



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
TEHSIL MUNICIPAL ADMINISTRATIONS  
VEHARI**

**AUDIT YEAR 2016-17**

**AUDITOR GENERAL OF PAKISTAN**

## TABLE OF CONTENTS

<b>ABBREVIATIONS AND ACRONYMS</b> .....	<b>i</b>
<b>PREFACE</b> .....	<b>ii</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>iii</b>
<b>SUMMARY TABLES AND CHARTS</b> .....	<b>vi</b>
Table 1: Audit Work Statistics .....	vii
Table 2: Audit observations regarding Financial Management .....	vii
Table 3: Outcome Statistics.....	viii
Table 4: Irregularities pointed out .....	ix
Table 5: Cost-Benefit .....	ix
<b>CHAPTER-1</b> .....	<b>1</b>
1.1 Tehsil Municipal Administrations, Vehari .....	1
1.1.1 Introduction.....	1
1.1.2 Comments on Budget and Accounts.....	1
1.1.3 Brief Comments on the Status of Compliance of MFDAC Audit Paras of Audit Report 2015-16 .....	3
1.1.4 Brief Comments on Status of Compliance with PAC Directives .....	3
<b>AUDIT PARAS</b> .....	<b>4</b>
1.2 Tehsil Municipal Administrations, Vehari .....	5
1.3 Tehsil Municipal Administrations, Burewala.....	23
1.4 Tehsil Municipal Administrations, Mailsi .....	42
<b>Annex</b> .....	<b>53</b>
Annex–A .....	54

Annex-B ..... 61  
Annex-C ..... 62  
Annex-D ..... 64  
Annex-E ..... 66  
Annex-F..... 67  
Annex-G ..... 69  
Annex-H ..... 70  
Annex-I ..... 72  
Annex-J ..... 73

## **ABBREVIATIONS AND ACRONYMS**

ADP	Annual Development Programme
CCB	Citizen Community Board
CCTV	Close Circuit Television
DAC	Departmental Accounts Committee
DGA	Director General Audit
FD	Finance Department
FIR	First Information Report
GEMCO	General Electromax Company
IPSAS	International Public Sector Accounting Standards
LG&CD	Local Government & Community Development
MFDAC	Memorandum for Departmental Accounts Committee
NAM	New Accounting Model
NOC	No Objection Certificate
OGRA	Oil and Gas Regulatory Authority
PAC	Public Accounts Committee
PDG	Punjab District Government
PFC	Provincial Finance Commission
PHATA	Punjab Housing and Town Planning Agency
PLGO	Punjab Local Government Ordinance
PPRA	Punjab Procurement Regularity Authority
TAC	Tehsil Accounts Committee
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TO (F)	Tehsil Officer (Finance)
TO (I&S)	Tehsil Officer (Infrastructure & Services)
TO (P&C)	Tehsil Officer (Planning & Coordination)
TO (R)	Tehsil Officer (Regulations)
TS	Technical Sanction
TTIP	Tax on Transfer of Immovable Property

## **PREFACE**

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Section 115 of the Punjab Local Government Ordinance, 2001 and Auditor General of Pakistan's SRO (1)/2009 dated 02.03.2009 require the Auditor General of Pakistan to conduct audit of Receipts and Expenditures of the Local Fund and Public Accounts of District Governments, Town / Tehsil Municipal Administrations and Union Administrations.

The report is based on audit of the accounts of Tehsil Municipal Administrations of District Vehari for the Financial Year 2015-16. The Directorate General of Audit, District Governments, Punjab (South), Multan conducted audit during Audit Year 2016-17 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 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.

Audit findings indicate the need for adherence to the regularity framework besides instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities.

The Report has been finalized in the light of written responses of the management wherever conveyed and DAC directives.

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 for causing it to be laid before the Provincial Assembly.

Islamabad  
Date:

**(Javaid Jehangir)**  
**Auditor General of Pakistan**

## **EXECUTIVE SUMMARY**

The Directorate General Audit (DGA), District Governments, Punjab (South), Multan, a Field Audit Office of the Auditor General of Pakistan, is mandated to carry out the audit of all District Governments in Punjab (South) including Town / Tehsil Municipal Administrations and Union Administrations. Regional Directorate of Audit (RDA), Multan has audit jurisdiction of District Governments, TMAs and UAs of six Districts i.e. Multan, Lodhran, Vehari, Sahiwal, Pakpattan and Khanewal.

The Regional Directorate has a human resource of 21 officers and staff constituting 5,271mandays and the budget amounting to Rs 22.549 million was allocated in Audit Year 2016-17. The office is mandated to conduct financial attest audit, audit of sanctions, audit of compliance with authority and audit of receipts as well as the performance audit of entities, projects and programs. Accordingly, RDA Multan carried out audit of the accounts of three TMAs of District Vehari for the Financial Year 2015-16 and the findings are included in the Audit Report.

Each Tehsil Municipal Administration in District Vehari is headed by a Tehsil Nazim / Administrator who carries out operations as per Punjab Local Government Ordinance, 2001. 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 by-laws. The Punjab Local Government Ordinance (PLGO), 2001, requires the establishment of Tehsil Local Fund and Public Account for which Annual Budget Statement is authorized by the Tehsil Nazim / Tehsil Council / Administrator in the form of Budgetary Grants.

The total Development Budget of three TMAs in District Vehari for the Financial Year 2015-16, was Rs 192.003 million and development expenditure incurred was of Rs 118.079 million, showing savings of Rs 73.924 million. The total Non Development Budget for Financial Year 2015-16 was Rs 970.109 million and

expenditure was of Rs 681.494 million, showing savings of Rs 288.615 million. The reasons for savings in Development and Non development Budgets are required to be provided by TMO and PAO concerned.

Audit of TMAs of District Vehari was carried out with a view to ascertaining that the expenditure was incurred with proper authorization, in conformity with laws / rules / regulations, and whether the procurement of assets and hiring of services were economical or not.

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

**a. Scope of Audit**

Out of total expenditure of the TMAs District Vehari for the Financial Year 2015-16, auditable expenditure under the jurisdiction of Regional Director Audit, Multan was Rs 799.573 million covering three PAOs/ formations. Out of this, RDA Multan audited an expenditure of Rs 421.087 million which, in terms of percentage, is 53% of total auditable expenditure and irregularities amounting to Rs 357.633 million were pointed out. Regional Director Audit planned and executed audit of three formations i.e. 100% achievement against the planed audit activities.

Total receipts of TMAs of District Vehari for the Financial Year 2015-16, were Rs 995.974 million. RDA Multan audited receipts of Rs 349.562 million which, in terms of percentage, is 35% of total receipts and irregularities amounting to Rs 669.942 million were pointed out.

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

Recoveries of Rs 351.088 million were pointed out by Audit (out of which Rs 341.662 million of paras over Rs 1 million are included in this Report) which was not in the notice of the management earlier. However, Rs7.963 million was recovered which was verified from Audit till the time of compilation of the Report.

### **c. Audit Methodology**

Audit was conducted after understanding the business processes of TMAs with respect to its 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.

### **d. Audit Impact**

A number of improvements in record maintenance and procedures have been initiated by the departments concerned on pointation of Audit. However, audit impact in the shape of change in rules could not be materialized as the Public Accounts Committee has not discussed Audit Reports pertaining to Tehsil Municipal Administrations.

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

Internal control mechanism of TMAs of District Vehari 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. Negligence on the part of TMA authorities may be captioned as one of important reasons for Weak Internal Controls.

According to Section 115-A (1) of PLGO, 2001, Nazim of each District Government and Tehsil / Town Municipal Administration shall appoint an Internal Auditor but the same was not appointed in all TMAs of District Vehari.

### **f. Key Audit Findings of the Report**

- i. Non production of record Rs 216.785 million were noted in two cases.<sup>1</sup>
- ii. Irregularities and non compliance of Rs 102.964 million were noted in thirteen cases.<sup>2</sup>

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<sup>1</sup>Para:1.2.1.1, 1.3.1.1

<sup>2</sup>Para:1.2.2.1,1.2.2.2.1.2.2.3,1.2.2.4,1.2.2.5,1.3.2.1,1.3.2.2,1.3.2.3,1.3.2.4,1.3.2.5,1.3.2.6, 1.3.2.7,1.3.2.8



- iii. Performance issues of Rs 372.731 million were noted in eight cases<sup>3</sup>.
- iv. Internal Control Weaknesses of Rs 274.056 million were noted in ten cases<sup>4</sup>

Audit Paras on the accounts for the year 2015-16 involving procedural violations including internal control weaknesses and irregularities which were not considered worth reporting to Provincial PAC have been included in Memorandum for Departmental Accounts Committee ( Annex-A).

**g. Recommendations**

Audit recommends that the PAO / management of TMAs should ensure to resolve the following issues seriously:

- i. Production of record to audit for verification
- ii. Compliance of relevant laws, rules, instructions and procedures, etc.
- iii. Expediting recoveries pointed out by Audit as well as other recoveries in the notice of management
- iv. Proper maintenance of accounts and record.
- v. Strengthening of financial and managerial controls
- vi. Compliance of DAC directives and decisions in letter and spirit
- vii. Appropriate actions against officer/officials responsible for violation of rules and loss.
- viii. Implement internal as well as financial controls in letter and spirit to avoid unauthorized drawal/ utilization of funds.

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<sup>3</sup>Para: 1.2.3.1, 1.2.3.2,1.3.3.1,1.4.1.1,1.4.2.1, 1.4.2.2, 1.4.2.3,1.4.2.4,1.4.2.5,

<sup>4</sup>Para:1.2.4.1,1.2.4.2,1.2.4.3,1.2.4.4,1.3.4.1,1.3.4.2,1.3.4.3,1.3.4.4,1.4.2.1,1.4.2.2

## SUMMARY TABLES AND CHARTS

**Table 1: Audit Work Statistics**

(Rupees in million)

Sr. No.	Description	No.	Expenditure	Receipt	Total
1	Total Entities (PAOs) in Audit Jurisdiction	3	799.573	995.974	1,795.55
2	Total formations in Audit Jurisdiction	3	799.573	995.974	1,795.55
3	Total Entities (PAOs)/ DDOs Audited	3	421.087	349.562	770.649
4	Total Formations Audited	3	421.087	349.562	770.649
5	Audit & Inspection Reports	3	421.087	349.562	770.649
6	Special Audit Reports	-	-	-	-
7	Performance Audit Reports	-	-	-	-
8	Other Reports (Relating to TMA)	-	-	-	-

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

(Rupees in million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Unsound asset management	9.822
2	Weak financial management	365.998
3	Weak Internal controls relating to financial management	274.056
4	Others	316.660
<b>Total</b>		<b>966.536</b>

**Table 3: Outcome Statistics****(Rupees in million)**

Sr. No.	Description	Expenditure on Physical Assets	Salary	Non Salary	Civil Works	Receipts	Total Current Year	Total Last Year
1	Total Financial Outlay	14.964	372.062	398.322	118.079	995.974	1,795.55	1,835.54
2	Outlays Audited	12.135	190.296	294.468	60.393	349.562	770.649*	588.274
3	Amount placed under audit Observation / Irregularities pointed out	-	191.377	79.257	48.987	646.915	966.536	337.852
4	Recoveries pointed out at the instance of Audit	-	-	-	-	341.662	341.662	241.244
5	Recoverable Accepted / Established at the instance of Audit	-	-	-	-	-	-	241.244
6	Recoveries realized at the instance of Audit	-	-	-	-	-	-	8.941

\* The amount mentioned against Sr. No.2 in column of “Total Current Year” is the sum of expenditure and receipts, whereas the total expenditure was Rs 421.087 million.

**Table 4: Irregularities pointed out**

<b>(Rupees in million)</b>		
<b>Sr. No.</b>	<b>Description</b>	<b>Amount Placed under Audit Observation</b>
1	Violation of Rules and regulations and violation of principle of propriety and probity in public operations.	134.033
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	-
3	Accounting Errors (accounting policy departure from IPSAS*, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4	Quantification of weaknesses of internal control systems.	274.056
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money	341.662
6	Non production of record to Audit	216.785
7	Others, including cases of accidents, negligence etc.	-
<b>Total</b>		<b>966.536</b>

**Table 5: Cost-Benefit**

<b>(Rupees in million)</b>		
<b>Sr. No.</b>	<b>Description</b>	<b>Amount</b>
1	Outlays Audited (Items 1 Table 3)	1,795.547
2	Expenditure on Audit	0.119
3	Recoveries realized at the instance of Audit	7.963
4	Cost-Benefit Ratio	67

\*The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan which are IPSAS (Cash) compliant.

## CHAPTER-1

### 1.1 Tehsil Municipal Administrations, Vehari

#### 1.1.1 Introduction

According to 1998 population census, the population of District Vehari is 2.090 million. District Vehari comprises of three TMAs namely Vehari, Burewala and Mailsi. Business of each TMA is run by the Administrator and five Drawing & Disbursing Officers i.e. TMO, TO (I&S), TO (Finance), TO (P&C) and TO (Regulations) under Punjab Local Government Ordinance, 2001.

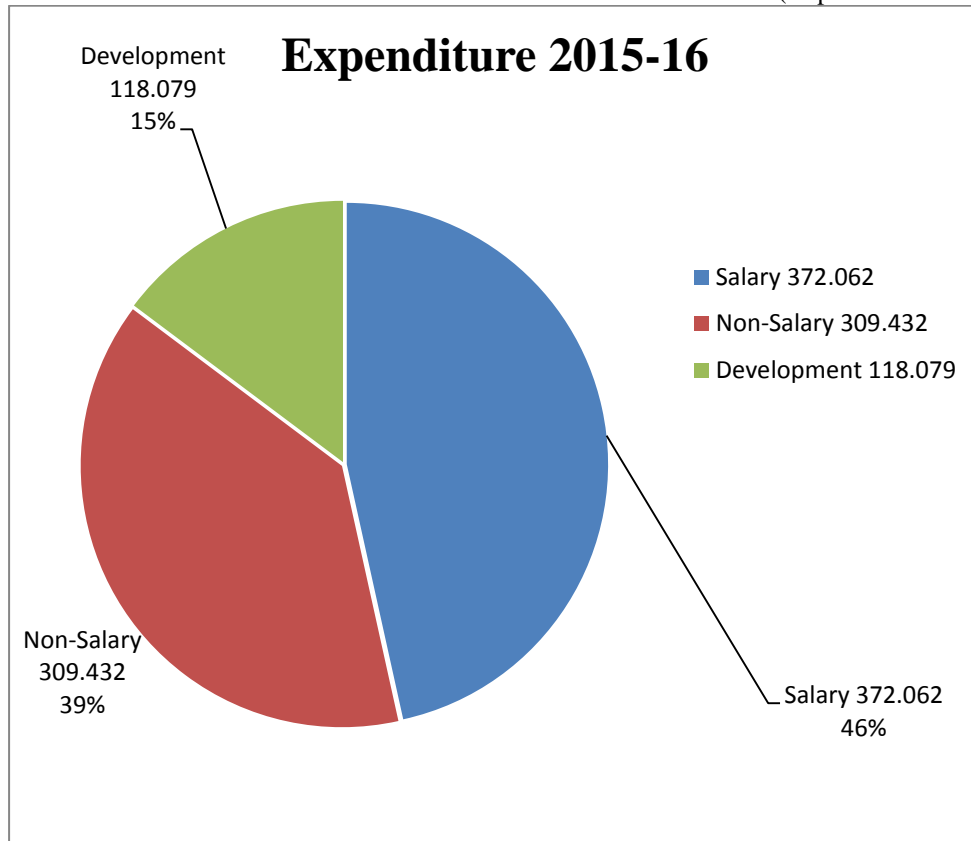
#### 1.1.2 Comments on Budget and Accounts

The detail of Budget and expenditure is given below in tabulated form:

**(Rupees in million)**

<b>2015-16</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess (+) / Savings(-)</b>	<b>% savings</b>
Salary	550.823	372.062	-178.761	-32%
Non-salary	419.286	309.432	-109.854	-26%
Development	192.003	118.079	-73.924	-39%
<b>Sub Total</b>	<b>1,162.112</b>	<b>799.573</b>	<b>-362.539</b>	<b>-31%</b>
Revenue	1,029.689	995.974	-33.715	-3%

(Rupees in million)

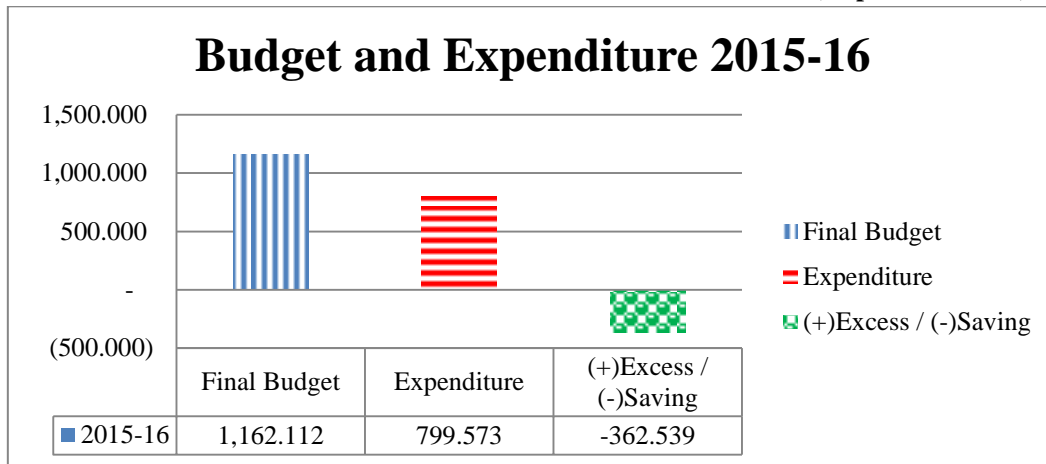


Details of budget allocations, expenditures and savings of each TMA in District Vehari are at **Annex-B**.

As per Budget Books for the Financial Year 2015-16 of TMAs in District Vehari, the original and final budgets were Rs 1,162.112 million. Total expenditures incurred by these TMAs during Financial Year 2015-16 were Rs 799.573 million. A saving of Rs 362.539 million came to the notice of audit which shows that the TMAs failed to provide essential municipal services as envisaged and planned at the time of preparation and approval of annual budget for the year.

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

(Rupees in million)



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

Audit paras, reported in MFDAC (Annex-A) of last year audit report, which have not been attended in accordance with 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 but have not been examined by the Public Accounts Committee.

#### Status of Previous Audit Reports

Sr. No	Audit Year	No. of Paras	Status of PAC Meeting
1	2009-12	29	PAC not constituted
2	2012-13	15	PAC not constituted
3	2013-14	9	PAC not constituted
4	2014-15	15	PAC not constituted
5	2015-16	21	PAC not constituted

# **AUDIT PARAS**



## **1.2 Tehsil Municipal Administrations, Vehari**

## 1.2.1 Non Production of Record

### 1.2.1.1 Non production of record-Rs 32.866 million

According to Clause 14 (1) (b) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, "the Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts".

TMA Vehari, did not produce the record involving Rs 32.866 million for Audit scrutiny for the Financial Year 2015-16 despite repeated written and verbal requests. The detail is given as under:

(Rupees in million)

Sr. No.	Description	Amount
1	Record regarding issuance of NOCs and approval of hoardings/bill boards	-
2	Vouched account of drawal of funds from PLA Account	30.58
3	Vouched account of procurement of Tractor	2.286
4	Record regarding transport & machinery and equipment of TMA and service record of officials	-
<b>Total</b>		<b>32.866</b>

Audit is of the view that due to weak internal controls, record was not produced for Audit.

Non-production of record of Rs 32.866 million created doubt regarding the legitimacy of the expenditure as well as violation of the Government instructions.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that NOC fee had been imposed during Financial Year 2015-16. Before this NOC fee was not introduced. The total vouchers of expenditure were binded month wise and these vouchers were related to PLA

expenditure. All those vouchers were provided to the audit officer as per demand at the time of Audit. Reply was not tenable because no record was produced.

DAC, in its meeting, held in March, 2017, decided to keep the para pending for record verification within seven days. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides production of record to Audit for verification.

[AIR Para: 30, 41, 42, 63]

## **1.2.2 Irregularities and noncompliance**

### **1.2.2.1 Irregular award of tenders - Rs 40.047 million**

According to Sr. No.5 of Government of the Punjab Local Government & Community Development Department letter bearing No. SOR (LG) 5-48/2002 dated 28.02.2013 of All the tenders shall be opened at the time and place specified in the public notice, in the presence of such contractors as may be present, by the Committee comprising the following members:

I	Tehsil/Town Municipal Officer	Convener
ii	Representative of District Coordination Officer	Member
iii	Representative of Commissioner	Member
iv	Tehsil/Town Officer (Finance)	Member
V	Tehsil/Town Officer (I&S)	Member/ secretary

TMA Vehari, awarded work order of 71 development schemes amounting to Rs 40.047 million during Financial Year 2015-16 without the presence of Representative of District Coordination Officer and Commissioner.

Audit is of the view that due to weak financial controls, tenders were awarded without the presence of all the members of tender opening committee.

Opening/award of works without the presence of members of tender opening committee resulted in irregular award of tenders valuing Rs40.047 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that with reference to the notification No.SOR(LG)/5-48/2002 dated 05.03.2012 constitute a committee for tender opening. All the tenders floated during the preceding year were duly supervised by the committee and their signature/initial found affixed in token of their testimony/presence to supervise the tender opening process. The comparative statements were prepared by the Sub Engineer, ATO(I&S) and recommended by the TO(I&S) were approved and TMO being competent authority defined under the Punjab Tehsil

Municipal Administration Works Rules, 2003 before letting out the contract. The reply was not tenable because no record was shown in support of reply.

DAC, in its meeting, held in March, 2017, directed the DDO to get the record verified with in week. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 47]

### **1.2.2.2 Unjustified consumption of POL - Rs 11.102 million**

According to Rule 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he will held personally responsible for any loss sustained to Government through fraud or negligence on his part. Further, according to Rule 16 (1) of Rules for the Use of Staff Cars 1980, the Officer-in-Charge shall ensure that the staff car in his charge is not misused or neglected by the driver and that the petrol of the staff car is not wasted. He shall scrutinize the Movement Register at least once a fortnight to see that all journeys made were properly authorized and that avoidable journeys were not made by the staff car.

TMA Vehari, drew Rs 11.102 million on account of POL during the Financial Year 2015-16. POL consumed in 100 KVA generator with the fuel consumption of 14 liter per hour whereas, the same capacity generator consuming POL at the rate of 09 liter per hour in TMA Jalal Pur Pirwala. Expenditures on repair and POL of sanitation and fire brigade branch were incurred without maintenance of log books of vehicles. The detail is given as under:

<b>(Rupees in million)</b>		
<b>Sr. No.</b>	<b>Description</b>	<b>Amount</b>
1	Loss to TMA fund due to unjustified consumption of POL in Disposal Works Generators	1.296
2	Doubtful utilization of POL and maintenance of Vehicles	1.829
3	Doubtful consumption of POL in sanitation branch	5.197
4	Misuse of POL funds in Fire Brigade Vehicles	2.78
<b>Total</b>		<b>11.102</b>

Audit is of the view that due weak management, doubtful consumption of POL was made without maintenance of transparent record.

Irregular consumption of POL resulted in unjustified expenditure of POL amounting to Rs 11.102 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that according to the company report the consumption of standard engine was 14.2 liter per hour. The same was checked by the TO (I&S) and granted certificate of POL consumption, which was also 14.2 liter per hour. The comparison with any other generator was not justified. However it could be checked any time. All the log books and record were available which could be verified. The reply was not tenable because consumption was high and no record of log book was produced.

DAC, in its meeting, held in March, 2017, directed to Chief Officer to get the fresh consumption certificate from authorized agent of the manufactures and referred the matter to Secretary Local Government to inquire into the matter and fix the responsibility for bogus maintenance of log books. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 16, 50, 55, 60]

### **1.2.2.3 Irregular approval of housing colony by splitting the area- Rs 7.829 million**

According to Rule 40(a) (b) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall allow sub-division of a plot in an approved scheme and a parcel of land which is less than one hundred kanal.

TMA Vehari, approved a housing scheme previously named as “Taj City” having an area of 187 Kanal and 09 Marlas by splitting in two land sub-divisions namely “Abid Block” and Asif Block having area of 95 Kanal 16 Marlas and 91 Kanal 13 Marlas respectively in-order to avoid extra mortgage of land for grave yard, commercial area and area of mosque. The detail is given as under:

(Rupees in million)

Sr. No.	Name of land sub division	Area	Area required for Mortgage, commercial, mosque park etc.	Rate per Marla	Amount
1	Abid Block	95K-16M	261 M	0.030	7.830
2	Asif Block	91K-13M			

Audit is of the view that due to weak internal control, housing scheme was irregularly split up to give undue benefit to the owner.

Irregular splitting of housing scheme into land subdivision resulted into loss amounting to Rs7.830 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that TMA Vehari had already issued notices to the owner of Taj City Housing Scheme to submit the total map as housing scheme. Now the Taj City Housing Scheme was not within the jurisdiction of Municipal Committee Vehari. The reply was not tenable because no record was produced for verification.

DAC, in its meeting, held in March, 2017, directed the DDO to take up the matter with DO (Planning) for recovery. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 7.830 million, under intimation to Audit.

[AIR Para: 24]

#### **1.2.2.4 Irregular award of works without obtaining additional performance securities – Rs 4.044 million**

According to Finance Department letter No.RO (Tech) FD 1-2/83 (VI) (P) dated 06.04.2005, in case the total tendered amount is less than 5 % of approved estimate (DNIT) amount the lowest bidder will have to deposit additional performance security for the less amount within 15 days of issuance of notice or within expiry period of bid whenever is earlier.

TMA Vehari, awarded development works to different contractors during Financial Year 2015-16 by less obtaining additional performance securities amounting to Rs 4.044 million. The development works were awarded to the contractors who offered rates ranging from 6% to 37% below the TS estimates without obtaining requisite additional performance securities, as required under law. **Annex-C**

Audit is of the view that due to weak internal controls, additional performance securities were not obtained from the contractors.

Non obtaining of additional performance security amounting to Rs4.044 million resulted in violation of the Government instructions.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that lowest bidders would had 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 was earlier. TMA received maximum limit of 10% as additional performance security from the lowest bidders. Schemes had been completed satisfactory and no irregularity had been made. Moreover no loss to Government involves. The reply was not tenable because additional performance security was not obtained.

DAC, in its meeting, held in March, 2017, directed the DDO to regularize the matter from the competent authority. No progress was intimated till finalization of this Report.



Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides regularization from competent authority Finance Department, under intimation to Audit.

[AIR Para: 12]

### **1.2.2.5 Irregular technical sanction of development works by splitting – Rs 3.500 million**

According to Rule 17 of the Punjab TMA (Works) Rules 2003, unless Government otherwise decides, Local Government Engineers shall have the same powers of technical sanction, approval of rates of non-schedule items and all other powers not specified in these rules as vest in the engineers of corresponding rank in the Communications and Works Department, Public Health Engineering Department, Housing & Physical Planning Department and officers of District Governments as delegated by the Government of the Punjab. Further, according to Para 4 (iii) Note (3) of Government of the Punjab Finance Department Notification No.FD (FR) II-5/82 dated 15.08.2001, in case BS-17 officer is posted in a Tehsil, the TS and acceptance of tenders would be obtained from BS-18 or BS-19 PHE officer in the same District. If BS-19 officer is not posted then case will be referred to Chief Engineer Public Health for TS and acceptance of tenders.

TMA, Vehari split the development schemes amounting to Rs 3.500 million of “providing and fixing manholes covers” in four works, namely northern zone, southern zone and Vehari city to avoid the sanction of TS estimates from Chief Engineer during Financial Year 2015-16. It was also observed that manhole covers were issued without approval and verification of DDO for fixing on various places of city. Applications of community for provision of manhole covers were not available on record.

**(Rupees in million)**

<b>Sr. No.</b>	<b>No. of Work/ Tender Date</b>	<b>Name of schemes</b>	<b>Amount of TS</b>
1	2/ 30.07.2015	Raising manholes, fixing of manhole covers, base rings, construction of manhole, RCC Pipe, slabs etc. for Northern	1.000

		zone Vehari city	
2	3/ 30.07.2015	Raising manholes, fixing of manhole covers, base rings, construction of manhole, RCC Pipe, slabs etc. for Southern zone Vehari city	1.000
3	2/ 05.12.2015	Raising manholes, fixing of manhole covers, base rings, construction of manhole, RCC Pipe, slabs etc. for Vehari city	1.000
4	1/ 22.06.2016	Raising manholes, fixing of manhole covers, base rings, construction of manhole, RCC Pipe, slabs etc. for Vehari city	0.500
<b>Total</b>			<b>3.500</b>

Audit is of the view that due to weak internal controls, development schemes were approved through splitting to avoid the technical sanction of higher authority.

Non-compliance of rules resulted in irregular technical sanction of works valuing Rs 3.50 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that schemes were approved in the ADP with the nomenclature and estimated cost mentioned against each and also after the approval of TDC/DCC accordingly, hence no irregularity was committed for any bifurcation. The manhole covers supplied by the contractor were properly entered and later on issued after the approval of competent authority. The reply was not tenable as TS was obtained by splitting the estimates in four zones.

DAC, in its meeting, held in March, 2017, directed the DDO to get regularization of expenditure. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides regularization from competent authority Finance Department, under intimation to Audit.

[AIR Para: 11]

## 1.2.3 Performance

### 1.2.3.1 Non recovery of rent of shops –Rs 265.424 million

According to Rule 76(1) of PDG&TMA (Budget) Rules, 2003 the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund. Further, according to Rule 4 of the Punjab Local Government (Property) Rules, 2003, manager of the property is responsible to manage the TMA property in such a way that property fetches maximum rent, prevent the impairment of the value and utility of the rented property and prevent the property against nuisance, damages or misuse.

TMA Vehari, did not recover rent of shops amounting to Rs 265.424 million during the Financial Year 2015-16. TMA did not make any efforts regarding auction of shops since 1964. Due to non-auction of shops at fresh competitive market rate after every five years TMA was suffering an annual loss. Further, TMA authorities did not take any action against the tenants constructed multi storey shops without prior approval and recovery of rent of multiple storeys. The detail is given as under:

(Rupees in million)

Sr. No.	Description	Amount
1	less recovery of rent of shops	25.762
2	Non-auction of rent of shops to fetch maximum revenue	126.474
3	Non collection / assessment of rent of additional construction	113.188
<b>Total</b>		<b>265.424</b>

Audit is of the view that due to weak financial controls, neither rent of shops was recovered nor efforts were made to fetch maximum rent.

Non-recovery of rent of shops resulted in loss to the Government of Rs 265.424 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that huge amount of arrears had been pending since the time of defunct Municipal Committee. Moreover shopkeepers had been involved

in litigation on different forum with TMA for reduction of rent since 1984-85. Tehsil council reduced the rent of shops of shopping center and Municipal Market during the year, 2007 in the light of instruction received from the Secretary LG&CD Department Lahore. Now the rent and arrears were being collected as per decision of house. At present the shopkeepers of mini market, remaining shopkeepers of shopping center and municipal market jointly filed a writ petition No.7993/2012 against TMA for reduction of rent. The matter was subjudice hence TMA could not take any action against those defaulters. The reply was not tenable because no court orders were produced at the time of verification.

DAC, in its meeting, held in March, 2017, directed the Chief Officer to expedite recovery. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 265.424 million, under intimation to Audit.

[AIR Para: 7, 20, 34]

### **1.2.3.2 Non-recovery of TMA dues – Rs 52.420 million**

According to Rule 76(1) of PDG&TMA (Budget) Rules, 2003 the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund.

TMA Vehari, did not recover dues of Rs 52.420 million on account of sewer and drainage rate, water rate and advertisement fee from various water connection holders and traders and up to June, 2016.

(Rupees in million)

<b>Sr. No.</b>	<b>Description</b>	<b>Demand</b>	<b>Recovery</b>	<b>Amount</b>
1	Non-recovery of sewer and drainage rate	13.883	0.053	13.830
2	Non-recovery of water rate	36.635	0.49	36.145
3	Non-recovery of Advertisement Fee	6.1	3.655	2.445
<b>Total</b>				<b>52.420</b>

Audit is of the view that due to weak internal controls, government dues were not recovered.

Non-recovery of Rs 52.420 million resulted in loss to TMA Fund.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that sewerage and drainage tax were introduced for the first time. The people were not ready to pay this tax. Moreover due to the shortage of recovery staff its assessment could not be made and resultantly demand and collection register was not maintained. Anyhow the recovery position would be improved in the coming Financial Year. The reply was not tenable because no recovery was shown.

DAC, in its meeting, held in March, 2017, directed to the Chief Officer to expedite recovery. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 52.420 million, under intimation to Audit.

[AIR Para: 13, 14, 61]

## 1.2.4 Weak Internal Control

### 1.2.4.1 Irregular construction of commercial buildings and housing colonies – Rs 179.641 million

According to by-laws of TMA Vehari and Punjab Housing schemes and Land Sub-division Rules 2009 with up to date amendments the developers are bound to fulfill all legal requisites regarding payment of dues, approval of map, and site development as per agreement besides mortgage of 20% of the saleable plots of scheme in the name of TMA concerned as guarantee for site development as well as timely provision of utilities at site. In case of default the TMA authorities will take action against the developers/owner besides stoppage of its business.

TMA Vehari, neither recovered the TMA dues of Rs 179.641 million during Financial Year 2015-16 nor taken any action against the culprits of illegal construction of buildings and un-approved colonies / land sub-divisions in the jurisdiction of TMA Vehari without approval of map and payment of conversion fee. The detail is given as under:

(Rupees in million)

Sr. No.	Description	Recoverable	Recovery	Amount
1	Less recovery of conversion fee from owners of housing scheme	2.519	0.300	2.219
2	Less recovery of conversion fee from owners of commercial buildings	3.420	1.981	1.439
3	Irregular Construction of Oil Storage Depot and Filling Stations without Approval of Map and Payment of Map & Conversion Fee	1.844	-	1.844
4	Establishment of educational University without approval of Map and payment of prescribed dues	54.352	-	54.352
5	Weak building control and establishment of housing schemes	20.068	-	20.068
6	Irregular Construction of Commercial Buildings and Housing Colonies without Approval of Map and Payment of Map & Conversion Fee	101.732	2.013	99.719
<b>Total</b>		<b>183.935</b>	<b>4.294</b>	<b>179.641</b>

Audit is of the view that due to weak internal controls, buildings were constructed without payment of TMA dues.

Non recovery of dues resulted in loss to TMA amounting to Rs179.641 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that the Tehsil Municipal Officer Vehari had been allowed to pay the payment in shape of installments. The notices had been issued to the owner. The reply was not tenable because no recovery was made.

DAC, in its meeting, held in March, 2017, directed the DDO to recover the amount. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 179.641 million, under intimation to Audit.

[AIR Para: 4, 5, 8, 18, 51, 58]

#### **1.2.4.2 Illegal construction of commercial buildings without requisite set-back–Rs 9.852 million**

According to bye-laws of TMA Vehari and Punjab Housing schemes and Land Sub-division Rules 2009 with up to date amendments the developers are bound to fulfill the legal requirements as to the set back while construction.

TMA Vehari, processed map application of commercial buildings involving TMA dues of Rs 9.852 million during 2015-16 but failed to implement building control at site. All the commercial buildings in the area of TMA Vehari were constructed without mandatory set back during 2015-16. **Annex-D**

Audit is of the view that due to weak building control resulted in constructions of illegal buildings.

Illegal construction of buildings resulted in loss to TMA amounting to Rs9.852 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that no violation of bye-laws was made, set back was provided as per bye laws. The reply was not tenable because no documentary evidence was produced in response of reply.

DAC, in its meeting, held in March, 2017, decided to keep the para pending until complete compliance. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 9.852 million, under intimation to Audit.

[AIR Para No. 52]

### **1.2.4.3 Non-recovery of cost of land and development charges—Rs 3.921 million**

According to Para 9 (C)(i)(ii) and (iii) of the Board of Revenue Punjab Directorate General of Katchi Abadies Lahore Notification No.DG(KA)1-202/2013-200 dated 09.09.2013, the price of land will be @ 2% of the current valuation table in and around abadi in vogue at the time of grant of proprietary rights for area under occupation up to 5-Marla, cost of land for occupation above 5-Marla and up to 10-Marla will be current valuation table rate at the time of grant of proprietary rights and cost of land for occupation above 10-Marla will be the current valuation table rate with additional surcharge @ 50% thereof at the time of grant of proprietary rights.

TMA Vehari, did not recover Rs 3.921 million from the persons residing in katchi abadi, to whom proprietary rights had been transferred. TMA authorities did not take action against defaulters for recovery of development charges and cost of land during Financial Year 2015-16. The necessary detail of recovery is as under:

(Rupees in million)

Sr. No.	Name of Abadi	Total no. of dwelling units	Recovery of cost of land	Recovery of development charges	Total
1	Anwar abad	7	0.015	0.034	0.049
2	Bhatta Ikram-ulHaq	134	0.348	1.43	1.777



Sr. No.	Name of Abadi	Total no. of dwelling units	Recovery of cost of land	Recovery of development charges	Total
3	Chack No. 11/WB	-	0.138	0.27	0.408
4	Liaqua tpura	9	0.143	0.024	0.168
5	Masani bagh	13	0.038	0.121	0.159
6	41/WB Danewal	85	0.291	1.069	1.360
<b>Total</b>			<b>0.973</b>	<b>2.948</b>	<b>3.921</b>

Audit is of the view that due to weak internal controls, cost of land and development charges was not recovered.

Non recovery of cost of land and development charges resulted in loss to the Government amounting to Rs 3.921 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that the letter No.DG(K.A) BOR/8-200/2012 dated 22.11.2012 received from Director General Katchi Abdis Colonies Department Board of Revenue, Lahore wherein it was directed that the grace period for imposition of penalty of delay in payment would be up to 30.06.2013. Thereafter current valuation table rates would be charged. The current valuation table was much higher than the concession rates provided by the Government. Most of survey holders were either expired or had sold to the new occupants. Some were too poor to pay the Government dues. They were waiting for extension in concession rates. However efforts were being made to recover the cost of land and development charges. The reply was not tenable because no recovery was made.

DAC, in its meeting, held in March, 2017, directed the DDO to expedite the recovery. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 3.921 million, under intimation to Audit.

[AIR Para: 27]

#### **1.2.4.4 Non recovery of encroachment fee- Rs 6.125 million**

According to Rule 3(2) of the Punjab Tehsil/Town Municipal Administration Rules of Business, 2002, The business of Tehsil/Town Municipal

Administration shall be distributed amongst Tehsil/Town Offices in the manner indicated in Schedule-I,1 (iv,v)Tehsil Officer Municipal regulation was responsible for enforcement of all municipal laws, rules and byelaws governing the functioning of Tehsil/Town Municipal Administration and prevention of encroachments on public lands and places.

TMA Vehari, incurred expenditure amounting to Rs 6.125 million on pay and allowances of officers and staff, POL and repair of transport on TO(Regulation) during Financial Year 2015-16.No recovery has been made on account of encroachment fine/ penalty while all the market/ main roads of the city were heavily encroached.

Audit is of the view that due to weak internal controls, no recovery on account of encroachment fine / penalty from encroachers was made.

Non recovery of encroachment fine / penalty resulted in loss to the TMA amounting to Rs 6.125 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that action against the encroachment was taken on daily basis. Sometime strict warning was issued to the encroachers instead of imposing fine. The reply was not tenable because no recovery was made.

DAC, in its meeting, held in March, 2017, directed the Chief Officer to expedite the recovery. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 6.125 million, under intimation to Audit.

[AIR Para: 32]

### **1.3 Tehsil Municipal Administrations, Burewala**

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

#### **1.3.1.1 Non production of record-Rs 183.919 million**

According to Clause 14 (1) (b) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, "the Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts".

TMA Burewala, did not produce the record of pay and allowance of staff, new recruitment, over time allowance and leave encashment paid to the staff amounting to Rs 183.919 million during the Financial Year 2015-16. **Annex-E**

Audit is of the view that due to weak management, payment was made without maintenance of service record.

Non-production of record created doubt regarding the legitimacy of the expenditure of pay and allowances of Rs 183.919 million as well as violation of the Government instructions.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that no fresh recruitments were made by the authority except under Rule 17-A which is mandatory by law. All payment of salaries overtime allowance and leave encashment were paid to the officer/official under the rules and instruction of the Government, all the record was produced to the Audit Officer and also available for re-verification. The reply was not tenable because neither record of regulation branch was produced nor the personal files and service books were produced. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides production of record to Audit for verification.

[AIR Para: 65]

## **1.3.2 Irregularities and non compliance**

### **1.3.2.1 Unauthorized appointment of work charged employees– Rs 7.458 million**

According to Para 11 of the Recruitment Policy issued by S&GAD vide No. SOR-IV (S&GAD) 10-1/2003 dated 17.09.2004 read with Government of the Punjab Finance Department, Notification No. RO (Tech) FD-2-2/2001 dated 03.11.2008, appointment of work charge/contingent labour staff shall be made in accordance with the procedure that the post(s) shall be advertised properly in the leading newspapers and the recruitment to all posts shall be made on the basis of merit specified for regular establishment.

TMA Burewala, incurred expenditure amounting to Rs 7.458 million during the year 2015-16 on account of appointment of contingent paid staff in violation of above instructions. Neither any record regarding their appointment and procedure for re-appointment nor their duties / assignments were provided to justify their appointment.

Audit is of the view that due to weak internal controls, irregular payments had been made to the daily wages staff appointed without observing the prescribed procedure.

Irregular payments of Rs 7.458 million resulted in gross violation of rules.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that sanitation was the compulsory function of the local Government. The approval of sanitary worker on regular basis was not possible due to the ban imposed by the Government on fresh recruitment. In order to carry on sanitation work in the public interest, the appointment of sanitary worker was made for 89 days and in some cases the period was enhanced on the demand of sanitation branch. The reply was not tenable because supporting documents were not produced. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides regularization from competent authority Finance Department, under intimation to Audit.

[AIR Para: 64]

### 1.3.2.2 Unauthorized auction of collection rights – Rs 6.540 million

According to Notification No.SOV (LG)5-23/2003 dated 03.06.2008 Government of the Punjab, Local Government & Community Development Department The auction Committee in Tehsil/Town Municipal Administration shall consist of the following:-

1	Tehsil/Town Municipal Officer	Convener
2	Representative of District Coordination Officer	Member
3	Representative of Commissioner	Member
4	Tehsil/Town Officer (Finance)	Member
5	Tehsil/Town Officer (I&S)	Member / secretary

Further, according to the Finance Department letter # DSO/DS (IFRA) CMS/08/OT- & (A) 113/2 dated 10.10.2008 media should be fully involved in the auction procedure and live coverage should be assured to fulfill the transparency of the auction made.

TMA Burewala, auctioned the collection rights amounting to Rs 6.540 million during Financial Year 2015-16 of various receipt heads through irrelevant auction committee and without the live coverage by media. Detail of the receipt heads is given below:

(Rupees in million)

Sr. No.	Name of Auction	Date of Auction	Amount
1	Advertisement tax	23.05.2015	5.500
2	Slaughter house	23.05.2015	0.605
3	Sludge water	23.05.2015	0.435
<b>Total</b>			<b>6.540</b>

Audit is of the view that due to weak internal control, irregular process for auction was adopted which resulted in violation of Government instructions.

Auction through irrelevant committee resulted into irregular auction of Rs 6.540 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that administration of defunct TMA, Burewala had observed all codal and procedural formalities required in connection with the auction of its income heads. The reply was not tenable because documentary evidence was not produced. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides regularization from competent authority Finance Department, under intimation to Audit.

[AIR Para: 50]

### **1.3.2.3 Doubtful award of contract for purchase of container – Rs 5.982 million**

According to Rule 2.31 (a) of Punjab Financial Rules, Vol-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriations.

TMA Burewala, incurred expenditure amounting to Rs 5.982 million on account of purchases of wastage containers during the Financial Year 2015-16. The work was awarded to the contractor by tampering the bidding document and bidder submitted incomplete documents as requisitioned in the advertisement. The contractor was not enlisted with the TMA and also submitted short/ less call deposit. The technical committee did not certify the quality and quantity of items delivered as per specification given in the tender document. The detail is given as under:

(Rupees in million)

Vr. No. / month	Detail of purchase	Quantity	Rate with sales tax	Amount
13 for 7/15	Container front 1/8", floor sheet 3/16" and capacity 13 to 16 cubic feet.	15	0.199	2.984
116 for 2/16	Container with interior length 11 feet, with 5.6 feet and height 3.4 feet M.S sheet 3 m.	12	0.250	2.998
<b>Total</b>				<b>5.982</b>

Audit is of the view that due to weak internal controls, unauthorized work was awarded to the contractor.

Non compliance of Government instructions / rules resulted unauthorized purchase of Rs 5.982 million

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that as per advisement the bidders had provided copies of income tax and sales tax registration along with experience certificate for manufacturing and satisfactory operation. No enlistment for supplier was required for purchasing the articles. The enlistment of TMA is required for the contractors dealing with construction work. The supply order of both the items was issued to Ayyan enterprises on the basis of his competitive rates. The rates quoted by both the bidders were without GST and comparative statement was made according to the rates quoted by them. The sanitary inspector TMA Burewala in his report dated 30.01.2016 had confirmed the quality and quantity of containers. The reply was not tenable because copy of CDRs of Rs 0.090 million and copy of CDR of Rs 0.060 million were of dated 07.12.2013. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides regularization from competent authority Finance Department, under intimation to Audit.

[AIR Para: 24]



#### **1.3.2.4 Irregular repair of transformer, tube wells, filtration plant– Rs 5.209 million**

According to Rule 2.10(a) (I) of Punjab Financial Rules Vol-I, while incurring expenditure, the same vigilance shall be exercised in respect of expenditure from the Local Fund as a person of ordinary prudence would exercise in respect of his own money.

TMA Burewala, incurred expenditure amounting to Rs 5.209 million on account of repair of transformers, tubewells, filtration plant, tractor, sucker machine, lifter and water supply pipe line during Financial Year 2015-16. History sheets of all tube wells, disposals and filtration plants were not maintained and record of replacement of costly spare parts was also not maintained. The detail is given below:

<b>Sr. No.</b>	<b>Subject</b>	<b>Amount</b>
1	Repair of transformer, tubewell, filtration plant	3.692
2	Expenditure on repair of machinery and equipment	1.517
	<b>Total</b>	<b>5.209</b>

Audit is of the view that due to weak internal controls, unjustified expenditure on repair was incurred.

Non maintenance of complete record resulted in irregular expenditure of Rs 5.209 million

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that history sheets had been maintained properly. The cost of old material had been deducted from the bills and old parts were entered in dead stock register and were kept in store. Repair of all machinery and tube wells were made under the supervision of a committee. Estimates were prepared by Sub Engineer and were verified by the Assistant Town Officer (I&S). The reply was not tenable because documents were shown Financial Year wise instead of item wise purchase which did not prove the point of view of DDO. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 15, 32]

### **1.3.2.5 Non-availability of stock entry and proof of consumption of stores—Rs4.524 million**

According to Rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as a case may be, when delivery is taken and they should be kept in charge of a responsible Government servant. The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. When materials are issued a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or dispatched and when materials are issued from stock for departmental use, manufacture or sale, etc., the Government servant in charge of the stores should see that an indent in PFR Form 26 has been made by a properly authorized person.

TMA Burewala, incurred expenditure amounting to Rs 4.524 million during the Financial Year 2015-16 on account of purchase of different store items but no record of stock received, issued and consumed was available for audit verification. **Annex-F**

Audit is of the views that due to weak internal control, stock entries were not maintained.

Non maintenance of record of stock and store of Rs 4.524 million creates doubt on the legitimacy of expenditure.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that all procurement mentioned in Para were purchased according to specifications under the supervision of a committee and in-charge of related branch, purchased items were also entered in the stock register of relevant branch. All stock entries were made in the stock register which might be verified.

The reply was not tenable because partial stock entries were shown which were not verified by the DDO and entries were made after Audit Para. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 25]

### **1.3.2.6 Irregular purchase of generator and vertical turbine -Rs 3.840 million**

According to Government of the Punjab Finance Department letter No.(R)(Tech) FD-18-29/2004 dated 03.03.2005, all item such as generator, turbine and other such items should be purchase as per purchase manual instead through contractor. Proper advertisement on PPRA’s website and in national dailies should be made for healthy competition. Further, according to Rule 10 (1) of the Punjab Procurement Rules 2014, a procuring agency shall determine specifications in a manner to allow the widest possible competition which shall not favour any single contractor nor put others at a disadvantage.

TMA Burewala, incurred expenditure amounting to Rs 3.840 million during the Financial Year 2015-16 on account of purchase of generator and vertical turbine pump without advertisement on PPRA’s website as well as in national dailies. Supply order was issued for the supply of Generator made by “GEMCO” but the supplier supplied the Generator made by “MecAlte Company”.

(Rupees in million)

<b>Sr. No.</b>	<b>Name of item</b>	<b>MB No. / page No.</b>	<b>Amount</b>
1	Providing of generator of 60 K.V Gem company	13/ 34-62	3.040
2	Providing one number of vertical turbine pumping unit 0.25 cusec discharge of clear water etc.	12 / 71-95	0.800
<b>Total</b>			<b>3.840</b>

Audit is of the view that due to weak internal controls, purchases were made without observing procurement rules.

Non compliance of rules resulted in irregular expenditures of Rs3.840 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that purchases were made through advertisement on PPRA website and in newspapers. TMAs had their own works rules which were notified in the year 2003. TMA purchased Generator of GEMCO. The reply was not tenable because physical verification report attached with the original para was duly signed by the TMA authorities in which there was difference in specification which was admitted. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides regularization from competent authority Finance Department, under intimation to Audit.

[AIR Para: 13]

#### **1.3.2.7 Irregular expenditure by splitting to avoid advertisement - Rs 1.492**

According to Rule 9 of the Punjab Procurement Rule 2014, 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. Further, according to Rule 12 (1) of PPR, 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 regulation by the PPRA from time to time.

TMA Burewala, incurred expenditure of Rs 1.492 million on purchase of different items during Financial Year 2015-16 in violation of procurement rule. The purchases were made by splitting vouchers to avoid the purchase process

through advertisement by inviting tenders for economical purchase at competitive rates. **Annex-G**

Audit is of the view that due to weak internal controls, purchases were made by splitting vouchers.

Non compliance of procurement rules resulted in uneconomical purchase amounting to Rs 1.492 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that it was not necessary to advertise notice in the print media. The purchases were affected in different dates and time without splitting of expenditure keeping in view the competency of the authority, and expenditure were incurred in accordance with the rules on the basis of open competition. Proper stock entry of each item was made and further issued to the concerned properly. The reply was not tenable as the expenditure was incurred by splitting. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides regularization from competent authority Finance Department, under intimation to Audit.

[AIR Para: 8]

#### **1.3.2.8 Unjustified refund of additional performance securities- Rs1.396 million**

According to Finance Department letter NO.RO (Tech) FD1-2/2010 dated 04.09.2012, performance security deposit /additional performance security deposit lodged by the contractor shall be refunded to him after the expiry of three months after the issue of certificate of completion of work along with final bill if it is presented after that period on account of some unavoidable circumstances.

TMA Burewala, refunded the additional performance securities amounting to Rs1.396 million during the Financial Year 2015-16 before its maturity date in violation of Government instructions. **Annex-H**

Audit is of the view that due to weak internal control, securities were refunded before time.

Non-compliance of rules resulted in refund of securities amounting to Rs 1.396 million before maturity date.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that according to Notification No. SOR (LG) 5-48/2002 dated 28.02.2012 amendment No. 7(9) in rule 50 of TMA works rules 2003, "The contractor shall provide performance security to one tenth of the amount of the accepted bid including 2% earnest money". TMA Burewala obtained performance securities equal to one tenth of estimated cost instead of one tenth accepted bid. In this way TMA Burewala obtained performance securities on higher and safer side from the contractors. These performance securities were returned to the contractors after completion of works satisfactorily. The reply was not tenable because no documentary evidence was produced in support of reply. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides regularization from competent authority Finance Department, under intimation to Audit.

[AIR Para: 66]

### 1.3.3 Performance

#### 1.3.3.1 Non recovery of rent of shops-Rs 15.679 million

According to Rule 4 of the Punjab Local Government (Property) Rules, 2003, manager of the property is responsible to manage the TMA property in such a way that property fetches maximum rent, prevent the impairment of the value and utility of the rented property and prevent the property against nuisance, damages or misuse.

TMA Burewala, did not recover rent of TMA shop and water rates amounting to Rs 26.022 million during Financial Year 2015-16 from the tenants and connection holders. Neither any efforts were made to expedite the recovery nor action was taken against the defaulters.

Sr. No.	Subject	Demand	Recovered	Amount
1	Rent of shops	15.696	0.017	15.679
2	Water rates	13.265	2.922	10.343
	<b>Total</b>	<b>28.961</b>	<b>2.939</b>	<b>26.022</b>

Audit is of the view that due to weak internal controls, Government dues were not recovered.

Non recovery of Government dues resulted in loss amounting to Rs 26.022 million to TMA Funds.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that notices had been issued to the defaulters for payment of arrears. Furthermore, the recovery staff had been given task of recovery and for submitting case of defaulters in the court of special magistrate. The reply was not tenable because notices issued to the defaulters were not produced, no cases were sent to magistrates. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 26.022 million, under intimation to Audit.

[AIR Para: 18, 67]

### 1.3.4 Weak Internal Control

#### 1.3.4.1 Illegal establishment of housing schemes without payment of conversion fee- Rs34.869 million

According to Rule 38 of Punjab Private Housing Schemes and Land Sub-division Rules, 2010, a developer shall deposit fee for conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land as per valuation table or one percent of the average sale price of preceding twelve months of residential land in the vicinity, if valuation table is not available.

TMA Burewala, did not recover conversion fee amounting to Rs 34.869 million from the developers of the private housing colonies developed without prior approval of building plans. TMA did not take any action against the developers of housing colonies. The detail is given as under:

(Rupees in million)

Sr. No.	Name of Scheme and location	Area of the housing colonies	Amount
1	Royal Garden Housing scheme Chichawatni road 435/E.B	624 Kanals	17.217
2	City Housing scheme 437/EB Burewala	168 Kanals	8.509
3	Al-Barkat Garden Land sub division	77 Kanals	2.607
4	Dewan land Sub division	88 Kanals	2.147
5	Royal Garden Housing scheme Chichawattni road 435/E.B	624 Kanal	3.120
6	City Housing scheme 437 E.B Burewala	168 Kanal	0.840
7	Al-Barkat Garden Land sub division	77 Kanal	0.385
8	Dewan land Sub division	88 Kanal	0.044
<b>Total</b>			<b>34.869</b>

Audit is of the view that due to weak internal controls, housing colonies were established / developed without payment of government dues.

Non recovery of dues from the developers of housing colonies resulted in loss to TMA amounting to Rs 34.869million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that cases were at initial stage. The owners of housing



colonies had submitted documents to the DO(Spatial Planning) Vehari for verification. Cases would be treated after getting the report from the DO (Spatial Planning) Vehari. The reply was not tenable because no timely efforts were made for approval of maps. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 34.869 million, under intimation to Audit.

[AIR Para: 3, 7]

#### **1.3.4.2 Non recovery of rent of additional construction on TMA shops- Rs21.850 million**

According to Rule 4 of the Punjab Local Government (Property) Rules, 2003, manager of the property is responsible to manage the TMA property in such a way that property fetches maximum rent, prevent the impairment of the value and utility of the rented property and prevent the property against nuisance, damages or misuse.

TMA Burewala, did not recover the rent amounting to Rs 21.850 million during Financial Years 2005-16 from the tenants constructed multi stories on the TMA shops without permission. The detail of recovery computed is given below:

(Rupees in million)

Sr. No.	Name of market	Shops numbers Illegally constructed	Estimated rent of 1 <sup>st</sup> floor (Amount in Rupees)	Period	Amount
1	Goal Chowk	6,7,8,9	5,000	01.07.2007 to 31.01.2017. 115 months	0.575
2	Sabzi Mandi	1,2,8,9,10 & 12	5,000	-do-	3.450
3	Tehsil council	6,7,13,14,17 & 18	5,000	-do-	3.450
4	Dewar High school	11,62,63	5,000	-do-	1.725
5	Purani Tehsil road Burewala.	01,02,03,04,05, & 06	5,000	01.07.2007 to 31.01.2017. 115 months	3.45

Sr. No.	Name of market	Shops numbers Illegally constructed	Estimated rent of 1 <sup>st</sup> floor (Amount in Rupees)	Period	Amount
6	Food green market	11,12,14,20,21,22, 27,28,29,31,32,33, 44 & 48	5,000	-do-	8.050
7	Residence of chairman shops	5 & 6	5,000	-do-	1.150
<b>Total</b>					<b>21.850</b>

Audit is of the view that due to weak financial controls, additional rent was not recovered.

Non recovery additional rent resulted in loss amounting to Rs21.850 million to the TMA Funds.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that steps had been taken to take the case with the competent authorities of Excise and Taxation Department on personal level and compliance would be shown after effecting recovery of additional rent soon after the rent was determined. The reply was not tenable because no documentary evidence was produced in response of reply. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 21.850 million, under intimation to Audit.

[AIR Para: 36]

#### **1.3.4.3 Non recovery of conversation fees-Rs 3.355 million**

According to Rule 60(1) (a)(b)(c) of the Notification No. SOR (LG)38-18/2009 dated 27<sup>th</sup> June , 2009 Punjab Land use (Classification, Reclassification and Redevelopment) Rules, 2009 fee for conversion of Residential area to commercial, industrial and educational institution area to residential as notified vide notification No. SOR(LG) 38-18 /2009- P dated 6<sup>th</sup> June, 2012 the conversion fee for the conversion of a residential , industrial, pre urban area or intercity service area to commercial, conversion fee at the rate of 5% of the value

of the land up to 1 million, 10% of the value of the land up to 10 million and 20% of the value of the land if value of the land value exceeds 10 million.

TMA Burewala, had not recovered conversion fees from the owner of irregularly constructed commercial buildings/ plazas during the Financial Year 2015-16. The detail is as under:

(Rupees in million)

Sr. No.	Name of Area and project	Total area	Rate as per yard stick of area	Total value of the land	Applicable rate	Conversion fees to be recovered
1	Commercial Hall new Z block Burewala	15- M	0.68	10.2	20%	2.04
2	Commercial Hall new K block Burewala	4- M	0.65	2.6	10%	0.26
3	Commercial Hall new E block Burewala	3-M	0.7	2.1	10%	0.21
4	Commercial Hall new G block Burewala	3-M	0.65	1.95	10%	0.195
5	Commercial Hall at Gulshan e Ghani Town	4-M	0.47	1.88	10%	0.188
6	Commercial Hall at Gulshan e Ghani Town	5- M	0.47	2.35	10%	0.235
7	Commercial shop F block	2- M	0.9	1.8	10%	0.18
8	Commercial shop K block	1- M 4-S	0.65	0.91	5%	0.047
<b>Total</b>						<b>3.355</b>

Audit is of the view that due to weak financial management, conversion fee was not realized.

Non-recovery of conversion fee resulted in loss to the TMA amounting to Rs 3.355 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that notices had been issued to the owners and work got stopped at sites. The reply was not tenable because no recovery was made. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 3.355 million, under intimation to Audit.

[AIR Para: 9]

#### **1.3.4.4 Loss to Government due to non auctioning of TMA shops—Rs 1.554 million**

According to Rule 16 (1) (a) read with (b) of Punjab Local Government (Property) Rules, 2003, the immovable property may be leased out in a manner

prescribed i.e. the immovable property shall be given on lease through competitive bidding. The period of such lease shall be up to five years at a time. Further, as per Local Government notification no. S-III/2-11/80 dated 07.07.1982 that after the expiry of five years the terms and conditions of extension of lease may be resettled between the lessees and local council concerned by negotiation keeping in view the prevalent rent of such shops. If the conditions of negotiation is not acceptable to the lessees or parties concerned fail to arrive at any agreeable decision. The shops should be re-auctions according to prescribed procedure.

TMA Burewala, was not re-auctioned lease of shops after every 5 years. These shops were leased out 10 years ago on very nominal rent. Now, available market rent of such shops was ranging between Rs 10,000 to Rs 20,000 but these shops are situated in the center place of business of Burewala commercial markets like Arif Bazar and others. Non re-auctioning of shops after 5 years is causing very heavy loss to TMA as detailed below:

(Rupees in million)

Sr. No.	Name of market	Year of lease	Total No. of shops	Rent to be collected	Rent collected	Loss to TMA for 2015-16
1	Arif Road shops"	1992	51	0.51	0.092	0.418
2	Tehsil council	1992	25	0.375	0.041	0.334
3	Shops near WAPDA office	1992	37	0.37	0.038	0.332
4	Shops near water works	1992	28	0.28	0.067	0.213
5	Shops in lorry adda	1992	11	0.11	0.026	0.084
6	Shops near Chairman residence	1992	19	0.19	0.017	0.173
<b>Total</b>						<b>1.554</b>

Audit is of the view that due to weak internal controls, less rent was collected.

Non-auctioning of shops and less collection of rent resulted in loss of Rs 1.554 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that shops mentioned in Audit Para were situated on road's

berms of Government land owned by the Provincial Government. Auction matter of shops became disputed and the income so far collected would also suffer. In this regard the case was taken up with the Government through Deputy Commissioner, Vehari but no response was received. The reply was not tenable because no measures were taken to re-auction of shops. Despite repeated requests, DAC meeting was not convened. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para:23]

## **1.4 Tehsil Municipal Administrations, Mailsi**

## 1.4.1 Performance

### 1.4.1.1 Loss to TMA funds due to non recovery of rent of shops- Rs12.959 million

According to Rule 76(1) of PDG & TMA (Budget) Rules, 2003 the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund. Further, according to Local Government (Property) Rules 2003, Rule 16 (a)(b) of chapter-V that the immovable property shall be given on lease through competitive bidding and the period of such lease shall be allowed up to five years at a time. Further, as per Local Government notification No. S-III/2-11/80 dated 07.07.1982 that after the expiry of five years the terms and conditions of extension of lease may be resettled between the lessees and local council concerned by negotiation keeping in view the prevalent rent of such shops.

TMA Mailsi, did not recover the rent of shops amounting to Rs. 5.533 million during the Financial Year 2015-16 and arrears of Rs 7.427 million pertaining to previous years. The detail is as under:

(Rupees in million)

Description	No. of Shops	Amount	Recovery	Balance
Current Demand (2015-16)	380	14.393	8.86	5.533
Arrear on 30.06.2015		11.012	3.585	7.427
<b>Total</b>		<b>25.404</b>	<b>12.445</b>	<b>12.959</b>

Audit is of the view that due to weak financial controls, rent of shops was not recovered.

Non recovery of rent of shops resulted in loss to TMA amounting to Rs 12.959.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that recovery was pending in Jinnah Market as arrear. The case for deduction of cost of shops was subjudice in the court of Civil Judge, Vehari. Moreover, serious efforts were being made for recovery. The reply was not tenable because no serious efforts were made for recovery of arrears.

DAC, in its meeting, held in April 2017, directed the DDO to effect the recovery of rent of shops and arrears relating within 30 days. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 12.959 million, under intimation to Audit.

[AIR Para: 19]

#### **1.4.1.2 Non- collection of TMA dues – Rs 8.510million**

According to Rule 60 of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 as amended in 2012 a City District Government or a Tehsil Municipal Administration shall levy fee for conversion of land use from agricultural, residential, industrial, peri-urban area or intercity service area to commercial use conversion fee at the rate of 5% of the value of the land up to 1 million, 10% of the value of the land up to 10 million and 20% of the value of the land if value of the land value exceeds 10 million. Further, as per Punjab Gazette notification No. TMO/TMA/Mailsi /530 dated 24.06.2011, Map fee Rs 2,000 per marla for construction of less than 5 Marla, Rs 2,500 for construction exceeding 5 marla and development charges Rs 600 per marla will be charged.

TMA Mailsi, did not recover / short collected TMA dues i.e. conversion and map fee amounting to Rs 8.510 million during Financial Year 2015-16 from the owners of commercial buildings, educational institutes constructed without approval. **Annex-I**

Audit is of the view that the due to weak financial controls, commercial buildings were constructed without approval.

Non-recovery of conversion and map fee resulted in loss to TMA funds amounting to Rs 8.510 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that defunct TMA Mailsi had already taken serious action



against the commercial shops of Ghulam Akbar Khan Khichi to stop construction work. The property in question belongs to Abadi Deh and its occupants Mr. Ghulam Akbar Khan Khichi had produced PT-1 form as proof of ownership which could not be accepted as per District Officer Revenue Vehari letter No.102-4/HRC dated 23.05.2008. In the circumstances, map of building / shops occupied by Ghulam Akbar Khan could not be approved till the decision of the ownership of the said property from competent forum / court of law. The reply was not tenable because no proof was provided about sealing of construction work.

DAC, in its meeting, held in April 2017, directed DDO to make complete recovery. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 8.510 million, under intimation to Audit.

[AIR Para: 10, 12]

#### **1.4.2.3 Non achievement of budgeted targets - Rs 4.683 million**

According to Rule 111 and 112 of PLG (Budget) Rules, 2003, each collecting officer may from time to time and with the approval of controlling officer and finance office of Local Government frame revenue collection programme setting up the targets for collection during specified period and the assistant collecting officers shall as far as possible follow the programme. He is required to ensure that all revenue targets are achieved. Further, according to Rule 76(1) of PDG & TMA (Budget) Rules, 2003 the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund.

TMA Mailsi, did not achieve the targets of budgeted estimates of various heads of receipt. This resulted in less collection of receipt of Rs 4.683 million as detail below:

(Rupees in million)				
<b>Sr. No</b>	<b>Description</b>	<b>Target</b>	<b>Recovery</b>	<b>Shortage</b>
1	License Fee.	1.200	0.812	0.388
2	Rent of Shops	13.700	12.445	1.255

Sr. No	Description	Target	Recovery	Shortage
3	Arrears	3.000	0.145	2.855
4	Advance & Deposit.	0.200	0.014	0.186
	<b>Total</b>	<b>18.100</b>	<b>13.417</b>	<b>4.683</b>

Audit is of the view that due to weak financial management, target of revenues was not achieved.

Non-achievement of target of revenue resulted in loss amounting to Rs 4.683 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that serious efforts for recovery were being made. The DDO admitted the recovery.

DAC, in its meeting, held in April 2017, directed the DDO to effect the recovery within 30 days and all the balance recoveries be made within two months. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 16]

#### **1.4.1.4 Unauthorized establishment of housing colonies without approval – Rs 1.388 million**

According to Rule 38(1) (a)(b)(c),(d) of Chapter VII of the Punjab Private housing Schemes and Land Subdivision Rules, 2010, a developer shall deposit a preliminary planning permission fee along with application at the rate of rupees five thousand for scheme having area up to two thousand Kanal and rupees ten thousand for scheme having area above two thousand Kanal Further according to Rule 38(2)(a)(b)(c)(d) a developer shall deposit a fee for sanction of a scheme at the rate of rupees one thousand per Kanal , approval of design and specifications for water supply, sewerage and drainage at the rate of rupees five hundred per Kanal , approval of design and specifications for road, bridge and footpath of a scheme at the rate of rupees five hundred per Kanal and

approval of design and specifications for electricity and street light at the rate fixed by WAPDA or other agency responsible for electricity supply. Moreover, according to Rule 39, A developer shall deposit fee for conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land as per valuation table or one percent of the average sale price of preceding twelve months of residential land in the vicinity, if valuation table is not available.

TMA Mailsi, did not recover/ short recover the conversion fee and other miscellaneous fees amounting to Rs 1.388 million from the developers of housing colonies situated in urban area. The developers were running their business of sale of plots without paying conversion fee and other TMA dues. **Annex-J**

Audit is of the view that due to weak financial management, TMA dues were not recovered.

Non recovery of Rs.1.388 million resulted in loss to TMA funds.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that action had been taken against the land sub divisions. Offices of those sub divisions had been sealed by the enforcement inspector. Other land sub divisions were lying in the territorial jurisdiction of District Council Vehari since 01.01.2017 under Local Government Act 2013, which might be directed to recover the same. Municipal Committee Mailsi had already requested to District Council Vehari to take action in the light of this para vide letter No. MC Mailsi/156/CO dated 20.02.2017. The reply was not tenable as no recovery has been made.

DAC, in its meeting, held in April 2017, directed the DDO to follow up recovery with District Council. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 1.388 million, under intimation to Audit.

[AIR Para: 11]

#### 1.4.1.5 Non recovery of recovery of water rates - Rs 1.325 million

According to Rule 76(1) of PDG and TMA (Budget) Rules, 2003, the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund.

TMA Mailsi neither recover the water rates of Rs 1.035 million for the current Financial Year 2015-16 pertaining to last year nor take any action against the defaulters. The detail is as under:

**(Rupees in million)**

Period	Nature	No of Connections	Demand	Recovered	Balance
01.07.15 to 30.06.15	Domestic	4029	3.384	2.362	1.022
01.07.15 to 30.06.15	Commercial	23	0.062	0.05	0.012
Arrear on 30.06.2015					0.291
<b>Total</b>			<b>3.447</b>	<b>2.412</b>	<b>1.325</b>

Audit is of the view that due to weak financial management, TMA dues were not recovered.

Non recovery of government dues amounting to Rs 1.325 million resulted in loss to TMA.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that all efforts were being made for recovery of arrears. The reply was not tenable because recovery was not made.

DAC, in its meeting, held in April 2017, directed the DDO to effect the recovery of arrear within thirty days and all the balance recoverable within two months. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 1.325 million, under intimation to Audit.

[AIR Para: 18]

## 1.4.2 Weak Internal Control.

### 1.4.2.1 Irregular grant of NOC to land sub division without observing rules - Rs. 8 million

According to Rule 42 (F)(i),(ii),(iii),(iv),(v),(vi) and (vii) of Chapter VIII (Land Sub Division) of the Punjab Private Housing Schemes and Land Subdivision Rules, 2010, a Developer Shall Provide open space or park 7% and above, commercial area 5%, public Buildings 2% to 10%, approaches roads not less than 40 feet, internal roads minimum 30 feet right of way, 10 Marla plot for solid management and location of a tube well, overhead reservoir, pumping station and disposal station to be provided if required by Water and Sanitation Agency or Tehsil Municipal Administration.

TMA Mailsi, granted NOC to Al- Rehman (Land Sub Division Scheme), Chak No, 88/WB without observing the above criteria resulted in undue benefit of Rs 8 million to the developers. The following discrepancies were noticed.

- i. The open area (Park Area) was 5 % rather than 7%.
- ii. Commercial Area was 3 % rather than 5%.
- iii. 10 Marla plot for solid waste management did not exist.
- iv. Approach Road 30 feet instead of 40 feet
- v. Location of a tube well, overhead reservoir, pumping station and disposal station was not provided in the approved maps.

(Rupees in million)

Sr. No	Area description	Short Area of land in marla	Market value	Total Value
1	Open area	30	0.100	3.000
2	Commercial Area	30	0.100	3.000
3	solid waste management area	10	0.100	1.000
4	a tube well, overhead reservoir etc.	10	0.100	1.000
<b>Total</b>				<b>8.000</b>

Audit is of the view that due to weak internal controls, land sub division rules were not observed.

Non observance of rules resulted in loss to government amounting to Rs 8 million.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that according to section 42 and 43 of chapter VIII of Punjab Private Housing Schemes and Land Sub Divisions Rules 2010, it was necessary to provide 5% of total area for open space and 1% for shops which had been provided by the developers. Moreover an area of 15 marla had been allocated for mosque and 1 kanal 10 marla had been provided for public buildings, where tubewell could be installed. This housing scheme fell in the territorial jurisdiction of District Council Vehari which might be directed to take action for provision of land for solid waste. Para might be reduced to the extent of provision of 10 marla and for solid waste. The reply was not tenable being irrelevant.

DAC, in its meeting, held in April 2017, directed to ensure provision of solid waste management area as prescribed in rule. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 13]

#### **1.4.2.2 Non execution of mortgage deed and obtaining of bank grantees- Rs 4.889 million**

According to Rule 17 (e) & (f) of Chapter III and Rule 42 (h) and (i) of Chapter VIII of Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall submit in the name of a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority a mortgage deed of twenty percent of the saleable area, in accordance with Form C, as security for completion of development works and a performance bond, in accordance with Form D and D1, consisting of a performance agreement and a bank guarantee respectively and the amount of bank guarantee shall be equivalent to total cost of development works. Moreover, according to Rule 34 (a)(i)(ii) and (iii) a

developer shall execute all development works within following stipulated time period, in case of land sub-division 2 years, in case of housing scheme having an area from 100 Kanals to 300 Kanals 3 years and scheme having an area above 300 Kanals 5 years”

TMA Mailsi, approved following land sub division housing schemes. TMO in violation of above rules did not execute the mortgage deed equal to 20% of saleable area valuing Rs 4.889 million as security for completion of development work. When the audit physically inspect the following scheme it was observed that the no development work was executed despite passing of more than two year in violation of rule 34 (a). Moreover, TMA has allowed the developers of schemes to complete the development work in three years rather than two years. Detail is given below:

(Rupees in million)

Sr. No.	Name of Schemes	Saleable area in Marla	Value as per valuation table	Value in Rs.	20% value in Rs.
1	Al-Rehman land sub division	911	3,125	2.847	0.569
2	Al-Rehman old Luddan Road	720	30,000	21.6	4.32
<b>Total</b>					<b>4.889</b>

Audit is of the view that due to weak internal control, development work of land sub division was not completed.

Non observance of rules resulted in irregular establishment of land sub divisions and housing colonies.

The matter was reported to the Chief Officer / PAO in January, 2017. The Chief Officer replied that owner / developer of the land sub division mentioned at Sr. No.1 i.e Al-Rehman Land Sub Division had applied for cancellation of approval of the said land sub divisions as he wanted to use it again for agricultural purpose. Municipal Committee had served notice bearing No.01/MOP dated 17.02.2017 to deposit bank guarantee or execute mortgage deed with District Council for area equal to 20% of area of total plots. As regards, land sub division mentioned at Sr. No.2 of this para, the developers / owners of

this land sub division had also been served with notice bearing No. 02/MOP dated 17.02.2017 to deposit bank guarantee or execute mortgage deed with District Council Vehari equal to 20% of area of total plots. Since land sub divisions involved in the para are lying in territorial jurisdiction of District Council Vehari and Municipal Committee Mailsi is unable to proceed further in the matter. The reply was not tenable because rule of mortgage apply on housing schemes and land sub divisions also.

DAC, in its meeting, held in April 2017, directed the DDO to take action in terms of Punjab Private Housing Schemes and Land Sub-divisions Rules 2010 as pointed out by audit. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 14]



## **Annex**

**Annex-A****Part-I****Memorandum for Departmental Accounts Committee Paras Pertaining to Audit Year 2016-17**

(Rupees in million)

<b>Name of Formation</b>	<b>Sr. No.</b>	<b>Para No.</b>	<b>Subject of Para</b>	<b>Amount</b>
<b>TMA Vehari</b>	1	1	Loss to due to non-taking action against privately managed tanker stand	1.200
	2	2	Loss to TMA fund due to short-recovery of TMA dues	0.08
	3	3	Overpayment of Excess Lead in Carriage of Stone as compare to leads	0.038
	4	6	Loss to TMA fund due to payment of excess rates	0.007
	5	9	Irregular Expenditure on Hiring of CCTV Cameras	0.411
	6	10	Irregular Imposition of Penalty and time extension beyond original Work	0.734
	7	15	Loss to the Government due to non-levy of stamp duty on contracts	0.023
	8	17	Doubtful expenditure on exhibition and national celebrations	1.186
	9	19	Non-auction/sale of disposal water	19.800
	10	21	Overpayment of brickwork and deduction of prescribed rate	0.668
	11	22	Non-reimbursement of expenditure on cattle markets from Cattle Market Management Company	1.056
	12	23	Doubtful drawal of funds on account of Flower Show	0.056
	13	25	Irregular approval of Maps without obtaining building fitness certificate	12.959
	14	26	Excess Quantities Paid in Bills as compare to Work Done at Site	0.359
	15	28	Less deduction of income tax	0.014
	16	29	Overpayment to contractor	0.181
	17	31	Non-reconciliation of expenditure	4.068
	18	33	Defective award of Technical Sanction and	0.5

Name of Formation	Sr. No.	Para No.	Subject of Para	Amount
			Defective Execution of Sewer work	
	19	35	Defective reporting of income figures may leads to loss to TMA fund	6.943
	20	36	Doubtful payment of street lights electricity bill without functioning of lights	0.253
	21	37	Substandard execution of work and use of substandard material at site	0.145
	22	38	Doubtful ascertainment of quantity of steel used and payment thereof	1.156
	23	39	Overpayment to contractor due to payment of excess rates	0.268
	24	40	Doubtful cash payment of Holiday Allowance to sanitation staff	0.743
	25	43	Un-authorized up-gradation of posts in TMA Vehari Inquiry thereof	-
	26	44	Unauthorized expenditure on erection of street lights	6.821
	27	45	Wasteful incurring of funds due to non-functioning of water filtration plant	0.471
	28	46	Payment of excessive rates of streetlight	1.518
	29	48	Doubtful repair and maintenance of machinery	2.268
	30	49	Doubtful repair and maintenance of vehicles	3.181
	31	53	Loss to TMA fund by payment of excess rates for Panaflex	0.004
	32	54	Loss to TMA fund due to downfall in income leads	0.633
	33	56	Doubtful procurement of tentage and recovery of excess rates	0.301
	34	57	Unauthorized issuance of interest free advances to employees of TMA	2.082
	35	59	Non-maintenance of proper vouched account of receipts of TMA	10.894
	36	62	Fake maintenance / Non-maintenance of realistic survey of License/ Permit fee	7.942
<b>TMA Burewala</b>	37	1	Excess rate charged in purchase of shopper bags for Ramzan Bazar.	0.584
	38	2	Excess average claimed in consumption of Diesel in generators	0.564

Name of Formation	Sr. No.	Para No.	Subject of Para	Amount
	39	4	Excess rate charged in P/Fixing of M/S Grill in work establishment of park at Burewala.	0.190
	40	5	Excess payment due to wrong calculation of steel	0.169
	41	6	Double/undue payment of base course	0.202
	42	11	Less recovery of map fees	0.989
	43	12	Excess rate charged in work construction of water supply pipe line slab	0.163
	44	14	Non production of record entries of store	1.565
	45	16	unjustified payment of DST in work Raising of road	0.273
	46	17	Excess payments to contractor in work Establishment of Public Park	0.232
	47	19	Non recovery of basement fees	0.155
	48	20	Less recovery of conversation fees on account of construction of National Industry	0.300
	49	21	Auction of fewer trees in establishment of public park	0.422
	50	22	Excess payments to contractor in works	0.197
	51	26	Excess quantity paid for Establishment of public park	0.384
	52	27	Unjustified award of contract of advertisement tax to unregistered contractor	5.500
	53	28	Excess rate charged in analysis of rate G.R.P pipe	0.238
	54	29	unjustified used of pipe beyond the length of disposal pipe line	0.065
	55	30	Non production of proof of deposit of sales tax	1.638
	56	31	Undue payments in different works	0.161
	57	33	Unjustified payment of earth for embankment in construction	0.365
	58	34	Undue payment of integrated allowance to sanitary workers and other class IV employees	0.988
	59	35	Non completion of work construction of drains Chack No. 495/E.B	0.080
	60	37	Non completion of work construction of soling and sewerage Rehmat Abad &Riaz Abad	0.111
	61	38	Unjustified deduction of cost of old material in	0.100

Name of Formation	Sr. No.	Para No.	Subject of Para	Amount
			work construction of soling	
	62	39	Excess rate charged in work construction of soling and sewerage	0.068
	63	40	Non recovery of cost of existing earth	0.332
	64	41	Non recovery of registration tax	1.402
	65	42	Unjustified payment of earth for embankment in construction/improvement of M/R Lakar Mandi	0.143
	66	43	Non completion of work construction/Improvement of road lakar mandi	0.132
	67	44	Unjustified payment of thickness of sub base course in violation of TS estimate	0.058
	68	45	Misclassification of expenditures	0.698
	69	46	Excess payment in work repair / uprising of Metaled road	0.147
	70	47	Non recovery of amount of price variation in work repair / uprising of Metaled road	0.029
	71	48	Non recovery of amount of price variation	0.347
	72	49	Non taken of action against the contractor of auction of advertisement tax	5.500
	73	51	Less recovery of income tax on account of auction of TMA property	0.112
	74	52	Unjustified award of work	97.967
	75	53	Non obtaining of tender fees by the TMA Burewala from the contractors	0.620
	76	54	Irregular allotment of work	6.394
	77	55	Non recovery of penalty on account of late deposit of renewal fees of contractor	0.426
	78	56	Unjustified payment without laboratory tests for sub base, base and TST	1.322
	79	57	Loss to TMA due to non open auction of Building owned by TMA	3.550
	80	58	Less recovery of amount of auction amount of auction of trees and income tax	0.040
	81	59	Misappropriation by cancellation of receipts book	0.464
	82	60	Non-Recovery of Professional Tax	0.301
	83	61	Less recovery on account of Adda fees TMA	0.683

Name of Formation	Sr. No.	Para No.	Subject of Para	Amount
			Burewala	
	84	62	Irregular expenditure on hiring of CCTV cameras	0.751
	85	63	Unjustified payment of pay and allowances to absent employee	0.055
<b>TMA Mailsi</b>	86	3	Irregular expenditure on Moharram without observing PPRA Rule	0.539
	87	5	Irregular expenditure on account of purchase of Electric items without observing PPRA Rule	0.801
	88	6	Non-deposit of income tax and sales tax deducted at source into treasury	0.937
	89	7	Doubtful expenditure of POL	1.302
	90	8	Purchase of POL on higher rates.	0.076
	91	9	Excess Quantity Paid Due To Non Deduction of Shrinkage in Earth Work	0.072
	92	17	Non recovery of License Fee	1.255
	93	20	Loss Due To Abnormal Delays in Completion of works schemes and Non-Imposition of Penalty.	0.594
	94	21	Loss due to non-collection of "sewerage tax".	2.400
	95	22	Irregular payment without obtaining of evidence of purchase	24.309
	96	23	Irregular execution of works	3.645
	97	24	Non Deduction of Trade / Professional tax and short collection of Stamp duty	0.069

**Part-II**

**Memorandum for Departmental Accounts Committee Paras not attended in  
Accordance with the Directives of DAC Pertaining to Audit Year 2015-16**

(Rupees in million)

Formation Name	Sr. No.	Para No.	Subject	Amount
TMA Vehari	1	10	Less realization of general bus stands fee and chances of misappropriation	1.543
	2	11	Less recovery of TMA dues to departmental collection	5.263
	3	13	Non-auction / non-deposit of disposal water	4.608
	4	18	Recovery on the purchase of CCTV camera, due to charging of higher rate, by the same supplier	0.074
	5	20	Recovery due to wrong calculation of conversion fee	0.481
	6	21	Loss due to less recovery of conversion fee	3.810
	7	22	Non-recovery of conversion fee from owner of housing scheme	0.558
	8	23	Non-deduction of general sales tax	0.048
	9	24	Non deposit of general sales tax by the suppliers	0.877
	10	25	Recovery due to charging excessive rate than OGRA rates, on account of fuel	0.067
	11	26	Recovery due to excess drawal than actual consumption of fuel	0.240
	12	27	Unjustified purchase of tysre	1.108
	13	31	Non recovery of professional tax from contractors	0.075
TMA Burewala	14	2	Short deduction of income tax	0.357
	15	3	Non-collection of advance tax at the time of auction resulted into short collection of income tax	0.580
	16	5	Excess drawl of tentage	0.472
	17	6	Irregular collection of fee	5.800
	18	7	Loss due to irregular auction	0.344
	19	8	Excess drawl due to purchase at higher rates	0.152
	20	9	Award of contract to defaulter contractor resulted into again default of contract	0.543
	21	10	Doubtful drawl of POL of one generator recovery due to showing load shedding excess than WAPDA schedule.	3.628
	22	12	Excess payment due to charging excess rates than Finance Department inputs rates in rate analysis	0.466
	23	14	Excess payment due to charging of excess rates than the Input rates given on website	0.080
	24	15	Loss due to charging the excess rates of POL	0.099
	25	16	Loss due to auction of lease of building less than market price	2.855

Formation Name	Sr. No.	Para No.	Subject	Amount
	26	17	Excess drawl from the Government treasury	0.066
	27	18	Non-deposit of license fee	0.135
	28	19	Short recovery of license fee	0.039
	29	20	Excess drawl of petrol and diesel	0.122
	30	22	Excess payment to the contractor	0.186
	31	25	Non recovery of rent of additional stories construction	0.217
	32	29	Excess payment to the contractor by tempering the quoted rates	0.088
	33	31	Non fixation of responsibility of theft of generator	0.550
	34	32	Non collection of contract	0.676
	35	34	Unjustified heavy expenditures on the name of POL of fire brigade without any receipt loss approximate	2.900
	36	35	Loss due to shortage of stock in the store	0.144
	37	36	Non-deduction cost of old material	0.415
	38	37	Non-reimbursement of expenditures incurred on the arrangement of cattle market	0.651
	39	40	Non collection cost of bid documents cost	0.145
TMA Mailsi	40	9	Excess payment to the contractor and loss	2.340
	41	12	Non-recovery of water rates	0.996
	42	13	Non-recovery of conversion fee	0.901
	43	16	Non collection of proof of deposit of sales tax	0.669
	44	19	Deterioration of Government property valuing	0.449
	45	22	Non recovery of professional tax	0.082
	46	24	Non collection of advance tax and arrear	0.055
	47	26	Unjustified approval of scheme and subsequently delay in completion of work	34.000



### TMAs of District Vehari

#### Budget and Expenditure Statement for Financial Year 2014-15

<b>TMA Vehari</b> (Rupees in million)				
Description	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	205.547	91.995	-113.552	-55%
Non Salary	169.761	116.271	-53.49	-32%
Development	46.279	24.282	-21.997	-48%
	<b>421.587</b>	<b>232.548</b>	-189.039	-45%
Revenue	452.607	428.541	-24.066	-5%
<b>Total</b>	<b>874.19</b>	<b>661.09</b>		
<b>TMA Burewala</b> (Rupees in million)				
Description	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	200.92	183.829	-17.09	-9%
Non Salary	157.777	120.867	-36.91	-23%
Development	42.471	32.042	-10.43	-25%
	<b>401.168</b>	<b>336.738</b>	-64.43	-16%
Revenue	358.697	357.754	-0.94	0%
<b>Total</b>	<b>759.865</b>	<b>694.492</b>	-65.37	-9%
<b>TMA Mailsi</b> (Rupees in million)				
Description	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	144.356	96.238	-48.12	-33%
Non Salary	91.748	72.294	-19.45	-21%
Development	103.253	61.755	-41.5	-40%
	339.357	230.287	-109.07	-32%
Revenue	<b>218.385</b>	<b>209.679</b>	-8.71	-4%
<b>Total</b>	<b>557.742</b>	<b>439.966</b>	-117.78	-21%

#### Consolidated Position of Budget and Expenditure

2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	550.823	372.062	-178.761	-32%
Non-salary	419.286	309.432	-109.854	-26%
Development	192.003	118.079	-73.924	-39%
<b>Sub Total</b>	<b>1,162.112</b>	<b>799.573</b>	<b>-362.539</b>	<b>-31%</b>
Revenue	1,029.689	995.974	-33.715	-3%

**Annex-C**

**[Para 1.2.2.4]**

**Irregular award of works without obtaining additional performance securities – Rs 4.044 million**

(Rupees in million)

Name of Scheme	Estimated Cost	Name of Contractor	Rate award % Below	Performance Security obtained	P. Security to be obtained	P. Security less obtained
Replacement of Roof & Construction of Boundary Wall (Missing Portion), Construction of floor and White Wash etc. Of Janaz Gah Chak No.9-11/WB Khanewal road Vehari.	3.000	Jatala Construction Company	21.92	0.3	0.658	0.358
Repair of Metalled Roads Moharram Routs and Vehari City	5.000	Tahir Bashir	22.7	0.5	1.135	0.635
Repair of Disposal Works 32 Quarters	0.454	Tahir Bashir	29	0.045	0.132	0.086
Repair of Mini Disposal Works Bhatta Ikramul Haq	0.347	Tahir Bashir	29	0.035	0.101	0.066
Repair of Disposal Works Bhatta Ikramul Haq	1.000	Tahir Bashir	27	0.1	0.27	0.17
Repair/Raising of manholes, Providing and fixing manhole covers and base rings etc. inside Luddan.	0.195	Muhammad Shakeel	28	0.02	0.055	0.035
Raising manholes, fixing of manhole covers, base rings, construction of manhole, RCC pipe, slabs etc. Vehari City.	1.000	Abdul Waheed	28.79	0.1	0.288	0.188
Rehabilitation/repair of Metalled roads City Vehari.	6.000	OMI Engineer	25.05	0.6	1.503	0.903
Special repair of Office TMA Vehari	1.000	Muhammad Ayub Butt	28.55	0.1	0.286	0.186
Rehabilitation of Sewer line at Main Entrance of Judicial Colony Vehari.	0.346	Muhammad Aslam	35.99	0.035	0.125	0.09
Laying of water supply pipe line and repair of metalled road Gali Shahidwali Faisal Town Vehari.	0.450	A.A Construction	20.79	0.045	0.094	0.049
Construction of Tuff Tiles Ahata Khushiraam D-Block Vehari.	0.500	Rashid Naveed Traders	18	0.05	0.09	0.04
Purchase of Hand Carts for Sanitation Branch	1.000	Naveed Iqbal	36.99	0.1	0.37	0.27
Construction of Filth Depots in Vehari City	0.500	Javed Bhatti	25.86	0.05	0.129	0.079
Construction of Vehicles Shed main gate servant quarter/Chowkidar Hutt, Tuff Tile and Boundary Wall Ware House Vehari.	3.000	Malik Abdul Hameed	22.79	0.3	0.684	0.384

Name of Scheme	Estimated Cost	Name of Contractor	Rate award % Below	Performance Security obtained	P. Security to be obtained	P. Security less obtained
Construction of Raising of Manhole with Cover and Base Rings 198/EB Vehari.	0.145	Tahir Bashir	33	0.015	0.048	0.033
Construction of Soling, Re-Soling Bhatta Shadi Khan	0.366	Majid Pervaiz Butt	38.99	0.037	0.143	0.106
Replacement of membrane 4" dia , 40" long for RO Filtration Plant Muslim Town Vehari.	0.174	Rashid Naveed Traders	35	-	0.061	0.061
Construction of PCC and raising of manholes street Nadir Khan WaliChak No.9/WB Vehari	0.400	A.A Construction	23.06	0.04	0.092	0.052
Providing and installation of submersible pump Saeed Anwar Park Danewal	0.250	A.A Construction	23.06	0.025	0.058	0.033
Raising, repair/providing and fixing manhole covers, base rings, repair of manholes and sewerage city Vehari	0.500	Tahir Bashir	27.79	0.05	0.139	0.089
Construction of Soling, Re-Soling, Sewerage Bhatta Ikram Ul Haq Vehari.	0.650	Muhammad Shakeel	30.3	0.065	0.197	0.132
<b>TOTAL</b>	<b>26.277</b>			<b>2.61</b>	<b>6.654</b>	<b>4.044</b>

**Annex-D****[Para 1.2.4.2]****Illegal construction of commercial buildings without requisite set-back–Rs 9.852 million**

(Rupees in million)

Sr. No.	Case No. of 15-16	Contents of Commercial Map Applicants	Total
1	6	Riaz Ahmad S/O Muhammad Shafi	0.112
2	14	Azrian Bano W/O Nasrullah Khan	0.227
3	44	Muhammad Altaf, Ghulam Abbas S/O Haji Rabnawaz	0.499
4	62	Muhammad Ramzan Javed S/O Kamal Din	0.304
5	69	Munir Ahmad S/O Ghulam Muhammad	0.064
6	70	Muhammad Sarwar S/O Shkar Din	0.112
7	74	Abdul Manaf, Muhammad Arshad, Muhammad Maqsood S/O Muhammad Ibraheem	0.346
8	78	Muhammad Sajid Choudhary S/O Muhammad Sarwar	0.115
9	80	Humira Afzal W/O Hafeez Ahmad	0.921
10	85	Muhammad Ashiq S/O Ibraheem	0.04
11	106	Ghulam Hussain S/O Rehmat Ali	0.507
12	109	Muhammad Ramzan S/O KabirJutt	0.004
13	110	Muhammad Akram S/O Kabir Jutt	0.004
14	111	Khadim Hussain S/O Kabir Jutt	0.004
15	116	Muhammad Riaz S/O Muhammad Ali Jutt	0.008
16	124	Shamim Akhtar W/O Muhammad Sharif	0.014
17	125	Shoukat Ali S/O Abdul Aziz Khan	0.406
18	126	Muhammad Bashir S/O Ghulam Mustafa	0.025
19	128	Saif u rehman S/O Manaik Ali	0.016
20	129	Zulfiqar Ali S/O Raja Jutt	0.036
21	137	Muhammad Sadique S/O Muhammad Aslam	0.266

<b>Sr. No.</b>	<b>Case No. of 15-</b>	<b>Contents of Commercial Map</b>	<b>Total</b>
22	156	Zulifqar Ali, Muhammad Luqman S/O Khushi Muhammad	0.558
23	177	R.B.S Mal	2.022
24	195	Muhammad Siyam Khan S/O Muhammad Saleem Khan	0.479
25	200	Muhammad Gulzar, Mukhtar Hussain, Munawar Hussain S/O Muhammad Sharif	0.015
26	202	ZeshanPervaiz, MasoodPervaiz S/O Muhammad Pervaiz	0.120
27	203	Shoib Rehman S/O Nasrullah, Imdadullah, IhsanTarar S/O Muhammad Nawaz	0.333
28	205	Imdad Hussain S/O Nawab Khan	0.393
29	215	Sharif Palis, Mushtaq Hussain S/O Muhammad Ali	1.900
<b>Total</b>			<b>9.852</b>

**Annex-E**  
**[Para 1.3.1.1]**

**Non Production of record - Rs 183.919 million**

(Rupees in million)

<b>Name of section</b>	<b>Period</b>	<b>Amount</b>
Administrator staff	01.07.2015 to 30.06.2016	2.097
Tehsil council staff	01.07.2015 to 30.06.2016	0.919
TMO Staff	01.07.2015 to 30.06.2016	3.281
T.O (F) staff	01.07.2015 to 30.06.2016	14.801
Staff of adda lorry	01.07.2015 to 30.06.2016	3.348
Staff of T.O.R	01.07.2015 to 30.06.2016	4.351
Staff of industrial school	01.07.2015 to 30.06.2016	0.657
Staff of library	01.07.2015 to 30.06.2016	0.893
Staff sanitation	01.07.2015 to 30.06.2016	86.41
Staff drains	01.07.2015 to 30.06.2016	18.382
Staff of disposal works	01.07.2015 to 30.06.2016	4.039
Staff of epidemic disease	01.07.2015 to 30.06.2016	0.739
Staff slaughter house	01.07.2015 to 30.06.2016	0.045
Staff of water supply	01.07.2015 to 30.06.2016	25.303
Fire brigade staff	01.07.2015 to 30.06.2016	5.522
Staff water lorry	01.07.2015 to 30.06.2016	0.761
Staff T.O.(I&S)	01.07.2015 to 30.06.2016	4.237
Staff roads	01.07.2015 to 30.06.2016	2.527
Staff garden	01.07.2015 to 30.06.2016	2.291
Staff street lights	01.07.2015 to 30.06.2016	0.23
Staff TO (P&C)	01.07.2015 to 30.06.2016	3.086
<b>Total</b>		<b>183.919</b>

**Annex-F****[Para 1.3.2.5]****Non-availability of stock entry and proof of consumption of stores–  
Rs4.524 million**

(Rupees in million)

<b>Voucher No. and date</b>	<b>Nature of purchase</b>	<b>Amount</b>
185 for 9/15	3 No's Megaphone @ 3300 each & 1 No's search light	0.013
168 for 12/15	Purchase of tyres for tractor massy 240 No. 2 TMA Burewala	0.098
189 for 3/16	Purchase of tyres for tractor massy 240 No. 2 TMA Burewala	0.099
106 for 10/15	Purchase of 2 Nos stairs.	0.094
152 for 8/15	1 No. Chain Kopi	0.025
2323 for 9/15	Purchase of one No. UPS,1 No battery and 4000 labor for wiring	0.050
230 for 9/15	Purchase of 1 No. ceiling fan and 1 No exhaust fan	0.007
76 for 5/16	Purchase of 2 no's ceiling fan 48 "	0.096
128 for 6/16	Purchase of air cooler	0.017
110 for 7/15.	Purchase of stabilizer	0.020
121 for 4/16	Purchase of hard disk	0.022
70/ 7/15	Purchase of one number camera	0.018
27 for 8/15	Purchase of one ceiling fan and exhaust fan	0.013
128 for 6/16	Purchase of air cooler	0.018
186/ 9/15	Purchase of fan	0.005
126 for 8/15	Purchase of 750 K.G Lime	0.012
187 for 9/15	Purchase of 86 K.G	0.007
169 for 12/15	Purchase of uniform	0.094
188 for 3/16	Purchase of sectional pipe Italy 450 feet	0.089
146 for 6/16	Purchase of safety equipment	1.341
100 for 7/15	Purchase of battery	0.016
252 for 9/15	Lighting board	0.020
90 for 10/15	7 kilo clean dory	0.024
146 for 12/15	Purchase of bleaching powder 300 K.G	0.025
191 for 5/16	Purchase of bleaching powder 300 K.G	0.025
81 for 11/15	Purchase of delivery and other Equipments	0.086
32 for 10/15	Purchase of fire fighting equipment	0.075
143 for 12/15	Purchase of fire fighting equipment	0.095
135 for 2/16	Purchase of fire fighting equipment	0.048
229 for 4/16	Purchase of fire fighting equipment/material	0.097

<b>Voucher No. and date</b>	<b>Nature of purchase</b>	<b>Amount</b>
284 for 6/16	Purchase of security cameras	0.565
200 for 8/15	Purchase of pedestal fan 10 Nos @ 6084	0.061
244 for 8/15	Purchase of shopper bags 500 K.G	0.462
22 for 6/16	Purchase of shopper bags for Ramzan bazar 800 K.G	0.740
92 for 12/15	Purchase of bib cock 100 Nos	0.047
<b>Total</b>		<b>4.524</b>



**Annex-G****[Para 1.3.2.7]****Irregular expenditure by splitting up to avoid advertisement - Rs 1.492**

(Rupees in million)

<b>Voucher No. and date</b>	<b>Nature of payment</b>	<b>Amount</b>
202 for 8/15	Rent of utensils for Madni Duster Khawan	0.099
203 for 8/15	Rent of furniture for Madni Duster Khawan	0.099
184 for 12/15	Rent of sodium light for Moharram	0.084
124 for 1/16	Rent of energy sever and such light for Muharram	0.085
62 for 2/16	Rent of energy sever and such light for Muharram	0.081
60 for 4/16	Rent of cameras on Muharram	0.098
221 for 11/15	Repair of container	0.099
171 for 2/16	Repair of container	0.097
96 for 3/16	Repair of container	0.049
303 for 6/16	Repair of container	0.049
168 for 12/15	Purchase of tyre	0.098
189 for 3/16	Purchase of tyre	0.099
32 for 10/15	Purchase of fire extinguisher dry chemical powder, nozzle and gloves	0.075
143 for 12/15	Purchase of male and female coupling for fire brigade	0.095
169 for 12/15	Purchase of uniform, gloves and goggles	0.094
49 for 2/16	Purchase of gloves	0.048
229 for 4/16	Purchase of firefighting suit with gloves	0.097
201 for 8/15	Rent of 40 No's fan and one sound system for function of distribution of ration.	0.046
<b>Total</b>		<b>1.492</b>

**Annex-H****[Para 1.3.2.8]****Unjustified refund of additional performance securities-Rs 1.396 million**

(Rupees in million)

Name of work	Name of contractor	Amount of work	Rate offered	Securities to be obtained	Securities obtained	Less	Detail of irregularities
Construction of sewerage line C-Block to Multan road.	Al Hassan Builder. Offered rate.	0.500	34 % below.	0.170	0.050	0.120	Rs; 50000 deposited on 22-06-15 in to TMA account. Final bill was passed on 23-07-16. Refunded on 26-07-16
Construction of drain and soling sullage carrier culvert chak No.519/E.B.	Mr. Muhammad Shakeel Awan	0.500	38.786 % below.	0.194	0.050	0.144	Rs; 50000 obtained from the contractor was not deposited in to bank account of TMA. Returned to the contractor immediately after the tender date. Final bill was submitted on 10-09-16
Construction of drain and soling sullage carrier culvert chak No.495/E.B	Mr. GhulamMushtafa	0.800	30.99 % below	0.248	0.080	0.168	Deposited in to TMA account on 03-03-15. Final bill was submitted on 14-07-16. Security was refunded on 14-07-15
Construction of sewerage line and sullage carrier chak No. 47/E.B	Mr. Ghulam Mushtafa	0.782	37 % below	0.289	0.080	0.209	Rs; 80200 obtained from the contractor was not deposited in to bank account of TMA. Returned to the contractor immediately

Name of work	Name of contractor	Amount of work	Rate offered	Securities to be obtained	Securities obtained	Less	Detail of irregularities
							after the tender date. Final bill was submitted on 23-02-16
Construction of sullage carrier 429/E.B	Mr. Muhammad Shakeel Awan	0.500	36.99 % below	0.185	0.050	0.135	Deposited in to TMA account on 31-07-15. Final bill was submitted on 14-01-16. Security was refunded on 05-08-15
Construction of flooring of tuff tile P block Burewala	Muhammad Imran Sattar	0.500	35.005 % below	0.174	0.050	0.125	Rs; 50000 deposited on 14-07-16 in to TMA account. Final bill was passed on 24-08-16. Refunded on 24-08-16
Repair of tube well No. 03 E Blok Burewala	Mr. Sajjad Naeem	0.403	31.99 % below	0.129	0.040	0.089	Rs; 40300 deposited on 18-06-15 in to TMA account. Final bill was passed on 11-9-15. Refunded on 07-07-15
Replacement of sewerage line tibba Mustaabad to chak No. 505/E.B	Mr. Muhammad Latif	1.400	39.05 %	0.547	0.140	0.407	Rs; 140000 obtained from the contractor was not deposited in to bank account of TMA. Returned to the contractor immediately after the tender date. Final bill was submitted on 20-04-16
<b>Total</b>						<b>1.396</b>	

**Annex-I****[Para No. 1.4.1.2]****Non- Collection of TMA Dues – Rs 8.510 Million****(Rupees in million)**

<b>Sr. No</b>	<b>Type of construction</b>	<b>Name of owner</b>	<b>Area in Marlas</b>	<b>Map Fee</b>	<b>Conversion fee</b>	<b>NOC fee/ Development charges</b>	<b>Total</b>
1	Housing Scheme	Hasanat Housing scheme	2940	-	0.437	-	0.437
2	School	Haji Maqsood	40	0.100	0.200	-	0.300
3	Petrol Pump	Rao umer daz	73	0.030	0.183	0.020	0.233
4	Petrol Pump	Muhammad Afzal	40	0.030	0.120	0.020	0.170
5	Shops	Muhammad Jamil	20	0.050	0.040	-	0.090
6	Shops	Fazal Abbas	2.5	0.005	0.060	-	0.065
7	Commercial Shops	Ch. Riazul Haq	8	0.025	0.020	-	0.045
8	Shops	Ishfaq Ahmad	8	0.020	0.020	-	0.040
9	Shops	Allah Rakhah	8	0.020	0.008	-	0.028
10	Shops	Abdul Razzaq	5	0.010	0.012	-	0.022
11	Shops	Raja Muhammad Nadeem	5	0.010	0.010	-	0.020
12	Shops	Muhammad Arshah	5	0.010	0.010	-	0.020
13	Godown	GhulamHussain	4	0.008	0.010	-	0.018
14	Shops	Muhammad Tanveer	3.3	0.007	0.010	-	0.017
15	Kanta	Wali Muhammad	5	0.010	0.006	-	0.016
16	Shops	Muhammad Afzal	2	0.004	0.010	-	0.014
17	Shops	Adnan Khan	2	0.004	0.010	-	0.014
18	Shops	Mahr Allah Buksh	4	0.008	0.004	-	0.012
19	Shops	Muhammad Amin	3	0.006	0.005	-	0.011
20	Commercial Shops	Ghulam Akbar Khan	48	0.120	6.336	0.029	6.485
21	Commercial Shops	Abdul Rahim / Javed Akhtar and Abid Hussain s/o Akhtar Ali	5	0.010	0.440	0.003	0.453
			<b>Total</b>				<b>8.510</b>

**Annex-J**

**[Para 1.4.1.4]**

**Unauthorized establishment of housing colonies without approval – Rs 1.388 million**

**(Rupees in million)**

<b>Detail of schemes not deposited the TMA Dues</b>							
<b>Name of Scheme</b>	<b>Location</b>	<b>Area (Kanal)</b>	<b>Scrutiny Fee</b>	<b>Sanction Fee (NOC) @ 1000 per Kanal</b>	<b>Conversion Fee</b>	<b>Approval of design and specifications for water supply, sewerage, roads etc, @ 1000 per Kanal</b>	<b>Total</b>
Al- Rehman City	Tarki Road	40	0.001	0.040	0.020	0.040	0.101
Ronaq Town	College road	32	0.001	0.032	0.048	0.032	0.113
Moj Town	Syfin road, Fada	24	0.001	0.024	0.025	0.024	0.074
Al-qamer land sub division	Taragar	48	0.001	0.048	0.024	0.048	0.121
Rao city Scheme	Herich and road, Malko	24	0.001	0.024	0.012	0.024	0.061
<b>S. Total</b>							<b>0.470</b>
<b>Detail of short collection of TMA Dues</b>							
<b>Name of Scheme</b>	<b>Location</b>	<b>Area (Kanal)</b>		<b>Sanction Fee (NOC) @ 1000 per Kanal</b>		<b>Approval of design and specifications for water supply, sewerage, roads etc @ 1000 per Kanal</b>	<b>Total</b>
Al- qamer land sub-division	Moza Sahib ali	56		0.056		0.056	0.112
Al- Noor city	Mailsi Road	99		0.099		0.099	0.198
Officers colony	Multan road	51		0.051		0.051	0.102
Abdullah city	Mitru road	56		0.056		0.056	0.112
Al- Rehan city	88 WB	76		0.076		0.076	0.152
Gulshan Avenue		40		0.040		0.040	0.080
AL- Madina	195 WB	81		0.081		0.081	0.162
<b>S. total</b>							<b>0.918</b>
<b>G. Total</b>							<b>1.388</b>