



**AUDIT REPORT**  
**ON**  
**THE ACCOUNTS OF**  
**TEHSIL MUNICIPAL ADMINISTRATIONS**  
**DERA GHAZI KHAN**  
**AUDIT YEAR 2014-15**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS AND ACRONYMS**

AGP	Auditor General of Pakistan
AIR	Audit and Inspection Report
B&R	Building & Road
C&W	Communication and Works
CO	Chief Officer
D.N.I.T	Demand Notice for Inviting Tender
DDOs	Drawing and Disbursing Officers
DG	Director General
H&PPD	Housing and Physical Planning Department
IPSAS	International Public Sector Accounting Standards
MB	Measurement Book
MFDAC	Memorandum for Departmental Accounts Committee
MRS	Market Rate System
NAM	New Accounting Model
NHA	National Highway Authority
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PEPCO	Pakistan Electric Power Company
PLGO	Punjab Local Government Ordinance, 2001
PHED	Public Health Engineering Department
PPRA	Punjab Procurement Regulatory Authority
RDA	Regional Directorate of Audit
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TO (I&S)	Tehsil Officer (Infrastructure & Services)
TO (P&C)	Tehsil Officer (Planning & Coordination)
TO (R)	Tehsil Officer (Regulation)
TSE	Technically Sanctioned Estimate

## Preface

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 and Section 115 of the Punjab Local Government Ordinance, 2001 require the Auditor General of Pakistan to conduct audit of Receipts and Expenditure of the Local Fund and Public Accounts of District Governments.

The report is based on Audit of the accounts of Tehsil Municipal Administrations of District D.G. Khan for the financial year 2013-14. The Directorate General of Audit District Governments Punjab (South), Multan, conducted audit during 2014-15 on test check basis with a view to reporting significant findings to 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.

Most of the observations included in this Report have been finalized in the light of written responses of the management concerned 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 read with Section 115 of the Punjab Local Government Ordinance 2001, for causing it to be laid before the Provincial Assembly.

Islamabad  
Dated:

**(Rana Assad Amin)**  
**Auditor General of Pakistan**

## **EXECUTIVE SUMMARY**

The Directorate General Audit, 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 Administration. The Regional Directorate of Audit (RDA), D.G. Khan has audit jurisdiction of District Governments, TMAs and UAs of four Districts i.e. D.G. Khan, Rajanpur, Layyah and Muzaffargarh.

The Regional Directorate has a human resource of 23 officers and staff, constituting 3,939 man days and the budget amounting to Rs 12.179 million was allocated in Audit Year 2014-15. 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 the entities, projects and programmes. Accordingly RDA D.G.Khan carried out audit of the accounts of TMAs of District D.G.Khan for the Financial Year 2013-14 and the findings included in the Audit Report.

Each Tehsil Municipal Administrations in District D.G. Khan is headed by a Tehsil Nazim / Administrator. He/she 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 PLGO 2001 requires the establishment of Tehsil / Town 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 D.G. Khan, for the Financial Year 2013-14, was Rs 72.831 million and expenditure amounting to Rs 44.249 million was incurred showing savings of Rs 28.582 million. Total Non Development Budget for Financial Year 2013-14 was Rs 570.639 million and expenditure amounting to Rs 495.688 million was incurred showing saving of Rs 74.951 million. The reasons for savings in Development and Non development Budgets are required to be provided by the TMO and PAO concerned.

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

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

**a. Scope of Audit**

Out of total expenditure of Tehsil Municipal Administrations of District D.G. Khan for the financial year 2013-14, auditable expenditure under the jurisdiction of Regional Director Audit (District Government), D.G. Khan was Rs 539.937 million covering three PAOs. Out of this, RDA D.G. Khan audited an expenditure of Rs 442.748 million which, in terms of percentage, is 82% of total auditable expenditure and irregularities amounting to Rs 459.013 million were pointed out. Regional Director Audit planned and executed audit of 3 formations, i.e. 100% achievements against planned audit activities.

Total receipts of three TMAs of District D.G. Khan for the financial year 2013-14, were Rs 574.392 million. RDA, D.G. Khan audited receipts of Rs 344.635 million which was 60% of total receipts and irregularities amounting to Rs 611.867 million were pointed out.

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

Recovery of Rs 457.281 million was pointed out by Audit which was not in the notice of the management before audit. An amount of Rs 0.762 million was recovered and verified during 2014-15, till the time of compilation of the Report.

However against the total recovery, an amount of Rs 438.835 million pertained to paras (over one million) drafted in this report, no amount of recovery has been made by the management till the time of compilation of this Report.

**c. Audit Methodology**

Audit was conducted after understanding the business process of TMAs with respect to its function, control structure, prioritization of risk areas by determining their significance and identification of key controls. This helped auditors in understanding the system, 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 department concerned, however audit impact in shape of change in rules could not be materialized as the Provincial Accounts Committee has not

discussed audit reports pertaining to Tehsil Municipal Administration for the year 2014-15.

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

Internal control mechanism of TMAs District D.G. Khan was not found satisfactory during audit. Many instances of weak Internal Controls have been highlighted during course of audit which includes some serious lapses. Negligence on the part of TMA authorities may be captioned as one of the 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 D.G. Khan.

**f. The Key Audit Findings of the Report;**

- i. Misappropriation amounting to Rs 1.871 million was noted in one case.<sup>1</sup>
- ii. Non production of record amounting to Rs 99.780 million was noted in two cases.<sup>2</sup>
- iii. Irregularities and non compliance amounting to Rs 948.538 million were noted in 43 cases.<sup>3</sup>

Audit paras involving procedural violations including internal control weaknesses and other irregularities not considered worth reporting to the Public Accounts Committee were included in Memorandum for Departmental Accounts Committee (MFDAC) Annex-A.

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<sup>1</sup>Para 1.4.2.1

<sup>2</sup>Para 1.2.1.1, 1.4.1.1

<sup>3</sup>Para 1.2.2.1, 1.2.2.2, 1.2.2.3, 1.2.2.4, 1.2.2.5, 1.2.2.6, 1.2.2.7, 1.2.2.8, 1.2.2.9, 1.2.2.10, 1.2.2.11, 1.2.2.12, 1.2.2.13, 1.2.2.14, 1.2.2.15, 1.2.2.16, 1.2.2.17, 1.2.2.18, 1.2.2.19, 1.2.2.20, 1.3.1.1, 1.3.1.2, 1.3.1.3, 1.3.1.4, 1.3.1.5, 1.4.3.1, 1.4.3.2, 1.4.3.3, 1.4.3.4, 1.4.3.5, 1.4.3.6, 1.4.3.7, 1.4.3.8, 1.4.3.9, 1.4.3.10, 1.4.3.11, 1.4.3.12, 1.4.3.13, 1.4.3.14, 1.4.3.15, 1.4.3.16, 1.4.3.17, 1.4.3.18, 1.4.3.19

**g. Recommendations**

Audit recommends that the PAO/Management of TMA 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 others recoverable in the notice of management.
- iv. Strengthening of financial and managerial controls.
- v. Holding of DAC meetings well in time.
- vi. Appropriate actions against officers/officials responsible for negligence in performance of duties and achievement of targets.
- vii. Addressing systemic issues to prevent recurrence of various omissions and commissions.



## SUMMARY TABLES AND CHARTS

**Table 1: Audit Work Statistics**

(Rupees in Million)

Sr. No.	Description	No.	Expenditure	Receipts
1	Total Entities (PAOs) in Audit Jurisdiction	03	539.937	574.392
2	Total Formations in Audit Jurisdiction	03	539.937	574.392
3	Total Entities (PAOs)/ DDOs Audited	03	442.748	344.365
4	Total Formations/ DDOs Audited	03	442.748	344.365
5	Audit & Inspection Reports	03	-	-
6	Special Audit Reports	-	-	-
7	Performance Audit Reports	-	-	-
8	Other Reports (Relating to TMA)	-	-	-

**Table 2: Audit Observations Classified by Category**

(Rupees in Million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Asset Management	-
2	Financial Management	948.538
3	Internal Controls	-
4	Others	101.651
<b>Total</b>		<b>1050.189</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	2.500	348.593	147.095	41.749	574.392	1,114.329	1,394.718
2	Outlays Audited	2.500	272.648	128.947	38.653	344.635	787.383*	922.224
3	Amount Placed under Audit Observation/ Irregularities Pointed out	6.707	52.901	412.126	119.559	458.896	1050.189	118.392
4	Recoveries Pointed out at the instance of Audit	-	-	-	-	438.835	438.835	90.646
5	Recoveries Accepted / Established at the instance of Audit	-	-	-	-	-	-	-
6	Recoveries realized at the instance of Audit	-	-	-	-	0.762	0.762	-

\* The amount mentioned against Sr. No. 2 in column of "Total Current Year" is the sum of expenditure and receipt whereas the total expenditure was Rs 442.748 million.

**Table 4: Irregularities Pointed Out**

(Rupees in Million)

<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.	431.180
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	1.871
3	Accounting errors (accounting policy departure from IPSAS <sup>1</sup> , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4	Quantification of weaknesses of internal control systems	-
5	Recoveries and overpayments, representing cases of establishment overpayment or misappropriations of public monies	438.835
6	Non-production of record	99.780
7	Others, including cases of accidents, negligence, non-accountal of store etc.	78.523
<b>Total</b>		<b>1050.189</b>

**Table 5: Cost-Benefit**

(Rupees in Million)

<b>Sr. No.</b>	<b>Description</b>	<b>Amount</b>
1	Outlays Audited (Items 2 Table 3)	787.383
2	Expenditure on Audit	0.020
3	Recoveries realized at the instance of Audit	0.762
4	Cost-Benefit Ratio	38.100

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

## CHAPTER-1

### 1.1 TEHSIL MUNICIPAL ADMINISTRATIONS, D.G. KHAN

#### 1.1.1 Introduction

According to 1998 population census, the population of District D.G. Khan is 2 million. District D.G. Khan comprises of three TMAs namely D.G. Khan, Tribal Area and Taunsa. Business of TMAs is run by the Administrator and five Drawing & Disbursing Officer i.e. TMO, TO (I&S), TO (Finance), TO (P&C) and TO (Regulation) under Punjab Local Government Ordinance, 2001.

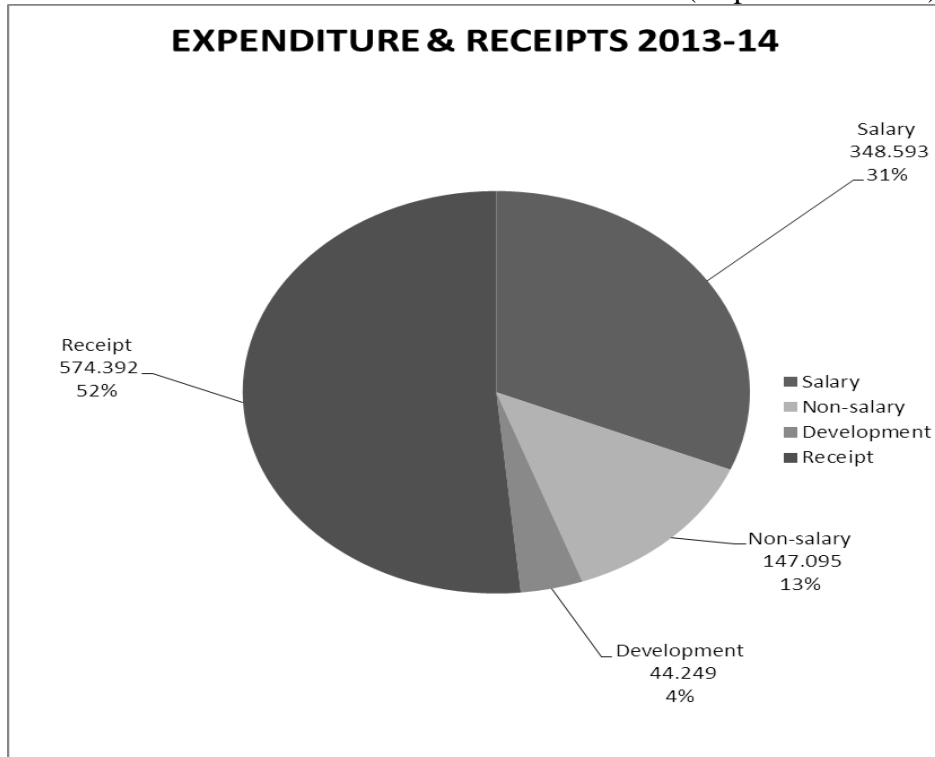
#### 1.1.2 Comments on Budget and Accounts

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

(Rupees in Million)

2013-14	Budget	Actual	Excess (+) / Savings (-)	Savings %
Salary	396.012	348.593	- 47.419	-11.974%
Non-Salary	174.627	147.095	-27.532	-15.766%
Development	72.831	44.249	-28.582	-39.244%
<b>Total</b>	<b>643.47</b>	<b>539.937</b>	<b>-103.533</b>	<b>-16.019%</b>
<b>Receipts</b>	<b>682.835</b>	<b>574.392</b>	<b>-108.443</b>	<b>-15.881%</b>

(Rupees in Million)

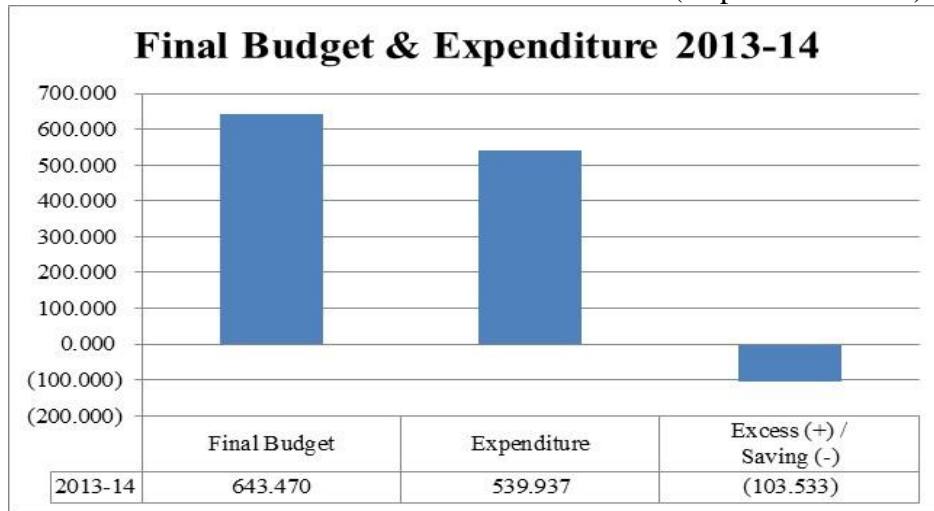


Details of budget allocations, expenditures and savings of each TMA in District D.G.Khan are at Annex-B.

As per Budget Books for the Financial Year 2013-14 of TMAs in District D.G.Khan, the original and final budgets were of Rs 643.470 million. Total expenditures incurred by these TMAs during Financial Year 2013-14 were Rs 539.937 million. A saving of Rs 103.533 million came to the notice of audit which shows that the TMAs failed to provide the basic municipal services to the community. No plausible explanation was provided by the Administrators, PAOs and management of TMAs.

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

(Rupees in Million)



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

Audit paras reported in MFDAC (Annex-1) of last year Audit Report which have not been attended in accordance with the directives of DAC have now been reported in part II of Annex-A.

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

The Audit Reports pertaining to following years were submitted to the Governor of the Punjab 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	32	PAC not constituted
2	2012-13	12	PAC not constituted
3	2013-14	26	PAC not constituted

# **AUDIT PARAS**

## **1.2 Tehsil Municipal Administration Dera Ghazi Khan**



## 1.2.1 Non Production of Record

### 1.2.1.1 Non production of record - Rs 96.606 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. Furthermore, according to section 115(6) of the Punjab Local Government Ordinance 2001, all officials shall afford all facilities and provide record for audit inspection and comply with the requests for information in as complete a form as possible and with all reasonable expedition".

Contrary to above, TMO did not produce the record of expenditure amounting to Rs 96.606 million, incurred by the following DDOs during the financial year 2013-14 as detailed below.

(Amount in Rupees)

Sr. No.	DDOs	Nature of record	Amount of expenditure
1	TO (F)	Complete Record viz bills, vouchers, sanction order, cashbook, etc.	42,619,095
2	TO (I&S)	Electricity bills	9,861,796
		Bills, vouchers, sanction order, cashbook under the head "Unforeseen"	383,176
3	TO (P&C)	Estimates, MBs, agreements etc. of CCBs	43,741,900
<b>Total</b>			<b>96,605,967</b>

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

Legitimacy of expenditure of Rs 96.606 million could not be ascertained due to non production of record.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated written requests.

Audit recommends that responsibility be fixed and strict disciplinary action taken against the officials concerned for non-production of record, under intimation to Audit, and to ensure that the record is produced to Audit for scrutiny.

[AIR Para: 46]

## 1.2.2 Irregularities & Non-Compliance

### 1.2.2.1 Less recovery of rent of shops- Rs 320.900 million

According to Rule 76 of Punjab District Government and TMA (Budget) Rules, 2003, it is the duty of the departmental authorities to see that all Government dues/revenues which have to be brought to account are correctly and promptly assessed, realized and credited to Government account.

Contrary to above, TMO failed to recover the rent of shops amounting to Rs 320.900 million during 2013-14, from the lessees as detailed below.

(Amount in Rupees)

Sr. No.	Location	No. of Shops	Total recovery due up to 30.06.14	Amount Recovered	Outstanding rent as on 30.06.14	
1	Jadeed Sabzai Mandi	82	2,703,540	9,349,948	320,900,121	
2	Old Bus Stand	14	327,436			
3	City Park	24	291,926			
4	New General Bus Stand	98	126,315,801			
5	Chowk Block 2	15	5,033,079			
6	Hospital Market	42	11,366,764			
7	Golai Committee	60	31,950,788			
8	Ghanta Ghar	48	21,170,448			
9	Chowk Block 11/12 & 7/8	48	32,402,397			
10	Purani Subzai Mandi	240	98,687,890			
<b>Total</b>			<b>671</b>	<b>330,250,069</b>	<b>9,349,948</b>	<b>320,900,121</b>

Audit is of the view that due to negligence of the TMA authorities, rent of shops was less recovered.

Less-recovery of rent of shops resulted into loss amounting to Rs 320.900 million to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 320.900 million besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Para: 43]

### 1.2.2.2 Un-justified deduction of PEPCO dues and loan - Rs 136.419 million

According to Rule 2.20 of PFR Vol-I, every payment must be supported by a voucher setting forth full and clear particulars of the claim.

Contrary to above, an amount of Rs 91.080 million and Rs 45.339 million was deducted from monthly releases of Provincial Finance Commission (PFC) share at source during 2013-14 by the Finance Department on account of outstanding dues of PEPCO pertaining to TMA and loans pertaining to Ex-Zila Council respectively. But TMO did not get reconciled the actual deductible amounts, amounts deducted till date and further outstanding amounts with Finance Department. The detail is as under.

(Rupees in Million)

Sr. No.	Particular	Period	Monthly Deduction	Amount
1	Outstanding PEPCO dues	July 2013 to June 2014	7.590	91.080
2	Ex-Zila Council Loan	October 2010	-	15.113
3		November 2011	-	15.113
4		May 2013 to September 2013	3.023	15.113
<b>Total</b>				<b>136.419</b>

Audit is of the view that due to weak financial controls, deduction was made at source from PFC monthly releases without any justification.

Deductions of Rs 136.419 million deprived TMA of its due share of PFC award.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends to reconcile the deduction of outstanding PEPCO dues and loan with the Finance Department by TMA authorities and get the over deducted amount, if any, re-imbursed under intimation to Audit.

[AIR Paras: 40,21]

### **1.2.2.3 Less realization of conversion fee - Rs 46.044 million**

According to Government of Punjab LG&CD Department Notification No.SOR(LG)38-18/2009 dated 06.06.2012, the conversion fee for the conversion of a residential, industrial, Peri Urban area or intercity service for commercial use shall be as under.

<b>Value of land as per valuation Table</b>	<b>Conversion Fee</b>
Less than one million rupees	5%
From one million rupees to ten million rupees	10%
More than ten million rupees	20%

Contrary to above, TMO did not recover conversion fee amounting to Rs 31.955 million from 61 owners of residential schemes during 2013-14. Furthermore, in 4 cases TMA authorities charged rate of conversion fee prescribed for residential area instead of commercial area resulting in less recovery of Rs 1.204 million. Moreover, NOC was issued against LPG pump by charging the rate of rural property whereas actually it falls in urban area as per schedule rate circulated by Additional District Collector Revenues Dera Ghazi Khan. TMA inflicted a loss of Rs 12.925 million by charging rural rates.

Audit is of the view that due to weak internal controls, conversion fee was less recovered.

Less-recovery of conversion fee amounting to Rs 46.044 million resulted in loss to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 46.044 million besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Paras: 4,52,54]

### **1.2.2.4 Irregular payment of work charged establishment- Rs 43.642 million**

According to preface of the Wage Rate Act 2012, appointment to a post included in the schedule shall be advertised properly in leading newspapers and recruitment to all posts in the schedule shall be made on the basis of merits

specified for regular establishment vide Para 11 of the Recruitment Policy issued by the S&GAD vide No. SOR-IV(S&GAD)10-1/2003 dated 17.09.2004.

Contrary to above, TMO recruited 384 work charged employees to perform the duties on water supply schemes, disposal works and street lights during 2013-14. An amount of Rs 43.642 million was paid on account of salaries of the employees and same was charged to current expenditure. The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc. The detail is given below:

(Amount in Rupees)

Sr. No.	Branch	No. of Employees	Rate per month	No. of months	Amount
1	Water Supply Urban	146	9,471	12	16,593,192
2	Water Supply Rural	225	9,471	12	25,571,700
3	Disposal Works under CO	9	9,471	12	1,022,868
4	Street Lights	4	9,471	12	454,608
<b>Total</b>		<b>384</b>			<b>43,642,368</b>

Audit is of the view that due to weak internal controls, recruitment process was not followed as laid down in the Wage Rate Act, 2012.

Recruitment of work charged employees without observing the codal requirement resulted into irregular payment of Rs 43.642 million.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends regularization besides fixing of responsibility on the concerned, under intimation to Audit.

[AIR Para: 24]

#### **1.2.2.5 Expenditure without maintenance of vouched account - Rs 43.322 million**

According to Rule 2.20 of PFR Vol-I, every payment must be supported by a voucher setting forth full and clear particulars of the claim.

The cash book of TO (Finance) revealed that an amount of Rs 43.322 million was carried forward as unadjusted balance on payment side since 2010 onwards. The whereabouts of the expenditure, claims and payees were not available. The TMA authorities failed to maintain the relevant record of drawls in violation of the above rule.

Audit is of the view that due to weak internal controls, a huge unadjusted amount was lying pending since 2010.

Non maintenance of record amounting to Rs 43.322 million created doubt about the legitimacy of expenditure.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends Inquiry and fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 22]

#### **1.2.2.6 Less recovery of immoveable property tax - Rs 32.078 million**

According to Government of Punjab, Board of Revenue Lahore notification No. 1807-2004 /1414 -LR-I, dated 29.06.2004, the mutation fee on transfer of agriculture land in rural area shall be charged @ 3% of the value of land and registration fee in the urban area will be charged @ 1% of the value of land. Furthermore, as per TMA notification No. 720/TN/TMA/DGK dated 20.06.2006, 1% tax will be charged on transfer of immovable property in urban and rural areas.

TMO charged and collected 1% tax amounting to Rs 91.558 million on transfer of immovable property during the financial year 2013-14. However, Government of the Punjab collected registration fee of Rs 44.113 million for the urban property and mutation fee Rs 238.572 million for the rural property at the rate 1% and 3% respectively. TMO should had collected a receipt of Rs 123.637 million (44.113 million+1/3 of 238.572 million) instead of Rs 91.558 million. So an amount of Rs 32.078 million was less recovered.

Audit is of the view that due to weak internal controls, property tax was less recovered.

Less recovery of property tax amounting to Rs 32.078 million resulted in loss to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 32.078 million besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Para: 1]

### 1.2.2.7 Less recovery of arrears of revenues – Rs 27.781 million

According to Rule 76 of Punjab District Government and TMA (Budget) Rules 2003, the primary obligation of collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the Local Government fund under the proper receipt head.

Contrary to above, TMO did not recover outstanding amounts of Rs 27.781 million from the various users / contractors on account of arrears of water rate, rent, tehbazari fee, license fee and octroi etc. during 2013-14 as detailed below.

(Amount in Rupees)

Sr. No.	Description	Amount Recoverable	Amount Recovered	Outstanding amount
1	Arrear of water Rate	11,500,000	3,590,051	7,909,949
2	Arrear of Shops	16,000,000	4,859,977	11,140,023
3	Arrear of Tehbazari	25,000	0	25,000
4	Arrear of License of dangerous business	573,000	0	573,000
5	Arrear of Octroi (As Land Revenue)	6,600,000	0	6,600,000
6	Arrears of Board Rent	1,533,000	0	1,533,000
<b>Total</b>		<b>36,231,000</b>	<b>8,450,028</b>	<b>27,780,972</b>

Audit is of the view that due to weak internal controls, amount was less recovered.



Less recovery of outstanding dues amounting to Rs 27.781 million resulted in loss to Government.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 27.781 million besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 17]

#### **1.2.2.8 Wasteful expenditure on account of CCBs schemes and lapse of sanction - Rs 25.613 million**

According to Clause 19 of TMA (Works) Rules 2003, an estimate for a work other than a maintenance work, shall unless be otherwise specified, lapse after a period of three years. Furthermore, according to Rule 2.33 of PFR Vol-I, every Government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by the Government through fraud or negligence on his part.

TMA authorities failed to monitor the completion of 14 different CCB schemes for construction of metalled roads, drain/ soling, janaza gah, cricket ground within the prescribed time period. These schemes were started during the financial years 2007-08 to 2009-10 and an expenditure of Rs 25.613 million had been incurred up to June, 2013 with a completion status of 33% to 75% and the schemes remained incomplete. Due to non-completion of schemes expenditure of Rs 25.613 million was incurred without fresh TSE in violation of above rule. (Annex-C)

Audit is of the view that due to weak internal and financial controls, CCB schemes were not completed within the prescribed time period.

Non completion of CCB schemes resulted into wasteful expenditure of Rs 25.613 million.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends regularization besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Paras: 62,63]

### 1.2.2.9 Less recovery of water rates - Rs 17.340 million

According to Notification No. 749 dated 23.04.2013 issued by the TMA D.G. Khan and circulated in the Punjab Gazette, the water rate would be charged from the rural water supply connection as under:

Domestic	Rs 75/month
Commercial Connections	Rs 1,200/month

Contrary to above, TMO did not recover outstanding water rate amounting to Rs 17.340 million from domestic and commercial connection holders, during 2013-14 as detailed below.

(Amount in Rupees)

Types of Connection	No. of connections	Rate / Month	Recoverable Amount	Amount Recovered	Difference
Domestic	16,918	75	15,226,200	2,839,791	17,340,009
Commercial	344	1,200	4,953,600		

Audit is of the view due to poor management, water rate charges were less recovered.

Less recovery amounting to Rs 17.340 million resulted in loss to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 17.340 million besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 2]

#### **1.2.2.10 Irregular expenditure on POL - Rs 14.228 million**

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

TMO incurred an expenditure of Rs 14.228 million on account of POL charges of tractors, trucks, water bowser, sucker machines and jetting machines during the financial year 2013-14. Expenditure was incurred on the vehicles throughout the year without installation of meters for verification of reading. The entries on log books were recorded on assumption basis instead of actual reading. (Annex-D)

Audit is of the view that due to weak internal controls, expenditure was incurred on POL with fake entries in the log books.

Maintenance of log books on assumption basis resulted into irregular expenditure of Rs 14.228 million.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends Inquiry besides fixing of responsibility against concerned and recovery, under intimation to Audit.

[AIR Paras: 16,19]

#### **1.2.2.11 Less recovery of advertisement fee through self collection- Rs 13.991 million**

According to Rule 76 of Punjab District Government and TMA (Budget) Rules 2003, the primary obligation of collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the Local Government fund under the proper receipt head.

TMO awarded the contract for collection of advertisement fee for display of signboards, banners, billboards etc. for Rs 8.100 million vide acceptance letter No. 8777/TOF/RA dated 31.05.2013 for the financial year 2013-14. But in the month of June, 2013 department increased the existing rates of advertisement charges by an average of 92.17% of 9 items through its notification. The amount

of contract was revised to Rs 15.566 million and intimated to the contractor. After the revision of rates the contractor left the contract but the TMA authorities failed to re-auction till September, 2013 and started collection through its employees and collected an amount of Rs 1.980 million during 2013-14 leaving Rs 13.991 million unrecovered as per revised amount of contract Rs 15.566 million. Furthermore, performance security Rs 405,000 was also not forfeited from the defaulting contractor.

Audit is of the view that due to weak internal controls, the collection rights were not leased out timely.

Non auctioning of collection right and self collection resulted in loss of Rs 13.991 million to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends Inquiry besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Para: 11]

#### **1.2.2.12 Non recovery of building map fee - Rs 4.792 million**

According to Tehsil Municipal Administration Notification No. Admn/759 dated 14.05.2013, the following rates shall be charge for approval of building maps in urban areas.

<b>Sr. No.</b>	<b>Description</b>	<b>Rate</b>
1	Scrutiny Fee	Rs 5,000 per Application
2	Map approval fee	Rs 1,000 Per Kanal

Contrary to above, TMO did not recover scrutiny fee and map fee amounting to Rs 4.792 million from 133 owners who intended to establish residential colonies under the jurisdiction of TMA during 2013-14.

Audit is of the view that due to weak internal controls, scrutiny and map approval fee was not recovered.

Non recovery of building map fee amounting to Rs 4.792 million resulted in loss to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 4.792 million besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Para: 50]

**1.2.2.13 Loss due to non-obtaining of sureties / bank guarantee – Rs 2.509 million**

According to Rule 25 (1) of Punjab Local Government (Auctioning of Collection Rights) Rules 2003, the contractor shall provide at least two sureties or bank guarantee equal to the amount of contract. The sureties and guarantor shall be personally responsible for payment of dues recoverable from contractor in case of default. The local Government, shall be entitled to recover all dues from the sureties and guarantor in case of default on the part of contractor due to any reason whatsoever. All costs and consequential costs of legal proceedings shall also be recoverable from them.

TMO auctioned the contracts for collection of wagon stands and bus stands fee amounting to Rs 8.923 million during 2013-14. The contractors deposited Rs 6.414 million and left the contracts. TMO did not obtain sureties or bank guarantees from the contractors to effect the recovery of outstanding amount of Rs 2.509 million in violation of above rules. The detail is given below:

(Amount in Rupees)

<b>Sr. No.</b>	<b>Description</b>	<b>Auction Amount</b>	<b>Deposited Amount</b>	<b>Amount outstanding</b>
1	Wagon Stand Fee	4,921,873	4,116,456	805,417
2	Dale Stand Fees	2,751,294	1,810,789	940,505
3	General Bus Stand	1,250,000	486,657	763,343
<b>Total</b>		<b>8,923,167</b>	<b>6,413,902</b>	<b>2,509,265</b>

Audit is of the view that due to weak financial controls and negligence, sureties or bank guarantees were not obtained from contractors.

Non-obtaining of sureties or bank guarantees resulted in loss amounting to Rs 2.509 million to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 2.509 million besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Para: 10]

#### **1.2.2.14 Execution of works without proper measurements – Rs 2.374 million**

According to paragraph 4.5 of B & R Code, no payment should be made without detailed measurement in the measurement book.

Contrary to above, TMO incurred expenditure amounting to Rs 2.374 million during 2013-14 against different schemes of repair of roads, drain soling, sanitation system, water supply schemes and office building work without any detailed measurements recorded in the measurement books. Only the final bill was prepared and paid accordingly. (Annex-E)

Audit is of the view that due to weak internal controls, payment of repair work was made without detailed measurement in MB.

Payments without detailed measurement of repair work resulted in irregular expenditure of Rs 2.374 million.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends regularization besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Para: 8]

### **1.2.2.15 Unauthorized expenditure on repair of machinery - Rs 1.900 million**

According to Sr. 4 (ii) (iii) of The Punjab Delegation of Financial Powers Rules 2006, administrative department/ officer in category-I and officer in category-II is empowered to accord the financial sanction up to Rs 0.200 million and Rs 0.150 million respectively for repair of machinery, tools and plants subject to the restriction that the repairs are carried in the departmental workshop. In absence of departments' own workshop, quotations and open tenders may be invited in the following manner:

- (a) Small order up to Rs 10,000
- (b) Limited tender enquiry up to Rs 150,000
- (c) Open tender enquiry when the estimate of repair exceeds the limit of Rs 150,000 and the expenditure is economical with reference to the service period of tools, plants and machinery.

Contrary to above, TO (I&S) allotted the work for Repair of Transformer / Turbine / Electric Motor of Urban Water Supply Scheme to M/S Gillani Trader vide acceptance letter No. 2171 dated 28.09.2013 amounting to Rs 1.900 million during 2013-14. The expenditure was incurred through quotations instead of calling tender and beyond the competency of the TO (I&S) and TMO.

Audit is of the view that due to weak internal controls, expenditure was incurred without observing the codal requirements.

Incurrence of expenditure without observing the codal formalities resulted in unauthorized payment of Rs 1.900 million.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends regularization besides fixing of responsibility, under intimation to Audit.

[AIR Para: 49]

#### **1.2.2.16 Irregular payment against maintenance & repair - Rs 1.868 Million**

According to para 2.82 of B&R Code, it is fundamental rule that no work shall be commenced unless Administrative Approval by competent authority is given and properly detailed design and estimate have been sanctioned.

Contrary to above, TMO withdrew an amount of Rs 1.868 million out of block allocation for repair and maintenance of various works during the financial year 2013-14 without the administrative approval and technical sanction of the competent authority. (Annex-F)

Audit is of the view that due to weak internal controls, expenditure was incurred without observing the codal requirement.

Payments without observing the codal requirements resulted in irregular expenditure amounting to Rs 1.868 million.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends regularization besides fixing of responsibility against the persons at fault, under intimation to Audit.

[AIR Para: 26]

#### **1.2.2.17 Non recovery on account of risk and cost of leases- Rs 1.746 million**

According to Rule 26(2) of Punjab Local Government (Auctioning of Collection Rights) Rules 2003, after cancellation of contract the local Government may choose to re-auction the income for the remaining period of contract or may make departmental collection and, in any case if the income so received is found less than the contractual amount the difference shall be recovered from the contractor as arrears of land revenue.

Contrary to above, TMO did not recover the difference on account of risk and cost of leases amounting to Rs 1.746 million from the contractors of Wagon



Stand Fee and Dala Stand Fee who left the contract after partial payment during 2013-14. The detail of loss is as below:

(Amount in Rupees)

Sr. No.	Name of Contract	Auction Amount	Deposited amount	Risk & Cost Amount
1	Wagon Stand Fee	Contract Amount=4,262,000 Advance I/Tax =426,200 Employees Salary =226,073 Fine = 7,600 <b>Total =4,921,873</b>	Installment = 2,169,750 Self-Recovery= 1,785,300 Advance I/Tax= 77,492 Salary = 83,914 <b>Total=4,116,456</b>	805,417
2	Dala Stand Fees	Contract Amount=2,190,000 Advance I/Tax =219,000 Employees Salary =328,194 Fine = 14,100 <b>Total =2,751,294</b>	Installment =1,114,910 Self Recovery= 561,030 Advance I/Tax= 39,820 Salary = 95,029 <b>Total=1,810,789</b>	940,505
<b>Total</b>				<b>1,745,922</b>

Audit is of the view that due to weak internal controls, no serious efforts were made for recovery of loss.

Non recovery of risk and cost amount for Rs 1.746 million resulted in loss to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 1.746 million besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Para: 5]

### 1.2.2.18 Non accountal of store-Rs 1.438 million

According to Rule 15.4 of PFR Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken, and they should be kept in charge of a responsible Government Servant. Further Rule 15.5 of ibid states that when materials are issued from stock for departmental use, the Government servant in charge of the stores should see that the person authorized has issued an indent.

Contrary to above, TMO paid an amount of Rs 1.438 million on account of purchases of various items from the suppliers/contractors and no record was available regarding receipt, issuance and consumption of the said items. The detail is below:

(Amount in Rupees)

Sr. No.	Token & Date	Item	Quantity	Rate	Amount
1	2255	Jetting Machine Pipe	200 meter	4,800	960,000
2	80 dated 06.03.14	Sports Shirts	156	625	97,500
		Sports Shorts	116	425	49,300
		Track Suit	25	1,840	46,000
		Sports Trousers	40	975	39,000
		Golden Trophies			2650
				39,857	
3	79 dated 06.03.14	Pana Flex	15	2,500	36,000
4	163 dated 26.01.14	Sports Items	Different	-	99,900
5	369 dated 26.01.14	Samsung Digital Video Camera	2	34,000	68,000
<b>Total</b>					<b>1,438,207</b>

Audit is of the view that due to weak internal controls, the purchased items were not entered in stock register.

Non entry in the relevant stock register makes the expenditure amounting to Rs 1.438 million unauthentic.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends provision of relevant record besides fixing of responsibility, under intimation to Audit.

[AIR Para: 37]

### **1.2.2.19 Non recovery of TMA receipts - Rs 1.426 million**

According to Rule 76 of Punjab District Government and TMA (Budget) Rules 2003, the primary obligation of collecting officer shall be ensured that all

revenue due is claimed realized and credited immediately into the Local Government Fund under the proper receipt head.

Contrary to above, TMO failed to recover various fees/taxes, amounting to Rs 1.426 million under various heads, during the financial year 2013-14. The detail is given below:

(Amount in Rupees)

Sr. No.	Description	Amount
1	Ghazi Park Fee	264,000
2	License Fee	627,300
3	Approval fee of sewerage & water supply	534,647
<b>Total</b>		<b>1,425,947</b>

Audit is of the view that due to weak financial controls, the dues were not recovered in time.

Non recovery of revenue amounting to Rs 1.426 million resulted in loss to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 1.426 million besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Paras: 27,44,45]

#### **1.2.2.20 Unjustified deduction by bank - Rs 1.300 million**

According to Para 2.31 (a) of PFR Vol-I, a drawer of bill for pay and allowances contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation.

Contrary to above, reconciliation statement of TO (Finance) revealed that an amount of Rs 1.300 million was wrongly deducted by the bank from the DDO account on 03.01.2011. The DDO failed to reconcile the same with the bank authorities and rather carried it forward in the succeeding years till June 2014.

Audit is of the view that due to weak internal controls, unjustified deduction of the bank was not rectified.

Non rectification of the wrong entry resulted in loss to TMA amounting to Rs 1.300 million.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends rectification of wrong entry besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Para: 20]

## **1.3 Tehsil Municipal Administration Tribal Area**

## **1.3.1 Irregularities & Non-Compliance**

### **1.3.1.1 Non realization of conversion fee - Rs 10.410 million**

According to Government of Punjab LG&CD Department Notification No.SOR(LG)38-18/2009 dated 06.06.2012, the conversion fee for the conversion of a residential, industrial, Peri Urban area or intercity service for commercial use shall be as under.

<b>Value of land as per valuation Table</b>	<b>Conversion Fee</b>
Less than one million rupees	5%
From one million rupees to ten million rupees	10%
More than ten million rupees	20%

Contrary to above, TMO did not recover conversion fee from the seven promoters of residential colonies and commercialization fee from 11 owners of commercial center at Fort Munroe amounting to Rs 10.410 million during the financial year 2013-14. (Annex-G)

Audit is of the view that due to weak internal controls, conversion fee was not recovered.

Non-recovery of conversion fee amounting to Rs 10.410 million resulted in loss to TMA

The matter was reported to TMO and Administrator in January, 2015. In the DAC meeting held during April, 2015, DDO replied that notices had been served to the concerned. DAC directed to recover the amount within three months. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery of Rs 10.410 million besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Paras: 4,15]

### **1.3.1.2 Non auction of various leases - Rs 4.728 million**

According to Rule 59 of Punjab local Government Ordinance, 2001, the Tehsil Nazim/Administrator shall be personally responsible for any loss, financial or otherwise, flowing from the decisions made by him personally or under his directions in violation of any provisions of this ordinance or any other law for the time being in force and for any expenditure incurred without lawful authority.

Contrary to above, TMA Tribal Area advertised 06 leases with the reserve price of Rs 3.380 million but failed to finalize the contract through the first advertisement and did not re-advertise the same. Furthermore 05 leases having potential income of Rs 1.348 million were not even advertised whose by-laws were framed by the Tehsil Council. TMO also failed to arrange departmental collection of the expected revenue during 2013-14. (Annex-H)

Audit is of the view that due to weak managerial and internal controls, the sources of revenue were not auctioned.

Non-auctioning of various leases resulted in loss of revenue amounting to Rs 4.728 million to the Local Government.

The matter was reported to TMO and Administrator in January, 2015. In the DAC meeting held during April, 2015, DDO replied that fee collection rights were advertised but no one participated. DAC directed to initiate self collection and recover the amount from concerned. No progress was intimated to Audit till the finalization of this Report.

Audit recommends fixing of responsibility against concerned, for non-auctioning the sources of revenue, under intimation to Audit.

[AIR Paras: 5,9]

### **1.3.1.3 Non recovery of outstanding revenues – Rs 3.421 million**

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

Contrary to above, TMO failed to recover an amount of Rs 3.421 million on account of Crushed Stone Tax from various contractors which was outstanding since long. The detail is as under:

(Amount in Rupees)

Sr. No.	Year	Amount
1	2002-03	7,000
2		453,000
3	2004-05	111,200
4	2004-05	91,550
5	2008-09	100,000
6	2010-11	597,280
7	2010-11	1,180,467
8	2011-12	86,520
9	2012-13	793,950
<b>Total</b>		<b>3,420,967</b>

Audit is of the view that due to weak internal control, department failed to recover the outstanding amount from the contractors.

Non recovery of outstanding revenues amounting to Rs 3.421 million resulted in loss to the Local Government.

The matter was reported to TMO and Administrator in January, 2015. In the DAC meeting held during April, 2015, DDO replied that notices had been served to deposit the outstanding amount. DAC directed to recover the amount through Land Revenue Act. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery of Rs 3.421 million besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Para: 26]

#### **1.3.1.4 Unjustified expenditure on water supply schemes - Rs 2.038 million**

According to Rule 94 (2) of Sixth schedule of PLGO 2001, where a piped water supply is provided, the concerned local Government shall supply water to private and public premises in such a manner and on payment of such charges as the bye laws may provide.

TMO incurred an expenditure of Rs 2.038 million on 03 water supply schemes during the financial year 2013-14. Scrutiny of relevant record revealed that no record was available regarding the installed connections and resultantly



TMA authorities did not recover a single penny on account of water rate from the users of the said schemes.

Audit is of the view that due to weak internal controls, heavy expenditure was incurred without recovery of water rate.

Expenditure amounting to Rs 2.038 million without recovery of water rate resulted in loss to TMA.

The matter was reported to TMO and Administrator in January, 2015. In the DAC meeting held during April, 2015, DDO replied that water supply schemes were functioning in Fort Munroe area where no recovery had been made. The reply was not tenable as the beneficiaries of water supply schemes must pay the water rate. DAC directed to recover the amount from the water users within three months. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 21]

### **1.3.1.5 Non recovery of taxes-Rs 1.018 million**

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

Contrary to above, TMO failed to recover various taxes, amounting to Rs 1.018 million under various heads, during the financial year 2013-14. The detail is given below:

(Amount in Rupees)

<b>Sr. No.</b>	<b>Description</b>	<b>Amount</b>
1	Stone Bijri Gravel Tax Mubarki	429,820
2	Property Tax from Hotels	589,000
<b>Total</b>		<b>1,018,820</b>

Audit is of the view that due to weak financial controls, recovery of tax was not ensured by the department.

Non recovery of revenue resulted in loss amounting to Rs 1.018 million to TMA.

The matter was reported to TMO and Administrator in January, 2015. In the DAC meeting held during April, 2015, DDO replied that notices had been served to deposit the outstanding amount. DAC directed to recover the amount through Land Revenue Act. No progress was intimated to Audit till the finalization of this Report.

Audit recommends recovery of Rs 1.018 million besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Paras: 3, 8]

## **1.4 Tehsil Municipal Administration Taunsa**

## 1.4.1 Non Production of Record

### 1.4.1.1 Non production of record – Rs 3.174 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. Furthermore, according to Section 115(6) of the Punjab Local Government Ordinance 2001, all officials shall afford all facilities and provide record for audit inspection and comply with the requests for information in as complete a form as possible and with all reasonable expedition".

Contrary to above, TMO did not produce the record against the expenditure of Rs 3.174 million incurred by the following branches during the financial year 2013-14. The expenditure was incurred on POL and development work against which Logbooks, Bills, Vouchers, MBs were not provided.

(Amount in Rupees)

Sr. No.	Branch	Expenditure	Nature of record	Amount
1	TMO	POL	Log Books/ History Sheet	779,463
2	TO (I&S)	Repair of Road	MB, Linear Plan, Site Plan, Proof of purchase of bitumen	1,000,000
			Development scheme, Contingent expenditure	1,394,490
<b>Total</b>				<b>3,173,953</b>

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

Legitimacy of expenditure of Rs 3.174 million could not be ascertained due to non production of record.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated written requests.

Audit recommends that responsibility be fixed and strict disciplinary action taken against the officials concerned for non-production of record, under intimation to Audit, and to ensure that the record is produced to Audit for scrutiny.

[AIR Paras: 11, 52, 53]

## **1.4.2 Fraud / Misappropriation**

### **1.4.2.1 Likely misappropriation of TMA funds without execution of work – Rs 1.871 million**

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

TMO made payment during 2013-14 against the earthwork excavation for 687,930 cft with RD 0-10954 rft at MB No.1866. However from the physical verification it was noticed that the work was not done at two different reaches i.e. RD 7,800 to RD 8,300 and RD 8,300 to RD 8,800 with a quantity of 57,750 cft  $(1000 \text{ rft} \times (5+5.5)/2 \times (10+12)/2)$ , however the same was shown as executed at page 70-72 of the MB. Hence an amount of Rs 361,628  $\{57,750 \times (3136.20 \times 3125.75)/1000\}$  was likely misappropriated by showing fictitious work. The final bill of the work was paid at MB Page 90 to 99 without completion of work. Further the depth of the drain was shown as  $(5'+5.5')/2$  whereas actually the depth was observed  $(3'+3.5')$  with length of 10,954 rft and width of 11'. So an amount of Rs 1,509,055  $\{(5.25'-3.25') \times 10954' \times 11' \times 6261.95\% \text{ cft}\}$  was likely misappropriated by showing extra depth. Total amount of Rs 1,870,683  $(361628+1509055)$  was likely misappropriated by manoeuvring the record.

Audit is of the view that due to weak internal controls, the contractor received the undue payment.

Payment of Rs 1.871 million against earthwork without actual execution resulted in likely misappropriation.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends Inquiry to fix the responsibility against the concerned, under intimation to Audit.

[AIR Para: 12]

### 1.4.3 Irregularities & Non-Compliance

#### 1.4.3.1 Lopsided expenditure on development schemes - Rs 46.893 million

According to LG&RD Department letter No.SOD-II(LG)525/2004 dated 8<sup>th</sup> September, 2004, the authorities shall ensure that the development funds are distributed equitably among the Union Councils based on development indicators.

TMO incurred an expenditure of Rs 46.893 million against development schemes in the Tehsil. Out of the total expenditure of Rs 46.893 million, Rs 24.427 million was utilized in one Union Administration i.e. Taunsa. The other 12 Union Administrations of the Tehsil had only Rs 22.466 million which was even less than 50 % of the total expenditure. The detail is as below:

(Amount in Rupees)

Sr. No.	Name UA	No of Scheme	TS Amount	%age
1	Taunsa (New Schemes)	30	18,321,000	59.89
	Taunsa (Repair work)	88	6,105,790	
2	Mangrotha	1	1,000,000	2.45
3	Nari	2	1,000,000	2.45
4	Kot Qaisrani	5	3,500,000	8.58
5	More Jhangi	2	1,000,000	2.45
6	Tibi Qaisrani	5	7,366,000	18.06
7	Fateh Khan	2	1,000,000	2.45
8	Vehoa	3	1,500,000	3.68
9	Jaloo Wali	3	1,600,000	3.92
10	Lakhani	2	1,000,000	2.45
11	Sookar	1	500,000	1.23
12	Hairo	2	1,000,000	2.45
13	Makwal	4	2,000,000	4.90
<b>Total</b>			<b>46,892,790</b>	

Audit is of the view that due to weak internal controls, major portion of the funds was utilized in one Union Administration.

Unequitable utilization of development funds amounting to Rs 46.893 million resulted in deprivation of the populace of the other Union Administrations.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends Inquiry besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Para: 43]

#### **1.4.3.2 Un-justified deduction of PEPCO dues - Rs 28.290 million**

According to Rule, 2.20 of PFR Vol-I, every payment must be supported by a voucher setting forth full and clear particulars of the claim.

Contrary to above, an amount of Rs 28.290 million was deducted from monthly releases of Provincial Finance Commission (PFC) award at source during 2013-14 by the Finance Department on account of outstanding dues of PEPCO. The deduction was made from monthly release @ Rs 2.357 million from July 2013 to June 2014. But TMO did not get reconciled the actual outstanding amount with the deductions made out of PFC award.

Audit is of the view that due to weak financial controls, deduction was made at source from PFC monthly releases without any justification.

Deductions of Rs 28.290 million resulted in deprivation to TMA from its due share of PFC award.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends to reconcile the deduction of outstanding dues of PEPCO with the Finance Department by TMA authorities and get the over deducted amount re-imbursed, if any, under intimation to Audit.

[AIR Para: 55]



### **1.4.3.3 Irregular acceptance of tenders - Rs 22.961 million**

According to Local Government Board Punjab Lahore Chief Engineer letter No.CE(HQ)PLGB-6/2008 dated 13.05.2008, the scheme beyond the competency of Tehsil Officer (I&S) are required to be forwarded to the Chief Engineer for technical sanction. According to Sr.2(a) of Second Schedule(Special Powers to C&W department) of Delegation of Financial Power Rule 2006, the power for acceptance of tender rests with the SE and XEN equal to his power of Technical Sanction. And the time frame for acceptance of the lowest tender with the Executive Engineer is within 12 days from the after opening of tender as per C&W Department letter No. SOH-I (C&W) 1-40/2000, dated 24<sup>th</sup> February, 2001.

TMO incurred an expenditure of Rs 22.961 million on 26 development schemes during 2013-14. Scrutiny of record revealed that schemes were technically sanctioned by the irrelevant authority i.e XEN Local Government or TO(I&S) of other TMAs instead of forwarding the same to Chief Engineer for necessary technical sanction. Tender were accepted by Senior Sub Engineer working as TO (I&S) which were beyond his competency. Further the acceptance was issued after lapse of legitimate time period i.e 16-20 days instead of 12 days. (Annex-I)

Audit is of the view that due to weak internal controls, the schemes were technically sanctioned and acceptance was granted by the irrelevant authority and after lapse of stipulated time period.

Sanction of technical estimates and acceptance of tender by the irrelevant authority; and after stipulated time period resulted in unauthorized expenditure of Rs 22.961 million.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends regularization besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Paras: 27, 28, 29]

#### **1.4.3.4 Non recovery of outstanding dues – Rs 20.063 million**

According to Rule 76 of Punjab District Government and TMA (Budget) Rules 2003, the primary obligation of collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the Local Government fund under the proper receipt head.

TMO did not recover outstanding revenues on account of various taxes and fees from the 40 contractors amounting to Rs 20.063 million during 2013-14 due since devolution. (Annex-J)

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

Non-recovery of pending arrears inflicted a loss of Rs 20.063 million which needs to be recovered on priority.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 20.063 million besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 58]

#### **1.4.3.5 Irregular payment of work charged establishment – Rs 15.793 million**

According to preface of the Wage Rate Act 2012, appointment to a post included in the schedule shall be advertised properly in leading newspapers and recruitment to all posts in the schedule shall be made on the basis of merits specified for regular establishment vide Para 11 of the Recruitment Policy issued by the S&GAD vide No. SOR-IV(S&GAD)10-1/2003 dated 17.09.2004.

Contrary to above, TMO recruited 177 work charged employees to perform the duties on water supply schemes, disposal works and street lights. An amount of Rs 15.793 million was paid out of Non Development Budget on account of salaries to those employees during 2013-14. The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc. (Annex-K)

Audit is of the view that due to weak internal controls, recruitment process was not followed as laid down in the Wage Rate Act, 2012.

Irregular recruitment of work charged employees resulted into irregular payment of Rs 15.792 million.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends regularization besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 14]

#### **1.4.3.6 Non realization of conversion fee - Rs 13.300 million**

According to Government of Punjab LG&CD Department Notification No.SOR(LG)38-18/2009 dated 06.06.2012, the conversion fee for the conversion of a residential, industrial, Peri Urban area or intercity service to commercial use shall be as under.

<b>Value of land as per valuation Table</b>	<b>Conversion Fee</b>
Less than one million rupees	5%
From one million rupees to ten million rupees	10%
More than ten million rupees	20%

Contrary to above, TMO did not recover conversion fee amounting to Rs 13.300 million during the financial year 2013-14 from owners of 32 residential housing schemes. (Annex-L)

Audit is of the view that due to weak internal controls, conversion fee was not recovered.

Non-recovery of conversion fee amounting to Rs 13.300 million resulted in loss to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 13.300 million besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 15, 39]

#### **1.4.3.7 Unjustified expenditure on account of saim nalas - Rs 6.150 million**

According to Rule 2.22 of B&R Code, whenever the alignment of a new road, drain, pipe-line or sewer, etc., passes close to, or involves any alteration to or diversions of pre-existing railways or canals or interfere with any works or land appertaining to the same, the written acceptance of the authorities of Irrigation and Railways Departments should be obtained.

TMO approved 02 schemes regarding construction of Saim Nalas at Tibbi Qaisrani and Kalu Wala vide TDC/TMA/092 dated 05.11.2013 amounting to Rs 5 million and Rs 1.150 million respectively. Both the schemes were executed and paid during the financial year 2013-14 without obtaining the NOC from NHA and Irrigation Department. Resultantly the Irrigation Department also started the Saim Nala Project in the same area parallel to the TMA project. The Saim Nala of Irrigation Department was comparatively larger project costing Rs 100 million. In the presence of mega project of the same nature of Irrigation Department, the expenditure of TMA would be worthless and consequently wastage of TMA Funds. Furthermore during the advertisement of the said schemes, the PPRA rules were not observed.

Audit is of the view that due to weak internal controls, expenditure was incurred without NOC from the concerned departments and the PPRA rules were ignored.

Without collaboration with the departments concerned and non observance of PPRA rules, the expenditure amounting to Rs 6.150 million was wasteful and irregular.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends Inquiry besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Para: 34]

#### **1.4.3.8 Less recovery of water rate – Rs 5.560 million**

According to Rule 76 of Punjab District Government and TMA (Budget) Rules 2003, the primary obligation of collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the Local Government fund under the proper receipt head.

TMO recovered less water rate charges of Rs 5.560 million from domestic and commercial connection holders, pertaining to financial year 2013-14. The detail is as below:

(Amount in Rupees)

<b>Sr. No.</b>	<b>Connection Category</b>	<b>No. of Connections</b>	<b>Rate/Year</b>	<b>Amount Due</b>	<b>Amount Recovered</b>	<b>Outstanding</b>
1	Domestic	5324	1,200	6,388,800	1,255,860	5,132,940
2	Commercial	114	6,000	684,000	257,420	426,580
<b>Total</b>				<b>7,072,800</b>	<b>1,513,280</b>	<b>5,559,520</b>

Audit is of the view that due to weak financial controls, water rate was less recovered.

Less recovery of water rate caused loss amounting to Rs 5.560 million to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 5.560 million besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Para: 10]

#### **1.4.3.9 Expenditure without calling tenders – Rs 4.995 million**

According to Clause 12(1) of Punjab Procurements Rules 2009, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and

format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency:

Contrary to above, TMO incurred an expenditure of Rs 4.995 million during 2013-14 on purchase of plants, sports material, tentage, RCC/PVC pipes without proper advertisement on the PPRA website and newspaper. The detail is given as below:

(Amount in Rupees)

Sr. No.	Token. No	Date	Description	Amount
1	4173	04.06.14	Purchase of Plants	481,780
2	3544	10.02.14	Purchase of Sports Articles for Youth Festival	914,500
3	3545	10.02.14	Tentage for Youth Festival	722,900
4	3546	10.02.14	Rent of vehicle and Generator for Moharram	141,453
5	1852	03.09.13	Purchase of Pipe for Peter Engine	66,912
6	1865	17.09.13		104,694
7	1709	07.08.13	10 Boards for measles campaign	210,000
8	3663	27.02.14	RCC PVC Pipe	494,830
9	4173	04.06.14	P/L Plantation	481,740
10	4172	04.06.14	P/F S/M Pump 25 HP WSS Taunsa	550,000
11	4171	04.06.14	P/F S/M Pump 20 HP WSS Taunsa	450,000
12	3536	07.02.14	Provision of Generator, Lights and Videos for Mohramm	234,784
13	3546	10.02.14	Rent of vehicle and Generator for Moharram	141,453
<b>Total</b>				<b>4,995,046</b>

Audit is of the view that due to weak financial controls, purchases were made without advertisement and fair competition.

Expenditure amounting to Rs 4.995 million without observing the due procurement procedure was unauthorized.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends Inquiry and fixing of responsibility against the concerned, under intimation to Audit.

[AIR Paras: 41,49]

### 1.4.3.10 Unauthorized invitation of tenders - Rs 4.880 million

According to Rule 13(1) of PPRA 2009, the procuring agency may decide the response time for receipt of bids or proposals (including proposals for pre-qualification) from the date of publication of an advertisement or notice, keeping in view the individual procurement's complexity, availability and urgency. However, under no circumstances the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice.

Contrary to above, TMO invited tenders of 07 development schemes amounting to Rs 4.880 million during 2013-14 in newspapers but response time for submission of bids was not more than 06 days. The detail is as below:

(Amount in Rupees)

Sr. No.	Date of Advertisement	News-paper	Opening of Tender	Description	Amount
1	8.10.2013	Daily Ausaf Multan	14.10.2013	Repair of M/R near Boys Degree College Urban Tounsa	900,000
				Cons/Repairs soling sever gali Baz Khan Urban Tounsa	310,000
				Inst Of S/Pipe Line Farid Town Agriculture Office Tounsa	820,000
				Instl of PVC pipe Line Street Raheem Usman Tounsa	410,000
				Inst of Water Supply Bore and Const of Pump House at Sanghar Urban Tounsa	1,600,000
				Construction /Repair Sewer Soling Street Abdul Qayom Buzdar Urban Tounsa	340,000
2	31.10.2013	Daily Khabrain Multan	2.11.2013	Sand Filling , Sub Base , PVC Pipe etc. for Moharam Routs	500,000
<b>Total</b>					<b>4,880,000</b>

Audit is of the view that due to weak internal controls, PPRA instructions were not followed.

Non observance of prescribed response time resulted in unfair competition and irregular expenditure amounting to Rs 4.880 million.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends Inquiry besides regularization from the competent authority, under intimation to Audit.

[AIR Para: 24]

#### **1.4.3.11 Unjustified expenditure on POL - Rs 4.262 million**

According to Rule 9 (1) and (20) of the West Pakistan Government Staff Vehicles (Use and Maintenance) Rules, 1969, in respect of every Government Vehicle, there shall be maintained a logbook in form "A" wherein shall be entered the journeys performed by a Government Vehicle. The logbook maintained under sub-Rule (i) shall remain in the custody of the driver in-charge of the vehicle and shall be examined and signed by the officer in –charge every day at the time the driver is relieved from duty.

Contrary to above, scrutiny of relevant record revealed that TMO incurred an expenditure amounting to Rs 4.262 million on account of POL of sucker machine, water boozer, tractors and loader during 2013-14 while the meters of the vehicles were not working and logbooks were not maintained.

Audit is of the view that due to weak internal controls, expenditure was incurred without actual meter reading.

Incurrence of expenditure amounting to Rs 4.262 million without actual record was unjustified.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends Inquiry besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 46]

#### **1.4.3.12 Unauthorized splitting of schemes - Rs 2.311 million**

According to Para 2.70 of B&R Code and vide Finance Department Letter No.FD(D-11)10(3)90 Dated 27<sup>th</sup> June 1991, the splitting will have to be got approved from the Chief Engineer concerned.



TMO incurred an expenditure of Rs 2.311 million during 2013-14 on development schemes by splitting two schemes into four schemes, without sanction of competent authority i.e. Chief Engineer. The schemes were split to avoid the obtaining of technical sanction from higher authority. The detail is as below:

(Amount in Rupees)

Sr. No.	Description	Amount
1	Repair of Drain Soling Almutaza Town Urban Tounsa	511,000
2	Rehabilitation Sewer Line Almutaza Town Urban Tounsa	300,000
3	Construction of Drain Soling Mohalla Sadat Taunsa	500,000
4	Construction of Drain Soling Sewer Line Pipe Line Mohala Sadat Taunsa	1,000,000
<b>Total</b>		<b>2,311,000</b>

Audit is of the view that due to weak internal controls, schemes were executed without approval from competent authority.

Splitting of schemes to avoid approval of the higher authorities resulted in unauthorized expenditure of Rs 2.311 million.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends regularization besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 25]

#### **1.4.3.13 Less recovery of immoveable property tax - Rs 2.301 million**

According to Government of Punjab Board of Revenue Lahore notification No. 1807-2004 /1414 -LR-I dated 29.06.2004, the mutation fee on transfer of agriculture land in rural area shall be charged @ 3% of the value of land. And Registry fee in the urban area will be charged @ 1% of the value of land. Furthermore as per TMA notification No. 720/TN/TMA/DGK dated 20.06.2006, 1% tax will be charged on transfer of immovable property in urban and rural areas.

TMO charged and collected 1% tax amounting to Rs 20.234 million on transfer of immovable property during the financial year 2013-14. However, Government of the Punjab collected registration fee of Rs 0.737 million for the urban property and mutation fee Rs 65.394 million for the rural property at the rate 1% and 3% respectively. TMO should had collected a receipt of Rs 22.535 million (0.737 million+1/3 of 65.394 million) instead of Rs 20.234 million. So an amount of Rs 2.301 million was not actually recovered.

Audit is of the view that due to weak internal controls, property tax was less recovered.

Less recovery of property tax amounting to Rs 2.301 million resulted in loss to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 2.301 million besides fixing of responsibility against concerned, under intimation to Audit.

[AIR Para: 13]

#### **1.4.3.14 Non-obtaining of additional performance securities – Rs 2.010 million**

According to Government of the Punjab, Finance Department letter no. RC9Tech) FD-1-2/83 (v) (p) dated 06.04.2005, if contractor quote rate 5 % below the approved D.N.I.T. lowest bidder will have to deposit additional performance security from the schedule bank within 15 days or expiry of laid impeach whichever.

Contrary to above, TO (I&S) did not collect the additional performance security of Rs 2.010 million from contractors who accepted the tender more than 5% below the TS amount. (Annex-M)

Audit is of the view that due to weak financial control, the additional performance security was not collected.

Non-obtaining of securities resulted in loss to TMA amounting to Rs 2.010 million.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 2.010 million besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 30]

#### **1.4.3.15 Irregular expenditure on sports festival - Rs 1.712 million**

According to Clause 12(1) of Punjab Public Procurements Rules 2009, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

Contrary to above, TMO incurred an expenditure of Rs 1.712 million on account of purchase of sports articles and leasing of tentage for sports festival during the financial year 2013-14 on quotation basis. During the scrutiny of record it was revealed that all the items purchased were not even entered in the stock register. The detail is as below:

(Amount in Rupees)

<b>Sr. No.</b>	<b>Token No.</b>	<b>Date</b>	<b>Items</b>	<b>Amount</b>
1	3544	10.02.14	Purchase of Sports Articles for Youth Festival	914,500
2	3545	10.02.14	Tentage for Youth Festival	722,900
3	3639	19.02.14	Refreshment	75,000
<b>Total</b>				<b>1,712,400</b>

Audit is of the view that due to weak internal and financial controls, the payment was made without observing the codal requirements.

Non observance of codal formalities resulted in irregular expenditure amounting to Rs 1.712 million.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends regularization besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 20]

#### **1.4.3.16 Overpayment by granting double rates – Rs 1.435 million**

According to Rule 59 of Punjab Local Government Ordinance, 2001, the Tehsil Nazim (Administrator) shall be personally responsible for any loss, financial or otherwise, flowing from the decisions made by him personally or under his directions in violation of any provisions of this ordinance or any other law for the time being in force and for any expenditure incurred without lawful authority.

TMO awarded the work regarding construction of saim nala at Tibbi Qaisrani to M/S Mazhar Nawaz Qaisrani vide acceptance No.625 dated 30.11.2013. In TS estimate, the rate of earth work excavation of drain irrigation channel was given @ Rs 3,136.20 %<sub>0</sub> cft and additionally an extra item i.e. slush (Daldal) @ Rs 3,125. 75%<sub>0</sub> cft was also added and the same was paid vide MB No.1866 page No. 92. Whereas according to item No.7 (i) of Chapter 3 of MRS July 2013 to January 2014, the item rate for such kind of earthwork excavation was Rs 3,487.00 %<sub>0</sub> cft. Hence an overpayment amounting to Rs 1,435,634 (6,261.95-3,487.00=Rs 2,774.95%<sub>0</sub> cft x 517,355 cft) was made.

Audit is of the view that due to weak financial controls, an overpayment was made to the contractor.

Overpayment of Rs 1.435 million resulted in loss to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 1.435 million besides fixing of responsibility against the concerned, under intimation Audit.

[AIR Para: 2]

#### 1.4.3.17 Less recovery of lease money – Rs 1.382 million

According to Rule 76 of Punjab District Government and TMA (Budget) Rules 2003, it is the duty of the departmental authorities to see that all Government dues/revenues which have to be brought to account are correctly and promptly assessed, realized and credited to Government account.

Contrary to above, TMO less realized the outstanding amount of Rs 1.382 million from the contractors to whom leases were granted for the financial year 2013-14. The detail is given below:

(Amount in Rupees)

Sr. No.	Description	Period	Lease Money	Amount recovered	Amount outstanding
1	Parking Fee with Income Tax	2013-14	2,915,000	1,603,400	1,311,600
2	Cattle Mandi Pul Qamber with Income Tax	2012-13	49,351,050	49,341,818	9,232
3	Cattle Mandi Nari Jat Wala with Income Tax		27,615,000	27,574,704	40,296
4	Sullage Water	2013-14	22,500	2,000	20,500
<b>Total</b>					<b>1,381,628</b>

Audit is of the view that due to weak financial controls, lease money was less recovered.

Less recovery of lease money amounting to Rs 1.382 million resulted in loss to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 1.382 million besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 5]

#### 1.4.3.18 Irregular expenditure on tentage – Rs 1.284 million

According to Sr.No.2 (b) (xix) of Delegation of Financial Powers Rules 2006, the Officer in category I was empowered to accord the sanction of

expenditure on hire charges of tentage up to Rs 75,000/- during the financial year. Further according to Clause 12(1) of Punjab Public Procurements Rules 2009, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

Contrary to above, TMO incurred an expenditure of Rs 1.284 million, during 2013-14, for leasing of tentage beyond his financial powers. Further the expenditure was incurred through quotations instead of open tender in violation of PPRA rules. The detail is as below:

(Amount in Rupees)

Sr. No.	Token No	Date	Description	Amount
1	1857	03.09.2013	Tentage for Ramzan Bazar	509,458
2	3547	10.02.2014	Tentage for Moharram	51,615
3	3545		Tentage for Youth Festival	722,900
<b>Total</b>				<b>1,283,973</b>

Audit is of the view that due to weak internal controls, expenditure beyond competency was incurred.

Expenditure beyond competency resulted in irregular expenditure of Rs 1.284 million.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends regularization besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 23]

#### **1.4.3.19 Non recovery of fee - Rs 1.142 million**

According to Rule 76 of Punjab District Government and TMA (Budget) Rules 2003, it is the duty of the departmental authorities to see that all

Government dues/revenues which have to be brought to account are correctly and promptly assessed, realized and credited to Government account.

Contrary to above, TMO failed to recover various fees/taxes, amounting to Rs 1.142 million under various heads, during the financial year 2013-14. The detail is given below:

(Amount in Rupees)

<b>Sr. No.</b>	<b>Description</b>	<b>Amount</b>
1	NOC Fee	818,000
2	Income Tax	152,770
3	Professional Tax	171,000
<b>Total</b>		<b>1,141,770</b>

Audit is of the view that due to weak financial controls, Government fee / taxes was not realized.

Non-recovery of revenue amounting to Rs 1.142 million resulted in loss to TMA.

The matter was reported to TMO and Administrator in February, 2015. Department neither submitted any reply nor convened the DAC meeting despite repeated requests.

Audit recommends recovery of Rs 1.142 million besides fixing of responsibility against the concerned, under intimation to audit.

[AIR Paras: 36, 47, 48]

# **ANNEX**



**Annex-A****Part-I****Memorandum for Departmental Accounts Committee Paras  
pertaining to Current Audit Year 2014-15**

(Rupees in Million)

Formation	Sr. No.	Para No.	Subject	Amount
TMA Tribal Area	1	1	Non recovery of bulldozer charges from District Government	0.562
	2	2	Loss due to auction of collection rights below reserve price	0.285
	3	6	Loss on account of conveyance allowance worth	0.070
	4	7	Non deduction of advance income tax	0.394
	5	10	Less deduction of income tax	0.290
	6	11	Non-inclusion of departmental charges for deposit work	1.345
	7	12	Unauthorized expenditure on lapsed scheme	0.239
	8	13	Non-production of record	0.579
	9	14	Payment of pending liabilities out of allocation for current year	1.215
	10	16	Doubtful consumption of pol due to non-production of log books	0.220
	11	17	Unjustified payment on account of supply of water to private vehicle owner	0.093
	12	18	Unjustified return of securities to contractors	0.233
	13	19	Overpayment on account of pay	0.168
	14	20	Doubtful payment due to execution of works without measurements	0.553
	15	22	Unauthorized underage appointments and payment of salaries	0.419
	16	23	Non recovery of advances from employees on account of house building advance	0.138
	17	24	Doubtful expenditure on pol due to defective maintenance of log book	1.859
	18	25	Non recovery of rest house charges	0.180
	19	27	Irregular payment on account of salaries of	0.110

Formation	Sr. No.	Para No.	Subject	Amount
			contingent paid staff	
	20	28	Irregular payment of salaries without sanction post	0.448
	21	29	Un-justified expenditure on repair of vehicles	0.324
	22	30	Irregular expenditures without prior approval of austerity committee	0.091
	23	31	Shortage of stores	0.170
	24	32	Doubtful consumption of pol due to use of vehicle during Sunday	0.197
	25	33	Unjustified expenditure on ta/da	0.034
	26	34	Misclassification of expenditure	0.132
	27	35	Un-authorized appointment of driver in BPS-5 overpayment	0.035
TMA D.G. Khan	28	3	Shortage of amount in closing balance amounting	43.322
	29	6	Non achievement of receipt target	2.163
	30	7	Unjustified retention of un-cashed cheque's amount	4.831
	31	9	Unjustified recovery of advance income tax	9.336
	32	12	Recovery due to unjustified payment of contractor profit and overhead charges	0.079
	33	13	Unjustified expenditure on youth festival	0.428
	34	14	Unjustified expenditure on entertainment charges	0.072
	35	15	Non-maintenance of cash book by tehsil account officer	343.689
	36	18	Loss due to non-valuing of old material	0.125
	37	23	Unauthorized clearance of outstanding liabilities	2.847
	38	25	Un-justified purchase of medicine	0.205
	39	28	Unauthorized expenditure without calling of tender and on PPRA web site	0.816
	40	29	Unjustified purchase of electric material and insecticides	0.523
	41	30	Non depositing of additional performance security required for below quotation/tender	0.396
	42	31	Un-justified expenditure on Moharram routes	0.285
	43	32	Un-authorized payment due to non-	0.168

Formation	Sr. No.	Para No.	Subject	Amount
			approval of non-schedule items from authority and overpayment due to allowance of unjustified compaction	
	44	33	Loss to Government due to non-relaying of dismantled material as sub base coursers	0.076
	45	34	Non-deduction of sales tax or non-obtaining of sales tax invoices	0.147
	46	35	Recruitment of overage candidates and payment of salaries	13.424
	47	36	Non vacation of Government residence from un-authorized occupant and loss of house rent	0.281
	48	38	Non-recovery of conveyance allowance	0.116
	49	39	Unjustified payment of TA/DA claim	0.056
	50	41	Non deduction of HRA, CA, maintenance	3.871
	51	42	Un-authorized expenditure due to lapse of sanction	0.568
	52	47	Un-authorized payment of salary to below age employee	0.896
	53	48	Un-authorized payment of salary due to retention of posts	6.660
	54	51	Non recovery of General Sale Tax	0.109
	55	53	Unauthorized purchase of stationery	0.326
	56	55	Overpayment due to non-deduction of sewer pipe	0.055
	57	56	Unjustified payment due to allowance of un-justified 5% wastage of tuff tile	0.035
	58	57	Loss to Government due to allowance of unjustified carriage	0.169
	59	58	Un-justified payment of salary to computer operator	1.217
	60	59	Un-justified payment of close days	0.092
	61	60	Unauthorized / invalid expenditure for other formations	0.106
	62	61	Reduction of revenue in the revised budget estimates expected loss	17.500
	63	64	Overpayment due to payment of higher rates of POL than notified by OGRA	0.309
	64	65	Non deduction of electricity charges	2.664
	65	66	Unauthorized promotion to different to cadre	0.066

Formation	Sr. No.	Para No.	Subject	Amount
TMA Taunsa	66	1	Fraudulent dual drawl of pay by TMO and deposited on pointation of audit	0.163
	67	3	Loss of Government due to misappropriation of POL	0.794
	68	4	Refund of performance security deposits to contractors without proof of deposit	0.296
	69	6	Loss on account of conveyance allowance	0.060
	70	7	Non deduction of advance income tax	0.082
	71	8	Non-recovery of building fee/map fee	0.358
	72	9	Loss to the TMA due to auction of leases less than previous year	2.691
	73	16	Overpayment due to allowance of unjustified rate of ramming of earthwork	0.036
	74	17	Non-recovery of penalty due to delay in completion of work	0.150
	75	18	Doubtful expenditure on Moharram routes	0.913
	76	19	Loss due to non-deputing TMA employees on leases	4.500
	77	21	Doubtful payment due to execution of works without measurements	5.625
	78	22	Doubtful purchases of store items	0.387
	79	26	Overpayment due to allowance of unjustified rate of ramming of earthwork	0.076
	80	31	Unauthorized payment in excess of quantities provided in TSE	0.060
	81	32	Payment of pending liabilities out of allocation for current year	0.663
	82	35	Unauthorized payment in excess of quantities provided in TSE	0.150
	83	37	Loss due to non-recovery of risk and cost amount of cattle mandi	0.262
	84	38	Unauthorized expenditure on lapsed scheme	0.429
	85	40	Unauthorized splitting of schemes through quotations	2.211
86	42	Withdrawal of POL in excess of authorized mpg	0.112	
87	44	Doubtful expenditure on purchase of pol for spray of dengue virus and measles campaign	0.400	
88	45	Overpayment due to payment of higher	0.107	

Formation	Sr. No.	Para No.	Subject	Amount
			rates of POL than notified by OGRA	
	89	50	Doubtful expenditure on repair of vehicles	1.283
	90	51	Doubtful expenditure on repair of machinery beyond competency	2.595
	91	54	Unjustified expenditure on ta/da	0.175
	92	56	Reduction of revenue in the revised budget estimates expected loss	0.873
	93	57	Non deduction/verification of GST paid	0.122
	94	60	Loss of Government Due to misappropriation of POL	0.118
	95	61	Misclassification of expenditure	3.064
	96	62	Doubtful expenditure on pol for supplying of water to private persons without recovering charges	0.517
	97	63	Misappropriation of Government Money on account of purchase of computer articles	0.022
	98	64	Un-justified payment of penalty on low load power factor through electricity bills	0.106
	99	65	Unauthorized cash payments	3.398
	100	66	Non-allocation of 25% budget for citizen community boards	1.401
	101	67	Un-authorized expenditure on works	0.086
	102	68	Unauthorized retention of public money into DDO account	3.377
	103	69	Non accountal of Government money	47.264
	100	70	Rush of expenditure at the close of financial	2.929

**Part-II**  
**[Para 1.1.3]**

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

(Rupees in Million)

Formation	Sr. No.	Para No.	Title of Para	Amount	Nature of Observation
TMA Tribal Area 2012-13	1	6	Non Recovery of Advance Income Tax on Auction of Leases	0.265	Recovery
	2	9	Non recovery of loss on account of risk and cost of lease	0.794	Recovery
	3	13	Unauthorized Underage Appointments and payment of salaries	0.413	Regularization
	4	14	Recovery due to unjustified payment of Contractor Profit and overhead Charges	0.110	Recovery
	5	18	Overpayment Due to allowing of unjustified carriage	0.103	Recovery
	6	20	Overpayment on account of pay	0.144	Recovery
	7	22	Non recovery of Advances from Employees on account of House Building Advance	0.169	Recovery
	8	23	Non Recovery of Rest House Charges	0.180	Recovery
	9	24	Un-justified expenditure on repair of vehicles and machinery	0.355	Violation of Rules
TMA Taunsa 2012-13	10	3	Non-collection of NOC Fee	0.686	Recovery
	11	6	Loss due to un-approved residential schemes.	0.283	Violation of Rule
	12	8	Unjustified expenditure on POL.	0.538	Violation of Rule
	13	16	Non Depositing of Additional Performance Security Required for Below Quotation/Tender	0.875	Violation of Rule

<b>Formation</b>	<b>Sr. No.</b>	<b>Para No.</b>	<b>Title of Para</b>	<b>Amount</b>	<b>Nature of Observation</b>
TMA D.G. Khan 2012-13	14	5	Non recovery of penalty due to delay in completion of works	0.175	Recovery
	15	6	Loss to TMA due to negligence of staff	0.250	Recovery
	16	7	Less collection of map/building application fee	0.275	Recovery
	17	8	Overpayment due to allowing unjustified carriage	0.300	Recovery
	18	10	Overpayment due to payment of higher rates than notified by OGRA	0.175	Recovery
	19	12	Non recovery of License fee	0.340	Recovery
	20	16	Less recovery of lease money	0.165	Recovery
	21	31	Non vacation of Government residence from unauthorized occupant and loss of house rent.	0.201	Recovery

## TMAs of District D.G. Khan

### Budget and Expenditure Statement for Financial Year 2013-14

(Rupees in Million)

<b>TMA D.G. Khan</b>				
<b>2013-14</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess / Savings</b>	<b>%age</b>
Salary	251.750	245.452	(6.298)	(3)
Non-Salary	119.530	98.237	(21.293)	(18)
Development	5.500	5.400	(0.100)	(2)
<b>Total</b>	<b>376.780</b>	<b>349.089</b>	<b>(27.691)</b>	<b>(7)</b>
<b>Receipts</b>	<b>447.048</b>	<b>387.968</b>	<b>(59.080)</b>	<b>(13)</b>
<b>TMA Tribal Area</b>				
<b>2013-14</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess / Savings</b>	<b>%age</b>
Salary	49.957	26.927	(23.030)	(46)
Non-Salary	6.522	5.486	(1.036)	(16)
Development	4.662	0.804	(3.858)	(83)
<b>Total</b>	<b>61.141</b>	<b>33.217</b>	<b>(27.924)</b>	<b>(46)</b>
<b>Receipts</b>	<b>59.504</b>	<b>31.539</b>	<b>(27.965)</b>	<b>(47)</b>
<b>TMA Taunsa</b>				
<b>2013-14</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess / Savings</b>	<b>%age</b>
Salary	94.305	76.214	(18.091)	(19)
Non-Salary	48.575	43.372	(5.203)	(11)
Development	62.669	38.045	(24.624)	(39)
<b>Total</b>	<b>205.549</b>	<b>157.631</b>	<b>(47.918)</b>	<b>(23)</b>
<b>Receipts</b>	<b>176.283</b>	<b>154.885</b>	<b>(21.398)</b>	<b>(12)</b>



**Annex-C**

**[Para 1.2.2.8]**

**Wasteful expenditure on account of CCBs schemes and lapse of sanction**

(Amount in Rupees)

<b>Sr. No.</b>	<b>Name of Scheme</b>	<b>Name of CCB</b>	<b>TS Cost</b>	<b>Date of Completion</b>	<b>Expenditure upto June-13</b>	<b>Balance</b>	<b>%age of completion</b>
1	Const. of metaled road congun road to block No. 51 U/C 2	Adil CCB	282,000	2006-07	169,220	112,780	60
2	Const. of drain soling U/C 2	Mesum CCB	818,900	-do-	491,340	327,560	60
3	Const. of drain soling tuff tile U/C 2	Ghazi Shair CCB	3,500,000	2009-10	2,100,000	1,400,000	60
4	Const. of boundary wall, rooms and other allied in Qadria Cricket Ground near Faisal colony D.G. Khan	Al-Mustafa	4,500,000	-do-	2,240,334	2,259,666	50
5	Const. of metalled road from Indus Highway to basti Ahmedani	Chairman Fair CCB	1,451,000	2007-08	826,000	625,000	57
6	Const. of metalled road from Haider wala to Mochi Wala	Mesum CCB	3,600,000	-do-	2,160,000	1,440,000	60
7	Const. of Janazah Gah Pir Abdullah U/C Samina	-do-	1,840,000	-do-	600,000	1,240,000	33
8	Const. of Janazah Gah U/C Choti Zareen	Ramdani CCB	4,500,000	2008-09	3,375,000	1,125,000	75
9	Const. of water supply Nawa U/C Mutafariq Chuhan	Sakhi Lakh Datta	4,850,000	-do-	3,391,282	1,458,718	70
10	Const. of metalled road from U/C Drahama	Tiken Wala CCB	3,500,000	2009-10	2,100,000	1,400,000	60
11	Const. of drain/soling Tuff Tile U/C Drahama	New Saiban CCB	3,500,000	2009-10	2,100,000	1,400,000	60
12	Const of drain soling culverts hand pump water supply	Al-Hussain CCB	3,500,000	2009-10	2,100,000	1,400,000	60

<b>Sr. No.</b>	<b>Name of Scheme</b>	<b>Name of CCB</b>	<b>TS Cost</b>	<b>Date of Completion</b>	<b>Expenditure upto June-13</b>	<b>Balance</b>	<b>%age of completion</b>
	Shadan Lond						
13	Const. of metalled road N-70 to basti Akbar Khan Muhammad	Sakhi Lakh Datta	3,900,000	2008-09	1,560,000	2,340,000	40
14	Const. of metalled road N-70 Queeta road to basti Yaroo wali	-do-	4,000,000	-do-	2,400,000	1,600,000	60
<b>Total</b>			<b>43,741,900</b>		<b>25,613,176</b>	<b>18,128,724</b>	

**Annex-D****[Para 1.2.2.10]****Irregular expenditure on POL****(Amount in Rupees)**

<b>Sr. No.</b>	<b>Vehicle / Tractors</b>	<b>POL Consume Liter</b>	<b>Amount</b>
1	DGG-2314	3721	423,939
2	DGG-2316	3642	415,330
3	DGG-8893	7825	896,422
4	DGG-8895	3587	409,265
5	DGS-1010	8211	935,790
6	DGS-1322	3835	436,640
7	DGS-1326	7021	797,737
8	DGS-1450	3792	432,031
9	MASSEY TRACTOR 240	4329	493,314
10	TRUCK NO. 2	4323	491,718
11	DGG-2315	4345	495,952
12	DGG-2317	3587	408,549
13	DGG-8894	3449	393,987
14	DGS-1009	7811	890,857
15	DGS-1011	3867	440,918
16	DGS-1323	3695	420,972
17	DGS-1449	4013	456,309
18	DGS-1451	3980	452,817
19	NEW FIAT 640/1	5308	602,397
20	TRUCK NO.4	4407	501,436
21	TRACTOR NO. 1328/DGS (GRASS CUTTER)	1131	128,397
22	TRACTOR 1447/ DGS (WATER BOSER)	4280	481,326
23	TRACTOR 1447/ DGS (WATER BOSER)	2580	295,022
24	TRACTOR NO. 1327	-	2,527,000
<b>Total</b>			<b>14,228,125</b>

**Annex-E**

**[Para 1.2.2.14]**

**Execution of works without proper measurements**

(Amount in Rupees)

Sr. No.	Token No.	Date	Location	Contractor	Amount
1	331	24.09.13	P/L sub-base education university road D.G. Khan	Umer Aslam	29,556
2	335	-do-	P/L of PVC pipe line 6" dia water supply Choti Zarin	Ghulam Murtaza Pitafi	99,912
3	338	-do-	R& M transformer 200 KVA for main disposal works TMA D.G. Khan	Gillani Traders	100,000
4	339	-do-	P/F of circuit breaker of change over 400 amp for disposal works Sabzi Mandi TMA D.G. Khan	-do-	54,000
5	355	-do-	Const. of foot bridge at manka canal	M/S Mureed & Sons	99,000
6	365	30.09.13	R & M of disposal works Sabzi Mandi TMA, D.G. Khan	Gillani Traders	99,200
7	366 dt. 30.09.13	-do-	P/L RCC sewer at city road near imam bargah U/C Choti Zaireen	-do-	97,950
8	Vr. No. 161	10.13	P/L PVC pipe line 2" near basti Chanjwani burj choti zarin	-do-	99,500
9	Vr. No. 20	11/13	Special repair of road in block No. 26 to 30, 46,47,4,6&10 D.G. Khan	M. Nazir	64,121
10	22	12/13	P/L RCC pipe line gali No. 2 near Aziz huts Ruken abad colony D.G. Khan	Gillani Traders	84,457
11	112	-do-	P/L of RCC pie line at Shamas Abad disposal works to Gadi Shumali disposal works	Ghulam Murtaza Pitafi	69,758
12	113	-do-	Repair of GRP sewerage line 32" dia near shams abad disposal works	-do-	100,089
13	139	-do-	P/F barrier with chain at Sunday saolat bazaar D.G. Khan	Mian M. Farooq	69,262
14	140	-do-	P/L of sub-base for moharrum ul haram rutes at D.G. Khan city	-do-	47,505
15	142	12/13	Repair of sewerage line 36" dia at Quetta road near house of Zeshan Khan Leghari	-do-	99,167
16	Token 143	11.09.13	Rewinding of electric motor 50 hp 4-6 zone D.G. Khan	Gillani Traders	110,000
17	258	24.03.14	Rewinding of electric submersible motor at Masoom Abad D.G. Khan	Mian Muhammad Farooq	80,000
18	425	26.03.14	R&M rural water supply scheme Choti	M/S Hamid Ali	60,000

Sr. No.	Token No.	Date	Location	Contractor	Amount
			Zarin		
19	323	-do-	Const. of soling and slab at Model Town near Professor colony, D.G. Khan	Khuram Ijaz	88,810
20	324	-do-	Const. of drain and slab Model Town	-do-	47,361
21	190	18.03.14	R& M of rural water supply scheme Malgani U/C Choti Bala	Mian M. Farooq	30,000
22	208	18.03.14	R&M of Sullage pump 02 Nos. disposal work Norang Abad	Gillani Traders	62,800
23	122	04.2014	P/F of fixing gamla stand at Kuchery road, TMA D.G. Khan	Mian Muhammad Farooq	98,986
24	2	01.01.2014	Repair of office building TMA Golai Committee TMA D.G. Khan	-do-	76,632
25	357	28.09.13	Const. of Tuff tile (PCC) Faisal colony model city POLICE station (Urban UC)	Tramzi Builders	103,807
26	189	10.10.13	P/L of Iron drum/Dust bin at Manka canal D.G. Khan	Mr. Rabnawaz	402,392
27			<b>Total</b>		<b>2,374,265</b>

**Annex-F****[Para 1.2.2.16]****Irregular payment against maintenance & repair****(Amount in Rupees)**

<b>Sr. No.</b>	<b>Token No.</b>	<b>Date</b>	<b>Location</b>	<b>Contractor</b>	<b>Amount</b>
1	331	24.09.13	P/L sub-base education university road D.G. Khan	Umer Aslam	29,556
2	335	-do-	P/L of PVC pipe line 6" dia water supply Choti Zarin	Ghulam Murtaza Pitafi	99,912
3	355	-do-	Const. of foot bridge at manka canal	M/S Mureed & Sons	99,000
4	366 dt. 30.09.13	-do-	P/L RCC sewer at city road near imam bargah U/C Choti Zaireen	-do-	97,950
5	Vr. No. 161	10.13	P/L PVC pipe line 2" near basti Chanjwani burj choti zarin	-do-	99,500
6	Vr. No. 20	11/13	Special repair of road in block No. 26 to 30, 46,47,4,6&10 D.G. Khan	M. Nazir	64,121
7	22	12/13	P/L RCC pipe line gali No. 2 near Aziz huts Ruken abad colony D.G. Khan	Gillani Traders	84,457
8	112	-do-	P/L of RCC pie line at Shamas Abad disposal works to Gadi Shumali disposal works	Ghulam Murtaza Pitafi	69,758
9	113	-do-	Repair of GRP sewerage line 32" dia near shams abad disposal works	-do-	100,089
10	139	-do-	P/F barrier with chain at Sunday saolat bazaar D.G. Khan	Mian M. Farooq	69,262
11	140	-do-	P/L of sub-base for moharrum ul haram rutes at D.G. Khan city	-do-	47,505
12	142	12/13	Repair of sewerage line 36" dia at Quetta road near house of Zeshan Khan Leghari	-do-	99,167
13	425	26.03.14	R&M rural water supply scheme Choti Zarin	M/S Hamid Ali	60,000
14	323	-do-	Const. of soling and slab at Model Town near Professor colony, D.G. Khan	Khuram Ijaz	88,810
15	324	-do-	Const. of drain and slab Model Town	-do-	47,361
16	190	18.03.14	R& M of rural water supply scheme Malgani U/C Choti Bala	Mian M. Farooq	30,000
17	122	04.2014	P/F of fixing gamla stand at Kuchery road, TMA D.G. Khan	Mian Muhammad Farooq	98,986
18	2	01.01.2014	Repair of office building TMA Golai Committee TMA D.G. Khan	-do-	76,632
19	357	28.09.13	Const. of Tuff tile (PCC) Faisal colony model city POLICE station (Urban UC)	Tramzi Builders	103,807
20	189	10.10.13	P/L of Iron drum/Dust bin at Manka canal D.G. Khan	Mr. Rabnawaz	402,392
<b>Total</b>					<b>1,868,265</b>

**Annex-G**  
**[Para 1.3.1.1]**

**Non realization of conversion fee**

**Table-I**

(Amount in Rupees)

Sr. No.	Name of Colony	Area	Area In Marla	Rate P Marla	Cost of land	Conversion Fee 10%
1	Koh Noor Town	Fort Munroo	200	40000	8,000,000	800,000
2	Zaheer Town		300	30000	9,000,000	900,000
3	Rehman Town		300	20000	6,000,000	600,000
4	Green Town		320	25000	8,000,000	800,000
5	Three Marla Scheme		300	25000	7,500,000	750,000
6	Koh Toor Town		300	30000	9,000,000	900,000
7	Rafiq Town		320	30000	9,600,000	960,000
<b>Total</b>						<b>5,710,000</b>

**Table-II**

(Amount in Rupees)

Sr. No.	Name of Commercial Center	Area in Marla	Value per Marla	Cost of Land	Commercialization charges @ 10%
1	Geo Resturant	40	100,000	4,000,000	400,000
2	Kashmir Hotel and resturant	30	100,000	3,000,000	300,000
3	Friends Resturant	30	100,000	3,000,000	300,000
4	Lakh Data Family Hotel	40	100,000	4,000,000	400,000
5	Waseb Hotel and Resturant	30	100,000	3,000,000	300,000
6	Snow Land Hotel	40	100,000	4,000,000	400,000
7	Taj mahal Hotel and resturant	60	100,000	6,000,000	600,000
8	Royal fort hotel and resturant	60	100,000	6,000,000	600,000
9	Lodhi Hotel	40	100,000	4,000,000	400,000
10	Hotel Holiday	60	100,000	6,000,000	600,000
11	Multan hotel and resturant	40	100,000	4,000,000	400,000
<b>Total</b>					<b>4,700,000</b>

**Annex-H**

**[Para 1.3.1.2]**

**Non auction of various leases**

**Table-A**

(Amount in Rupees)

Sr. No.	Name of Leaser	Period	Reserve Price
1	Mandi Maveshian Fazla, Jaidi Sakhi Sarwae	2013-14	2,000,000
2	Oil supply at OGDCL Dhodak Field	-do-	180,000
3	Cement Marketing Tax	-do-	900,000
4	Water Tax Tehsil Tribal Area	-do-	100,000
5	Motor Vehicle Tax Tehsil Tribal Area	-do-	100,000
6	Naqsha Building Fee Tehsil Tribal Area	-do-	100,000
	<b>Total</b>		<b>3,380,000</b>

**Table-B**

Sr. No.	Name of tax	Notified rates	Estimated Number of tax payers	Amount
1	Advertisement Fee- Full Size Banner	100	100	10,000
	Advertisement Fee- Medium Size Banner	50	500	25,000
	Advertisement Fee- Small Size Banner	30	1000	30,000
2	Hoardings- Bill Board Full Size	2,000	50	100,000
	Hoardings- Bill Board Medium Size	1,000	70	70,000
	Hoardings- Bill Board Small Size	200	100	20,000
3	Stand Motor Cycle	15	10000	150,000
	Stand- Cycle	5	5000	25,000
	Stand Car Bus Motor Cycle	30	10000	300,000
4	Water Tax- New Home Connection Fee	1,500	100	150,000
	Water Tax- New Commercial Connection Fee	2,000	50	100,000
	Water rate- Domestic (monthly)	50	2000	100,000
	Water rate- Commercial(monthly)	2,000	100	200,000
5	License Fee- Crush Plant (annually)	2,500	10	25,000
	License Fee- Patrol Pumps(annually)	2,000	5	10,000
	License Fee- Patrol Agency(annually)	500	10	5,000
	License Fee- Shop(annually)	200	50	10,000
	License Fee- Departmental Stores(annually)	500	20	10,000
	License Fee- Cold Center Shops(annually)	200	20	4,000
	License Fee- Electric Shop(annually)	200	20	4,000
	<b>Total</b>			<b>1,348,000</b>
	<b>Total of Table-A+Table-B</b>			<b>4,728,000</b>



**Annex-I**  
**[Para 1.4.3.3]**

**Irregular acceptance of tenders**

(Amount in Rupees)

Sr. No.	Name of Scheme	TS By	Acceptance By	TS Amount
1	Rehabilitation of Sewer Line Street Dr. Ijaz Urban Tounsa	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	570,000
2	Construc of Saim Nala at Tibbi Qaisarani	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	5,000,000
3	Rehabilitation of Sewer Lince Kachi Abadi Urban Tounsa	TO(I&S) TMA Dera Ghazi Khan	TO(I&S) TMA Tounsa	1,000,000
4	Construction of Sewer Line Near Aghosh Hotal Gali Zafar Malghani	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	1,000,000
5	Construction of Drain, soling culverts Litri Shumali & Janobi	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	500,000
6	Sand Filling , Sub Base , PVC Pipe etc for Moharam Routs	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	500,000
7	Construction of Cconcrete Street Rodkahi Kot Qaisrani	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	1,500,000
8	Construction of Drain Soling Sewer Dr. Akram Buzdar Almutaza Town Urban Tounsa	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	511,000
9	Rehabilitation of Sewer Line/Drain Mohallah Farooqia Urban Tounsa	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	1,000,000
10	Construction of soling and Bharai Matti And Pipe Line And 2 No. Hand Pumps Basti Sanjar Shahi Sanjar Adda	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	500,000
11	Instalation of Water Supply Bore and Construction of Pumps House at Sanghar Urban Tounsa	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	1,600,000
12	Construction of Nali Soling Culverts Pipe line Sewer Line Jhoke Bodo , Rakh Chatha Gatha	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	500,000
13	Providing Laying PVC Pipe Line Basti Buzdar , Hadwar,	Executive Engineer Local Government Dera Ghazi	TO(I&S) TMA Tounsa	1,000,000

Sr. No.	Name of Scheme	TS By	Acceptance By	TS Amount
	Kanju Wali, Bhutta Wali, etc Baroon Tounsa Manghrotha Sharqi And Gharbi	Khan		
14	Construction of Nali soling & Culverts , Pipe Line Basti Gadi Shumali Bet Mubarki, Kalu Wala, Lishar, Lighari	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	500,000
15	Construction of Nali Soling & Culverts Pipe lines Vohova Shumali Kath Garh hamal	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	500,000
16	Construction of nali ,soling , sewer and Pipe line and Re-soling Mohallah Sadat	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	1,000,000
17	Construction of Drain Soling and Culverts Pipe line Tibbi Qaisarani	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	500,000
18	Construction of Nali Soling and Culverts , Pipe Line , Mouza Mor Jhangi, Khubar wala	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	500,000
19	Construction of Nali Soling & Culverts , Pipe Line Basti Kot Qaisrani Rakh Buzdar Rollari	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	500,000
20	Instalation of Water Supply Bore Kot Qaisrani	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	500,000
21	Construction of Nali Soling & Culverts , Pipe Line Basti Choolani Mauza	Tehsil Officer (I&S) TMA D.G. Khan	TO(I&S) TMA Tounsa	500000
22	Rehublaion Sever line Mohallah Sikhani Wa,l Near Hamid Hayyad House Urban Tounsa	TO(I&S) Tribal Area	TO(I&S) TMA Tounsa	660,000
23	Providing and Installing Street Light Both Sides Vohava Road Urban Tounsa	Tehsil Officer (I&S) TMA D.G. Khan	TO(I&S) TMA Tounsa	500,000
24	Instalation Of Sewer Pipe Line Main Street Farid Town Agriculture Office Urban Tounsa	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	820,000
25	Rehabilitatiojn Sewer Line Street Hafiz Siraj Almurtaza Town Urban Tounsa	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	300,000
26	Rep of M/Road Vehoa Road Taunsa	Executive Engineer Local Government Dera Ghazi Khan	TO(I&S) TMA Tounsa	1000000
			<b>Total</b>	<b>22,961,000</b>

## Annex-J

## [Para 1.4.3.4]

## Non recovery of outstanding dues

(Amount in Rupees)

Sr. No.	Name of Lease	Year	Amount
1	License fee	2001-02	100,024
2	Tehbazari fee		32,060
3	Slaughter fee		23,470
4	Building fee		3,575
5	Toll Tax		263,374
6	Adda Parking		316,629
7	House Tax		144,394
8	Rent of Plots		9,126
9	Water Rate		363,411
10	Rent of shops		227,751
11	Toll Tax	2002-03	448,800
12	Adda Parking		385,900
13	License Fee		149,216
14	Slaughter		58,245
15	Sulage water		23,425
16	House Tax		134,246
17	Water Rate		751,369
18	Do	2003-04	433,000
19	Adda Parking		525,334
20	IPT		260,000
21	Water Rate	2005-06	1,005,000
22	Adda Parking		270,000
23	Toll Tax		220,000
24	IPT		1,300,000
25	Adda Parking	2006-07	653,635
26	Toll Tax		362,039
27	Water Rate		410,718
28	Adve fee	2007-08	65,092
29	IPT		1,040,182
30	Parking fee	2008-09	1,250,000
31	Advertisement Fee		95,000
32	Riaz Hussain		331,000
33	Canteen Park		31000
34	IP Tax	2009-10	1,293,504
35	Parking Fee		400,335
36	Canteen Park		31,500
37	Parking Fee	2010-11	400,000
38	Parking fee		983,750
39	Cattle Mandi	2011-12	3,990,004
40	Parking fee		1,276,800
<b>Total</b>			<b>20,062,908</b>

**Annex-K****[Para 1.4.3.5]****Irregular payment of work charged establishment**

(Amount in Rupees)

<b>Sr. No.</b>	<b>Token No.</b>	<b>Date</b>	<b>Amount</b>
1	1688	01.08.2013	1,465,200
2	1829	03.09. 2013	1,541,323
3	1858		18,870
4	1832		9,000
5	1932	02.10.2013	1,168,800
6	3107	18.11.2013	1,101,484
7	3204	09.12.2013	1,206,900
8	3316	01.01.2014	1,194,672
9	3569	11.02.2014	1,200,831
10	3740	11.03.2014	1,584,640
11	3873	31.03.2014	1,564,838
12	4144	23.05.2014	1,136,100
13	4196	04.06.2014	1,277,386
14	4411	01.07.2014	1,322,700
<b>Total</b>			<b>15,792,744</b>

## Non realization of conversion fee

Table-I

(Amount in Rupees)

Name of Colony	Area	Area In Marla	Rate P Marla	Cost of land	Conversion Fee 10%
Al-Hamd City	Taunsa	200	100,000	20,000,000	2,000,000
Taunsa Garden	-do-	300	100,000	30,000,000	3,000,000
Khayabane Rehmat	-do-	200	100,000	20,000,000	2,000,000
Canal Garden	-do-	200	100,000	20,000,000	2,000,000
<b>Total</b>					<b>9,000,000</b>

Table-II

(Amount in Rupees)

Name	Area	Description	Cost of Land	C. fee @ 10%
Khawaja Jameel	U fone tower	House	1,500,000	150,000
M Mohsin Jafar	Near BOP Taunsa	Shop	1,000,000	100,000
Qari abdumajeed	Near Dr.Ijaz Clinic	Shop	1,000,000	100,000
Shehbaz Nasoha	Near MCB Bank	Shop	1,000,000	100,000
Haji Hameed Qaisrani	Near eid ghah	Market	2,000,000	200,000
Haji Gulzar	Near mew Buss Stand	Shop	1,000,000	100,000
Abdul Majeed	Near lalwani Traders	Market	2,000,000	200,000
Majeed Merani	Near al madina fall selling	Shop	1,000,000	100,000
Kaleem Ullah	do	Market	2,000,000	200,000
Haji Lal Khan	Phone Tower	House	1,500,000	150,000
Tahir khan	Phone Tower	House	1,500,000	150,000
M Hamyon Khan	Phone Tower	House	1,500,000	150,000
Muhammad Usman	Phone Tower	House	1,500,000	150,000
Habib Khan Lohar	Phone Tower	Shop	1,000,000	100,000
Shehbaz Khan	Phone Tower	Shop	1,000,000	100,000
Rasheed Jafar	Phone Tower	Shop	1,000,000	100,000
Sajjad Akber	Chok Hashim	Shop	1,000,000	100,000
Kh Abdul Manaf	Chok Hashim	Market	2,000,000	200,000
Haji Kareem Bux	Chok Hashim	Market	2,000,000	200,000
Haji Allah Wasaya	Chok Hashim	Market	2,000,000	200,000
Abdur Rahim Jafar	Near Telenor franchise	House	1,500,000	150,000
Muhammad Ramzan	Basti sohnra	House	1,500,000	150,000

<b>Name</b>	<b>Area</b>	<b>Description</b>	<b>Cost of Land</b>	<b>C. fee @ 10%</b>
Muhammad Saleem	Collage Road	House	1,500,000	150,000
Haji Fareed sheikh	New collage Road	Market	4,000,000	400,000
Haji Ghulam Bashir	Chok Hashim	Hoause	1,500,000	150,000
Muhammad Akmal	Chok Hashim	House	1,500,000	150,000
Aziz,Bashir Bhuta	Near old sabz mandi	Market	2,000,000	200,000
Sajjad akber patwari	New buss stand	shop	1,000,000	100,000
			<b>Total</b>	<b>4,300,000</b>

## Annex-M

[Para 1.4.3.14]

### Non-obtaining of additional performance securities

(Amount in Rupees)

Sr. No.	Name of Scheme	TS Amount	Acceptance date	Tender At (% Below)	Performance Security
1	Rehabilitation of Sewer Line Street Dr. Ijaz Urban Tounsa	570,000	30-10-2013/576	26%	148,200
2	Rehabilitation of Sewer Line Kachi Abadi Urban Tounsa	1,000,000	30-10-2013/588	18.99%	189,900
3	Construction of Sewer Line Near Aghosh Hotal Gali Zafar Malghani	1,000,000d	30-10-2013/587	14.10%	141,000
4	Construction of Drain Soling Sewer Dr. Akram Buzdar Almurtaza Town Urban Tounsa	511,000	30-10-2013/582	21.85%	111,653.5
5	Rehabilitation of Sewer Line/Drain Mohallah Farooqia Urban Tounsa	1,000,000	04-11-2013/594	13%	130,000
6	Installation of Water Supply Bore and Construction of Pumps House at Sanghar Urban Tounsa	1,600,000	04-11-2013/590	21.25%	340,000
7	Construction of nali ,soling , sewer and Pipe line and Re-soling Mohallah Sadat	1,000,000	30-10-2013/579	18.25%	182,500
8	Installation of Water Supply Bore Kot Qaisrani	500,000	3/4/2014	21.05%	105,250
9	Rehabilitation Sever line Mohallah Sikhani Wa,l Near Hamid Hayyad House Urban Tounsa	660,000		16.16%	106,656
10	Installation Of Sewer Pipe Line Main Street Farid Town Agriculture Office Urban Tounsa	820,000		21.85%	179,170
11	Rehabilitation Sewer Line Street Hafiz Siraj Almurtaza Town Urban Tounsa	300,000		21.85%	65,550
12	Construction of Saim Nala Mouza Kalo Wala	1,000,000	03-04-2014/152	31%	310,000
<b>Total</b>					<b>2,009,879.5</b>