



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

**AUDIT YEAR 2015-16**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS AND ACRONYMS**

ACL	Audit Command Language
ADP	Annual Development Programme
B&R	Buildings and Roads
CCB	Citizen Community Board
CFT	Cubic Feet
DAC	Departmental Accounts Committee
I&S	Infrastructure and Services
IPSAS	International Public Sector Accounting Standards
MB	Measurement Book
NAM	New Accounting Model
P&C	Planning & Coordination
PAO	Principal Accounting Officer
PCC	Plain Cement Concrete
PDG & TMA	Punjab District Governments & Tehsil Municipal Administration
PFR	Punjab Financial Rules
PLA	Personal Ledger Account
PLGO	Punjab Local Government Ordinance
RCC	Re-inforced Cement Concrete
RDA	Regional Director Audit
SAP	System Application Product
SFT	Square Feet
SOP	Standing Operating Procedure
TMA	Town/Tehsil Municipal Administration
TO	Town Officer
TS	Technical Sanction
T&P	Tools & Plants
UA	Union Administration
UIP	Urban Immoveable Property

## **PREFACE**

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

The Report is based on audit of accounts of various offices of Tehsil Municipal Administrations of District Kasur for the Financial Year 2014-15. The Directorate General of Audit District Governments Punjab (North) Lahore, conducted audit during 2015-16 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs 1.00 million or more. Relatively less significant issues are listed in the Annex-A of the Audit Report. The Audit observations listed in the Annex-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

The observations included in this Report have been finalized after discussion of Audit Paras with the management. However, no Departmental Accounts Committee meetings were 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 District Governments, Tehsil / Town Municipal Administrations and Union Administrations of nineteen (19) districts. Its Regional Directorate of Audit, Lahore has Audit jurisdiction of District Governments, TMAs and UAs of five districts i.e. Lahore, Kasur, Sheikhpura, Okara and Nankana Sahib.

The Regional Directorate of Audit Lahore had a human resource of 20 officers and staff, total of 5,706 man days and annual budget of Rs 25.020 million for the Financial Year 2015-16. It had mandate to conduct Financial Attest, Regularity Audit, Compliance with Authority and Performance Audit of programmes & projects. Accordingly, Directorate General Audit, District Governments Punjab (North), Lahore carried out audit of various offices of two (02) TMAs of District Kasur for Financial Year 2014-15.

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

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

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

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

Total expenditure of two TMAs of District Kasur for the Financial Year 2014-15 under the jurisdiction of DG District Audit (North) Punjab was Rs 1334.649 million covering two PAOs and two formations. Out of

this, the Directorate General Audit (North), Punjab audited an expenditure of Rs 574.376 million, which in terms of percentage, was 43% of the auditable expenditure.

Total receipts of the Tehsil Municipal Administrations of Kasur District for the Financial Year 2014-15, were Rs 176.282 million. Directorate General (North) Punjab audited receipts of Rs 66.987 million which was 38% of total receipts.

**b) Recoveries at the instance of audit**

Recovery of Rs 83.502 million was brought into the notice of the executive but no effort to affect recovery was made till compilation of this report.

**c) Audit Methodology**

Audit was performed through understanding the business processes of TMAs with respect to functions, control structure, prioritization of risk areas by determining their significance and identification of key controls. This helped auditors in understanding the systems, procedures, environment and the audited entity before starting field audit activity. Formations were selected for audit in accordance with risks analyzed. Audit was planned and executed accordingly.

**d) Audit Impact**

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

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

Internal control mechanism of TMAs of Lahore was not found satisfactory during audit. Many instances of weak Internal Controls have been highlighted during the course of audit which includes some serious lapses like withdrawal of public funds without advertisement at PPRA website. Negligence on the part of TMA authorities may be captioned as one of important reasons for weak Internal Controls.

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

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

- i. Misappropriation for Rs 6.730 million in one case<sup>1</sup>
- ii. Non-production of record of Rs 50.220 million in two cases.<sup>2</sup>
- iii. Irregularity & Non-Compliance of Rs 156.811 million in thirteen cases.<sup>3</sup>
- iv. Recovery of Rs 76.772 million in five cases.<sup>4</sup>

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

**g) Recommendations**

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

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

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<sup>1</sup>Para 1.2.1 .1

<sup>2</sup>Para 1.2.2.1, 1.3.1.1,

<sup>3</sup>Para 1.2.3.2-6, 1.2.4.1, 1.3.2.1, 1.3.2.4-8, 1.3.3.1

<sup>4</sup>Para 1.2.3.1, 1.2.3.7, 1.2.3.8, 1.3.2.2, 1.3.2.3

## SUMMARY TABLES & CHARTS

**Table 1: Audit Work Statistics**

Rs in million

Sr. No.	Description	No.	Budgeted Figure		
			Expenditure	Receipt	Total
1	Total Entities (PAOs) in Audit Jurisdiction	3	1965.041	243.021	2208.062
2	Total formations in audit jurisdiction	3	1965.041	243.021	2208.062
3	Total Entities (PAOs) Audited	2	1,334.649	176.282	1,510.931
4	Total formations Audited	2	1,334.649	176.282	1,510.931
5	Audit & Inspection Reports	2	1,334.649	176.282	1,510.931
6	Special Audit Reports	-	-	-	-
7	Performance Audit Reports	-	-	-	-
8	Other Reports	-	-	-	-

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

Rs in million

Sr. No.	Description	Amount Placed under Audit Observation
1	Asset Management	4.781
2	Weak Financial Management	83.502
3	Weak Internal Controls relating to Financial Management	152.030
4	Others	50.220
<b>Total</b>		<b>290.533</b>



**Table 3: Outcome Statistics**

Rs in million

Sr. No.	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total Current Year	Total Last Year
1	Outlays Audited	4.912	625.666	176.282	704.071	1,510.931	1375.079
2	Amount Placed under Audit Observation / Irregularities of Audit	4.781	53.471	139.520	92.761	290.533	280.343
3	Recoveries Pointed Out at the instance of Audit	-	37.915	38.857	6.730	83.502	16.380
4	Recoveries Accepted /Established at the instance of Audit	-	-	-	-	-	16.380
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 1,334.649 million.

**Table 4: Irregularities pointed out**

Rs in million

<b>Sr. No.</b>	<b>Description</b>	<b>Amount Placed under Audit Observation</b>
1	Violation of Rules and Regulations, principle of propriety and probity in public operation.	150.081
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	6.730
3	Accounting Errors (accounting policy departure from NAM <sup>1</sup> , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	0
4	Quantification of weaknesses of internal control systems.	83.502
5	Recoveries and overpayment, representing cases of established overpayment or misappropriations of public monies.	-
6	Non-production of record.	50.220
7	Others, including cases of accidents, negligence etc.	0
<b>Total</b>		<b>290.533</b>

**Table 5: Cost-Benefit**

Rs in million

<b>Sr. No.</b>	<b>Description</b>	<b>Amount</b>
1	Outlays Audited (Items 1 of Table 3)	1,510.931
2	Expenditure on Audit	1.317
3	Recoveries realized at the instance of Audit	—
4	Cost Benefit Ratio	—

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

## CHAPTER 1

### 1.1 TEHSIL MUNICIPAL ADMINISTRATIONS, DISTRICT KASUR

#### 1.1.1 Introduction

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

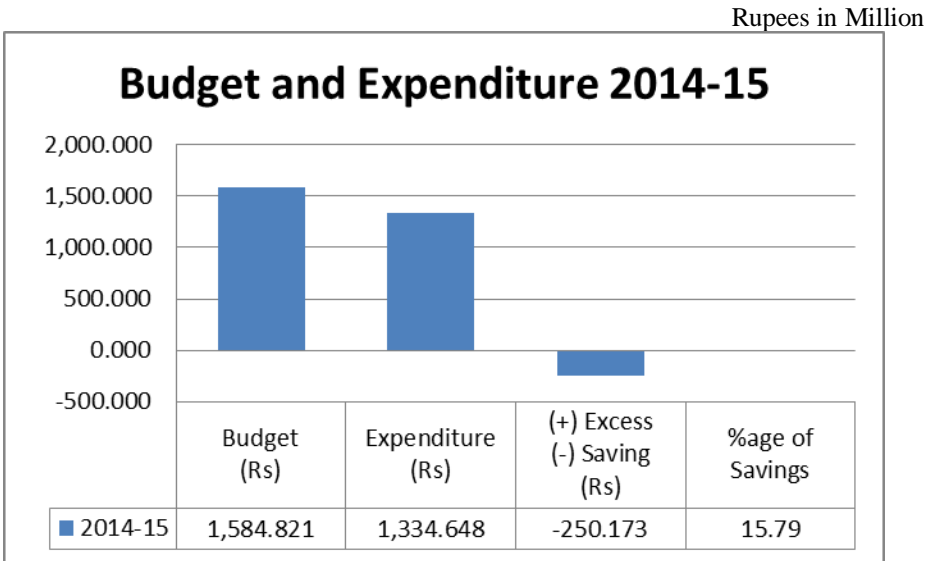
- i. To prepare spatial plans for the Tehsil including plans for land use, zoning and functions for which TMA is responsible;
- ii. To exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations;
- iii. To enforce all Municipal Laws, rules and bye-laws governing TMA's functioning;
- iv. To prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils;
- v. To propose taxes, cess, user fees, rates, rents, tolls, charges, surcharges, levies, fines and penalties under Part-III of the Second Schedule and notify the same;
- vi. To collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties;
- vii. To manage properties, assets and funds vested in the Tehsil Municipal Administration;
- viii. To develop and manage schemes, including site development in collaboration with District Government and Union Administration;
- ix. To issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice;

- x. To prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction;
- xi. To maintain municipal records and archives.

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

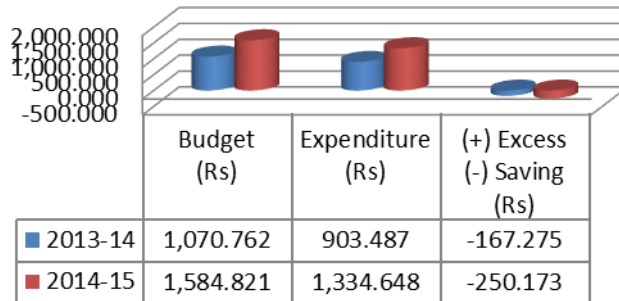
Total Budget of TMAs of District Kasur was Rs 1584.821 million (inclusive of Salary, Non-salary and development) whereas the expenditure incurred (inclusive of Salary, Non-salary and development) was Rs 1334.538 million showing savings of Rs 250.265 million which in terms of percentage was 49% of the final budget as detailed in (**Annex-B**). Less utilization of development budget (16%) deprived the community from getting better municipal facilities. The breakup of budgeted figures as shown as follows:

<b>Rs in million</b>				
<b>FY 2014-15</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Saving</b>	<b>%age of Saving</b>
Salary	462.765	385.368	77.379	19
Non-salary	378.055	323.504	54.551	14
Development	744.001	625.666	118.335	16
<b>Total</b>	<b>1584.821</b>	<b>1334.538</b>	<b>250.265</b>	<b>49</b>



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

## Comparison of Budget and Expenditure 2013-14 & 2014-15



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

Financial Year	Budget	Expenditure	Savings	%age of Savings
2013-14	1,070.762	903.487	167.275	15.62
2014-15	1,584.821	1,334.648	250.173	15.79

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

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

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

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

The Audit Reports pertaining to following years were submitted to the Governor of the Punjab:

#### Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2009-12	21	Not convened
2	2012-13	14	Not convened
3	2013-14	20	Not convened
4	2014-15	48	Not convened

# **1            AUDIT PARAS**

## **1.2 TMA KASUR**

## **1.2.1 Fraud / Misappropriation**

### **1.2.1.1 Unauthorized Payment made in Advance without Execution of Work -Rs 6.730 million**

According to Rule 2.10 (b) (5) and 17.19 of PFR VoI-I, it is not permissible to draw advances from the treasury for the execution of works, the completion of which is likely to take a considerable time. It is also not permissible to draw advances from the treasury to prevent the lapse of appropriations.

TMA Kasur paid advances of Rs 6.730 million (**Annex-C**) under various heads of account but same amount had not been adjusted / accounted for.

Audit is of the view that unauthorized payment in advance was due to defective financial discipline and weak internal controls.

Non-adjustment of advances resulted in misappropriation of government funds Rs 6.730 million.

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

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

(AIR Para No.1)



## **1.2.2 Non-production of Record**

### **1.2.2.1 Non-production of Record of Katchi Abadis Funds – Rs 17.532 million**

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

TMA Kasur failed to recover an amount of Rs 17.532 million from Kachi Abadi. The same was expended during 2011-12 as evident from closing balance of Rs 17.532 million in General Cash Book which was prepared by Tehsil Account Office. The department did not produce record regarding grant received for Katchi Abadi.

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

In the absence of record, authenticity, validity and accuracy of the amount could not be verified.

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

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

(AIR Para No.2)

## **I.2.3 Irregularity and Non-compliance**

### **1.2.3.1 Non-recovery of Development Charges of Katchi Abadi-Rs 36.870 million**

As per Section 11 of Katchi Abadi Act 1992, there shall be a separate fund of each concerned agency/ TMA to be known as Katchi Abadis Fund. The fund consist of price of land and development charges, recovered under this Act and other charges, if any, for services rendered by the Government Agency.

TMO Kasur incurred Rs 36.870 million on five Katchi Abadi Schemes namely Shahbaz Khan Road, Kot Meer Baz Khan, Kasur Bari, Santoke Sar and Kot Haleem Khan out of TMA fund instead of Katchi Abadi Fund. The amount was required to be refunded into TMA fund but the amount was not yet recovered.

Audit is of the view that development charges were not recovered due to weak administrative and financial discipline.

This resulted in non-recovery of development charges of Rs 36.870 million.

The reply was not furnished and DAC meeting was also not convened till finalization of report.

Audit recommends early recovery of outstanding government dues besides fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para No.5)

### **1.2.3.2 Irregular Purchase of Tents and Furniture-Rs 12.587 million**

As per Rule 4 of Punjab Procurement Rules 2014, a procuring agency while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical. As per Rule 9 of the said Rules, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website. Rule 12 of the said Rules, 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 PPRA regulation from time to time.

According to the Government of the Punjab, Finance Department letter No. RO (Tech) FD-18-29/2004 dated 03-03-2005, store items are required to be purchased as per the procedure prescribed in the Purchase Manual and additional profit and overhead charges are prohibited on account of purchase of store items.

During audit of TMA Kasur, scrutiny of payment record on account of purchase of tents and furniture items for "Sasta Ramzan Bazars" revealed that an expenditure of Rs 12.587 million was incurred through adopting the procedure of awarding works to contractors by adding additional contractor's profit and overhead charges instead of adopting procedure prescribed in PPRA. This resulted in not only irregular expenditure of Rs 12.587 million but also over payment of Rs 2.098 million at the expense of Local Fund as detailed in **Annex-D**. Moreover, the department expended the amount on purchase of Tentage material instead of hiring them for a month as such items become deteriorated with the passage of time of three years. Withholding Tax of Rs 0.063 million was less deducted than required while making payment to the contractor. The department expended the amount on purchase of Tentage material instead of hiring them for a month as such items become deteriorated with the passage of time of three years.

Audit holds that irregular expenditure on account of store items was incurred due to defective financial discipline and weak internal controls.

This resulted in irregular expenditure of Rs 12.587 million and overpayment of Rs 2.160 million to the Local Fund.

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

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

(AIR Para No.6)

### **1.2.3.3 Irregular Purchase of Tractors and Tyres-Rs 4.781 million**

According to Government of the Punjab, Finance Department letter No. FD.SO(Goods)44-4/2011 dated 11<sup>th</sup> September 2014 that

procurement of items of vehicle, machinery and equipment will not be allowed except with the prior concurrence of the Austerity Committee. According to Rule 12(1) of Punjab Procurement Rules 2009, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

TMA Kasur incurred an expenditure amounting to Rs 4.781 million on account of purchase of tractors and tyres and tube without advertisement at PPRA website. Moreover, approval of Austerity Committee for purchase of tractors was neither available on record nor shown to audit.

TMA purchased two tractors from A-Ghazi Tractors @ Rs 1.049 million per tractor whereas the tractor having equivalent specification purchased after two month from Millat Tractors @ Rs 1.115 million. This resulted in loss to the TMA on account of purchase of tractors from Millat Tractors for Rs 0.132 million. Moreover, Excess amount of Rs 30,350 was charged against purchases of tractors from Millat Tractors vide voucher No.188 dated 08-06-15 than the rate offered in quotation.

<b>Vr. /Date</b>	<b>Description</b>	<b>Contractor</b>	<b>Amount (Rs in million)</b>
67/8-4-15	Purchase of two tractors @ Rs 1,048,850	Al-Ghazi Tractors	2.098
06/1-4-15	Purchase of tyres& tube	General Traders	0.454
188/8-6-15	Purchase of two tractors @ Rs 1,114,625	Millat Tractors	2.229
<b>Total</b>			<b>4.781</b>

Audit holds that incurring expenditure without advertisement on PPRA's website and approval of Austerity Committee was due to defective financial discipline and weak internal controls.

This resulted in irregular expenditure on account of purchase of tractors and tyres Rs 4.781 million.

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

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

#### **1.2.3.4 Splitting of Job Orders to avoid Advertisement on PPRA Website- Rs 4.370 million**

According to Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, 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 PPRA regulation from time to time. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

TMA Kasur drew Rs 4.370 million on account of procurement of services of machinery and equipment on rent during the Financial Year 2014-15 by the sanitation branch. Indents were split up in order to avoid advertisement at PPRA's website.

Audit holds that job orders were split up due to defective financial discipline and weak internal controls.

This resulted in non-transparent expenditure of Rs 4.370 million to the Local Fund.

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

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

#### **1.2.3.5 Purchases without Advertisement at PPRA Website- Rs 4.178 million**

According to Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, 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 PPRA regulation from time to time. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual

requirements thus determined would be advertised in advance on the PPRA’s website.

TMO Kasur drew and expended Rs 4.178 million (**Annex-E**) on account of procurement of different items during the Financial Year 2014-15. Each job order cost was over one hundred thousand rupees but the purchases were made without advertisement at PPRA’s website or in the newspapers.

Audit holds that purchases were made without advertisement at PPRA’s website due to defective financial discipline and weak internal controls.

This resulted in non-transparent expenditure worth Rs 4.178 million.

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

Audit recommends regularization besides fixing responsibility against the person(s) for non-adherence of PPRA Rules under intimation to Audit.

(AIR Para No.9)

### **1.2.3.6 Unjustified Expenditure on Fire Brigade Department - Rs 3.031 million**

According to Rule 2.10 (a) (1) of PFR Vol-1 same vigilance should be made in respect of expenditure incurred from Government Revenues as a person of ordinary prudence would exercise in respect of expenditure from his own pocket.

TMA Kasur incurred an expenditure of Rs 3.031 million on running Fire Brigade department of TMA which is totally unjustified as “1122 Rescue” is rendering the same services to the residents of Kasur. The detail of expenditure incurred during the Financial Year 2014-15 against document service delivery is as under:

<b>Description</b>	<b>Expenditure (Rs in million)</b>
Establishment charges	3.011
-A013001-Repair fire brigade	0.010
-A03202-Telephone & Trunk calls	0.010
<b>Total</b>	<b>3.031</b>

Audit was of the view that unjustified expenditure on Fire Brigade department due to weak administrative and financial discipline.

This resulted in unjustified expenditure on account of Fire Brigade department Rs 3.031 million.

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

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

(AIR Para No.10)

### **1.2.3.7 Non-recovery of arrears of Rent of Shops -Rs 1.336 million**

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

TMA Kasur did not recover an amount worth Rs 1.336 million on account of 28 shops which were situated at General Bus Stand Kasur with the ownership title in favor of TMA. An amount of Rs 1.793 million was recoverable from the shopkeepers concerned as on 30-06-2012 but only Rs 0.457 million was recovered till 30-06-2015. The department failed to recover Rs 1.336 million out of arrears of rent of shops.

As per statement of TO (Regulation), the shops were demolished but the department failed to produce the notification issued by the competent authority for demolishing shops.

Audit was of the view that Government receipt was not recovered due to weak administrative and financial discipline.

This resulted in non-recovery of arrears of rent of shops worth Rs 1.336 million.

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

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

### **1.2.3.8 Non-recovery of Liquidated Damages-Rs 1.045 million**

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

TMA Kasur awarded different works to various contractors during the Financial Year 2014-15 but the works were not executed within stipulated period. The contractors neither completed the works within stipulated time nor applied for any time extension. Department did not impose penalty on the contractors due to late completion of the schemes to the tune of Rs 1.045 million (**Annex-F**).

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

This resulted in overpayment to the contractors and loss of Rs 1.045 million to the Local Fund.

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

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



## **1.2.4 Performance**

### **1.2.4.1 Less Achievements of Targets of Receipts-Rs 33.565 million**

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

Management of TMA Kasur collected Rs 58.995 million on account of various heads of income against targeted figure mentioned in the budget worth Rs 92.560 million as detailed in **(Annex-G)**.

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

This resulted in less achievements of targets of receipts worth Rs 33.565 million.

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

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

(AIR Para No.13)

## **1.3 TMA Pattoki**

### **1.3.1 Non-production of record**

#### **1.3.1.1 Non-production of Record for Rs 32.688 million**

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

Management of TMA Pattoki did not provide the auditable record on account of water rates and road cut charges to the tune of Rs 25.788 million for audit scrutiny. Moreover, TMO Pattoki paid Rs 6.900 million on account of Electricity Bills on estimation basis instead of making payment of actual claim but vouched account was not provided.

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

In the absence of record, authenticity, validity and accuracy of expenditure worth Rs 32.688 million could not be verified as detailed in **Annex-H**.

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

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

(AIR Para No.1)

## **1.3.2 Irregularity and Non-compliance**

### **1.3.2.1 Irregular Payment of Salaries to the Contingent Paid Staff –Rs 37.639 million**

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

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

TMO Kasur drew Rs 37.639 million from the Local Fund for payment of salaries to daily wage staff / contingent paid staff during the Financial Year 2014-15. Expenditure was held irregular due to the following reasons:

- i) Money was drawn from accounting head pay of staff i.e. regular budget instead of relevant head payment to contingent paid staff.
- ii) The prior approval of Finance Department was not obtained as the same was neither available on record nor shown to audit.
- iii) Staff was appointed without fulfilling codal formalities as mentioned in the recruitment policy referred *ibid*.
- iv) Sanctioned strength of the contingent paid staff was not available in the budget book whereas payment was made to 106 contingent paid staff. Moreover, TO wise and month wise detail was also neither on record nor shown to audit.

<b>Description</b>	<b>No. of daily wages staff</b>	<b>Rate (Rs)</b>	<b>No. of days in a year</b>	<b>Rs in million</b>
Daily wages staff	186	472	89 days x 4=356	31.254

Disposal works	38	472	89 days x 4=356	6.385
<b>Total:-</b>				<b>37.639</b>

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

This resulted in irregular expenditure from the Local Fund to the tune of Rs 37.639 million.

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

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

(AIR Para No.2)

### **1.3.2.2 Less Realization of Water Rates and Rent of Shops– Rs 24.250 million**

A Demand and Collection Register shall be maintained in Form A-XIII by the Collecting Officer of a Local Government. The demand shall be recorded on debit side of the register and when money is received against any demand necessary entry shall be made in the register on the credit side. At the beginning of each year, arrears of the previous year shall be carried forward and included in the demand for the year.

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

TMA Pattoki collected Rs 25.730 million from tenants of shops and water consumers through Tax Collectors on account of rent of shops, license & permit fee and water rates against demand of Rs 49.980 million during the Financial Year 2014-15. Moreover, Demand and Collection Registers were withheld from presentation before the audit team in order to conceal the amount of arrears and shops in terms of consumer wise default.

(Rs in million)				
Sr. No.	Description	Target / demand	Realization	Amount to be recovered
1	Water Rates Phool Nagar	4.091	1.955	2.136
2	Water Rates Pattoki	8.597	0.450	8.147
3	License Fee Phool Nagar	0.277	0.172	0.105
4	License Fee Pattoki	0.654	0.355	0.299
5	Rent of shops	36.361	22.798	13.563
	<b>Total-</b>	<b>49.980</b>	<b>25.730</b>	<b>24.250</b>

Audit was of the view that abandonment of claims to the water rates, license fee and rent of shops without any reason constituted a breach of canons of financial propriety. Demand of these receipts was outstanding which could be realized as arrears of Land Revenue.

This resulted in less realization of government receipts worth Rs 24.250 million to the government.

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

Audit recommends to recover the amount as arrears of land revenue besides fixing responsibility against the person(s) at fault under intimation to Audit.

(AIR Para No.3)

### **1.3.2.3 Non-realization of Arrears of Different Auctions—Rs 13.271 million**

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

TMA Pattoki failed to realize Rs 13.271 million on account of different auctions pertaining to the Financial Year 2001 to 2015. TMA requested the Additional District Collector, Kasur for the realization of said amount. The Additional District Collector declared the said contractors as arrears of Land Revenue but nothing was realized even a single penny from the defaulters as detailed in **Annex-I**.

Audit is of the view that non realization of arrears of auctions was due to weak administrative and financial discipline.

This resulted in non-realization of arrears Rs 13.271 million to the public exchequer.

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

Audit recommends early recovery of government dues besides fixing responsibility against the delinquent officers / officials under intimation to Audit.

(AIR Para No.4)

#### **1.3.2.4 Irregular Expenditure due to obtaining Technical Sanction from Unauthorized Authority - Rs 12.175 million**

According to Rule 44(1) of the PDG and TMA (Budget) Rules, 2003, expenditure can be incurred only on development projects for which administrative approval and technical sanction (for works) has been accorded and the development project has been included in the budget and has been approved by the Council. Further, as per Finance Department, Government of the Punjab's letter No. FD(FR)11-5/82 dated 2.04.2002 Governor of the Punjab has approved TS powers in respect of TO(I&S) (BS-18) of District Headquarter TMA up to Rs 5.0 million. All schemes of other TMAs in the District up to Rs 5.00 million will be submitted to TO(I&S) of District Headquarter TMA, whereas schemes exceeding Rs 5.00 million and upto Rs 20.00 million will be submitted to EDO (W&S) of the concerned district for Technical Sanction.

Scrutiny of record of working strength of TMA Pattoki revealed that the post of TO (I&S) remained vacant. The charge of the post was given to the Sub Engineer. Technical Sanction of the following schemes was obtained from Chief Engineer LG&CD Lahore during the Financial Year 2014-15 instead of from TO (I&S) of District Headquarter / EDO (W&S) Pattoki in violation of the directions of the Finance Department.

(Rs in million)

<b>Scheme</b>	<b>Estimated cost</b>
Cosnt. of Soling & Drains ChakoKe Tehsil Pattoki	0.500
Const. of Tubewell Chamber Boring water supply scheme Old MandiPattoki	0.775

Cosnt. of soling & drain, PCC,SlabDholanChak No. 7 NazamPura, Habib Abad	3.000
Const.of soling, drain, Tuff tile, PCC UC 23/3 Pattoki	2.000
Const. of soling, drain, Tuff tile PCC UC No. 21/1 Pattoki	5.000
Const. of soling and drains Bhoni-Ki TMA Pattoki	0.600
Const. of drain culverts tuff tile Malik Bashir Street Urani Mandi Tehsil Pattoki	0.300
<b>Total:-</b>	<b>12.175</b>

Audit was of the view that Technical Sanction from unauthorized authority was obtained due to weak administrative and internal controls.

This resulted in irregular expenditure of Rs 12.175 million.

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

Audit recommends regularization of Technical Sanction from competent authority besides fixing responsibility against the persons at fault under intimation to Audit.

(AIR Para No.5)

### **1.3.2.5 Uneconomical Purchase of Tents –Rs 5.303 million**

According to Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, 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 PPRA regulation from time to time. A procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA's website.

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



- i. During audit of TMA Pattoki, scrutiny of record of tents purchased revealed that an expenditure of Rs 4.534 million was incurred through adopting the procedure of awarding works to contractors by adding additional contractor's profit and overhead charges instead of adopting procedure prescribed in PPRA. This resulted in not only irregular expenditure of Rs 4.534 million but also over payment of Rs 0.760 million at the Local Fund.
- ii. TMA Pattoki drew Rs 0.769 million (detailed below) on account of procurement of 74 hand carts during the Financial Year 2014-15. Indents were split up in order to avoid advertisement at PPRA's website as detailed below:

Token No. & date	Firm	Qty	Rs in million
Nil dt 20.08.2014	M. Nasir Iron Store	12	0.098
Nil dt 22.10.2014	M. Nasir Iron Store	07	0.100
Nil dt 27.11.2014	Imran & Co.	25	0.075
Nil dt 22.12.2014	M. Azhar Govt. Contractor	30	0.496
<b>Total:-</b>		<b>74</b>	<b>0.769</b>

Audit holds that incurring of expenditure without advertisement on PPRA website was due to defective financial discipline and weak internal controls.

This resulted in non-transparent expenditure of Rs 5.303 million at the expense of public exchequer.

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

Audit recommends regularization besides fixing responsibility against the officers / officials at fault under intimation to Audit.

(AIR Para No.6)

### **1.3.2.6 Unauthorized Expenditure on Account of Non-scheduled Item- Rs 2.143 million**

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

where such components of item of work are not contained in the CSR 1998 Vol-III, Part-II (MRS), average prevailing market rates shall be made basis for arriving at the Non-Schedule Rate. Copies of the analysis and of composite rates sanctioned by the Chief Engineer for non-Scheduled items shall be sent to the Secretary, Standing Rates Committee.

TMA Pattoki made payment of Rs 2.143 million (detailed below) on account of non-scheduled items i.e. Fiber Glass during Financial Year 2014-15. Technically sanctioned estimate did not enclose the analysis of rates of non-scheduled items duly approved by the competent authority due to which the appropriateness and authenticity of rates in Technically Sanctioned Estimate could not be verified in following cases.

Sr. No.	Work	Contractor	TS Amount (Rs in million)	Items	Amount (Rs in million)
1	Construction of tube well Chamber Boring water supply scheme Old MandiPattoki	---	0.775	Fiber glass	0.143
2	P/F of fiber glass roof main bazar Phool Nagar	M. Ashraf & Sons	2.000	Fibre glass	2.000
	<b>Total</b>				<b>2.143</b>

Audit was of the view that non-scheduled items were not approved due to defective financial discipline and weak internal controls.

This resulted in irregular expenditure of Rs 2.143 million on account of non-scheduled items.

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

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

(AIR Para No.7)

### **1.3.2.7 Splitting of Development Schemes to avoid Advertisement at PPRA Website-Rs 1.391 million**

According to Rule 12(1) read with Rule 9 of Punjab Procurement Rules 2014, 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 PPRA regulation from time to time. A procuring agency shall announce in an appropriate manner all proposed

procurements for each Financial Year and shall proceed accordingly without any splitting of the procurements so planned. The annual requirements thus determined would be advertised in advance on the PPRA’s website.

TMA Pattoki drew Rs 1.391 million on account of construction of soling in fourteen transactions. The schemes were split up in order to avoid advertisement on PPRA website as detailed in **Annex-J**.

Audit holds that Job Orders were split up due to defective financial discipline and weak internal controls.

This resulted in non-transparent purchases of Rs 1.391 million from the Local Fund.

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

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

(AIR Para No.8)

### **1.3.2.8 Irregular Payment Without Approval of Lead Chart – Rs 1.238 million**

As per Manual of PWD Audit, the lead chart of carriage of earth should be approved by the competent authority i.e after personal verification by Superintending Engineer.

TMA Pattoki paid for the item “earth filling” without approval of lead chart from the Competent Authority without which the payment of Rs 1.238 million was held irregular as detailed below:

(Rs in million)

<b>Sr. No.</b>	<b>Work</b>	<b>Lead</b>	<b>Earth filling</b>
1.	Const. of soling, drain, tuff tile and PCC UC 21/1 Pattoki	3 mile	0.965
2	Const. of soling, drain PCC slabs dhollanchak 7, NizamPurra, Habib Abad Tehsil Pattoki	3 mile	0.160
3	Const. of soling, drain, tuff tile, PCC UC 23/3 Pattoki	3 mile	0.112
	<b>Total</b>		<b>1.238</b>

Audit was of the view that payment had been made without approval of lead chart was due to weak administrative and financial discipline.

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

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

(AIR Para No.10)

### **1.3.3 Performance**

#### **1.3.3.1 Less Realization of Receipts than Target-Rs 34.410 million**

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

Management of TMA Pattoki collected Rs 85.975 million on account of various heads of income against targeted figure mentioned in the budgeted Rs 120.385 million as detailed in **Annex-K**.

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

This resulted in less achievement of targets of receipts to the tune of Rs 34.410 million.

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

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

(AIR Para No.11)

## **ANNEXURE**

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

**Annex-A**  
**(Rs in million)**

<b>Sr. No.</b>	<b>Name of TMA</b>	<b>Title of Para</b>	<b>Nature of Para</b>	<b>Amount</b>
1	TMA Kasur	Non maintenance of Property record	Irregularity	-
2		Irregular award of contract without observing prescribed formalities	Irregularity	---
3		Repair of Machinery & Equipment without history sheet	Irregularity	-
4		Non reconciliation of TTIP income with revenue department	Irregularity	-
5		Unauthorized repair of Transformers and recovery	Irregularity	0.798
6		Unauthorized purchase of tent (textile items) from unregistered firm	Irregularity	--
7		Irregular Pay & Allowances to Sanitation Branch	Irregularity	-
8		Non Payment of Pension Contribution of Erstwhile Zila Council employees from TMAs to District Government	Irregularity	-
9		Billing of electricity charges of street light meters without taking load	Irregularity	-
10		Irregular payment of pension due to non-providing PPO number	Irregularity	-
11		Allocation of budget under unforeseen and natural calamities	Irregularity	-
12		Excess expenditure over and above the budget allocation	Irregularity	-
13		Loss to Government due non availing of discount on tentage	Irregularity	0.790
14		Irregular Expenditure on account of repair of Vehicle	Irregularity	0.374
15		Unauthorized expenditure on POL without sanctioned strength of vehicles	Irregularity	-
16		Purchases without showing consumption of material	Irregularity	-
17		Irregular drawn of Conveyance Allowance & Government Vehicles	Recovery	0.287
18		Non recovery of government money from the contractors, for whom the contracts have been terminated	Recovery	-
19		Non showing Bank Balances in general Cash Book	Irregularity	-
20		Re-appropriation of funds without	Irregularity	-

Sr. No.	Name of TMA	Title of Para	Nature of Para	Amount
		approval of FD, Government of the Punjab		
21		Non-registration of Government Vehicles	Irregularity	-
22		Non Approval of Lead Chart by the Competent Authority for Earth work	Irregularity	-
23		Use of sub standard steel as the bills of contractors not supported with invoices and manufacturers certificate	Irregularity	0.328
24		Over payment due to allowing excessive rate for RCC work and non deduction of Price Variation	Over payment	0.029
25		Premature Release of Securities	Irregularity	0.489
26		Non- recovery of Enlistment and Renewal Fee Record of Contractor as record not provided	Recovery	-
27		Non recovery of Professional Tax from Contractors	Recovery	0.960
28		Award and completion of work without depositing performance security from the contractor	Irregularity	3.22
29		Non Recovery Tender Form Fee	Recovery	0.178
30		Unauthentic Govt. receipt due to non-conducting of survey	Irregularity	2.160
31	TMA Pattoki	Loss due to Unlawful Award of Lorri Adda Pattoki	Irregularity	0.321
32		Loss Due To Auction below Reserved Price	Irregularity	0.330
33		Unauthentic Departmental Collection worth	Irregularity	0.547
34		Non realization of salary of employees from contractors Rs1.260 million (Approximate)	Irregularity	-
35		Self collection was made less than last year income	Irregularity	-
36		Non Reconciliation of Income	Irregularity	-
37		Non allocation of CCB Funds-	Irregularity	-
38		Irregular expenditure on Purchase of CCVT	Irregularity	0.202
39		Less-allocation of Funds for Sports & Youth Activities	Irregularity	-
40		Block Allocation for ADP Schemes	Irregularity	-
41		Expenditure on Purchase Diesel for Tractors without Preparing Annual Estimation	Irregularity	-
42		Irregular advance payment	Irregularity	0.800



<b>Sr. No.</b>	<b>Name of TMA</b>	<b>Title of Para</b>	<b>Nature of Para</b>	<b>Amount</b>
43		Irregular Payment of Legal Charges/Court Fee	Irregularity	0.847
44		Irregular and Doubtful Repair of Transformer	Irregularity	0.832
45		Non reimbursement	Irregularity	0.274
46		Irregular repair of transformer	Irregularity	0.292
47		Irregular expenditure by violating the procedure	Irregularity	0.989
48		Unauthentic payment of pension to the retired pensioners	Irregularity	-

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

(Rs in million)

Sr. No.	Name of TMA	Title of Para	Nature of para	Amount
1	TMA Kasur	Non-Utilization of CCB Funds	Irregularity	13.361
2		Irregular Payment	Irregularity	1.031
3		Avoidable Expenditure on Account of Hiring of Excavator/Tractor Trollies	Irregularity	0.877
4		Doubtful Payment	Irregularity	0.700
5		Unauthorized Repair of Transformer	Irregularity	0.349
6		Irregular payment of repair of Machinery and Equipment	Irregularity	0.346
7		Non-Accountal of Material	Non-accountal	0.342
8		Less Recovery on Account of General Bus Stand Parking Fee Kot Radha Kishan	Recovery	0.399
9		Avoidable Expenditure on account of Clearance of Nullah / Drain	Irregularity	0.332
10		Irregular Expenditure on Account of Purchase of Generators	Irregularity	0.299
11		Less Recovery on Account Of General Bus Stand Parking Fee Khudian	Recovery	0.282
12		Loss to Government due to non-deduction of conveyance Allowance	Recovery	0.240
13		Non-deduction of Shrinkage Charges	Recovery	0.157
14		Irregular Expenditure on account of Repair of Furniture	Irregularity	0.110
15		Irregular Expenditure on account of Purchase of Plants	Irregularity	0.135
16		Less Recovery on account of General Bus Stand Parking Fee Kasur	Recovery	0.165
17		Less Recovery on account of Cattle Pond	Recovery	0.123
18		Non realization of Rent of Shops	Recovery	0.154
19		Unauthorized expenditure on Fabrication of MS Bars	Irregularity	0.167
20		Irregular Expenditure on Account Of Repair of Vehicle	Irregularity	0.059
21		Non-Preparation of Telephone Trunk Call Register	Irregularity	0.077
22		Unauthorized expenditure of contractor's Profit	Irregularity	0.096

<b>Sr. No.</b>	<b>Name of TMA</b>	<b>Title of Para</b>	<b>Nature of para</b>	<b>Amount</b>
23		Less Recovery On Account of Slaughter House	Recovery	0.031
24		Less Recovery On Account of Copying Fee	Recovery	0.012
25		Loss of Millions Of Rupees due to Non-Collection of Professional Fee	Recovery	-
26		Overpayment to Contractor for RCC	Recovery	0.024
27		Overpayment to Contractor for MS Bars	Recovery	0.016
28		TMA Chunian	Non-utilization of Development Funds	Irregularity
29	Utilization of Tied Grant without Approval of TMA Council		Irregularity	8.321
30	Non Transparent Expenditure		Irregularity	0.424
31	Non-recovery of Income Tax on account of Leases		Recovery	0.211
32	Irregular and Expenditure on the Repair of Transformer		Irregularity	0.209
33	Unjustified Expenditure of Legal Advisors		Irregularity	0.120
34	Non realization of Water Rate from Disconnected Consumers		Recovery	0.116
35	Payment on account of Extra Mileage for Tuff Tiles		Recovery	0.115
36	Over Payment		Recovery	0.107
37	Less Deduction of Shrinkage on Earth Work		Recovery	0.100
38	Overpayment for RCC		Recovery	0.025
39	Non Recovery of Tender Form Fee		Recovery	0.012
40	TMA Pattoki	Wrong Allocation of Budget for CCBs	Irregularity	7.500
41		Excess Expenditure than Budget Allocation	Irregularity	1.694
42		Unauthorized Payment without GST Invoice	Irregularity	0.685
43		Overpayment for RCC by Non-reduction of Rates	Recovery	0.055
44		Non preparation of Income & Expenditure Statement	Irregularity	221.200
45		Splitting of Development Projects	Irregularity	4.500

**Annex-B****Budget and Expenditure Statement for Financial Year 2014-15****(Rs in million)**

<b>TMA Kasur</b>				
<b>Head</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Excess / Savings</b>	<b>% age</b>
Salary	330.30	263.10	67.20	20.35
Non Salary	273.04	240.230	32.810	12.02
Development	718.95	604.580	114.37	15.91
<b>Total</b>	<b>1322.29</b>	<b>1107.91</b>	<b>178.38</b>	48.28
Revenue	92.992	58.995		
<b>TMA Pattoki</b>				
<b>Head</b>	<b>Budget</b>	<b>Expenditure</b>	<b>Excess / Savings</b>	<b>% age</b>
Salary	132.465	122.268	10.197	7.70
Non Salary	105.015	83.274	21.741	20.70
Development	25.051	21.086	3.965	15.83
<b>Total</b>	<b>262.531</b>	<b>226.628</b>	<b>35.903</b>	44.23
Revenue	152.593	117.287		

**Annex-C**  
**Para-1.2.1.1**  
**(Rs in million)**

<b>Sr. no</b>	<b>Page No. of Advance Register</b>	<b>Description</b>	<b>Amount</b>
30	5	Advance Turbine Gulberg Colony	0.108
48	7	Repair of Tubewel	0.017
52	7	Purchase for Store	0.096
54	7	Rent of Tent etc	0.014
66	9	Demand for Steel Bagh Chongi	0.134
68	9	Purchase of empty drums	0.010
71	11	Purchase mobil oil for tractor	0.008
77	11	Purchase of Books	0.025
81	13	Demand Notice Katchi Abadi Railway Track	0.080
88	13	Purchase of A.V. Form	0.010
90	13	Advance for Tournament	0.010
105	17	Repair of water supply	0.010
106	17	Purchase of Books	0.020
163	23	Advance for Advertisement	0.010
182	27	Purchase of Books	0.025
190	29	Advance D.G. Public Relation	0.010
198	29	Advance for auction Municipal Property	0.020
201	31	Advance for purchase of plants	0.040
341	37	Advance to D.G. Public Relation	0.020
342	37	Advance for auction record and purchase of books	0.025
304	45	Advance for purchase of books and forms	0.025
353	51	Advance to TO(F)	0.280
361	53	Advance for repair of machinery	0.015
366	55	Advance for purchase of revenue book	0.300
367	57	Advance for Ramzan Bazar	0.200
368	57	Purchase of Books	0.129
370	57	Purchase of 02 Tractors	2.020
372	57	Purchase of Tractor Tires	0.454
373	59	Purchase of Books and Forms	0.205
374	59	Purchase of 02 Tractors	2.229
		<b>Total</b>	<b>6.549</b>

**Annex-D**  
**Para-1.2.3.2**  
**Rs in million**

<b>Vr.No. /date</b>	<b>Name of contractor</b>	<b>Description</b>	<b>Amount</b>
283/26-7-14	Sh.M. Hussain	9470-Purchase of Tent,kanat,furniture	2.573
284/26-7-14	ZafarIqbal	-do-	1.874
281/26-7-14	S.A chaudhary	-do-	1.589
282/26-7-14	Madina Builders	-do-	1.179
285/26-7-14	Khuram builders	-do-	0.881
280/26-7-14	Allah Bukhash	-do-	0.537
286/26-7-14	Ch.GhulamNabi	-do-	1.791
342/29-9-14	S.A chaudhary	-do-	0.505
1815/29-9-14	ZafarIqbal	-do-	0.413
1814/29-9-14	Khuram builders	-do-	0.171
389/29-9-14	Ch.GhulamNabi	-do-	0.668
388/29-9-14	Sh.M. Hussain	-do-	0.405
<b>Total</b>			<b>12.587</b>

**Annex-E**  
**Para-1.2.3.5**  
**Rs in million**

<b>R/page</b>	<b>Date</b>	<b>Head</b>	<b>Description</b>	<b>Amount</b>
4/40	30-4-15	A094	Purchase of hand cart for CO unit Mustafabad	0.250
4/38	7-10-14	3918	Purchase of national flag for difference place	0.871
4/38	-do-	-do-	-do-	1.418
4/38	12-1-15	-do-	-do-	0.350
2/43	2-10-14	3971	Sport festival	0.195
3/104	24-9-14	3942	Purchase of hand cart	0.480
3/105	2-1-15	-do-	Purchase of rope & net	0.200
5/34	23-6-15	3913	Expense for civil defense branch	0.414
<b>Total</b>				<b>4,178,044</b>

**Annex-F**  
**Para-1.2.3.8**

<b>MB. No.</b>	<b>Name of Scheme</b>	<b>Date of Start</b>	<b>Due Date of Completion</b>	<b>Actual Date of Completion</b>	<b>Estimated Cost</b>	<b>Penalty @ 10%</b>
710	Const of Janazgah graveyard kotPenchiwala	31-01-15	31-03-15	18-04-15	1.000	0.100
1099 & 1092	Const of Soling, Drains GalliHanifKamliaw aliGali	30-01-15	29-03-15	24-05-15	0.800	0.080
1095	Const of Soling at AlkoWalawalaWarr a	10-2-15	9/4/2015	30-06-15	1.000	0.100
715	Const of Soling at AlkoWalawalaWarr a No. 02	16-02-15	15-04-15	3/6/2015	1.000	0.100
379	Const of soling MakkaMarkazFateh Pur	16-09-14	15-12-14	19-05-15	1.350	0.135
710	Const of Soling from Police Station Sadar Toward Computer Section Kasur	17-09-14	16-12-14	30-06-15	2.000	0.200
471/706	Const of Soling Drains MozaDhing Shah	27-02-15	26-04-15	25-06-15	1.000	0.100
723	Const of Soling Drains Jodh to Noor PurMandiUsmanWala	31-01-15	30-04-15	WIP	1.000	0.100
1094/1104	Const of Soling from Ferozpur Road towards Jallar	16-09-14	15-12-14	13-06-15	1.300	0.130
	<b>Total</b>					<b>1.045</b>



**Annex-G**  
**Para-1.2.4.1**

Head of Account	Budget 2014-15	Actual 2014-15	Less achievement Target
<b>CO UNIT KASUR (H.Q)</b>	0.000	0.000	0.000
C03706 Sale of other Assets	0.100	0.000	0.100
<b>License Fee ( C038801to 15)</b>	2.000	1.427	0.573
C0388007 others (License fee tyre/ shops)	0.200	0.074	0.126
C0388016 General Bus Stand Fee <b>2014-15</b>	14.500	12.845	1.655
Fee & Fine For Building Plans	40.000	24.161	15.839
C0388062 Fee on sale of animals in cattle	1.400	0.000	1.400
C02703 Recoveries of expenditure	4.500	0.000	4.500
Fee from Contractors ( C0388071-75	1.000	0.806	0.194
<b>C0388076 Advertisement Fee</b>	4.050	3.697	0.353
C0388085 Other Rents Insta Fone / towers	0.962	0.592	0.370
C0388090 Sale of stock and store	0.500	0.000	0.500
C0388099 Arrears from different leases	2.500	0.106	2.394
<b>KOT RADHA KISHAN</b>	0.000	0.000	0.000
C0388016 General Bus Stand Fee	5.000	3.606	1.394
C0388042 Fee for slaughtering of Animals	0.048	0.000	0.048
Water Charges ( C0388046 TO 65 )	2.500	2.469	0.031
<b>CO UNIT KHUDIAN</b>	0.000	0.000	0.000
C0388016 General Bus Stand Fee	2.650	2.086	0.564
C0388042 Fee for slaughtering of Animals	0.150	0.058	0.092
Water Charges ( C0388046 TO 65 )	4.000	2.670	1.330
C0388081 Rent of Municipal Property shops	0.150	0.118	0.032
<b>CO UNIT MUSTAFABD</b>	0.000	0.000	0.000
C0388016 General Bus Stand Fee	5.450	4.252	1.199
C0388081 Rent of Municipal Property	0.100	0.000	0.100
<b>CO UNIT RAJA JANG</b>	0.000	0.000	0.000
Water Charges ( C0388046 TO 65 )	0.800	0.029	0.771
<b>Total</b>	<b>92.560</b>	<b>58.995</b>	<b>33.565</b>

**Annex-H**  
**Para-1.3.1.1**  
**Rs in million**

**A. Record relating to Road Cut Charges and Water Rates:**

Sr. No.	Description	Amount in the budget
1	Road cut charges	5.000
2	Arrears of water supplied Pattoki	20.000
3	Details of bank accounts and bank statements (to verify opening and closing balances for the year 2014-15)	0
4	Record pertaining to receipts books for collection of revenue/income of TMA	0
5	Record pertaining to encroachment, details of fine imposed and material taken into custody of TMA.	0
6	TMA property register (moveable and immoveable)	0
7	An amount was incurred on hiring of vaccinator	0.788
	<b>Total</b>	<b>25.788</b>

**B. Payment of Electricity Bill:**

Sr. No.	Description	Date of drawl	Amount
1	Electricity bills	08.08.2014	1.500
2	Electricity bills	30.09.2014	1.500
3	Electricity bills	03.12.2014	0.600
4	Electricity bills	24.12.2014	0.500
5	Electricity bills	15.01.2015	0.500
6	Electricity bills	14.03.2015	0.500
7	Electricity bills	30.04.2015	0.500
8	Electricity bills	30.04.2015	0.300
9	Electricity bills	29.05.2015	0.500
10	Electricity bills	26.06.2015	0.500
	<b>Total:-</b>		<b>6.900</b>

**Annex-I**  
**Para-1.3.2.3**

<b>Sr. No.</b>	<b>Description</b>	<b>Contractor</b>	<b>Financial Year</b>	<b>Arrears</b>
1.	Lorri Adda Phool Nagar	Sarfraz Ashaq Ali & Co.	2001-02	0.527
2.	Slaughter House Phool Nagar	Nazam Din	2001-02	0.048
3.	Cattle Mandi Phool Nagar	Malik Ashaq	2001-02	0.004
4.	License Fee Phool Nagar	Rana Abdul Qayyum	2001-02	0.481
5.	Lorri Adda Phool Nagar	Rustam Ali	2001-02	0.383
6.	Lorri Adda Phool Nagar	Rana Gulzar	2002-03	1.121
7.	Cattle Mandi Phool Nagar	Mohammad Kaleem	2002-03	0.025
8.	Slaughter House Phool Nagar	Malik Arshad	2002-03	0.119
9.	Lorri Adda Phool Nagar	Rao Qadeer	2003-04	1.000
10.	Lorri Adda Phool Nagar	Mansub Ali	2008-09	0.013
11.	Slaughter House Phool Nagar	Mirza Sajjad Baig	2009-10	0.037
12.	Transfer of Property Pattoki	Mohammad Ashfaq	2009-10	0.226
13.	Lorri Adda Phool Nagar	Asad Ali	2010-11	0.827
14.	Lorri Adda Phool Nagar	Saukat Ali	2011-12	0.186
15.	Lorri Adda Phool Nagar	Zahid Ali	2012-13	0.250
16.	Publicity Board Pool Nagar	Iftikhar Ali	2012-13	0.535
17.	Publicity Board Pool Nagar	Ahsan Akram	2013-14	1.979
18.	Cattle Mandi Phool Nagar	Mohammad Nawaz	2013-14	2.714
19.	Lorri Adda Phool Nagar	Ameer Ali	2013-14	1.139
20.	Lorri Adda Fee Pattoki	Khadim Hussain	2014-15	0.125
21.	Lorri Adda Phool Nagar	Rana Javid	2014-15	0.430
22.	Raksha Fee Pattoki	Mohammad Zafar	2014-15	0.466
23.	Raksha Fee Phool Nagar	Mohammad Iqbal	2014-15	0.190

24.	Publicity Board Fee Pattoki	Mohammad Arshad	2014-15	0.340
25.	Tum Tum Fee Pattoki	Mohammad Khalid	2014-15	0.077
26.	Tum Tum Fee Phool Nagar	Mohammad Iqbal	2014-15	0.035
	<b>Total:-</b>			<b>13.271</b>

**Annex-J**  
**Para-1.3.2.5**

<b>Name of project</b>	<b>Contractor</b>	<b>Date of commencement</b>	<b>T.S Cost (Rs)</b>
Cosnt. of Soling & Drain Guro Kay (Phase-I)	Mohammad Ashraf	11.08.2014	99,500
Cosnt. of Solinög& Drain Guro Kay (Phase-II)	-do-	13.09.2014	99,500
Cosnt. of Soling & Drain Guro Kay (Phase-III)	-do-	13.08.2014	99,500
Const. of Soling Lumbay Jagir Phoolnagar	Adnan builders	29.10.2014	99,400
Const. of Soling Lumbay Jagir Phoolnagar	-do-	29.10.2014	99,800
Const. of Soling Lumbay Jagir Phoolnagar	-do-	11.10.2014	99,600
Const. of Soling Lumbay Jagir Phoolnagar	-do-	31.10.2014	99,800
Const. of PCC & Drain street Qari Abdul Bari Haji Kot Pattoki (P-I)	M. Abu Bakar	13.12.2014	99,700
Const. of PCC & Drain street Qari Abdul Bari Haji Kot Pattoki (P-II)	-do-	13.12.2014	99,000
Const. of PCC & Drain street Qari Abdul Bari Haji Kot Pattoki (P-III)	-do-	13.12.2014	99,900
E/F Johar RukanPura Chak #22 pattoki (P-I)	M. Azar	07.02.2015	99,600
E/F Johar RukanPura Chak #22 pattoki (P-II)	M. Azar	07.02.2015	99,700
Const./repair of PCC Church Road Pattoki	Aiza Const. Co.	17.07.2014	96,095
Const./repair of PCC Church Road Pattoki	-do-	17.07.2014	99,870
<b>Total</b>			<b>1,390,965</b>

**Annex-K**  
**Para-1.3.3.1**

<b>Sr #</b>	<b>Description</b>	<b>Revised Target</b>	<b>Recovery effected</b>	<b>Less Realization</b>
1	Tax on transfer of Immovable Property	60.000	57.427	2.573
2	Sale of stores and materials	0.200	0.000	0.200
3	License Fee	1.200	0.521	0.679
4	Fee for approval of building plans	5.000	2.399	2.601
5	Commercialization Fee	0.280	0.247	0.033
6	Fine for encroachments	0.050	0.035	0.015
7	Fee for slaughtering of animals	0.300	0.212	0.088
8	Water Rates	3.100	2.090	1.010
9	Receipts from Public Toilets	0.001	0.000	0.001
10	Fee from contractors	0.200	0.053	0.147
11	Rent of Municipal Property	21.780	20.893	0.887
12	Road cutting charges	5.000	0.000	5.000
13.	Arrears of Misc. Heads of Income	23.274	2.098	21.176
	<b>Total:-</b>	120.385	85.975	34.410