



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
TEHSIL MUNICIPAL ADMINISTRATIONS  
DISTRICT MANDI BAHA-UD-DIN**

**AUDIT YEAR 2015-16**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS AND ACRONYMS**

ADP	Annual Development Programme
CCB	Citizen Community Board
DAC	Departmental Accounts Committee
FD	Finance Department
LG&CD	Local Government & Community Development
MFDAC	Memorandum for Department Accounts Committee
NAM	New Accounting Model
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCC	Plain Cement Concrete
PDG	Punjab District Government
PLGO	Punjab Local Government Ordinance
PDSSP	Punjab Devolved Social Sector Programme
TMA	Town/Tehsil Municipal Administration
TMO	Town Municipal Officer
RCC	Reinforced Concrete Cement
TO (F)	Tehsil Officer (Finance)
TO (I&S)	Tehsil Officer (Infrastructure & Services)
TO (P&C)	Tehsil Officer (Planning & Coordination)
TO (R)	Tehsil Officer (Municipal 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 Governments is the responsibility of the Auditor General of Pakistan.

The Report is based on audit of the accounts of various offices Tehsil Municipal Administrations of District Mandi Baha-ud-Din for the Financial Year 2014-15. The Directorate General of Audit District Governments Punjab (North), Lahore conducted audit during 2015-16 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of 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:**

**(Imran Iqbal)**  
**Acting-Auditor General of Pakistan**

## **EXECUTIVE SUMMARY**

The Directorate General Audit (DGA), District Governments, Punjab (North), Lahore is responsible to carry out the Audit of Eighty One Tehsil / Town Municipal Administrations. Its Regional Directorate of Audit, Gujranwala has audit jurisdiction of twenty TMAs of six Districts i.e Gujranwala, Gujrat, Hafizabad, Mandi Baha-ud-Din, Narowal and Sialkot.

The Regional Directorate had a human resource of seventeen officers and staff, total 4,760 man-days and the annual budget Rs 25.20 million for the Financial Year 2014-15. It had the mandate to conduct Financial Attest Audit, Regularity Audit and Compliance with Authority and Performance audit of entire expenditure including programmes / projects & receipts. Accordingly, Director General Audit, District Governments, Punjab (North), Lahore carried out audit of the accounts of three TMAs of District Mandi Baha-ud-Din for the Financial Year 2014-15.

Each Town/Tehsil Municipal Administration in District Mandi Baha-ud-Din 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 Punjab Local Government Ordinance, 2001 requires the establishment of Tehsil / Town Local Fund and Public Account for which Annual Budget statement is authorized by the Tehsil / Town Nazim / Tehsil / Town Council / Administrator in the form of budgetary grant.

Audit of Tehsil Municipal Administrations in District Mandi Baha-ud-Din was carried out with a view to ascertaining whether the expenditure was incurred with proper authorization and in conformity with laws/rule/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.

**a. Scope of Audit**

Out of three TMAs, three TMAs were audited. The expenditure of three audited TMAs of District Mandi Baha-ud-Din for the Financial Year 2014-15 under the jurisdiction of DG District Audit (N) Punjab was Rs 614.49 million covering three PAO and three formations, Out of this, the Directorate General Audit (N) Punjab audited an expenditure of Rs 294.52 million which in terms of percentage, was 47.92% of the auditable expenditure.

Total receipts of the Tehsil Municipal Administrations of District Mandi Baha-ud-Din for the Financial Year 2014-15, were Rs 594.56 million. Directorate General Audit, audited receipts of Rs 279.44 million which was 47% of total receipts.

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

Recovery of Rs 20.12 million was pointed out during audit but no recovery was effected till 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. Formations were selected for Audit in accordance with Risks analyzed. Audit was planned and executed accordingly.

**d. Audit Impact**

A number of improvements, as suggested by audit, in maintenance of record and procedures, have been initiated by the concerned Departments. However, audit impact in shape of change in rules has not been significant due to non-convening of regular PAC meetings.

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

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

Internal control mechanism of TMAs of District Mandi Baha-ud-din 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 Mandi Baha-ud-din 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. Key Audit Findings of the report**

- i. Non compliance and irregularity of Rs 302.62 million was noted in ten cases<sup>1</sup>
- ii. Weak Internal Controls of Rs 130.501 million was noted in eight cases<sup>2</sup>.

Audit paras for the Audit Year 2015-16 involving procedural violations including internal control weaknesses, unsound asset management and irregularities not considered worth reporting are included in MFDAC (**Annexure-A**).

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<sup>1</sup>Para:1.2.1.1, 1.2.1.2,1.4, 1.2. 1.2.1.5, 1.3.1.1, 1.4.1.1, 1.4.1.2, 1.4.1.3 &1.4.1.4

<sup>2</sup>Para: 1.2.2.1, 1.2.2.2, 1.2.2.3, 1.2.2.4, 1.3.2.1, 1.3.2.2, 1.3.2.3 & 1.4.2.1

**g. Recommendations**

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

- i. Compliance of relevant laws, rules, instructions and procedures, tec.
- ii. Production of record to audit for scrutiny
- iii. Holding of investigations for wastage, fraud, misappropriation and losses and take disciplinary actions after fixing responsibilities
- iv. The PAO needs to make efforts for expediting the realization of various Government receipts
- v. Inquiries need to be held to fix responsibility for losses, unauthorized/irregular payments and wasteful expenditure
- vi. Expediting recoveries pointed out by Audit.



## SUMMARY OF TABLES AND CHARTS

**Table 1: Audit Work Statistics**

(Rs in million)

Sr. No.	Description	Number	Budgeted Figure FY 2014-15		
			Expenditure	Receipt	Total
1	Total Entities (PAOs) in Audit Jurisdiction	03	849.85	594.56	1447.41
2	Total Formations in Audit Jurisdiction	03	849.85	594.56	1447.41
3	Total Entities (PAOs) Audited	03	614.49	594.56	1,209.05
4	Total Formations Audited	03	614.49	594.56	1,209.05
5	Audit & Inspection Reports	03	614.49	594.56	1,209.05
6	Special Audit Reports	--	--	-	-
7	Performance Audit Reports	--	--	-	-
8	Other Reports	--	--	-	-

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

(Rs in millions)

Sr. #	Description	Amount under audit observation
1	Asset management	-
2	Financial management	112.45
3	Internal controls	296.62
4	Violation of rules	24.06
5	Others	-
<b>Total</b>		<b>433.13</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	-	306.14	594.56	308.35	1209.05*	691.20
2	Amount placed under audit observation/irregularities of Audit	-	2.24	119.24	311.66	433.13	102.60
3	Recoveries pointed-out at the instance of Audit	-	7.27	8.44	4.41	20.12	99.29

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	-	7.27	8.44	4.41	20.12	99.29
5	Recoveries realized at the instance of Audit	-	-	-	-	-	-

\* The amount in serial No.1 column of "Total Current Year" is the sum of expenditure and receipts whereas the total expenditure for the current year was Rs614.49 million.

**Table 4: Irregularities Pointed Out**

**(Rs in million)**

Sr. #	Description	Amount under Audit Observation
1	Violation of Rules and regulations, principle of propriety and probity in public operations.	293.77
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	-
3	Accounting Errors <sup>1</sup> (accounting policy, departure from NAM, 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.	119.24
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money.	20.12
6	Non production of record.	-
<b>Total</b>		<b>433.13</b>

**Table 5: Cost-Benefit**

**(Rs in millions)**

Sr. #	Description	Amount
1	Outlays Audited (Items 1 of Table 3)	1,209.05
2	Expenditure on Audit	2.10
3	Recoveries realized at the instance of Audit	-
4	Cost Benefit Ratio	1:0

<sup>1</sup> The accounting Policies and procedures prescribed by the Auditor General of Pakistan

## **CHAPTER-1**

### **1.1 TEHSIL MUNICIPAL ADMINISTRATIONS, DISTRICT MANDI BAHA-UD-DIN**

#### **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). As per Section 54 of PLGO,2001 the main functions of TMAs are as follows;

- I. Prepare spatial plans for the Tehsil including plans for land use, zoning and functions for which TMA is responsible.
- II. Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.
- III. Enforce all municipal laws, rules and bye-laws governing TMAs functioning.
- IV. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils.
- V. Propose taxes, cess, user fees, rates, rents, tolls, charges, surcharges, levies, fines and penalties under Part-III of the Second Schedule and notify the same.
- VI. Collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties.
- VII. Manage properties, assets and funds vested in the Tehsil Municipal Administration.
- VIII. Develop and manage schemes, including site development in collaboration with District Government and Union Administration.
- IX. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.
- X. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
- XI. Maintain municipal records and archives.

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

Total Budget of three TMAs selected for audit was Rs 849.85 million (inclusive salary, non-salary and development) whereas the expenditure incurred (inclusive salary, non-salary and development) was Rs 614.49 million, showing saving of Rs 235.36 million which in terms of percentage was 28% of the final budget (detailed below). Less utilization of development budget (28%) deprived the community from getting better municipal facilities.

(Rs in million)

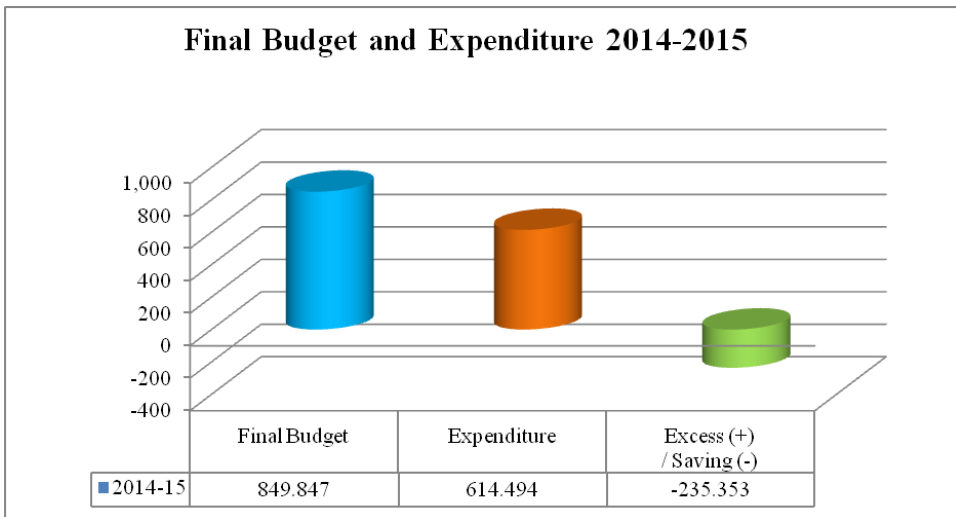
Financial Year 2014-15	Budget	Expenditure	Saving (-)	%age Saving
Salary	197.29	157.83	-39.46	20
Non Salary	199.37	150.52	-48.85	25
Development	453.19	306.14	-147.05	32
<b>Total</b>	<b>849.85</b>	<b>614.49</b>	<b>-235.36</b>	<b>28</b>

The budget outlays of Rs 849.85 million of three TMAs includes PFC award of Rs 76.30 million whereas total expenditure incurred by the TMAs during 2014-15 was Rs 614.49 million with a savings of (-) Rs 235.36 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)

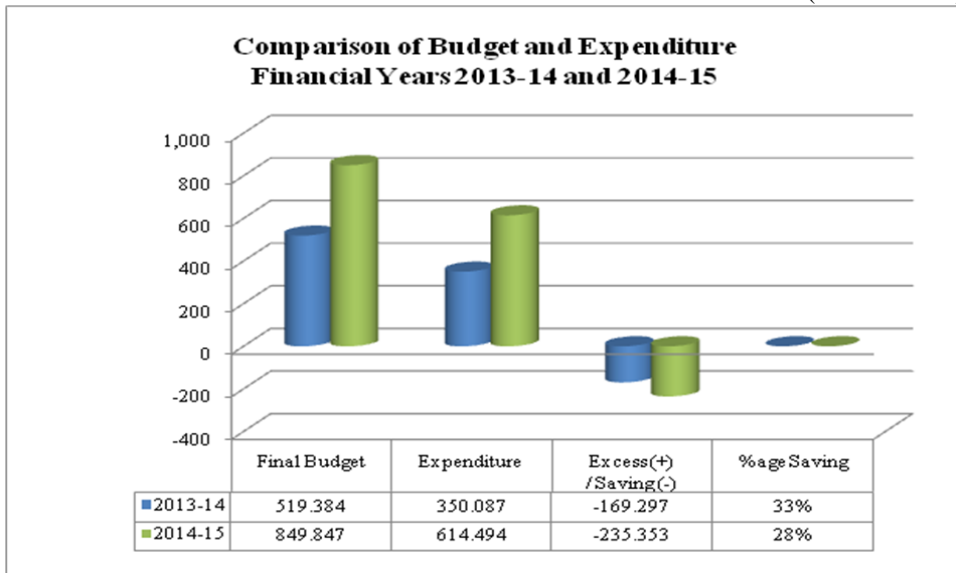
Name of TMAs	Budgeted Figure			Budget Outlays	Actual Expenditure	Savings	%age of Savings
	Own receipt including OB	PFC award	Total Receipts				
M.B.Din	326.21	0	246.673	392.51	246.91	145.60	37%
Phalia	76.87	76.30	142.511	201.65	173.57	28.08	14%
Malikwal	236.36	0	205.374	255.69	194.01	61.68	32%
<b>Total</b>	<b>639.44</b>	<b>76.30</b>	<b>594.558</b>	<b>849.85</b>	<b>614.49</b>	<b>235.36</b>	<b>28%</b>

(Rs in million)



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

(Rs in million)



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

(Rs in million)

<b>Financial Year</b>	<b>Final Budget</b>	<b>Expenditure</b>	<b>(-) Savings</b>	<b>%age of Savings</b>
2013-14	519.38	350.09	-169.30	33
2014-15	849.85	577.49	-272.35	32

The justification of saving when the development schemes have remained incomplete is required to be provided, explained by the Principal Accounting Officer, Administrator and management of TMAs.

### **1.1.3 Brief Comments on the Status of Compliance on MFDAC Paras of Audit Year 2015-16**

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 **Annexure-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	06	Not convened
3	2013-14	08	Not convened
4.	2014-15	08	Not convened

## **1.2 AUDIT PARAS**

## **1.2 TMA, MANDI BAHA-UD-DIN**



## 1.2.1 Irregularity and Non-compliance

### 1.2.1.1 Irregular expenditure on account of tentage supplies - Rs 3.21 million

According to Govt. of the Punjab, Finance Department Notification No.FD.SO(Goods)44-4/2011 dated 23-07-2011, 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.

TMA Mandi Bahauddin, incurred a huge amount of Rs 3.21 million on account of purchase and hire charges of tentage for Sasta Ramzan bazar, Sahulat Bazar and procession of Moharam-ul-haram at exorbitant rates. The expenditure was held doubtful/ unauthorized due to the following reasons.

- i. Advertisement was not uploaded on PPRA's website.
- ii. No stock entries, log books, original vouchers, approval of administrator and consumption accounts for below mentioned items were shown.
- iii. Contractor's profit overhead charges @ 20% were not deducted.
- iv. Sales tax amounting to Rs 546,098 was neither deducted for services rendered nor deposited in Punjab Govt. receipts account as per Punjab Sales Tax Services Act 2012.

<b>Dated</b>	<b>Amount (Rs)</b>	<b>Description</b>	<b>Firm</b>
25.7.14	93,023	P/I of 07 no. cameras	
26.7.14	2,173,315	purchased tentage	Habitant service
26.7.14	79,521	provided sugar bags	
29.8.14	112,899	ramzan bazaar	
29.8.14	536,273		
21.10.14	217,312		
<b>TOTAL</b>	<b>3,212,343</b>		

Audit holds that non compliance of rules resulted in irregular expenditure of Rs 3.212 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.04]

**1.2.1.2 Irregular expenditure on purchase of garbage compactor – Rs 2.37 million**

According to Govt. of the Punjab, Finance Department Notification No. FD. SO(Goods)44-4/2011 dated 23-07-2011, 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.

Chief officer (Headquarter) of TMA Mandi Bahauddin incurred huge amount of Rs 2.37 million on account of purchase of garbage compactor for solid waste management. The expenditure was doubtful/ unauthorized due to the following observations.

- i. Advertisement was not uploaded on PPRA's website.
- ii. Proceedings / minutes of the meetings with the competitors was not available.
- iii. Sales tax amounting to Rs 413,217 not deposited in Govt. treasury.
- iv. No prequalification procedure and PPRA rules were adopted to make the expenditure economical as detailed below.

<b>Cheque No.</b>	<b>Dated</b>	<b>Amount (Rs)</b>	<b>Description</b>	<b>Firm</b>
PLA-33183	15.5.15	23,718,69	Purchased Garbage Compactor	Kisan Engineering

Audit holds that non compliance of rules resulted in irregular expenditure.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.05]

### 1.2.1.3 Non transparent expenditure on rent / hiring of donkey carts – Rs 1.30 million

According to the Rule 9 of PPR's 2009, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or re-grouping of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website as well as on the website of the procuring agency in case the procuring agency has its own website. As per Rule 12(1) *ibid*, 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.

TMO Mandi Baha-ud-din paid Rs 1.30 million on account of hiring of donkey carts for the removal of solid waste without advertising on PPRA's website in violation of the rules *ibid*. This resulted in unauthorized expenditure of Rs 1.30 million. The detail is as under:-

<b>Dated</b>	<b>Amount (Rs)</b>
13.10.14	128,667
13.10.14	133,616
28.10.14	113,227
17.11.14	133,616
13.01.15	103,924
30.01.15	112,238
07.03.15	117,583
01.04.15	104,518
16.04.15	118,374
26.05.15	118,374
22.06.15	113,727
<b>TOTAL</b>	<b>1,297,864</b>

Audit holds that the PPRA's guidelines were not observed which resulted in unauthorized expenditure on hiring of donkey carts for sanitation.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.17]

#### **1.2.1.4 Un authentic and doubtful expenditure on the purchase of diesel – Rs 1.47 million**

According to Para 20 of West Pakistan Staff Vehicle (use and maintenance) Rule 1969 laid down that log book containing petrol account, history sheet and all expenditure incurred there on should be maintained for each government vehicle.

TMO Mandi Baha ud din made payment of Rs 1,466,063 on purchase of diesel but log books of the tractors, injector, sucker machines were not provided, used to remove the solid waste during 2014-15 in violation of the rule *ibid*.

<b>Dated</b>	<b>Amount (Rs)</b>
28.10.14	1,054,936
03.06.15	411,127
<b>Total</b>	<b>1,466,063</b>

Audit holds that due to poor financial management, log books were not prepared and this resulted in doubtful expenditure of Rs1.466 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.18]

### **1.2.1.5 Enhancement of opening balance – Rs 281.26 million**

As per rule 13(ii) of District and TMA Budget Rules, the collecting officer shall while preparing the estimate of receipt shall take into consideration the actual receipts and also consider the figures of the previous Financial Year.

The actual opening balance of TMA Mandi Baha-ud-din shows a balance of Rs 4.02 million as on 01-07-14 as reflected in the bank statement 0064-CD-800040 BOP MB Din whereas Rs 285.28 million was shown in the revised budget 2014-15. The justification of this enhancement Rs 281.26 million was not on record. Bank statements of TMA other accounts and PLA was not produced for the Financial Years 2014-15 to verify the bank balance and reconcile the transactions.

Audit holds that due to poor performance and weak financial management, bank balance was inaccurately presented which resulted in enhancement of opening balance.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.24]

## 1.2.2 Internal Control Weaknesses

### 1.2.2.1 Non recovery of arrears of Rs 85.91 million

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

TMA M.B.Din did not recover the arrears lying recoverable since long due to which government sustained a loss of Rs 85.90 million as detailed below:

Description	Arrears recoverable (Rs)	Actual Income up to the Year 2014-15 (Rs)	Less Realization (Rs)
Revenue arrears	9,551,533	0	9,551,533
Arrears of conversion fee for the year 2004-05 to 2012-13	56,853,350	4,139,030	52,714,320
Arrears of shops/ disputed arrears of buildings/ DC & Tehsil office	13,236,587	0	13,236,587
Arrears of water supply	213,527	49,280	164,247
Arrears of suspense	594,000	0	594,000
Arrears of license fee	199,750	107,700	92,050
Revenue arrears	9,551,533	0	9,551,533
<b>TOTAL</b>	<b>90,200,280</b>	<b>4,296,010</b>	<b>85,904,270</b>

Audit holds that due to poor financial management, arrears of local government were not recovered.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.14]

### 1.2.2.2 Non recovery of arrears on account of conversion fee - Rs 25.23 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 (**Annexure-C**).

TMA M.B.Din did not recover the arrears laying recoverable since long due to which government sustained a loss of Rs 25.23 million.

Audit holds that due to weak internal controls, conversion fee was not recovered.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.26]

### 1.2.2.3 Less income than expenditure Rs 6.081 million

According to rule 2.33 of the PFR Vol-1, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part directly or indirectly.

TMA, Mandi Baha-ud-din incurred Rs 6.435 million on electricity bills for water supply turbines during the FY 2014-15 and the recovery of water rate was only Rs 0.35 million. There is enormous difference between receipt of water rate charges and expenditure incurred on electricity bill of water supply turbines. Further probe into the matter revealed that rates of commercial and domestic water rate connections were notified in 2002-03. Therefore, due to non-revision of rates of water rate, heavy expenditure was incurred against the less receipt / income.

Date	Total expenditure on electricity bills of water supply turbines in FY 2014-15 (Rs)	Total receipt of water rate in FY 2014-15 (Rs)	Annual Loss (Rs)
25.7.14	377,730		
01.10.14	674,319		
25.10.14	1,002,913		
11.11.14	153,153		
6.1.15	334,245		
2.2.15	605,768		
23.2.15	290,551	353,473	6,081,593
28.2.15	234,074		
28.3.15	788,944		
30.4.15	473,161		
20.5.15	678,503		
22.6.15	821,705		
<b>TOTAL</b>	<b>6,435,066</b>		

Audit holds that due to weak financial management, water rates were not revised and Local Fund sustained a deficit of Rs 6.081 million

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.22]

#### **1.2.2.4 Less realization of receipts from the previous year - Rs 4.65 million**

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

TMO Mandi Bahauddin realized less receipts through self collection during Financial Year 2014-15 to Rs 4,648,174 as compared to previous Financial Year 2013-14 which resulted in sustained loss to Govt. of Rs 4.65 million as detailed below:

Description of receipt	Collection during 2013-14 (Rs.)	Collection during 2014-15 (Rs.)	Loss to Govt. (Rs.)
Rickshaw Stand fee	2,030,600	1,725,000	305,600
Fine for building violations	64,760	0	64,760
Rent of canteen Mian Waheed-ud-Din Park	693,150	154,500	538,650
Rent of canteen TMA	5,000	0	5,000
Rickshaw Stand fee	2,030,600	1,397,250	633,350
Slaughter House Mangat	36,940	0	36,940
Fee on sale of cattle mandi	2,871,130	0	2,871,130
Copying fee	205,990	164,000	41,990
Other fee/ miscellaneous fee	3,281,545	3,130,791	150,754
<b>Total</b>	<b>11,219,715</b>	<b>6,571,541</b>	<b>4,648,174</b>

Audit holds that due to weak internal controls less receipts were realized.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.10]



## **1.3 TMA, PHALIA**

### **1.3.1 Irregularity and Non-compliance**

#### **1.3.1.1 Unjustified payment - Rs 1.93 million**

The rates for various components of the Non-Scheduled items of work shall be based on Market Rate System (MRS) and where such components of item of work are not contained in the (MRS) average prevailing market rates shall be made basis for arriving at the Non-Schedule Rate. Further in order to arrive at the rate analysis of non schedule items the standard format on website has been prescribed which is to be filled from MRS and the market rates.

TMO Phalia awarded scheme "Providing & Lying Tuff Tiles from Qartaba Chowk towards Mehtab Chowk with Estimate Cost of Rs 2.00 million vide Work Order No 2047-48 dated 06-01-15 without approval of rate analysis by the competent authority. Quotations were not called Therefore expenditure on the purchase of non-scheduled items was unjustified.

<b>Description</b>	<b>Qty paid</b>	<b>Rate</b>	<b>Amount (Rs)</b>
Tuff Tiles 60 mm thick	23,850 sft	81.12 sft	1,934,737

Audit holds that due to non compliance of rules unjustified expenditure of Rs1.934 million was incurred.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.04]

## **1.3.2 Internal Control Weaknesses**

### **1.3.2.1 Non recovery of performance security - Rs 2.24 million**

According to Contract Agreement Clause No 26 (a), in case the total tendered amount is less than 5% of the approved estimated (DNIT) amount, the lowest bidder will have to deposit additional performance security from the Scheduled Bank ranging from 5% to 10%, within 15 days of issuance of notice or within expiry period of bid, whichever is earlier.

Contrary to above TMO Phalia did not obtain additional performance security below percentage quoted in the bids as detailed at **(Annexure-D)**.

Audit holds that due to weak internal controls, performance security of Rs 2.24 million was not obtained.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.03]

### **1.3.2.2 Non recovery of local government dues - Rs 1.21 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,

TMA, Phalia did not recover outstanding local government dues from defaulters on account of various receipts during 2014-15. Resultantly TMA was deprived of the possible revenue **(Annexure-E)**.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

**1.3.2.3 Irregular payment on account of HBA advance - Rs 1.00 million**

According to rule 10.16(vi) of the PFR Vol-1, in order to secure Government from loss consequent upon a Government servant dying or quitting the service before complete repayment of the advance, with interest accrued thereon, the house so built, together with the land it stands upon, must be mortgaged to Government, by whom the mortgage will be released on liquidation of the full amount due and the Mortgage Bond will be prepared on PFR Vol-1 form 16.

TMA Phalia granted House Building Advance amounting to Rs.1.000 million to the employees detailed at (**Annexure-F**). Following shortcomings were noticed.

- 1- Mortgage Deed / Bond not signed / available in office record.
- 2- Photo Copies of Registries showing owner ship were also not available.

Audit holds that due to weak internal control and non compliance of rules House Building Advance was granted in insecure manner.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.08]

## **1.4 TMA, MALIKWAL**

## 1.4.1 Irregularity and Non-compliance

### 1.4.1.1 Doubtful consumption of POL - Rs 5.73 million

According to rule 64 of PDG & TMA (Budget), Rules, 2003, each Local Govt. shall manage the resources made available to it efficiently and effectively.

TMA Malikwal District MB Din incurred an expenditure of Rs.5.73 million on account of POL for different vehicles during the Financial Year 2013-15. Followings irregularities were noticed in this connection:

- i. Average Consumption per liter was neither written on the log books nor any certificate was shown to audit.
- ii. Milage meters of the vehicles were out of order and Consumption was recorded on estimated basis due to this authenticity of POL consumption could not be ascertained.
- iii. There was no proper plan prepared for lifting the garbage for efficient utilization of vehicles and saving the expenditure on POL.

In the absence of non maintenance of proper record, the consumption of POL could not verified as detailed below:-

#### Expenditure on POL

Vehicle No.	FY 2013-14 (Rs)	FY 2014-15 (Rs)	Total (Rs)
Tractor No 2687	272,114	244,142	516,256
Tractor No 1556	563,031	532,800	1,095,831
Tractor No 240	243,226	204,459	447,685
Tractor No 375	462,336	427,412	889,748
Tractor Bucket	0	151,902	151,902
Tractor Blade	0	181,892	181,892
Fire Brigade	67,600	154,856	222,456
Arm Roll No.01	538,886	487,738	1,026,624
Arm Roll No.02	630,011	471,028	1,101,039
Motor Cycle 8560	55,011	37,879	92,890
<b>Total</b>	<b>1,291,508</b>	<b>2,894,108</b>	<b>5,726,323</b>

Audit holds that due to non compliance of rules irregular expenditure was incurred on POL worth Rs 5.28 million.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.10]

#### **1.4.1.2 Irregular expenditure on youth festival – Rs 2.41 million**

According to PPRA's Rules, 12(1) 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. Further According to PPRA's Rules, 9 a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurements so planned.

TMA Malikwal District MB Din incurred an expenditure of Rs 2.41 million for conducting youth festival during Financial Year 2014-15 by calling the quotations instead of tenders advertised in print media and PPRA website. Further the TMA Malikwal splitted the expenditure to avoid the advertisement on PPRA's website, resultantly economical rates were not achieved and government had to pay more than the actual expenditure due to non competition as detailed below:-

<b>Vr. No.</b>	<b>Date</b>	<b>Particular</b>	<b>Contractor</b>	<b>Amount (Rs)</b>
22	22.01.2014	Flexes for youth festival	Amjad Khokar	647,720
08	07.02.2014	Arrangefor youth festival	Amjad Khokar	876,655
09	07.02.2014	Prizes for Sports youth festival	Gulam Abbas	85,950
24	22.01.2014	Sports Material	Amjad Tanveer	796,800
<b>Total</b>				<b>2,407,125</b>

Audit holds that due to weak internal controls, irregular expenditure was incurred without advertising in print media and PPRA website.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.05]

#### **1.4.1.3 Non accountal of stock – Rs 1.69 million**

According to rule 64 of PDG & TMA (Budget), Rules, 2003, each Local Govt. shall manage the resources made available to it efficiently and effectively.

TMA, Malikwal District MB Din incurred an expenditure of Rs 1.69 million for purchase of various items to use on different occasions but after that these items were not recorded into the stock for the use of future such type of events as detailed below:-

<b>Vr. No.</b>	<b>Date</b>	<b>Particular</b>	<b>Contractor</b>	<b>Amount (Rs)</b>
22	22.01.2014	Flexes for youth festival	Amjad Khokar	647,720
24	22.01.2014	Sports Material	Amjad Tanveer	796,800
09	09/08-2014	Flexes on 14 <sup>th</sup> August	AL Printing	149,785
03	03/08 2014	Flags on 14 <sup>th</sup> August	Imran Ghori	99,500
<b>Total</b>				<b>1,693,805</b>

Audit holds that due to weak internal controls, reusable stocks were not recorded on the stock register therefore the chances of misappropriation cannot be ruled out.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.07]

#### **1.4.1.4 Likely misappropriation on account of POL - Rs 1.25 million**

According to rule 29 of the PLG (Accounts) Rules, 2001, “every DDO signing and authorizing the payment shall be personally responsible for any erroneous payment and claim of bill.

TMA Malikwal District MB Din incurred an expenditure of Rs 8.63 million on account of POL for different Vehicles, generators and peter engines as per expenditure statements for the Financial Year 2014-15 but the month wise POL consumption statement prepared during the audit showed the expenditure on POL amounting Rs 7.38 million which are less from TMA expenditure statements by Rs 1.25 million.



Audit was of the view that the excess amount has been misappropriated which should be investigated as detailed below:-

Financial Year	Amount incurred as per Expenditure Statement (Rs)	Amount incurred as per Month wise consumption Statement(Rs)	Difference (Rs)
2013-14	4,555,257	3,747,909	807,348
2104-15	4,073,100	3,628,693	444,407
<b>Total</b>	<b>8,628,357</b>	<b>7,376,602</b>	<b>1,251,755</b>

Audit holds that due to weak financial management and non compliance of government rules correct expenditure on POL could not be verified therefore the chances of misappropriation cannot be ruled out.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.14]

## 1.4.2 Internal Control Weaknesses

### 1.4.2.1 Overpayment made to contractor – Rs 4.18 million

According to clause 18 (a) & (b) the contractor shall employ for each contract up to the value of Rs7.5 million, one whole time qualified diploma engineer to the satisfaction of the Engineer-Incharge for the supervision of the work. If the contractor fails to employ the qualified technical personnel to the above scale, the Engineer-in-charge shall, after giving the contractor 15 days notice to this effect, have the option to employ to make up the deficiency in the number of such persons at the risk and cost of the contractor.

TMA Malikwal District MB Din executed 418 works/schemes during the Financial Year 2014-15, but neither Engineer-in-charge issued any notice to the contractors nor any contractor employed whole time diploma holder according to the amount and period of contract. TMA Malikwal did not deduct the salary of one diploma holder engineer while the payment made to the contractors resulting in over paid payment of Rs 4.18 million as detailed below.

Description	Number of Schemes	Total Amount (Rs)	Detail of Calculation
ANNUAL DEVELOPMENT PROGRAMME TMA, HAFIZABAD FOR THE YEAR 2014-15	418	4,180,000	Detail of Calculation is attached assuming that one month salary of Diploma Holder was 10,000 per month

Audit holds that due to weak internal controls, overpayment was made to the contractor.

The observation was discussed with the management but no reply was submitted. Afterwards, the matter was reported to TMO/PAO in February, 2016. The reply was not furnished and DAC meeting was also not convened till finalization of the report.

Audit recommends fixing of responsibility against the person.

[AIR Para No.03]

## **ANNEXURES**

## PART-I

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

Sr. #	Formation	AIR Para No.	Description of Paras	Amount (Rs)	Nature of Paras
1.	TMA, Mandi Bahaud Din	01	Irregular provision of block allocation	210,858,000	Weakness of internal control
2.		02	Loss to TMA due to non realization of receipts	91,552,000	Irregularity/non-compliance
3.		03	Likely misappropriation on account of death birth fee	0	Irregularity/ non-compliance
4.		06	Unjustified draw of POL and poor performance of TO (Regulation)	337,000	Irregularity/ non-compliance
5.		07	Irregular payment on purchase of land	9,360,000	Weak Internal Control
6.		08	Irregular Expenditure on repair of transformer	129,000	Weak Internal Control
7.		09	Un-authentic Govt. receipt due to non conduction of survey of manufacturer, vendor and trader	1,007,000	Weak Internal Control
8.		11	Non-appointment of Internal Auditor	0	Weak Internal Control
9.		12	Poor performance of TO P&C branch and Non collection of fine for illegal construction	1,095,000	Weakness of internal control
10.		13	Non realization of arrears of water charges	59,000	Weakness of internal control
11.		15	Non realization of License fee/professional Tax	537,000	Weakness of internal control
12.		16	Non receipt of tender fee	0	Weakness of Internal Control
13.		19	Defective purchase of plants	652,000	Weakness of Internal Control
14.		20	Undue retention of Govt. money	1,399,000	Weakness of internal control
15.		21	Non transparent and doubtful repair of vehicles	744,000	Irregularity/ non-compliance
16.		23	Illegal opening of DDOs accounts in commercial banks	493,586,000	Weakness of internal control
17.		25	Irregular expenditure	1,386,000	Irregularity/ non-compliance
18.		27	Unauthorized execution of Development schemes	102,712,000	Weakness of internal control
19.		28	Execution of scheme without performance security and Irregular payment	90,000	Weakness of internal control
20.		29	Irregular payment	19,000	Irregularity/ non-compliance
21.		30	Non-imposition of penalty	73,600	Irregularity/ non-compliance
22.		31	Irregular payment	127,000	Irregularity/ non-compliance
23.		32	Unauthorized payment	232,000	Irregularity/ non-compliance

Sr. #	Formation	AIR Para No.	Description of Paras	Amount (Rs)	Nature of Paras
24.		33	Irregular payment	193,000	Irregularity/ non-compliance
25.	TMA, Phalia	01	Non-Utilization of Development Budget	85,000,000	Irregularity/ non-compliance
26.		02	Irregular Award of Contract without Bank Guarantee	7,274,000	Weak Internal Control
27.		05	Non-accountal of Stock	1,859,000	Weak Internal Control
28.		06	Doubtful Payment	1,582,000	Weak Internal Control
29.		07	Doubtful Expenditure on Purchase of Machinery	1,165,000	Weak Internal Control
30.		09	Doubtful Local Receipt due to Non-conducting of Survey of Manufacturer, Vendor and Trader	750,000	Weakness of internal control
31.		11	Doubtful Payment on Financial Assistance	400,000	Weakness of internal control
32.		12	Non Accountal of Stock	390,000	Weakness of internal control
33.		15	Doubtful Payment of GST	198,000	Weakness of Internal Control
34.		16	Over Quantity on Bricks Thickness Dia	99,000	Weakness of internal control
35.		TMA Malikwal	01	Loss due to non imposition of penalty	905,000
36.	02		Wasteful expenditure on development scheme	9,056,000	Irregularity/ non-compliance
37.	04		Non imposition of penalty due to non submission of programme	1,510,000	Irregularity/ non-compliance
38.	06		Irregular Expenditure on account of celebration of 14 <sup>th</sup> August	249,000	Irregularity/ non-compliance
39.	08		Illegal occupation of Govt. Residences recovery from the concerned	471,000	Weakness of internal control
40.	09		Excess Payment made for refreshment	232,000	Weakness of internal control
41.	13		Non deposit of Income Tax	474,000	Weakness of internal control
42.	17		Non Verification of survey report for illegal constructions	0	Weakness of internal control
43.	18		Non collection of performance security	330,000	Irregularity/ non-compliance
44.	19		Overpayment due to non approval of lead chart	679,000	Irregularity/ non-compliance
45.	20		Non-conducting of annual physical verification	0	Weakness of internal control

## PART-II

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

Sr. #	Formation	AIR Para No.	Description of Paras	Amount (Rs) Millions	Nature of Paras	
46.	TMA, Mandi Bahaud Din	01	Less Collection of Receipt Targets	68.848	Weakness of internal control	
47.		03	Defective purchase of plants	.171	Irregularity/non-compliance	
48.		04	Defective purchase of electrical material	.309	Irregularity/ non-compliance	
49.		06	Unauthorized expenditure on POL due to non-maintenance of log books of Generators	.258	Irregularity/ non-compliance	
50.		07	Fraudulent drawl of POL and Repair and recovery of conveyance allowance	.466	Weak Internal Control	
51.		08	Non realization of water charges and non realization of new connection charges	.084	Weak Internal Control	
52.		10	Un- authentic Govt. receipt due to non conduction of survey of manufacturer, vendor and trader	.917	Weak Internal Control	
53.		12	Non realization of License fee/professional Tax	.299	Weak Internal Control	
54.		13	Overpayment of	0.15	Weakness of internal control	
55.		14	Non forfeiture of security and overpayment	.365	Weakness of internal control	
56.		15	Overpayment of	.263	Weakness of internal control	
57.		16	Overpayment of	.016	Weakness of Internal Control	
58.		17	Overpayment of and forfeiture of security	1.078	Weakness of Internal Control	
59.		18	Non receipt of tender fee	.550 Approx	Weakness of internal control	
60.		19	Non reconciliation of expenditure	186.207	Irregularity/ non-compliance	
61.		TMA, Phalia	01	Non issuance of completion certificate by TO (P&C)	-	Irregularity/ non-compliance
62.			02	Loss due to non auction of Cattle Mandi	.450	Weak Internal Control
63.			03	Non maintenance of accounts of receipts by the contractors	10.116	Weak Internal Control
64.			05	Non recovery of water charges	.075	Weak Internal Control
65.	06		Non recovery of arrears of Licence Fee	.020	Weak Internal Control	
66.	07		Un- authentic Govt. receipt due to non conduction of survey of manufacturer, vendor and trader	.723	Weakness of internal control	
67.	08		Non reconciliation of expenditure and receipts	245.241	Weakness of internal control	

<b>Sr. #</b>	<b>Formation</b>	<b>AIR Para No.</b>	<b>Description of Paras</b>	<b>Amount (Rs) Millions</b>	<b>Nature of Paras</b>
68.		11	Irregular provision of block allocation	88.600	Weakness of internal control
69.		12	Irregular and doubtful payment for repair of transport	.342	Weakness of Internal Control
70.		13	Overpayment of	.028	Weakness of Internal Control
71.		14	Overpayment of	.018	Weakness of internal control
72.		15	Overpayment of	.017	Irregularity/ non-compliance
73.		16	Overpayment of	.030	Irregularity/ non-compliance
74.		17	Unauthorized execution of Development schemes	61.636	Irregularity/ non-compliance

## Annexure-B

### TMAs of District Mandi Baha-ud-Din Budget and Expenditure Statement Financial Year 2014-15

#### TMA, Mandi Bahauddin

(Rs. in million)

FY. 2013-14	Budget	Expenditure	Excess (+) / Saving (-)	%age Saving
Salary	79.274	63.016	16.258	21%
Non-Salary	102.38	81.185	21.195	21%
Development	210.858	102.712	108.146	51%
<b>Total</b>	<b>392.512</b>	<b>246.913</b>	<b>145.599</b>	<b>37%</b>

#### TMA, Phalia

(Rs. in million)

F.Y. 2013-14	Budget	Expenditure	Excess (+) / Saving (-)	%age Saving
Salary	62.447	48.222	14.225	23%
Non-Salary	34.738	27.595	7.143	21%
Development	104.464	97.753	6.711	6%
<b>Total</b>	<b>201.649</b>	<b>173.570</b>	<b>28.079</b>	<b>14%</b>

#### TMA Malikwal

(Rs. in million)

F.Y. 2013-14	Budget	Expenditure	Excess (+) / Saving (-)	%age Saving
Salary	55.568	46.589	8.979	16%
Non-Salary	62.255	4.743	57.512	92%
Development	137.863	105.679	32.184	23%
<b>Total</b>	<b>255.686</b>	<b>157.011</b>	<b>98.675</b>	<b>39%</b>
<b>Grand Total</b>	<b>849.847</b>	<b>577.494</b>	<b>272.353</b>	<b>32%</b>



## Annexure-C

### Para 1.2.2.3

#### Non-Recovery of Arrears on Account of Conversion Fee Rs 25.233 million

Sr No.	Name & Adress	Total Conversion Fee (Rs)	Ist Installment (Rs)	2 <sup>nd</sup> Installment (Rs)	3 <sup>rd</sup> Installment (Rs)	4 <sup>th</sup> Installment (Rs)	Recoverable (Rs)
1	Muhammad Asghar S/o Wali Muhammad Sadar Bazar	219800	54950/- 24-05-12	24-08-12	24-11-12	24-021-13	163410
2	1:Shahid Mehmood S/O Muhammad Bashir.Loharan market.(2)Rashid Mehmood	135460 135460	60990 18-09-13	37235 08-09-15	08-10-15		135460 37235
3	Abdulsatar S/O Muhammad Shreef(School Muhallah)	60280	15070 17-12-12	15070 29-09-15	29-12-15	29-03-16	30140
4	Malik Nisar Ahmad S/O Abdul Shakur(cometee Bazar)	170020	42505 21-09-15	42505 28-12-15	28-02-16	28-04-16	85010
5	Fazal Qreem sabri S/O Fazal illahi(New rasool Road)	297500	80950 30-05-12	121500 24-08-15	50000 16-12-15	-	45050
6	Muhammad Latif S/O Muhammad Saleem(Wasu Road)	58759	-	-	-	-	58759
7	Naeem Iqbal (Sadar Bazar)	114880	-	-	-	-	114880
8	Asghar Abas,Akhtar Abas S/O Sajid Husain (Skeena rizvi Road)	358600	-	-	-	-	358600
9	Ch Umer Khyat S/O M Husain (Phalia Road)near Mangat market	354400	88600 14-10-15	-	-	-	265800
10	Muhammad Din S/O Mola Baksh Dera Tarkhana	265800	-	-	-	-	265800
11	Akhtar Nadeem S/O Muhammad Shreef (phalia Road)near Punjab center	361000	90250 02-07-15	90250 05-10-15	02-01-16	02-04-16	180500
12	Ehsan Ul haq S/O Nazar Muhammad(old Rasool Road)	342000	-	-	-	-	342000
13	Ishtiaq Ahmad Mattu S/O Ejaz Ahmad Mattu(Kchehri Road)	913040	-	-	-	-	913040
14	M Husain Sultan Ali S/O Ghulam Muhammad(Kchehri Road)	584140	-	-	-	-	584140
15	Irshad Ahmad S/O Muhammad Salayon(Thana Road)	331220	-	-	-	-	331220
16	Ghulam Mustafa S/o Fqeer	598420	-	-	-	-	598420

Sr No.	Name & Adress	Total Conversion Fee (Rs)	Ist Installment (Rs)	2 <sup>nd</sup> Installment (Rs)	3 <sup>rd</sup> Installment (Rs)	4 <sup>th</sup> Installment (Rs)	Recoverable (Rs)
	Muhammad,M Ali S/O Fgeer Muhammad(phalia Road near old thana city)						
17	Anser Iqbal S/O Ghulam Rasool,M Mehdi S/O Nasir Ali(Muhala Shafqat Abad)Back side phalia Road	218545	-	-	-	-	218545
18	Kh Muhammad Yusuf S/O Ghulam Qadir(kchehri Road	717911	-	-	-	-	717911
19	Inayat ur Rehman S/O sae Muhammad(phalia Road near traffic Gali	448000	-	-	-	-	448000
20	Misbah ul Haq S/O Siraj ul Haq(ward No 5)	742720	-	-	-	-	742720
21	Sarfraz ul Haq S/O Dewan Zya ul Haq.(sarwat sleem Bank Road)	284416	-	-	-	-	284416
22	M saleem,M Nadeem S/OM Sadeeq(phalia Road)	227643	56911 02-11-15	-	-	-	170732
23	Ghulam Qadir S/O Ibraheem ( Haji Muhala phalia Road)	50465	-	-	-	-	50465
24	Muhammad Ashraf S/O Ghulam Qadir(Qadir Muhala Toheed Ganj) Qadir plaza	103156	25789 03-03-14	25789 02-09-15	02-12-15	02-03-16	51578
25	Muhammad Riaz S/O Ghulam Qadir(old Rasul Road)	35880	8970 10-04-14	8970 26-08-15	By CHEQUE	----	17940
26	Dewan Wqar Ahmad (ward No5)	705600	176400 21-01-11	176400 21-11-12	176400 28-05-15	28-08-15	176400
27	Kh SohailShezad S/O Fazal Ahmad (phalia Road,nearTotal pump)	1600000	-	-	-	-	1600000
28	Khalid Rafique Ahmad S/O Muhammad Rafique(Thana Road)	450000	112500 12-09-11	13-12-11	14-03-12	15-06-12	337500
29	Tasawer Abas S/O Nadar khan(near old passport office phalia road)	352200	88800 27-10-11	88800 27-10-11	02-10-12	02-01-13	177600
30	Hasnat Ahmad,Barkat Ahmad S/O Anwar ul Haq (ward No5)	273000	73000 26-12-13	40000 26-12-13	40000 17-10-14	40000 21-08-15	80000
31	Ghulam haider S/o Saleh Muhammad ward no.5 tawakli masjid	241500	60375 07-09-13	60375 26-12-13	60375 21-04-14		60375
32	Nazeer Ahmed, Ghulam Sarwar s/o	300000	-	-	-	-	300000

Sr No.	Name & Adress	Total Conversion Fee (Rs)	Ist Installment (Rs)	2 <sup>nd</sup> Installment (Rs)	3 <sup>rd</sup> Installment (Rs)	4 <sup>th</sup> Installment (Rs)	Recoverable (Rs)
	Akber Ali sugar mill road						
33	Muhammad Anwar S/o Muhammad Rafique ward no.5	705600	176400 08-12-11	176400 06-11-12	16-02-13	16-05-13	352800
34	Umer Hayat Laliqa new rasul road	3360000	840000 27-12-11	840000 14-03-13	348954 29-01-14	29-04-14	1331046
35	Muneer Ahmed S/o Muhammad Roshan phalia road	773400	193350 10-12-14	193350 02-05-15	193350 03-02-16	03-03-16	193350
36	Sanauallah S/o Inayatullah ward no.5	529200	-	-	-	-	529200
37	Adnan Inayat S/o Muhammad Inayat jail road	15032200	3006440 27-12-11	1687910 22-03-13	29-06-12	30-09-12	10337850
38	Muhammad Aslam S/o Muhammad Ali sugar mill road	198000	-	-	-	-	198000
39	Kahlid Mehmood S/o Bashir Ahmed phalia road	1320000	264000 12-04-12				1056000
40	Wasif Naseem S/o Naseem Mehmood phalia road	342000	-	-	-	-	342000
41	Allah Dita S/o Shabir Ahmed phalia road	327200	-	-	-	-	327200
42	Baqir Ali S/o Ghulam haider phalia road	260000	-	-	-	-	260000
43	Muhammad Nawaz S/o Muhammad Ramzan Khuda Bux road	280800	-	-	-	-	280800
44	Arshad Ali S/o Muhammad Shafi old rasul road	115000	-	-	-	-	115000
45	Karamat Hussain S/o Lal Hussain phalia road	260000	-	-	-	-	260000
46	Akmal Hussain S/o Karamat Hussain phalia road	242000	-	-	-	-	242000
47	Muhammad Iqbal, Muhammad Afzal Ss/o Islam Ghouri ward no.5	776160	194040 28-05-12	194040 13-09-12	194040 17-12-15		194040
48	Muhammad Arshad S/O Muhammad Aslam,Elvi chok.Back side	129228	32307 06-06-13	32307 18-04-14	32307 25-08-15	25-11-15	32307
49	Wqar Ahmad S/O orangzaib ,Near king Road chok	367896	91974 10-06-13	91974 20-03-15	37000 19-10-15 20000 30-10-15	30-11-15	126948
50	Ghulam Farid ,Amir iqbal S/O Muhammad Ashraf,Mazhar Anwar S/O Muhammad Anwar,Nai Abadi Muhala shafqat Abad	164323	41081 2-7-06-13	27-09-13	27-12-13	27-03-14	123243

Sr No.	Name & Adress	Total Conversion Fee (Rs)	Ist Installment (Rs)	2 <sup>nd</sup> Installment (Rs)	3 <sup>rd</sup> Installment (Rs)	4 <sup>th</sup> Installment (Rs)	Recoverable (Rs)
51	Muhammad Azam S/O Ghulam Haider Madal Town	43400	10850 17-09-13	21700 26-08-15	26-11-15		10850
52	Mian Sabir Husain S/O Mian Ghulam Muhammad ,Dera Bangsana	107509	26877 07-10-13	26877 04-03-14	04-06-14	04-09-14	53754
<b>Total</b>							<b>25,233,523</b>

**Annexure-D****Para 1.3.2.1****Non-recovery of Performance Security – Rs 2.238 million**

<b>Name of Work</b>	<b>Estimated Cost</b>	<b>Below (%)</b>	<b>Expenditure (Rs)</b>	<b>Name of Contractor</b>	<b>Performance Security Rs in million</b>
Construction / Repair of Road (DST) Khuthaila Pull to Mehtab Chowk and Patch work Urban Area Phalia	3.000	10.75	2.676	Haji Muhammad Alyas	0.323
Construction of Roads, Phalia Ghanian Road, Ghazali School, Andarwala Khoh, Saim Nallah Phalia	2.500	9.75	1.933	Haji Muhammad Alyas	0.244
Construction of Streets & Drains, Brick Pavement, Pheray, Lak.	1.800	14.00	1.369	Ahsan Shahad	0.252
Construction of Streets & Drains, Brick Pavement, Pindi Kalu.	1.800	2.00	1.582	Shafqat Naeem Sandhu	0.036
Construction of Streets & Drains, Nallah, Brick Pavement, Kailu	1.500	7.06	1.392	Amjad Tanveer	0.106
Construction of Green Belt And Beautification of Qanchi Chowk Phalia	1.500	9.06	1.362	Amjad Tanveer	0.136
Construction of Streets & Drains, Brick Pavement, Sandhanwala	1.000	18.00	0.820	Al-Aziz Builders	0.180
Construction of Streets & Drains, Brick Pavement, Mano Chak.	1.000	17.10	0.818	Rana Nawaz	0.171
Construction of Streets & Drains, Nallah, Brick Pavement, Lala Pindi & Noora Pindi	1.000	11.30	0.843	Muhammad Nawaz Tarar	0.113

<b>Name of Work</b>	<b>Estimated Cost</b>	<b>Below (%)</b>	<b>Expenditure (Rs)</b>	<b>Name of Contractor</b>	<b>Performance Security Rs in million</b>
Construction of Streets & Drains, Brick Pavement, UC Haslanwala	1.000	16.85	0.832	Sajjad Ahmad	0.169
Construction of Streets & Drains, Brick Pavement, Multanian Wala	1.000	13.00	0.868	Qaiser Farooq Ranjha	0.130
Construction of Streets & Drains, Brick Pavement, UC, Haslanwala	0.900	17.00	0.744	Al-Aziz Builders	0.153
Construction of Streets & Drains, Nallah, Brick Pavement, Maiken	0.900	12.30	0.789	Fiaz Ahmad Cheema	0.111
Construction of Streets & Drains, Nallah, Brick Pavement, Chak Merik	0.800	14.25	0.685	Fiaz Ahmad Cheema	0.114
<b>Total</b>					<b>2.238</b>

**Annexure-E**  
**Para 1.3.2.2**

**Irregular Payment on account of HBA Advance Rs 1.00 million**

<b>Sr. No.</b>	<b>Name of employee</b>	<b>Designation</b>	<b>Date of Drawing of HBA</b>	<b>Amount of HBA (Rs)</b>
1	M.Ashraf S/o M.Saddiq	Assistant	12.8.14	50,000
2	Nasir Masih S/o RiazMasih	Sanitary worker	12.8.14	50,000
3	QaiserMasih S/o RiazMasih	-	12.8.14	50,000
4	Muhammad Soing S/o Karam Dad	Driver	12.8.14	50,000
5	Tajamal Husain S/o Ghulam Ali	N/q	12.8.14	50,000
6	Muhammad Azam	Driver	12.8.14	50,000
7	Zafar Iqbal S/o Nazir Ahmed	Electrician	12.8.14	50,000
8	NaemurRehman	-	12.8.14	50,000
9	M Seed S/o M Saddiq	Light Inspector	12.8.14	50,000
10	Bashir Ahmed S/o Mian Khan	Electrician	12.8.14	50,000
11	M Ashraf S/o Nazar Muhammad	N/Q	12.8.14	50,000
12	Abdul Razzaq S/o Ghulam Muhammad	Driver	12.8.14	50,000
13	Afzal Ahmed S/o Manzoor Ahmed	Chowkidar	12.8.14	50,000
14	MahrShoukat Ali	Tax Clerk	12.8.14	50,000
15	SodagarMasih S/o KhurshidMasih	Sanitary worker	19-8-14	50,000
16	MAslam S/o Raja Khan	N/Q	19-8-14	50,000
17	Waseem Masih S/o Bashir Masih	Sanitary worker	19-8-14	50,000
18	TanveerMasih S/o Bashir Masih	-	19-8-14	50,000
19	Sultan Masih S/o SadiqMasih	-	19-8-14	50,000
20	TasaduqRehman S/o Muhammad Munir	Fire Man	19-8-14	50,000
<b>Total</b>				<b>1,000,000</b>

**Annexure-F**  
**Para No.1.3.2.2**

**Non-recovery of Rent of Shops - Rs 478,358**

<b>Sr. No.</b>	<b>Shop No.</b>	<b>Name of Shop Keeper</b>	<b>Balance Amount of Rent till 30-06-15 (Rs)</b>
1	22	Abdul Aziz S/o Fateh Mohammad	4,908
2	39	Shoukat Ali S/o Bashir Ahmed	4,908
3	60	Mohammad Azam S/o Mohammad Hussain	4,908
4	72	Mohammad Shafiq S/o Mohammad Rafiq	9,852
5	93	Aziz Ahmed S/o Saleh Mohammad	9,852
6	97	Mohammad Hussain S/o Sher Mohammad	1,636
7	125	Mohammad Asif S/o Masroor	4,908
8	130	Anjum Saeed Ali S/o Saeed Ahmed	13,422
9	134	Mohammad Anwar S/o Peer Buksh	9,864
10	157	Javed Irfani S/o Sher Mohammad	9,852
11	158	Afzal Iqbal S/o Sher Mohammad	9,852
12	159	Javed Irfani S/o Sher Mohammad	4,908
13	162	Mehar Din S/o Jeevan	4,908
14	164	Mohammad Shafi S/o Ali Nawaz	4,908
15	208	Haji Mohammad Khalil	4,908
16	215	Nazir Ahmed S/o Khadim Hssian	4,908
17	231	Abdul HameedM Saeed S/o Khushi Mohammad	4,908
18	295	Abdul Hakeem S/o Haji Abdullah	4,908
19	396	Abdul Hakeem S/o Haji Abdullah	4,908
20	300	Mohamamd Ismail S/o Abdullah	4,908
21	330	Mohammad Nazir S/o Ali Mohammad	4,908
22	356	Mohammad Inyat S/o Khushi Mohammad	9,386
23	357	Mohammad Ashraf S/o Khushi Mohammad	20,097
24	359	Sofi Ghulam Mohammad S/o Faqir Mohammad	14,264
25	385	Rana Shoukat Ali S/o Naseer Ahmed	8,088
26	415	Mohammad Bashir S/o izam Din	20,424
27	421	Mohammad Arif S/o Sharif	7,656
28	424	Rana Sajid Imran S/o Shoukat Ali	13,212
29	436	Riaz Ahmed S/o Noor Hussain	2,556
30	441	Abdul Rasheed S/o Abdul Majeed	16,140
31	443	Qasim Ali S/o Fateh Mohammad	15,840
32	444	Tariq Hussain S/o Mohammad Yaqoob	4,988
33	466	Fakher Din S/o Phool Badshah	11,190
34	468	Noor Mohammad S/o Allah Dittah	11,492
35	480	Mohamammd Anwar S/o Ch Abdullah	5,124
36	483	Mohammad Munir S/o Noor Mohammad	4,044
37	501	Mohammad Saleem S/o Bashir Ahmed	13,944



<b>Sr. No.</b>	<b>Shop No.</b>	<b>Name of Shop Keeper</b>	<b>Balance Amount of Rent till 30-06-15 (Rs)</b>
38	502	Mehmood Ahmed Arshad S/o Karim Elahi	13,944
39	505	Nazir Ahmed S/o Mohammad Salhoon	9,762
40	516	Mian Mohammad Shafi S/o Mehboob Alam	13,383
41	517	Mian Mohammad Shafi S/o Mehboob Alam	12,501
42	518	Mian Mohammad Shafi S/o Mehboob Alam	5,895
43	519	Mian Mohammad Shafi S/o Mehboob Alam	3,336
44	520	Sohail Manzoor Tarrar S/o Manzoor hussain Tarrar	13,344
45	524	Salim khan Lodhi S/o Abdul Ghaffar	27,226
46	526	Imtiaz Ahmed Butt S/o Saleh Butt	32,972
47	528	Rana Sajid Imran S/o Rana Shoukat Ali	34,508
<b>Total</b>			<b>478,358</b>

### **Non-collection of Fine for illegal Construction – Rs 285,000**

<b>Total no of cases received 2014-15</b>	<b>Total no of cases approved and rejected 2014-15</b>	<b>No. of cases pending for approval</b>	<b>Amount of penalty for illegal construction (Rs)</b>
121	Approved cases 54 Rejected cases 48	19	19x15000= <b>285,000</b>

### Non-recovery of Outstanding Dues on Rent of Shops Rs 232,684

Sr. No.	Shop No.	Name of Shop Keeper	Balance Amount of Rent till 30-06-15 (Rs)
1	116	Uzma Naveed W/o Naveed Ahmed	22,676
2	136	Mohammad Nawaz S/o Ghulam Qadir	42,724
3	211	Mohammad Ashraf S/o Imam Din	8,520
4	243	Nazir Ahmed S/o Imam Din	7,380
5	322	Waqas Sleem S/o Khadim Hussain	22,700
6	467	Abdul Slam S/o Ali Nawaz	49,488
7	473	Iftikhar Ahmed S/o Nazar Mohmmad Tarrar	20,616
8	515	Bashir Ahmed S/o Ali Noor	6,276
9	500	Qasim Ali S/o Rehmat Ali	22,332
10	526	Imtaiz Ahmed Butt S/o Saleh Butt	29,972
<b>Total</b>			<b>232,684</b>

### Non-recovery of Outstanding Dues of Water Rate Charges Rs 86,850

Name of entity	Notice Serving Period	No of cases/connections	Amount not recovered till 30th June-15 (Rs)
C.O Unit Qadirbad and TMA Phalia	260-01-13 to 14-01-13	25	30,200

### Non-recovery of Water Rate Charges Rs 61,500

Name of entity	No. of cases / connections	Amount not recovered till 30th June-15 (Rs)
Phalia City	73	61,500

### Non- recovery of Water Rate Charges Rs 30,200

Name of entity	No. of cases / connections	Amount not recovered till 30th June-15 (Rs)
C.O Unit Qadirbad	41	30,200

### Non-recovery of Fine on Encroachment Rs 26,900

Sr No	Book No.	Dated	No of Fine	Amount of Fine (Rs)
1	45	16-07-14 to 12-11-14	09	2,800
2	46	12-11-14 to 03-12-14	25	9,100
3	47	03-12-14 to 18-06-15	23	15,000
<b>Total</b>				<b>26,900</b>

### Non-recovery of License Fee Rs 10,300

Sr No	Name of Licensee	Location	Business Name	Amount Due till 30th June-15 (Rs)
1	Munawar Hussain S/o Manzoor Hussain	Thathi Shah Mohammad	Floor Grinder	1,000
2	Saifullah S/o Mohammad Ali	Thakar Kallan		500
3				500
4	Mohammad Bukhsh S/o	Leelonu		500
5	Munir Ahmed S/o Allah Ditta			500
6	Qamar Uz Zaman			600
7	Mohammad Walaayt S/o Ali Mohammad	Leelonu	Electric Welder	500
8	Munawar Iqbal S/o	Khanb Kalaln	Floor Grinder	500
9	Sher Mohammad S/o Bahawal			500
10	Mohammad Boota S/o Ali Mohamamd	Bheerowal	Medical Store	2000
11	Mohammad Irshad S/o Ahmed Din	Tariq Abad	Electric Welder	1200
12	Mohammad Nawaz S/o Roshen	Ghaday	Floor Grinder	1000
13	Mohammad Roshen S/o Mehar	Fatowala		500
14	Minir Ahmed S/o Baki Khan			500
<b>Total</b>				<b>10,300</b>

**Grand Total** (478,358+285,000+232,684+86,850+61,500+30,200+26,900+10,300) = Rs 1,214,492