



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

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS & ACRONYMS**

ACL	Audit Command Language
AIR	Audit Inspection Report
B&R	Building & Road
C&W	Communication and Works
CDG	City District Government
CPW	Central Public Department
DAC	Departmental Accounts Committee
DCO	District Coordination Officer
DDO	Drawing and Disbursing Officer
DDC	District Disposal Committee
DNIT	Detailed Notice Inviting Tender
FD	Finance Department
MB	Measurement Book
MRS	Market Rate Schedule
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PDG & TMA	Punjab District Governments & Tehsil Municipal Administration
PFR	Punjab Financial Rules
PLGO	Punjab Local Government Ordinance
PPRA	Punjab Procurement Regulatory Authority
PW	Public Works
RDA	Regional Directorate of Audit
Rs	Rupees
S&GAD	Services and General Administration Department
TMA	Tehsil Municipal Administration
TMO	Town/Tehsil Municipal Officer
TS	Technical Sanction
TO (F)	Town/Tehsil Officer (Finance)
TO (I&S)	Town /Tehsil Officer (Infrastructure & Services)
TO (P&C)	Town /Tehsil Officer (Planning & Coordination)
TO (R)	Town /Tehsil Officer (Regulations)

## **PREFACE**

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

The report is based on audit of the accounts of various offices of the Town / Tehsil Municipal Administrations of the District Government, Narowal 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 DAC meeting by the PAO was convened despite repeated requests.

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

**Islamabad**  
**Dated:**

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

## **EXECUTIVE SUMMARY**

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

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

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

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

Audit of receipts / revenues was also conducted to verify whether the assessment, collection, reconciliation and allocation of revenues were made in accordance with laws / rules, there was no leakage of revenue and revenue did not remain outside Government Account / Local Fund.

**a. Scope of Audit**

Total expenditure of two (02) TMAs of District Narowal for the Financial Year 2013-14 under the jurisdiction of DG District Audit (N) Punjab was Rs 434.454 million covering two PAOs and two (2) formations. Out of this, the Directorate General Audit (N) Punjab audited an expenditure of Rs186.815 million which in terms of percentage, was 43% of the auditable expenditure.

Total receipts of the two (02) Tehsil / Town Municipal Administrations of Narowal District for the financial year 2013-14, were Rs423.442 million. Directorate General Audit Punjab (N), audited receipts of Rs220.190 million which was 52% of total receipts.

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

Recovery of Rs 18.891 million was pointed out during audit, but no recovery was effected and verified during the year 2014-15 till the time of compilation of report.

**c. Audit Methodology**

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

**d. Audit Impact**

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

Had PAC meetings been regularly convened, audit impact would have been manifold.

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

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

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

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

- i. Internal Control Weakness involving an amount of Rs 18.891 million was noted in three cases.<sup>1</sup>
- ii. Irregularity / non-compliance of Rs 1.940 million was noted in two cases.<sup>2</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, misappropriation and losses, and take disciplinary actions after fixing responsibility.
- iii. Strengthening of internal controls.
- iv. Appointing of internal auditor.

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

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<sup>1</sup> Para 1.2.1.1, 1.2.1.2 & 1.2.1.3

<sup>2</sup> Para 1.3.1.1 & 1.3.1.2

## SUMMARY OF TABLES AND CHARTS

**Table 1: Audit Work Statistics**

Sr. #	Description	No.	Budget (Rs in millions)
1	Total Entities (PAOs) in Audit Jurisdiction	02	679.704
2	Total Formations in Audit Jurisdiction	02	679.704
3	Total Entities (PAOs) Audited	02	679.704
4	Total Formations Audited	02	679.704
5	Audit & Inspection Reports	02	679.704
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

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

Sr. #	Description	Amount Placed under Audit Observations (Rs in millions)
1	Unsound Asset Management	-
2	Weak Financial Management	-
3	Weak internal controls relating to Financial Management	18.891
4	Others	1.94
<b>Total</b>		<b>20.831</b>

**Table 3: Outcome Statistics**

(Rs in million)

Sr. #	Description	Expenditure on Acquiring of Physical Assets	Civil Works	Receipts	Others	Total current year	Total Last year
1	Outlays Audited	-	243.599	423.442	190.856	857.897*	526.083
2	Amount placed under audit observation / Irregularities of Audit	-	0.774	18.117	1.940	20.831	46.766
3	Recoveries pointed out at the instance of Audit	-	0.774	18.117	-	18.891	45.327

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	-	-	-	-	-	-
5	Recoveries realized at the instance of Audit	-	-	-	-	-	-

\* The amount mentioned against serial No.1 in column of Total Current Year is the sum of Expenditure and Receipts whereas the total expenditure for the current year was Rs 434.455 million

**Table 4: 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.	1.940
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money.	18.891
6	Non-production of record.	-
7	Others, including cases of accidents, negligence etc.	-
<b>Total</b>		<b>20.831</b>

**Table 5: Cost-Benefit**

Sr. #	Description	Amount (Rs in millions)
1	Outlays Audited (Items 1 of Table 3)	857.897
2	Expenditure on Audit	1.361
3	Recoveries realized at the instance of Audit	-
4	Cost Benefit Ratio	1:0

# **CHAPTER-1**

## **1.1 District Government, Narowal**

### **1.1.1 Introduction of Departments**

TMA consists of Town Nazim, Town Naib Nazim and Town Municipal Officer. Each TMA comprises five Drawing & Disbursing Officers i.e. TMA, TO (Finance), TO (I&S), TO (Regulation), TO (P&C), Town Nazim and Town Naib Nazim. The functions of TMAs are as follows:-

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

9. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.
10. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
11. Maintain municipal records and archives.

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

Total Budget of two (02) TMAs selected for audit was Rs. 679.704 million (inclusive salary, non-salary and development) whereas, the expenditure incurred (inclusive salary, non-salary and development) was Rs 434.455 million, showing savings of Rs 245.249 million which in terms of percentage was 36% of the final budget (detailed below). Less utilization of development budget (40%) deprived the community from getting better municipal facilities.

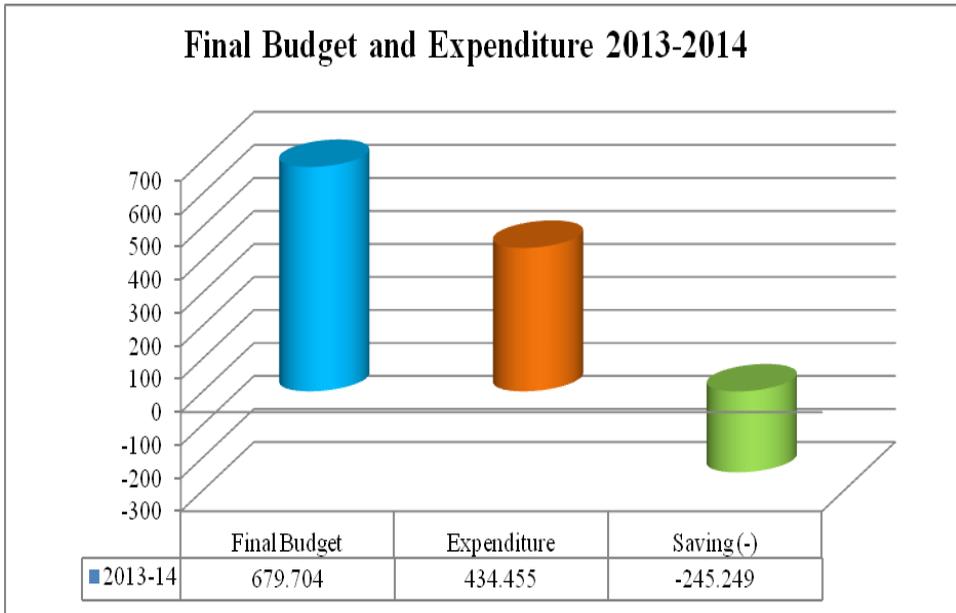
Financial Year 2013-14	Budget (Rs in million)	Expenditure (Rs in million)	(-) Saving (Rs in million)	%age of Savings
Salary	127.192	88.087	-39.105	31
Non Salary	146.576	102.769	-43.807	30
Development	405.936	243.599	-162.337	40
<b>TOTAL</b>	<b>679.704</b>	<b>434.455</b>	<b>-245.249</b>	<b>36</b>

The budgeted outlay was Rs. 679.704 million of two (02) TMAs includes PFC award of Rs. 246.204 million whereas total expenditure incurred by the TMAs during 2013-14 was Rs. 434.455 million with a savings of (-) Rs. 245.249 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)

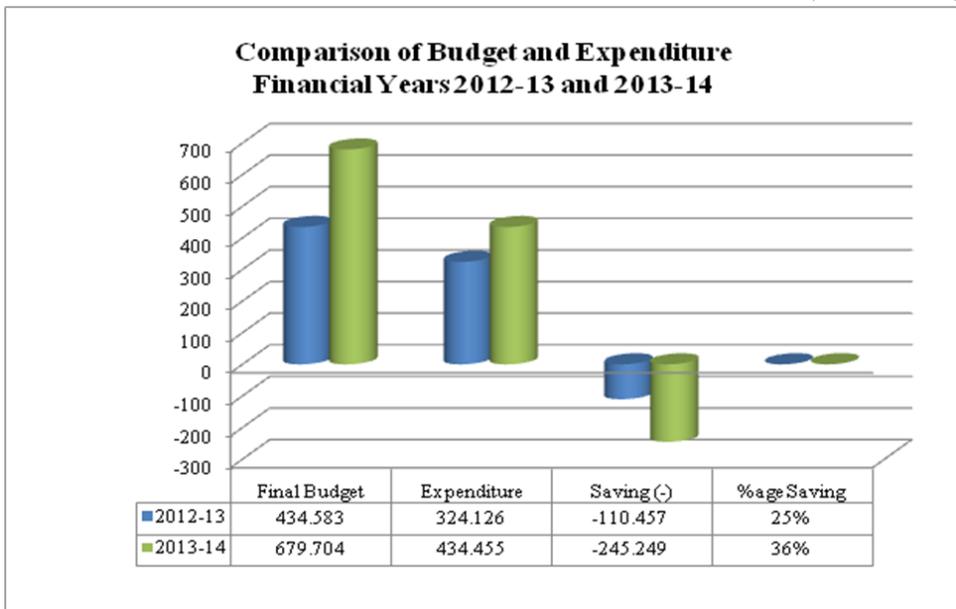
Name of TMAs	Budgeted Figure			Budgeted Outlay	Actual Expenditure	Savings	%age of Savings
	Own receipt including OB	PFC award	Total Receipts				
Narowal	165.908	120.000	285.908	343.667	<b>279.552</b>	64.115	19
Shakargarh	49.220	126.204	175.424	336.037	<b>154.903</b>	181.134	55
<b>Total</b>	<b>215.128</b>	<b>246.204</b>	<b>461.332</b>	<b>679.704</b>	<b>434.455</b>	<b>245.249</b>	<b>36</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	434.583	324.126	-110.457	25
2013-14	679.704	434.455	-245.249	36

The justification of saving when the development schemes have remained incomplete is required to be provided, explained by administrator/ and management.

### **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	10	Not convened
2	2012-13	08	Not convened
3	2013-14	05	Not convened

## **1.2 AUDIT PARAS**

## **1.2.1 TMA, NAROWAL**

## **1.2.1 Internal Control Weaknesses**

### **1.2.1.1 Less -recovery of Receipts – Rs 14.751 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

TMO, Narowal did not recover the targeted amount under the following heads of receipt collection during the financial year 2013-14 due to which Local Government fund sustained loss of Rs 14.751 million as detailed at Annex-C.

Audit holds that due to weak internal controls and slackness on part of the management, receipts worth Rs14.751 million under different heads were not recovered from the defaulters.

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

Audit recommends recovery of amount from the concerned defaulters besides fixing of responsibility under intimation to Audit.

[AIR Para No.02]

### **1.2.1.2 Non-recovery of Arrears – Rs 3.366 million**

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

TMO, Narowal did not recover arrears of rent of shops, leases and commercialization fee of Rs 3.366 million for the financial year 2013-14.

<b>S. #</b>	<b>Nature of Arrear</b>	<b>Amount (Rs)</b>
1	Arrear of Shops Narowal	950,000
2	Arrear of Commercialization	1,370,000
3	Arrear of old leases Narowal	879,000
4	Arrear of old leases Baddomalhi	167,000
<b>Total</b>		<b>3,366,000</b>

Audit holds that due to weak internal controls and slackness on part of the management, arrears of rent of shops, commercialization fee and leases worth Rs3.366 million were not recovered from the defaulters.

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

Audit recommends recovery of amount from the concerned defaulters besides fixing of responsibility under intimation to Audit.

[AIR Para No.01]

### 1.2.1.3 Non-imposition of Penalty for Delay in Completion of Projects- Rs 0.774 million

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

TMO, Narowal awarded certain works to various contractors but the works could not completed within stipulated time. Neither contractors apply for extension in time limit to the engineer-in-charge nor the applications were received from contractor after the expiry of time limit but no penalty was imposed on the contractors on account of delay. This resulted in non-recovery of 10% penalty of Rs 0.774 million due to non-completion of the schemes within the stipulated period as detailed below.

Sr. #	Name of Scheme	Work Order No. & Dt.	Completion Date	Date completed	Agreement Cost (Rs)	Penalty (Rs)
1	Const Of Culvert And Soling Village Sangowala	1377-78 dt. 04.01.2014	03.04.2014	26.05.2014	395,000	39,500
2	Raising Nullah Const RCC Salab Railway Road Narowal	1355-56 dt.26.11.2013	26.02.2014	15.05.2014	4,146,516	414,652
3	Const Of B/Wall Graveyard Village Ludhar	1379-80 dt.04.01.2014	03.04.2014	03.06.2014	475,050	47,505
4	Const Of Drain & Soling Village Jonda Panwan	1391-92 dt.04.01.2014	03.04.2014	28.04.2014	429,500	42,950
5	Const Of Nullah Sabzi & Fruit Mandi Narowal	1645-46 dt.04.01.2014	03.06.2014	21.06.2014	2,293,929	229,393
<b>Total</b>						<b>774,000</b>

Audit holds that due to weak internal controls, penalty of Rs0.774 million was not imposed and un-due favor was given.

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

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

[AIR Para No.08]

### **1.3.1 TMA, SHAKARGARH**

### 1.3.1 Irregularity / Non-compliance

#### 1.3.1.1 Unauthorized Payment to Contractors – Rs 1.474 million

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

TMO, Shakargarh paid Rs 1.474 million to the contractors for the provision and laying of Mild Steel Blind, PVC pipes etc. in schemes but the payments were made without getting the factory invoices. In the absence of such record, the proof of approved quality and specification could not be ascertained. The detail is as under:-

Name of Scheme	Name of contractor	Description	Qty. paid	Rate paid (Rs)	Amount paid (Rs)
Installation of water supply tube well & P/L pipe line Moh. Nawazabad	M/s Farooq & Co.	P/L M.S Blind pipe 10" dia 1/4" thick	300 rft	1879.95	620,384
-do-	M/s Farooq & Co.	-do- 12" dia	120 rft	2214.10	265,692
Installation of submersible pump and distribution pipe line Municipal Public Park Chak Amru	M/s Imtiaz Ali	P/L 3" PVC B.S.S Class D Pipe	3500 rft	168.10	588,350
<b>Total</b>					<b>1,474,426</b>

Audit holds that due to non-compliance of financial rules, unauthorized payment of Rs 1.474 million was made to the contractors without approved specification and invoices.

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

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

[AIR Para No.01,02]

### **1.3.1.2 Irregular Expenditure on Account of Excavator Machine Charges – Rs 0.466 million**

According to the Rule 12(1) of PPRA Rules, 2009, the procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time.

In violation of the above rule, the TMO, Shakargarh placed an order valuing Rs 0.466 million vide Token No. 20 dated 13-03-2014 for hiring of excavator machine for removal of illegal encroachment. The expenditure was incurred on quotation basis without advertising on PPRA's website resulting in irregular expenditure.

Audit holds that due to non-compliance of PPRA rules irregular payment of Rs 0.466 million was made to the contractor without fulfilling the requirements of PPRA rules.

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

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

[AIR Para No.04]

## **ANNEXURES**

## PART-I

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

Sr. #	Formation	AP #	Description of Para	Amount (Rs)	Nature of Para
1	TMA, Narowal	3	Unjustified pendency of maps	2.937 million	Weakness of internal control
2		4	Unjustified payment on account of tentage charges	1.450 million	Irregularity / non-compliance
3		5	Doubtful expenditure	3.682 million	Irregularity / non-compliance
4		6	Less deduction of income tax	91,929	Irregularity / non-compliance
5		7	Non-deduction of harrow sand	166,249	Irregularity/ non-compliance
6		9	Non-obtaining of additional performance security	747,100	Weakness of internal control
7		10	Overpayment due to excess execution of work	151,292	Weakness of internal control
8		11	Non-auction of unserviceable material	100,000 (approx.)	Weakness of internal control
9	TMA, Shakargarh	3	Expenditure through Split up	468,868	Irregularity / non-compliance
10		5	Unauthorized payment on account of sub-base & base	424,746	Irregularity / non-compliance
11		6	Non- imposition of penalty	396,200	Weakness of internal control
12		7	Unjustified advance drawl	341,225	Irregularity / non-compliance
13		8	Unjustified payment without TS estimate	290,000	Irregularity / non-compliance
14		9	Unauthorized expenditure on account of earth filling	281,054	Irregularity / non-compliance
15		10	Irregular expenditure on purchase of various items	212,374	Irregularity / non-compliance
16		11	Doubtful expenditure on POL of tractors MF 240	193,157	Irregularity / non-compliance

<b>Sr. #</b>	<b>Formation</b>	<b>AP #</b>	<b>Description of Para</b>	<b>Amount (Rs)</b>	<b>Nature of Para</b>
17		12	Doubtful expenditure on repair of generator	113,384	Irregularity / non-compliance
18		13	Unjustified payment	95,000	Weakness of internal control
19		14	Doubtful expenditure on repair of Peter Engine	94,200	Irregularity / non-compliance
20		15	Irregular expenditure on purchase	48,000	Weakness of internal control
21		16	Recovery on account of non-reduction of steel bars rate.	44,284	Weakness of internal control

## 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, Narowal	01	Non-recovery of performance security	769,901	Weakness of internal control
2		06	Irregular purchase without open tender	144,912	Irregularity / non-compliance
3		07	Non-deduction of sales tax	255,058	Weakness of internal control
4		09	Non-verification of sales tax	532,392	Irregularity / non-compliance
5		10	Non-recovery of liquidated charges	50,000	Irregularity/ non-compliance
6		11	Excess payment	55,000	Weakness of internal controls
7		12	Non-disposal of old material	10,000	Weakness of internal control
8	TMA, Shakargarh	01	Non-credit of lapse deposits to Govt. revenue	13,000,000	Irregularity / non-compliance
9		03	Doubtful payment of mild steel	1,910,035	Irregularity / non-compliance
10		05	Irregular hiring of tentage	1,439,232	Irregularity / non-compliance
11		10	Payment to mild steel	713,814	Irregularity / non-compliance
12		13	Non-forfeiture of security	487,827	Weakness of internal control
13		16	Recovery of rent of plot/shops	166,984	Weakness of internal control
14		17	Recovery of additional performance security	120,663	Weakness of internal control
15		18	Non-auction of old material cost (approx)	100,000	Weakness of internal control
16		19	Non-deduction of old material/ excess estimating	19,000	Weakness of internal control

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

**1. TMA, Narowal**

(Rs in million)

Head	Budget	Expenditure	Savings (- )	%age	Comment
Salary	68.816	65.411	-3.405	05	-
Non-salary	101.851	82.458	-19.393	19	-
Development	173.000	131.683	-41.317	24	-
<b>Total</b>	<b>343.667</b>	<b>279.552</b>	<b>-64.115</b>	<b>19</b>	-

**2. TMA, Shakargarh**

Head	Budget	Expenditure	Savings (- )	%age	Comment
Salary	58.376	22.676	-35.700	61	-
Non-salary	44.725	20.311	-24.414	54	-
Development	232.936	111.916	-121.02	52	-
<b>Total</b>	<b>336.037</b>	<b>154.903</b>	<b>-181.134</b>	<b>55</b>	-
<b>Grand Total</b>	<b>679.704</b>	<b>434.455</b>	<b>-245.249</b>	<b>36</b>	-

**Annex-C**  
Para 1.2.1.1

**Less recovery of receipts – Rs14.751 million**

Sr. #	Particular of Income	Budget Estimates for the Financial Year 2013-14 (Rs)	Actual Income (Rs)	Less Collected (Rs)
1	Hide & Skin, Narowal	47,000	27,350	19,650
2	Property Tax UIP	10,000,000	7,333,250	2,666,750
3	Water Rate, Narowal	8,574,000	4,171,462	4,402,538
4	Arrear of water rate, Ahmedabad	480,000	332,550	147,450
5	Water Rate, Ahmed Abad	1,835,000	1,566,190	268,810
6	Arrear of water rate, Zafarwal	1,466,000	63,036	1,402,964
7	Water Rate, Zafarwal	253,500	176,240	77,260
8	Sludge water disposal works, zafarwal	150,000	81,620	68,380
9	Arrear of old leases, Zafarwal	498,000	77,165	420,835
10	Arrear of water rate, Baddomalhi	4,596,000	18,860	4,577,140
11	Water Rate ,Baddomalhi	1,008,000	308,852	699,148
<b>Total</b>		<b>28,907,500</b>	<b>14,156,575</b>	<b>14,750,925</b>