



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

AUDIT YEAR 2016-17

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Program
BPS	Basic Pay Scale
C&W	Communication and Works
CNG	Compressed Natural Gas
DAC	Departmental Accounts Committee
DDO	Drawing and Disbursing Officer
DGA	Directorate General Audit
DSP	Deputy Superintendent of Police
FD	Finance Department
GST	General Sales Tax
IPSAS	International Public Sector Accounting Standards
LFA	Local Fund Audit
LG&CD	Local Government & Community Development
MC	Municipal Committee
MFDAC	Memorandum for Departmental Accounts Committee
MO (R)	Municipal Officer (Revenue)
NAB	National Accountability Bureau
NAM	New Accounting Model
NOC	No Objection Certificate
OGRA	Oil and Gas Regulatory Authority
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PDG	Punjab District Governments
PFC	Provincial Finance Commission
PHE	Public Health Engineering
PLA	Personal Ledger Account
PLG	Punjab Local Government

PLGB	Punjab Local Government Board
PLGO	Punjab Local Government Ordinance
PFR	Punjab Financial Rules
PPRA	Punjab Procurement Regulatory Authority
POL	Petroleum Oil and Lubricants
RDA	Regional Directorate of Audit
R&M	Repair and Maintenance
S&GAD	Services and General Administration Department
TAC	Tehsil Accounts Committee
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TO (F)	Tehsil Officer (Finance)
TO (I&S)	Tehsil Officer (Infrastructure & Services)
TO (P&C)	Tehsil Officer (Planning & Coordination)
TO (R)	Tehsil Officer (Regulation)
TS	Technical Sanction
WAPDA	Water and Power Development Authority

Preface

Articles 169 and 170 (2) of the Constitution of the Islamic Republic of Pakistan, 1973 and Section 115 of the Punjab Local Government Ordinance, 2001 and Auditor General of Pakistan's SRO (1)/2009 dated 02.03.2009 require the Auditor General of Pakistan to conduct audit of Receipts and Expenditures of the Local Fund and Public Accounts of District Governments, Town / Tehsil Municipal Administrations and Union Administrations.

The Report is based on audit of the accounts of Tehsil Municipal Administrations of District Bahawalnagar for the Financial Year 2015-16. The Directorate General of Audit District Governments Punjab (South), Multan conducted audit during Audit Year 2016-17 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 million or more. Relatively less significant issues are listed in the Annex-A of the Audit Report. The audit observations listed in the Annex-A shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

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

The Audit Report is submitted to the Governor of the Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973 for causing it to be laid before the Provincial Assembly.

Islamabad
Dated:

(Javaid Jehangir)
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 and Union Administrations. Regional Directorate of Audit Bahawalpur has audit jurisdiction of District Governments, TMAs and UAs of three Districts i.e. Bahawalpur, Bahawalnagar and Rahim Yar Khan.

The Regional Directorate has a human resource of 27 officers and other staff. Total man days available were 4,830 and budget amounting to Rs 19.05 million was allocated in Audit Year 2016-17. The office is mandated to conduct financial attest audit, audit of sanctions, audit of compliance with authority and audit of receipts as well as the performance audit of entities, projects and programs. Accordingly, RDA Bahawalpur carried out audit of the accounts of five TMAs of District Bahawalnagar for the Financial Year 2015-16 and the findings are included in the Audit Report.

Each Tehsil Municipal Administration in District Bahawalnagar is headed by a Tehsil Nazim / Administrator who carry out operations as per Punjab Local Government Ordinance, 2001. Tehsil Municipal Officer is the Principal Accounting Officer (PAO) and acts as a 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 / 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 five TMAs in the District Bahawalnagar for the Financial Year 2015-16 was Rs 122.227 million and expenditure incurred was of Rs 86.548 million, showing savings of Rs 35.679 million. The total Non-development Budget for Financial Year 2015-16 was Rs 769.953 million and expenditure was of Rs 671.430 million, showing savings of Rs 98.523 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 Bahawalnagar was carried out with a view to ascertain that the expenditure was incurred with proper authorization, in conformity with laws/ rules /regulations and as to whether the procurement of assets and hiring of services were economical or not.

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

a. Scope of Audit

Out of total expenditure of TMAs of District Bahawalnagar for the Financial Year 2015-16, auditable expenditure under the jurisdiction of Regional Director Audit, Bahawalpur was Rs 757.978 million covering five PAOs/formations. Out of this, RDA Bahawalpur audited an expenditure of Rs 289.361 million which, in terms of percentage, is 38% of total auditable expenditure and irregularities amounting to Rs 1,709.626 million were pointed out. Regional Director Audit planned and executed audit of 05 formations i.e. 100% achievement against the planned audit activities.

Total receipts of TMAs of District Bahawalnagar for the Financial Year 2015-16 were Rs 792.071 million. RDA Bahawalpur audited receipts of Rs 580.801 million which, in terms of percentage 73.32% of total receipts and irregularities amounting to Rs 2,507.304 million were pointed out.

b. Recoveries at the Instance of Audit

Recoveries of Rs 885.186 million were pointed out by Audit (out of which Rs 402.134 million of paras over one million are included in this Report) which was not in the notice of the management before audit. An amount of Rs 3.858 million was recovered by the management and verified by Audit during Audit Year 2016-17, till the time of compilation of the Report.

c. Audit Methodology

Audit was conducted after understanding the business processes of TMAs with respect to its functions, control structure, prioritization of risk areas by determining their significance and identification of key controls. This helped auditors in understanding

the systems, procedures, environment and the audited entity before starting field audit activity.

d. Audit Impact

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

e. Comments on Internal Control and Internal Audit Department

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

f. Key Audit Findings of the Report

- i. Fraud, embezzlement and misappropriation of Rs 10.082 million was noted in two cases.¹
- ii. Non production of record of Rs 135.786 million was noted in four cases.²
- iii. Irregularities and non compliance of Rs 1,190.839 million were noted in Twenty five cases.³
- iv. Performance issues of Rs 64.117 million were noted in four cases.⁴
- v. Internal Control Weaknesses of Rs 2,731.816 million were noted in thirty three cases.⁵

¹Para 1.3.1.1, 1.6.1.1

²Para 1.2.1.1, 1.3.2.1, 1.5.1.1, 1.6.2.1

³Para 1.2.2.1 to 1.2.2.3, 1.3.2.1 to 1.3.2.7, 1.4.1.1 to 1.4.1.9, 1.5.2.1 to 1.5.2.3, 1.6.3.1 to 1.6.3.3

⁴Para 1.2.3.1, 1.3.4.1, 1.4.2.1, 1.6.4.1

⁵Para 1.2.4.1 to 1.2.4.7, 1.3.5.1 to 1.3.5.12, 1.4.3.1 to 1.4.3.6, 1.5.3.1 to 1.5.3.7, 1.6.5.1

Audit paras on the accounts for the Financial 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 (MFDAC). (**Annex-A**)

g. Recommendations

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

- i. Holding investigations for wastage, fraud/misappropriations, losses and taking disciplinary actions after fixing responsibilities.
- ii. Production of record to audit for verification.
- iii. Compliance of relevant laws, rules, instructions and procedures, etc.
- iv. Strengthening of financial and managerial controls.
- v. Compliance of DAC directives and decisions in letter and spirit.
- vi. Expediting recoveries pointed out by Audit as well as other recoveries in the notice of management.
- vii. Appropriate actions against officers/officials responsible for violation of rules and losses.
- viii. Addressing systemic issues to prevent recurrence of various acts of omission and commission.
- ix. Appointing internal auditors to strengthen internal controls.

SUMMARY TABLES AND CHARTS

Table 1: Audit Work Statistics

(Rupees in million)

Sr. No.	Description	No.	Expenditure	Receipt	Total
1	Total PAOs in Audit jurisdiction	05	757.978	792.071	1,550.049
2	Total Formations in Audit Jurisdiction	05	757.978	792.071	1,550.049
3	Total Entities (PAOs) Audited	05	289.361	580.801	870.162
4	Total formations audited	05	289.361	580.801	870.162
5	Audit & Inspection Reports	05	289.361	580.801	870.162
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	64.117
3	Weak Internal controls relating to Financial Management	2,731.816
4	Others	1,336.707
Total		4,132.640

Table 3: Outcome Statistics

(Rupees in million)

Sr. No.	Description	Expenditure on Physical Assets	Salary	Non Salary	Civil Works	Receipt	Total Current Year	Total Last Year
1	Total Financial Outlay	20.250	430.661	220.519	86.548	792.071	1,550.049	1,674.414
2	Outlays Audited	20.250	134.482	84.076	50.553	580.801	870.162*	918.011
3	Amount placed under audit observations / irregularities pointed out	12.400	66.844	1,558.103	27.989	2,467.304	4,132.640	1,716.624
4	Recoveries pointed out at the instance of Audit	-	5.044	1.110	-	395.980	402.134	379.633
5	Recoveries accepted/established at the instance of Audit	-	5.044	1.110	-	395.980	402.134	379.633
6	Recoveries realized at the instance of Audit	-	-	-	-	3.858	3.858	10.200

*The amount mentioned against Sr. No. 02 in column of "Total Current Year" is the sum of expenditure and receipts whereas the total expenditure was Rs 289.361 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 principal of propriety and probity in public operations.	1,190.839
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	10.082
3	Accounting errors (accounting policy departure from IPSAS ⁶ , misclassification, overstatement 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 controls system.	2,393.799
5	Recoveries and overpayments representing cases of established overpayments or misappropriations of public money.	402.134
6	Non-production of record to Audit.	135.786
7	Others including cases of accidents, negligence etc.	-
Total		4,132.640

Table 5: Cost-Benefit

(Rupees in million)

Sr. No.	Description	Amount
1	Outlays Audited (Item 2 of Table 3)	870.162
2	Expenditure on Audit	0.188
3	Recoveries realized at the instance of Audit	3.858
4	Cost-Benefit Ratio	21

⁶ The Accounting Policies and procedures prescribed by the Auditor General of Pakistan which are IPSAS (Cash) compliant.

CHAPTER-1

1.1 Tehsil Municipal Administrations, Bahawalnagar

1.1.1 Introduction

According to 1998 population census, the population of District Bahawalnagar is 3.141 million. District Bahawalnagar comprises five TMAs namely Bahawalnagar, Chishtian, Haroon Abad, Fort Abbas and Minchin Abad. Business of TMAs is run by Administrator and five Drawing & Disbursing Officers i.e. TMO, TO (I&S), TO (Finance), TO (P&C) and TO (Regulation) under Punjab Local Government Ordinance, 2001.

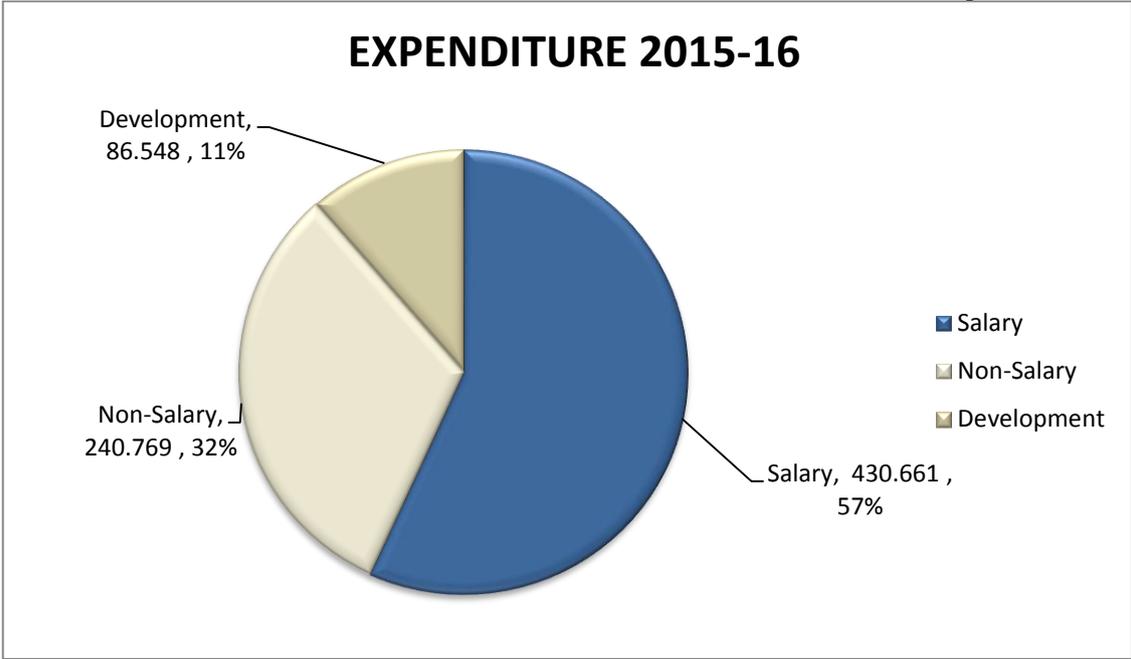
1.1.2 Comments on Budget and Accounts

Detail of budget and expenditure is given below:

(Rupees in million)

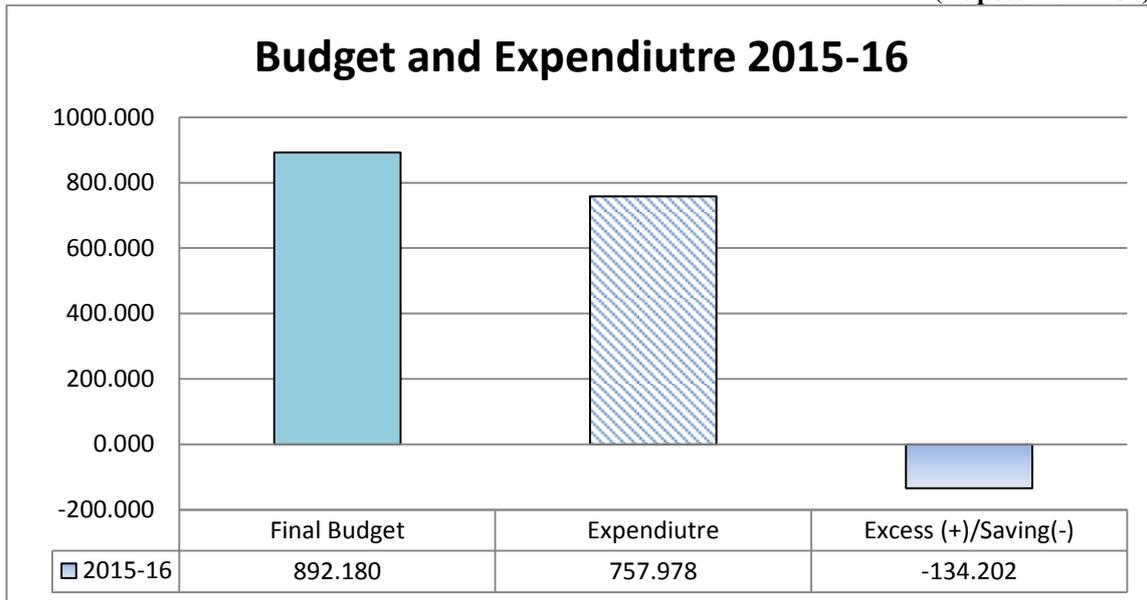
2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	484.267	430.661	-53.606	-11.07%
Non-salary	285.686	240.769	-44.917	-15.72%
Development	122.227	86.548	-35.679	-29.19%
Total	892.18	757.978	-134.202	-15.04%
Revenue	878.389	792.071	-86.318	-9.83%

(Rupees in million)



As per Annual Accounts the expenditure relating to TMAs in District Bahawalnagar was Rs 757.978 million against budget of Rs 892.180 million. A saving of Rs 134.202 million came to the notice of Audit, which shows that TMAs failed to provide municipal services and infrastructure developments. **(Annex-B)**

(Rupees in million)



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

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

1.1.4 Brief Comments on the Status of Compliance with PAC Directives

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	41	PAC not constituted
2	2012-13	27	PAC not constituted
3	2013-14	42	PAC not constituted
4	2014-15	27	PAC not constituted
5	2015-16	57	PAC not constituted

AUDIT PARAS

1.2 Tehsil Municipal Administration, Bahawalnagar

1.2.1 Non Production of Record

1.2.1.1 Non production / maintenance of record

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.

TMO Bahawalnagar neither maintained nor produced record despite repeated requests regarding expenditure incurred and revenue realized under different codes of classification by following branches during 2015-16 in violation of above rules. Detail is given below:

Sr. No.	Branch	Description
1	TO (P&C)	i. Record of illegal constructions ii. Notices issued to illegal constructors/ builders/ developers
2	Land Branch / TO (R)	i. Receipts of shops ii. All surveys regarding fixing/ enhancement of rent of shops/ pumps or any other property iii. Details of original allottee and current shop keeper from whom rent collected iv. Details of shops which were sealed during the year v. Lists of shops, pumps or any other property whose cases were under trial in the court of law
3	Non headquarter Dunga Bunga	i. Record of receipts

Audit is of the view that due to weak internal controls, record was neither properly maintained nor produced for audit verification.

Non production of record created doubts regarding legitimacy of receipts realized from above heads.

The matter was reported to Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 20.04.2017, Chief Officer replied that all the record was produced to Audit and same was available for perusal. Reply was not tenable as no record was produced to Audit for verification before DAC meeting.

DAC directed Chief Officer to produce complete record for verification by Audit within 15 days. No progress was intimated till finalization of this Report.

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

[AIR Para: 30]

1.2.2 Irregularities and non compliance

1.2.2.1 Irregular expenditure from grant received through PFC share – Rs 16.692 million

According to Rule 58 (6) (2) of the Punjab District Government and TMA (Budget) Rules 2003, a budget shall not be approved by the Council if the ratio of development expenditure fall below the limits notified by the government from time to time. Further, separate budget for development activities was provided by the government of the Punjab Finance Department through PFC grant during 2015-16.

TMO Bahawalnagar incurred expenditure of Rs 16.692 million on account of non development expenditure during 2015-16 from grant received through PFC award without observing that the said funds were provided by the government for development purpose.

Audit is of the view that due to weak financial management, funds provided for development purposes were utilized for non development expenditure.

Utilization of development funds for non development purposes resulted in irregular expenditure of Rs 16.692 million.

The matter was reported to Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 20.04.2017, Chief Officer replied that due to weak financial position payments were made to pensioners by giving priority over the development fund as per Government instructions vide letter No. SO.IV (LG) 1-10/2002 dated 14th April, 2004. Reply was not tenable as re-appropriation from competent authority was not produced to Audit.

DAC directed Chief Officer to get the irregularity condoned from the competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 21]

1.2.2.2 Irregular payment to work charge / contingent paid staff – Rs 14.825 million

According to Finance Department letters No. FD.SO (Goods) 44-4/2011(A) dated 28.08.2015, no contingent staff shall be appointed without obtaining prior approval of the Finance Department (Austerity Committee).

Tehsil Municipal Officer Bahawalnagar appointed employees as work charge / contingent paid staff during 2015-16 without approval of the Finance Department in violation of above instructions of Finance Department. An amount of Rs 14.825 million was paid on account of pay and allowances to contingent paid staff. Moreover, the following irregularities were also observed:

- i. Duty roster of the staff was not available mentioning area / place of duty along with job description.
- ii. Appointment of contingent paid staff was purely on need basis whereas record shows that staff was appointed throughout the year.

Audit is of the view that due to weak internal controls, contingent paid staff was appointed without obtaining prior approval of the Finance Department.

Payment to contingent paid staff without obtaining prior approval of the Finance Department resulted in irregular expenditure of Rs 14.825 million.

The matter was reported to Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 20.04.2017, Chief Officer replied that staff was appointed on daily wages basis against permanent vacant posts of sanitary workers and recruited on the direction of the competent authority i.e. Secretary Local Government. Reply was not tenable as no directives of Secretary Local Government were produced to Audit.

DAC directed Chief Officer to get the irregularity condoned from the competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 06]

1.2.2.3 Irregular expenditure without observing procurement rules – Rs 1.485 million

According to Rules 9, 10 (2) and 12 of the Punjab Procurement Rules 2014, 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 and annual requirements thus determined would be advertised in advance on the PPRA's website. Procurement opportunities over Rs 100,000 and upto Rs 2 million shall be advertised on the PPRA's website in the manner and format specified by the PPRA from time to time.

TMO Bahawalnagar incurred expenditure of Rs 1.485 million on purchase of hand bags, electric items and different items for repair work during 2015-16 without observing Punjab Procurement Rules. All the process was completed through quotations. Moreover, response time was less than 15 days and negotiations were made with the bidders in violation of rules. (**Annex – C**)

Audit is of the view that due to weak internal controls, Punjab Procurement Rules were violated and purchases were not made in transparent manner.

Violation of Punjab Procurement Rules resulted in irregular expenditure of Rs 1.485 million.

The matter was reported to Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 20.04.2017, Chief Officer replied that expenditure was below Rs 100,000, therefore, there was no need for advertisement on PPRA's website. Reply was not tenable as indents were split upto avoid the tendering process.

DAC directed Chief Officer to get the expenditure regularized from competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 13]

1.2.3 Performance

1.2.3.1 Non achievement of revenue targets – Rs 23.488 million

According to Rule 76 (1) of the Punjab District Government and Tehsil / Town Municipal Administration (Budget) Rules, 2003, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head. Further, according to Rule 47 of PLGO 2001, in case the income provided under Head of Account is not realized in full and it is less by more than 10% of the estimate provided in the budget, the collecting officer shall be accountable for less receipt.

TMO Bahawalnagar fixed revenue targets of Rs 112.879 million for the year 2015-16 on account of different heads of receipts. The relevant staff did not make due efforts to achieve the target and Rs 89.391 million was recovered against the targets set for the year. As a result, revenue targets of Rs 23.488 million were not achieved. **(Annex – D)**

Audit is of the view that due to weak internal controls and lack of due diligence by the management, TMA failed to achieve the targets.

Non achievement of targets resulted in less realization the Government receipts of Rs 23.488 million.

The matter was reported to Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 20.04.2017, Chief Officer replied that efforts were made to recover the amounts. Recovery in some heads could not be made due to court cases. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to recover the amount from the concerned within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 23.488 million, under intimation to Audit.

[AIR Para: 3]

1.2.4 Internal Control Weaknesses

1.2.4.1 Loss due to non recovery of fees from private housing schemes – Rs 46.978 million

According to Section 38 of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall deposit a preliminary planning permission fee along with application at the rate of (a) Rs 5,000 for scheme having area upto two thousand kanal. (b) Rs 10,000 for scheme having area above two thousand kanal. He shall deposit a fee for (a) sanction of a scheme at the rate of Rs 1,000 per kanal (b) approval of design and specifications for water supply, sewerage and drainage at the rate of Rs 500 per kanal (c) approval of design and specifications for road, bridge and footpath of a scheme at the rate of Rs 500 per kanal (d) approval of design and specifications for electricity and street light at the rate fixed by WAPDA.

TMO Bahawalnagar did not recover prescribed fees amounting to Rs 46.978 million during 2015-16 from the management of Husain Abad Housing Scheme Bahawalnagar.

Audit is of the view that due to weak administrative controls, no action was taken against unapproved / illegal housing scheme.

Non recovery of prescribed fees resulted in loss of Rs 46.978 million.

The matter was reported to Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 20.04.2017, Chief Officer replied that the case was in the court of NAB Multan. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to actively pursue the case and submit report to Audit within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 46.978 million, under intimation to Audit.

[AIR Para: 10]

1.2.4.2 Loss due to non realization of revenue and arrears – Rs 36.639 million

According to Rule 76 (1) of the Punjab District Government and Tehsil / Town Municipal Administration (Budget) Rules, 2003, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

TMO Bahawalnagar did not realize income of Rs 36.639 million on account of rent of shops / plots, license and permit fee, water rates etc. during 2015-16. Detail is given below:

(Rupees in million)		
Sr. No.	Particulars	Amount
1	Risk and cost on collection right of advertisement and parking fee	1.031
2	Octroi & toll tax since 1978-79	1.045
3	Rent of plots	0.100
4	Fee for approval of building plans 2008-09 and 2009-10	0.838
5	Water Rate contract 2002-03	1.758
6	Water Rate (departmental)	2.509
7	Water Rate (individuals)	8.292
8	Rent of shops	0.078
9	General Bus Stand contract 2007-08	0.838
10	License fee (dangerous & offensive trade)	0.032
11	Conversion fee(New City Housing Scheme Bahawalnagar)	18.600
12	License and permit fee	0.339
13	Map fee	1.179
Total		36.639

Audit is of the view that due to weak internal controls, revenue was not realized.

Non realization of revenue resulted in loss of Rs 36.639 million.

The matter was reported to Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 20.04.2017, Chief Officer replied that amount would be recovered from the concerned. Reply was not tenable as no recovery was effected from the concerned.

DAC directed Chief Officer to recover the amount from the concerned within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 36.639 million, under intimation to Audit.

[AIR Paras: 1, 4, 26 &29]

1.2.4.3 Loss due to non realization of conversion fee – Rs 28.474 million

According to the Rule 60 (1) (e) of the Punjab Land Use (Classification, Re-classification and Re-development) Rules 2009, a City District Government or a Tehsil Municipal Administration shall levy the conversion fee for conversion of land use to educational or healthcare institutional use @ ten percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available. Moreover, according to the judgment issued by the Honorable High Court in Writ Petition No. 2076-2015 and the decision made by the Secretary (LG&CD) Department Lahore on 30.06.2015, TMA was directed to recover conversion fee from the educational and healthcare institutions.

TMO Bahawalnagar did not collect conversion fee amounting to Rs 28.474 million during 2015-16 from owners of the buildings who converted their buildings into educational and healthcare institutions in violation of above rule. (**Annex – E**)

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

Non realization of conversion fee resulted in loss of Rs 28.474 million

The matter was reported to Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 20.04.2017, Chief Officer replied that TMA carried out a survey of schools and colleges. Notices were issued to owners. TMA also sealed the premises of five schools but the owners went into litigation. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to pursue the case in court of law for early decision and recovery be effected from the concerned. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 28.474 million, under intimation to Audit.

[AIR Para: 19]

1.2.4.4 Loss due to non transfer of property to TMA – Rs 28.327 million

According to Section 17 (e) & (f) and Section 42 (h) of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall submit a transfer deed in accordance with Form B for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority:

- i. The area reserved for roads, open space, park and solid waste management.
- ii. One percent of the area under land sub-division for public buildings, excluding the area of mosque.

Moreover, according to Section 34 (a) a developer shall execute all development works within following stipulated time period.

- | | |
|---|---------|
| i. In case of land sub-division | 2 years |
| ii. Housing scheme having an area from 100 kanals to 300 kanals | 3 years |
| iii. Scheme having an area above 300 kanals | 5 years |

TMO Bahawalnagar approved Star City Housing Scheme with a saleable area of 306 kanal and 7 marla. As per rules, 1,225.40 marla land was required to be mortgaged in the name of TMA but only 267 marla land was mortgaged. Thus, an area of 858.4 marla valuing Rs 28.327 million was less mortgaged during 2015-16. Further, development works were also not completed well in time.

Audit is of the view that due to weak internal and administrative controls, TMA did not get the property transferred in its name.

Non transfer of property in the name of TMA resulted in loss of Rs 28.327 million.

The matter was reported to Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 20.04.2017, Chief Officer replied that the developers had submitted mortgage deeds equal to twenty percent saleable area for their housing schemes. Reply was not tenable as only copy of Form-C was produced. Original Mortgage deed and approved plan was not provided for verification in the absence of which actual area to be mortgage could not be calculated.

DAC directed Chief Officer to provide the complete /original record for verification to Audit. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides getting relevant record of transfer of property verified, under intimation to Audit.

[AIR Para: 12]

1.2.4.5 Unauthorized expenditure on Holiday Allowance – Rs 2.289 million

According to letter No. SOGIV (SA) Misc.04/94, dated 02.06.1994 read with letter No. SOW-I(S&GAD) I-3/2008(PL) dated 12.05.2010 issued by the S&GAD Department, Government of the Punjab, the officials posted for provision of essential services like water and sanitation may be deputed in such a way that these services are continuously provided to the general public during all seven days and weekly rest may be allowed to them on rotation basis.

TMO Bahawalnagar incurred expenditure of Rs 2.289 million on account of Holiday Allowance during 2015-16. The allowance was disbursed to sanitation and other staff whose services were shown provided for whole week continuously without allowing them weekly rest in violation of above instructions.

Audit is of the view that due to weak financial and managerial controls, duties of staff were not rotated properly.

Non-rotation of duties of staff resulted in excessive expenditure of Rs 2.289 million.

The matter was reported to Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 20.04.2017, Chief Officer replied that amount was paid to staff deputed for recovery of General Bus Stand by engaging them 24 hours and 7 days of week and sanitation, water supply and fire brigade staff under the directions of government. Reply was not tenable as no directions issued by the government were produced to Audit.

DAC directed Chief Officer either to produce relevant record for verification or amount may be recovered from the concerned within 15 days. No progress was intimated till finalization of this Report.

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

[AIR Para: 7]

1.2.4.6 Unjustified consumption of POL by showing excess / illogical distance – Rs 1.548 million

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

TMO Bahawalnagar made excess payment of Rs1.548 million on account of POL by claiming excess mileage for shifting of garbage from filth depot near Commerce College Bahawalnagar to main filth depot situated at Arifwala road. The record showed that two vehicles were used at a time and distance of 120 to 200 KM was claimed whereas actual distance was only 08 KM on each side as measured by the audit. Detail is given below:

(Rupees in million)

Sr. No.	Month	Name of vehicle	Mileage to be claimed (16+16) per day	Mileage claimed per day (120+120) per day	Excess mileage claimed per day	POL to be used per day (liter)	POL used in actual per day	excess POL used per day	Days in a month	Total excess POL used in a month	Rate (Rs)	Recovery
1	15-Jul	Arm Rollers No. 02 and 03	32	240	208	8	60	52	31	1,612	80	0.129
2	15-Aug		32	240	208	8	60	52	31	1,612	80	0.129
3	15-Sep		32	240	208	8	60	52	30	1,560	80	0.129
4	15-Oct		32	240	208	8	60	52	31	1,612	80	0.129
5	15-Nov		32	240	208	8	60	52	30	1,560	80	0.129
6	15-Dec		32	240	208	8	60	52	31	1,612	80	0.129
7	16-Jan		32	240	208	8	60	52	31	1,612	80	0.129
8	16Feb		32	240	208	8	60	52	29	1,508	80	0.129
9	16-Mar		32	240	208	8	60	52	31	1,612	80	0.129
10	16-Apr		32	240	208	8	60	52	30	1,560	80	0.129
11	16-May		32	240	208	8	60	52	31	1,612	80	0.129
12	16-Jun		32	240	208	8	60	52	30	1,560	80	0.129
Total												1.548

Audit is of the view that due to weak internal control excess payments were made by claiming excess distance.

Excessive payment than actual resulted in loss of Rs 1.548 million.

The matter was reported to Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 20.04.2017, Chief Officer replied that filth depots were located at various sites of city not at one place. Reply was not tenable as no record was produced to Audit.

DAC directed Chief Officer to hold inquiry to assess genuineness and submit report within 15 days. No progress was intimated till finalization of this Report.

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

[AIR Para: 31]

1.2.4.7 Doubtful expenditure on repair of vehicles, transformers and motors – Rs 1.110 million

According to the Rule 2.33 of PFR Vol-1, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained

by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

TMO Bahawalnagar incurred expenditure of Rs1.110 million on repair of vehicles/ turbines, motors etc. during 2015-16 (**Annex – F**). Following irregularities were observed during audit:

- i. Repair work showing the name of workshop and date of repair was not recorded in log books.
- ii. Quotation notice was given without addressing any supplier and same was not signed by the officer incharge.
- iii. Supply orders /work orders were issued without any dispatch number.
- iv. Estimate for repair of electric items was not prepared from civil sub engineer instead from electric sub engineer
- v. Old wire was also not got back into stock register. Further, old stock register was not available for checking the accuracy of the expenditure

Audit is of the view that due to weak financial management, expenditure was incurred in doubtful manner.

Incurrence of expenditure without any justification resulted in doubtful expenditure of Rs 1.110 million.

The matter was reported to Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 20.04.2017, Chief Officer replied that repair of vehicle was made after calling local quotations due to urgency of work. All stock entries and log book were properly maintained. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to hold an inquiry in the matter to assess the genuineness of expenditure within 15 days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.110 million, under intimation to Audit.

[AIR Para: 22]

1.3 Tehsil Municipal Administration, Chistian

1.3.1 Fraud / Misappropriations

1.3.1.1 Misappropriation of rent of property – Rs 2.404 million

According to Section 126 of PLGO 2001, in case of any loss of property of Local Government, the responsibility of such loss shall be fixed and the amount of loss be recovered from the concerned. Further, according to Rule 2.33 of PFR Vol-1, every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

TMO Chistian issued receipt books to staff for collection of rent of property during 2015-16 out of which 12 receipt books comprising 600 receipts were neither returned in the store nor amount collected was deposited into TMA's account. As per record, 382 receipts out of 600 were collected from different markets which revealed that Rs 1.531 million was misappropriated. Accordingly, on the basis of average Rs 0.873 million realized for remaining 218 receipts. Thus, an amount of Rs 2.404 million was misappropriated. (**Annex – G**)

Audit is of the view that due to weak internal and administrative controls, rent of property was not deposited into TMA's account.

Non deposit of receipts into TMA's accounts resulted in misappropriation of Rs 2.404 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that criminal proceedings were referred to the Anti-Corruption Establishment Department Bahawalpur and disciplinary proceedings were referred to parent department of the official concerned i.e. LG&CD Department.

DAC directed Chief Officer to recover misappropriated amount from the concerned within fifteen days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 2.404 million, under intimation to Audit.

[AIR Para: 01]

1.3.2 Non Production of Record

1.3.2.1 Non production / maintenance of record – Rs 28.039 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.

TMO Chistian neither maintained nor produced any record regarding expenditure incurred and revenue realized under different codes of classification amounting to Rs 28.039 million during 2015-16 in violation of above rules. Detail is given below:

(Rupees in million)		
Sr. No.	Description	Amount
1	General Bus Stand	1.750
2	Canteen General Bus Stand	0.064
3	Latrine General Bus Stand	0.141
4	Sludge water disposal Satellite Town	0.011
5	Sludge Water disposal Chak 14/G	0.765
6	Record of Katchi Abadies	1.676
7	Demand and collection register and surveys conducted by the authorities for collection of advertisement fee, license & permit fee	1.632
8	Agreement file for rent of property/shops/plots	22.000
9	Record pertaining to illegal construction of buildings, pending un-approved commercial-residential maps	-
10	Service books of all staff	-
11	Details of serviceable, un-serviceable machinery / equipment, history sheets / repair register of machinery, motors, transformers and vehicles.	-
12	Bank statement of all accounts	-
Total		28.039

Audit is of the view that due to weak internal controls, record was neither maintained nor produced to audit for verification.

Non production of record created doubts regarding legitimacy of expenditure incurred and receipts realized amounting to Rs 28.039 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that all record was produced during audit. Reply was not tenable as neither record was produced during audit nor at the time of record verification before DAC meeting.

DAC directed Chief Officer to produce complete record to Audit for verification within a week. No progress was intimated till finalization of this Report.

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

[AIR Paras: 5, 31 &39]

1.3.3 Irregularities and non compliance

1.3.3.1 Irregular / unauthorized approval of budget – Rs 212.502 million

According to Rule 58 (4) of the Punjab District Government (PDG) and TMA (Budget) Rules 2003, the closing balance of the local government shall not be allowed to fall below 5% of the total receipts (excluding those of public accounts) anticipated for the year. For the purpose of this Rule the investment if any made out of local government fund shall be deemed to be a part of the closing balance. Moreover, according to Rule 58 (6) (1) of PDG and TMA (Budget) Rules 2003, a budget shall not be approved by the council if the receipt do not match the proposed expenditure.

The Administrator TMA Chistian approved revised budget for the Financial Year 2015-16 amounting to Rs 212.502 million whereas proposed receipt was Rs 202.638 million only. Moreover, minimum closing balance of Rs 11.187 million (5%) was required to be maintained but annual account revealed that actual closing balance was only Rs 0.115 million which was 0.054 % of total revised budget.

Audit is of the view that due to weak financial management, conditions of proportionate receipts and closing balance were not observed.

Non observance of rules resulted in irregular / un-authorized approval of budget of Rs 212.502 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that closing balance of TMA reported by Audit was not correct. Reply was not tenable as no record was produced in support of reply.

DAC directed Chief Officer to get the irregularity condoned from the competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 30]

1.3.3.2 Irregular expenditure due to non-maintenance of DDO wise accounts – Rs 180.642 million

According to Rule 65 (1) (2) of the Punjab District Government & TMA (Budget) Rules, 2003, heads of offices shall be responsible for controlling and managing expenditure from the grants placed at their disposal and each Drawing and Disbursing Officer (DDO) shall be responsible for the expenditure actually incurred against the funds allotted to him. The expenditure shall be sanctioned in accordance with the delegation of financial power.

Seven (07) DDOs of TMA Chistian did not maintain separate books of accounts amounting to Rs 180.642 million during 2015-16 such as cash book, contingent register and budget control register for each DDO. Books of accounts were neither maintained nor properly reconciled. Detail is given below:

(Rupees in million)

Sr. No.	DDOs	Expenditure Incurred
1	Administrator / Nazim / Naib Nazim	1.776
2	Tehsil Municipal Officer	5.999
3	Tehsil Officer (Finance)	5.463
4	Tehsil Officer (Regulations)	7.128
5	Tehsil Officer (P & C)	1.702
6	Tehsil Officer (I & S)	127.473
7	Chief Officer	31.101
Total		180.642

Audit is of the view that due to weak internal controls, separate books of accounts were not maintained by DDOs.

Non maintenance of separate books of accounts resulted in violation of rules.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that cash book, budget control register and cheque register was prepared and maintained regularly by each DDO. Reply was not tenable as complete record was not produced for Audit verification.

DAC directed Chief Officer to prepare DDO wise record for verification. No progress was intimated till finalization of this Report.

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

[AIR Para: 02]

1.3.3.3 Irregular payment of pension contribution out of development fund – Rs 33.745 million

According to Para 4(iii) of the Government of the Punjab Local Government & Rural Development Department letter No. SOIV (LG)1-10/2002 dated 14.04.2004, the pension fund has precedence over the development fund. Therefore, if the problem still persists, an appropriate amount from the development fund (other than that reserved for CCB) may be re-appropriated to pension fund under the relevant provisions of the PDG & TMA (Budget) Rules, 2003. Further, according to Rule 12(5) of Local Government Accounts Manual, the expenditure shall be classified by major, minor and detailed object. Object element enables the collection and classification of expenditure transactions into account heads relating to nature of item.

TMO Chistian made payment of pension contribution from development fund amounting to Rs 33.745 million during 2015-16 without getting the amount re-appropriated from the competent authority. Further, expenditure was booked to development head instead of contingency.

Audit is of the view that due to weak internal controls, payment of pension contribution was made out of development fund without re-appropriation by the competent authority.

Payment of pension contribution from development funds resulted in irregular expenditure of Rs 33.745 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that

development grant was utilized for payment of monthly pension and arrear of retired pensioners as per instructions of the government. Reply was not tenable as re-appropriation made by the competent authority was not produced and expenditure was also misclassified (booked to development head).

DAC directed Chief Officer to get the expenditure regularized from the competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 10]

1.3.3.4 Irregular expenditure out of development fund – Rs 15.120 million

According to Rule 58 (6) (ii) of the Punjab District Government and TMA (Budget) Rules, 2003, a budget shall not be approved by the council if the ratio of development and expenditure fall below the constraints as notified by the Government from time to time. Further, separate budget for development activities was provided by the Government of Punjab Finance Department through Provincial Finance Commission (PFC) grants during 2015-16.

TMO Chistian approved revised budget for 2015-16 without development budget / Annual Development Plan (ADP), despite the fact that Rs 15.120 million was provided in PFC award for development activities but no budget was provided for ADP and the same amount was utilized for other purposes / contingencies without re-appropriation and fresh approval of the competent authority.

Audit is of the view that due to poor financial management, development budget/ADP was not provided in revised budget.

Non provision of development budget resulted in irregular utilization of development funds amounting to Rs 15.120 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that Rs 32 million was transferred from General Fund to pension fund for payment of monthly pension and commutation/gratuity during 2015-16. Therefore, development budget was not provided. Reply was not tenable as development funds were utilized for non development purpose without approval of the Finance Department.

DAC directed Chief Officer to get the expenditure regularized from the competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 3]

1.3.3.5 Irregular expenditure on POL – Rs 7.130 million

According to Rule 8 of West Pakistan Government Vehicle (Use & Maintenance) Rules, 1969, the log book should be daily examined and countersigned by the officer incharge at the end of each day in token of authentication of entries recorded in the log book signed by the driver. Furthermore, according to Section 49 of Appendix-12 of PFR-Vol-II

- a. The petrol, oil, lubricants and spare parts should be maintained separately for each vehicle.
- b. Full particulars of journey and distances between two places should be correctly exhibited.
- c. The purpose of journey indicating the brief particulars of the journey performed should be recorded. The term “official” is not sufficient.
- d. Average consumption of petrol, oil and lubricants should be worked out and recorded in the Log Books at the close of each month.
- e. Log Books should be maintained in the prescribed form.
- f. The Officers using the Government vehicles should sign the relevant entries in the Log Book.

g. Meters of the vehicles should always be kept in order.

TMO Chistian incurred expenditure of Rs 7.130 million on POL during 2015-16. Speedometers of vehicles were neither got sealed nor were in working condition. Purpose of journey and time of departure and arrival were not recorded in the log books. Moreover monthly abstract was not prepared and signed by the officer in charge. **(Annex – H)**

Audit is of the view that due to weak internal control, log books were improperly maintained.

Improper maintenance of log book resulted in irregular expenditure on POL amounting to Rs 7.130 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that all the record of vehicles and Log books were maintained properly. The reply was not accepted as no record in support of reply was produced to Audit.

DAC directed Chief Officer to hold an inquiry to probe the genuineness of expenditure and submit report within 15 days. No progress was intimated till finalization of this Report.

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

[AIR Para: 41]

1.3.3.6 Doubtful expenditure on repair of transformers and motors without maintenance of record – Rs 1.152 million

According to Rule 65 (1)(2) of the Punjab District Government & TMA (Budget) Rules, 2003, heads of offices shall be responsible for controlling and managing expenditure from the Grants placed at their disposal and each Drawing and Disbursing Officer (DDO) shall be responsible for the expenditure actually incurred against the funds allotted to him.

TMO Chistian incurred expenditure of Rs 1.152 million on repair of transformer and electric motors, starters, conductors, turbines etc. during 2015-16. The expenditure held doubtful because neither transformers were the property of TMA nor NOC for repair of the same was obtained from WAPDA. Electricity bills were not produced to show fluctuations in bills for the period when transformers and motors were out of order. Further, as per record, motors/transformers were shown out of order simultaneously. Furthermore, deduction of old wire, replaced parts and warranty was not obtained from the contractors. (**Annex – I**)

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

Non maintenance of important record resulted in doubtful expenditure of Rs 1.152 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that TMA has to maintain water supply schemes and disposal works in running position. Repair of transformer and motor was made on urgent basis. WAPDA was consulted but their process for replacement/ repair of transformers might cause undue delay. The reply was not tenable as no record in support of reply was produced.

DAC directed Chief Officer to probe into the matter by holding an inquiry and to recover the amount from concerned within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.152 million, under intimation to Audit.

[AIR Para: 28]

1.3.3.7 Doubtful expenditure on account of POL – Rs 1.111 million

According to Rule 8 of West Pakistan Government (Use and Maintenance of Vehicle) Rules, 1969, the log book should be daily examined and countersigned by the officer incharge at the end of each day in token of authentication of entries recorded in the log book signed by the driver.

TMO Chistian incurred expenditure of Rs 1.111 million on POL during 2015-16. Physical verification of vehicles and machinery revealed difference in meter readings and log book entries. (**Annex - J**)

Audit is of the view that due to weak internal controls, proper check and balance was not maintained on consumption of POL.

Difference in meter reading and entries of log books resulted in doubtful expenditure of Rs 1.111 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that log book entries were correctly recorded. Reply was not accepted as discrepancies were observed during physical verification.

DAC directed Chief Officer to recover Rs 1.111 million from the defaulters within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.111 million, under intimation to Audit.

[AIR Para: 37]

1.3.4 Performance

1.3.4.1 Non achievement of revenue targets – Rs 27.763 million

According to Rule 111 & 112 of the Punjab District Government & TMA (Budget) Rules 2003, each collecting officer may from time to time and with the approval of controlling officer and Finance Office of Local Government frame revenue collection program setting up the targets for collection during specified period and the Assistant Collecting Officers shall as far as possible follow the program. He is required to ensure that all revenue targets are achieved. Further, according to Rule 76 (1) of the Punjab District Government and Tehsil / Town Municipal Administration (Budget) Rules, 2003, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

TMO Chistian set revenue targets of Rs 53.751 million for the Financial Year 2015-16 on account of different heads of receipts. The relevant staff did not make efforts to achieve the target and Rs 25.988 million was recovered against the targets set for the year. As a result, revenue targets of Rs 27.763 million were not achieved. Detail is given below:

(Rupees in million)

Sr. No.	Receipt Head	Revised Budget	Actual Income	Amount
1	License fee	0.150	0.131	0.019
2	Fee for approval of building plans etc.	11.500	6.617	4.883
3	Sewer Tax	2.500	0.161	2.339
4	Water Rates	14.000	4.698	9.302
5	Tafreeh Tax	0.010	-	0.010
6	Sale of Sludge / waste water	0.776	0.546	0.229
7	Advertisement Fee	2.000	1.500	0.500
8	Rent of Municipal Property / Shops	22.000	11.26	10.274
9	Road cut charges	0.010	-	0.010
10	Copying fee	0.005	0.001	0.004
11	Misc. / Other Income	0.700	0.534	0.165
12	Sale of Plots, Mehboob Colony & Iqbal Nagar	0.100	0.073	0.027
	Total	53.751	25.39	27.763

Audit is of the view that due to poor performance of the staff and lack of due diligence by the management, TMA failed to achieve the targets.

Non achievement of targets resulted in less realization of the Government receipt of Rs 27.763 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that TMA Chistian could not achieve targets due to Local body Elections and revised license fee schedule. Reply being irrelevant was not accepted.

DAC directed Chief Officer to recover the amount from the concerned within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 27.763 million, under intimation to Audit.

[AIR Para: 4]

1.3.5 Internal Control Weaknesses

1.3.5.1 Illegal occupation of TMA property – Rs 1,702.147 million

According to Rule 4 of Punjab Local Government (Property) Rules, 2003, the manager shall (a) take as much care of the Property entrusted to him as a man of ordinary prudence would, under similar circumstances, take of his own property of like nature (k) be vigilant about and to check encroachments or wrongful occupations on Property and in case there is any encroachment or wrongful occupation take necessary steps for the removal thereof.

TMO Chistian failed to get the property of TMA vacated during 2015-16 which was encroached by illegal occupants having area of 78 Acre, 7Kanal, 12 Marla and 6 Sarsahi valuing Rs 1,702.147 million.

Audit is of the view that due to weak administrative controls, encroached property was not got vacated from illegal occupants.

Non vacation of encroached property resulted in loss of Rs 1,702.147 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that TMA Authorities tried to get the property vacated and notices were issued to the concerned. Reply was not tenable as no record was produced in support of reply.

DAC directed Chief Officer to get the property vacated from illegal occupants within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides getting the property vacated from illegal occupants, under intimation to Audit.

[AIR Para: 16]

1.3.5.2 Loss due to non execution of mortgage deed and transfer of property to TMA – Rs 240.344 million

According to Section 17 (e) & (f) and Section 42 (h) of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall submit a transfer deed in accordance with Form B for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority:

- i. The area reserved for roads, open space, park and solid waste management.
- ii. One percent of the area under land sub-division for public buildings, excluding the area of mosque.

Moreover, according to Section 34 (a) a developer shall execute all development works within following stipulated time period.

- i. In case of land sub-division 2 years
- ii. Housing scheme having an area from 100 kanals to 300 kanals 3 years
- iii. Scheme having an area above 300 kanals 5 years

TMO Chistian approved 20 private housing schemes upto financial year 2015-16 but neither mortgage deed valuing Rs 104.797 million was executed nor 320.70 marlas area valuing Rs 135.547 million of roads, parks, public buildings, open space etc. was transferred in the name of TMA in violation of rules.

Audit is of the view that due to weak administrative controls, property was not transferred in the name of TMA.

Non transfer of property in the name of TMA resulted in loss of Rs 240.344 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that ten colonies had transferred their area in the name of TMA. Notices were issued to owners of other schemes. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to get the land transferred in the name of TMA and execute mortgage deed within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides transferring property to TMA, under intimation to Audit.

[AIR Para: 25]

1.3.5.3 Loss due to non recovery of rent of encroached property – Rs 64.426 million

According to the Rule 4 (d) (h) Government of the Punjab Local Government (Property) Rules, 2003, the Manager shall ensure that the rented Property fetches the maximum rent and keep all title deeds and other documents, relating to the Property with duplicate copies of such title deeds and other documents, in safe custody. Further, according to Rule 16 (1) (a) and (b) of Local Government (Property) Rules, 2003, the immovable Property shall be given on lease through competitive bidding, the period of such lease shall be upto five years at a time.

TMO Chistian did not recover rent of encroached property amounting to Rs 64.426 million during 2015-16. Several notices were issued to the concerned department / persons but neither encroached property was got vacated nor rent was recovered. Detail is given below:

(Rupees in million)			
Sr. No.	Occupied By	Letter / Notice No	Amount of rent recoverable
1	Office Agriculture Department	MC/CTN/03 dated 24.02.17	8.911
2	Food Department	MC/CTN/07 dated 24.02.17	5.458
3	Residence of DSP	MC/CTN/12 dated 24.02.17	11.138
4	Civil Club	MC/CTN/17 dated 24.02.17	5.346
5	Office Public Health	MC/CTN/20 dated 24.02.17	0.120
6	WAPDA	TMA/CTN/TO (R)/07 dated 14.07.11	33.453
Total			64.426

Audit is of the view that due to weak internal and administrative controls, neither encroached property was got vacated nor rent was recovered from the concerned.

Non recovery of rent resulted in loss of Rs 64.426 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that The TMA/MC authorities were trying to get the land vacated from illegal occupants. Reply was not tenable as no record was produced in support of reply.

DAC in its meeting held on 04.04.2017 directed Chief Officer to recover the amount from the concerned within fifteen days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 64.426 million and vacation of encroached property, under intimation to Audit.

[AIR Para: 17]

1.3.5.4 Issuance of NOC to private housing scheme without observing prescribed requirements – Rs 29.505 million

As per Section 46 (6) (d) of the Punjab Local Government (Property) Rules, 2003, a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall, prior to issuance of approval for sub-division, require a developer to submit a transfer deed in the light of Form-B for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority area reserved for road /open space. Moreover, as per Section 42 (f) read with the amendments in 2012 of the Punjab Private Housing Schemes and Land Subdivision Rules 2010, a developer shall provide:

- i. Open space or park 5- 7 % and above.
- ii. Commercial area 5%.
- iii. Approach road not less than 60 feet.
- iv. Internal road minimum 30 feet.
- v. 10 marla plot for solid waste management.

- vi. Location of a tube well, overhead reservoir, pumping station and disposal station to be provided if required by Water and Sanitation Agency or Tehsil Municipal Administration.

TMO Chistian granted NOC to 20 private housing schemes upto financial year 2015-16 without ensuring proper planning for availability of open spaces as mentioned in above rule. TMA sustained a loss of Rs 29.505 million due to sale of TMA's area of parks, public buildings and the area of solid waste management to general public.

Audit is of the view that due to weak internal controls, NOCs were issued to housing schemes without observing prescribed requirements.

Irregular grant of NOC and unauthorized sale of portion of TMA's land resulted in loss of Rs 29.505 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that notices were issued to concerned owners/ developers. Reply was not tenable as no record was produced in support of reply.

DAC directed Chief Officer to submit compliance within 15 days. No progress was intimated till finalization of this Report.

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

[AIR Para: 24]

1.3.5.5 Loss due to non realization of conversion fee – Rs 28.100 million

According to the Rule 60 (1) (e) of the Punjab Land Use (Classification, Re-classification and Re-development) Rules 2009, a City District Government or a Tehsil Municipal Administration shall levy the Conversion Fee for conversion of land use to educational or healthcare institutional use @ ten percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available. Moreover,

according to the judgment issued by the Honorable High Court in Writ Petition No. 2076-2015 and the decision made by the Secretary (LG&CD) Department Lahore on 30.06.2015, TMA was directed to recover conversion fee from the educational and healthcare institutions.

TMO Chistian did not collect conversion fee amounting to Rs 28.100 million during 2015-16 from owners of the buildings who converted their buildings into educational and healthcare institutions in violation of above rule. Detail is given below:

(Rupees in million)

Sr. No.	Type of Institute	Area of institute in marla	Rate / Marla	Total value of land	Conversion fee (10%)	No. of institutes	Amount
1	Higher Secondary Schools	20	0.100	2.000	0.200	4	0.800
2	High Schools	20	0.100	2.000	0.200	25	5.000
3	Middle Schools	20	0.100	2.000	0.200	93	18.600
4	Primary Schools	10	0.100	1.000	0.100	5	0.500
5	Private Hospitals	20	0.100	2.000	0.200	16	3.200
Total				9.00	0.900	143	28.100

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

Non realization of conversion fee resulted in loss of Rs 28.100 million

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that notices were issued to the concerned. Reply was not tenable as no recovery was effected.

DAC directed Chief Officer to recover the amount from the concerned within 15 days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 28.100 million, under intimation to Audit.

[AIR Para: 18]

1.3.5.6 Loss due to less / non recovery of cost of land – Rs 16.660 million

According to Board of Revenue letter No. DG(KA)BOR/8-200/2012 dated 22.11.2012, the grace period for imposition of penalty of delay in payments will be upto 30.06.2013. Thereafter, current valuation table rates will be charged.

TMO Chistian recovered cost of land during 2015-16 according to old rates prevailing in 1968 and 1990 instead of current valuation table rates from occupants of Mehboob Colony and Extension Mehboob Colony in violation of above letter. TMA sustained a loss of Rs 16.660 million due to less / non recovery of cost of land.

Audit is of the view that due to weak administrative controls, cost of land was less /not recovered.

Non /less recovery of cost of land resulted in loss of Rs 16.660 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that the housing colonies were not Katchi Abadies and were not approved by the Director General Katchi Abadies. Reply was not tenable as no record was produced in support of reply.

DAC directed Chief Officer to recover the amount from the concerned. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 16.660 million, under intimation to Audit.

[AIR Para: 12 &22]

1.3.5.7 Loss due to non recovery of Water Rates – Rs 12.222 million

According to Gazette Notification No. TMA/CTN/Admn/262 dated 28.03.2015 published on 27.05.2015, the Administrator TMA Chistian implemented water rates and sewerage tax at prescribed rate on the basis of connection size. Further, according to Rule 76 (1) of the Punjab District Government and TMA (Budget) Rules 2003, the primary obligation

of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

TMO Chistian did not collect an amount of Rs 12.222 million on account of water supply from domestic and commercial connection holders during 2015-16. Further, the ratio of arrears was increasing with every passing year and no concrete efforts were made to recover arrears. Detail is given below:

(Rupees in million)

Sr. No.	Zone	Areas	No. of Connections	Amount
1	1	Qadir Abad, Hafiz Abad, Taj Sarwar Colony, Basti Feeder, Old Chistian	1,155	1.337
2	2	Zimindara Colony, Chak 4 / FW, Satellite Town	2,412	2.255
3	3	Mehboob Colony, Chak 15/G, Khayaban Colony	1,804	1.973
4	4	Ghareeb Mohallah, Gulshan - e - Iqbal, Islam Pura, Pakka Karkhana, Muhajir Colony, Batha Colony	2,059	1.796
5	5	D, Block, E, Block, F Block, Chistian Park Colony, Chak 13 / G, Jutt Quarters, Ghalla Mandi	2,250	2.749
6	6	Chak 14 / G, Taj Pura, Farooq Colony, Husain Colony, Baghdad Colony	1,979	1.656
7	7	Commercial	305	0.456
Total			11,964	12.222

Audit is of the view that due to weak administrative controls, water rates were not recovered.

Non recovery of water rates resulted in loss of Rs 12.222 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer did not respond.

DAC directed Chief Officer to recover the amount from the concerned within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 12.222 million, under intimation to Audit.

[AIR Para: 21]

1.3.5.8 Non deposit / credit of receipts into TMA's account – Rs 12.034 million

According to Rule 76 (1) of the Punjab District Government and Tehsil / Town Municipal Administration (Budget) Rules, 2003, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

TMO Chistian did not deposit an amount of Rs 12.034 million into TMA's account during 2015-16. As per statement of field staff income including arrears of Rs 93.686 million was deposited into TMA's account whereas as per TAO an amount of Rs 81.652 million was credited under the same heads, as revealed from the annual accounts prepared by the TAO and forwarded to the TMO Chistian. Detail is given below:

(Rupees in million)

Sr. No.	Receipt Head	Actual income as per TAO	Actual income as per recovery staff	Amount
1	PFC award	68.083	79.941	11.858
2	General Bus Stand fee	1.683	1.750	0.067
3	Sewer Tax	0.161	0.164	0.003
4	Rent of Municipal property / shops with arrears	11.726	11.832	0.105
Total		81.653	93.687	12.034

Audit is of the view that due to weak internal controls, amount was not deposited / credited into TMA's account.

Non deposit of receipts in TMA's account resulted in loss of Rs 12.034 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that figures reported by the field staff were correct whereas the TO (A) figures were not correct. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to recover Rs 12.034 million from the concerned within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 12.034 million, under intimation to Audit.

[AIR Para: 33]

1.3.5.9 Loss due to non recovery of rent of shops / plots – Rs 9.215 million

According to Rule 76 (1) of the Punjab District Government and Tehsil / Town Municipal Administration (Budget) Rules, 2003, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

TMO Chistian failed to recover rent of 769 shops / plots amounting to Rs 9.215 million from tenants / lessees during 2015-16. Further, complete record of agreement files was not produced due to which it could not be ascertained when these shops / plots were last auctioned and whether the rent was being charged as per current market rates or not.

Audit is of the view that due to weak administrative controls, rent was not recovered from the tenants.

Non recovery of rent of shops resulted in loss of Rs 9.215 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that TMA made its best efforts to collect rent of shops. However, the remaining recovery target would be achieved in the next financial year.

DAC directed Chief Officer to recover Rs 9.215 million from the concerned within 15 days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 9.215 million, under intimation to Audit.

[AIR Para: 32]

1.3.5.10 Loss due to non recovery of fees from illegal private housing schemes – Rs 7.497 million

According to Rules 4 and 38 of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, the developer shall submit an application to the TMA for seeking preliminary planning permission for a scheme before initiating any planning or development activity and shall pay the prescribed fee. Further, Rule 35(1) empowers the

TMO to monitor the development work of the schemes and ensure that there is no deviation from the sanctioned scheme plan.

TMO Chistian did not collect scrutiny fee, planning permission fee, sanction fee, conversion fee, land sub division fee and approval of design and specification fee for water supply, sewerage, road, bridges and footpath from the owners / developers of the illegal housing schemes amounting to Rs 7.497 million during 2015-16. (**Annex – K**)

Audit is of the view that due to weak internal controls, fees were not recovered from owners / developers of illegal housing schemes.

Non recovery of fees from illegal private housing schemes resulted in loss of Rs 7.497 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that legal action was initiated against the concerned for deposit of outstanding dues. Reply was tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to recover the amount from the concerned within fifteen days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 7.497 million, under intimation to Audit.

[AIR Para: 26]

1.3.5.11 Loss due to non / less recovery of different fees from private housing schemes – Rs 3.039 million

According to Section 37, 42, 44 and 46 of the Punjab Private Housing Schemes and Land Subdivision Rules, (1) a developer shall deposit a preliminary planning permission fee along with application at the rate of (a) Rs 5,000 for scheme having area upto two thousand kanal (b) Rs 10,000 for scheme having area above two thousand kanal (2) A developer shall deposit a fee for (a) sanction of a scheme @ Rs 1,000 per kanal (b) approval of design and specifications for water supply, sewerage and drainage @ Rs 500 per kanal (c) approval of design and specifications for road, bridge and

footpath of a scheme @ Rs 500 per kanal (d) approval of design and specifications for electricity and street light at the rate fixed by WAPDA or other agency responsible for electricity supply. A developer shall get approval of design and specifications of water supply, sewerage, drainage system, electricity and street light network, road network and solid waste management system, in accordance with these rules from the concerned departments. A developer shall submit rupees one thousand as a scrutiny fee. A developer is required to:

- i. Deposit sub-division fee.
- ii. Deposit the land use conversion fee (if applicable).

TMO Chistian did not collect sanction fee @ Rs 1,000 per kanal and approval of design, specification for water supply, sewerage, drainage, roads, footpath, bridges etc.@ Rs 500 per kanal from private housing schemes amounting to Rs 2.934 million. Further, conversion fee of Rs 0.105 million was less recovered from Arham Town Housing colony during 2015-16. (**Annex – L**)

Audit is of the view that due to weak internal controls, fees were not / less recovered from the owners of private housing schemes.

Nom/less recovery of fee from owners of private housing schemes resulted in loss of Rs 3.039 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that according to Rule 46 (6) of Punjab Private Housing schemes and Land Sub Division Rules, fee for design and map did not apply on land scheme. Reply being irrelevant was not accepted.

DAC in its meeting held on 04.04.2017 directed Chief Officer to recover the amount from private housing schemes within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 3.039 million, under intimation to Audit.

[AIR Para: 20]

1.3.5.12 Non payment of contribution toward maintenance of PLG Board – Rs 2.034 million

According to letter No. LCS (ASSTT-Misc.) 2-40/2007 dated 05.08.2016 issued by the Punjab Local Government and Rural Development Department, TMA has to deposit pension contribution to the Punjab Local Government Board Lahore @ 1.25% of actual income for the Financial Year 2015-16.

TMO Chistian did not remit contribution of Rs 2.034 million towards maintenance of the Punjab Local Government Board @ 1.25% having income of Rs 162.774 million during 2015-16, in violation of above directions. Detail is given below:

(Rupees in million)		
Sr. No.	Source of Income	Amount
1	Revenue / Income from Local Taxes	2.840
2	Income from other resources	94.948
3	Development / Non Development Grants in lieu of Octroi / Taxes	68.083
Less :		
1	Grant in Lieu of salaries to the employees (Devolved Departments)	3.097
2	Any other grant	-
Total Income		162.774
Share of PLGB not paid		2.034

Audit is of the view that due to weak internal controls, share of Punjab Local Government Board (PLGB) was not remitted.

Non payment of PLGB share of Rs 2.034 million resulted in violation of Government instruction.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that TMA could not remit contribution towards PLGB due to its deplorable financial

position. Reply was not tenable as PLGB share @ 1.25% of net income was required to be deposited during 2015-16.

DAC in its meeting held on 04.04.2017 kept the para pending for compliance. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides deposit of amount of Rs 2.034 million to PLGB, under intimation to Audit.

[AIR Para: 19]

1.4 Tehsil Municipal Administration, Fort Abbas

1.4.1 Irregularities and non compliance

1.4.1.1 Irregular grant of NOC to private housing schemes and non transfer of land – Rs 381.256 million

As per Section 46 (6) (d) of the Punjab Private Housing Schemes and Land Subdivision Rules 2010, a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall, prior to issuance of approval for subdivision, require a developer to submit a transfer deed in the light of Form B for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority area reserved for road /open space. Further, according to Section 42 (F), a developer shall provide:

- i. Open space or park 7% and above.
- ii. Commercial area 5%.
- iii. Public Buildings 2% to 10%.
- iv. Approach road not less than 40 feet.
- v. Internal roads minimum 30 feet.
- vi. 10 Marla plot for solid management.
- vii. Location of a tube well, overhead reservoir, pumping station and disposal station to be provided if required by Water and Sanitation Agency or Tehsil Municipal Administration.

TMO Fort Abbas granted approval/NOC to fourteen (14) private housing schemes during 2015-16 without observing the above criteria as notified by the Government. Moreover, area of open spaces, parks, public buildings etc. valuing Rs 381.256 million was not transferred in the name of TMA. (**Annex- M**)

Audit is of the view that due to weak administrative controls, land was not transferred to TMA.

Non transfer of land resulted in loss of Rs 381.256 million.

The matter was reported to Chief Officer of the Municipal Committee in February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that notices were served to owners of private housing schemes. Reply was not tenable as criteria for granting NOC was not observed and land was not transferred in the name of TMA.

DAC directed Chief Officer to get the land transfer in the name of TMA within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides transfer of land valuing Rs 381.256 million in the name of TMA, under intimation to Audit.

[AIR Para: 02]

1.4.1.2 Irregular development works due to non mortgage of property – Rs 90.390 million

According to Section 17 (e) and (f) and Section 42 (h) of Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall submit in the name of a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority a mortgage deed of 20% of the saleable area, in accordance with Form-C, as security for completion of development works. Moreover, according to Section 35 (5), if a developer fails to develop a scheme within the stipulated period or development works are not in conformity with the approved design and specifications, then:

- i. A Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority may take over the development works of the scheme.
- ii. A Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall execute the development works from the sale proceed of mortgaged plots or encashment of bank guarantee.

TMO Fort Abbas neither made mortgage deed of 20% saleable area amounting to Rs 90.390 million during 2015-16 nor took any bank guarantee. Moreover, no action was taken against the private housing societies which did not complete development

works within the specified time period of 05 years as mentioned in NOC. Detail is given below:

(Rupees in million)

Sr. No.	Name	Location	Total area in kanals	residential area in Kanals	Commercial area in Kanals	Total Kanals	20 % of total	Area in Marlas	Rate per marla	Amount
1	Fort Avenue	Chak No.272/HR	99	57	3	60	12	240	0.070	16.800
2	Gulberg Housing	Chak No.274/HR	96	67	0	67	13	260	0.085	22.022
3	Gulberg Valley	Chak No.274/HR	98	63	0	63	12	240	0.085	20.328
4	Model City	Chak No.313/HR	72	38	3	41	8	160	0.017	2.640
5	Al- Hamid City	Chak No.319/HR	76	45	3	48	9	180	0.110	19.800
6	Green City	Chak No.319/HR	37	20	0.75	20.75	4	80	0.110	8.800
Total										90.390

Audit is of the view that due to weak administrative controls, mortgage deed was not executed before issuance of NOC.

Non execution of mortgage deed valuing Rs 90.390 million resulted in irregular issuance of NOC.

The matter was reported to Chief Officer of the Municipal Committee in February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that notices were served to owners of private schemes. Reply was not tenable as no record in support of was produced.

DAC directed Chief Officer to get the land mortgage from the defaulter within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides execution of mortgage deed to TMA, under intimation to Audit

[AIR Para: 03]

1.4.1.3 Irregular exercising of powers and irregular payments thereof – Rs 38.395 million

According to Government of the Punjab (LG&RD) Department letter No.LG/SE-Punjab/Works Rules/2003 dated 30.08.2003, TMA (Works) Rules 2003 Promulgated w.e.f 14.04.2003 are not adhered to the letter for the execution of works by the TMAs e.g. Rule17 is not followed although Assistant (BPS-17) in C&W, PHE & Housing Departments, as well in District Governments cannot exercise financial powers as per Delegation of Powers under the Financial Rules. The possibility of any wrong payment be eliminated. All the Divisional Directors, Local Fund Audit posted in the Punjab be directed for enforcing the Punjab Tehsil/ Town Municipal Administration (Works) Rules 2003 through field formation in letter and spirit.

TMA Fort Abbas incurred expenditure of Rs 38.395 million on account of civil works during 2015-16. The expenditure was held irregular as the expenditure was sanctioned by the officers of BPS-16 and BPS-17, in violation of above rule.

Audit is of the view that due to weak financial controls, payments were made through irrelevant officer i.e. TO (I&S) / TMO working in BS-16 and BS-17.

Sanctioning of expenditure by unauthorized persons resulted in irregular expenditure of Rs 38.395 million.

The matter was reported to Chief Officer of the Municipal Committee in February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that Secretary Local Government appointed the TO (I&S) and TMO. Reply of the department being irrelevant was not accepted.

DAC directed Chief Officer to get the irregularity condoned from the competent authority within a week. No progress was intimated till finalization of this Report.

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

[AIR Para: 13]

1.4.1.4 Irregular payment of pending liabilities – Rs 16.526 million

According to Rule 2.10 (b) (III) of PFR Vol-1, all charges incurred are drawn and paid at once and are not held up for want of funds and allow to stand over to be paid from the grant of another year.

TMO Fort Abbas made payments of pending liabilities of Rs 16.526 million for the period 2014-15 during 2015-16 without obtaining sanction of the competent authority in violation of above rule. (**Annex – N**)

Audit is of the view that due to weak financial management, pending liabilities were cleared without approval of the competent authority.

Payment of pending liabilities without sanction of the competent authority resulted in irregular expenditure of Rs 16.526 million.

The matter was reported to Chief Officer of the Municipal Committee in February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that works were not completed in time. TMA also imposed penalty for non completion of works in time. Reply was not tenable as no recovery was made.

DAC directed Chief Officer to get the irregularity condoned from the competent authority within 15 days. No progress was intimated till finalization of this Report.

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

[AIR Para: 09]

1.4.1.5 Irregular expenditure on construction / repair of roads – Rs 5.818 million

As per letter No. PDP/3(10) GWL/7 dated 04.07.2008, construction of roads and their repair and maintenance is the original jurisdiction and responsibility of the District Governments. TMA can only maintain a road which is surrendered by the respective

District Government in writing through agreement with TMA in terms of section 54 (h)(v) of the PLGO Ordinance. Local Fund Audit (LFA) staff while making payments in pre-audit will seek certificate from concerned DO (Roads) to the effect that no expenditure on Repair & Maintenance (R&M) on such roads has been made by the District Government, supported with M&R budget of relevant Financial Year.

TMO Fort Abbas incurred expenditure of Rs 5.818 million on construction and repair of metalled roads at various places during 2015-16. The expenditure was held irregular as certificate regarding non incurrence of expenditure on R&M of these roads by District Government was not obtained from DO (Roads) in violation of above rule. **(Annex – O)**

Audit is of the view that due to weak administrative and financial controls, works were carried out without obtaining certificate from DO (Roads).

Incurring expenditure without obtaining certificate from DO (Roads) resulted in irregular expenditure of Rs 5.818 million.

The matter was reported to Chief Officer of the Municipal Committee in February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that small roads were constructed due to which certificate was not obtained. Department admitted the irregularity.

DAC directed Chief Officer to get the expenditure regularized from the competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 18]

1.4.1.6 Doubtful expenditure on account of POL – Rs 2.432 million

According to Rule 9 (1) and (20) of the West Pakistan Government Staff Vehicles (Use and Maintenance) Rules, 1969, there shall be maintained, in respect of every government vehicle, a logbook in Form 'A' wherein shall be entered in the journeys performed by a government vehicle. The logbook maintained under sub-rule (1) 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.

TMO Fort Abbas incurred an expenditure of Rs 2.432 million on account of POL of different vehicles during 2015-16. The following irregularities were observed during audit:

- i. Speedo-meter of the vehicles was found out of order.
- ii. Meter reading was mentioned in the log books despite the fact that speedo-meters were not working thus bogus logbooks were maintained.

Audit is of the view that due to weak internal controls, POL was drawn by maintaining bogus log books.

Drawl of POL on the basis of bogus entries in log books resulted in doubtful expenditure of Rs 2.432 million.

The matter was reported to Chief Officer of the Municipal Committee in February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that log books were maintained properly. Reply was not tenable as log books were maintained by fictitious entries.

DAC directed Chief Officer to hold an inquiry into the matter and submit report within fifteen days. No progress was intimated till finalization of this Report.

Audit recommends inquiry at appropriate level for use of vehicles without Speedo meter and for maintenance of fake log books and fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 08]

1.4.1.7 Irregular payment of salaries to contingent paid staff – Rs 2.363 million

According to Finance Department letter No. FD.SO (Goods) 44-4/2011(A) dated 28.08.2015, no contingent staff shall be appointed without obtaining prior approval of the Finance Department (Austerity Committee).

TMO Fort Abbas made payment of Rs 2.363 million on account of salaries of contingent paid staff during 2015-16 from non-development budget. The TMO appointed contingent paid staff without obtaining prior permission from the Austerity Committee Finance Department. No advertisement was made for such appointments. Appointments were also not made by the Recruitment Committee. Detail is given below:

(Rupees in million)		
Sr. No.	Month of Payment	Amount
1	July, 2015	0.191
2	August, 2015	0.205
3	September, 2015	0.456
4	October, 2015	-
5	November, 2015	0.145
6	December, 2015	0.217
7	January, 2016	0.181
8	February, 2016	0.144
9	March, 2016	0.156
10	April, 2016	0.144
11	May, 2016	0.203
12	June, 2016	0.321
Total:		2.363

Audit is of the view that due to weak administrative controls, contingent paid staff was appointed without obtaining prior approval of the Finance Department.

Appointment and expenditure on contingent paid staff without prior approval of the Finance Department resulted in irregular expenditure of Rs 2.363 million.

The matter was reported to Chief Officer of the Municipal Committee in February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that

matter was in the court of law. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to get the expenditure regularized from the competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 10]

1.4.1.8 Unjustified payment of Holiday Allowance – Rs 1.527 million

According to Government of the Punjab S&GAD Department letter No. SOGIV (SA) Misc. 04/94, dated 02.06.1994 read with letter No. SOW– I (S&GAD) I-3/2008 (PL), dated 12.05.2010, the officials posted for provision of essential services like water and sanitation may be arranged in such a way that these services are continuously provided to general public during all seven days and weekly rest may be allowed to them on rotation basis.

TMO Fort Abbas incurred expenditure of Rs 1.527 million on account of Holiday Allowance during 2015-16. Expenditure was unjustified as it was paid without observing the above criteria i.e. without rotation of duties of staff.

Audit is of the view that due to weak financial and administrative controls, rotation of duties was not made.

Non rotation of duties resulted in unjustified payment of Holiday Allowance of Rs 1.527 million.

The matter was reported to Chief Officer of the Municipal Committee in February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that due to shortage of staff rotation was not possible. Reply was not tenable as rules were violated.

DAC directed Chief Officer to get the expenditure regularized from the competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 25]

1.4.1.9 Unauthorized payment of non schedule items without rate analysis – Rs 1.090 million

According to the Finance Department Government of the Punjab letter No. RO(Tech)FD-18-23/2004 dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer on the basis of input rate of relevant quarter placed at website of Finance Department.

Tehsil Officer (I&S) Fort Abbas allowed unjustified payment to contractor amounting to Rs 1.090 million on account of non schedule items during 2015-16. The payment on given below items was made without rate analysis and approval of rates from the competent authority. The detail is as under:

(Rupees in million)			
Sr. No.	Name of scheme	Name of items	Amount
1	Renovation / Rehabilitation of Allama Iqbal Park, Quaid-e-Azam Park, and Mohallah Line Par Tehsil Fort Abbas	Chips bench Spanish	0.160
2		LED lights with pole	0.420
3	Construction of disposal room collecting tank sewer line raising Manhole Chak No. 274/HR	Sludge pump with electric motor	0.510
Total			1.090

Audit is of the view that due to weak financial controls, payment of non-schedule items was made without obtaining approval from the competent authority.

Payments of non schedule items without approval of competent authority resulted in unauthorized expenditure of Rs 1.090 million.

The matter was reported to Chief Officer of the Municipal Committee in February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that rate analysis of non schedule items was made. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer either to provide complete record for verification within a week or get the expenditure regularized from the competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 16]

1.4.2 Performance

1.4.2.1 Non achievement of revenue targets – Rs 2.478 million

According to Rule 76 (1) of the Punjab District Government and Tehsil / Town Municipal Administration (Budget) Rules, 2003, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head. Furthermore, as per Rule 47 of PLGO 2001, in case the income provided under Head of A/C is not realized in full and it is less by more than 10% of the estimate provided in the budget, the collecting officer shall be accountable for less receipt.

TMO Fort Abbas fixed revenue targets of Rs 14.087 million for the year 2015-16 on account of different head of receipts. The relevant staff did not make efforts to achieve the target and Rs 11.609 million was recovered against the targets set for the year. As a result, revenue targets amounting to Rs 2.478 million were not achieved. **(Annex – P)**

Audit is of the view that due to weak financial controls and poor performance of the staff, revenue targets were not achieved.

Non achievement of targets resulted in less realization of the Government receipts of Rs 2.478 million.

The matter was reported to Chief Officer of the Municipal Committee in February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that receipts targets were kept in budget only on estimation. Reply being irrelevant was not accepted.

DAC directed Chief Officer to recover the amount from concerned within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 2.478 million, under intimation to Audit.

[AIR Para: 26]

1.4.3 Internal Control Weaknesses

1.4.3.1 Loss due to non-collection of cost of land & development charges from dwelling units of Katchi Abadies – Rs 30.666 million

According to Board of Revenue letter No. DG(KA)BOR/8-200/2012 dated 22.11.2012, the grace period for imposition of penalty of delay in payments will be upto 30.06.2013. Thereafter, current valuation table rates will be charged. Further, according to Rule 76 (1) of the Punjab District Government and Tehsil / Town Municipal Administration (Budget) Rules, 2003, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

TMO Fort Abbas did not recover an amount of Rs 30.666 million on account of cost of land and development charges from the dwelling units of 14 Katchi Abadies during 2015-16 (**Annex – Q**). Notices were issued to residents for recovery but no efforts were made to collect the amount.

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

Non recovery of cost of land and development charges resulted in loss of Rs 30.666 million.

The matter was reported to Chief Officer of the Municipal Committee in February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that recovery was not made as these Katchi Abadies had not been mutated in the name of TMA by the Revenue Department. Reply was not tenable as no record in support of reply was produced.

DAC directed Chief Officer to either produce relevant record to Audit or recover the amount from concerned within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 30.666 million, under intimation to Audit.

[AIR Para: 28]

1.4.3.2 Loss due to non recovery of fee from private housing schemes – Rs 7.741 million

As per Section 38 of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall deposit a preliminary planning permission fee along with application at the rate of (a) Rs 5,000 for scheme having area upto two thousand kanal (b) Rs 10,000 for scheme having area above two thousand kanal. He shall deposit a fee for (a) sanction of a scheme at the rate of Rs 1,000 per kanal (b) approval of design and specifications for water supply, sewerage and drainage at the rate of Rs 500 per kanal (c) approval of design and specifications for road, bridge and footpath of a scheme at the rate of Rs 500 per kanal (d) approval of design and specifications for electricity and street light at the rate fixed by WAPDA or other agency responsible for electricity supply. Moreover, according to section 39, a developer shall deposit fee for conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land as per valuation table or one percent of the average sale price of preceding twelve months of residential land in the vicinity, if valuation table is not available.

TMO Fort Abbas did not collect scrutiny fee, application fee, sanction for scheme fee, road and sewerage approval fee from 14 private housing schemes amounting to Rs 7.741 million during 2015-16.

Audit is of the view that due to weak administrative controls, fees were not recovered from private housing schemes.

Non recovery of prescribed fees resulted in loss of Rs 7.741 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that notices were served to the concerned. Reply was not tenable as no record was produced to Audit in support of reply.

DAC directed Chief Officer to recover the amount from concerned within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 7.741 million, under intimation to Audit.

[AIR Para: 01]

1.4.3.3 Loss due to non-recovery of water rates and sewerage tax – Rs 4.512 million

According to Rule 76 (1) of the Punjab District Government and Tehsil / Town Municipal Administration (Budget) Rules, 2003, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

TMO Fort Abbas did not recover water rates Rs 4.380 million and sewerage tax Rs 0.133 million respectively from domestic and commercial users during 2015-16. Authorities neither imposed fine on defaulters nor the efforts were made to recover the Government revenue timely.

Audit is of the view that due to weak administrative controls, less recovery of water rates and sewerage tax was made.

Non/ less recovery of water rates and sewerage tax resulted in loss of Rs 4.512 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that an amount of Rs 0.766 million was recovered. Reply was not tenable as no record was produced.

DAC directed Chief Officer to recover amount from the concerned within 15 days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 4.512 million, under intimation to Audit.

[AIR Para: 06]

1.4.3.4 Loss due to non-auction of shops – Rs 3.166 million

According to Rule 16 (1) (a) and (b) of Punjab Local Government (Property) Rules 2003, the immovable property shall be given on lease through competitive bidding, the period of such lease shall be upto five years at a time.

TMO Fort Abbas did not auction commercial shops / plots which were lying vacant since 2003-2004. TMA sustained a loss of Rs 3.166 million on account of rent of property due to non auction during 2015-16. Detail is given below:

(Rupees in million)

Sr. No.	Year	No. of Shops	Monthly Rent Average (Rs)	No. of Months	Amount
1	2003-04	15	290	12	0.052
2	2004-05	23	320	12	0.088
3	2005-06	6	352	12	0.025
4	2006-07	27	387	12	0.125
5	2007-08	39	426	12	0.199
6	2008-09	9	469	12	0.051
7	2009-10	12	516	12	0.074
8	2010-11	40	568	12	0.273
9	2011-12	41	625	12	0.308
10	2012-13	42	688	12	0.347
11	2013-14	54	757	12	0.491
12	2014-15	54	833	12	0.539
13	2015-16	54	916	12	0.594
Total					3.166

Audit is of the view that due to weak internal controls, shops were not auctioned by TMA authorities.

Non auction of shops resulted in loss of Rs 3.166 million

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that rent

of shops was increased with 10% per annum. Reply was not tenable as non auction of shops was not replied.

DAC directed Chief Officer to auction the shops within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides auctioning of shops / plots at prevailing market rates, under intimation to Audit.

[AIR Para: 29]

1.4.3.5 Illegal occupation of TMA property – Rs 2.352 million

According to Government of the Punjab Finance Department letter No. SO (W) MISC-93, dated 05.11.1993, if the Government residence is not vacated within two months from the date of transfer, the penal rent @ 60% of pay should be charged in order to discourage un-authorized occupants of Government residential buildings. Moreover, according to Government of the Punjab, Finance Department letter No. FD (M-1)1-15/82-P-I dated 15.01.2000, repair and maintenance charges at the rate of 5% of pay is required to be collected from the allottee of Government accommodation.

Three (03) residences of TMA Fort Abbas were occupied illegally by unauthorized persons in violation of above rule. TMO neither recovered penal rent of Rs 2.352 million from them nor got the residences vacated from concerned during 2015-16. Detail is given below:

(Rupees in million)

Sr. No.	Designation	Pay Scale	Pay (Approx.)	Occupation Period	HRA Rate	5% R&M	60% Penal Rent	Months	Amount
01	DSP	18	0.091	July 2015 to June. 2016	0.006	0.005	0.055	12	0.784
02	Major	18	0.091		0.006	0.005	0.055	12	0.784
03	Civil Judge	18	0.091		0.006	0.005	0.055	12	0.784
Total									2.352

Audit is of the view that due to weak internal controls, penal rent was not recovered from illegal occupants of Government residences.

Non recovery of penal rent from illegal occupants resulted in loss of Rs 2.352 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that notices were served to concerned. Reply was not tenable as the residences were not got vacated from illegal occupants.

DAC directed Chief Officer to effect recovery and get residences vacated within 15 days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 2.352 million and vacation of TMA property, under intimation to Audit.

[AIR Para: 14]

1.4.3.6 Non imposition of penalty due to delay in completion of works – Rs 1.035 million

According to Clause 2 of the Contract Agreement and Tender Documents of civil works, the time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor and shall be reckoned from the date on which the order to commence the work is given to contractor. In the event of the contractor failing to comply with the condition, he shall be liable to pay as compensation an amount equal to one percent or such smaller amount as Municipal Committee may decide on the said estimated cost of the work remains incomplete; provided always that the entire amount of compensation to be paid under the provisions of this clause shall not exceed ten percent on the estimated cost of the work as shown in the tender.

TMO Fort Abbas did not impose penalty of Rs 1.035 million during 2015-16 against fifteen (15) contractors who did not complete development works within specified time. (**Annex – R**)

Audit is of the view that due to weak administrative controls, penalty was not/less imposed for late completion of works.

Non/less imposing of penalty resulted in loss of Rs 1.035 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, Chief Officer replied that recovery would be made from concerned if applicable. Reply was not tenable as no recovery was made.

DAC directed Chief Officer to recover the amount from the concerned within 15 days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.035 million, under intimation to Audit.

[AIR Para: 07]

1.5 Tehsil Municipal Administration, Haroon Abad

1.5.1 Non Production of Record

1.5.1.1 Non Production of Record – Rs 102 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.

TMO Haroon Abad neither maintained nor produced record despite repeated requests under different objects / codes of classification amounting to Rs 102 million during 2015-16 in violation of above rule. Detail is given below:

- i. Previous AIR and minutes of meeting.
- ii. History sheet registers of Repair of vehicles and machinery.
- iii. Service books / personal files of all staff members.
- iv. Annual / special repairing record of government Residences.
- v. Record pertaining to TO(R) / Administrator of Union Councils.
- vi. Record pertaining to non headquarter Faqeer Wali amounting to Rs 102 million.

Audit is of the view that due to weak internal controls, record was not properly maintained and produced to audit for verification.

Non production of record created doubts regarding legitimacy of expenditure incurred amounting to Rs 102 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that record was available and ready for audit verification. Reply was not tenable as no record was produced to Audit for verification.

DAC directed Chief Officer to produce record for verification within one week. No progress was intimated till finalization of this Report.

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

[AIR Para: 31]

1.5.2 Irregularities and non compliance

1.5.2.1 Non-maintenance of DDO wise accounts – Rs 131.250 million

According to Rule 65 (1) (2) of the Punjab District Government & TMA (Budget) Rules, 2003, heads of offices shall be responsible for controlling and managing expenditure from the grants placed at their disposal and each Drawing and Disbursing Officer (DDO) shall be responsible for the expenditure actually incurred against the funds allotted to him. The expenditure shall be sanctioned in accordance with the delegation of financial power.

Following DDOs of TMA Haroon Abad did not maintain separate book of accounts amounting to Rs131.250 million during 2015-16 such as cashbook, contingent register and budget control register for each DDO. Books of accounts were neither maintained nor properly reconciled. Detail is given below:

(Rupees in million)

Sr. No.	Description	Budget 2015-16
1	TMO (Including Tehsil Nazim Tehsil Naib Nazim)	13.775
2	TO (Finance)	2.865
3	TO (Regulation)	6.730
4	TO (I&S)	104.890
5	TO (P&C)	2.990
Total		131.250

Audit is of the view that due to weak financial management, separate books of accounts were not maintained by DDOs.

Non maintenance of separate books of accounts resulted in violation of rules.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that separate books of accounts were maintained by all DDOs. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to prepare the separate DDO wise record and ensure the compliance within a week. No progress was intimated till finalization of this Report.

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

[AIR Para: 04]

1.5.2.2 Irregular payment to work charge / contingent paid staff – Rs 2.849 million

According to Finance Department letters No. FD.SO (Goods) 44-4/2011(A) dated 28.08.2015, no contingent staff shall be appointed without obtaining prior approval of the Finance Department (Austerity Committee).

TMO Haroon Abad made payment of Rs 2.849 million on account of salaries of work charge / contingent paid staff during financial year 2015-16 without approval of the Austerity Committee of Finance Department.

Audit is of the view that due to weak administrative controls, contingent paid staff was appointed without obtaining prior approval of the Finance Department.

Payment of salaries to the staff appointed without prior approval of the Finance Department resulted in irregular expenditure of Rs 2.849 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that matter was in the court of law. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to get the expenditure regularized from the competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 02]

1.5.2.3 Unjustified payment of Holiday Allowance – Rs 1.228 million

According to Government of the Punjab S&GAD letter No. SOGIV(SA)MISC-4/94 dated 02.06.1994 read with letter No. SOW-I(S&GAD)1-3/2008 (P.I) dated 12.05.2010, the duty of the officials posted in public dealing offices in nation building departments/sanitation and watering staff in local bodies, the staff of all offices which are required to remain open for 24 hours a day, seven days a week, should be arranged in such a way that these services are continuously provided to the General public during all the seven days and weekly rest may be allowed to them on rotation basis.

TMO Haroon Abad incurred expenditure of Rs 1.228 million on account of Holiday Allowance during 2015-16. Expenditure was held unjustified as duties of relevant staff was not rotated in violation of above rules.

Audit is of the view that due to weak financial and managerial controls, duties of staff were not rotated properly.

Improper scheduling and non-rotation of duties of staff resulted in unjustified and excessive expenditure of Rs 1.228 million

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that said allowance was paid to the persons doing jobs in extra days/holidays. Reply was not tenable as duties were not rotated in violation of rules.

DAC directed Chief Officer to produce duty roster for rotation of duties with designation or to make recovery within 15 days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.228 million, under intimation to Audit.

[AIR Para: 08]

1.5.3 Internal Control Weaknesses

1.5.3.1 Loss due to irregular grant of NOC to private housing schemes – Rs 12.473 million

According to Section 42 (F) of the Punjab Private Housing Schemes and Land Subdivision Rules 2010, a developer shall provide:

- i. Open space or park 7% and above.
- ii. Commercial area 5%.
- iii. Public Buildings 2% to 10%.
- iv. Approach roads not less than 40 feet.
- v. Internal roads minimum 30 feet.
- vi. 10 Marla plot for solid management.
- vii. Location of a tube well, overhead reservoir, pumping station and disposal station to be provided if required by Water and Sanitation Agency or Tehsil Municipal Administration.

TMO Haroon Abad approved and issued NOCs to various private housing schemes during 2015-16 without observing the above criteria which resulted in loss of Rs 12.473 million (**Annex – S**). Following discrepancies were noticed during scrutiny of approved maps:

- i. Open area (park area) @ 7% did not exist.
- ii. Commercial area was less than 5% even in some schemes commercial area was not provided.
- iii. 10 Marla plot for solid waste management did not exist.
- iv. Location of a tube well, overhead reservoir, pumping station and disposal station did not exist.
- v. No Mortgage deed was available in files of housing schemes.
- vi. No area was transferred in the name of TMA.
- vii. Technical Sanctions of these schemes were lapsed.

viii. No area for Mosque and graveyard was allotted.

Audit is of the view that due to weak internal controls, TMA authorities issued irregular NOC to private housing schemes.

Irregular grant of NOC to private housing schemes resulted in loss of Rs 12.473 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that notices were served to concerned and matter was in under process. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to expedite recovery process and provide record of recovery for verification within one week. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 12.473 million, under intimation to Audit.

[AIR Para: 25]

1.5.3.2 Non transfer of unclaimed security deposits into general account – Rs 8.012 million

According to Rule 7.12 of PFR Vol-I, deposits remained unclaimed for the period more than three complete financial year, will at the close of June in each year, be credited to Government by means of transfer entries.

TMO Haroon Abad did not credit an amount of Rs 8.012 million during 2015-16 on account of profit / unclaimed security deposits into TMA's account which remained unclaimed for the period more than three years, in violation of above rule.

Audit is of the view that due to weak financial management, unclaimed security deposits were not credited to TMA's account.

Non observance of rules resulted in non credit of unclaimed security deposits amounting to Rs 8.012 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that details of securities were under process and would be deposited after complete report by TO (I&S). Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to deposit the lapsed amount into TMA's account within 15 days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides credit of security deposits of Rs 8.012 million into TMA's account, under intimation to Audit.

[AIR Para: 10]

1.5.3.3 Loss due to charging less rates of rent of shops – Rs 6.660 million

According to the Rules 4 (d) and 16 (1) of the Punjab Local Government (Property) Rules, 2003, the manager shall ensure that the rented property fetches the maximum rent. Immovable Property shall be given on lease through competitive bidding, the period of such lease shall be upto five years at a time. Further, according to Local Government notification No. S-III/2-11/80 dated 07.07.1982, after expiry of five years the terms and conditions of extension of lease may be resettled between the lessees and local council concerned by negotiation keeping in view the prevalent rent of such shops. If the conditions of negotiation are not acceptable to the lessees or parties concerned fail to arrive at any agreeable decision, the shops should be re-auctioned according to prescribed procedure.

TMO Haroon Abad leased out the shops at less rates than the prevailing market rates during 2015-16. TMA charged rent from Rs 230 to Rs 385 per month whereas the actual market rates were from Rs 1,000 to Rs 3,000. No rent assessment was carried out by the Rent Controller before re-auction the shops. TMA sustained a loss of Rs 6.660 million due to charging less rent.

Audit is of the view that due to weak internal controls, shops were not re-auctioned at prevailing market rates.

Non auction of shops at market rates resulted in loss of Rs 6.660 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that matter of re-auctioning of shops was under process. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to expedite the auction process. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides auctioning of shops at prevailing market rates, under intimation to Audit

[AIR Para: 15]

1.5.3.4 Loss due to non realization of conversion fee from educational institutions – Rs 5.530 million

According to the Rule 60 (1) (e) of the Punjab Land Use (Classification, Re-classification and Re-development) Rules 2009, a City District Government or a Tehsil Municipal Administration shall levy the Conversion Fee for conversion of land use to educational or healthcare institutional use @ ten percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available. Moreover, according to the judgment issued by the Honorable High Court in Writ Petition No. 2076-2015 and the decision made by the Secretary (LG&CD) Department Lahore on 30.06.2015, TMA was directed to recover conversion fee from the educational and healthcare institutions.

TMO Haroon Abad did not collect conversion fee amounting to Rs 5.530 million from owners of the buildings who converted their buildings into educational institutions in violation of above rule during 2015-16. As per record /notices issued there were 79

private educational institutes in Tehsil Haroon Abad but conversion fee was not recovered from the owners of those buildings on the basis of valuation table.

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

Non realization of conversion fee resulted in loss of Rs 5.530 million

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer did not submit any reply.

DAC directed Chief Officer to actualize recovery within 15 days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 5.530 million, under intimation to Audit.

[AIR Para: 24]

1.5.3.5 Loss due to non recovery of fees from unapproved private housing schemes – Rs 4.786 million

As per Section 38 of the Punjab Private housing Schemes and Land Sub Division Rules, a developer shall deposit a preliminary planning permission fee along with application at the rate of (a) Rs 5,000 for scheme having area upto two thousand kanal (b) Rs 10,000 for scheme having area above two thousand kanal. He shall deposit a fee for (a) sanction of a scheme at the rate of Rs 1,000 per kanal (b) approval of design and specifications for water supply, sewerage and drainage at the rate of Rs 500 per kanal (c) approval of design and specifications for road, bridge and footpath of a scheme at the rate of Rs 500 per kanal (d) approval of design and specifications for electricity and street light at the rate fixed by WAPDA or other agency responsible for electricity supply.

TMO Haroon Abad did not recover planning permission fee, sanction fee, conversion fee, land sub division fee and approval of design and specifications for water

supply, sewerage, road bridges and footpath fee amounting to Rs 4.786 million from four private housing schemes during 2015-16. The schemes were doing marketing and development activities without approval of the TMA. (Annex – T)

Audit is of the view that due to weak internal controls, fees were not recovered from unapproved housing schemes.

Non recovery of prescribed fee resulted in loss of Rs 4.786 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that notices were served for recovery. Reply was not tenable as no recovery was made.

DAC directed Chief Officer to effect recovery within a week. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 4.786 million, under intimation to Audit.

[AIR Para: 16]

1.5.3.6 Loss due to non-collection of arrears of revenue – Rs 1.706 million

According to Rule 76 (1) of the Punjab District Government and Tehsil / Town Municipal Administration (Budget) Rules, 2003, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

TMO Haroon Abad did not recover Rs 1.706 million on account of arrears under different revenue heads during 2015-16. Detail is given below:

(Rupees in million)					
Sr. No.	Account Head	Particulars	Arrear due as per Budget (Revised) 2015-16	Amount collected	Amount
1	C0388050	Water Rate	2.400	0.864	1.536
2	C0388084	Rent of shops / khokha jat	0.500	0.330	0.170
Total			2.900	1.194	1.706

Audit is of the view that due to weak internal controls, arrears of revenue was not recovered from the concerned.

Non recovery of arrear of water rates and rent of shops resulted in loss of Rs 1.706 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that best efforts were made to recover the amounts and some amounts were recovered. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to expedite the recovery and actions be taken against the concerned for such long delay within one week. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.706 million, under intimation to Audit.

[AIR Para: 05]

1.5.3.7 Loss due to less recovery of fee from approved housing scheme – Rs 1.412 million

According to Rule 76 (1) of the Punjab District Government and Tehsil / Town Municipal Administration (Budget) Rules, 2003, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head.

TMO Haroon Abad less collected an amount of Rs 1.412 million on account of scrutiny fee, planning fee, conversion fee, land sub division fee, approval of design and specification for water supply, sewerage, road, bridges and footpath fee from owners / developers of housing scheme i.e. Pakistan City, Pak Land and Nasir Town during 2015-16

Audit is of the view that due to weak internal controls, less fees were collected from private housing schemes.

Less recovery of prescribed dues resulted in loss of Rs 1.412 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that cases were under process. Reply was not tenable as no recovery was made.

DAC directed Chief Officer to expedite the recovery within a week. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.412 million, under intimation to Audit.

[AIR Para: 22]

1.6 Tehsil Municipal Administration, Minchin Abad

1.6.1 Fraud / Misappropriations

1.6.1.1 Embezzlement in security funds – Rs 7.678 million

According to Rule 2.31 (a) of PFR Vol-1, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, fraud and misappropriation.

Ex - Tehsil Officer (I&S) Minchin Abad with the connivance of Tehsil Accounts Officer misappropriated/ embezzled an amount of Rs 7.678 million out of security account during 2015-16. Audit observed the following irregularities:

- i. TO (Accounts) transferred Rs 66.312 million including 10 % security in the account of DDO instead of issuance of 196 separate cheques.
- ii. Out of above amount, the accused officer embezzled Rs 7.678 million.
- iii. Security amounts more than Rs 4 million were refunded to the contractors from the detained/ retained amounts but amount already transferred to DDO's account was not returned and embezzled by Ex -TO (I&S).
- iv. Matter was sent to Secretary (LG&CD) Department for inquiry on 27.10.2014. The inquiry proceedings were finalized and authority recommended imposition of major penalty of compulsory retirement and recovery of embezzled amount on Tehsil Officer (I&S) and minor penalty of stoppage of three annual increments for Tehsil Accounts Officer but no action was initiated.

Audit is of the view that due to weak internal controls, the amount of security account was embezzled.

Embezzlement of Rs 7.678 million resulted in loss to TMA.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that an inquiry was conducted and report was sent to concerned department by the (LG&CD) Department. Reply was not tenable as no action was initiated against the accused in the light of inquiry report.

DAC directed Chief Officer to initiate action against responsible besides recovery of embezzled amount and submit the compliance report to Audit within 30 days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of embezzled amount of Rs 7.678 million, under intimation to Audit.

[AIR Para: 23]

1.6.2 Non Production of Record

1.6.2.1 Non production of record – Rs 5.748 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.

TMO Minchin Abad neither maintained nor produced record despite repeated requests amounting to Rs 5.748 million pertaining to PLA Account during 2015-16, in violation of above rules.

Audit is of the view that due to weak internal controls, record was neither properly maintained nor produced for audit verification.

Non production of record created doubts regarding legitimacy of expenditure incurred and receipts realized.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that record would be shown to Audit as and when required. Reply was not tenable as no record was produced during verification.

DAC directed Chief Officer to produce complete record for verification of Audit within fifteen days. No progress was intimated till finalization of this Report.

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

[AIR Para: 25]

1.6.3 Irregularities and non compliance

1.6.3.1 Irregular expenditure on purchase of sewer suction unit & sewer jetting machine unit – Rs 12.40 million

According to the Rule 9 and 12(1) of the Punjab Procurement Rules 2009, 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 and annual requirements thus determined would be advertised in advance on the PPRA's website. Procurement opportunities over Rs 100,000 and upto Rs 2,000,000 shall be advertised on the PPRA's website in the manner and format specified by the PPRA from time to time. Moreover, approval of Finance Department is necessary for making advance payment.

TMO Minchin Abad incurred expenditure of Rs 12.40 million on account of purchase of suction machine with truck chassis Isuzu and Jetting Machine with Isuzu truck during 2015-16. The following irregularities were observed during audit:

- i. Procurement opportunity was not advertised on PPRA's website.
- ii. Procurement was made without obtaining sanction from the competent authority
- iii. An amount of Rs 6.960 million was paid in advance, without approval of Finance Department.
- iv. No physical inspection of machinery purchased was carried out.
- v. Liquidated damages amounting to Rs 0.485 million were not recovered.
- vi. The ordered specifications of tank of sewer sucker machine and jetting machine were 4500 gallons each machine while both machine had capacity of 4000 gallons.
- vii. Suction and getting pump purchased were not of prescribed specifications.

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

Non observance of rules, resulted in irregular purchase of machines amounting Rs 12.40 million

The matter was reported to Chief Officer of the Municipal Committee in February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that the Ex-TMO brought the matter in to the notice of the authority and inquiry was under process. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to finalize the inquiry and submit the report to Audit within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery from the concerned, under intimation to Audit.

[AIR Para: 17]

1.6.3.2 Irregular payment of pending liabilities – Rs 10.893 million

According to Rule 2.10 (b) (III) of PFR Vol-I, all charges incurred are drawn and paid at-once and are not held up for want of funds and allow to stand over to be paid from the grant of another year.

TMO Minchin Abad made payments of pending liabilities of previous years amounting to Rs 10.893 million during 2015-16 without obtaining sanction of the competent authority in violation of above rule.

Audit is of the view that due to weak financial management, pending liabilities were cleared.

Payment of pending liabilities without sanction of the competent authority resulted in irregular expenditure of Rs 10.893 million.

The matter was reported to Chief Officer of the Municipal Committee in February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that all payments were made after getting sanction from the competent authority. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed Chief Officer to get the expenditure regularized from competent authority within 15 days. No progress was intimated till finalization of this Report.

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

[AIR Para: 19]

1.6.3.3 Irregular payments to work charge / contingent paid staff – Rs 8.378 million

According to Finance Department letters No. FD.SO (Goods) 44-4/2011(A) dated 28.08.2015, no contingent staff shall be appointed without obtaining prior approval of the Finance Department (Austerity Committee).

TMO Minchin Abad appointed employees on work charge /contingent paid basis during 2015-16 and made payment of Rs 8.378 million on account of salaries of contingent paid staff. TMO appointed contingent paid staff without obtaining permission from the Austerity Committee of Finance Department. Duty roster of staff was also not available mentioning area / place of duty.

Audit is of the view that due to weak internal controls, irregular payment on account of salaries of contingent paid staff was made.

Irregular appointment of contingent paid staff resulted in violation of rules.

The matter was reported to Chief Officer of the Municipal Committee in February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that to meet the public demand regarding cleanliness and to cover the huge area, staff was hired on daily wages against vacant posts of sanitation staff. Duty roster of the staff was available. Appointment of contingent paid staff was made purely on need basis. Reply was not tenable as staff was appointed without prior approval of the Finance Department.

DAC directed Chief Officer to get the expenditure regularized within 15 days. No progress was intimated till finalization of this Report.

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

[AIR Para: 03]

1.6.4 Performance

1.6.4.1 Non achievement of revenue targets – Rs 10.388 million

According to Rule 76 (1) of the Punjab District Government and Tehsil / Town Municipal Administration (Budget) Rules, 2003, the primary obligation of the collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund under proper receipt head. Furthermore, as per Rule 47 of PLGO 2001, Principles of Budgeting describe that in case the income provided under head of accounts is not realized in full and it is less by more than 10% of the estimate provided in the budget the Collecting Officer shall be accountable for less receipt.

TMO Minchin Abad fixed revenue targets of Rs 17.062 million for the year 2015-16 on account of different heads of receipts. The staff did not achieve the set targets and recovered only Rs 6.674 million. Revenue targets amounting to Rs 10.388 million were not achieved. **(Annex-U)**

Audit is of the view that due to weak internal controls and lack of due diligence by the management, TMA failed to achieve the targets.

Non achievement of targets resulted in less realization of the Government receipts Rs 10.388 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that budget was prepared on rough estimation and maximum efforts were made to achieve the targets. Reply being irrelevant was not accepted.

DAC directed Chief Officer to recover the amount from concerned within 15 days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 10.388 million, under intimation to Audit.

[AIR Para: 01]

1.6.5 Internal Control Weaknesses

1.6.5.1 Illegal occupation of TMA property – Rs 369.177 million

According to Rule 4 of the Punjab Local Government (Property) Rules, 2003, the Manager shall (a) take as much care of the Property entrusted to him as a man of ordinary prudence would, under similar circumstances, take of his own property of like nature. (k) be vigilant about and to check encroachments or wrongful occupations on property and in case there is any encroachment or wrongful occupation take necessary steps for the removal thereof.

TMO Minchin Abad failed to get the land vacated from the illegal occupants who had encroached TMA property valuing Rs 369.177 million as per yard stick for Financial Year 2015-16. Detail is given below:

(Rupees in million)

Sr. No.	Name of Place	Total area	Per marla value (Rs)	Total marlas	Amount
1	Green Market	K M 12 3	181,500	72	13.068
2	Ronak Wah	K M 12 3	181,500	467	84.760
3	Chandar wali	K M 12 3	133,100	16/5	2.196
4	Chandar wali	K M 12 3	162,140	1660	269.153
Total					369.177

Audit is of the view that due to weak administrative controls, TMA's property was encroached.

Non vacation of encroached property resulted in loss of Rs 369.177 million.

The matter was reported to Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 04.04.2017, Chief Officer replied that MO (R) was directed to get the encroached property vacated and to take legal action against the encroacher. Reply was not tenable as no supportive record was produced to Audit.

DAC directed Chief Officer to submit the compliance report to Audit within 30 days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides getting the property vacated from illegal occupants, under intimation to Audit.

[AIR Para: 16]

Annex

Annex-A
Part-I

**Memorandum for Departmental Accounts Committee (MFDAC) Paras pertaining
to Audit Year 2016-17**

(Rupees in million)

Name of TMA	Sr. No.	Para No.	Subject	Amount
TMA Bahawalnagar	1	2	Loss to government due to non auction of collection rights	1.26
	2	5	Less fixing of targets of income	3.335
	3	8	Less payment of local Government board fee	0.257
	4	9	Expenditure on POL without tour program	0.125
	5	14	Non issuance of consumable store items from store	0.438
	6	15	Purchases through doubtful invoices	0.241
	7	16	Misclassification of expenditure	0.826
	8	17	Non accountal of consumable store items into stock	0.205
	9	18	Over payment of electricity charges	1.689
	10	20	Irregular expenditure on purchase of Stickney	0.094
	11	23	Irregular execution of work without preparation of PC-I/ rough cost estimate	0.917
	12	24	Irregular payment of electricity charges	1.142
	13	25	Loss to TMA due to non transfer of property to TMA 129.894 and non-execution of mortgage deed	45.368
	14	27	Unauthorized re-fund of additional performance securities before prescribed period	1.141
	15	28	Excess / overpayment due to non observing the OGRA rates and non deposit of sales proceed to used Mobil oil	0.132
	16	32	Drawl of arrear of POL without additional budget	1.464
TMA Chistian	17	6	Loss due to Non Recovery of income tax and professional tax from Contractors	0.278
	18	7	Loss due to non recovery of auctioned amount from the contractor	0.196
	19	8	Loss due to non recovery of salary and fringe benefits from the contractor	0.455
	20	9	Irregular Payment to contingent paid staff	0.582
	21	11	Loss due to exercise of self collection	1.077
	22	13	Loss due to non recovery of advertisement fee	0.635
	23	14	Less recovery of License and Permit fee	1.248
	24	15	Irregular receipt of income without maintaining Demand &Collection Registers	1.632

Name of TMA	Sr. No.	Para No.	Subject	Amount
	25	23	Loss due to non deposit of sales proceed to used Mobil oil	0.071
	26	27	Loss due to irregular expenditure on different events	0.409
	27	29	Loss due to non deduction of Provincial Sales Tax on services	0.284
	28	34	Non reconciliation of receipts	1.142
	29	35	Loss due to misuse of fire brigade	0.478
	30	36	Irregular payment of works and loss	0.231
	31	38	Excess / overpayment due to non observing OGRA rates	0.105
	32	40	Loss due to Non classification of land	
TMA Fort Abbas	33	4	Non-recovery of rent of shops	1.205
	34	5	Irregular use of funds received from the rent of shops and property	6.417
	35	11	Non-collection of advance tax of contracts	0.505
	36	12	Non-conducting of post completion evaluation of development projects	19.405
	37	14	Loss to Government due to unauthorized occupant of Government residence	2.352
	38	15	Loss to TMA due to non recovery of map fee	0.231
	39	17	Non maintenance of accounts and official record	5.048
	40	20	Less recovery of license permit fee	0.118
	41	21	Non-maintenance of record of security deposit of TMA shops	1.527
	42	23	Loss to Government due to irregular payment on works and loss	0.719
	43	24	Loss to Government due to non realization of conversion fee	0.63
	44	27	Unauthorized approval of scheme for manhole covers and payment	0.575
	45	30	Non recovery of fine from the contractors	0.379
	46	32	Excess charging of rates of POL than the rates given on OGRA web sites	0.081
	47	33	Doubtful use of POL in Sucker machine needs third party inquiry thereof	0.452
TMA Haroon Abad	48	1	Loss to Government due to Non recovery of Rent of shops / Plots	0.357
	49	6	Unjustified less fixation of targets of income	2.138
	50	7	Loss to government due to unjustified closing / Non recovery of income head	1.17
	51	9	Loss to government due to non achievement of targets	2.217
	52	11	Irregular Expenditure on Repair Work due to Non Observance of PPRA	0.311
	53	14	Loss due to non realization of sewerage tax	24.639

Name of TMA	Sr. No.	Para No.	Subject	Amount
	54	17	Loss to TMA treasury due to unjustified payment of Electricity bill	0.452
	55	18	Loss to government due to purchase of POL at higher rates than the rates fixed by	0.057
	56	19	Non curtailment of budget / un-authorized increase in budget and irregular expenditure of non salary budget	6.325
	57	21	Irregular expenditure on change of tyres	0.062
	58	23	Unjustified expenditure on sports activities	0.086
	59	26	Non Auction of Contract of Collection Rights	8.073
	60	27	Loss due to Misuse of Fire Brigade	0.297
	61	29	Doubtful Expenditure during Ramzan Bazar	0.138
	62	30	Loss due to Misappropriation of Used Mobil Oil	0.046
	63	32	Doubtful Expenditure on Repair Work	0.047
	64	33	Doubtful payment of pay& allowances	6.527
	65	34	Unjustified Exercising of Powers / Wrong Payments	0.8
TMA Minchin Abad	66	2	Unjustified less fixation of targets of income	10.082
	67	4	Irregular payment of holiday allowance	0.999
	68	5	Loss to government treasury due to charging less rates under the head of "rent of shops,	2.288
	69	6	Loss to Government due to non-collection of sewerage tax Rs.512,400 and water rate	4.953
	70	7	Unjustified transfer/ subletting of shops costing Rs.27.144 million & non-recovery of conversion fee, map fee	4.198
	71	8	Non allocation of prescribed ratio of funds to sports activities	1.016
	72	9	Non recoveries of professional tax	0.072
	73	10	Loss to Government due to misuse of fire brigade	0.081
	74	11	Unjustified expenditure on different events	0.086
	75	12	Loss to Government due to unjustified expenditure on repair of transformers	0.171
	76	13	Doubtful expenditure on repair of electric motors	0.501
	77	14	Irregular expenditure on account of repair of Fire brigade	0.647
	78	15	Irregular expenditure on repair of Tractor & Trolley	0.28
	79	18	Loss to Government due to non -payment of sales tax	0.121
	80	20	Non transfer of profit of security account into general account	0.108
	81	21	Irregular expenditure on the purchase of manhole covers	0.331
	82	22	Non-deposit of sale proceeds of used Mobil oil	0.024
	83	24	Non-deposit of Additional Performance Security	0.371

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 2015-16**

(Rupees in million)

Name of TMA	Sr. No.	Para No.	Subject	Amount
TMA Bahawalnagar	1	2	Irregular expenditure on sports activities	0.762
	2	3	Loss to Government due to rental expenditure of Ramzan Bazar and other events	1.440
	3	4	Loss due to non-recovery of risk & cost expenses and income tax	0.413
	4	6	Loss to the Government due to auction than the auction of waste of animals	0.101
	5	8	Un-authorized payment of holiday allowance	0.787
	6	9	Conducting of stock taking	-
	7	10	Un-authorized payment to contingent paid staff	2.233
	8	11	Non verification of site and sale value	1.500
	9	13	Loss to Government due to purchase of POL at higher rates than the rates fixed by OGRA	0.167
	10	14	Irregular expenditure on purchase of general store items	0.094
	11	15	Irregular expenditure on repair of water supply	0.852
	12	18	Irregular expenditure on repair of vehicle	0.151
	13	19	Ambiguous / doubtful expenditure on same disposal by different names	0.483
	14	20	Loss to Government due to less recovery than the reserve price	0.452
	15	21	Irregular expenditure on maintenance of park	0.414
	16	23	Loss to Government due to non achievement of targets	14.030
	17	24	Non-imposing of penalty due to delay in completion of works	0.164
	18	25	Loss to Government in millions due to non classification of land	-
	19	28	Irregular expenditure on repair of machinery	0.829
	20	30	Misclassification of expenditure	0.109
	21	32	Irregular purchase & expenditure of electricity items	0.136
	22	33	Non production of record	-
TMA Chistian	23	1	Improper maintenance of accounts / financial statement	-
	24	2	Unauthorized appointment and expenditure on contingent paid staff	1.175
	25	3	Non achievement of targets resulting in loss of revenue	6.247

Name of TMA	Sr. No.	Para No.	Subject	Amount
	26	4	Loss due to non / less deposit of government money	0.124
	27	6	Loss due to less deposit of government money	0.964
	28	7	Non acquisition of land	416.00
	29	14	Loss due to Non recovery of NOC and map fee from owners of BTS towers	0.245
	30	15	Loss due to purchase of POL at higher rates than the rates fixed by OGRA	0.138
	31	17	Irregular expenditure due to irregular tendering process	2.430
	32	19	Loss due to non recovery of liquidated damages	0.622
	33	20	Unauthorized expenditure on POL due to non-registration of government vehicles	0.150
	34	21	Irregular expenditure on civil works	-
	35	22	Unauthorized expenditure on repair of official car	0.317
TMA Fort Abbas	36	3	Loss to Government treasury due to non-deposit of house rent allowance and repair and maintenance charges	0.106
	37	4	Loss to Government due to misappropriation of used Mobil oil	0.015
	38	6	Irregular execution of works without NOC,	-
	39	7	Loss to Government due to not deducting shrinkage	0.162
	40	9	Loss to Government due to non-collection of income tax from contractors (auction of collection rights)	0.401
	41	11	Loss to Government treasury due to awarding benefit to desired person by awarding more than one shop & charging less rates under the head of "rent of shops"	0.659
	42	12	Loss to Government treasury due to unjustified usage of fire brigade vehicles	0.329
	43	15	Loss to Government by awarding contract of disposal water on low rates	18.999
	44	16	Loss to Government due to omission of important conditions from contract papers	0.994
	45	21	Non availability of backup record of receipt of transfer of immovable property	19.966
	46	23	Misappropriation of funds by showing fictitious "repair of transformers" expenditure	0.085
	47	28	Loss to Government due to purchase of POL at higher rates than the rates fixed by OGRA	0.092
	48	31	Non production of record	-
	49	7	Irregular payment to work charge / contingent paid staff	4.846
	50	9	Loss to Government due to inefficiency of collection staff	31.885
	51	10	Non accountal of stock	0.618

Name of TMA	Sr. No.	Para No.	Subject	Amount
TMA Haroon Abad	52	11	Doubtful expenditure on sports activities	0.487
	53	13	Irregular expenditure beyond the jurisdiction of TMA recovery	0.111
	54	14	Irregular payment of holiday allowance	2.652
	55	18	Misappropriation of stationary	0.082
	56	20	Irregular purchase of tyres	0.113
	57	22	Loss to Government treasury due to unjustified usage of fire brigade vehicles	0.278
	58	23	Misappropriation in sale of sludge water	6.470
	59	24	Loss due to misappropriation of used mobile oil	0.120
	60	25	Doubtful/ bogus repair of vehicle/machinery	0.245
TMA Minchin Abad	61	1	Loss of revenue to Government due to non achievement of targets	9.643
	62	2	Irregular payment to work charge / contingent paid staff	5.839
	63	3	Irregular payment of holiday allowance	0.427
	64	10	Irregular execution of roads works	1.550
	65	11	irregular expenditure on construction of culverts	0.228
	66	12	Loss to Government due to not deduction of	0.174
	67	13	Irregular grant of contractor profit @ 20 % to the contractor for tuff tile work. recovery	0.110
	68	14	Loss of revenue to TMA due to non obtaining of performance security	0.226
	69	16	Non recovery of professional tax	0.060
	70	18	Loss to Government by misappropriation/ misuse of funds on sports event	0.530
	71	19	Irregular purchase of tyres	0.048
	72	20	Loss due to non-imposing of penalty on late completion of work	0.276
	73	21	Loss to Government due to purchase of POL at higher rates than the rates fixed by OGRA	0.079
	74	22	Non maintenance of separate books of accounts and classified accounts of expenditure	-
	75	24	Unjustified exercising of powers / wrong payments	0.617
	76	25	Non provision of record pertaining to security deposits. and non credit of unclaimed security & bank profit to Government	-
	77	28	Loss to Government due to non auction/non collection of disposal works and solid waste and misappropriation in license fee/permit fee	0.027

TMA's of District Bahawalnagar
Consolidated Budget and Expenditure for TMA's District Bahawalnagar

Tehsil Municipal Administration Bahawalnagar

(Rupees in million)

2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	147.9	146.414	-1.486	-1.00%
Non-salary	90.272	79.891	-10.381	-11.50%
Development	0	0	0	0.00%
Revenue	312.86	292.626	-20.234	-6.47%

Tehsil Municipal Administration Chistian

(Rupees in million)

2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	122.966	92.601	-30.365	-24.69%
Non-salary	54.275	54.247	-0.028	-0.05%
Development	35.261	33.794	-1.467	-4.16%
Revenue	202.638	165.87	-36.768	-18.14%

Tehsil Municipal Administration Fort Abbas

(Rupees in million)

2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	50.004	39.151	-10.853	-21.70%
Non-salary	27.632	26.425	-1.207	-4.37%
Development	67.754	38.395	-29.359	-43.33%
Revenue	90.981	87.761	-3.22	-3.54%

Tehsil Municipal Administration Haroon Abad**(Rupees in million)**

2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	109.502	92.157	-17.345	-15.84%
Non-salary	60.797	56.49	-4.307	-7.08%
Development	0	0	0	0.00%
Revenue	163.797	148.647	-15.15	-9.25%

Tehsil Municipal Administration, Minchin Abad**(Rupees in million)**

2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	53.895	60.338	6.443	11.95%
Non-salary	52.71	23.716	-28.994	-55.01%
Development	19.212	14.359	-4.853	-25.26%
Revenue	108.113	97.167	-10.946	-10.12%

Annex – C
[Para 1.2.2.3]

Irregular expenditure without observing procurement rules –
Rs 1.485 million

(Rupees in million)

Vr. No.	Branch	Date of voucher	Description	Supplier Name	Bill No.	Date of Bill	Amount
4	TO I&S	02.07.2015	Repair of Manhole cover	Unique Traders	422	22.04.15	0.006
5	TO I&S	02.07.2015	Repair bath TO(F)	Hina Enterprises	85		0.099
93	TO I&S	16.07.2015	Repair Turbine No. 19	Sulman Traders		13.07.15	0.077
94	TO I&S	16.07.2015	Repair pipe 20" Line AC Degree College	Sulman Traders			0.022
95	TO I&S	16.07.2015	Hand Bag Ramzan Bazar	Unique Traders	466	07.07.15	0.053
96	TO I&S	16.07.2015	Motor rewinding VHP Starter 60 AM Turbine No. 12 Jadeed	Unique Traders	489	04.07.15	0.100
97	TO I&S	16.07.2015	Repair of Nali Hodi Quraish Colony	Unique Traders	466	03.07.15	0.031
98	TO I&S	16.07.2015	Repair of Drain Yousif Bhati wali	Unique Traders	409	27.06.15	0.012
54	TO I&S	17.08.2015	Purchase of Stickney Powder	Khursheed Brothers	169	30.06.15	0.094
76	TO I&S	24.08.2015	Purchase of sanitation material for Ramzan bazar	Salman traders	43	03.07.15	0.090
77	TO I&S	24.08.15	Expenditure on flex/ simmer	Salman Traders	41	16.06.15	0.096
128	TO I&S	23.09.15	Purchase of gamlas	Salman traders	66	11.08.15	0.363
129	TO I&S	23.09.15	Rent of lighting	Salman traders	130	-	0.148
130	TO I&S	03.07.15	Purchase of electric material	Salman traders	65	03.07.15	0.064
133	TO I&S	23.09.15	Panaflex	Salman traders	77	18.08.15	0.016
58	TO I&S	17.05.16	Pipe for flags	Salman traders	150	19.11.15	0.099
59	TO I&S	17.05.16	Cloth for flag	Salman traders	151	19.11.15	0.034
151	TO I&S	22.06.16	Purchase of Sweets	Salman Traders	-	-	0.016
152	TO I&S	22.06.16	Rent of light	Al sana traders	-	-	0.065
Total							1.485

Non achievement of revenue targets – Rs 23.488 million

(Rupees in million)

Sr. No	Description	Budget Estimates	Actual Income 30.06.2016	Difference
1	Tax on transfer of immoveable property	55.00	49.154	5.846
2	Water Rate individuals	19.682	12.962	6.720
3	Water Rate departmental	1.417	1.030	0.387
4	Advertisement fee	3.050	2.721	0.329
5	Parking fee	1.180	0.746	0.434
6	Fee for slaughtering of animals	0.800	0.703	0.097
7	Rent of municipal property-shops	13.316	10.889	2.427
8	Rent of plots	3.208	2.354	0.854
9	License fee (dangerous & offensive trades)	0.200	0.162	0.038
10	License fee for tire markets / vendors	0.080	0.047	0.033
11	License fee for junk yard	0.050	0.032	0.018
12	Other fee/fine by TO (R)	0.200	0.001	0.199
13	Road cut charges/NOC fee for Sui Gas connection	0.350	0.343	0.007
14	Others fees- miscellaneous Receipts (NOC fee for advertisement boards)	0.100	0.093	0.007
15	Rent of 04 shops near TMA office	0.846	0	0.846
16	Fee for change of building and land use	8.00	7.834	0.166
17	Fee for approval of housing schemes/ colony	5.00	0.004	4.996
18	Fee for approval of poultry farm/dairy farm/sheep & goat farm	0.020	0	0.020
19	NOC fee (petrol pumps, CNG stations, BTS towers etc.)	0.080	0.060	0.020
20	Fee for approval of water connection	0.300	0.256	0.044
Total		112.879	89.391	23.488

Annex – E
[Para 1.2.4.3]

Loss due to non realization of conversion fee - Rs 28.474 million

(Rupees in million)

Sr. No	Name of School	Registration No. & Date	Value per marla (Approx.)	value of land	Conversion fee (10%)
1	Young Scholars Public School College Road	7554-55 dated 16.04.1997	0.066	1.320	0.132
2	New Light Public School Muzafar Street	1019-20 dated 28.01.2004	0.300	6.000	0.600
3	Al-Saadi Public School Islam Nagar		0.100	2.000	0.200
4	Educator Public School Chistian Road	6491-92 dated 15.07.2006	0.198	3.960	0.396
5	Sami-ullah Foundation Chowk Fawara	8818-20 dated 01.10.2005	0.300	6.000	0.600
6	New Sublime Secondary School Urdu Road	3778-79 dated 21.04.2006	0.350	7.000	0.700
7	Ghazali Public High School Circular Road	6188-89 dated 01.07.2006	0.350	7.000	0.700
8	Punjab Public High School Circular Road	8665-66 dated 17.09.2003	0.350	7.000	0.700
9	Fauji Foundation School Jail Road	1885-87 dated 16.02.2009 10015-16 dated 17.07.2012	0.264	5.280	0.528
10	District Public School Sutlej Park Chowk	8975-76 dated 29.09.2003	0.264	5.280	0.528
11	Al-Hanan Public School Farooq Abad	12555-56 dated 16.12.2005	0.300	6.000	0.600
12	New Dara-e-Arqam Public School Shehzad Nagar	-	0.400	8.000	0.800
13	Shaheen Public High School Islam Nagar	6480-82 dated 14.07.2005	0.100	2.000	0.200
14	Coneziar Public School Behind Zila Council	6396-97 dated 12.07.2006	0.100	2.000	0.200
15	Siraj-ul-muneer Public School Islam Nagar	1580-82 dated 14.02.2008	0.100	2.000	0.200
16	Bilal Public School NizamPura (W)	7007-08 dated 08.06.2004	0.300	6.000	0.600
17	Ali Garh Public School Nizam Pura (W)	7462-63 dated 07.08.2003	0.300	6.000	0.600
18	New Sun Beams Public School Disposal Road	13872-74 dated 22.09.2007	0.150	3.000	0.300
19	Islamic Scientific Public School Model Town	577-78 dated 14.01.2008	0.150	3.000	0.300
20	New English Model School Model Town	3401-02 dated 12.04.2001	0.150	3.000	0.300
21	Nizami Public School Farooq Abad (E)	22354-56 dated 14.11.2007	0.300	6.000	0.600
22	Misali Public Middle School Farooq Abad (E)	1855-56 dated 10.02.2012	0.300	6.000	0.600
23	The Angels Public School Madni Colony	10179-80 dated 08.11.2003	0.270	5.400	0.540
24	Little Angels Public School Model Town	11586-87 dated 27.12.2003	0.150	3.000	0.300
25	Ali Haider Public School Madni Colony	6260-62 dated 05.05.2007	0.270	5.400	0.540
26	New City Kids Campus Madni Colony	527-28 dated 18.01.2005	0.270	5.400	0.540

Sr. No	Name of School	Registration No. & Date	Value per marla (Approx.)	value of land	Conversion fee (10%)
27	Ideal Public School Quraish Colony	3273-74 dated 21.04.2006	0.150	3.000	0.300
28	Pioneer Public School Mubarik Gate	5787-89 dated 23.06.2006	0.200	4.000	0.400
29	Faisal Public School Faisal Colony	543-44 dated 11.01.2003	0.150	3.000	0.300
30	Al Hurmat Public School Islam Nagar	8778-79 dated 19.09.2003	0.100	2.000	0.200
31	Fatima Jinnah Public School Islam Nagar	4890-92 dated 02.06.2006	0.100	2.000	0.200
32	Al-Noor Public School Eid Gah Road	6416-17 dated 13.07.2006	0.300	6.000	0.600
33	Liaqat Ali Cadet School Khadim Abad	3998-99 dated 29.03.2010	0.150	3.000	0.300
34	Cadet Public School Islam Nagar	8609-10 dated 16.09.2003	0.100	2.000	0.200
35	Sun Montessori Public School Amir Kot	12170-71 dated 25.11.2004	0.250	5.000	0.500
36	Shoaib Public School Khadim Abad	16787-88 dated 15.04.2008	0.150	3.000	0.300
37	Aqeel Public School Khadim Abad	7578 dated 31.05.2007	0.150	3.000	0.300
38	Quaid-e-Azam Public School Khadim Abad	594-95 dated 11.01.2001	0.150	3.000	0.300
39	First Jinnah Public School Qasim Road	10160-61 dated 03.04.1999	0.300	6.000	0.600
40	Iqra Madinat-ul-Atfal Public School Qasim Road	7134-35 dated 08.07.2009	0.300	6.000	0.600
41	Al-Farooq Public School Circular Road	-	0.200	4.000	0.400
42	National Public School Firdous Street	4255-56 dated 20.05.2006	0.300	6.000	0.600
43	High Caliber Public School Sadat Colony	13616-17 dated 18.09.2007	0.300	6.000	0.600
44	New Scholars Public School Madni Colony	12071-72 dated 28.11.2005	0.270	5.400	0.540
45	Muslim Scholars Public School Wukla Colony	2573-74 dated 28.11.2001	0.200	4.000	0.400
46	Muslim Scholars Public School Basti Sadar-ud- Din	5622-23 dated 22.06.2005	0.079	1.584	0.159
47	Second Lasani Public School Madni Colony	16409-10 dated 14.11.2011	0.270	5.400	0.540
48	Pearl Public School Madni Colony	1759-67 dated 07.03.2006	0.270	5.400	0.540
49	Tameer-e-Milli Public School Zaildar Town	528-29 dated 10.01.2003	0.066	1.320	0.132
50	Zikriya Public School Madni Colony	8988-89 dated 17.08.2009	0.270	5.400	0.540
51	Rehman Cadet School Nizam Pura	5287-89 dated 21.04.2007	0.300	6.000	0.600
52	Al-Hamd Model Middle School Farooq Abad	5742-43 dated 25.05.2011	0.300	6.000	0.600
53	Broad Horizon Public School Madni Colony	1188-89 dated 27.01.2012	0.270	5.400	0.540
54	Asian Public School Nizam Pura	5436-37 dated 14.06.2006	0.300	6.000	0.600
55	Punjab Pilot Public School Jinnah Colony	12925-26 dated 10.08.2011 12922-23 dated 10.08.2011	0.300	6.000	0.600
56	Ittefaq Public School Farooq Abad	-	0.300	6.000	0.600
57	Mid West Public School Sadat Colony	4617-19 dated 12.08.1999	0.300	6.000	0.600
58	Oxford Grammar School Madni Colony	-	0.270	5.400	0.540
59	Public Nursery School Model Town	-	0.150	3.000	0.300
60	Tanveer Public School Khadim Abad	-	0.150	3.000	0.300
61	Al-Huda Public School Nizam Pura	-	0.300	6.000	0.600
62	Future Bright Public School Madina Town	-	0.220	4.400	0.440
63	Al-Madina Public School Quraish Colony	-	0.150	3.000	0.300
Total					28.474

**Doubtful expenditure on repair of vehicles, transformers and motors –Rs
1.110 million**

(Rupees in million)

Sr. No.	Voucher No	Branch	Date of voucher	Description	Bill No. Date of bill	Amount
1	5	TO (I&S)	03.09.2015	Repair of vehicle No. 262/ BNE	083/ 18.03.2015	0.087
2	85	TO (I&S)	17.11.2015	Repair of vehicle No. 262/ BNE	143-44-45 / 19.06.15	0.099
3	89	TO (I&S)	17.06.2016	Repair of vehicle No. 262/ BNE	359/ 30.03.2015	0.092
4	6	TO (I&S)	01.06.2016	Repair of tractor No. 1023/ BNE	168/ 20.08.2015	0.033
5	7	TO (I&S)	01.06.2016	Repair of tractor No. 6787/ BNE	167/23.08.2015	0.048
6	13	TO (I&S)	01.06.2016	Repair of Motor 25/HP Disposal Karmanwala pump	121/ 03.08.2015	0.028
7	14	TO (I&S)	01.06.2016	Repair of Motor Pump Islam Nagar	205/ 27.08.2015	0.039
8	18	TO (I&S)	01.06.2016	Repair of transformer	268/ 17.12.2015	0.080
9	20	TO (I&S)	01.06.2016	Repair of starter Motor turbine No. 08 Jadeed	260/ 17.10.2015	0.049
10	21	TO (I&S)	01.06.2016	Repair of lower wall turbine No.	285/ 05.01.2016	0.049
11	22	TO (I&S)	01.06.2016	Repair of shaft turbine No. 17 Housing TMA	131/ 01.06.2016	0.047
12	23	TO (I&S)	01.06.2016	Rewinding motor turbine No. 14 old	23/ 01.06.2016	0.025
13	24	TO (I&S)	01.06.2016	Repair of turbine No. 01 old	133/ 01.06.2016	0.025
14	25	TO (I&S)	01.06.2016	Rewinding of motor 20/HP turbine No. 10 water supply	188/ 12.09.2015	0.025
15	57	TO (I&S)	22.01.2016	Repair of transformer water supply scheme Donga Bonga	103/ 01.10.2015	0.086
16	97	TO (I&S)	29.01.2016	Repair of transformer Amir Jan Park	195/ 17.12.2015	0.029
17	99	-	29.01.2016	Repair of tractor No. 6791/BNE	159/ 20.08.2015	0.045
18	100	-	29.01.2016	Repair of turbine old	192/ 24.08.2015	0.076
19	101	-	29.01.2016	Repair of transformer 20/HP turbine No. 19 Housing	181/ 01.09.2015	0.099
20	12	-	1.06.2016	Replacement of Mobil-oil	-	0.049
Total						1.110

Annex-G
[Para: 1.3.1.1]

Misappropriation of rent of property – Rs 2.404 million

(Rupees in million)

Sr. No	Receipt Book No.	No. of Receipts collected	Remarks	Amount
1	3536	34	Receipts collected from Markets / General Public	0.145
2	653	36	Receipts collected from Markets / General Public	0.185
3	690	34	Receipts collected from Markets / General Public	0.149
4	669	36	Receipts collected from Markets / General Public	0.149
5	660	41	Receipts collected from Markets / General Public	0.175
6	694	35	Receipts collected from Markets / General Public	0.147
7	3510	24	Receipts collected from Markets / General Public	0.100
8	676	28	Receipts collected from Markets / General Public	0.100
9	3512	25	Receipts collected from Markets / General Public	0.086
10	665	28	Receipts collected from Markets / General Public	0.092
11	3521	37	Receipts collected from Markets / General Public	0.124
12	3519	24	Receipts collected from Markets / General Public	0.079
Sub Total		382		1.531
Remaining		218	Calculated on the basis of average (1,530,438/382)x218	0.873
Grand Total		600		2.404

Irregular Expenditure on POL – Rs 7.130 million

(Rupees in million)

Sr. No.	Month	Rates Charged		Purchased		Overpayment		Total
		Petrol	Diesel	Petrol	Diesel	Petrol	Diesel	
1	Jul-15	74.20	88.90	406	5156	0.030	0.458	0.488
2	Aug-15	78.20	86.90	322	5433	0.025	0.472	0.497
3	Sep-15	75.20	83.90	384	5490	0.029	0.461	0.490
4	Oct-15	75.20	83.90	364	6049	0.027	0.508	0.535
5	Nov-15	77.70	82.70	332	5607	0.026	0.464	0.490
6	Dec-15	77.70	85.70	358	6488	0.028	0.556	0.584
7	Jan-16	77.70	82.70	407	7764	0.032	0.642	0.674
8	Feb-16	72.70	77.70	443	9919	0.032	0.771	0.803
9	Mar-16	64.30	73.00	395	6824	0.025	0.498	0.523
10	Apr-16	65.80	74.40	424	8130	0.028	0.605	0.633
11	May-16	65.80	74.40	375	8887	0.025	0.661	0.686
12	Jun-16	65.80	74.40	383	9445	0.025	0.702	0.727
Total				4593	85192	0.332	6.798	7.130

Annex – I
[Para 1.3.3.6]

Doubtful expenditure on repair of transformers and motors - Rs 1.152 million

(Rupees in million)

Sr. No.	Date	To Whom Paid	Cheque No.	Description	Amount
1	14.06.2016	DDO TMO	804292677	Repair of Engine 40/HP for Generator Office TMA Chistian	0.0 15
2	21.06.2016	DDO TO I&S	804292681	Purchase of 2 barrings for motor city water works Tanki No. 1	0.07
3	21.06.2016	DDO TO I&S	804292681	Repair of Pump City Water works Tanki No. 1	0.020
4	21.06.2016	DDO TO I&S	804292681	Purchase of Spider bush, Seal & Assembly bush with studs for Turbine W/S/S no. 4 Tube Well No. 1	0.020
5	21.06.2016	DDO TO I&S	804292681	Purchase of Close plate, Tikki 16", Jean, 4 bolts for water Works Chak No. 14/G	0.020
6	21.06.2016	DDO TO I&S	804292681	Purchase of Conductor , Overload and Timer for Starter Sodha Water works Tube well No. 1	0.020
7	21.06.2016	DDO TO I&S	804292681	Repair of pump water works Old Chistian	0.016
8	21.06.2016	DDO TO I&S	804292681	Repair of Pump Water supply scheme MPA Chowk	0.020
9	21.06.2016	DDO TO I&S	804292681	Purchase of Equip. for Water Works MPA Chowk	0.006
10	21.06.2016	DDO TO I&S	804292681	Repair/Rewinding of Motor 40/HP Sodha Water works Tube well No. 2	0.037
11	21.06.2016	DDO TO I&S	804292681	Repair/Rewinding of Motor 40/HP City Water works Tanki no. 2 seat No. 2	0.036
12	26.05.2016	DDO TO I&S	804292660	Purchase of Starters, Conductors, Overload, Timer for City Disposal	0.024
13	26.05.2016	DDO TO I&S	804292660	Rewinding of Motor 40/HP Disposal Works Satellite Town Chistian	0.047
14	26.05.2016	DDO TO I&S	804292660	Rewinding of Motor 40/HP Disposal Works Purani Chistian	0.047
15	13.05.2016	DDO TO (I&S)	804292649	Purchase of Conductors, Starters for D/W 14/G	0.023
16	13.05.2016	DDO TO (I&S)	804292649	Purchase of Wire, 7/64 four Copper D/W Purani Chistian	0.023
17	13.05.2016	DDO TO (I&S)	804292649	Repair of Transformer 50/KV water works Purani Chistian	0.032
18	13.05.2016	DDO TO	804292649	Repair/Rewinding of Motor 25/HP water works	0.036

Sr. No.	Date	To Whom Paid	Cheque No.	Description	Amount
		(I&S)		Purani Chistian	
19	13.05.2016	DDO TO (I&S)	804292649	Repair/Rewinding of Motor 40/HP w/s/scheme Sodha T.W No. 6	0.048
20	13.05.2016	DDO TO (I&S)	804292649	Repair/Rewinding of Motor 40/HP w/s/scheme Sodha T.W No. 1	0.048
21	13.05.2016	DDO TO (I&S)	804292649	Repair/Rewinding of Transformer 50/KV w/s/s Sodha T.W No. 3	0.079
22	17.03.2016	DDO TO (I&S)	804292616	Repair of Turbine W/S 168/M	0.085
23	16.11.2015	DDO TO (I&S)	803168133	Rewinding of Transformer 100/KV City Water Works	0.089
24	16.11.2015	DDO TO (I&S)	803168133	Purchase of starters water supply Scheme Sodha, Tube well no. 7	0.038
25	16.11.2015	DDO TO (I&S)	803168133	Repair of Pump City Disposal works	0.025
26	16.11.2015	DDO TO (I&S)	803168133	Repair of Transformer 100/KV City Disposal Works	0.089
27	16.11.2015	DDO TO (I&S)	803168133	Rewinding of Motor 40/HP SodhaBasti, Tube well No. 5	0.047
28	16.11.2015	DDO TO (I&S)	803168133	Purchase of barring 40/HP Motor Sodha Basti, Tube wellNo. 5	0.008
29	16.11.2015	DDO TO (I&S)	803168133	Purchase of LT Bush for Transformer water supply Scheme Sodha, Tube well No. 3	0.015
30	16.11.2015	DDO TO (I&S)	803168133	Repair of Pump City water works Tanki No. 2, Chistian.	0.024
31	03.10.2015	DDO TMO	D014953	Purchase of Electric Equip for D/W S.T	0.016
32	03.10.2015	DDO TMO	D014953	Rewinding of Motor 10/HP Purani Chistian.	0.0 21
33	03.10.2015	DDO TMO	D014953	Repair of Motor 40/HP D/W 14/G	0.047
34	03.10.2015	DDO TMO	D014953	Repair of Disposal Works Purani Chistian	0.025
Total					1.152

Annex – J
[Para 1.3.3.7]

Doubtful expenditure on account of POL – Rs 1.111 million

(Rupees in million)

Sr. No.	Vehicle / Machinery	Branch	Meter Reading as on 28.02.17	Meter Reading as per Log Book	Date	Difference	POL Consumed on the basis of average	Amount
1	Tractor # 1 MF/240 with trolley	Sanitation	-	10,286	31.10.2016	10,286	3,429	0.274
2	Tractor # 2 MF/240 with trolley	Sanitation	7,839	10,857	31.10.2016	3,018	1,006	0.080
3	Tractor # 3 MF/240 with trolley	Sanitation	2,122	4,260	31.08.2016	2,138	713	0.057
4	Tractor # 4 MF/375 with Shovel	Sanitation	3,205	11,014	31.10.2016	7,809	1,952	0.156
5	Tractor # 5 MF/240 with tanker	Sanitation	9,039	10,875	31.10.2016	1,836	612	0.049
6	Tractor # 6 FIAT/640 with Shovel	Sanitation	-	11,025	31.10.2016	11,025	2,756	0.222
7	Tractor # 7 FIAT/480 with trolley	Sanitation	-	10,257	30.09.2016	10,257	3,419	0.273
Total								1.111

Annex- K
[Para 1.3.5.10]

Loss due to non recovery of fees from illegal private housing schemes – Rs 7.497 million

(Rupees in million)

Sr. No.	Name of Scheme	Area (Kanal)	Area in Marlas	Rate Per Marla	Scrutiny Fee	Planning Permission Fee	Sanction Fee	Conversion Fee	Land Sub Division Fee (Rate /Kanal)	Design and specifications for water supply, sewerage	Design and specifications for road, bridge and footpath	Total	Recovered
1	Fazal Abad Housing Colony, Chak 4 /FW	60	1,200	115,500	0.001	-	0.060	1.386	0.060	0.030	0.030	1.566	-
2	Punjab City Housing Colony, Chak 15 /G	75	1,500	50,000	0.001	-	0.075	0.750	0.075	0.038	0.038	0.976	-
3	Ajmeeri Colony Housing Colony, Chistian Shrif	40	800	40,000	0.001	-	0.040	0.320	0.040	0.020	0.020	0.440	-
4	Kaleem Town Housing Colony, Chistian Shrif	40	800	40,000	0.001	-	0.040	0.320	0.040	0.020	0.020	0.441	-
5	Ajmeer City Housing Colony, Chak 13/G	45	900	75,000	0.001	-	0.045	0.750	0.045	0.023	0.022	0.887	-
6	Al-Bakhsh City Housing Colony, Chak 13/G	84	1,680	75,000	0.001	-	0.084	1.260	0.084	0.042	0.043	1.514	-
7	Dream Land II Housing Colony, Chak 14/G	88	1,760	80,000	0.001	-	0.088	1.408	0.088	0.044	0.044	1.673	-
Total					0.007	-	0.432	6.194	0.432	0.216	0.216	7.497	-

Annex- L
[Para 1.3.5.11]

Loss due to less recovery of different fees from private housing schemes – Rs 3.039 million

(Rupees in million)

Sr. No.	Name of Scheme	Location	Area (Kanal)	Area in Marlas	Sanction Fee	Approval of design and specifications for water supply, sewerage	Approval of design and specifications for road, bridge and footpath	Total
1	Model Town Housing Colony	Chak 4 /FW	91K 16M	0.002	0.092	0.046	0.046	0.184
2	Arham Town Housing Colony	Chak 15/G	93K 19M	0.002	0.094	0.048	0.048	0.188
3	Batool Garden Housing Colony	Chak 13/G	93K 17M	0.002	0.094	0.047	0.047	0.188
4	Batool Villas Housing Colony	Chak 13/G	96K 16M	0.002	0.097	0.048	0.048	0.194
5	Lalazar Housing Colony	Chak 174/Murad	92K	0.002	0.092	0.046	0.046	0.184
6	Canal View Housing Colony	Chak 174/Murad	56K	0.001	0.056	0.029	0.029	0.112
7	Rehmat Garden Housing Colony	Chak 4 /FW	71K 18M	0.001	0.072	0.036	0.036	0.144
8	New Rehmat Garden Housing Colony	Chak 4 /FW	71K 10M	0.001	0.072	0.036	0.036	0.143
9	Ittefaq City III Housing Colony	Chak 15/G	52 K	0.001	0.052	0.027	0.027	0.104
10	Fazal villas Housing Colony	Chak 4 /FW	99K 09M	0.002	0.099	0.049	0.049	0.199
11	Sukh Chain garden Housing Colony	Chak 13/G	85K	0.002	0.085	0.042	0.042	0.170
12	Nice Garden Housing Colony	Chak 13/G	85K	0.002	0.085	0.042	0.042	0.170
13	Dream Land Housing Colony	Chak 17 /G	57K 10M	0.001	0.057	0.029	0.029	0.115
14	Fareed Town Housing Colony	Chistian Sharif	99K	0.002	0.099	0.050	0.050	0.198
15	Madina Town Housing Colony	Chak 170/Murad	63K 04M	0.001	0.063	0.031	0.031	0.126
16	Gulshan e Noor Housing Colony	Chistian Sharif	83K 08M	0.002	0.083	0.046	0.046	0.167
17	Lalazar Housing Colony	Chak 46 /F	70K 10M	0.001	0.071	0.036	0.036	0.141
18	Sabzazar Housing Colony	Chak 17 /G	43K 09M	0.001	0.043	0.022	0.022	0.087
19	Dawood City Housing Colony	Chak 46 /F	17K 05M	0	0.017	0.009	0.009	0.035
20	Kashaf City Housing Colony	Chak 169/Murad	43K 05M	0.001	0.043	0.022	0.022	0.087
Total				0.029	1.466	0.741	0.741	3.039

Annex-M
[Para 1.4.1.1]

**Irregular grant of NOC to private housing schemes and non transfer of land –
Rs 381.256 million**

(Rupees in million)

Sr. No.	Name of scheme	Total area of scheme	Land required to be transferred in the name of TMA	Land transferred	Diff.	Rate per marla (Rs)	Amount
1	Model City Chak No. 313 / HR Fort Abbas	72 Kanal	28 Kanal 17 Marla 7 Sarsai	-	28 Kanal 17 Marla 7 Sarsai	16500	9.528
2	Model Town Chak No.319/HR	98.34	31 Kanal 9 Marla 3 Sarsai	-	31 Kanal 9 Marla 3 Sarsai	40000	25.173
3	Al-Haram City Chak No.187/7R	66.75	21 Kanal 9 Marla 7 Sarsai	-	21 Kanal 9 Marla 7 Sarsai	30000	12.893
4	Green City Chak No.319/HR	37.50	16 Kanal 15 Marla 01 Sarsai	-	16 Kanal 15 Marla 01 Sarsai	110000	36.862
5	Al-Hamid City Chak No.319/HR	76.75	26 Kanal 11 Marla 05 Sarsai	-	26 Kanal 11 Marla 05 Sarsai	110000	58.471
6	Pakistan City Chak No.272/HR Fort Abbas	85.25	19 Kanal 08 Marla 01 Sarsai	-	19 Kanal 08 Marla 01 Sarsai	50000	19.406
7	New Pakistan City Chak No.272/HR Fort Abbas	58.72	17 Kanal 16 Marla	-	17 Kanal 16 Marla	50,000	17.800
8	Park View Chak No.272/HR	36.65	15 Kanal 07 Marla 06 Sarsai	-	15 Kanal 07 Marla 06 Sarsai	50,000	15.383
9	Al- Mustafa Town Chak No.272/HR	54	18 Kanal 09 Marla 05 Sarsai	-	18 Kanal 09 Marla 05 Sarsai	60,000	22.173
10	Ahsan Town (Land Sub-Division) Chak No.274/HR	48	19 Kanal 07 Marla 06 Sarsai	-	19 Kanal 07 Marla 06 Sarsai	45,000	17.445
11	AL- Khair Housing Chak No.272/HR	45.60	14 Kanal 03 Marla 03 Sarsai	-	14 Kanal 03 Marla 03 Sarsai	50,000	14.167
12	GulbergValley Chak No.274/HR	98	33 Kanal 03 Marla 07 Sarsai	-	33 Kanal 03 Marla 07 Sarsai	84,700	56.222
13	Gulberg Housing Chak No.274/HR	96	27 Kanal 12 Marla 03 Sarsai	-	27 Kanal 12 Marla 03 Sarsai	84,700	46.783
14	0Sukh Chain Chak No.272/HR	79.25	28 Kanal 19 Marl	-	28 Kanal 19 Marl	50,000	28.950
Total							381.256

Annex- N
[Para 1.4.1.4]

Irregular payment of pending liabilities – Rs 16.526 million

(Rupees in million)

Sr. No.	Name of Scheme	TS Amount	TS Date	Tender Date	Work Order Date	Name of Contractor	Funds throw in next F.Y 2015-16
1	Construction of Mettaled Road 326/HR	12.500	28/10/2014	24/12/2014	08/01/2015	BK Friend	0.300
2	Khitchi Wala Walhar Road	15.000	28/10/2014	24/12/2014	08/01/2015	Shakil Ahmad	6.491
3	Metalled Road 231/9R	5.000	27/09/2014	23/10/2014	11/11/2014	Bandecha &Co	2.804
4	Metalled Road 300/HR	3.500	27/09/2014	23/10/2014	11/11/2014	Bandecha &Co	1.121
5	Metalled Road 237/9R	1.000	27/09/2014	23/10/2014	11/11/2014	Bandecha &Co	0.234
6	Metalled Road Street No. 3	0.300	27/09/2014	23/10/2014	11/11/2014	Naveed Engineering	0.087
7	Metalled Road Highway Road to Ghala Mandi	0.500	27/09/2014	23/10/2014	11/11/2014	Nadeem Gill	0.239
8	Metalled Road Street No. 1 Diggi Mohala	0.800	27/09/2014	23/10/2014	10/11/2014	MS Afzal	0.411
9	Metalled Road Abdul Ghafoor to Sabar Shah Colony	0.500	27/09/2014	23/10/2014	11/11/2014	Nadeem Gill	0.084
10	Metalled Road Siraj Ul Uloom Disposal No. 2	1.050	27/09/2014	23/10/2014	11/11/2014	Bandecha andCo	0.579
11	Metalled Road Mohalla Line Par	0.400	27/09/2014	23/10/2014	11/11/2014	Naveed Engineering	0.099
12	Metalled Road Soling 238/9R	1.600	27/09/2014	23/10/2014	15/11/2014	Bandecha &Co	0.442
13	Metalled Road 306/HR	2.500	27/09/2014	23/10/2014	11/11/2014	Sohail Bilal	0.554
14	Construction of Bridge 294/HR	0.900	27/09/2014	23/10/2014	11/11/2014	Tariq Mahmood	0.426
15	Metalled Road Street No. 4	0.300	27/09/2014	23/10/2014	11/11/2014	Naveed Engineering	0.093
16	Park Chak No. 319/HR	0.500	27/09/2014	23/10/2014	11/11/2014	Khalid Mahmood	0.079
17	Metalled Road 296/HR	0.400	27/09/2014	23/10/2014	11/11/2014	Derh Construction	0.264
18	Construction of Eid Gha Dar ul Slaam	0.500	27/09/2014	23/10/2014	11/11/2014	Nadeem Gill	0.240

Sr. No.	Name of Scheme	TS Amount	TS Date	Tender Date	Work Order Date	Name of Contractor	Funds throw in next F.Y 2015-16
19	Metalled Road Muhammadi Chowk	0.500	27/09/2014	23/10/2014	11/11/2014	Nadeem Gill	0.230
20	Metalled Road Treasury Road	0.400	27/09/2014	23/10/2014	11/11/2014	Bandecha &Co	0.118
21	Metalled Road Boys Degree College to Hospital	0.500	27/09/2014	24/12/2014	08/01/2015	Abdul Sattar	0.234
22	Metalled Road Saleem Zahid Chowk	0.200	27/09/2014	23/10/2014	11/11/2014	Naveed Engineering	0.097
23	Metalled Road Ghani Street Nawab Colony	0.200	27/09/2014	23/10/2014	11/11/2014	Rajpot Builder	0.137
24	Metalled Road Hafiz Street UBL	0.200	27/09/2014	23/10/2014	11/11/2014	Rajpot Builder	0.127
25	Construction of Slaughter House	1.800	27/09/2014	23/10/2014	11/11/2014	Seven Star Builder	0.458
26	Construction of Room Veranda Filtration Plant /	0.800	27/09/2014	24/12/2015	08/01/2015	BK Friend	0.068
27	Construction For wall Park Line	2.200	27/09/2014	23/10/2014	11/11/2014	Nadeem Gill	0.229
28	Providing and fixing Tuff Tail Chowk To Girls High School	1.890	27/09/2014	23/10/2014	11/11/2014	Usama Khalil	0.032
29	Filtration Plant	1.700	27/09/2014	23/10/2014	11/11/2014	-	0.079
30	Construction of Water Diggi, Khaal 310/HR	1.500	13/05/2012	29/12/2012	05/01/2013	Mamonka Construction	0.170
Total							16.526

Annex – O
[Para 1.4.1.5]

Irregular expenditure on construction of roads – Rs 5.818 million

(Rupees in million)

Sr. No.	ADP No.	Name of Scheme	TS Amount	Contractor Name	Amount
1	1	Construction of Metalled Road Gali No. 04 Ali Town (remaining work) Tehsil Fort Abbas	0.800	Naveed Engineering	0.414
2	5	Construction and Repair of Metalled Road Eid Gah Road Tehsil Fort Abbas	0.800	Naveed Engineering	0.609
3	6	Construction of Metalled Road Street No 07 04 Ali Town (Remaining Work) Tehsil Fort Abbas	1.000	FJ Construction Co.	0.869
4	7	Construction of Metalled Road Chak No. 272/HR Fort Abbas	1.000	M. Ashraf	0.803
5	8	Construction of Metalled Road Malik Asghar Nadeem Tehsil Fort Abbas	0.150	Naveed Engineering	0.135
6	15	Construction Metalled Road Church to VIA Girls P/School to Makkam M. Younis Tehsil Fort Abbas	0.775	Malik Orangaib	0.612
7	16	Construction and wedding, Improvement of Metalled Road Railway Phatahak Near Sahulat Bazzar Mohala Line Par	0.500	Naveed Engineering	0.249
8	24	Construction & Repair of Metalled road Ghali No. 01 Ali Town Fort Abbas	0.400	M. Qasim	0.375
9	25	Construction & Repair of Metalled Road Usman Town Street No. 13,14,15,18 Tehsil Fort Abbas	0.700	Abdul Sattar	0.688
10	27	Construction and Repair of Metalled Road Muslim Town Abdul Staar Wali Gali Tehsil Fort Abbas	0.250	Naveed Engineering	0.168
11	28	Rehabilitation of Link Metalled Road Chak No. 206/9R Tehsil Fort Abbas	0.700	Shafiq Builders	0.667
12	29	Construction and Repair of Metalled Road P/School Wali Gali Abdullah Town Tehsil Fort Abbas	0.150	Naveed Engineering	0.069
13	31	Construction and Repair of Metalled Road Shabir Shah Colony Gali No. 02 Link Gali No. 03 Tehsil Fort Abbas	0.175	Naveed Engineering	0.160
Total					5.818

Annex-P
[Para 1.4.2.1]

Non-achievement of revenue targets – Rs 2.478 million

(Rupees in million)

Code	Particulars	Revised Budget Estimate for the Year 2015-16	Income For the Year 2015-16	Amount
C0388001	Fee pure food	0.010	0.004	0.006
C0388002	License fee/ professional and trade tax	0.200	0.082	0.118
C0388026	Housing scheme	3.000	2.212	0.788
C0388027	Fee for approval of building plan	2.500	2.337	0.163
C0388047	Water rates	1.800	1.771	0.029
C0388051	Water lorry fee	0.040	0.022	0.018
C0388054	Sewerage tax	0.200	0.067	0.133
C0388058	Sludge waste water disposal no. 2	0.275	0.020	0.255
C0388081	Rent of shop	5.528	4.746	0.782
C0388083	Land rent	0.300	0.208	0.092
C0388091	Other receipts / Misc.	0.234	0.140	0.094
Total		14.087	11.609	2.478

Annex-Q
[Para 1.4.3.1]

Non-collection of cost of land & development charges from dwelling units of Kachi Abadies - Rs 30.666 million

(Rupees in million)

Sr. No.	Name of Katchi Abadi	Total dwelling Units	Units yet to be paid	Recovery cost of land	Recovery Development Charges	Total Amount
1	Diggi Mohalla	1,307	758	4.821	3.032	7.853
2	Mohalla line par	733	290	1.844	1.160	3.004
3	Katchi Mandi	59	-	0	-	0
4	Basti Ikhlaq Ahmad	320	296	1.883	1.184	3.067
5	Basti Kumhara/ Qadar Town	167	128	0.814	0.512	1.326
6	Basti Phoolra	247	245	1.558	0.980	2.538
7	Kissan Colony	142	141	0.897	0.565	1.462
8	Rohi Town	230	225	1.431	0.900	2.331
9	Aqib Town	145	143	0.909	0.572	1.481
10	Chatta Colony	157	145	0.922	0.580	1.502
11	Liaqat Colony	40	40	0.254	0.160	0.414
12	Ghouri Town	242	240	1.526	0.960	2.486
13	Basti Nayian	48	48	0.305	0.193	0.498
14	Chak No. 270/HR	97	97	0.617	0.388	1.005
15	Chak No. 274/HR	164	164	1.043	0.656	1.699
Total		4,098	2,960	18.824	11.840	30.666

Annex – R
[Para 1.4.3.6]

Non-imposition of penalty due to delay in completion of works – Rs 1.035 million

(Rupees in million)

ADP No.	Name of Scheme	TS Amount	Date of work order	Completion period	Actual date of completion	Total expenditure	Amount of penalty
1	Construction of Metalled road Gali No. 04 Ali Town, Tehsil Fort Abbas	0.800	22.08.2015	4 Month	05.01.2016	0.414	0.080
4	Construction of Park Bungalow Road Tehsil Fort Abbas	0.500	26.08.2015	6 Month	25.07.2016	0.488	0.050
5	Construction and Repair of Metalled Road Eid Gah Road Tehsil Fort Abbas	0.800	26.08.2015	4 Month	03.02.2016	0.609	0.080
8	Construction of Metalled Road Malik Asghar Nadeem Tehsil Fort Abbas	0.150	10.08.2015	3 Month	27.11.2015	0.135	0.005
12	Renovation / Rehabilitation of Allama Iqbal Park, Quaid -e- Azam Park, and Mohalla Line Par Tehsil Fort Abbas	3.500	10.08.2015	4 Month	20.02.2016	3.413	0.300
14	Construction Side Soling Muhammad Bin Qasim Road Tehsil Fort Abbas	0.500	10.08.2015	5 Month	26.01.2016	0.422	0.005
16	Construction and wedding, Improvement of Metalled Road Railway Phatahak Near Sahulat Bazar Mohalla Line Par	0.500	10.08.2015	3 Month	27.07.2016	0.249	0.050
17	Providing & Fixing of Tuff Tile , Soling & Toilet Block Sahulat Bazar Tehsil Fort Abbas	3.000	10.08.2015	4 Month	16.08.2016	1.938	0.190
23	Construction of Water Course for Water Digg Abnoshi Chak No. 310/HR Tehsil Fort Abbas	1.000	10.08.2015	6 Month	08.06.2016	0.985	0.095
24	Construction & Repair of Metalled road Ghali No. 01 Ali Town Fort Abbas	0.400	10.08.2015	3 Month	09.07.2016	0.375	0.040
27	Construction and Repair of Metalled Road Muslim Town Abdul Staar Wali Gali Tehsil Fort Abbas	0.250	10.08.2015	3 Month	Running	0.169	0.025
29	Construction and Repair of Metalled Road P/School Wali Gali Abdullah Town Tehsil Fort Abbas	0.150	10.08.2015	2 Month	20.08.2016	0.069	0.015
30	Renovation of Quarter / Office, Sewerage TMA, Office	0.400	10.08.2015	3 Month	20.08.2016	0.357	0.040
31	Construction and Repair of Metalled Road Shabir Shah Colony Gali No. 02 Link Gali No. 03 Tehsil Fort Abbas	0.175	10.08.2015	2 Month	29.11.2015	0.160	0.005
32	Construction of Room & Verandha for Dstkari School Chak No. 169/7R Tehsil Fort Abbas	0.550	10.08.2015	3 Month	08.07.2016	0.484	0.055
Total						10.267	1.035

Annex-S
[Para 1.5.3.1]

Loss due to irregular grant of NOC to private housing schemes –Rs 12.473 million

Vital City Phase-2

Total Area (in Kanal) 98K

Total Area (in Marlas) 1960

Description	Area due (in marlas)	Area allotted (in marlas)	Difference (in marlas)
Open Space (7%)	137.2	40	97.2
Area Under Plots	-	1265	-
Area Under Roads	-	635	-
Commercial Area (5%)	98	-	98
Public Buildings (2%)	39.2	-	39.2
Plot for Solid Waste Management	10	-	10
Total	284.4	1940	244.4
Value of Land	52.920	52.380	-
Rate per Marla	27,000	-	-
Value of Land Less Transferred to TMA	7.679million		

Green Valley

Total Area (in Kanal) 53.50 K

Total Area (in Marlas) 1070

Description	Area due (in marlas)	Area allotted (in marlas)	Difference (in marlas)
Open Space (7%)	74.9	74.9	-
Area Under Plots	-	618.2	-
Area Under Roads	-	280.59	-
Commercial Area (5%)	53.5	54.17	-0.67
Public Buildings (2%)	21.4	22.31	-0.91
Plot for Solid Waste Management	10	10	-
Total	159.8	1060.17	-1.58
Value of Land	32.100	8.525	-
Rate per Marla	30000	-	-
Value of Land Less Transferred to TMA	4.794million		

Annex – T
[Para 1.5.3.5]

**Loss due to non recovery of fees from unapproved private housing schemes –
Rs 4.786 million**

(Rupees in million)

Sr. No.	Name of Scheme	Location	Area (Kanal)	Scrutiny Fee	Planning permission fee	Sanction Fee	Conversion Fee	Land Sub Division Fee (Rate /Marla)	Approval of design and specifications for water supply, sewerage	Approval of design and specifications for road, bridge and footpath	Total
1	Maqsood Town-Phase-I	Chak No. 73/4R	80	1000	0.005	0.080	0.110	0.240	0.040	0.800	1.276
2	Maqsood Town-Phase-II	Chak No.73/4R	80	1000	0.005	0.080	0.110	0.240	0.040	0.800	1.276
3	Alkaram Town	Chak No.71/4R	70	1000	0.005	0.070	0.096	0.210	0.035	0.700	1.117
4	Habib City	Chak No.55/4R	70	1000	0.005	0.070	0.096	0.210	0.035	0.700	1.117
Total				4000	0.020	0.30	0.412	0.900	0.150	3.00	4.786

Annex-U
[Para 1.6.4.1]

Non achievement of revenue targets – Rs 10.388 million

(Rupees in million)

Sr. No.	Detail object Head (Income)	Target fixed	Recovery made	Amount
Headquarter Minchin Abad				
1	Other income	0.200	0.187	0.013
2	Water Rate (Residential)	0.750	0.242	0.508
3	Water Rate (Commercial)	0.010	0.003	0.007
4	License fee offensive trade	0.200	0.154	0.046
5	Advertisement fee	0.840	0.450	0.390
6	Fee for approval of Housing colony	0.020	-	0.020
7	Fee for approval of construction plant	0.400	0.081	0.319
8	fee for change in land use	0.800	0.715	0.085
9	fine for construction without approval of building plan	0.020	-	0.020
10	fine building violation	0.020	-	0.020
11	Water connection/ reconnection / disconnection	0.010	0.001	0.009
12	Sale of Solid waste	0.010	0.005	0.005
13	Rent of Municipal shops	1.217	1.111	0.016
14	Fee for Slaughtering of animals	0.095	0.058	0.037
15	Application Fee/ Copying Fees	0.005	0.004	0.001
16	Encroachment fee	0.200	0.024	0.176
17	Contract Arrears / water rate etc.	2.686	0.044	2.642
Sub Total		7.483	3.079	4.404
Non Headquarter Mandi Sadiq Ganj				
1	Building Application fee	0.005	0.001	0.004
2	Water rate commercial	0.020	0.007	0.013
3	Sale of stock and store	0.100	-	0.100
4	Arrears of rent of shops	1.107	0.843	0.264
5	Misc. income	0.030	0.018	0.012
6	Bus Stand Fee	0.300	0.094	0.206
7	Rent of Municipal shops	0.828	0.693	0.135
8	License fee/ permit fee	0.050	0.035	0.015
9	Agricultural land	0.130	-	0.130
10	Water Rate residential	2.130	0.296	1.834
11	Construction fee	0.100	0.031	0.069
12	Misc. arrears/ water rate arrears	3.691	1.002	2.689
13	rent of residential plots	0.294	0.163	0.131
14	Commercialization fee	0.350	0.024	0.326
15	Water rate connection/ disconnection	0.020	0.005	0.015
16	Phatak of animals	0.025	0.015	0.010
17	Rent of commercial Plots	0.399	0.368	0.031
Sub Total		9.579	3.595	5.984
Total				10.388