



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

AUDIT YEAR 2015-16

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Programme
ATO	Assistant Tehsil Officer
CCB	Citizen Community Board
CCTV	Close Circuit Television
DAC	Departmental Accounts Committee
DGA	Director General Audit
FD	Finance Department
FIR	First Information Report
IPSAS	International Public Sector Accounting Standards
LG&CD	Local Government and Community Development
MFDAC	Memorandum for Departmental Accounts Committee
NAM	New Accounting Model
PAC	Public Accounts Committee
PDG	Punjab District Government
PLGO	Punjab Local Government Ordinance
PPRA	Punjab Procurement Regulatory Authority
PFC	Punjab Finance Commission
TAC	Tehsil Accounts Committee
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TO (F)	Tehsil Officer (Finance)
TO (I&S)	Tehsil Officer (Infrastructure & Services)
TO (P&C)	Tehsil Officer (Planning & Coordination)
TTIP	Tax on Transfer of Immoveable Property
TS	Technical Sanction
TO (R)	Tehsil Officer (Regulations)

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 Khanewal for the Financial Year 2014-15. The Directorate General of Audit, District Governments, Punjab (South), Multan conducted audit during Audit Year 2015-16 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 million or more. Relatively less significant issues are listed in the Annex-A of the Audit Report. The audit observations listed in the Annex-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

The 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:

(Imran Iqbal)
Auditor General of Pakistan

EXECUTIVE SUMMARY

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

The Regional Directorate has a human resource of 27 officers and staff constituting 6,094 mandays and the budget amounting to Rs 24.922 million was allocated in Audit Year 2015-16. The office is mandated to conduct financial attest audit, audit of sanctions, audit of compliance with authority and audit of receipts as well as the performance audit of entities, projects and programs. Accordingly, RDA Multan carried out audit of the accounts of four TMAs of District Khanewal for the Financial Year 2014-15 and the findings included in this Audit Report.

Each Tehsil Municipal Administration in District Khanewal is headed by a Tehsil Nazim/ Administrator who carries out operations as per Punjab Local Government Ordinance, 2001. Tehsil Municipal Officer is the Principal Accounting Officer (PAO) and acts as coordinating and administrative officer, responsible to control land use, its division and development and to enforce all laws including Municipal Laws, Rules and By-laws. The Punjab Local Government Ordinance (PLGO), 2001, requires the establishment of Tehsil Local Fund and Public Account for which Annual Budget Statement is authorized by the Tehsil Nazim/ Tehsil Council / Administrator in the form of Budgetary Grants.

The total Development Budget of four TMAs in District Khanewal for the Financial Year 2014-15, was Rs 362.300 million and expenditure incurred was of Rs 302.043 million, showing savings of Rs 60.257 million. The total Non-Development Budget for Financial Year 2014-15 was Rs 706.503 million and expenditure was of Rs 565.914 million, showing savings of Rs 140.589 million.

The reasons for savings in Development and Non-development Budgets are required to be provided by TMO and PAO concerned.

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

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

a. Scope of Audit

Out of total expenditure of TMAs District Khanewal for the Financial Year 2014-15, auditable expenditure under the jurisdiction of Regional Director Audit, Multan was Rs 867.957 million covering four PAOs/ formations. Out of this, RDA Multan audited an expenditure of Rs 244.316 million which, in terms of percentage, is 28% of total auditable expenditure and irregularities amounting to Rs 344.485 million were pointed out. Regional Director Audit planned and executed audit of four formations i.e. 100% achievement against the planned audit activities.

Total receipts of TMAs of District Khanewal for the Financial Year 2014-15, were Rs 638.559 million. RDA Multan audited receipts of Rs 169.424 million which, in terms of percentage, is 27% of total receipts and irregularities amounting to Rs 382.635 million were pointed out.

b. Recoveries at the Instance of Audit

Recoveries of Rs 381.750 million were pointed out by Audit which was not in the notice of the management before audit. No amount was recovered by the management till the time of compilation of the Report.

However, against the total recovery amount of Rs 362.849 million pertaining 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 processes of TMAs with respect to its functions, control structure, prioritization of risk areas by determining their significance and identification of key controls. This helped auditors in understanding the systems, procedures, environment and the audited entity before starting field audit activity.

d. Audit Impact

A number of improvements in record maintenance and procedures have been initiated by the departments concerned, 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 Administrations.

e. Comments on Internal Control and Internal Audit Department

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

f. The Key Audit Findings of the Report

- i. Non-production of record of Rs 5.873 million was noted in one case.¹
- ii. Irregularities and Non-compliance of Rules amounting to Rs 23.489 million were noted in four cases.²

¹ Para:1.3.1.1

- iii. Performance issues of Rs 362.849 million were noted in nineteen cases³.
- iv. Internal control weaknesses of Rs 7.501 million were noted in four cases⁴.

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

g. Recommendations

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

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

²Para: 1.2.1.1, 1.2.1.2, 1.5.1.1, 1.5.1.2

³Para: 1.2.2.1, 1.2.2.2, 1.2.2.3, 1.2.2.4, 1.2.2.5, 1.3.2.1, 1.3.2.2, 1.3.2.3, 1.4.1.1, 1.4.1.2, 1.4.1.3, 1.4.1.4, 1.4.1.5, 1.5.2.1, 1.5.2.2, 1.5.2.3, 1.5.2.4, 1.5.2.5, 1.5.2.6

⁴ Para: 1.3.3.1, 1.3.3.2, 1.4.2.1, 1.5.3.1

SUMMARY TABLES AND CHARTS

Table 1: Audit Work Statistics

(Rupees in million)

Sr. No.	Description	No.	Expenditure	Receipt	Total
1	Total Entities (PAOs) in Audit Jurisdiction	04	867.957	638.559	1506.516
2	Total formations in Audit Jurisdiction	04	867.957	638.559	1506.516
3	Total Entities (PAOs)/ DDOs Audited	04	244.316	169.424	413.740
4	Total Formations Audited	04	244.316	169.424	413.740
5	Audit & Inspection Reports	04	244.316	169.424	413.740
6	Special Audit Reports	-	-	-	-
7	Performance Audit Reports	-	-	-	-
8	Other Reports (Relating to TMA)	-	-	-	-

Table 2: Audit observations regarding Financial Management

(Rupees in million)

Sr. No.	Description	Amount Placed under Audit Observation
1	Unsound asset management	-
2	Weak financial management	362.849
3	Weak Internal controls relating to financial management	7.501
4	Others	29.362
Total		399.712

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

Sr. No.	Description	Expenditure on acquiring of Physical Assets (Procurement)	Salary	Non-Salary	Civil Works	Receipt	Total Current Year	Total Last Year
1	Total Financial Outlay	2.207	345.156	218.550	302.043	638.559	1,506.515	1445.514
2	Outlays Audited	1.650	61.079	108.292	73.295	169.424	413.740*	491.202
3	Amount placed under audit observation / irregularities pointed out	-	-	23.721	20.284	355.707	399.712	98.652
4	Recoveries pointed out at the instance of Audit	-	-	11.967	1.048	349.834	362.849	53.515
5	Recoveries accepted / established at Audit instance	-	-	11.967	1.048	349.834	362.849	53.515
6	Recoveries realized at the instance of Audit	-	-	-	-	-	-	0.824

*The amount in serial No. 2 column of “Total Current Year” is the sum of Expenditure and Receipts whereas the total expenditure for the current year was Rs 244.316 million.

Table 4: Irregularities Pointed Out

(Rupees in million)		
Sr. No.	Description	Amount placed under Audit observation
1	Violation of Rules and regulations and violation of principle of propriety and probity in public operations.	23.489
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	-
3	Accounting Errors (accounting policy departure from IPSAS*, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4	Quantification of weaknesses of internal control systems.	7.501
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money.	362.849
6	Non-production of record to Audit	5.873
7	Others, including cases of accidents, negligence etc.	-
Total		399.712

Table 5: Cost -Benefit

(Rupees in million)		
Sr. No.	Description	Amount
1	Outlays Audited (Item2 Table 3)	413.740
2	Expenditure on Audit	0.200
3	Recoveries realized at the instance of Audit	-
4	Cost-Benefit Ratio	-

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

CHAPTER-1

1.1 Tehsil Municipal Administrations, Khanewal

1.1.1 Introduction

According to 1998 population census, the population of District Khanewal is 2.068 million. District Khanewal comprises of four TMAs namely Khanewal, Kabirwala, Mian Channu and Jahanian. Business of each TMA is run by the Administrator and five Drawing & Disbursing Officers i.e. TMO, TO (I&S), TO (Finance), TO (P&C) and TO (Regulations) under Punjab Local Government Ordinance, 2001.

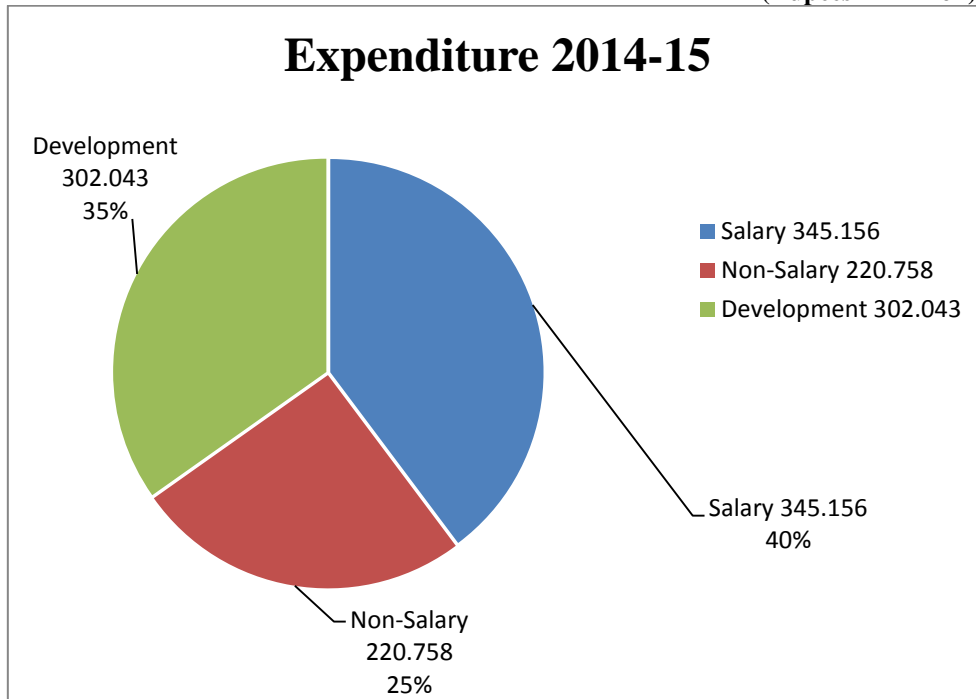
1.1.2 Comments on Budget and Accounts

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

(Rupees in million)

2014-15	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	404.630	345.156	-59.474	-15%
Non-salary	301.873	220.758	-81.115	-27%
Development	362.300	302.043	-60.257	-17%
Sub Total	1,068.803	867.957	-200.846	-19%
Revenue	640.825	638.559	-2.266	0%

(Rupees in million)

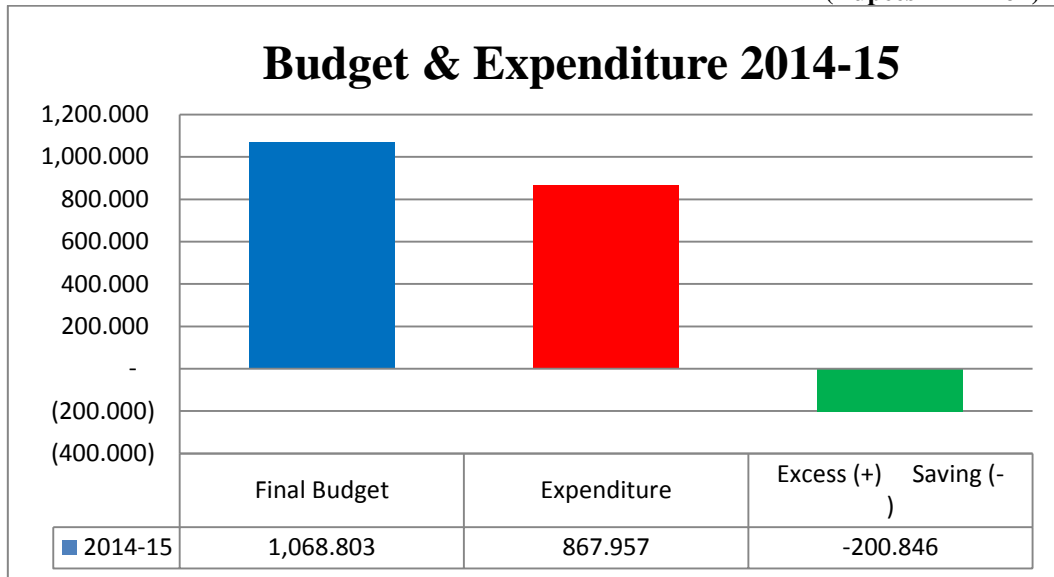


Details of budget allocations, expenditures and savings of each TMA in District Khanewal are at Annex-B.

As per Budget Books for the Financial Year 2014-15 of TMAs in District Khanewal, the original and final budgets were of Rs 1,068.803 million. Total expenditures incurred by these TMAs during Financial Year 2014-15 were Rs 867.957 million. A saving of Rs 200.846 million came to the notice of audit which shows that the TMAs failed to provide essential municipal services as envisaged and planned at the time of preparation and approval of annual budget for the year. No plausible explanation was provided by the PAO, Tehsil Nazims and management of TMAs.

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

(Rupees in million)



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

Audit paras, reported in MFDAC (Annex-A) 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 Meetings
1	2009-12	20	PAC not constituted
2	2012-13	11	PAC not constituted
3	2013-14	20	PAC not constituted
4	2014-15	13	PAC not constituted

AUDIT PARAS

1.2 Tehsil Municipal Administration, Khanewal

1.2.1 Irregularities and non compliance

1.2.1.1 Irregular purchases of machinery and equipment – Rs 4.176 million

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

- | | | |
|------|---|--------------------|
| i. | Tehsil/Town Municipal Officer | Convener |
| ii. | Representative of District Coordination Officer | Member |
| iii. | Assistant Engineer, LG&CD of the District | Member |
| iv. | Tehsil/Town Officer (Finance) | Member |
| v. | Tehsil/Town Officer (I&S) | Member / Secretary |

Tehsil Municipal Officer Khanewal made irregular purchase of machinery and equipment through calling simple quotations instead of tendering process and advertisement on PPRA's website. The purchases were made through purchase committee consisting of TMO, TO (I & S) and ATO (I & S) instead of prescribed committee. The detail of purchases is as under:

(Rupees in million)					
Voucher No &Date	Particular of Expenditure	Invoice / Bill No./Date	Name of Supplier/Firm	Head of A/C	Gross Amount (Rs)
62-12/14	Purchase Street Light Articles	26-11-14	Hayat Enterprises Khanewal	A09802	0.592
61/12/14	Purchase of material for Fire Brigade	13-10-14	Javaid & Company Mian Chanu	3930	0.830
39/9/14	Purchase Siling Powder (Killing Dog)	27/08-14	Hayat Inter Prizer KWL	9802	0.256
478/11-14	Rent Event Muharram ul Harram 2014	10/11/2014	Faisal Nadeem Cont. Company	3918	0.501
58/12-14	Supply Security Wire	666/03-11-14	Ashraf & Brothers	9807	0.100
60/12-14	Supply Flood Light 400/W	668/3/11/14	Ashraf & Brothers	9802	0.430
146/3-15	Purchase of Tent Material for Ramzan Bazar 2015	455	Hayat Enterprises KWL.	3470	0.788

Voucher No &Date	Particular of Expenditure	Invoice / Bill No./Date	Name of Supplier/Firm	Head of A/C	Gross Amount (Rs)
147/3-15	Rent of Tent Service for Ramzan Bazar	446	Hayat Enterprises KWL.	3470	0.362
297/4-15	Purchase of Tyres for Tractor TMA Kwl	183	New General Traders Bahawalpur	-	0.317
Total					4.176

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

Irregular purchases resulted in violation of the Government rules and depicts non-transparency of purchases amounting to Rs 4.176 million.

The matter was reported to TMO / PAO in February 2016, The TMO admitted that purchases were made on quotation basis instead of through tender.

DAC, in its meeting, held in March, 2016, directed the DDO to get the expenditure regularized from Finance Department. No progress was reported till the finalization of this Report

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

[AIR Para: 04]

1.2.1.2 Irregular expenditure due to misclassification – Rs 1.743 million

According to Para 9(1) of PDG & TMA (Budget) Rules, 2003 the Budget shall be prepared in accordance with Chart of Classification of accounts issued by the Auditor General of Pakistan.

Tehsil Municipal Officer Khanewal incurred Rs 1.743 million during Financial Year 2014-15 for different purchases from irrelevant head of account.

Rent of generator was paid from the head of purchase of physical assets and other such misclassifications were made. **Annex-C**

Audit is of the view that due to weak financial management, violation of rule was made.

Misclassification amounting to Rs 1.743 million resulted in violation of the Government instructions.

The matter was reported to TMO/ PAO in February 2016, The TMO admitted the misclassification.

DAC, in its meeting, held in March, 2016, directed the DDO to get the expenditure regularized from Finance Department. No progress was reported till the finalization of this Report

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

[AIR Para: 07]

1.2.2 Performance

1.2.2.1 Non recovery of kacchi abadies charges – Rs 18.059 million

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

Tehsil Municipal Administration Khanewal did not recover cost of land and development charges amounting to Rs 18.059 million during the Financial Year 2014-15 from the 2,333 occupants out of 9,422 occupants of dwelling units of twenty one Kacchi Abadies. **Annex-D**

Audit is of the view that due to weak financial management, cost of land and development charges were not recovered.

Non recovery of cost of land and development charges resulted in loss amounting to Rs 18.059 million.

The matter was reported to TMO in February 2016. The TMO signed the observation without any reply.

DAC, in its meeting, held in March, 2016, directed the TMO to recover the amount. No progress was reported till the finalization of this Report.

Audit recommends recovery of Rs 18.059 million, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 23]

1.2.2.2 Non-deposit of income tax and sales tax deducted at source into treasury – Rs 3.524 million

According to Rule 43(b) of the Income Tax Rules, 2002 as required under section 160 and under the Sixth Schedule to the ordinance the tax collected or

deducted under Division II or Division III of Part V of Chapter X of the Ordinance, Chapter XII of the Ordinance or Sixth Schedule to the Ordinance shall be paid to the Commissioner by way of credit to the Federal Government, where the tax has been collected or deducted by a person other than the Federal Government or a Provincial Government, by remittance to the Government Treasury or deposit in an authorized branch of the State Bank of Pakistan or the National Bank of Pakistan, within seven days from the end of each week ending on every Sunday.

TMO Khanewal deducted Income Tax /Sales Tax of Rs 3.524 million from various suppliers/contractors during Financial Year 2014-15. Amounts were required to be deposited to the Government treasury but not deposited up to the date of audit. Detail is given below:

(Rupees in million)

DDO	Branch	Sales Tax	Income Tax	Total
TO (Finance)	-	0.030	0.024	0.054
TO(I&S)	Non-Development	0.640	0.365	1.004
	Development	-	1.832	1.832
	Light Branch	0.162	0.072	0.234
	Water Supply	0.070	0.019	0.089
	Fire Brigade	0.123	0.037	0.160
	Non-Headquarter	0.005	0.001	0.006
	Sanitation Headquarter	0.070	0.023	0.093
TO(Regulation)	-	0.023	0.012	0.034
TMO	-	0.008	0.009	0.018
Total		1.130	2.394	3.524

Audit is of the view that due to financial indiscipline, Income Tax and Sales Tax deducted was not deposited to the Government treasury.

Non-deposit of Income Tax and Sales Tax Rs 3.524 million resulted in illegal retention of Government revenue outside the treasury.

The matter was reported to the TMO / PAO in February 2016. The TMO signed the observation, but did not submit any reply.

DAC, in its meeting, held in March, 2016, directed the TMO to get computerized payment receipt verified from the Inland Revenue Officer. No progress was reported till the finalization of this Report.

Audit recommends deposit of Income Tax and Sale Tax amounting to Rs 3.524 million into the Government treasury besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 09]

1.2.2.3 Illegal establishment of housing colonies – Rs 1.850 million

According to Rule 60 (c) of Punjab Land Use Rules 2009, the conversion fee for the conversion of pre-urban area or intercity service area to residential use shall be one percent of the value of the commercial land as per valuation table or one percent of the average sale price of preceding twelve months of commercial land in the vicinity.

TMO Khanewal did not take any action against the developers for establishment of schemes without approval of maps from TMA and without payment of conversion fee. Detail is given below:

(Rupees in million)					
Sr. #	Name of Scheme	Area	Conversion fee	Map Fee	Total
1	Rayyan City	3.5 Acre	0.510	0.270	0.780
2	Ismail City	6 Acre	0.610	0.460	1.070
Total					1.850

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

Non recovery of the Government dues resulted in loss to the Government amounting to Rs 1.850 million.

The matter was reported to the TMO / PAO in February, 2016, The TMO replied that cases of recovery were under process.

DAC, in its meeting, held in March, 2016, directed the DDO to recover the amounts. No progress was intimated till the finalization of Report.

Audit recommends complete recovery of Rs 1.850 million, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 22]

1.2.2.4 Unauthorized construction of buildings – Rs 1.352 million

According to Rule 60(1a)(b)(c)(d)(e) of Punjab Land Use (Classification, Re-classification and Re-development) Rules, 2009, Tehsil Municipal Administration shall levy following fee for conversion of land use as per Punjab Gazette June 06, 2012:

Value of land as per valuation table	Conversion fee
Less than one million rupees	5%
From one million rupees to ten million rupees	10%
More than ten million rupees	20%

TMO Khanewal did not take any action against illegal construction of buildings in the jurisdiction of TMA Khanewal during Financial Year 2014-15. Only notices were issued to the owners of illegal buildings. Audit conducted physical inspection of buildings in the area in the presence of field staff as representative of TMO and noticed that buildings were constructed without approval of maps. Related fees of Rs 1.352 million were also not recovered. Detail is given below:

(Rupees in million)						
Sr. No.	Address	Area	Type of building	Conversion fee	Map fee	Total
1	Colony No.1	6 Marla	Commercial building	0.125	0.014	0.140
2	Chak No.88/10-R	90 Marla	Commercial building	0.146	0.026	0.172
3	Adda Meer Shah	1 Acre	Cotton factory , flour mill	0.166	0.063	0.229
4	Block No. 9, Mado Chowk	8 Marla	Commercial Plaza	0.371	0.035	0.406
5	168/10-R	37 Marla	Petrol Pump	0.243	0.030	0.273
6	23/10-R	75 Marla	Commercial building	0.036	0.000	0.133
Total						1.352

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

Unauthorized construction of buildings without the payment of prescribed fee resulted in less realization of TMA revenues amounting to Rs 1.352 million.

The matter was reported to the TMO / PAO in February, 2016. The TMO replied that cases of recovery are under process.

DAC, in its meeting, held in March, 2016, directed the TMO to recover the fee along with approval of maps from the District Planning and Design Committee. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 1.352 million, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 21]

1.2.2.5 Less recovery of penalty from the contractors – Rs 1.048 Million

As per Clause 2 of condition of contract “The time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor.

The work shall throughout the stipulated period of the contract be proceeded with all due diligence in accordance with the programme of work and the contractor shall pay as compensation an amount equal to one percent of the amount of contract subject to maximum of 10% or such smaller amount as the engineer in-charge (whose decision in writing shall be final) may decide, on the amount of the estimated cost stated in item(b) of the memorandum of work annexed hereto for every day the work remains un-commenced or unfinished after the proper date.

Tehsil Municipal Officer Khanewal granted time extension to various contractors of 35 development schemes with imposition of smaller amounts of penalties during the Financial Year 2014-15 who failed to complete the work within the due time. TMO imposed minor / lesser penalties to concerned contractors of Rs 0.015 million instead of Rs 1.063 million which was actually due based on the imposition of penalties to be imposed as per above given clause of the tender document.

Audit is of the view that due to weak financial management, less recovery of penalty was made.

Less recovery amounting to Rs 1.048 million resulted in violation of the Government instructions.

The matter was reported to the TMO / PAO in February, 2016. The TMO replied that penalty was imposed on some contractors.

DAC, in its meeting, held in March, 2016, directed the TMO to recover the penalty and conduct detailed enquiry of the matter. No progress was intimated till the finalization of this Report.

Audit recommends recovery amounting to Rs 1.048 million, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 28]

1.3 Tehsil Municipal Administration, Kabirwala

1.3.1 Non-Production of Record

1.3.1.1 Non-production of record – Rs 5.873 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 requests for information in as complete a form as possible and with all reasonable expedition".

TMO Kabirwala did not produce the record of items valuing Rs 5.873 million during Financial Year 2014-15 despite various requests.

Annex-E

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

Non-production of record of Rs 5.873 million created doubt about the legitimacy of expenditure / record.

The matter was reported to TMO / PAO in February, 2016. The TMO replied that all the record was provided to audit. The DDO reply was not acceptable as the relevant record had not been produced.

DAC, in its meeting, held in March, 2016, directed the TMO to produce the record. No progress was reported till the finalization of this report.

Audit recommends the production of complete record for audit scrutiny besides responsibility be fixed and strict disciplinary action taken against the officials concerned for non-production of record, under intimation to Audit.

[AIR Para: 27]

1.3.2 Performance

1.3.2.1 Unauthorized construction of buildings – Rs 2.682 million

According to Rule 60(1)(a)(b)(c)(d)(e) of Punjab Land Use (Classification, Re-classification and Re-development) Rules, 2009, Tehsil Municipal Administration shall levy following fee for conversion of land use as per Punjab Gazette June 06, 2012:

Value of land as per valuation table	Conversion fee
Less than one million rupees	5%
From one million rupees to ten million rupees	10%
More than ten million rupees	20%

TMO Kabirwala did not take any action against illegal construction of buildings in the jurisdiction of TMA Kabirwala during Financial Year 2014-15. Only notices were issued to the owners of illegal buildings. Audit conducted physical inspection of buildings in the area in the presence of field staff as representative of TMO and noticed that buildings were constructed without approval of maps. Related fees of Rs 2.682 million were also not recovered.

Annex-F

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

Non recovery of dues resulted in loss to the Government amounting to Rs 2.682 million.

The matter was reported to the TMO / PAO in February, 2016. TMO stated that Audit Officer had taken incorrect area of the buildings. The reply was not tenable as TMO had not given the correct area in his reply.

DAC, in its meeting, held in March, 2016, directed the TMO to recover the fee along with approval of maps from the District Planning and Design Committee. No progress was intimated till the finalization of this Report.

Audit recommends complete recovery of Rs 2.682 million, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 22]

1.3.2.2 Non-Deposit of Income Tax and Sales Tax Deducted at Source into Treasury – Rs 1.803 million

According to Rule 43(b) of the Income Tax Rules,2002 as required under section 160 and under the Sixth Schedule to the ordinance the tax collected or deducted under Division II or Division III of Part V of Chapter X of the Ordinance, Chapter XII of the Ordinance or Sixth Schedule to the Ordinance shall be paid to the Commissioner by way of credit to the Federal Government, where the tax has been collected or deducted by a person other than the Federal Government or a Provincial Government, by remittance to the Government Treasury or deposit in an authorized branch of the State Bank of Pakistan or the National Bank of Pakistan, within seven days from the end of each week ending on every Sunday.

TMO Kabirwala deducted Income Tax /Sales Tax from various suppliers/contractors during Financial Year 2014-15. Amounts were required to be deposited into the Government treasury but not deposited upto the date of audit. Detail is given below:

(Rupees in million)

Period	Amount to be deposited	Amount deposited	Amount to be deposited
2014-15	11.397	9.594	1.803

Audit is of the view that due to weak internal controls, Income Tax and Sales Tax deducted was not deposited into Government treasury.

Non-deposit of Income Tax and Sales Tax resulted in unauthorized retention of the Government revenue outside the treasury.

The matter was reported to the TMO / PAO in February 2016. TMO stated that due to non-reconciliation with the FBR, amounts were not deposited. The reply was not acceded to, as reconciliation was to be made by the TMO with the FBR.

DAC, in its meeting, held in March, 2016, directed the TMO to deposit the amounts. No progress was reported till the finalization of this Report.

Audit recommends deposit of Income and Sale Tax of Rs 1.803 million besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 12]

1.3.2.3 Non-recovery of rent of shops – Rs 1.56 million

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

Tehsil Municipal Officer Kabirwala rented out 258 shops for Rs 11.988 million for the Financial Year 2014-15 but did not recover the full rent of shops on monthly basis amounting to Rs 1.56 million from the tenants. Neither the fine was imposed nor efforts were made to recover the Government revenue. The detail is as under:

(Rupees in million)

Total No. of shops	Amount to be recovered	Amount recovered	Less recovery
311	11.988	10.428	1.560

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

Non-recovery of rent of shops resulted in less realization of TMA revenues of Rs 1.560 million.

The matter was reported to the TMO / PAO in February, 2016. The TMO received the observation but did not submit any reply. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends recovery of rent of shop amounting to Rs 1.560 million, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 29]

1.3.3 Internal Control Weaknesses

1.3.3.1 Unauthorized execution of work of water course – Rs 1.666 million

According to Rule 54 (h)(i) of Punjab Local Government Ordinance 2003, function and power of the construction of water course is the function of DO (Water Management) and construction of boundary wall is function of DO (Building).

TMA Kabirwala constructed a water course of Rs 1.666 million during Financial Year 2014-15 beyond its purview of work. TMA could not undertake work of construction of water course as this was the duty of Water Management Department. Detail of expenditure is as under:

(Rupees in million)

Water Course	
Name of Items	Amount
Earth Work	0.017
PCC	0.248
Pacca Brick Work	1.073
Plaster ½	0.180
PCC 1:2:4	0.148
Total	1.666

Audit is of the view that due to weak financial management, unauthorized construction of water course was carried out.

Unauthorized construction of water course resulted in violation of Government rules and loss to TMA amounting to Rs 1.666 million.

The matter was reported to the TMO / PAO in February, 2016. The TMO replied that water course was constructed with the construction of road. The reply admitted as construction of road was also not the function of TMA.

DAC, in its meeting, held in March, 2016, directed the TMO to get the expenditure regularized. No progress was intimated till the finalization of this Report.

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

[AIR Para: 08]

1.3.3.2 Unauthorized withdrawal through splitting the indents - Rs 1.310 million

According to Rule 12 (1) of Punjab Procurement Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by the PPRA from time to time.

Town Municipal Officer Kabirwala withdrew Rs 1.310 million on account of bill boards and panaflex during Financial Year 2014-15, by calling simple quotations and keeping the value of indent below Rs 0.100 million through splitting of indent to avoid the tendering process. **Annex-G**

Audit is of the view that due to weak internal controls, indent was split to avoid open tendering process.

Splitting of indents resulted in violation of the Government instructions and unauthorized withdrawal of Rs 1.310 million.

The matter was reported to TMO / PAO in February, 2016. TMO replied that all amounts were below the limit of tendering. Reply was not tenable as sanctioning power was split and purchase of panaflex was divided into small bills.

DAC, in its meeting, held in March, 2016, directed the TMO to get the expenditure regularized from Finance Department. No progress was reported till the finalization of this Report.

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

[AIR Para: 13]

1.4 Tehsil Municipal Administration, Mian Channu

1.4.1 Performance

1.4.1.1 Non-vacation of the Government Property and non recovery of rent - Rs 11.208 million

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

Tehsil Municipal Administration Mian Channu did not recover rent of Rs 11.208 million for the Financial Year 2014-15 of 568 plots / shops situated in Faisal Town 130/15-L. The shops were allotted for a period of 5 years but after completion of prescribed period shops were not vacated.

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

Non vacation of TMA shops after the allotted period and non-recovery of rent of shops resulted in loss of TMA revenues of Rs 11.208 million.

The matter was reported to the TMO / PAO in February, 2016. The TMO received the observation but did not submit any reply. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends recovery of rent of shops amounting to Rs 11.208 million, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 02]

1.4.1.2 Non-recovery of rent of shops –Rs 4.928 million

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

TMO Mian Channu rented out 311 shops for Rs 10.988 million for the Financial Year 2014-15 but did not recover rent of shops on monthly basis amounting to Rs 4.928 million from the tenants. Neither the fine was imposed nor were any efforts made to recover the Government revenue. The detail is as under:

(Rupees in million)

Total No. of shops	Amount to be recovered	Amount recovered	Less recovery
311	10.988	6.060	4.928

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

Non-recovery of rent of shops resulted in loss of revenue of Rs 4.928 million to the TMA.

The matter was reported to TMO / PAO in February, 2016. The TMO replied that a number of shops were not paying rents due to litigation in various courts of law and that recovery could only be made subject to decision in favor of TMA. The DDO reply was not acceptable as no recovery was made. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends recovery of rent of shop amounting to Rs 4.928 million, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 01]

1.4.1.3 Non-deduction/deposit of sales tax – Rs 3.899 million

According to Clause 2(3) of the S.R.O 660(I) /2007 dated 30th June, 2007, all withholding agents shall make purchases of taxable goods from a person duly registered under the Sales Tax Act, 1990, provided that under unavoidable circumstances and for reasons to be recorded in writing, purchases are made from

unregistered persons, the withholding agent shall deduct sales tax at 17% of the value of taxable supplies made to him from the payment due to the supplier.

TMO Mian Channu allowed payment to the unregistered suppliers for taxable supplies without deduction of sales tax in violation of provision of law. In some cases, 1/5th of the sales tax was deducted but no proof regarding its deposit into government treasury was provided for audit verification. The detail is given below:

(Rupees in million)			
Total amount of bills / vouchers	Amount of sale tax due	Recovered	Amount to be recovered
25.843	4.393	0.494	3.899

Audit is of the view that due to weak financial controls, amount of sales tax was not deducted.

Non deduction of sales tax resulted in loss to the Government amounting to Rs 3.899 million.

The matter was reported to the TMO in March 2015. The TMO noted the observation but did not submit any reply. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 3.899 million, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 03]

1.4.1.4 Non deposit of income tax Rs 1.685 million

According to Rule 43(b) of the Income Tax Rules,2002 as required under section 160 and under the Sixth Schedule to the ordinance the tax collected or deducted under Division II or Division III of Part V of Chapter X of the Ordinance, Chapter XII of the Ordinance or Sixth Schedule to the Ordinance shall be paid to the Commissioner by way of credit to the Federal Government,

where the tax has been collected or deducted by a person other than the Federal Government or a Provincial Government, by remittance to the Government Treasury or deposit in an authorized branch of the State Bank of Pakistan or the National Bank of Pakistan, within seven days from the end of each week ending on every Sunday.

TMO Mian Channu deducted income tax amounting to Rs 1.685 million during Financial Year 2014-15 from various contractors on account of payment of different expenditure but did not deposit the same in the Government account.

Audit is of the view that due to improper financial management, deducted income tax was not deposited with the income tax department.

Non deposit of income tax amount resulted in loss to the Government amounting to Rs 1.685 million

The matter was reported to the TMO / PAO in February, 2016. The TMO received the observation but did not submit any reply. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends deposit of Rs 1.685 million with the income tax department besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 10]

1.4.1.5 Unauthorized construction of buildings – Rs 1.515 million

According to Rule 60(1)(a) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, Tehsil Municipal Administration shall levy following fee for conversion of land use as per Punjab Gazette June 06, 2012:

Value of land as per valuation table	Conversion fee
Less than one million rupees	5%
From one million rupees to ten million rupees	10%
More than ten million rupees	20%

TMO Mian Channu did not take any action against illegal construction of buildings within the jurisdiction of TMA Mian Channu during Financial Year 2014-15. Only notices were served upon the owners of illegal buildings. Audit alongwith field staff as representative of TMO conducted physical inspection of buildings in the area and noticed the buildings were constructed without approval and payment of map fee amounting to Rs 1.515 million. **Annex-H**

Audit is of the view that due to weak financial management, unauthorized construction of buildings was made.

Unauthorized construction of buildings resulted in violation of Government rules and loss to TMA revenues of Rs 1.515 million.

The matter was reported to the TMO / PAO in February, 2016. The TMO signed the observation, but did not submit any reply. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends recovery of TMA fee amounting to Rs 1.515 million, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 08]

1.4.2 Internal Control Weaknesses

1.4.2.1 Unauthorized withdrawal through splitting the indent - Rs 3.353 million

According to Rule 12 (1) of Punjab Procurement Rules Authority (PPRA) 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. Also, according to Rule 9 of the Punjab Procurement Rules 2009, a procuring agency shall announce in an appropriate manner all proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurements so planned.

Town Municipal Officer Mian Channu withdrew Rs 3.353 million on account of purchase of water filter and other items during Financial Year 2014-15, by calling simple quotations and keeping the value of indent below Rs 100,000 through splitting of indent to avoid the tendering process.

Audit is of the view that due to weak internal controls, indent was split to avoid open tendering process.

Splitting of indents resulted in violation of the Government instructions and unauthorized withdrawal of Rs 3.353 million.

The matter was reported to the TMO / PAO in February, 2016. The TMO received the observation but did not submit any reply. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends regularization of unauthorized withdrawal from the Punjab Finance Department, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 04]

1.5 Tehsil Municipal Administration, Jahanian

1.5.1 Irregularities and non compliance

1.5.1.1 Irregular opening of tender –Rs 16.345 million

According to Rule 50 (5) (6) and (7) of the Punjab TMA (Works) Rules 2003, all the tenders shall be opened at the time and place specified in the public notice, in the presence of such contractors as may be present, by the committee comprising the following:

i. TMO	Convener
ii. Representative of District Coordination Officer	Member
iii. Assistant Engineer, LG&CD of the District	Member
iv. TO (Finance)	Member
v. TO (I&S)	Member/Secretary

The members of committee shall affix their initials and date on every tender so opened and also on the comparative statement. The rates quoted by the contractors shall be written in figure as well as in words.

TMO Jahanian opened the tenders for the works of Rs 16.345 million during Financial Year 2014-15, in the absence of three members of the tender opening committee. TMO, Assistant Engineer, LG & CD of the District and TO (Finance) were not present at the time of tender opening. Hence the opening of tender, in the absence of complete members was irregular. **Annex-I**

Audit is of the view that due to weak financial management, tenders were opened irregularly.

Irregular opening of tenders of Rs 16.345 million resulted in violation of rules.

The matter was reported to the TMO / PAO in February, 2016. The TMO received the observation but did not submit any reply. Despite various efforts,

DAC meeting was not convened. No progress was intimated till the finalization of this Report.

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

[AIR Para: 05]

1.5.1.2 Unauthorized issuance of work order through quotations – Rs 1.225 million

According to Rule 46 of the Punjab Tehsil / Town Municipal Administration (Works) Rules, 2003, where a quotation of a contractor has been accepted for piece of work, the Engineer- in-charge shall issue a work order for the execution of the work in the form and in the manner prescribed under the West Pakistan Building and Road Works Code. Further, according to Sr. No.12 (i) (ii) of Special Powers delegated to officers of Communication and Works Department under the Delegation of Financial Power Rules 2006, Sub-Divisional Officers were competent to issue work orders for works and repair up to Rs 20,000 in each case.

TMO Jahanian issued work orders of Rs 1.225 million during Financial Year 2014-15 for execution of works through calling the short tenders/ quotations. The officers of Sub-Division were competent to issue work orders for the works up to Rs 20,000 in each case but works above the prescribed limits were awarded through quotations. Quotations were called for the works up to Rs 255,360 instead of tendering process. The works were also split to avoid the tendering process through prescribed tender committee. **Annex-J**

Audit is of the view that due to weak internal controls, work orders were issued in excess of prescribed limits and against the prescribed procedure.

Unauthorized issuance of work order for the works of Rs 1.225 million executed through quotations resulted in violation of the Government rules.

The matter was reported to the Tehsil Municipal Officer in February, 2016. TMO received the observation but did not submit any reply. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

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

[AIR Para: 13]

1.5.2 Performance

1.5.2.1 Non-recovery of kacchi abadies charges – Rs 247.800 million

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

Tehsil Municipal Administration Jahanian did not recover cost of land and development charges amounting to Rs 247.800 million from nine Kacchi Abadies during Financial Year 2014-15. Detail of recovery is given below:

(Rupees in million)

S/N	Name of Katchi Abadi	Area of land	Total land	Rate of land (Marla)	Rate of recovery %	Total Demand
1	Christian Colony	Up to 5 Mala	66.47	0.300	0.020	0.399
		Up to 10 Marla	101.66	0.300	1.000	30.498
2	MarziPura	Up to 5 Mala	28.1	0.300	0.020	0.169
		Up to 10 Marla	175.21	0.300	1.000	52.563
		Above 10 Marla	134.62	0.300	1.500	60.579
3	Umar Colony	Up to 5 Mala	53	0.300	0.020	0.318
		Up to 10 Marla	109	0.300	1.000	32.700
4	Bhutta Colony	Up to 5 Mala	24.4	0.300	0.020	0.146
		Up to 10 Marla	91.69	0.300	1.000	27.507
		Above 10 Marla	34.36	0.300	1.500	15.462
5	Slaughter House	Up to 5 Mala	5	0.300	0.020	0.030
		Up to 10 Marla	5.134	0.300	1.000	1.540
		Above 10 Marla	10.69	0.300	1.500	4.811
6	New Colony	Up to 5 Mala	6.4	0.300	0.020	0.038
		Up to 10 Marla	10.2	0.300	1.000	3.060
		Above 10 Marla	20	0.300	1.500	9.000
7	Faridabad Colony	Up to 5 Mala	42	0.300	0.020	0.252
		Up to 10 Marla	6.81	0.300	1.000	2.043
8	BastiMasman	Up to 5 Mala	30	0.300	0.020	0.180
9	Garibabad	Up to 5 Mala	44.22	0.300	0.020	0.265
		Up to 10 Marla	5.2	0.300	1.000	1.560
		Above 10 Marla	10.4	0.300	1.500	4.680
Total						247.800

Audit is of the view that due to financial mis-management, cost of land and development charges were not recovered.

Non recovery of cost of land and development charges resulted in loss to TMA revenues amounting to Rs 247.800 million.

The matter was reported to the TMO / PAO in February 2016. The TMO received the observation, but did not submit reply and record for verification. No DAC meeting was convened till the finalization of this report. No progress was reported till the finalization of this Report.

Audit recommends recovery of Rs 247.800 million, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 01]

1.5.2.2 Non-recovery of rent of shops – Rs 21.224 million

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

TMO Jahanian rented out 722 shops for Rs 36.246 million for the Financial Year 2014-15 but did not recover rent of shops on monthly basis amounting to Rs 21.224 million from the tenants. Neither the fine was imposed nor were any efforts made to recover the Government revenue. The detail is as under:

(Rupees in million)			
Total No. of shops	Amount to be recovered	Amount recovered	Less recovery
722	36.246	15.022	21.224

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

Non-recovery of rent of shops resulted in loss of revenues of Rs 21.224 million to the TMA.

The matter was reported to TMO / PAO in February, 2016. The TMO received the para but not replied. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends recovery of rent of shops amounting to Rs 21.224 million, besides fixing of responsibility on the person's at fault, under intimation to Audit.

[AIR Para: 03]

1.5.2.3 Non recovery of map fees – Rs 21.057 million

According to Rule 60(1)(a) of Punjab Land Use (Classification, Re-classification and Re-development) Rules, 2009, Tehsil Municipal Administration shall levy following fee for conversion of land use as per Punjab Gazette June 06, 2012:

Value of land as per valuation table	Conversion fee
Less than one million rupees	5%
From one million rupees to ten million rupees	10%
More than ten million rupees	20%

TMO Jahanian did not take any action against illegal construction of buildings in the jurisdiction of TMA Jahanian during Financial Year 2014-15. Only notices were issued to the owners of illegal buildings. Audit conducted physical inspection of buildings in the area in presence of field staff as representative of TMO and noticed that buildings were constructed without approval of maps. Related fees of Rs 21.057 million were also not recovered.

Audit is of the view that due to weak internal controls, map fees was not recovered,

Non recovery of map fees resulted in loss of TMA revenues amounting to Rs 21.057 million.

The matter was reported to the Tehsil Municipal Officer in February, 2016. TMO received the observation, but did not submit any reply. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 21.057 million, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 04]

1.5.2.4 Non-recovery of rent of Government land –Rs 14.926 million

According to Rule 76 (1) & (2) of PDG & TMA (Budget) Rules, 2003 the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund.

TMO Jahanian did not recover the rent amounting to Rs 14.926 million for use of Government land from the tenants. The tenants were running their shops at site. No action had been taken despite the huge arrears at the end of Financial Year 2014-15. Further, shops had been constructed without any terms and conditions or signing of agreements and minor rate of open land was being charged. The said land was situated within the main city area and minor rate charged was also not being recovered. **Annex-K**

Audit is of the view that due to weak internal controls, rent of land was not recovered

Non-recovery of rent of land resulted in loss of TMA revenues amounting to Rs 14.926 million

The matter was reported to the TMO / PAO in February, 2016. TMO received the observation but did not submit any reply. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 14.926 million, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 06]

1.5.2.5 Less recovery of conversion fees from the owners of commercial buildings - Rs 1.675 million

According to Rule 60(1) (a)(b)(c)(d)(e) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 and as per Punjab Gazette June 06, 2012, a Tehsil Municipal Administration shall levy following fee for conversion of land use:

Value of land as per valuation table	Conversion fee
Less than one million	5%
From one million to ten million	10%
More than ten million rupee	20%

TMO Jahanian less recovered Rs 1.675 million on account of conversion fee during Financial Year 2014-15 from the owners of commercial buildings constructed. The building plans were submitted in the P&C branch, but TO (P&C) calculated less conversion fee and caused loss to TMA funds. Detail is as under:

(Rupees in million)

Case No.	Nature	Name and Address	Location	Area in Marla	Actual Rate Per Marla	Total Value of Land	Actual Conversion fee	Conversion fee recovered	Less Recovery of Conversion fee	Remarks
4	Shops	QaisarNadeem	Loha Bazar	2.220	1.700	3.774	0.377	0.018	0.359	No proof of other value of land was available except commercial value of land.
11	Shops	M. Hanif	Block No.2	2.210	0.150	0.332	0.017	0.009	0.008	
12	Shops	ZahoorAkbar	RaheemShah MorZafrullah Chowk	4.420	1.000	4.420	0.442	0.077	0.365	No proof of other value of land was available except commercial value of land.
18	Shops	M. Khalid Naeem	118/10-R	44.670	0.006	0.251	0.013	0.006	0.006	
20	Shops	NasiraSaheed	140/10-R Pull 114/10-R	160.000	0.040	6.400	0.640	0.170	0.470	
32	Petrol Pump	M. ZafarIqbal	135/10-R	90.000	0.025	2.250	0.225	0.025	0.200	
33	Shops	Israr-ul-Haq	Old Post Office Bazar	1.210	2.000	2.420	0.242	-	0.242	No proof of other value of land was available except commercial value of land.
34	Shops	Ahmed Ali	Jalalabad	2.810	0.170	0.478	0.024	-	0.024	
Total									1.675	

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

Less recovery of conversion fee from the owners of the commercial buildings resulted in loss to TMA amounting to Rs 1.675 million.

The matter was reported to the TMO / PAO in February, 2016. The TMO received the observation but did not submit any reply. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends recovery of conversion fee of Rs 1.675 million besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 09]

1.5.2.6 Non deposit of income tax – Rs 1.056 million

According to Rule 43(b) of the Income Tax Rules,2002 as required under section 160 and under the Sixth Schedule to the ordinance the tax collected or deducted under Division II or Division III of Part V of Chapter X of the Ordinance, Chapter XII of the Ordinance or Sixth Schedule to the Ordinance shall be paid to the Commissioner by way of credit to the Federal Government, where the tax has been collected or deducted by a person other than the Federal Government or a Provincial Government, by remittance to the Government Treasury or deposit in an authorized branch of the State Bank of Pakistan or the National Bank of Pakistan, within seven days from the end of each week ending on every Sunday.

TMO Jahanian deducted income tax of Rs 1.056 million from contractors on account of payment of different expenditure but did not deposit the same into the Government treasury.

Audit is of the view that due to financial mis-management, deducted income tax was not deposited with the income tax department.

Non deposit of income tax amount with the income tax department resulted in loss amounting to Rs 1.056 million.

The matter was reported to the TMO / PAO in February, 2016. The TMO received the observation but did not submit any reply. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends to deposit of income tax amount of Rs 1.056 million into the Government treasury besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para:14]

1.5.3 Internal Control Weaknesses

1.5.3.1 Unauthorized expenditure on Muharram routes – Rs 1.173 million

According to Government of the Punjab LG and CD Department letter No.SO Estate (LG) 2-2/2011 (P) dated 20.10.2015, installation of CCTVs at Imambargahs, routes of Jaloos does not fall under the purview of the municipal service and therefore, not a valid charge on the funds of TMA.

TMO Jahanian incurred unauthorized expenditure of Rs 1.173 million on account of arrangement of Ramzan Bazaar, Muharram and Chehlum arrangement during the Financial Year 2014-15 by calling quotations instead of tendering process for economical purchases. The expenditure was incurred on those services which do not fall under the purview of the municipal service. **Annex-L**

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

Unauthorized expenditure resulted in violation of the Government Rules and loss to TMA funds amounting to Rs 1.173 million.

The matter was reported to the TMO / PAO in February, 2016. The TMO received the observation but did not submit any reply. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

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

[AIR Para: 11]

Annex

Annex-A**Part-I****Memorandum for Departmental Accounts Committee Paras Pertaining to Audit
Year 2015-16****(Rupees in million)**

Formation Name	Sr. No	Para No.	Subject	Amount
TMA Khanewal	1	5	Unauthorized Acquiring of taxable services from Unregistered Persons Valuing Rs1.281 million and non-Deduction of Punjab Sales Tax	1.281
	2	10	Doubtful expenditure on account of purchase of Stickney powder without DTL report and consumption record	0.256
	3	11	Unauthorized purchase/ hiring of services without obtaining performance guarantee	0.499
	4	14	Recovery due to Purchase on higher rates of street light material	0.137
	5	17	Non-Collection Of Advance Tax	0.973
	6	18	Less Recovery from contractor of Income heads	0.791
	7	20	Loss to Government due to unauthorized payment of electricity charges for the auctioned property for collection rights	0.570
	8	24	Substandard supplying and fixing of LED lights and recovery of contractor profit and out of order lights within warranty period	2.500
	9	31	Excess payment to contractors for excess quantities at Site	0.095
	10	32	Excess payment to contractor for duplicate items	0.06
TMA Kabirwala	11	1	Unjustified payments without execution of work at site	0.231
	12	2	Excess payment to contractor by charging excess rate & quantities	0.118
	13	3	Excess payment to contractor by charging excess rate of earth compaction	0.392
	14	4	Excess payment to self favored contractor by charging excess rate of earth filling in construction of metal roads	0.082
	15	5	Excess payment to contractors by charging high	0.146

Formation Name	Sr. No	Para No.	Subject	Amount
			rates	
	16	6	Excess payment to contractor by charging excess rate of earth due to defective rate analysis	0.787
	17	7	Illegal payment to the contractor without photographs of sites	0
	18	8	Misappropriation due to non-availability of beam lights in store	0.43
	19	9	Excess payment to contractor due to excess payment of quantities	0.071
	20	10	Excess payment to contractor by charging excess rate of earth filling	0.074
	21	14	Unjustified collection of IP Tax	55.36
	22	15	Loss to Govt. due to purchase of POL on higher rates above than Govt. declared sales price	0.071
	23	16	Misappropriation of POL by writing fictitious log book involving recovery	0.161
	24	17	Unjustified purchase of different items	0.135
	25	18	Uneconomical expenditure on repair without quotations	0.326
	26	19	Excess payment to contractor by allowing 20% contractor profit & overhead charges	0.191
	27	20	Illegally establishment of residential colony without paying conversion fee	0.897
	28	21	Loss to Government due applying of wrong schedule of average sales price resulted into less realization of conversion	0.202
	29	23	Illegally establishment of petrol pumps without getting NOC & paying commercialization & building fee	1.105
	30	24	Illegally establishment of factories without paying commercialization & building fee	1.005
	31	25	Illegal construction of commercial buildings without submitting building plans & without paying building fee & commercialization fee	1.579
	32	26	Illegal issuance of NOC of establishment of cellular phone towers.	0

Formation Name	Sr. No	Para No.	Subject	Amount
	33	28	Non-recovery of rent of shops	0.786
	34	30	Unauthorized auction of collection rights through irrelevant auction committee	2.87
	35	31	Poor recovery position of water rates which resulted into blockage of revenue	0.335
	36	32	Down fall in the various income heads of TMA during 2014-15	6.43
	37	33	Less received of lease and income tax	0.022
	38	34	Less deposit of receipts likely to be misappropriation	0.027
	39	35	Non reconciliation of receipts figures	0.13
	40	36	Unauthorized repair of transformer	0.049
	41	37	Un-justified hiring of tenting material without discount and excess payment	0.192
	42	38	Unjustified purchase of tenting material instead of having TMA own tenting material	0.192
TMA Mian Channu	43	5	Improper pursuance the case of rent of shops in the court of law and blockade of revenue	3.49
	44	6	Loss to TMA fund by non-auctioning of shops to actualize recovery of rent at competitive rates	3.027
	45	7	Less allocation of prescribed ratio of funds to sports activities	2.172
	46	9	Illegal establishment of sub land divisions without approval from TMA and payment	1.267
	47	11	Un-authorized Repair of Machinery and Equipment	1.101
	48	12	Deterioration of government property due to non-auction thereof	5.859
	49	13	Loss to the Government due to execution of the contract of installation of LED lights and Hydro-Chlorinator through the contractor	5.683
	50	14	Non-reconciliation of mutation and registration fee with Revenue Department	3.474
	51	15	Non-allocation of prescribed ratio of funds for Civil Defence	3.286
	52	16	Overpayment due to less/non-deduction of shrinkage	0.458
	53	17	Irregular expenditure on account of purchase of durable goods	0.874

Formation Name	Sr. No	Para No.	Subject	Amount
	54	18	Un-authorized purchase of insecticides spray	0.209
	55	19	Unauthorized hiring charges of CCTV cameras and walk through gates on ramzan bazar & Muharram route	0.682
	56	20	Loss to Government due to negligence and non-recovery of trade license fee	0.37
	57	21	Loss to Government due to misappropriation of fine for encroachments and unjustified pay and allowance of encroachment staff	2.142
	58	22	Un-authorized repair of Government vehicles	0.329
	59	23	Poor recovery position of water rates which resulted into blockage of revenue	0.073
	60	24	Construction of unapproved residential unit without payment of map fee and development charges	0.048
	61	25	Over payment on account of POL charges	0.054
TMA Jahanian	62	2	Non-maintenance of cash book	156.342
	63	7	Non-conducting of post completion evaluation of development projects	10.069
	64	8	Non-recovery of water charges	3.582
	65	10	Unauthorized change of design and revision of estimate without administrative approval	1.265
	66	12	Undue retention of performance securities outside the treasury	1.153
	67	15	Doubtful expenditure of POL for generators	1.016
	68	16	Unauthorized expenditure through direct contracting without approval of competent authority	0.886
	69	17	Less recovery of map and conversion fees from the owners of educational building	0.547
	70	18	Non-deposit of GST	0.339
	71	19	Non-imposition of penalty for late completion of works	0.323
	72	20	Less recovery of conversion fees from the developers of land sub-divisions	0.263
	73	21	Poor performance of TO (P&C) and non-obtaining of conversion fee for residential use of land	0.18
	74	22	Unauthorized approval of scheme for manhole covers and payment	0.174

Formation Name	Sr. No	Para No.	Subject	Amount
	75	23	Excess withdrawal of POL than the meter reading	0.155
	76	24	Unauthorized expenditure on hiring of tent for Susta Bazar	0.146
	77	25	Excess payment of rates than OGRA rates	0.054
	78	26	Excess payment	0.022

Part-II**[Para-1.1.3]****Memorandum for Departmental Accounts Committee Paras not attended in Accordance with the Directives of DAC Pertaining to Audit Year 2014-15****(Rupees in million)**

Name of TMA	Sr. No.	Para No.	Subject	Amount	Nature Of Audit Observation
TMA Khanewal	1	7	Unauthorized purchase of accessories for sucker machine and dewatering set	0.184	Irregularity
	2	10	Fraudulent withdrawal of CCB share before start of work through contractor	0.200	Misappropriation
	3	16	Unauthorized purchases of container for solid waste against the specification and recovery of liquidated damages	3.816	Irregularity
	4	25	Excess payments of rates than OGRA	0.071	Weak Internal Control
	5	43	Less collection of Conversion Fee	0.080	Performance
TMA Kabirwala	6	1	Non-recovery of rent of shops	0.207	Performance
	7	14	Wasteful expenditure on youth festival	0.459	Irregularity
	8	20	Illegal occupation of TMA building by police department and recovery of utility bills	0.133	Performance
	9	23	Less imposition of fine to contractors on late completion of development schemes	0.770	Weak Internal Control
TMA Jahania	10	12	Non-recovery of house rent allowance and conveyance allowance	0.101	Performance
	11	14	Unauthorized purchase of accessories for sucker machine and dewatering set	0.184	Irregularity
	12	22	Unauthorized undertaking of work without approval of technical sanction of	0.500	Irregularity

Name of TMA	Sr. No.	Para No.	Subject	Amount	Nature Of Audit Observation
			estimate		
	13	26	Non- imposition of penalty due to late completion of works	0.982	Weak Internal Control
	14	35	Less-recovery of prescribed rate of conversion fee and irregular approval of commercial map from commercial markets	0.148	Performance
TMA Mian Channu	15	7	Poor recovery position of water rates and blockage of revenue	0.264	Performance
	16	8	Short collection of Government dues	0.109	Performance
	17	10	Short recovery of immoveable property tax	0.489	Performance
	18	11	Non- collection of Government dues	0.109	Performance
	19	21	Illegal additional construction of building work without approval and payment of TMA	0.114	Performance

TMA of District Khanewal
Budget and Expenditure Statement for Financial Year 2014-15
TMA, District Khanewal

TMA Khanewal (Rupees in million)

Description	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	126.148	101.041	-25.107	-20%
Non-salary	126.35	98.657	-27.693	-22%
Development	41.077	28.859	-12.218	-30%
Revenue	113.95	104.771	-9.179	-8%
Total	407.525	333.328	-74.197	-18%

TMA Kabirwala (Rupees in million)

Description	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	97.000	80.325	-16.675	-17%
Non-salary	53.517	40.431	-13.086	-24%
Development	160.023	139.150	-20.873	-13%
Revenue	208.912	249.347	40.435	19%
Total	519.452	509.253	-10.199	-2%

TMA Mian Channu (Rupees in million)

Description	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	121.39	113.693	-7.697	-6%
Non-salary	92.085	62.068	-30.017	-33%
Development	115.1	100.414	-14.686	-13%
Revenue	242.762	231.418	-11.344	-5%
Total	571.337	507.593	-63.744	-11%

TMA Jahanian**(Rupees in million)**

Description	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	60.092	50.097	-9.995	-17%
Non-salary	29.921	19.602	-10.319	-34%
Development	46.100	33.620	-12.48	-27%
Revenue	75.201	53.023	-22.178	-29%
Total	211.314	156.342	-54.972	-26%

Annex-C

[Para 1.2.1.2]

Irregular expenditure due to misclassification – Rs 1.743 million

(Rupees in million)

Voucher No. & Date	Particular of Exp	Invoice / Bill No./Date	Name of Supplier/Firm	Head of A/C	DDO/Unit	Gross Amount
49/12-14	Rent 2 Nos. Generators	26-11-14	Shakar Electric works	Purchase of Physical Assets 9601	TO(I&S)	0.024
61/12/14	Repair Souzo Fire Brigade	13-10-14	Javaid & Company Mian Chanu	3970- Others	TO(I&S)	0.830
253/6-15	Repair Tanki	27-6-15	Haq Nawaz, Rahman Machnical Makhdoom Pur	-do-	TO(I&S)	0.024
275/4-15	Purchase of Plants for City Park	27/2/2015	Faisal Nursery farm KWL	A09802 Others	TO(I&S)	0.069
89/6-15	Supply Seasonal Paneeri Gamla Jaat	550/5-3-15	Madina Nursery Farm	9801	TO(I&S)	0.049
179/6-15	Supply of Material Fireworks for Jashan-e-Baharan 2015	1120/25-3-15	Chand Paper Decoration KWL	3918	TO(I&S)	0.096
58/1-15	Rent of Shuttering Material for 6 Muharram ul Harram 2014	29/11/2014	RanaUsman Contractor	3918	TO(I&S)	0.095
115/6-15	Rent of Generator 50 KV	6/1/1950	RanaUsman Contractor	A09802 Others	TO(I&S)	0.096
118/1-15	Supply UPS Battery for SastaBazar / Ramzan Bazar 2014	440/1-8-2014	Hayat Enterprises KWL	3470	TO(I&S)	0.048
119/1-15	Supply Electric Material for Sasta Bazar 2014	448	Hayat Enterprises KWL	A09802 Others	TO(I&S)	0.095
297/4-15	Purchase of Tyres for Tractor TMA KWL	183	New General Traders Bahawalpur	Purchase of M&E	TO(I&S)	0.317
Total						1.743

Annex-D**[Para 1.2.2.1]****Non recovery of kacchi abadies charges – Rs 18.059 million**

(Rupees in million)

Sr. #	Name of Kacchi Abadi	Total No. of Dwelling units	Proprietary Rights Granted till 30-6-13	Balance yet to be granted	%age of Balance Proprietary Rights	Arrears Cost of Land	Arrear Dev. Charges	Total	Property rights granted 01.7.2014 to 30.6.2015
1	2	3	4	5	6	7	8	9	10
1	Basti Chan Shah (P)	288	231	57	88%	0.049	0.142	0.191	Nil
2	Basti Chan Shah (R)	338	290	48	85%	0.041	0.120	0.161	Nil
3	Basti Molvi Hayat	167	121	46	72%	0.040	0.115	0.154	Nil
4	Basti Nizam Abad	192	98	94	51%	0.081	0.235	0.315	Nil
5	Changar Mohallah	166	128	38	77%	0.033	0.095	0.127	Nil
6	Christian Colony, Civil Line	191	184	7	96%	0.006	0.017	0.023	Nil
7	Colony No. 1	1300	1191	109	91%	0.094	0.272	0.366	Nil
8	Colony No. 2	427	409	18	95%	0.015	0.045	0.060	Nil
9	Colony No. 3	3098	2374	724	76%	0.623	1.810	2.432	Nil
10	Gharib Abad	204	193	11	94%	0.009	0.137	0.146	Nil
11	Haddi Godown, Lakkar Mandi	206	195	11	94%	0.009	0.137	0.146	Nil
12	Jamia Abad, Engine Shed	113	97	16	85%	0.014	0.040	0.053	Nil

Sr. #	Name of Kacchi Abadi	Total No. of Dwelling units	Proprietary Rights Granted till 30-6-13	Balance yet to be granted	%age of Balance Proprietary Rights	Arrears Cost of Land	Arrear Dev. Charges	Total	Property rights granted 01.7.2014 to 30.6.2015
1	2	3	4	5	6	7	8	9	10
13	Khokhar Abad	189	151	38	79%	0.032	0.095	0.127	Nil
14	Khurram Pura	217	31	186	14%	0.159	0.465	0.624	Nil
15	Marzi Pura	1125	751	374	66%	0.321	0.935	1.256	Nil
16	Mujahid Abad, Engine Shed	104	96	8	92%	0.007	0.020	0.026	Nil
17	New Kot Alla Sing	107	98	9	91%	0.008	0.022	0.030	Nil
18	Purana Karkhana	56	11	45	19%	0.039	0.112	0.151	Nil
19	Abbas Nagar	465	221	244	47%	0.209	0.061	0.270	Nil
20	Madina Colony / KhurramPura	317	134	183	42%	0.157	0.457	0.615	Nil
21	New Nizamabad 88/10-R	152	85	67	55%	0.060	0.167	0.225	Nil
	Total	9422	7089	2333	75%	2.006	16.052	18.059	Nil

Annex-E
[Para 1.3.1.1]

Non-production of record – Rs 5.873 million

- a. Demand & Collection Register.
- b. Receipts Books.
- c. Bank Deposit Challans.
- d. Bank Statements of Three accounts of TMA (Punjab Bank Abdul Hakee, Srye Sidhu & Kabirwala) were also not produced.
- e. File of shops located in Kabirwala & Abdul Hakeem were also not produced instead of many repeated verbal requests for checking the annual increments.
- f. No attendance registers of branches was shown.
- g. No leave record of different branches was shown.

(Rupees million)

Name of Receipt Head	Original Demand 2014-15	Actual Receipt 2014-15
Slaughter House Sarai Sidhu	0.060	0.057
Parking / adda Fee Kabirwala	2.800	4.452
Cattle Pond	0.060	0.005
Sale of Stock Store & Saving	0.100	0.440
License Fee Professional Kabirwala	0.800	0.919
Total		5.873

Annex-F**[Para 1.3.2.1]****Unauthorized construction of buildings – Rs 2.682 million**

(Rupees in million)

Sr. No.	Name	Area	Av. Sale Price	Building Fee	Conversion Fee
1	Misali Public School Kabirwala	10M	0.100	0.020	0.050
2	Iqra Pilot School Jhang Road Kabirwala	20 M	0.100	0.040	0.100
3	Scholar School System opposite Al-Hilal city Kabirwala	10M	0.100	0.020	0.050
4	Al-Hilal Grammar School near old college Jhang Road Kabirwala	20 M	0.100	0.040	0.100
5	Beacon Home School Kabirwala	10M	0.100	0.020	0.050
6	The Educator school System Kabirwala	10M	0.100	0.020	0.050
7	Dar-e Arqam canal road Kabirwala	20 M	0.100	0.040	0.100
8	Waseem Public School Canal road Kabirwala	20 M	0.100	0.040	0.100
9	Vision College Kabirwala	10M	0.100	0.020	0.050
¹⁰	Jinnah Public School sardar Pur Road Kabirwala	10M	0.100	0.020	0.050
¹¹	Al-Razaqia Public School near Sun City Multan road Kabirwala	20 M	0.100	0.040	0.100
¹²	Zakerya Public School Sun City Multan Road Kabirwala	20 M	0.100	0.040	0.100
¹³	Khalid Bin Waleed School Canal road Kabirwala	20 M	0.100	0.040	0.100
¹⁴	Scholar School Multan road Kabirwala	20 M	0.100	0.040	0.100
¹⁵	Knowledge School near Sangah CNG Multan road	20 M	0.100	0.040	0.100
¹⁶	National Grammer School Ijaz Kamboh Kukar Hatta road	10M	0.100	0.020	0.050
¹⁷	Islamia College Haji Pervaiz Kukar Hatta Road	10M	0.100	0.020	0.050
¹⁸	Al-Haram School Kukar Hatta road	10M	0.100	0.020	0.050
Total				0.540	1.350
Hospitals					
Sr. No.	Name	Area	Av. Sale Price	Building Fee	Conversion Fee
1	Al-khaliq Prime Care Eye Hospital Kabirwala	5M	0.150	0.010	0.037
2	Zainab Hospital Lady Dr. Noshaba	10M	0.150	0.015	0.075

Sr. No.	Name	Area	Av. Sale Price	Building Fee	Conversion Fee
	Kabirwala				
3	Al-shifa Kabirwala Hadi Jor Kabirwala	10M	0.150	0.015	0.075
4	Al-Kabieer City Hospital Canal road Kabirwala	20 M	0.150	0.020	0.150
5	Muzammal Surgical Hospital Kukar Hatta road	5M	0.150	0.010	0.038
6	Umar Hospital Adda 12 Meal	5 M	0.150	0.010	0.037
Total				0.080	0.713
Grand Total					2.682

Annex-G**[Para 1.3.3.2]****Unauthorized withdrawal through splitting the indents - Rs 1.310 million**

(Rupees in million)

Dated	Voucher No.	Description	Invoice No. & Date	Name of Co.	Amount
19.05.2015	82	Penaflexes	30.04.2015	Mutee-Ur - Rehman	0.089
19.05.2015	83	Penaflexes	30.04.2015	Mutee-Ur - Rehman	0.095
19.05.2015	84	Penaflexes	30.04.2015	Mutee-Ur - Rehman	0.095
02.06.2015	12	Penaflexes	30.04.2015	Mutee-Ur - Rehman	0.089
02.06.2015	13	Penaflexes	30.04.2015	Mutee-Ur - Rehman	0.095
02.06.2015	14	Penaflexes	30.04.2015	Mutee-Ur - Rehman	0.095
02.06.2015	15	Penaflexes	27.04.2015	Bukhari Penaflexes	0.048
02.06.2015	16	Penaflexes	27.04.2015	Bukhari Penaflex	0.048
02.06.2015	17	Penaflexes	27.04.2015	Bukhari Penaflex	0.024
25.06.2015	180	Penaflexes	25.05.2015	Bukhari Penaflex	0.030
18.08.2014	52	Penaflexes	04.08.2014	Roufi Painter & Graphics	0.013
18.08.2014	55	Penaflexes	07.08.2014	Roufi Painter & Graphics	0.046
18.08.2014	56	Penaflexes	08.08.2014	Roufi Painter & Graphics	0.049
18.08.2014	57	Penaflexes	07.08.2014	Roufi Painter & Graphics	0.049
18.08.2014	59	Penaflexes	09.08.2014	Roufi Painter & Graphics	0.038
18.08.2014	74	Penaflexes	08.08.2014	Roufi Painter & Graphics	0.033
25.09.2014	232	Penaflexes	13.09.2014	Roufi Painter & Graphics	0.048
25.09.2014	233	Penaflexes	03.09.2014	Roufi Painter & Graphics	0.048
25.09.2014	234	Penaflexes	03.09.2014	Bukhari Penaflex	0.048
25.09.2014	235	Penaflexes	13.09.2014	Roufi Painter & Graphics	0.048
25.09.2014	236	Penaflexes	13.09.2014	Bukhari Penaflex	0.048
25.09.2014	237	Penaflexes	13.09.2014	Bukhari Penaflex	0.048
19.11.2014	85	Penaflexes	11.11.2014	Bukhari Penaflex	0.042
19.11.2014	104	Penaflexes	11.11.2014	Bukhari Penaflex	0.044
Total					1.310

Annex-H

[Para 1.4.1.5]

Unauthorized construction of buildings – Rs 1.515 million

(Rupees in million)

Name of Owner	Recoverable
Asad Mehmood S/o Bashir Ahmad, Block No.13	0.253
Abdul Waheed S/o Mohammad Ali, Chak 130/15L, Rural Area	0.060
Abdul Ghani S/o Allao Din, Chak No. 137/16L	0.458
Nadeem Afzal, Al Fajar Hotel	0.061
Mehmood Alam S/o Nabi Ahmad, Arooma Gardens	0.037
Mohammad Riaz S/o Mohammad Ibrahim, Chak 133/16L	0.170
Qayoom Shah S/o Wahid Shah, Shaheed Road Mian Channu	0.101
Mohammad yasin S/o Ghulam Mohammad, Block No. 2	0.031
Rizwan Ahmad S/o Mukhtar Near Attock petrol pump Tulamba	0.014
Ghulam Safdar S/o Remat Ali Tulamba	0.014
JavaidIqbal S/o Faiz Mohammad Mohallah Chawni Makhdompur Road Tulamba	0.027
RanaShahid Mehmood Manj S/o Choudhry Mohammad Sharif Shoukat Mor Tulamba	0.041
Rana Mohammad Farooq S/o Ghulam Gillani Abdul Hakim Road Tulamba	0.234
Rao Mohammad Saleem, Mohammad Khalil Near Attock Petrol Pump Tulamba	0.014
Total	1.515

Annex-I**[Para 1.5.1.1]****Irregular opening of tender –Rs 16.345 million**

(Rupees in million)

Sr. No.	Name of Scheme	Tender Date	TS Date	Amount of TS
1	Construction of Sewerage & Tuff Tile Street Saleem Rehmani Ghareeb Abad	22.11.14	01.10.14	0.600
2	Construction of Soling and Drain Street Masjid wali Chak 143/10.R	22.11.14	01.10.14	0.160
3	Construction of Sewerage & Tuff Tile Street Aslam Photographer Jinnah Colony	22.11.14	01.10.14	0.500
4	Construction of Soling & Tuff Tile Street Ashraf Gujjar Jalal Abad	22.11.14	01.10.14	0.500
5	Construction of Soling, Drain & Tuff Tile Chak 110/10.R	22.11.14	01.10.14	0.400
6	Construction of Soling, Nali& Tuff Tile Street Malik Altaf Dangra Chak 114/10.R	22.11.14	01.10.14	0.400
7	Construction of Sewerage Street Haji Abdul Razzaq Chak 138/10.R	22.11.14	01.10.14	0.340
8	Const. of Sewerage & Improvement of Metalled Road Street Excise office Wali	22.11.14	01.10.14	0.600
9	Construction of Tuff Tile & Improvement of Road Streets Peer Abdul Ghani& Ch. Jamshed Wali	31.03.15	01.10.14	0.500
10	Construction of Tuff Tile Street Waris Bajwa Jinnah Colony	22.11.14	01.10.14	0.345
11	Construction of Sewerage Street Sarwar Shah Wali Jinnah Colony (A)	22.11.14	01.10.14	0.200
12	Construction of Tuff Tile Street Ihsan-ul-Haq Housing Scheme	22.11.14	01.10.14	0.400
13	Construction of Sullage Career and Nali Chak 137/10.R	22.11.14	01.10.14	0.400
14	Const. of Sewerage & Soling Street Master Muhammad Ali, Jinnah Colony (B)	22.11.14	01.10.14	0.300
15	Construction of Tuff Tile Street Dr. Khadim Dhilon Chak 112/10.R	22.11.14	01.10.14	0.500
16	Construction of Metalled Road Chak 116/10.R (New)	22.11.14	01.10.14	1.100
17	Construction of Soling, Nali Chak 116/10.R (Old)	22.11.14	01.10.14	0.300
18	Construction of Tuff Tile Link Streets Masjid Noor Wali Block No 4	22.11.14	01.10.14	0.100
19	Construction of Tuff Tiles Street Sheikh Saleem Wali	22.11.14	01.10.14	0.500
20	Construction of Tuff Tiles Street Master Ashraf Wali Cheema Colony	22.11.14	01.10.14	0.400
21	Construction of Sewerage Street Park Wali Jinnah Colony	22.11.14	01.10.14	0.400
22	Construction & Improvement of metal road 114/10R	22.11.14	01.10.14	0.500
23	Construction of Tuff Tiles Street Malik Ameer Wali Jamal Colony	22.11.14	01.10.14	0.300

Sr. No.	Name of Scheme	Tender Date	TS Date	Amount of TS
24	Construction of Tuff Tiles Street PT AslamWali Jalal Abad	22.11.14	01.10.14	0.400
25	Construction of Tuff Tiles Street Sheikh Shamshad Wali Block No 6	22.11.14	01.10.14	0.500
26	Construction of Drain & Soling 107/10R	22.11.14	01.10.14	0.500
27	Construction of Drain & Soling Street Rehmaniawali Jinnah Colony A	22.11.14	01.10.14	0.500
28	Construction of Tuff Tiles Street Malik AslamWali near Mosque Hasnain Karemain	22.11.14	01.10.14	0.200
29	Construction of Tuff Tiles Street Malik Niamat wali Jalal Abad	22.11.14	01.10.14	0.150
30	Construction of Tuff Tiles Street Saleem Wali Garib Abad	22.11.14	01.10.14	0.600
31	Improvement of Metal Road Chowk Dr. Hanif Bhatti	22.11.14	01.10.14	0.250
32	Construction of Tuff Tiles Street Maqbool Cheena Wali Janah Colony B.	22.11.14	01.10.14	0.300
33	Special Repair Multan Road to Lakkar Mandi Jahanian	22.11.14	01.10.14	0.300
34	Construction of Tuff Tiles Street Nayar WaliJanah Colony A	22.11.14	01.10.14	0.150
35	Construction of Sewerage Different Streets City Jahanian	22.11.14	01.10.14	0.250
36	Repair and Changing of Tanks Water Filtration Plant & Bore of Pump etc.	31.03.15	01.10.14	0.400
37	Construction of remaining boundary wall and repair of tanks / kunwein Disposal Works # 01	22.11.14	01.10.14	0.300
38	Repair of Quarters TMA Jahanian	22.11.14	01.10.14	0.300
39	Repair and construction of Geraj for Vehicles of Sanitation Branch	22.11.14	01.10.14	0.500
40	Construction of Tuff Tile Street Muzammal Photo state wali and Akram Qanoongo Wali Jalal Abad	31.03.15	01.10.14	0.700
41	Supply and Fixing Main Hole Covers & CI Rings	22.11.14	01.10.14	0.300
	Total Amount of Works			16.345

Annex-J**[Para 1.5.1.2]****Unauthorized issuance of work order through quotations – Rs 1.225 million**

(Rupees in million)

Vr. No.	Month	Name of work	Name of contractor	Work order issued by	Actual Payment
42	Jul-14	Const. of sullage carrier and drain street Rana Tanveer Ahmed 139/10-R	Rehmani Brothers	TO (I&S) BS-16	0.096
43	Jul-14	Supply and fixing of manhole covers CI rings	Qutab-ud-Din	TO (I&S) BS-16	0.117
90	Jul-14	Supply and fixing of manhole covers CI rings	Abdul Aziz	TO (I&S) BS-16	0.071
110	Aug-14	Const. of sewerage near Masjid Mufti Shafi Jalalabad	EidGul Khan	TO (I&S) BS-16	0.037
37	Dec-14	Construction of wall of TMA rest house	Saad Const.	TO (I&S) BS-16	0.025
38	Dec-14	Resoling & PCC in front of back door of Admn. office	Saad Const.	TO (I&S) BS-16	0.025
39	Dec-14	Repair of boundary wall of Wahla stadium	Saad Const.	TO (I&S) BS-16	0.024
49	Dec-14	Sewerage of TMO quarter	Saad Const.	TO (I&S) BS-16	0.025
50	Dec-14	P/F Water tanki and flush tanki for bath room of I&S Br.	Saad Const.	TO (I&S) BS-16	0.018
69	Mar-15	Supply and fixing starter three phase 60 HP and cable valves disposal works No.1	Khalid Sharif	TO (I&S) BS-16	0.235
70	Mar-15	Supply and fixing of spindles and gate volves disposal works No.1	Khalid Sharif	TO (I&S) BS-16	0.255
28	Jan-15	Fixing the GI Pipe and wire in Gole Market	Saad Const.	TO (I&S) BS-16	0.018
29	Jan-15	Repair of foundation of electric meter at disposal work No.2	Sohail Brother	TO (I&S) BS-16	0.065
79	Jan-15	Renovation/Alteration camp office Administrator	Saad Const.	TO (I&S) BS-16	0.092
80	Jan-15	Renovation/Alteration camp office Administrator	Saad Const.	TO (I&S) BS-16	0.100
90	Jan-15	Fixing GI Pipe for small door of TMA office	Saad Const.	TO (I&S) BS-16	0.022
Total					1.225

Annex-K**[Para 1.5.2.4]****Non-recovery of rent of Government land –Rs 14.926 million****(Rupees in million)**

No. of Units	No. of Defaulter Units	Size of Plot	Location of land	Arrears on 30.06.15
90	85	Different size	Block No.01	1.838
68	56	Different size	Block No.02	1.173
86	77	Different size	Block No.03 Saddar Bazar north side	1.772
28	20	Different size	Block No.03 Allah Dad Bazar	0.492
24	22	Different size	Block No.03/B Allah Dad Bazar	0.476
71	59	Different size	Block No.04 Southern side	1.284
49	47	Different size	Loha Bazar	1.534
13	6	Different size	Block No.6	0.126
8	7	8X10	Waryan Road	0.096
43	34	Different size	Near PS No.3 old post office bazaar	0.520
34	28	Different size	Near Town Hall	0.307
17	17	Different size	Jillani Masjid	0.426
3	3	Different size	Abdullah chowk	0.061
11	9	Different size	Rehmani Bazar	0.119
50	36	Different size	Allah Dad bazaar	0.562
13	10	10X10	Near SabziMandi Allah Dad bazaar	0.137
8	8	20X25	LakkarMandi	0.409
19	15	Different size	Multan road near thana	0.380
186	133	Different size	Railway road	1.988
47	34	10X15	Kham shops Railway road	0.424
33	31	Different size	General Bus Stand	0.802
901	737		Total	14.926

Annex-L**[Para1.5.3.1]****Unauthorized expenditure on Muharram route– Rs 1.173 million**

(Rupees in million)

Vr. No.	Month of Voucher	Nature of Expense	Name of Firm	Name of Item	Gross Amount
35	Jul-14	Purchase of tent for Ramzan Bazar	Khaki Brothers	Shamiyana (15X18)	0.100
36	Jul-14	Purchase of table wooden for Ramzan Bazar	Khaki Brothers	Table wooden	0.070
37	Jul-14	Purchase of cable R-7 for CCTV Cameras of Ramzan Bazar	Waheed Electronics	Cable R-7 (Roll), plase, cutter, tape roll	0.020
38	Jul-14	Purchase of Ragzine for Ramzan Bazar	Al-Sheikh Plastic Store	Ragzine	0.023
39	Jul-14	Purchase of UPS and battery for CCTV Camaras of Ramzan Bazar	Zahid Battery Center	UPS (China),Battery Osaka 27 plate	0.040
40	Jul-14	Purchase of steel chairs for Ramzan Bazar	Haji Botta Tent	Steel Chairs foam	0.059
41	Jul-14	Carpet for Ramzan Bazar	Haji Botta Tent	Carpet (20X12), (20X6)	0.075
47	Jul-14	Purchase of Door toilet for Ramzan Bazar	Mirza M. Sharif	Door	0.010
73	Jul-14	Purchase of Electric material for Ramzan Bazar	Mumtaz Electric Store	Different items	0.005
74	Jul-14	Purchase of Cable for Ramzan Bazar	Mumtaz Electric Store	Cabel,7/52 to core(coil)	0.005
75	Jul-14	Purchase of Cable 7/64	Mumtaz Electric Store	7/64 double core (Coil)	0.011
1	Aug-14	Purchase for Ramzan Bazar	Al Rehman Crockery Store	Dust bin	0.005
2	Aug-14	Purchase for Ramzan Bazar	Al Sheikh Plastic Store	2kg and 1Kg Plastic Pack With Printing	0.046
3	Aug-14	Loud Speaker for Ramzan Bazar	M. Javaid Iqbal	Loud Speaker (days)	0.005
25	Aug-14	Purchase CCTV Cameras for Ramzan Bazar	Atta Umer Computers	CCTV Camera installation + DVR, cable and line rent	0.025
27	Aug-14	Purchase of plants for	Asghar Nursery Farm	Plants	0.005

Vr. No.	Month of Voucher	Nature of Expense	Name of Firm	Name of Item	Gross Amount
		Ramzan Bazar			
88	Oct-14	CCTV Camera	Panjtan Business Management	CCTV Camera	0.100
89	Oct-14	Bill of Walk Throw Gate	Masha Allah Enter Prizes	Bill of Walk Throw Gate	0.080
6	Mar-15	Hiring of tent for Chehlum	Sabir catering & Pakwan	Rent of Tent	0.005
7	Mar-15	CCTV Camera for Chehlum	Atta Umar Computer	Installation of CCTV camera	0.005
12	Mar-15	Movies Chehlum	Umar Movies	Movies of Chehlum	0.003
74	Jun-15	DVR for Muharram	Atta Umar Computer	DVR	0.017
75	Jun-15	CCTV Camera for Muharram	Atta Umar Computer	Installation of CCTV camera	0.017
76	Jun-15	Purchase of Cable for Muharram	Atta Umar Computer	Cable	0.025
77	Jun-15	Bill of Movies Muharram	Umar Movies	Movie	0.013
111	Jun-15	Purchase Ramzan	Asghar Narsri Farm	Different Plants	0.017
172	Jun-15	Purchase RamzanBazzar	Mirza M.Sharif	Tent, Qanat and different articles	0.387
Total					1.173