compliance with Authority & Performance Audit of entire expenditure including programmes / projects and receipts. Accordingly, Director General Audit District Governments Punjab (North), Lahore carried out Audit of accounts of two TMAs of District Hafizabad for the financial year 2013-14.

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

Audit of Tehsil Municipal Administrations in District Hafizabad was carried out with the view to ascertaining whether the expenditure was incurred with proper authorization and in conformity with laws/ rules/regulations for economical procurement of assets and hiring of services etc.

Audit of receipts / revenues was also conducted to verify whether the assessment, collection, reconciliation and allocation of revenue were made in accordance with laws and rules, resulting in no leakage of revenue.

**a. Scope of Audit**

Total expenditure of two (02) TMAs of District Hafizabad for the Financial Year 2013-14 under the jurisdiction of DG District Audit (N) Punjab was Rs 302.813 million covering two (02) PAO and two (02) formations. Directorate General Audit, audited an expenditure of Rs 166.547 million which in terms of percentage, was 55% of the auditable expenditure.

Total receipts of the two (02) Tehsil Municipal Administrations of District Hafizabad for the Financial Year 2013-14, were Rs 367.499 million, whereas, Directorate General Audit, audited receipts of Rs 257.249 million which was 70% of total receipts.

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

Recovery of Rs 29.086 million was pointed out during audit but no recovery was effected and verified during the year 2014-15 till the time of compilation of report.

**c. Audit Methodology**

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

**d. Audit Impact**

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

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

Internal control mechanism of TMAs of District Hafizabad was not found satisfactory during audit. Many instances of weak Internal Controls have been highlighted during the course of audit which includes some serious lapses like withdrawal of public funds against the entitlement of employees. Negligence on the part of TMAs of District Hafizabad authorities may be captioned as one of important reasons for weak Internal Controls.

Section 115-A (1) of PLGO, 2001 empowers Nazim of each District Government to appoint an Internal Auditor but the same was not appointed in TMAs of District Hafizabad.

#### **f. Key Audit Findings**

- i. Non-production of record of Rs 55.181 million was noted in one case.<sup>1</sup>
- ii. Irregularity / Non-compliance of Rs 2.091 million was noted in one case.<sup>2</sup>
- iii. Internal Control Weakness of Rs 74.157 million was noted in four cases.<sup>3</sup>
- iv. Non-realization of Government revenue of Rs 25.867 million was noted in seven cases<sup>4</sup>.

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

#### **g. Recommendations**

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

- i. Production of record to audit for verification.
- ii. Investigate cases involving wastage, fraud, mis-appropriation and losses, and take disciplinary actions after fixing responsibility.
- iii. Strengthening of internal controls.
- iv. Appointing of internal auditor.

- v. Holding of DAC meetings well in time.
- vi. Ensuring compliance of DAC directives and decisions in letter and spirit.
- vii. Expediting the recoveries pointed out by Audit as well as other amounts pointed out by audit and conveyed to the management.
- viii. Ensure compliance of relevant laws, rules, instructions and procedures, etc.
- ix. Maintenance of accounts and record in prescribed format / manner.
- x. Realizing and reconciling of various receipts.
- xi. Physical stock-taking of the fixed and current assets.
- xii. Addressing systemic issues to prevent recurrence of various omissions and commissions.

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<sup>1</sup> Para 1.2.1.1

<sup>2</sup> Para 1.3.1.2

<sup>3</sup> Para 1.2.2.1, 1.3.1.1, 1.3.1.3, 1.3.2.5

<sup>4</sup> Para 1.2.3.1, 1.2.3.2, 1.2.3.3, 1.3.2.1, 1.3.2.2, 1.3.2.3, 1.3.2.4



## SUMMARY OF TABLES AND CHARTS

**Table 1: Audit Work Statistics**

Sr. #	Description	Number	Budget (Rs in millions)
1	Total Entities (PAOs) in Audit Jurisdiction	02	399.373
2	Total Formations in Audit Jurisdiction	02	399.373
3	Total Entities (PAOs) Audited	02	399.373
4	Total Formation Audited	02	399.373
5	Audit & Inspection Reports	02	399.373
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports (Relating to TMAs)	-	-

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

Sr. #	Description	Amount placed under Audit observations (Rs in millions)
1	Unsound Asset Management	-
2	Weak Financial Management	-
3	Weak Internal controls relating to Financial Management	102.115
4	Others	55.181
<b>Total</b>		<b>157.296</b>

**Table 3: Outcome Statistics**

(Rs in millions)

Sr. #	Description	Expenditure on Acquiring of Physical Assets	Civil Works	Receipts	Others	Total current year	Total Last Year
1	Outlays Audited	2.091	1.574	257.247	162.882	423.794*	270.05
2	Amount placed under audit observation / Irregularities of Audit	2.091	1.574	25.867	127.764	157.296	9.926
3	Recoveries pointed out at the instance of Audit	-	1.574	25.867	1.645	29.086	9.926

Sr. #	Description	Expenditure on Acquiring of Physical Assets	Civil Works	Receipts	Others	Total current year	Total Last Year
4	Recoveries accepted / established at the instance of Audit	-	-	-	-	-	9.926
5	Recoveries realized at the instance of Audit	-	-	-	-	-	2.003

\* The amount in serial No. 1 column of "Total Current Year" is the sum of expenditure and receipt whereas the total expenditure for the current year was Rs 166.547 million.

**Table 4: Table of Irregularities Pointed Out**

Sr. #	Description	Amount Placed under Audit Observations (Rs in millions)
1	Violation of Rules and regulations, principle of propriety and probity in public operations.	-
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	-
3	Accounting Errors (accounting policy, departure from IPSAS, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4	Quantification of weaknesses of internal control systems.	73.029
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money.	29.086
6	Non-production of record.	55.181
7	Others, including cases of accidents, negligence etc.	-
<b>TOTAL</b>		<b>157.296</b>

**Table 5: Cost-Benefit**

Sr. #	Description	Amount (Rs in millions)
1	Outlays Audited (Items 1 of Table 3)	423.794
2	Expenditure on Audit	1.361
3	Recoveries realized at the instance of Audit	-
4	Cost Benefit Ratio	1:0

# **CHAPTER-1**

## **1.1 TEHSIL MUNICIPAL ADMINISTRATIONS, HAFIZABAD**

### **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-Regulation, and TO-P & C. The main functions of TMAs are as follows;

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

10. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.

11. Maintain municipal records and archives.

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

Total Budget of two (02) TMAs selected for audit was Rs 399.373 million (inclusive salary, non-salary and development) whereas the expenditure incurred (inclusive salary, non-salary and development) was Rs. 302.813 million showing saving of Rs 96.560 million which was 24% of final budget (detailed below). Less utilization of development budget (40%) deprived the community from getting better municipal facilities.

(Rs in million)

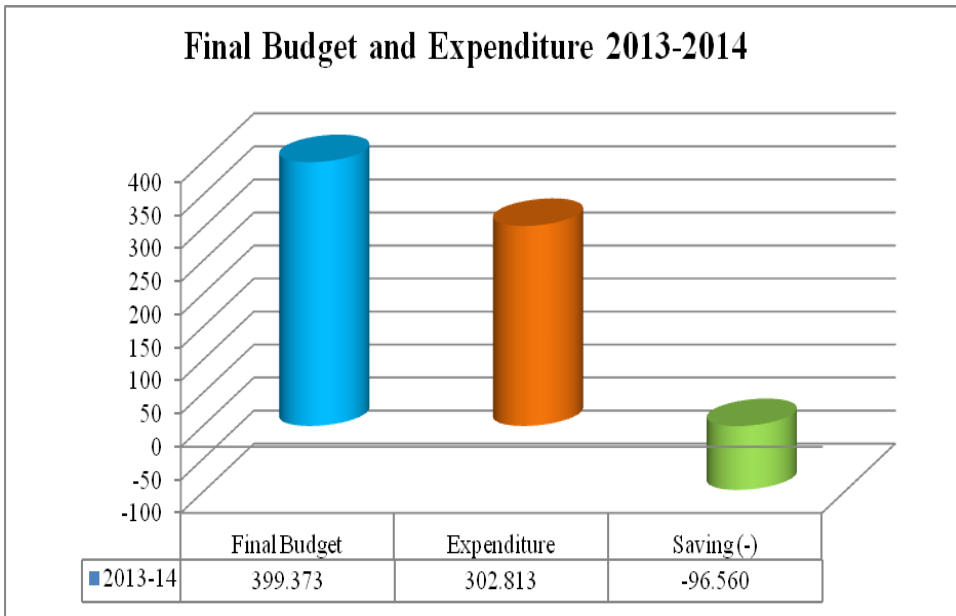
F.Y. 2013-14	Budget	Expenditure	Savings (-)	%age of Savings
Salary	194.464	157.362	-37.102	19
Non-salary	69.815	64.387	-5.428	08
Development	135.094	81.064	-54.030	40
<b>Total</b>	<b>399.373</b>	<b>302.813</b>	<b>-96.560</b>	<b>24</b>

The budgeted outlay was Rs. 399.373 million of two (02) TMAs includes PFC award of Rs. 152.864 million whereas total expenditure incurred by the TMAs during 2013-14 was Rs. 302.813 million with a savings of (-) Rs. 96.560 million (detailed below). This is indicative of the fact that the TMAs had sufficient funds to meet the expenditure from their own sources and there was no need of any injection of PFC award.

(Rs in million)

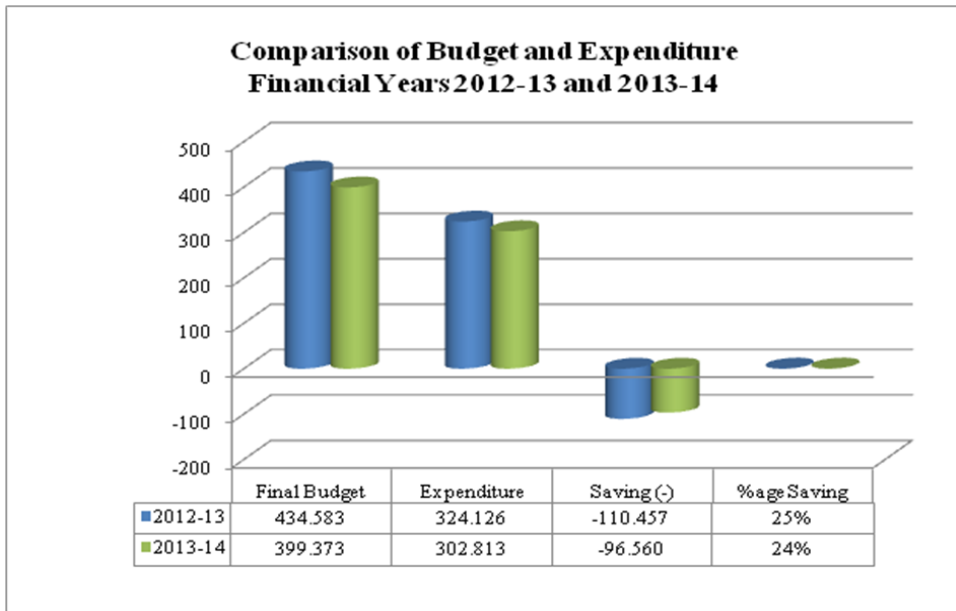
Name of TMAs	Budgeted Figure			Budgeted Outlay	Actual Expenditure	Savings	%age of Savings
	Own receipt including OB	PFC award	Total Receipts				
Hafizabad	154.499	96.804	251.303	244.765	<b>148.135</b>	-96.630	0.39
Pindi Bhattian	106.760	56.060	162.82	154.608	<b>154.678</b>	0.070	0
<b>Total</b>	<b>261.259</b>	<b>152.864</b>	<b>414.123</b>	<b>399.373</b>	<b>302.813</b>	<b>-96.560</b>	<b>0.39</b>

(Rs in million)



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

(Rs in million)



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

(Rs in million)

<b>Financial Year</b>	<b>Budget</b>	<b>Expenditure</b>	<b>(-) Savings</b>	<b>%age of savings</b>
2012-13	434.538	324.126	-110.412	25
2013-14	399.373	302.813	-96.560	24

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

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

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

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

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

<b>Sr. #.</b>	<b>Audit Year</b>	<b>No. of Paras</b>	<b>Status of PAC meetings</b>
1	2009-10 to 2011-12	09	Not convened
2	2012-13	07	Not convened
3	2013-14	13	Not convened

## **1.2 AUDIT PARAS**

## **1.2.1 TMA, HAFIZABAD**



## **1.2.1 Non-production of Record**

### **1.2.1.1 Non-production of Record - Rs 55.181 million**

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

TMA, Hafizabad recovered an amount of Rs 55.180 million on account of tax on transfer of immoveable property (TTIP) but the record i.e. copies of registered deed, approved scheduled rates, receipt challans, reconciliation statements etc. was not provided for audit verification. In the absence of relevant record, the actual receipt could not be verified and chances of misappropriation cannot not be ruled out.

Audit holds that non-production of receipt/expenditure record could lead to misuse of public funds and misappropriation / fraud.

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

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

[AIR Para No.03]

## 1.2.2 Irregularity / Non-compliance

### 1.2.2.1 Unjustified Payments to Daily Paid Staff - Rs 44.499 million

As provided in clause 2 (vi) of Finance Department Government of the Punjab letter No.FD.SO(Goods)44-4/2011, dated 06.08.13 regarding austerity/ economy measures for the financial year 2013-14, no contingent paid staff shall be appointed without obtaining prior approval of Finance Department. Further, according to Clause 4(VIII) (IV) of appointment policy issued by S&GAD Government of Punjab, Lahore vide letter No.DS(O&M) 5-3-2004 Contract (MF), dated 20<sup>th</sup> December, 2004 that recruitment policy, 2004 does not allow appointment of any person without advertisement and in violation of any procedural formalities laid down in the policy and as per Wage Rate, 2007 the appointment to a post included in the schedule shall be advertised properly in leading newspapers and recruitment to all posts in the Schedule shall be made on the basis of merits specified for regular establishment vide para 11 of the Recruitment Policy issued by the S&GAD vide No. SOR-IV(S&GAD)10-1/2003, dated 17.09.2004.

TMO, Hafizabad paid Rs 44.498 millions on account of Salaries to daily wages staff during the period of 2013-14, without approval of Finance Department, and also not advertised in leading newspapers.

Audit holds that due to non-observing of government instructions undue favor was given to daily wages staff and unjustified expenditure was incurred as detailed below:-

Name of CO Unit	Period	Total (Rs)
Chief Officer Hafizbad, Sanitation	July 2013 to June 2014	33,218,174
Chief Officer Hafizabad Sanitation		2,,702,788
Chief officer Water supply		3,050,262
Chief officer graden parks		1,747,748
Chief officer Vaniquey		1,856,354
Chief officer NHQ Kalike		1,923,625
<b>Total:-</b>		<b>44,498,951</b>

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

Audit recommends investigation of the matter besides fixing of responsibility under intimation to Audit.

[AIR Para No.07]

## **1.2.3 Internal Control Weaknesses**

### **1.2.3.1 Non-realization of Receipts - Rs 5.401 million**

According to Rule 76 (1) of PDG and 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 Local Government Fund under the proper receipt head.

During scrutiny of demand & collection register of TMA, Hafizabad, it was observed that an amount Rs 15.870 million was demanded against different heads of receipts during F.Y 2013-14 , but only Rs10.469 million was collected and the balance amount of Rs 5.401 million was not realized till the close of the financial year. No serious efforts were made to recuperate the outstanding amount from the defaulters. Rs5.401 million. The detail is at Annex-C.

Audit was of the view that due to poor performance and negligence TMA deprived the possible revenue.

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

Audit requires loss caused to the TMA may be recovered from the defaulters besides fixing of responsibility under report to Audit.

[AIR Para No.04 & 08]

### **1.2.3.2 Non-realization of Arrears of Rent of Shops – Rs 3.092 million**

According to Rule 76 of PDG and 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 Local Government Fund under the proper receipt head.

TMA, Hafizabad did not recover a sum of Rs3.092 million against the demand of Rs 4.697 million from the tenants of shops of TMA and no action was taken by the management against the defaulters. Rs1.605 million only were recovered as detailed at Annex-D

Audit holds that due to negligence of the department and internal control weakness TMA was deprived of the revenue.

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

Audit recommends that amount be recovered from tenants besides fixing of responsibility under report to Audit.

[AIR Para No.02]

### **1.2.3.3 Non-collection of Fine for Illegal Construction - Rs2.820 million**

According to Rule 76 (1) of the PDG and TMA (Budget) Rules, 2003, the primary obligation of Collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately to Local Government Fund under proper receipt head. Further according to Section 144 & 145 and Fourth Schedule of PLGO, 2001 minimum Rs.15,000 fine will be imposed on person who carried out construction of building without prior permission of TMA.

TO (P&C) TMA, Hafizabad did not decide the fate of received building plans either in shape of approval or rejection, during the year 2013-14, which tends towards negligence and poor performance of the department. Notices for objection were issued to the applicants but later on no action was taken to stop the unauthorized construction in the territory of TMA and no penalty was imposed against the defaulters carrying out construction without prior approval of the competent authority.

The above reflects poor monitoring non-adherence of by-laws and weak internal controls. Details of such cases involving amount Rs.2.820 million are as under:

(Amount in Rupees)			
Total # of cases received 2013-14	Total no of cases approved + rejected 2013-14	No. of cases pending for approval	Amount of penalty for illegal construction (Rs)
204	16	188	188 x 15000 = <b>2,820,000</b>

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

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

Audit recommends fixing of responsibility, besides recovery of penalty of Rs 2.820 million for illegal constructions under intimation to audit. It is also proposed that detailed report in respect of current status of unapproved sites may be maintained after site visit.

[AIR Para No.01]

### **1.3.1 TMA, PINDI BHATTIAN**

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

#### **1.3.1.1 Unjustified Payment to Daily Paid Staff - Rs 26.439 million**

As provided in clause 2 (vi) of Finance Department Government of the Punjab letter No.FD.SO(Goods)44-4/2011, dated 06.08.13 regarding austerity/ economy measures for the financial year 2013-14, no contingent paid staff shall be appointed without obtaining prior approval of Finance Department. Further according to Clause 4(VIII) (IV) of appointment policy issued by S&GAD Government of Punjab, Lahore vide letter No. DS(O&M) 5-3-2004 Contract (MF), dated 20<sup>th</sup> December, 2004 that recruitment policy, 2004 does not allow appointment of any person without advertisement and in violation of any procedural formalities laid down in the policy and as per Wage Rate, 2007 the appointment to a post included in the Schedule shall be advertised properly in leading newspapers and recruitment to all posts in the Schedule shall be made on the basis of merits specified for regular establishment vide para 11 of the Recruitment Policy issued by the S&GAD vide No. SOR-IV(S&GAD)10-1/2003, dated 17.09.2004.

TMO, Pindi Bhattian paid Rs 26.439 millions on account of salaries to daily wages staff during the period of 2013-14. without approval of Finance Department and also not advertised in leading newspapers.

Audit holds that due to non-observing of government instructions undue favor was given to daily wages staff and unjustified expenditure was incurred as detailed below:-

<b>Name of CO Unit</b>	<b>No. of employees</b>	<b>Annual pay drawn 2013-14 (Rs)</b>
Chief Officer, Pindi Bhattian	92	10,907,520
Chief Officer, Sukheki	72	8,536,320
Chief officer, Jalalpur Bhattian	59	6,995,040
<b>Total:-</b>		<b>26,438,880</b>

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

Audit recommends investigation of the matter besides fixing of responsibility under intimation to Audit.

[AIR Para No.06]

### **1.3.1.2 Non-transparent Purchase of Machinery - Rs2.091 million**

According to Rule 12(2) of PPRs, 2009, for procurements over two million rupees shall be advertised in one Urdu and one English newspaper having widest publication all over the country. Open tender shall be called and tender be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. According to the Govt. of Punjab, Finance Department's Notification No.FD. SO (Goods) 44-4/2011, dated 06.08.2013 regarding austerity/ economy measures, Provincial Government has decided to observe utmost austerity in usage of public money through prudent financial management, observance of financial discipline, judicious reduction of expenditure without compromising the essential and core organizational functions/ activities. Expenditure shall be required to be realigned with the organizational goals to make them target based and cost efficient.

TMO, Pinid Bhattian paid Rs 2.091 million on account of purchase of different machinery without advertisement on News Papers as well as PPRA's web site. Technical Committee was not constituted to verify the specification, no prequalification process was completed. Further stock entries were also not maintained. Absence of such codal formalities resulted in irregular purchase / mis-procurement as per detail at Annex-E.

Audit was of the view that due weak internal controls and non-observing of PPRAs rule / government instructions the procurement was not transparent.

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

Audit recommends investigation along with fixing responsibility under intimation to Audit.

[AIR Para No.01]

### **1.3.1.3 Wastage of Government Funds - Rs 1.574 million**

According to Para 2.82 of B&R Department Code, Rule 2.10(b) & 2(2) of DFR (Vol-I) & Para 51 of CPW Audit Code, no tendering is made without ensuring funds.

TMA, Pindi Bhattian incurred an expenditure of Rs1.574 million during 2013-14 for different works schemes which are still incomplete due



to non-availability of funds. The schemes are losing their values day by day due to non-completion which has resulted in wastage of expenditure of Rs.1.574 million as detail below:-

Name of Scheme	Contractor	Work Order No	Detail	Cost Estimate (Rs)	Amount Paid (Rs)	Bill Detail
Rural Drainage Scheme Kot Khushal Chak Hazari	Tarrar Corporation	313/I&S dated 10-12-11	3 months periods MB No 2110 page no 55 and 64	1,161,278	875,080	1 <sup>st</sup> C.C Running Bill
Construction of One Room and Two Baths in Janazgah, Jalalpur khona	Mian Khalid & Co	Nil	-	1000,000	698,600	-
<b>Total</b>					<b>1,573,680</b>	

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

Audit recommends disciplinary action be taken against the person(s) at fault under intimation to Audit.

[AIR Para No-07 & 11]

## **1.3.2 Internal Control Weaknesses**

### **1.3.2.1 Non- realization of Receipts – Rs 6.065 million**

According to Rule 76 (1) of PDG and 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 Local Government Fund under the proper receipt head.

During scrutiny of demand & collection register of TMA, Pindi Bhattian, it was observed that an amount of Rs 31.135 million was demanded for different object heads of receipts during 2013-14 but Rs 26.484 million was collected and the balance amount of Rs 6.065 million was not realized until the close of the financial year. No serious efforts were made to recuperate the outstanding amount of Rs 6.065 million from the defaulters as per details at Annex-F.

Audit holds that due to poor performance and negligence of TMA deprive the possible revenue.

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

Audit requires that the amount be recovered from the defaulters besides fixing responsibility under report to Audit.

[AIR Para No.03]

### **1.3.2.2 Non-collection of Fine for Illegal Construction – Rs 3.405 million**

According to Rule 76 (1) of the PDG and TMA (Budget) Rules, 2003, the primary obligation of Collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately to Local Government Fund under proper receipt head. Further, according to Section 144 & 145 and Fourth Schedule of PLGO, 2001, the minimum fine of Rs.15,000 will be imposed on person who carried out construction of building without prior permission of TMA.

TO (P&C) TMA, Pindi Bhattian did not decide the fate of received building plans either in shape of approval or rejection during the year 2013-14 which tends towards negligence and poor performance of the department. Notices for objection were issued to the applicants but later on no action was taken to stop the unauthorized construction in the territory

of TMA and no penalty was imposed against the defaulters carrying out construction without prior approval of the competent authority.

The above reflects poor monitoring non-adherence of by-laws and weak internal controls. Detail of such cases involving an amount of Rs 3.405 million is as under:

Year	Total no. of cases received	Total no. of cases approved + rejected	No. of cases pending for approval	Amount of penalty for illegal construction (Rs)
2011-12	51	Nil	51	765,000
2012-13	53	Nil	53	795,000
2013-14	123	Nil	123	1,845,000
<b>TOTAL</b>			<b>227</b>	<b>3,405,000</b>

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

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

Audit recommends fixing of responsibility besides recovery of penalty of Rs 3.405 million for illegal constructions under intimation to audit. It is also proposed that detailed report in respect of current status of unapproved sites may be maintained after site visit.

[AIR Para No-14]

### **1.3.2.3 Short- realization of Rent of Shops -Rs 3.359 million**

According to Rule 76 (1) of the PDG and TMA (Budget) Rules, 2003, the primary obligation of Collecting Officer shall be to ensure that all revenue due is claimed, realized and credited immediately to Local Government Fund under proper receipt head.

TMA, Pindi Bhattian did not recover a sum of Rs 0.724 million for the years 1987-88 to 2012-13 and Rs 2.634 million for the 2013-14 from the tenants of shops of TMA but no action was taken by the management against the defaulters, which shows the negligence and internal control weakness. Resultantly, the TMA was deprived of the possible revenue of Rs. 3.359 million as detailed at Annex-G.

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

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

Audit recommends that amount be recovered from tenants besides fixing responsibility under report to Audit.

[AIR Para No-18]

#### **1.3.2.4 Short-realization of Cattle Mandi Fee - Rs 1.725 million**

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

TMA, Pindi Bhattian did not recover an outstanding amount of Rs 1.725 million on account of contract of cattle mandi at Thatha Gora during 2013-14 from the contractor Mr. Abdul Rehman S/O Ghulam Serwar. Resultantly, an amount of Rs 1.725 million was short realized.

Audit holds that due to weak internal controls and poor performance, TMA was deprived of the revenue.

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

Audit recommends that amount be recovered from contractor besides fixing responsibility under report to Audit.

[AIR Para No-15]

#### **1.3.2.5 Non-deposit of Sales Tax - Rs 1.645 million**

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

TMA, Pindi Bhattian deducted an amount of Rs 1.645 million on account of sales tax from different suppliers during the financial year 2013-14 but the deducted amount was not deposited into sales tax head. Resultantly, the public exchequer sustained a loss of Rs 1.645 million as detailed at Annex-H.

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

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

Audit recommends inquiry at appropriate level besides fixing of responsibility under intimation to Audit.

[AIR Para No.19]

## **ANNEXURES**

## PART-I

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

Sr. #	Name of Formation	AP No.	Description of Para	Amount (Rs)	Nature of Para
1	TMA Hafizabad	16	Excess expenditure and low income in collection of water rates - loss to TMA	2,177,796	Internal Control Weaknesses
2		05	Un-authentic Govt. receipt due to non-conduct of survey of manufacturer, vendor and trader	1,041,000	Internal Control Weaknesses
3		10	Fraudulent drawl of death / birth fee	385,100	Internal Control Weaknesses
4		09	Unauthorized, unverifiable and non-prudent expenditure on POL and repair of fire lorry	192,074	Irregularity / Non-compliance
5		06	Doubtful payment on hiring of machinery - Rs.117,085	117,085	Irregularity / Non-compliance
6		14	Overpayment	82,859	Internal Control Weaknesses
7		15	Non- Maintainace of Record -Purchase of Diesel	0.981 million	
8		13	Overpayment /irregular payment	82,501	Internal Control Weaknesses
9		11	Un-authorized use of gas/electricity and unjustified drawl of HRA / CA	66,680	Irregularity / Non-compliance
10		12	Overpayment	64,834	Internal Control Weaknesses
11	TMA Pindi Bhattian	17	Unjustified payment of informatory boards for the development schemes	320,000	Internal Control Weaknesses
12		13	Un-authentic Govt. receipt due to non-conduct of survey of manufacturer, vendor and trader	305,564	Internal Control Weaknesses
13		8	Overpayment	212,950	Internal Control Weaknesses
14		4	Excess expenditure and low income in collection of water rates - loss to TMA	154,302	Internal Control Weaknesses
15		12	Unauthorized drawl of conveyance allowance	117,912	Internal Control Weaknesses
16		16	Non-deduction of conveyance allowance on account of allotted motor cycle	77,280	Internal Control Weaknesses
17		5	Irregular drawl of TA/DA	69,965	Internal Control Weaknesses
18		2	Fraudulent drawl of POL	46,810	Internal Control Weaknesses
19		10	Overpayment	36,928	Internal Control Weaknesses
20		9	Excess payment	22,836	Internal Control Weaknesses

## PART-II

**Memorandum for Departmental Accounts Committee  
Paras pertaining to Previous Audit Year 2013-14**

Sr. #	Formation	AP #	Description of Para	Amount (Rs)	Nature of Para
1	TMA, Hafizabad	1	Irregular consumption of POL	892,793	Weakness of internal control
2		2	Unjustified / unlawful splitting up of expenditure	368,224	Irregularity/non-compliance
3		3	Irregular purchase of Mainhole Covers	180,000	Irregularity/ non-compliance
4		4	Loss due to undue favour to the contractor.	40,000	Weakness of internal control
5		5	Loss to Govt. due to less recovery	11,198,028	Weakness of internal control
6		6	Loss due to undue favour to the contractor.	10,000	Weakness of internal control
7		8	Loss due to undue favour to the contractor.	17,619	Weakness of internal control
8		9	Loss due to undue favour to the contractor.	100,000	Weakness of internal control
9		11	Un-justified expenditure on the pay & allowances	19,550,052	Weakness of internal control
10		12	Doubtful expenditure	19,306	Weakness of internal control
11		13	Loss due to undue favour to the contractor	58,824	Weakness of internal control
12		14	Loss due to undue favour to the contractor	14,279	Weakness of internal control
13		16	Loss due to undue favour to the contractor	16,471	Weakness of internal control
14		17	Loss due to undue favour to the contractor	13,161	Weakness of internal control
15		19	Loss due to undue favour to the contractor	139,177	Weakness of internal control
16		22	Over payment	67,111	Weakness of internal control
17		24	Loss due to undue favour to the contractor	49,950	Weakness of internal control
18	TMA, Pindi Bhattain	5	Loss to government due to non collection of commercialization fee	1.935	Weakness of internal control
19		5	Overpayment to contractor due to payment of excess quantities	10,552	Weakness of internal control
20		7	Loss to government due to non collection of taxes	1.705	Weakness of internal control



Sr. #	Formation	AP #	Description of Para	Amount (Rs)	Nature of Para
21		8	Non deduction of withholding tax	1,429	Weakness of internal control
22	TMA, Pindi Bhattain	12	Overpayment to contractors for earth filling	413,190	Weakness of internal control
23		14	Unauthorized expenditure on repair of motors	342,608	Irregularity/ non-compliance
24		15	Irregular and Doubtful execution of works	338,020	Weakness of internal control
25		18	Non recovery of rent of building from NADRA	144,000	Weakness of internal control
26		19	Unauthorized and doubtful purchase of uniform	99,000	Irregularity/ non-compliance
27		20	Overpayment to contractor due to payment of overhead charges	52,418	Weakness of internal control
28		21	Overpayment to contractor due to payment of overhead charges	42,717	Weakness of internal control

**Annex-B**

**TMA's of Hafizabad District  
Budget & Expenditure Statement for the  
Financial Year 2013-14**

(Rs in million)

<b>Name of TMA's</b>	<b>Head</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Excess (+) / Savings (-)</b>	<b>% age</b>	<b>Comments</b>
Hafizabad	Salary	135.190	98.898	-36.292	0.268	-
	Non-Salary	35.575	32.249	-3.326	0.093	-
	Development	74.000	16.988	-57.012	0.770	-
<b>Total</b>		<b>244.765</b>	<b>148.135</b>	<b>-96.63</b>	<b>0.395</b>	-
Pindi Bhattian	Salary	59.274	58.464	-0.81	0.014	-
	Non-Salary	34.240	32.138	-2.102	0.061	-
	Development	61.094	64.076	2.982	0.049	-
<b>Total</b>		<b>154.609</b>	<b>154.679</b>	<b>0.07</b>	<b>0.000</b>	-
<b>Grand Total</b>		<b>399.373</b>	<b>302.813</b>	<b>-96.56</b>	<b>0.242</b>	-

## Annex-C

## Para 1.2.3.1

## Non-realization of Receipts - Rs 5.401 million

(A)

Sr. #	Description	Demand (Rs)	Amount Realized (Rs)	Balance (Rs)
1.	Parking fee (Raksha Tanga)	1,326,000	1,086,273	239,727
2.	License fee (Kabaarh Khana)	60,000	26,000	34,000
3.	License fee –others (Tyre shop)	70,000	37,000	33,000
4.	sewerage fee / charges/ nail tax	600,000	162,800	437,200
5.	sewerage fee / charges/ nail tax (Vanikay Tarar)	100,000	4,000	96,000
6.	Fee for approval of housing colony	1,000,000	0	1,000,000
7.	Fee for approval of buildings/ construction plans	2,000,000	1,612,560	387,440
8.	Fee for construction without approval of building plan	100,000	0	100,000
9.	Fine for building violation	500,000	0	500,000
10.	Fine for encroachment	600,000	385,500	214,500
11.	Other fee/ fine levied by TO (P&C)	10,000	0	10,000
12.	Water connection/ disconnection/ reconnection fee	200,000	31,850	168,150
13.	Receipts on account of sale of water residential	1,200,000	1,107,115	92,885
14.	sale of water – residential vanikay tarar	500,000	368,260	131,740
15.	sale of water – commercial vanikay tarar	100,000	0	100,000
16.	Receipts from public latrines	200,000	113,050	86,950
17.	Fee on sale of animals in cattle markets	100,000	(20,864)	120,864
18.	Fee for fairs, agriculture shows, exhibitions	20,000	3,700	16300
19.	Renewal of registration	250,000	220,000	30,000
20.	Rent of municipal property shops	1,700,000	1,642,332	57,668
21.	Rent of municipal property (family park)	132,000	82,702	49,298
22.	Other rent arrears	780,000	0	780,000
23.	Copying fee	400,000	385,100	14,900
24.	Sale of stock and stores	10,000	1,150	8,850
25.	Other fee misc. fee	150,000	64,109	85,891
26.	Other fee misc. fee (arrears as land revenue)	100,000	0	100,000
27.	License fee food & drink NHQ kaleki mandi	100,000	43,600	56,400
28.	Fee for approval of building plan NHQ Kaleki	50,000	5,000	45,000
29.	Water connection/ disconnection fee NHQ kaleki	5,000	0	5,000
30.	Receipts on sale of water – residential	85,000	74,250	10,750
31.	Receipts on sale of water – commercial	5,000	0	5,000
32.	Other fee misc. fee	10,000	0	10,000
<b>Total</b>		<b>12,463,000</b>	<b>7,435,487</b>	<b>5,027,513</b>

**(B)**

<b>Name of contract</b>	<b>Name of contractor</b>	<b>Demand (Rs)</b>	<b>Amount recovered (Rs)</b>	<b>Amount recoverable (Rs)</b>
Advertisement	Mehboob Alam s/o M.Sadique	1,736,362	1,619,675	115,687
Parking fee rickshaw and tanga	M.Yousaf s/o barkatali	1,670,736	1,412,800	257,836
<b>Total</b>		<b>3,407,098</b>	<b>3,032,475</b>	<b>373,523</b>

**GRAND TOTAL A+B (Rs5,027,513+Rs373,523)= Rs 5,401,036**

**Annex-D**  
**Para 1.2.3.2**

**Non-realization of Arrears of Rent of Shops - Rs3.092 million**

Sr. #	Name of Contractor	Monthly Rent (Rs)	Total Demand upto June, 2014 (Rs)	Recovery (Rs)	Arrears (Rs)
1	Arshad s/o Sardar Ali	1331	15667	13211	2,456
2	Shakmi Riasat Ali s o Ashiq Ali Kaleki Mandi Location Moh: Hssain Pura.	2420	48248	15000	33,248
3	Saif Ullah s o Bashir Ahmad Kot Kushal Location Moh: Hssain Pura.	2662	31034	25640	5,394
4	Saif Ullah s o Bashir Ahmad Kot Kushal Location Moh: Hssain Pura.	2662	31034	31034	0
5	Abdul Nasir s o Khushi Muhammad Moh: Rasheed Pura Hafizabad Location Hussain Pura.	2662	43274	11200	32,074
6	Bashir Ahmad s o Allah Ditta. Location Gujranwala road Hafizabad.	7986	315786	0	315,786
7	Muhammad Tufail s o Sher Muhammad Gujranwala road Hafizabad.	7986	317736	0	317,736
8	Shakmi Asim s o Muhammad Younas Location Gujranwala road Hafizabad.	7986	318616	0	318,616
9	Ghulam Abbas s o Amanat Location Gujranwala road Hafizabad Ali.	7986	317711	0	317,711
10	Muhammad Iqbal s o Yaqoob Location Gujranwala Road Hafizabad	7986	314411	0	314,411
11	Yousaf Manzoor Location Gujranwala road Hafizabad.	7986	317736	0	317,736
12	Abdul Aziz s o Umer Deen Location Gujranwala road Hafizabad.	7986	319686	0	319,686
13	For Auction	For Auction	50	0	50
14	Ghulab Din s o Meraj Din Location General Bus Stand.	2197	25664	10000	15,664
15	For Auction	For Auction	50	0	50
16	Muhammad Ameen Nawaz Rafi Location General Bus Stand.	4659	68123	41700	26,423
17	Abdul Rehman s o Muhammad Hanif Location General Bus Stand.	1757	19944	11254	8,690
18	Muhammad Hanif s o Muhammad Hussain General Bus Stand.	1757	21810	11000	10,810
19	Muhammad Iqbal s o Muhammad Sharif Location General Bus Stand.	3993	46161	36191	9,970
20	Syed Talib Hussain Shah Location General Bus Stand.	3993	46161	22293	23,868
21	Malik Noman Ahmed so Mohammad Yousif Location General Bus Stand	0	0	0	0
22	Muhammad Asghar s/o Haji Inayat Ullah Location General Bus Stand.	3993	137978	124165	13,813
23	Ghulam Mustafa s/o Muhammad Ashraf Location General Bus Stand.	3993	146472	106119	40,353
24	Muhammad Abbas s o Muhammad Din Location Faisal Bazaar Hafizabad.	5324	119797	40000	79,797

Sr. #	Name of Contractor	Monthly Rent (Rs)	Total Demand upto June, 2014 (Rs)	Recovery (Rs)	Arrears (Rs)
25	Taj Deen s o Rehmat Ali Location Faisal Bazaar.	5324	119797	56000	63,797
26	Haji Farzand Ali s o Hassan Ali Location Faisal Bazaar.	5324	120297	48000	72,297
27	Muhammad Saeed s o Bashir Ahmad Location Faisal Bazaar.	7600	206279	178614	27,665
28	Mushtaq Ahmad s o Muhammad Hussain Location Maka Market.	1597	21693	21693	0
29	Tahir Hamayou s o Muhammad Ishaq Location Maka Market.	1597	18739	5000	13,739
30	Zulifqar s o Arif Bhatti Location Maka Market.	1597	18739	10629	8,110
31	Muhammad Zaheer s o Muhammad Sahreef Location Maka Market.	1597	18739	15495	3,244
32	Muhammad Rafique s o Allah Ditta Location Maka Market.	1597	18714	18714	0
33	Tariq Mehmood s o Dost Muhammad Location Maka Market.	1597	18714	18714	0
34	Tariq Mehmood s o Dost Muhammad Location Maka Market.	1597	18739	13873	4,866
35	Munawar Hussain s o Taj Deen Location Maka Market.	1597	17017	17017	0
36	Abdul Rasheed s o Fazal Kareem Location Maka Market.	1597	17017	17017	0
37	Muhammad Bashir s o Ali Muhammad Location Maka Market.	1597	18739	18739	0
38	Abid Hussain Location Maka Market.	1597	18739	18739	0
39	Sheikh Farooq s o Isamial Location Maka Market.	1597	18639	20236	-1597
40	Muhammad Tufail s o Abdullah Location Maka Market.	1597	18739	17042	1697
41	Muhammad Ismail s o Sardar Muhammad Location Maka Market.	1597	18639	20236	-1597
42	Gulzar Hussain s o Allah Bukish Location Maka Market	1597	18739	12251	6488
43	Muhammad Shabbir s o Qutib Deen Location Maka Market	1597	15445	15445	0
44	Sardar Ahmad s o Ameer Deen Location Maka Market	1597	18739	18739	0
45	Shakmi Gulzar s o Allah Bukish Location Maka Market.	1597	18739	18739	0
46	Muhammad Hussain s o Fazal Kareem Location Maka Market	1597	18739	18739	0
47	For Auction	For Auction	50	0	50
48	Ghulam Muhammad s o Kahair Deen Location Maka Market	1597	18714	18714	0
49	Ghulam Nabi s o Alim Deen Location Maka Market	1597	24647	17500	7,147
50	Abdul Latif s o Fatia Muhammad Location Maka Market	1597	25423	19000	6,423
51	Zahoor Ahmad s o Mushtaq Ahmad Location Maka Market	1597	18689	18689	0
52	Sultan Ahmad s o Muhammad Hussain Location Maka Market	1597	27448	21000	6,448

Sr. #	Name of Contractor	Monthly Rent (Rs)	Total Demand upto June, 2014 (Rs)	Recovery (Rs)	Arrears (Rs)
53	Muhammad Khan s o Bahader Ali Khan Location Kasoki Road (Timber Market)	1331/831	17737	10000	7,737
54	Abdul Aziz s o Muhammad deen Location Kasoki Road (Timber Market)	1331/831	9667	9667	0
55	Manzor Hussain s o Muhammad Jamil Location Kasoki Road (Timber Market)	1331/831	9667	9667	0
56	Noor Ahmed s o Muhammad Jamil Location Kasoki Road (Timber Market)	1331/831	9667	9667	0
57	Khalil Ahmed s o Abdul Aziz Location Kasoki Road (Timber Market)	1331/831	9667	5205	4,462
58	Shafique Ahmed s o Abdul Aziz Location Kasoki Road (Timber Market)	1331/831	9667	7000	2,667
59	Zafar Iqbal s o Muhammad Khan Location Kasoki Road (Timber Market)	1331/831	9667	7955	1,712
60	Abdul Rehman s o Hasan Deen Location Kasoki Road (Timber Market)	1331/831	9667	7955	1,712
61	Ali Akbar s o Khushi Muhammad Location Kasoki Road (Timber Market)	1331/831	9667	12010	-2,343
62	Muhammad Yaamin s o Natho Location Kasoki Road (Timber Market)	1331/831	9667	2205	7,462
63	Rustumm Ali s o Muhammad Deen Location Kasoki Road (Timber Market)	1331/831	9667	7099	2,568
64	Ghulam Rasul s o Hasan Deen Location Kasoki Road (Timber Market)	1331/831	9667	7099	2,568
65	Muhammad Siddique s o Karim Bukish Location AliPur Road near Girls High School.	2662	31034	12225	18,809
66	Saghir Ahmed s o Dil Muhammad Location Railway Road.	3328	38721	38721	0
67	Yasir Ishtiaq s o Ishtiaq Ahmed Location Railway Road	3328	38721	32015	6,706
68	Muhammad Zareef s o Muhammad Sharif Location General Bus Stand	1830	44417	5000	39,417
69	Tanvir Hussain s o Rehmat Ali Location General Bus Stand Hafizabad	3993	46401	30329	16,072
70	For Auction	For Auction	50	0	50
71	Khalid Jawaid s o Nazeer Ahmad Location General Bus Stand	1610	18744	18744	0
72	Faisal Ahmad s o Ijaz Ahmad Location General Bus Stand	1903	21579	19478	2,101
73	Zaheer Iqbal s o Ata Muhammad Location General Bus Stand	1757	32103	25135	6,968
74	Zaheer Iqbal s o Ata Muhammad	1932	35841	0	35,841

Sr. #	Name of Contractor	Monthly Rent (Rs)	Total Demand upto June, 2014 (Rs)	Recovery (Rs)	Arrears (Rs)
	General Bus Stand				
75	Amjad Hussain s o Snaullah Location General Bus Stand	1903	41076	0	41,076
76	Nasir Iqbal s o Muhammad Sharif Location General Bus Stand.	1464	17203	11000	6,203
77	Muhammad Yasin s o Abdul Majeed Location Kasoki Road (Timber Market)	1331	15667	12955	2,712
78	Gulzar Ahmad s o Ali Gohar Location kolo Road	1997	23279	23279	0
79	Tariq Ijaz s o Ijaz Ahmad Location General Bus Stand	3993	87301	26640	60,661
80	Meher Rizwan Mehmood		0		
81	Imran Ali s o Mohammad Hanif General Bus Stand	3005	12020	12020	0
82	Mohammad Saleem so M Ismail General Bus Stand	3200	12825	3200	9,625
83	Mohammad Umer so mohammad Amin General Bus Stand	3200	12825	3200	9,625
84	Mohammad Pervaiz so mohammad Rafique General Bus Stand	3200	12875	12875	0
85	Naseer Ahmed so Mohammad Hussain General Bus Stand	3600	14500	7250	7,250
86	Mohammad Mohsin Naseer so Naseer Ahmed General Bus Stand	4400	17625	13225	4,400
87	For Auction Location General Bus Stand	For Auction	12475	0	12,475
88	For Auction Location General Bus Stand	For Auction	12475	0	12,475
89	For Auction Location General Bus Stand	For Auction	12475	0	12,475
90	For Auction Location General Bus Stand	For Auction	12475	0	12,475
91	Liaqat Ali so Ghulam Ahmed General Bus Stand	3100	12475	9350	3,125
<b>Total</b>					<b>3,092,205</b>



**Annex-E**  
**Para 1.3.1.2**

**Non-transparent Purchase of Machinery - Rs2.091 million**

<b>Date</b>	<b>DDO</b>	<b>Voucher #</b>	<b>Vendor</b>	<b>Cheque #</b>	<b>Description</b>	<b>Amount (Rs)</b>
09.12.13	TO (I&S)	70		799810	Water Bowzer	673,473
23.12.13		130		799818	Water Bowzer	673,473
29.12.13	TO (I&S)	152	Munir Ahmad	799820	Machine	88,825
29.12.13		155		799822	Jecter Machine	14,918
16.01.14	TO(R)			799835	Dewatering Set Pipe	37,365
22.01.14	TO (R)	105		799839	Dewatering Set Pipe	44,880
20.02.14	TO (R)	80	Amjad Ali	844856	Sullage Pump	433,776
<b>Total</b>						<b>2,090,802</b>

**Annex-F**  
Para 1.3.2.1

**Non-realization of Receipts - Rs6.065 million**

Sr. No.	Description	Demand (Rs)	Amount Realized (Rs)	Balance (Rs)
1	License fee food & drink (HQ) Pindi Bhattian	150,000	102,170	47,830
2	License fee food & drink Non (HQ) Jalalpur Bhattian	150,000	81,465	68,535
3	License fee food & drink Non (HQ) Sukheke	150,000	121,464	28,536
4	License fee others (NOC)	100,000	0	100,000
5	General Bus Stand Fee	1,775,000	1,641,688	133,312
6	Fee for approval of buildings/ construction plans	1,200,000	220,402	979,598
7	Entertainment fee (melangan)	25,000	19,060	5,940
8	Slaughtering fee (HQ) Pindi Bhattian	100,000	94,090	5,910
9	Slaughtering fee Non (HQ) Jalalpur Bhattian	70,000	54,936	15,064
10	Slaughtering fee Non (HQ) Sukheke	50,000	46,250	3,750
11	Water rate Non (HQ) Sukheke	100,000	73,104	26,896
12	Transfer of property	0	0	0
13	Fee on sale of animal in Cattle Markets	30,000,000	25,959,909	4,040,091
14	Advertisement fee	360,000	253,800	106,200
15	Rent of municipal property Non (HQ) Jalalpur Bhattian	200,000	78,000	122,000
16	License fee for junkyards	20,000	15,000	5,000
17	Copying fee	30,000	24,530	5,470
18	Sale of stock and store	25,000	0	25,000
19	Receipts from investment	500,000	153,683	346,317
<b>Total:-</b>		<b>31,135,000</b>	<b>26,484,922</b>	<b>6,065,449</b>

**Annex-G**  
**Para 1.3.2.3**

**Short-realization of Rent of Shops -Rs 3.359 million**

Sr. #	No of shop	Name of Tenant	Period	Amount (Rs)
1	1	Rana Muhammed Afzal s/o M. Arshad	Upto 30.6.14	24,438
2	2	Haji Abdul Ghaffoor s/o Karamllahi	Upto 30.6.14	33,104
3	3	Haji Abdul Ghaffoor s/o Karamllahi	Upto 30.6.14	24,395
4	4	Rana Muhammed Arshad s/o Abdul Aziz	Upto 30.6.14	17,868
5	5	Mumtaz hussain S/O M. Ramzan	Upto 30.6.14	14,541
6	6	Noor Ul Hassan s/o Manzoor Hussain	Upto 30.6.14	27,206
7	7	Sheikh M. Zafar s/o Karamllahi	Upto 30.6.14	13,089
8	8	Muhammed Bashir s/o Nizam Din	Upto 30.6.14	63,101
9	9	Sheikh Faisal s/o Munawwar Hussain	Upto 30.6.14	14,040
10	10	Muhammed Bashir s/o SardarMuhammed	Upto 30.6.14	7,359
11	11	Muhammed Bashir s/o Sardar Muhammed	Upto 30.6.14	40,759
12	13	Abdul waheed S/o Abdul Rasheed	Upto 30.6.14	32,611
13	14	M. Akbar S/o Ibraheem	Upto 30.6.14	37,439
14	15	Kaleemullah S/o M. Ismail	Upto 30.6.14	6,751
15	17	RiazUd Din s/o Noor ilahi	Upto 30.6.14	5,024
16	18	Tasawwar Hussain s/O M. Asghar	Upto 30.6.14	2,044
17	19	Nasir Ali s/o M. Mansha	Upto 30.6.14	33,910
18	25	M. Aslam Zahid s/o Ghulam Rasool	Upto 30.6.14	38,110
19	28	Abdul s/o Muhammed Ali	Upto 30.6.14	14,776
20	29	Riaz Hussain S/o Ghulam Abbas	Upto 30.6.14	17,915
21	30	Nisar Abbas s/o M. Sharif	Upto 30.6.14	224,577
22	32	Ata ul Mustafa s/o Abdul Khaliq	Upto 30.6.14	6,127
23	35	M. Ashraf s/o M. Habib	Upto 30.6.14	37,209
24	36	M. safdar S/o Hakeem ud Din	Upto 30.6.14	33,475
25	37	M. Ashraf s/o Hakeem ud din	Upto 30.6.14	15,794
26	38	M. Bashir S/o M. Shafi	Upto 30.6.14	5,444
27	39	ShahidMunir S/o M. munir	Upto 30.6.14	14,025
28	40	ShahidMunir S/o M. munir	Upto 30.6.14	14,061
29	41	ZafarIqbal S/o Mehdi Khan	Upto 30.6.14	21,140
30	44	Azmatullah S/o M. Rafiq	Upto 30.6.14	16,033
31	49	Khalid Mehmood S/o sher Muhammed	Upto 30.6.14	52,926
32	50	Amaanullah S/o M. Sadiq	Upto 30.6.14	88,000
33	51	M. Munir S/O M. Iqbal	Upto 30.6.14	44,852
34	52	M. Bashir S/o Abdul Rasheed	Upto 30.6.14	62,033
35	53	M. Bashir S/O Abdul Rasheed	Upto 30.6.14	68,623
36	54	Sarfraz Abbas S/o Mureed Hussain	Upto 30.6.14	66,797
37	55	M. Saleem S/o M. Ali	Upto 30.6.14	54,568
38	56	Raheel Ahmed babar S/o FazalIlahi	Upto 30.6.14	20,316
39	58	Khizer Hayat S/o M. Yusuf	Upto 30.6.14	19,094
40	59	Asghar Ali S/o Bashir Ahmed	Upto 30.6.14	25,062
41	60	AkhtarHussian S/o Noor Muhammed	Upto 30.6.14	15,028
42	61	Rana Ikhlaq Ahmed S/o Abdul Rehman	Upto 30.6.14	4,593
43	62	Gulzar Ahmed S/o Nazir Ahmed	Upto 30.6.14	11,560
44	63	Umer Hayat S/o Ahmed Din	Upto 30.6.14	13,599
45	64	Sheikh Umer Din S/o Wali Din	Upto 30.6.14	29,974

Sr. #	No of shop	Name of Tenant	Period	Amount (Rs)
46	65	Nasar Abbas s/o M. Ismail	Upto 30.6.14	5,386
47	66	Haji Noor Muhammed S/o Abudl Jabbar	Upto 30.6.14	3,990
48	67	Rana JavedIqbal S/o RanaLiaqat	Upto 30.6.14	5,296
49	68	Haji Noor Muhammed S/o Abudl Jabbar	Upto 30.6.14	22,453
50	69	GulzarHussian S/o Dost Muhammed	Upto 30.6.14	27,196
51	70	GhulamSarwar S/o M. Khan	Upto 30.6.14	38,206
52	73	M. Ashraf S/o Noor Muhammed	Upto 30.6.14	10,560
53	74	AsadUllah S/O AllahDita	Upto 30.6.14	14,729
54	75	M. Riaz S/o RanaAshiqHussain	Upto 30.6.14	18,472
55	76, 77	Nasirud Din Umer s/o M. Yusuf	Upto 30.6.14	11,586
56	78	FatehSher S/o M. Hussain	Upto 30.6.14	18,620
57	79	M. Ashraf S/O Said Muhammed	Upto 30.6.14	37,389
58	80	Abdul Rasheed s/o GulMuhammed	Upto 30.6.14	39,634
59	81	Razan Abbas S/o Sultan Ahmed	Upto 30.6.14	9,759
60	82	Liaqat Ali S/O Abdul Jabbar	Upto 30.6.14	8,659
61	83	M. Aslam S/O Abdul Aziz	Upto 30.6.14	13,778
62	84	MazharIqbal S/O M. Iabal	Upto 30.6.14	9,723
63	85	M. RazaShahid S/o Abdul Ghani	Upto 30.6.14	16,747
64	86	M. Yusuf S/O faqeerMuhammed	Upto 30.6.14	18,133
65	87	IrfanRaza S/O Abdul Hameed	Upto 30.6.14	46,181
66	88	M. Yusuf S/O faqeerMuhammed	Upto 30.6.14	20,681
67	89	M. Bashir S/o Abdul Rasheed	Upto 30.6.14	26,036
68	90	M. Ashraf Butt S/O Said Muhammed	Upto 30.6.14	27,659
69	91	M. Ashraf Butt S/O Said Muhammed	Upto 30.6.14	28,742
70	95	Asgar Ali s/o Akbar ALI	Upto 30.6.14	23,177
71	97	Rustam Abbas s/o khushiMuhammed	Upto 30.6.14	10,573
72	98	Ghulam Abbas s/o Noor Muhammed	Upto 30.6.14	8,858
73	99	Ghulam Abbas s/o Noor Muhammed	Upto 30.6.14	69,949
74	100	Zafarhussain s/o Rehmat ALI	Upto 30.6.14	20,018
75	101	Ashraf Ali s/o Ahmed Ali	Upto 30.6.14	7,012
76	104	RanaLiaqat Ali s/o Nawab khan	Upto 30.6.14	317,550
77	105	Abdul Khaliq s/o Abdul Qayum	Upto 30.6.14	262,344
78	106	M. Bashir s/o Ahmed din	Upto 30.6.14	1,068
79	107	M. Bashir s/o Ahmed din	Upto 30.6.14	1,068
<b>Total</b>				<b>2,634,622</b>

**(B)**

Sr. #	No of shop	Name of Tenant	Period	Amount (Rs)
1	45	Umer Hayat S/O Allah Ditta	1987-88	4,250
2		MuhammedHanif s/o Habib Ur Rehman	1988-89	2,156
3		Babuishaq S/o Ismail	1986-87	16,000
4		M. Bashir S/O M. Khan	1987-88	2,371
5		Allah Ditta S/O Bahawal	1988-89	17,000
6		Tariq Hussain S/O GhulamMuhammed	1988-89	3,190
7		MulazimHussian	1988-89	1,150
8		Ch. ManzoorHussain	1992-93	1,341
9		Sheikh GhulamMuhammed	1992-93	1,066

Sr. #	No of shop	Name of Tenant	Period	Amount (Rs)
10		Noor Muhammed	1992-93	415
11		Shah nawaz	1992-93	706
12		Gulzar Ahmed	1992-93	1,100
13		MulazimHussian		555
14	20	M. Nazir		14,111
15	79	Ijaz Ahmed		20,000
16	75	TalibHussain		3,540
17	74	UmerDraz		20,502
18	80	Safdar Ali		12,816
19	65	Abdul Rasheed		31,531
20		UmerDraz		39,340
21	145	ZafarIqbal		22,865
22	146	JavedIqbal		18,786
23	145A	M. Bashir		27,326
24	44	RanaMehboobTufail		22,589
25		SaeedurRehman		1,071
26		Babuishaq S/o Ismail		9,118
27	37	M. Iqbal		26,676
28		M. Ismail		4,613
29	52	Haji Noor Muhammed		46,964
30	15	M. Ishfaq		30,208
31	21	Malik M. Bashir		26,656
32	77	ShiekhNaseer Ahmed		50,408
33	50	Sheikh UmerUd Din		9,139
34	74	M. Safdar		33,706
35	96	ZafarIqbal		53,633
36	11	M. Rafiq		34,319
37	10	M. Mansha		29,500
38	57	M. Nawaz		39,794
39	29	Riaz Ahmed		1,333
40	41	NazeerHussain		33,316
41	2	M. Azam		9,240
<b>Total</b>				<b>724,400</b>

**GRAND TOTAL (Rs 2,634,622 + Rs724,400) = Rs 3,359,022**

**Annex-H**  
Para 1.3.2.5

**Non-deposit of Sales Tax - Rs 1.645 million**

Name of Branch	Amount Paid (Rs)	Sales Tax @17% (Rs)
Stationery	46,858	
Misc. Unforeseen	2,687,700	
Repair and maintenance of vehicle	142,249	
Repair and Maintenance of IT equipment	34,131	
<b>TO (Finance)</b>		
Misc. unforeseen	47,729	
<b>TO (I&amp;S)</b>		
Stationery	47,573	
Purchase of hand carts	794,241	
Repair of furniture	182,220	
Repair of Transport	57,038	
Repair of machinery and equipment	183,229	
Sports Material	865,171	
Maintenance of street lights	155,024	
Youth development program	772,000	
<b>TO (R)</b>		
Rent of Machinery and equipment	320,082	
<b>CO, Sukheki</b>		
Misc Unforeseen	967,010	
Repair of hand carts	40,023	
Repair of Machinery	51,027	
<b>CO, Jalalpur</b>		
Misc. Unforeseen	1,073,979	
Repair of Hand carts	84,732	
Repair and maintenance of disposal works	312,982	
Repair of Machinery& equipment	459,325	
<b>CO, HQ Pindi Bhattian</b>		
Repair and maintenance of Hand carts	133,901	
Repair and Maintenance of Machinery & equipment	220,209	
<b>Total</b>	<b>9,678,433</b>	<b>1,645,333</b>