



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

AUDIT YEAR 2016-17

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AASHTO	American Association of State & Highway Transportation Officials
ADP	Annual Development Programme
BWMC	Bahawalpur Waste Management Company
BOQ	Bill of Quantity
CO	Chief Officer
DA	Daily Allowance
DAC	Departmental Accounts Committee
DDO	Drawing and Disbursing Officer
DGA	Directorate General Audit
DO	District Officer
FD	Finance Department
FIR	First Information Report
GST	General Sales Tax
HQ	Headquarter
IPSAS	International Public Sector Accounting Standards
Lbs	Pound
LD	Liquidated Damages
LG&CD	Local Government & Community Development
MFDAC	Memorandum for Departmental Accounts Committee
NAM	New Accounting Model
NOC	No Objection Certificate
OGRA	Oil and Gas Regulatory Authority
PAC	Public Accounts Committee
PDG	Punjab District Governments
PFC	Provincial Finance Commission

PFR	Punjab Financial Rules
PLG	Punjab Local Government
PLGB	Punjab Local Government Board
PLGO	Punjab Local Government Ordinance
PPRA	Punjab Procurement Regulatory Authority
POL	Petroleum Oil and Lubricants
PWD	Public Works Department
RDA	Regional Directorate of Audit
R&M	Repair and Maintenance
RR&MTI	Road Research and Material Testing Institute
SAMA	Services & Assets Management Agreement
S&GAD	Services and General Administration Department
TAO	Tehsil Accounts Officer
TDC	Tehsil Development 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)
TST	Triple Surface Treatment
UA	Union Administration

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 Bahawalpur 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 Rs1 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 mandays available were 4,830 and budget amounting to Rs 19.050 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 six TMAs of District Bahawalpur for the Financial Year 2015-16 and the findings are included in the Audit Report.

Each Tehsil Municipal Administration in District Bahawalpur is headed by a Tehsil Nazim / Administrator who carries out operations as per Punjab Local Government Ordinance, 2001. Tehsil Municipal Officer is the Principal Accounting Officer (PAO) and acts as coordinating and administrative officer, responsible to control land use, its division and development and to enforce all laws including Municipal Laws, Rules and By-laws. The Punjab Local Government Ordinance (PLGO), 2001, requires the establishment of Tehsil / 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 six TMAs in the District Bahawalpur for the Financial Year 2015-16 was Rs 321.228 million and expenditure incurred was of Rs 203.883 million, showing savings of Rs 117.345 million. The total Non-development Budget for Financial Year 2015-16 was Rs 1,258.946 million and expenditure was of Rs 1,001.308 million, showing savings of Rs 257.638 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 Bahawalpur 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 Bahawalpur for the Financial Year 2015-16, auditable expenditure under the jurisdiction of Regional Director Audit, Bahawalpur was Rs 1,205.191 million covering six PAOs/formations. Out of this, RDA Bahawalpur audited an expenditure of Rs 453.414 million which, in terms of percentage, is 37.6 % of total auditable expenditure and irregularities amounting to Rs 1,469.273 million were pointed out. Regional Director Audit planned and executed audit of 06 formations i.e. 100% achievement against the planned audit activities.

Total receipts of TMAs of District Bahawalpur for the Financial Year 2015-16, were Rs 1,131.091 million. RDA Bahawalpur audited receipts of Rs 828.953 million which, in terms of percentage is 73 % of total receipts and irregularities amounting to Rs 2,347.602 million were pointed out.

b. Recoveries at the Instance of Audit

Recoveries of Rs 733.894 million were pointed out by Audit (out of which Rs 380.671 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 0.136 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 Bahawalpur 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 Bahawalpur.

f. Key Audit Findings of the Report

- i. Fraud, embezzlement and misappropriation amounting to Rs 5.220 million was noted in one case.¹
- ii. Non production of record of Rs 464.788 million was noted in three cases.²
- iii. Irregularities and noncompliance of Rs 967.589 million were noted in nineteen cases.³
- iv. Performance issues of Rs 112.224 million were noted in six cases.⁴
- v. Internal Control Weaknesses of Rs 1,866.693 million were noted in twenty eight cases.⁵

¹Para 1.3.1.1

²Para 1.2.1.1, 1.3.2.1, 1.7.1.1

³Para 1.2.2.1 to 1.2.2.6, 1.3.3.1 to 1.3.3.4, 1.4.1.1 to 1.4.1.2, 1.5.1.1 to 1.5.1.3, 1.6.1.1, 1.7.2.1 to 1.7.2.3

⁴Para 1.2.3.1, 1.3.4.1, 1.4.2.1, 1.5.2.1, 1.6.2.1, 1.7.3.1

⁵Para 1.2.4.1 to 1.2.4.9, 1.3.5.1, 1.4.3.1 to 1.3.4.7, 1.5.3.1 to 1.5.3.6, 1.6.3.1 to 1.3.6.4, 1.7.4.1

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 the 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	06	1,205.191	1,131.091	2,336.282
2	Total Formations in audit Jurisdiction	06	1,205.191	1,131.091	2,336.282
3	Total Entities (PAOs)audited	06	453.414	828.953	1,282.367
4	Total formations audited	06	453.414	828.953	1,282.367
5	Audit & Inspection Reports	06	453.414	828.953	1,282.367
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	112.224
3	Weak Internal controls relating to financial management	1,866.693
4	Others	1,437.597
Total		3,416.514

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	9.661	541.459	450.188	203.883	1,131.091	2,336.282	2,397.292
2	Outlays Audited	9.661	181.887	150.509	111.357	828.953	1,282.367*	932.833
3	Amount placed under audit observations / irregularities pointed out	9.099	20.778	6.724	578.988	2,800.925	3,416.514	3,950.151
4	Recoveries pointed out at the instance of Audit	-	-	3.963	1.461	375.247	380.671	618.729
5	Recoveries accepted/established at the instance of Audit	-	-	3.963	1.461	375.247	380.671	618.729
6	Recoveries realized at the instance of Audit	-	-	0.050	-	0.086	0.136	3.936

*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 453.414 million.

Table 4: Irregularities Pointed Out

(Rupees in million)		
Sr. No.	Description	Amount placed under Audit observation
1	Violation of rules and regulations and violation of principle of propriety and probity in public operations.	967.589
2	Reported cases of fraud, embezzlement, theft and misuse of public resources.	5.220
3	Accounting errors (accounting policy departure from IPSAS ¹ , 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.	1,603.466
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money.	* 375.451
6	Non-production of record to Audit	464.788
7	Others, including cases of accidents, negligence etc.	-
	Total	3,416.514

*total recovery pointed out comes to Rs 380.671 (375.451 + 5.220)

Table 5: Cost-Benefit

(Rupees in million)		
Sr. No.	Description	Amount
1	Outlays Audited (Item 2of Table 3)	1,282.367
2	Expenditure on Audit	0.145
3	Recoveries realized at the instance of Audit	0.136
4	Cost-Benefit Ratio	1

¹ The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan which are IPSAS (Cash) compliant.

CHAPTER-1

1.1 Tehsil Municipal Administrations, Bahawalpur

1.1.1 Introduction:

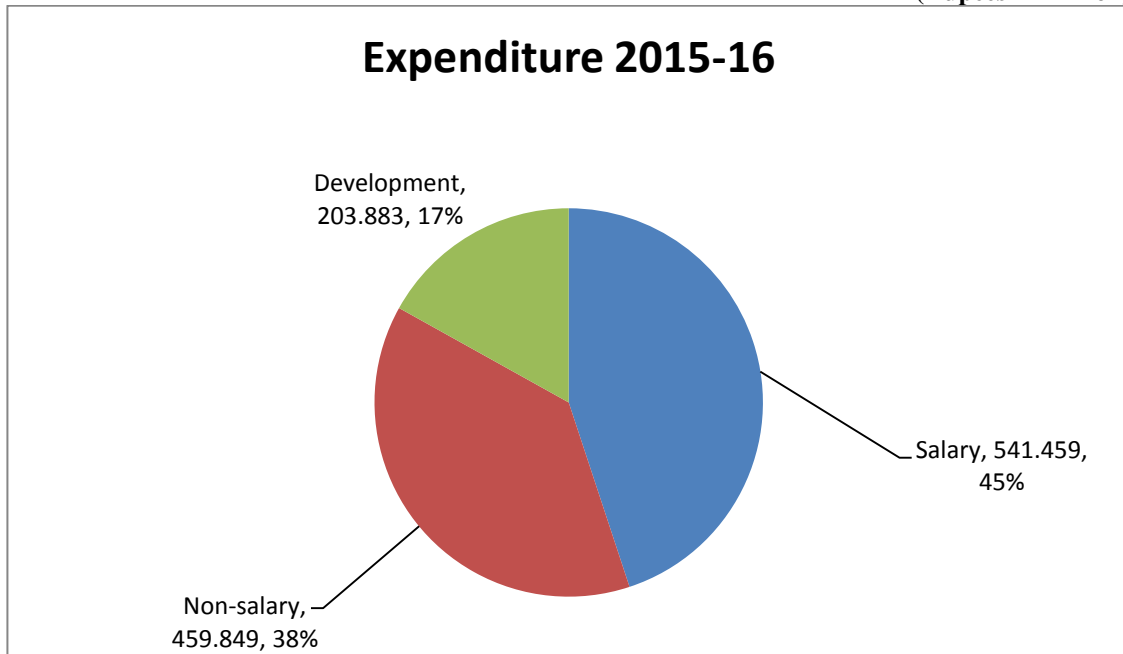
According to 1998 population census, the population of District Bahawalpur is 2.433 million. District Bahawalpur comprises six TMAs namely Bahawalpur (City), Bahawalpur (Saddar), Khair Pur Tamewali, Hasil Pur, Ahmad Pur East and Yazman. Business of TMAs is run by the Administrator and five Drawing and Disbursing Officers i.e. TMO, TO (I&S), TO (Finance), TO (P&C) and TO (Regulations) under Punjab Local Government Ordinance, 2001.

1.1.2 Comments on Budget and Accounts

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

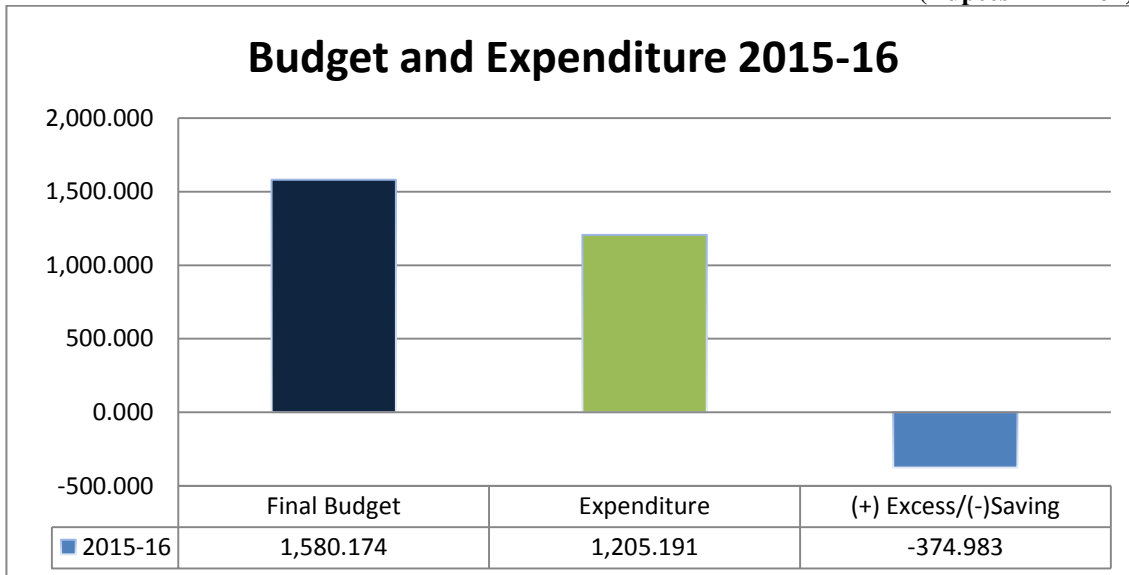
(Rupees in million)				
2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	682.302	541.459	(-) 140.843	21 %
Non-salary	576.644	459.849	(-) 116.795	20 %
Development	321.228	203.883	(-) 117.345	37 %
Total	1,580.174	1,205.191	(-) 374.983	24 %
Revenue	1,239.462	1,131.091	(-) 108.371	9 %

(Rupees in million)



As per Annual Accounts the expenditure relating to TMAs in District Bahawalpur was Rs 1,205.191 million against original budget of Rs 1,580.174 million. A saving of Rs 374.984 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

The Audit Reports pertaining to following years were submitted to the Governor of the Punjab but have not been examined by the Public Accounts Committee.

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2009-12	67	PAC not constituted
2	2012-13	30	PAC not constituted
3	2013-14	71	PAC not constituted
4	2014-15	73	PAC not constituted
5	2015-16	73	PAC not constituted

AUDIT PARAS

1.2 Tehsil Municipal Administration, Bahawalpur (City)

1.2.1 Non Production of Record

1.2.1.1 Non production of record – Rs 266.230 million

According to Clause 14(1) (b) of the Auditor General’s (Functions, Powers and Terms & 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 Bahawalpur (City) did not produce record of expenditure incurred/ revenue earned amounting to Rs 266.230 million during 2015-16, under different objects / codes of classification. (**Annex – C**)

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

Non production of record created doubts regarding legitimacy of expenditure / revenue amounting to Rs 266.230 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened 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: 33, 50, 54 & 58]

1.2.2 Irregularities and non compliance

1.2.2.1 Unauthorized expenditure out of development budget and misclassification of expenditure – Rs 10.711 million

According to Section 29 (1) (iii) of TMA (Budget) Rules 2003, respective Drawing and Disbursing Officer (DDO) while preparing any proposal for new current expenditure shall ensure that detail of expenditure as purchase of durable goods should be specified. Moreover, as per Para 12 of the Punjab Local Government Account Manual, 2003, the expenditure shall be classified into account heads and the classification of accounts covering Local Government Accounts shall be in accordance with that of the Auditor General of Pakistan.

TMO Bahawalpur (City) incurred expenditure of Rs 10.711 million on account of purchase of sucker machine, wincher machine and civil works during 2015-16 without having budget in relevant heads of accounts (A-09, A-12). Furthermore, funds of development activities were utilized on non development activities through misclassification. **(Annex – D)**

Audit is of the view that due to weak financial controls, expenditure was incurred in irrelevant account head.

Incurring expenditure from incorrect head of accounts resulted in irregular expenditure of Rs 10.711 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened 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 Paras: 13 & 30]

1.2.2.2 Irregular expenditure on purchase of machinery – Rs 9.099 million

According to Rule 14 of the Punjab Procurement Rules 2014, the procuring agency may decide the response time for receipt of bids or proposals (including proposals for prequalification) from the date of publication of an advertisement or notice. However, in no circumstances, the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice. Furthermore, as per Rule 2.10 (b) (5) of PFR Vol-1, no advance payment is allowed except with prior approval of the Finance Department.

TMO Bahawalpur (City) incurred expenditure of Rs 9.099 million on account of purchase of sewer suction unit etc. during 2015-16. Expenditure was held irregular because response time was less than 15 days. Moreover, payment was made in advance without obtaining prior approval from the Finance Department and liquidated damages (LD) amounting to Rs 0.533 million were not recovered from the suppliers. Detail is given below:

(Rupees in million)

Sr. No.	Item Purchased	Name of Supplier	Voucher No. / Date	Invoice No. / Date	Supply order No. / Date	Delivery time	Date of supply received	Total late days	LD Charges	Amount
1	truck chassis for sewer suction unit	Ghandhara Industries Ltd Karachi	1593/13.01.16	6313 / 31.03.16	483 / 09.01.16	10 days upto 19.01.16	30.03.16	71	0.289	6.125
2	sewer suction unit	Bilal Engineering	3421 / 24.06.16	132 / 05.05.16	446 / 30.12.15	30 days upto 29.01.16	31.05.16	123	0.244	2.974
Total									0.533	9.099

Audit is of the view that due to weak internal controls, purchases were made without ensuring compliance of relevant rules.

Non compliance of financial discipline resulted in irregular expenditure of Rs 9.099 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened 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]

1.2.2.3 Irregular expenditure due to non compliance of procurement rules – Rs 4.990 million

According to Rules 9 and 12(1) of the Punjab Procurement Rules 2014, procuring agency shall announce proposed procurements for each financial year and shall proceed accordingly without 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.

TMO Bahawalpur (City) incurred expenditure of Rs 4.990 million on purchase of air coolers, energy savors, bamboos, filters, insecticides and different general store items during 2015-16. Expenditure was irregular because annual requirement of procurement opportunities were not advertised on PPRA's website. Indents were split to avoid fair tendering process. Most of the bills / invoices of suppliers were without bill numbers. (**Annex – E**)

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

Non compliance of procurement rules resulted in irregular expenditure of Rs 4.990 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened 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: 20]

1.2.2.4 Unjustified expenditure on Holiday Allowance – Rs 3.599 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, 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 the seven days and weekly rest may be allowed to them on rotation basis.

TMO Bahawalpur (City) incurred expenditure of Rs 3.599 million on Holiday Allowance during 2015-16. Expenditure was not justified as it was paid to those persons who were not deputed on provision of essential services like water and sanitation. Moreover, their duties were not rotated in violation of instructions of the Government. (**Annex- F**)

Audit is of the view that due to weak internal controls, duties of staff were not rotated properly and Holiday Allowance was paid to unauthorized persons.

Improper scheduling and payment of Holiday Allowance to unauthorized persons resulted in unjustified expenditure of Rs 3.599 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened 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]

1.2.2.5 Unauthorized expenditure on contingent paid staff – Rs 1.640 million

According to the Austerity Measures for the year 2015-16, issued by the Finance Department, Government of the Punjab vide letter No. FD.SO (GOODS)/44-4/2011-(A) dated 24.08.2015, no contingent paid staff shall be appointed without obtaining prior approval from the Austerity Committee.

TMO Bahawalpur (City) appointed persons as contingent paid staff (as sweeper, donkey man, water carrier, trolley loader etc.) during 2015-16 and incurred expenditure of Rs 1.640 million without obtaining prior approval from the Austerity Committee of the Finance Department, Government of the Punjab. (**Annex – G**)

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

Appointment of contingent paid staff without prior approval of the competent authority resulted in unauthorized expenditure of Rs 1.640 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened 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]

1.2.2.6 Irregular expenditure on TST without ensuring quality of bitumen – Rs 1.333 million

According to Serial No. 8 of Chapter 18 (roads and road structure) of rate analysis issued by the Government of Punjab, Finance Department Lahore, packed bitumen was required to be utilized in surface treatment of roads. Furthermore, according to the Chief Engineer Punjab District Support & Monitoring Department,

Lahore letter No. 3357-93/W (I), dated 26.08.2015 addressed to all EDOs (W&S) Punjab, Chief Minister had serious concerns regarding use of substandard and smuggled Tar Coal (bitumen) in construction of road projects and directed contractors to use bitumen of approved refineries already notified by the Finance Department. Furthermore, payment against the bitumen related items should not be entertained without invoices and gate passes of the approved / notified refineries.

TMO Bahawalpur (City) consumed 32,345 lbs of bitumen valuing Rs 1.333 million in execution / completion of TST work in 03 development schemes during the year 2015-16. Documentary evidences (supply orders, gate passes etc.) were not produced to audit to ensure that quality bitumen was purchased from approved refinery and used in those schemes. Detail is given below:

(Rupees in million)

Sr. No.	Scheme	Type	M.B No & Page No.	QTY used (Sft)	Rate paid (Rs per 1,000 Sft)	Amount
1	Special repair of metalled road Jubilee (Zanana) hospital Road Bahawalpur	TST	744 (63-65)	12,653	3,583.87	0.453
2	Re-construction of metalled road from main road to slaughter house A.C coaches stand Bahawalpur	TST	708 (91-99)	14,759	4,648.32	0.686
3	Construction of metalled road street No.1 Sakeena Colony Bahawalpur	TST	744 (56-58)	4,933	3,932.62	0.194
Total				32,345		1.333

Audit is of the view that due to weak internal controls, quality of bitumen could not be maintained.

Incurring expenditure without ensuring quality of bitumen resulted in irregular expenditure amounting to Rs 1.333 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened 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: 35]

1.2.3 Performance

1.2.3.1 Non achievement of revenue targets – Rs 63.523 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 Bahawalpur (City) fixed revenue targets of Rs 106.155 million for the year 2015-16 on account of different heads of receipts. The relevant staff did not make due efforts to achieve the targets and only Rs 42.632 were realized against the targets set for the year. As a result, revenue targets of 59.8 % amounting to Rs 63.523 million were not achieved. **(Annex –H)**

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 of Rs 63.523 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 63.523 million, under intimation to Audit.

[AIR Para: 05]

1.2.4 Internal Control Weaknesses

1.2.4.1 Illegal occupation of TMA property – Rs 1,529.600 million

According to Rule 3(K) of the Punjab Local Government (Property) Rules, 2003, the manager / chairman shall be vigilant and check encroachments or wrongful occupants on property and in case there is any encroachment or wrongful occupation take necessary steps for the removal thereof.

TMO Bahawalpur (City) did not take action to get 15,296 marlas of its land vacated from the persons who unlawfully occupied the property valuing Rs 1,529.600 million during 2015-16. Detail is given below:

(Rupees in million)

Sr. No.	Detail of sites where land is situated	Area			Total No. of Marlas	Rate / Marla	Estimated Value
		Kanal	Marla	Feet			
1	Land near Inter College	26	0	0	520	0.100	52.000
2	Behind Dubai Mahal	128	6	0	2,566	0.100	256.600
3	Behind Gulzar Mahal	26	9	0	529	0.100	52.900
4	Zoo	189	11	0	3,791	0.100	379.100
5	National Hotel	189	11	0	3,791	0.100	379.100
6	Chowk Model Town C	189	11	0	3,791	0.100	379.100
7	Husain Abad Near Grain market	15	8	4	308	0.100	30.800
	Total	762	56	4	15,296		1,529.600

Audit is of the view that due to weak internal controls, property was not got vacated from encroachers.

Illegal occupation and non vacation of encroached property resulted in loss amounting to Rs 1,529.60 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para: 15]

1.2.4.2 Less realization of water rate and sewerage tax - Rs 47.215 million

According to Notification No.TMA/Tax/BWP/161-162 dated 29.05.2013 of TMA Bahawalpur sewerage tax and water rate at prescribed rates was to be collected from the persons to whom connections of sewerage and water supply were provided. 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.

A survey conducted by TMA during 2014-15 revealed that TMA Bahawalpur (City) provided connections of sewerage and water supply to 58,567 and 5,205 consumers (houses / shops) respectively whereas record of TMA indicated that connections of sewerage and water supply were provided to 4,244 and 4,923 consumers respectively. The situation indicated less realization of water rate and sewerage tax amounting to Rs 47.215 million during 2015-16. (**Annex – I**)

Audit is of the view that due to weak internal controls, less revenue was realized.

Less realization of revenue resulted in loss of Rs 47.215 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 47.215 million, under intimation to Audit.

[AIR Para: 10]

1.2.4.3 Loss due to non renewal of lease agreements – Rs 37.999 million

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

to letter No. S-III/2-11/80 dated 07.07.1982 issued by the Punjab Local Governments and Community Development Department, 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 is not acceptable to the lessees or parties concerned fail to arrive at any agreeable decision, shops should be re-auctioned.

TMO Bahawalpur (City) realized rent from 401 shops located in different markets at less than the prevailing market rates. Moreover, the lease agreements of these shops were not renewed and rent was not re-fixed keeping in view current market situations. Scrutiny of demand and collection register also revealed considerable variation in rent of shops situated in same market and adjacent to each other. Situation indicated less realization of rent amounting to Rs 37.999 million during 2015-16. **(Annex – J)**

Audit is of the view that due to weak internal controls, lease agreements were not renewed and revenue was less realized.

Non renewal of lease agreements and less realization of revenue resulted in loss of Rs 37.999 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides renewal of lease agreements, re-fixing of rent at prevailing market rates and recovery of loss amounting to Rs 37.999 million, under intimation to Audit.

[AIR Para: 23]

1.2.4.4 Loss due to non / less realization of revenue and arrears – Rs 10.631 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 Bahawalpur (City) did not make due efforts during 2015-16 to recover revenue and arrears worth Rs 10.631 million on account of rent of shops, water rates, license & permit fee, advertisement and publicity charges, sewerage tax etc. in violation of above rule. Detail is given below:

(Rupees in million)		
Sr. No.	Description	Amount
1	Sewerage tax, water rate and arrears	2.970
2	Rent of shops	4.881
3	Fee for publicity and advertisement (use of sign boards etc.)	2.335
4	License and permit fee	0.445
Total		10.631

Audit is of the view that due to weak internal controls, revenue and arrears were not / less realized.

Non / less realization of revenue resulted in loss of Rs 10.631 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 10.631 million, under intimation to Audit.

[AIR Paras: 1, 11, 12 & 19]

1.2.4.5 Loss due to less collection than assessed rent – Rs 2.776 million

As per minutes of meeting circulated by Commissioner Bahawalpur Division Bahawalpur vide No. ACR/4-175-6311-20 dated 15.10.2011, site rent of petrol pumps was enhanced by the District Rent Assessment Committee in accordance with Rule 18 (7) of Lease of Immovable Property for Petrol Pumps etc. as under:

(Rupees in million)

Sr. No	Name of Petrol Pump	Existing Rates	New assessment
1	A Husain Petroleum Service Saraiki Chowk	0.035	0.080
2	Waz Petroleum Service outside General Bus Stand	0.035	0.100
3	Modern Petroleum Service Chowk Fawara	0.024	0.100

Rent assessment committee, chaired by the Commissioner Bahawalpur assessed / revised rent on 27.09.2011 to be collected from persons who were provided shops or land for establishment of petrol pumps. TMO did not collect rent at revised rates and realized less rent amounting to Rs 2.776 million during 2015-16. Detail is given below:

(Rupees in million)

Sr. No	Name of Petrol Pump	Existing Rates	Revised rates	Difference	No. of months	Amount of Loss
1	A Husain Petroleum service Saraiki Chowk Bahawalpur	0.026	0.080	0.054	12	0.646
2	Waz Petroleum Service outside General Bus Stand Bahawalpur	0.049	0.100	0.051	12	0.609
3	Modern Petroleum Service Chowk Fawara Bahawalpur	0.039	0.100	0.061	12	0.731
4	35 shops located at disposal Lal Bagh	0.002	0.004	0.002	12	0.790
Total						2.776

Audit is of the view that due to weak internal controls, rent at revised rates was not recovered.

Collection of rent at lesser rates resulted in loss of Rs 2.776 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 2.776 million, under intimation to Audit.

[AIR Para: 29]

1.2.4.6 Less deposit of share of the Punjab Local Government Board – Rs 2.229 million

According to letter No. LCS (ASSTT-Misc.) 2-(40)/2007 dated 28.10.2014 issued by the Punjab Local Government and Rural Development Department, TMA has to deposit share of revenue to the Punjab Local Government Board @ 1.25% of total income.

TMA Bahawalpur (City) having income of Rs 458.335 million during 2015-16 was required to pay share amounting to Rs 5.729 million to the Punjab Local Government Board (PLGB). TMO transferred Rs 3.50 million to the Board during the year and remaining Rs 2.229 million were not paid without due justification.

Audit is of the view that due to weak internal controls, share of PLGB was less deposited to the Government.

Less deposit of share of PLGB unnecessarily increased liabilities of TMA.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides depositing of Rs 2.229 million, under intimation to Audit.

[AIR Para: 47]

1.2.4.7 Non recovery of salaries of staff deputed with the contractor – Rs 1.983 million

As per Section 23 (5) of the Punjab Local Government (Auctioning of Collection Rights) Rules, 2003 and terms and conditions laid down in the agreement deed, the contractor shall not be authorized to appoint his personal staff for collection of income. All collections shall be carried out by him through the staff of local government concerned. Furthermore, Section 18(2) also states that the contractor shall be responsible for deposit of salaries, pension contribution, premium of group insurance, leave salary, all allowances and other fringe benefits permissible to the

employees of a local government handed over to him for administration and collection of respective income

TMA Bahawalpur (City) awarded collection rights of fee from Mini Wagon Stand (AC Terminal) amounting to Rs 12.420 million during 2015-16. TMO deputed four employees with the contractor but did not recover their pay and allowances amounting to Rs 1.983 million. Detail is given below:

(Rupees in million)		
Sr. No.	Name of Employees	Amount
1	Mr. M. Anwar (Incharge A.C Terminal)	0.970
2	Mr. M. Javid (JC) / Mr. Munir Ahmed	0.456
3	Mr. Qaisar Shehzad (N.Q)	0.332
4	Mr. ShabirHusain (N.Q)	0.225
Total		1.983

Audit is of the view that due to weak internal controls, salary of staff was not recovered from the contractor.

Non recovery of salary and pension contribution of staff resulted in loss of Rs 1.983 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.983 million, under intimation to Audit.

[AIR Para: 07]

1.2.4.8 Unauthorized establishment of cycle stands and collection of parking fee – Rs 1.657 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 Bahawalpur (City) did not award collection rights of eight cycle stands / parking places situated under jurisdiction of TMA to any contractor during 2015-16. However, parking fee was collected from general public. TMO did not take action against the persons who illegally established those cycle stands and collected Rs 1.657 million from general public.

Audit is of the view that due to weak internal controls, action was not taken against persons who illegally established cycle stands.

Illegal establishment of cycle stands, realization of revenue from general public and non deposit in TMA account resulted in loss of Rs 1.657 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.657 million, under intimation to Audit.

[AIR Para: 40]

1.2.4.9 Loss due to less realization of license and permit fee – Rs 1.581 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 Bahawalpur (City) realized license and permit fee from owners of 134 medical stores, pesticide and fertilizer dealers during 2015-16. Record of Health and Agriculture Departments indicated that 1,573 business units were doing business in the city. License and permit fee of Rs 1.581 million was less realized by TMA. Moreover, license and permit fee was not received from persons doing business of sale of oil, cloth, bag, soap etc. Detail is given below:

(Rupees in million)

Sr. No	Category of shops	No. of shops reported by TMA	Actual No. of shops	Difference	Rate of tax	Amount
1	Pesticide dealers	-	363	363	1,300	0.472
2	Fertilizer dealer	14	123	109	1,300	0.142
3	Medical Store	120	1,087	967	1,000	0.967
4	Sale of oil, cloth, bag, soap dealers	-	-	-	-	-
Total		134	1,573	1,439		1.581

Audit is of the view that due to weak internal controls, license and permit fee was less realized.

Less realization of revenue resulted in loss of Rs 1.581 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.581 million, under intimation to Audit.

[AIR Para: 26]

1.3 Tehsil Municipal Administration, Ahmed Pur East

1.3.1 Fraud / Misappropriations

1.3.1.1 Embezzlement on account of Tax on Transfer of Immovable Property – Rs 5.220 million

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

Staff of TMA Ahmed Pur East embezzled receipt of Rs 5.220 million on account of tax on transfer of immovable property by maintaining fake record. Receipt books and challans indicated that staff realized revenue and deposited into bank account whereas the bank statement indicated that Rs 5.220 million were less deposited in that account. A committee constituted by TMA probed the matter during March, 2015 to August, 2015 and found that Rs 5.220 million was less deposited in bank account. TMO did not take action against responsible to recover the amount. Moreover, relevant record was not produced to Audit to work out actual amount embezzled.

Audit is of the view that due to weak internal controls, Government money was embezzled and not recovered from persons concerned.

Embezzlement and non recovery of the amount resulted in loss of Rs 5.220 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 5.220 million, under intimation to Audit.

[AIR Para: 21]

1.3.2 Non Production of Record

1.3.2.1 Non production of record – Rs 88.198 million

According to Clause 14(1) (b) of the Auditor General’s (Functions, Powers and Terms & 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 Ahmed Pur East did not produce record of expenditure incurred/ revenue earned amounting to Rs 88.198 million during 2015-16, under different objects / codes of classification. (**Annex – K**)

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

Non production of record created doubts regarding legitimacy of expenditure / revenue amounting to Rs 88.198 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. Despite many efforts, DAC meeting was not convened 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: 1, 2, 15, 29 & 37]

1.3.3 Irregularities and noncompliance

1.3.3.1 Unauthorized opening of tenders by incomplete Tender Board – Rs 503.600 million

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

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

TMO issued, received and opened tenders for 131 development schemes valuing Rs 503.60 million during 2015-16. Tendering process and allotment of works was held irregular as quorum of the Tender Board was not complete. Even, in some cases, representatives of Divisional Commissioner and DCO did not participate in the tendering process. Detail is given below:

(Rupees in million)			
Sr. No.	Date of tender	No. of works	cost of schemes
1	25.07.16	116	500.000
2	02.10.16	15	3.600
	Total	131	503.600

Audit is of the view that due to violation of Government instructions, tenders were opened and processed without complete Tender Board.

Processing of tenders without complete Tender Board created doubts on transparency of tendering process of schemes valuing Rs 503.600 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. Despite many efforts, DAC meeting was not convened 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: 20]

1.3.3.2 Unauthorized lump sum provision of development funds in budget – Rs 15 million

According to Rule 58 (5) of the Punjab District Governments and TMA (Budget) Rules 2003, no lump sum provision shall be made in the budget the detail of which cannot be explained.

TMO Ahmed Pur East allocated lump sum budget for the period 2015-16 for development schemes amounting to Rs 15 million without any justification. There were no details of works attached with the budget to justify the allocation.

Audit is of the view that due to weak internal controls, lump sum provision was made without having detail of approved development schemes.

Allocation of lump sum budget resulted in violation of Government rules.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. Despite many efforts, DAC meeting was not convened 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: 8]

1.3.3.3 Unauthorized expenditure on construction of bridges – Rs 4.988 million

According to Section 54 of the Punjab Local Government Ordinance, 2001, construction of culverts, bridges and cattle pond do not fall within the functions of Tehsil Municipal Administration.

TMO Ahmed Pur East incurred expenditure of Rs 4.988 million on account of construction of bridges at various canals during 2015-16. Expenditure was unauthorized because construction of bridges was not TMA's responsibility. Detail is given below:

(Rupees in million)				
Sr. No.	Description	TS Cost	Date of work order	Amount
1	Construction of bridge at canal sultan wah kotla Mousa road at place Allah Nawaz Khoukhar	1.250	25.07.2015	1.247
2	Construction of bridge at Hakkani Minor at place graveyard Mouza Haji Jhabail	1.250	25.07.2015	1.247
3	Construction of Bridge at canal Bahawal wah at place Mouza Mahi Tibba Nadir Khan Pathan	1.250	25.07.2015	1.247
4	Construction of bridge at canal Rasool wah at place Basti Arayin Mouza Patti Chang	1.250	25.07.2015	1.247
Total		5.000		4.988

Audit is of the view that due to weak internal controls, expenditure was incurred beyond delegated scope of activities of the TMA.

Incurrence of expenditure beyond the delegated functions resulted in unauthorized expenditure amounting to Rs 4.988 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. Despite many efforts, DAC meeting was not convened 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]

1.3.3.4 Allotment of works without fair tendering process – Rs 3.689 million

According to Rule 4 of the Punjab Procurement Rules 2014, a procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.

TMO Ahmed Pur East awarded contracts of 4 schemes valuing Rs 3.689 million during 2015-16. Tendering process was not transparent because agreements were signed by the contractors prior to dates for opening of tenders. Only two contractors participated in tendering process and they got works through pooling. In each case, one contractor submitted bid exceeding TS cost and the other submitted bid slightly below TS estimate. Situation indicated that works were allotted to contractors of own choice without transparency and healthy competition. Detail is given below:

(Rupees in million)

Sr. No.	Description	Tender opening date	Stamp paper date	Rate given (below TS estimate) %	Names of persons who submitted bids	Name of Successful bidder	Amount of T.S	Agreement Value
1	Construction of soling drainage Basti khoran Mouza Khokhar.	25.07.15	24.07.15	0.25	1. Haji Ghulam Shabbir 2. Javed Durani	Haji Ghulam Shabbir	1.000	0.997
2	Construction of soling drainage Basti khoran /Basti khore Mouza Mousa Khokhar.	25.07.15	24.07.15	0.50	1. Haji Ghulam Shabbir 2. Javed Durani	Javed Durani	1.000	0.995
3	Construction of Sewerage Tuff Tile Madarsa Faiz-ul-Islam Mohulla Quraishabad	25.07.15	24.07.15	0.25	1. Haji Ghulam Shabbir 2. Javed Durani	Haji Ghulam Shabbir	0.500	0.499
4	Construction of Tuff Tile Mohallah QureshAbad	25.07.15	24.07.15	0.20	1. Haji Ghulam Shabbir 2. Javed Durani	Javed Durani	0.700	0.699
5	Construction of Tuff Tile /Drainage Mehmood Colony	25.07.15	24.07.15	0.15	1. Haji Ghulam Shabbir 2. Javed Durani	Haji Ghulam Shabbir	0.500	0.499
Total							3.700	3.689

Audit is of the view that due to weak internal controls, benefits of competitive bidding were not achieved.

Award of works without transparent tendering process resulted in irregular allotment of works amounting to Rs 3.689 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. Despite many efforts, DAC meeting was not convened 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: 6]

1.3.4 Performance

1.3.4.1 Non achievement of revenue targets – Rs 9.099 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 Ahmed Pur East fixed revenue targets of Rs 61.595 million for the year 2015-16 on account of different heads of receipts. The relevant staff did not make due efforts to achieve the targets and only Rs 52.496 million were realized against the targets set for the year. As a result revenue targets of 14.7 % amounting to Rs 9.099 million could not be achieved. Detail is given below:

(Rupees in million)

Sr. No.	Detailed Receipts Head	Target	Actual Receipt	Less Recovery
1	License permit fee	0.280	0.125	0.155
2	General bus stand fee	2.000	1.895	0.105
3	Fee naqshajat	10.000	6.855	3.145
4	Sewerage & drainage tax	0.165	0.142	0.023
5	Sanitation fee	0.400	0.019	0.381
6	Advertisement fee	0.750	0.710	0.040
7	Tax on transfer of immovable property	36.000	35.197	0.803
8	Share of Urban Immovable Property Tax	12.000	7.553	4.447
Total		61.595	52.496	9.099

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 of Rs 9.099 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 9.099 million, under intimation to Audit.

[AIR Para: 24]

1.3.5 Internal Control Weaknesses

1.3.5.1 Loss due to non / less realization of revenue and arrears – Rs 6.070 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 Ahmed Pur East did not make due efforts during 2015-16 to recover / realize revenue and arrears of revenue worth Rs 6.070 million on account of map fee, rent of shops, license & permit fee etc. in violation of above rule. Detail is given below:

(Rupees in million)

Sr. No.	Description	Amount
1	Rent of shops and arrears	2.556
2	License and permit fee	0.331
3	Map fee, tax on transfer of immovable property, road cut charges, publicity & advertisement fee etc.	3.183
Total		6.070

Audit is of the view that due to weak internal controls, revenue and arrears were not / less realized.

Non / less realization of revenue resulted in loss of Rs 6.070 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 6.070 million, under intimation to Audit.

[AIR Paras: 3, 5 & 26]

1.4 Tehsil Municipal Administration, Yazman

1.4.1 Irregularities and non compliance

1.4.1.1 Non maintenance of separate books of accounts – Rs 164.064 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 delegated financial powers.

Various DDOs of TMA Yazman did not maintain separate books of accounts of Rs 164.064 million during 2015-16 such as cash book, contingent register and budget control register for each DDO whereas each DDO had separate budget and expenditure. Neither books of accounts were maintained, nor proper reconciliation was carried out.

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

Non maintenance of separate books of accounts resulted in improper maintenance of accounts of Rs 164.064 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that record was properly maintained and compliance would be shown during next audit. Reply was not tenable as no record was produced in support of reply to confirm that record was separately maintained.

DAC directed the Chief Officer to maintain separate books of accounts and get the record verified 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: 17]

1.4.1.2 Irregular expenditure on TST without ensuring quality of bitumen – Rs 2.008 million

According to Serial No. 8 of Chapter 18 (roads and road structure) of rate analysis issued by the Punjab Finance Department Lahore, packed bitumen was required to be utilized in surface treatment of roads. Furthermore, according to the Chief Engineer Punjab District Support & Monitoring Department, Lahore letter No. 3357-93/W(I), Dated 26.08.2015 addressed to all the EDOs (W&S) in Punjab, “Chief Minister has serious concern regarding use of substandard and smuggled Tar Coal (bitumen). All contractors were directed to use bitumen of approved refineries already notified by the Finance Department and payment against the bitumen related items shall not be entertained without invoices & gate passes of the approved / notified Refineries.

TMO Yazman allowed payment of Rs 2.008 million to three contractors on account of bitumen used in surface treatment of roads during 2015-16. Invoices, gate passes and bitumen tests reports were not produced to verify that bitumen of standard quality was used in the roads. Furthermore, bitumen used was not got tested from Road Research & Material Testing Institute (RR&MTI) to ensure that it meets the AASHTO (American Association of State and Highway Transportation Officials) standards. Detail is given below:

(Rupees in million)					
Sr. No.	Name of Schemes	Description	Quantity (Sft)	Rate per 1000 Sft (Rs)	Amount
1	Construction of metalled road Chak No. 67/DB Basti Khalid	Providing /Laying Triple Surface Treatment	5,320	4,143.51	0.220
2	Special repair metalled road Noor-ul-Madariswali Main Bazar	Providing /Laying Triple Surface Treatment	20,000	4,145.22	0.829
		Providing /Laying single Surface Treatment	4,610	1,992.53	0.092
3	Special repair metalled road fire brigade station to Yazman public school	Providing /Laying Triple Surface Treatment	18,500	4,145.22	0.768
		Providing /Laying single Surface Treatment	1,992	1,992.53	0.099
Total					2.008

Audit is of the view that due to weak internal controls, quality of bitumen could not be maintained.

Expenditure without ensuring quality of bitumen resulted in irregular expenditure of Rs 2.008 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that contractors used bitumen of National Refinery Karachi and work of sub base and base were got tested from Laboratory of National Highway Authority. Reply was not tenable as no record was produced in support of reply.

DAC directed the Chief Officer either to produce relevant record within two days or get the expenditure regularized from the competent authority within one 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: 7]

1.4.2 Performance

1.4.2.1 Non achievement of revenue target – Rs 11.156 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 Yazman fixed revenue targets of Rs 31.602 million for the Financial Year 2015-16 on account of different heads of receipts. The relevant staff did not make due efforts to achieve the targets and only Rs 20.446 million were realized against the targets set for the year. As a result, revenue targets of 35 % amounting to Rs 11.156 million were not achieved. Detail is given below:

(Rupees in million)

Sr. No.	Heads of receipt	Revised Targets 2015-16	Actual income	Less Recovery
1	Fee for license/permit for trade	1.105	0.405	0.700
2	Approval for building fee	6.000	4.099	1.901
3	Rater rate	5.126	1.701	3.425
4	Sewerage tax	1.481	0.935	0.546
5	Fire service	0.030	0	0.030
6	Parking fee bus stand	1.760	1.714	0.046
7	Rent of shops/ TMA property	16.100	11.592	4.508
Total		31.602	20.446	11.156

Audit is of the view that due to weak internal controls, targets of receipts were not achieved.

Non achievement of targets resulted in less realization of the Government receipts of Rs 11.156 million.

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

replied that targets were estimated figures. Relevant staff tried to achieve targets. Reply of the department was not tenable as 35 % of targets were not achieved.

DAC directed the Chief Officer to effect recovery 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 11.156 million, under intimation to Audit.

[AIR Para: 01]

1.4.3 Internal Control Weaknesses

1.4.3.1 Loss due to non transfer of property to TMA – Rs 66 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 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. The area under land sub-division for public buildings, excluding the area of mosque

TMO Yazman approved a housing scheme (Lalazar) without getting transferred the area for roads, parks and public buildings valuing Rs 66 million transferred in the name of the TMA during 2015-16.

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

Non transfer of property to TMA resulted in loss of Rs 66 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2016. In the DAC meeting held on 03.04.2017, the Chief Officer replied that land could not be transferred due to litigation among owners of that land. However, notice was issued to the developer. Reply was not tenable as no property was transferred in the name of TMA.

DAC directed the Chief Officer to get the land transferred at the earliest. 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: 6]

1.4.3.2 Loss due to non / less realization of revenue and arrears – Rs 21.225 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 Yazman did not make due efforts during 2015-16 to recover / realize revenue and arrears of revenue worth Rs 21.225 million on account of rent of shops, water rates, license & permit fee, sewerage tax etc. in violation of above rule. Detail is given below:

(Rupees in million)		
Sr. No.	Description	Amount
1	Water rate and its arrears	3.414
2	License and permit fee	0.104
3	Arrears of rent of shops	15.925
4	Sewerage tax	1.782
Total		21.225

Audit is of the view that due to weak internal controls, revenue and arrears were not / less realized.

Non / less realization of revenue resulted in loss of Rs 21.225 million.

The matter was reported to the Chief Officer of the Municipal Corporation during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that efforts were being made to recover amount due.

DAC directed the 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 21.225 million, under intimation to Audit.

[AIR Paras: 2, 8, 9 & 11]

1.4.3.3 Loss due to non renewal of lease agreements – Rs 8.948 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 maximum rent. Immovable property shall be given on lease through competitive bidding and the period of such lease shall be allowed upto five years at a time. Moreover, as per the Punjab Local Government and Community Development Department's Notification No. S-III/2-11/80 dated 07.07.1982, after the expiry of five years, the terms and conditions of extension of lease may be resettled between the lessees and local council concerned by negotiation keeping in view the prevalent rent of such shops. If the conditions of negotiation are not acceptable to the lessees or parties concerned fail to arrive at any agreeable decision, shops should be re-auctioned.

TMO Yazman realized rent from 517 shops located in different markets at less than the prevailing market rates. Moreover, the lease agreements of these shops were not renewed and rent was not re fixed keeping in view current market situations during 2015-16. Furthermore, TMO did not take action against persons who sublet their shops. **(Annex – L)**

Audit is of the view that due to weak internal controls, lease agreements were not renewed and revenue was less realized.

Non renewal of lease agreements and less realization of revenue resulted in loss of Rs 8.948 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that policy of re-auction after 5 years was changed vide letter dated 25.03.2005. Reply was not tenable as rent at less than prevailing market rates was realized in violation of rule.

DAC directed the Chief Officer to get the loss written off 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 renewal of lease agreements, re-fixing rent at prevailing market rates and getting the loss written off from the competent authority, under intimation to Audit.

[AIR Para: 14]

1.4.3.4 Non realization of revenue from lease of shops – Rs 6.624 million

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

183 shops of TMA Yazman were laying unutilized. TMO did not make efforts to lease out those shops and realize revenue amounting to Rs 6.624 million during 2015-16. Detail is given below:

(Rupees in million)					
Sr. No.	Name of Market	No. of vacant shops	Rent per shop per month (Approx.)(Rs)	No. of months	Amount
1	Old office TMA Yazman	50	1,000	24	1.200
2	Timber market No. 01	12	1000	24	0.288
3	Timber market No. 02	23	1000	24	0.552
4	General Bus Stand	79	2,000	24	3.792
5	Constructed shops	6	2,000	24	0.288
6	Buildings chungiat	3	2,000	24	0.144
7	Old Water supply hospital veterinary	10	1,500	24	0.360
Total					6.624

Audit is of the view that due to weak internal controls, shops were not given on lease.

Non leasing of shops resulted in loss of revenue amounting to Rs 6.624 million

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

replied the many attempts were made to auction those shops but in vain because shops were situated away from main road and appropriate facilities were not available there. Reply was not tenable as detail of missing facilities was not on record. No efforts were made to arrange missing facilities and to make those markets attractive. Further, if place was not suitable, why shops were constructed there?

DAC directed the Chief Officer to lease out the shops at the earliest and get loss written off 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 leasing out the shops and getting the loss written off from the competent authority, under intimation to Audit.

[AIR Para: 12]

1.4.3.5 Non collection of cost of land and development charges – Rs 5.091 million

According to the letter No.DG(KA) BOR/8-200/2012 dated 22nd November, 2012 of the Directorate General of Kachi Abadis, Board of Revenue, Punjab Lahore, the grace period for imposition of penalty for delay in payments will be upto 30th June, 2013. Thereafter, current valuation table rates will be charged from the dwellers of left over cases of previous schemes.

TMO Yazman did not make efforts to collect cost of land and development charges from dwelling units of 04 Katchi Abadis due to which revenue of Rs 5.091 million was laying uncollected during 2015-16.

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

Non recovery of cost of land and development charges resulted in loss of Rs 5.091 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that cost of land and development charges could not be recovered till ownership

of property was given to bonafide dwellers. Government of the Punjab vide letter No.DG (KA) Admn-i-190 dated 21.03.2017 had allowed to grant property rights to bonafide dwellers of Katchi Abadis. Amount would be recovered in due time. Reply was not tenable as cost of land was not recovered.

DAC directed the Chief Officer to effect recovery at the earliest. 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 5.091 million, under intimation to Audit.

[AIR Para: 10]

1.4.3.6 Loss due to non realization of Conversion Fee – Rs 3.900 million

According to Rule 60 (1) (e) of 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 the 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 Lahore on 30.06.15, TMA was directed to recover conversion fee from the educational and healthcare institutions.

TMO Yazman did not collect conversion fee from the owners of the buildings who had converted the buildings into educational institutions. As per survey carried out by the TO (P&C), there were 78 private schools and 4 hospitals but no conversion fee was recovered from the owners of those buildings on the basis of valuation table amounting to Rs 3.900 million during 2015-16.

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

Non-recovery of conversion fee resulted in loss of Rs 3.900 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that efforts were being made to recover the amount. Reply was not tenable as no recovery was made.

DAC directed the Chief Officer to effect recovery 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 3.900 million, under intimation to Audit.

[AIR Para: 13]

1.4.3.7 Loss due to non registration of private housing scheme – Rs 1.670 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 Yazman did not take action against a private housing scheme namely Gulberg – III at Chak No.56/DB who carried out development and marketing activities during 2015-16 without registration, approval, map design and specifications. Owner of the scheme did not apply for registration and therefore did not pay fee for registration and other prescribed requirements amounting to Rs 1.670 million.

Audit is of the view that due to weak internal controls, illegal and unauthorized activities were not checked by the TMA.

Non collection of prescribed fee resulted in loss of Rs 1.670 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that the scheme was closed due to conflict between owner and developer. No

plot was sold out. TMA launched an FIR against the developer and owner and also erected a notice board on site for awareness of general public. Reply was not tenable as substantiating evidences especially copy of FIR was not produced to Audit.

DAC directed the Chief Officer to get relevant record verified within two days and also report the matter to relevant authorities like Assistant Registrar, Patwari and Deputy Commissioner. No progress was intimated till finalization of this Report

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides getting the record verified at the earliest and getting the process of registration and transfer of plots of that area stopped till registration of the housing scheme, under intimation to Audit.

[AIR Para: 19]

1.5 Tehsil Municipal Administration, Hasilpur

1.5.1 Irregularities and noncompliance

1.5.1.1 Non maintenance of separate books of accounts – Rs 75.351 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 delegated financial powers.

The following DDOs of TMA Hasilpur did not maintain separate books of accounts of Rs 75.351 million during 2015-16 such as cash book, contingent register and budget control register for each DDO whereas each DDO had its own budget and expenditure. Neither books of accounts were maintained, nor proper reconciliation carried out. Detail is given below:

(Rupees in million)

Sr. No.	Description	Budget 2015-16
1	TMO (including Tehsil Nazim Tehsil Naib Nazim)	9.536
2	TO (Finance)	3.958
3	TO (Regulation)	14.292
4	TO (I&S)	46.016
5	TO (P&C)	1.549
Total		75.351

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

Non maintenance of separate books of accounts resulted in improper maintenance of accounts of Rs 75.351 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that most of the posts remained vacant and the work was managed by additional

charge hence, DDO wise accounts were not maintained. Reply of the department was not tenable as accounts should have been maintained by each DDO separately.

DAC directed the Chief Officer to get the irregularity condoned from the competent authority within 15days. 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]

1.5.1.2 Unjustified expenditure on Holiday Allowance – Rs 4.186 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, 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 the seven days and weekly rest may be allowed to them on rotation basis.

TMO Hasilpur incurred expenditure of Rs 4.186 million on Holiday Allowance during 2015-16. Expenditure was not justified as it was paid to all persons without rotating their duties properly.

Audit is of the view that due to weak internal controls, duties of staff were not rotated properly and Holiday Allowance was paid to all employees.

Improper scheduling and payment of Holiday Allowance to all employees resulted in irregular expenditure amounting to Rs 4.186 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that due to shortage of staff and extended area of TMA, rotation was not made and employees of different cadres were deputed on gazzetted holidays and overtime

allowance was paid to the staff. Reply of the department was not tenable as duty was not rotated in violation of directions of the Government.

DAC directed the Chief Officer to get the expenditure regularized 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: 7]

1.5.1.3 Irregular expenditure on construction of roads without obtaining certificate from DO (Roads) – Rs 1.198 million

According to letter No. PDP/3(10) GWL/7 dated 04.07.2013 of Directorate of Local Fund Audit Lahore, 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 DO (Roads) in writing through agreement with TMA in terms of Section 54 (h) (v) of the Punjab Local Government Ordinance 2001. While making payments, staff will seek certificate from concerned DO (Roads) to the effect that no expenditure on repair and maintenance (R&M) of those roads had been made by the District Government, supported with repair and maintenance budget of the relevant financial year.

TMO Hasilpur incurred expenditure of Rs 1.198 million on execution of / development work of four (04) roads during 2015-16. Expenditure was held irregular as the schemes were executed without obtaining certificate from DO (Roads) regarding non incurrence of expenditure on R&M of these roads by District Government in violation of above rule. Detail is given below:

(Rupees in million)

Sr. No.	Name of Schemes	Approved Cost	Expenditure
1	Repair & Raising of Road near House Mehmood Ch. Model Town Hasilpur	0.097	0.096
2	Repair and Raising of Road near Park Chowk Model Town Hasilpur	0.065	0.064

Sr. No.	Name of Schemes	Approved Cost	Expenditure
3	Repair of road street No. 3 Jalandhar Colony old Hasilpur	0.040	0.039
4	Repair of metalledroads inside city area Hasilpur	1.000	0.999
	Total	1.202	1.198

Audit is of the view that due to weak internal controls, civil works were executed without obtaining certificate from relevant departments.

Execution of works without obtaining certificate from DO (Roads) resulted in irregular expenditure of Rs 1.198 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that TMA owned responsibility for maintenance of roads and streets situated in urban area. Reply of department was not tenable because it did not address the objection and certificate was not obtained from District Officer (Roads).

DAC directed the Chief Officer to get the expenditure regularized from the competent authority within 15days. 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: 35]

1.5.2 Performance

1.5.2.1 Non achievement of revenue targets – Rs 15.004 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 Hasilpur fixed revenue targets of Rs 48.951 million for the Financial Year 2015-16 on account of different heads of receipts. The relevant staff did not make due efforts to achieve the targets and only Rs 33.947 million were realized against the targets set for the year. As a result, revenue targets of 30.6 % amounting to Rs 15.004 million were not achieved. **(Annex –M)**

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 15.004 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that budget was estimated and amount outstanding was brought forward on Demand and Collection register. However, the concerned staff was directed to make efforts to recover the arrears. Reply of department was not tenable as recovery was not realized.

DAC directed the 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 15.004 million, under intimation to Audit.

[AIR Para: 8]

1.5.3 Internal Control Weaknesses

1.5.3.1 Loss due to realization of rent of shops at less than prevailing market rates – Rs 37.358 million

According to Rule 4(a) of the Punjab Local Government (Property) Rules 2003, the manager shall 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. Moreover, 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 Hasilpur realized rent of shops located in different markets at abnormally low rates than the prevailing market rates of the locality which indicated that undue favor was extended to some persons. Either the shops were allotted at abnormally low rates than the prevailing market rates or reserve price for auction of shops was not properly calculated at the time of auction. Moreover, the lease agreements of these shops were not renewed and rent was not re fixed keeping in view current market situations. TMA sustained a loss of Rs 37.358 million due to less realization of rent than prevailing market rates during 2015-16.

Audit is of the view that due to weak internal controls, rent of shops was realized at less than prevailing market rates.

Less realization of rent resulted in loss of Rs 37.358 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that efforts were being made for re-auction / negotiation to fetch maximum revenue. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed the Chief Officer to re-auction shops at current market rates besides getting the loss written off 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 re-auctioning of shops at current market rates and getting the loss written off from the competent authority, under intimation to Audit.

[AIR Para: 13]

1.5.3.2 Loss due to non / less realization of revenue and arrears – Rs 36.966 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 Hasilpur did not make due efforts during 2015-16 to recover / realize revenue and arrears of revenue amounting to Rs 36.966 million on account of rent of shops, water rates, license & permit fee, sewerage tax etc. in violation of above rule. Detail is given below:

(Rupees in million)		
Sr. No.	Description	Amount
1	Arrears of water rate, rent of municipal property, license fee etc.	27.132
2	Rent of shops	8.810
3	License and permit fee	0.223
4	Sewerage tax	0.801
Total		36.966

Audit is of the view that due to weak internal controls, revenue and arrears were not / less realized.

Non / less realization of revenue resulted in loss of Rs 36.966 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that efforts were being made to recover the amount from concerned. Reply was not tenable as no recovery was effected.

DAC directed the Chief Officer to effect 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 36.966 million, under intimation to Audit.

[AIR Paras: 4, 16, 30 & 32]

1.5.3.3 Loss due to non realization of conversion fee – Rs 15 million

According to Rule (60) (1) (e) of 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 the 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 Lahore on 30.06.15, TMA was directed to recover conversion fee from the educational and healthcare institutions.

TMO Hasilpur did not collect conversion fee from the owners of the buildings who had converted their buildings into educational institutions. As per record of Education Department, there were 100 private schools but conversion fee amounting to Rs 15 million was not recovered from the owners of those buildings during 2015-16.

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

Non-recovery of conversion fee resulted in loss of Rs 15 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that according to the judgment issued by honorable court during 2002, educational institutes did not fall within the definition of any commercial institute hence conversion fee was not applicable. Reply of the department was not tenable as

relevant judgment was not produced to Audit. Moreover, conversion fee was imposed during 2009.

DAC directed the Chief Officer to effect 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 15 million, under intimation to Audit.

[AIR Para: 25]

1.5.3.4 Unauthorized establishment of cycle stands and collection of parking fee – Rs 2.555 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 Hasilpur did not awarded collection rights of seven cycle stands / parking places situated under jurisdiction of TMA to any contractor during 2015-16. However, parking fee was collected from general public. TMO did not take action against the persons who illegally established those cycle stands and collected Rs 2.555 million from general public.

Audit is of the view that due to weak internal controls, action was not taken against persons who illegally established cycle stands.

Illegal establishment of cycle stands, realization of revenue from general public and non deposit in TMA account resulted in loss of Rs 2.555 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that there was no approved cycle stand on the land of TMA. Moreover, every market plaza had its own parking / cycle stand. Action was regularly taken against encroachment by the TMA authorities and no loss was sustained by the TMA. Reply

was not tenable because some persons established cycle stands on public places and were charging fee from public.

DAC directed the Chief Officer to initiate action against the persons who illegally established cycle stands on public places and effect recovery 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 2.555 million, under intimation to Audit.

[AIR Para: 27]

1.5.3.5 Non transfer of profit earned from security deposits – Rs 2.474 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.

TMA Hasilpur kept security deposits in a bank and realized mark up of Rs 2.474 million during 2015-16. However, TMO did not transfer the amount of profit earned into general account of TMA in violation of rules.

Audit is of the view that due to weak financial controls, profit earned on security deposits was not transferred into general account.

Non transferring of profit into general account resulted in loss of Rs 2.474 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that all accounts of TMA were frozen since promulgation of PLG Act, 2013 w.e.f. 01.01.2017. Amount of profit would be transferred into general fund as soon as the accounts would become operational. Reply was not tenable because profit should have been transferred before the freezing of accounts.

DAC directed the Chief Officer to transfer the amount at the earliest. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides transferring amount of profit in general account, under intimation to Audit.

[AIR Para: 36]

1.5.3.6 Loss due to non registration of private housing schemes – Rs 1.496 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. Furthermore, Rule 35(1) of said Rules empowers the TMO to monitor the development work of the schemes and ensure that there is no deviation from the sanctioned scheme plan.

TMO Hasilpur did not take action against four (04) private housing schemes during 2015-16 who carried out development and marketing activities without registration, approval of schemes, map design and specifications. These schemes did not apply for registration and therefore did not pay fee for registration and other prescribed requirements amounting to Rs 1.496 million. (**Annex – N**)

Audit is of the view that due to weak internal controls, illegal and unauthorized activities were not checked by the TMA.

Non collection of prescribed fee resulted in loss of Rs 1.496 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 03.04.2017, the Chief Officer replied that the amounts would be recovered from the owners of those housing schemes after verification of ownership documents. Reply was not tenable as no recovery was made.

DAC directed the Chief Officer to recover amount due at the earliest. 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 1.496 million, under intimation to Audit.

[AIR Para: 24]

1.6 Tehsil Municipal Administration, Khair Pur Tamewali

1.6.1 Irregularities and noncompliance

1.6.1.1 Non maintenance of separate books of accounts – Rs 53.702 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 delegated financial powers.

Various DDOs of TMA Khair Pur Tamewali did not maintain separate books of accounts of Rs 53.702 million during 2015-16 such as cash book, contingent register and budget control register for each DDO whereas each DDO had separate budget and expenditure. Neither books of accounts were maintained, nor was proper reconciliation carried out.

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

Non maintenance of separate books of accounts resulted in improper maintenance of accounts of Rs 53.702 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 30.03.2017, the Chief Officer replied that most of the posts remained vacant and work was managed by additional charge by the TMO hence, DDO wise accounts were not maintained. Reply of the department was not tenable as accounts should have been maintained for each DDO separately.

DAC directed the Chief Officer to maintain separate books of accounts and get the same verified 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: 20]

1.6.2 Performance

1.6.2.1 Non achievement of revenue targets – Rs 10.812 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 Khair Pur Tamewali fixed revenue targets of Rs 14.224 million for the Financial Year 2015-16 on account of different heads of receipts. The relevant staff did not make due efforts to achieve the targets and Rs 3.412 million only were recovered against the targets set. As a result 76 % of revenue targets amounting to Rs 10.812 million were not achieved. **(Annex –O)**

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 receipts of Rs 10.812 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 30.03.2017, the Chief Officer replied that concerned staff made due efforts to achieve targets of revenue. Reply of department was not tenable because 76 % of the target was not achieved.

DAC directed the Chief Officer to speed up the process and recover stated amount 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 10.812 million, under intimation to Audit.

[AIR Para: 13]

1.6.3 Internal Control Weaknesses

1.6.3.1 Loss due to non / less realization of revenue and arrears – Rs 10.170 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 Khair Pur Tamewali did not make due efforts during 2015-16 to recover / realize revenue and arrears of revenue amounting to Rs 10.170 million on account of rent of shops, water rates, sewerage tax and license & permit fee etc. in violation of above rule. Detail is given below:

(Rupees in million)

Sr. No.	Description	Amount
1	Water charges and their arrears	5.057
2	Sale of sludge water and their arrears	0.504
3	License and permit fee and sewerage tax	0.860
4	Lease rent of agricultural land	3.035
5	Advertisement fee	0.439
6	Map fee, construction fee etc.	0.275
Total		10.170

Audit is of the view that due to weak internal controls, revenue and arrears were not / less realized.

Non / less realization of revenue resulted in loss of Rs 10.170 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 30.03.2017, the Chief Officer replied that efforts were being made to recover amount due. Reply was not tenable as no recovery was effected by the department.

DAC directed the Chief Officer to speed up the process and 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 10.170 million, under intimation to Audit.

[AIR Paras: 1, 2, 4, 7, 8 & 21]

1.6.3.2 Non auction of old material and dry woods – Rs 1.734 million

According to Rule 15 of PFR Vol-I, balances of stores must not be held in excess of the requirements of a reasonable period or in excess of any prescribed maximum limit. In order to ensure observance of this rule, a periodical inspection must be made by a responsible Government servant, who must submit a report of surplus, unserviceable and obsolete stores to the authority competent to issue orders for their disposal. The inspection must be made six monthly in the case of perishable stores, and once a year in the case of other stores, unless there be good reason to the contrary. Stores remaining in stock for over a year should be considered surplus unless there is any good reason to treat them otherwise.

TMO Khair Pur Tamewali did not auction dry trees, old tyres and unserviceable machinery and vehicles laying in the premises of the TMA and no efforts were made to realize revenue amounting to Rs 1.734 million during 2015-16. Detail is given below:

(Rupees in million)				
Sr. No	Items Name	Quantity	Approximate value / unit	Amount
1	Road Roller	01	0.300	0.300
2	Containers	03	0.050	0.150
3	Dry trees	50	0.035	1.250
4	Old tractor tyres	17	0.002	0.034
Total				1.734

Audit is of the view that due to weak internal controls, unserviceable vehicles, machinery and scrap was not auctioned.

Non disposal of unserviceable machinery, vehicles and scrap resulted in loss of Rs 1.734 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 30.03.2017, the Chief Officer

replied that efforts were being made to recover amount due. Reply was not tenable as no record in support of reply was produced to Audit.

DAC directed the Chief Officer to auction scrap material and dry wood 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 auctioning of scrap, under intimation to Audit.

[AIR Para: 23]

1.6.3.3 Loss due to non lease of agricultural land – Rs 1.180 million

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

TMO Khair Pur Tamewali did not lease out agriculture land comprising of 118 acres which was laying unutilized during 2015-16. TMO did not make efforts to lease out that land and realize revenue amounting to Rs 1.180 million.

Audit is of the view that due to weak internal controls, agricultural land was not leased out.

Non leasing of land resulted in loss of Rs 1.180 million

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 30.03.2017, the Chief Officer replied that the land was not situated in desert and not suitable for cultivation. Reply of the department was not tenable as land of nearby areas was being cultivated by public.

DAC directed the Chief Officer to start cultivation or auction the land 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 utilizing the land and getting the loss written off from the competent authority, under intimation to Audit.

[AIR Para: 9]

1.6.3.4 Loss due to non realization of conversion fee – Rs 1.100 million

According to Rule (60) (1) (e) of 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 the 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 Lahore on 30.06.2015, TMA is directed to recover conversion fee from the educational and healthcare institutions.

TMO Khair Pur Tamewali did not collect conversion fee amounting to Rs 1.100 million during 2015-16 from the owners of the buildings who had converted the buildings into educational and healthcare institutions. As per survey carried out by the TO (P&C) there were 16 private schools and 5 hospitals but no conversion fee was 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 recovered from the concerned.

Non recovery of conversion fee resulted in loss of Rs 1.100 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 30.03.2017, the Chief Officer replied that amount due would be recovered from defaulters soon. Reply was not tenable as no recovery was made.

DAC directed the Chief Officer to effect recovery from concerned 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 1.100 million, under intimation to Audit.

[AIR Para: 19]

1.7 Tehsil Municipal Administration, Bahawalpur (Saddar)

1.7.1 Non Production of Record

1.7.1.1 Non production of record – Rs 110.360 million

According to Clause 14(1) (b) of the Auditor General’s (Functions, Powers and Terms & 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 Bahawalpur (Saddar) did not produce record despite repeated requests regarding expenditure incurred and revenue realized amounting to Rs 110.360 million during 2015-16, under different objects / codes of classification. (**Annex – P**)

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

Non production of record created doubts regarding legitimacy of expenditure / revenue amounting to Rs 110.360 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. Despite many efforts, DAC meeting was not convened 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: 4 & 26]

1.7.2 Irregularities and non compliance

1.7.2.1 Non maintenance of separate books of accounts – Rs 62.078 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 delegated financial powers.

The following DDOs of TMA Bahawalpur (Saddar) did not maintain separate books of accounts of Rs 62.078 million during 2015-16 such as cash book, contingent register and budget control register for each DDO whereas each DDO had separate budget and expenditure. Neither books of accounts were maintained, nor was proper reconciliation carried out. Detail is given below:

(Rupees in million)		
Sr. No.	Description	Budget 2015-16
1	TMO (including Tehsil Nazim Tehsil Naib Nazim)	14.244
2	TO (Finance)	5.594
3	TO (Regulation)	1.969
4	TO (I&S)	8.923
5	CO Headquarter	17.464
6	CO Non-Headquarter	12.153
7	TO (P&C)	1.731
Total		62.078

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

Non maintenance of separate books of accounts resulted in improper maintenance of accounts of Rs 62.078 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. Despite many efforts, DAC meeting was not convened 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: 22]

1.7.2.2 Unauthorized lump sum provision of development funds in budget – Rs 35 million

According to Rule 58 (5) of the Punjab District Governments and TMA (Budget) Rules 2003, no lump sum provision shall be made in the budget the detail of which cannot be explained.

TMO Bahawalpur (Saddar) allocated lump sum budget for the period 2015-16 for development schemes amounting to Rs 35 million without any justification. There were no details of works attached with the budget to justify the allocation.

Audit is of the view that due to weak internal controls, lump sum provision was made without having details of approved development schemes.

Allocation of lump sum budget amounting to Rs 35 million resulted in violation of rules.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. Despite many efforts, DAC meeting was not convened 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: 2]

1.7.2.3 Unauthorized expenditure on contingent paid staff – Rs 11.353 million

According to the Austerity Measures for the Financial Year 2015-16 issued by the Finance Department, Government of the Punjab vide letter No. FD.SO

(GOODS)/44-4/2011-(A) dated 24.08.2015, no contingent paid staff shall be appointed without obtaining prior approval from the Austerity Committee.

TMO Bahawalpur (Saddar) appointed persons as contingent paid staff during 2015-16 and incurred expenditure of Rs 11.353 million without obtaining prior approval from the Austerity Committee of Finance Department Punjab. Staff was appointed throughout the year but duty roster was not produced to Audit. (**Annex – Q**)

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

Appointment of contingent paid staff without prior approval of the competent authority resulted in unauthorized expenditure of Rs 11.353 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. Despite many efforts, DAC meeting was not convened 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: 11]

1.7.3 Performance

1.7.3.1 Non achievement of revenue targets – Rs 2.630 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 Bahawalpur (Saddar) fixed revenue targets of Rs 7.772 million for the Financial Year 2015-16 on account of different heads of receipts. The relevant staff did not make due efforts to achieve the targets and Rs 5.142 million were received against the targets set. As a result revenue targets of 34 % amounting to Rs 2.630 million were not be achieved. Detail is given below:

(Rupees in million)

Sr. No.	Description	Target Estimates	Actual Income	Less recovery
1	Bank profit	0.600	0.399	0.201
2	Fee for license permit	0.385	0.318	0.067
3	Building application fee	5.000	3.933	1.067
4	Slaughter House	0.300	0.015	0.285
5	Sewerage tax	0.055	0.048	0.007
6	Advertisement fee	0.350	0.224	0.126
7	Rent of shops with arrears	0.055	0.052	0.003
8	Parking fee	0.200	0.153	0.047
9	Cattle Ponds	0.827	0	0.827
Total		7.772	5.142	2.630

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 receipts of Rs 2.630 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 2.630 million, under intimation to Audit.

[AIR Para: 09]

1.7.4 Internal Control Weaknesses

1.7.4.1 Non imposition of penalty due to delay in completion of works – Rs 1.461 million

As per Clause 2 of agreement form, if the contractor fails to complete the work within the specified period, he shall be liable to pay penalty @ 1% or smaller amount of estimated work for every day the quantity of work remain incomplete but the entire amount of penalty shall not exceed 10% of the cost of works.

TMO Bahawalpur (Saddar) did not impose penalty of Rs 1.461 million during 2015-16 on contractors of 6 development projects who did not complete development works within specified time. The contractors were also granted undue favour and penalty @ 10% of contract price was not imposed even they were neither granted time extension nor their requests for the same were on record and in some cases the time extension was granted on unjustified reasons. **(Annex –R)**

Audit is of the view that due to weak internal controls, penalty was not imposed on defaulting contractors.

Undue favour to the contractors and non imposition of penalty resulted in abnormal delays in completion of development projects and loss of Rs 1.461 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.461 million, under intimation to Audit.

[AIR Para: 1]

Annex

**Annex-A
Part-I**

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

(Rupees in million)

Sr. No.	TMA	Para No.	Subject	Amount
1	TMA Bahawalpur (City)	2	Irregular adjustment and payment of pay and allowances	0.183
2		6	Irregular expenditure on development scheme	1.139
3		8	Irregular payment of conveyance allowance during leave	0.139
4		9	Doubtful expenditure on POL and repair of vehicle	6.423
5		14	Loss due to non auctioning of shops and collection rights	1.578
6		16	Non curtailment of budget upto 15%	26.784
7		17	Irregular payment of Incentive Allowance	0.312
8		18	Doubtful expenditure due to arranged (fictitious) bills	6.379
9		21	Loss due to non collection of map fee	313.654
10		22	Loss due to purchase at higher rates	0.237
11		25	Loss to government due to less deduction of Income Tax and Water charges on auction of agriculture land	0.136
12		27	Irregular purchase & expenditure of electricity items	2.233
13		28	Non-allocation of funds on prescribed ratio to sports activities	9.024
14		31	Non recovery of cost of land and development charges due to non granting of property rights	-
15		32	Loss to government due to payment of rates in excess of the allowed	0.126
16		34	Loss to government due to non allotment of designated residencies	0.144
17		36	Loss to government due to non use of dismantled bricks	0.105
18		37	Irregular expenditure on development scheme	0.315
19		38	Irregular expenditure on manholes and slabs	2.424
20		39	Doubtful expenditure on National days / events	7.382
21		41	Expenditure without classification of major and minor head	1.209
22		42	Excess / overpayment due to non observing the OGRA rates	0.276
23		43	Unauthorized expenditure on purchase of durable goods	1.278
24		44	Non resale of used Mobile Oil.	0.263
25		45	Non imposing of penalty for late completion of development work	0.422
26		46	Doubtful expenditure on POL	0.443
27		48	Payment of development scheme without approval of the	0.275

Sr. No.	TMA	Para No.	Subject	Amount
			competent authority	
28		49	Unauthorized expenditure on original works	7.673
29		51	Non deduction of conveyance allowance availing the facility designated bike / vehicles	0.120
30		52	Loss to government due to agreement against of auctioning and collection rights	1.626
31		53	Irregular expenditure on repair of machinery	1.864
32		55	Unjustified expenditure on POL as compare to consumption of Mobil Oil	3.249
33		56	Unjustified expenditure on POL due to misuse of fire brigade	0.782
34		57	Purchase without determining specifications	0.475
35	TMA Ahmed Pur East	4	Improper maintenance of receipts record and doubtful difference between record of TO (F) and TO (Accounts)	0.722
36		7	Loss due to irregular award of auction	0.861
37		9	Loss due to non-recovery of tender fees	1.266
38		10	Irregular tendering process without observing PPRA Rules	50.000
39		11	Irregular payment of Holiday Allowance and recovery thereof	0.795
40		12	Doubtful withdrawal of amount of TA/DA on bogus documents	0.148
41		13	12 Non obtaining of performance securities	0.220
42		14	Loss due to excess payment on account of less deduction of Shrinkage from earthwork	0.298
43		16	Doubtful expenditure on account of repair of Muharram routes	3.600
44		17	Unjustified / doubtful expenditure on POL vehicle BRH - 45	0.457
45		19	Unauthorized advance withdrawal of funds prior to the receipt of payments	1.471
46		22	Loss due to subletting of shops and non cancellation	2.532
47		23	Loss due to recovery of TMA dues by showing less area	0.066
48		25	Unjustified payment to work contingent /charge employees	5.954
49		27	Irregular approval of Maps without obtaining building fitness certificates	3.693
50		28	Irregular payments of arrears of pay and allowances without additional budget	0.932
51		30	Irregular advance payment without actual work	0.243
52		31	Unjustified expenditure on account of repair of plant	10.350

Sr. No.	TMA	Para No.	Subject	Amount
			&machinery and recovery thereof	
53		32	Doubtful expenditure on account of repair of machinery	1.303
54		33	Loss due to excessive usage of POL of Tractors	0.515
55		34	Unjustified consumption of POL in machinery	9.453
56		35	Irregular purchases without observing PPRA Rules	2.883
57		36	Doubtful expenditure on holding of various festivals	1.045
58		38	Unauthorized possession of DDO powers of all branches	-
59		39	Irregular expenditure due to misclassification	0.152
60		40	Unjustified utilization of saving from developments schemes	0.089
61		41	Loss due to short collection of stamp duty	0.018
62		3	Loss to TMA due to non auction of collection rights of sludge water	1.000
63		4	Undue favor to the contractor due to non obtaining additional performance security	12.318
64		5	Non-imposition / recovery of penalty due to delay in completion of works	0.307
65		15	Doubtful consumption of POL	10.739
66		16	Non credit of earned profit into TMA Fund	0.966
67		18	Un due benefit to the contractor due to non deduction of Income Tax from contractors	0.088
68		20	Irregular expenditure through misclassification	0.592
69		21	Irregular expenditure without calling tendering	0.336
70	TMA Yazman	22	Loss due to drawl of POL in excess of actual consumption	0.457
71		23	Utilization of bricks without ensuring standard specifications and testing	1.113
72		24	Irregular payment of social security benefits	0.293
73		25	Loss due to drawl of POL in excess of actual consumption	0.114
74		26	Doubtful / irregular expenditure on purchase of electric material and energy savers	0.841
75		27	Irregular / doubtful expenditure on repair of vehicles	3.289
76		28	Irregular / doubtful expenditure on account of youth festival	1.544
77		29	Irregular expenditure without ensuring procurement from approved manufacturer	7.915
78	TMA	1	Non auction of contract of collection rights	9.151

Sr. No.	TMA	Para No.	Subject	Amount
79	Hasilpur	2	Loss to TMA Treasury due to unjustified payment of Electricity bill	0.196
80		10	Unjustified expenditure on national & culture events	0.306
81		15	Loss due to misuse of fire brigade	1.042
82		19	Unjustified exercising of powers / wrong payments	4.773
83		20	Loss to government due to purchase of POL at higher rates than the rates fixed by OGRA	0.078
84		21	Loss to Government due to misappropriation of used Mobil Oil	0.065
85		31	Doubtful utilization of funds on account of electric items purchase	0.476
86		33	Loss to Government due to non deduction of GST	0.975
87		37	Unauthorized execution of development schemes on void agreement	2.628
88		TMA Khair Pur Tamewali	3	Loss to TMA Fund by non-auctioning of shops to actualize recovery of rent at competitive rates
89	5		Non-recovery of development charges of declared Katchi Abadis	4.660
90	6		Non-recovery of house rent from unauthorized occupants house / non vocation of TMA	-
91	10		Doubtful consumption of POL	2.946
92	11		Non-credit of lapsed/ unclaimed security deposits to TMA Fund	2.708
93	12		Non recovery of house rent / non-allotment of TMA residence	-
94	14		Irregular / doubtful expenditure on repair of vehicles.	1.494
95	15		Doubtful drawl of TMA funds for POL and repair of vehicles	0.492
96	16		Payment by recording fake entries in the log book	0.128
97	17		Irregular payment of pay and allowances due to appointment of underage employee	-
98	18		Fraudulent drawl of pay and allowances after retirement	0.164
99	22		Irregular expenditure without calling tendering	-
100	24		Irregular payment of Holiday Allowance	0.996
101	25		Loss due to non recovery of commercialization fee from the owners of property / buildings	4.440
102	TMA	3	Unauthorized expenditure regarding construction of	1.214

Sr. No.	TMA	Para No.	Subject	Amount
	Bahawalpur (Saddar)		culverts & bridges	
103		5	Loss due to short collection of stamp duty	0.037
104		6	Less recovery of tender fees	0.490
105		7	Irregular execution of work without observing codal formalities	31.444
106		8	Overpayment due to non deduction of shrinkage Charges.	0.031
107		10	Unjustified less fixations of targets of income	8.169
108		12	Loss to Government due to Purchase of POL at higher rates than the rates fixed by OGRA	0.229
109		13	Non- allocation of prescribed ratio of funds to sports activities	2.966
110		14	Non-deposit of sale proceeds of used Mobil oil	0.071
111		15	Overpayment of TA/DA	0.032
112		16	Unjustified expenditure of sweets	0.097
113		17	Unjustified expenditure on different events, recovery	0.330
114		18	Irregular expenditure incurred of honoraria to staff	0.112
115		19	Unjustified expenditure of plantation recovery of	0.510
116		20	Unjustified expenditure of Canal Mela	1.317
117		21	Irregular expenditure on account of repair of vehicles & machinery	0.633
118		23	Non Reconciliation of TMA's account	187.121
119		24	Irregular and unjustified expenditure of Ramazan Bazar	0.662
120		25	Unjustified expenditure of different events	0.086

**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.	Description	Amount
TMA Bahawalpur (City)	1	2	Unjustified less fixation of targets of income	8.265
	2	7	Loss to Government due to non recovery of advertisement fee	0.612
	3	9	Loss to Government due to less reporting of arrears in D & C register for sewerage tax	3.087
	4	13	Unjustified issuance of NOC to developers of various sub divisions/ housing schemes without observing the criteria	283.35
	5	18	Irregular expenditure on purchase of hydraulic	2.090
	6	19	Unjustified expenditure on non working water pumps	0.662
	7	23	Loss to TMA fund by non-auctioning of shops/ plots at competitive rates to actualize recovery of rent	16.853
	8	24	Unjustified expenditure on purchase of tents and other items	3.452
	9	26	Intensely less collection of license & permit fee	0.477
	10	27	Loss to government due to showing less units of recovery	2.179
	11	30	Irregular payment to work charge / contingent paid staff	7.596
	12	32	Excess / overpayment due to non observing the OGRA rates	0.266
	13	36	Unjustified expenditure on legal defense and unjustified income	51.189
	14	38	Unjustified payment of pay & allowances	4.571
	15	39	Loss to Government due to non deduction of income tax from POL bills	0.613
	16	43	Non imposing of penalty for abnormal delay in completion of projects	0.152
TMA Bahawalpur (Saddar)	17	3	Unjustified less fixation of targets of income	2.496
	18	5	Loss to Government due to non achievement of targets and loss of revenue	0.401
	19	6	Non curtailment of budget / un-authorized increase in budget and irregular expenditure of non salary budget	0.293
	20	10	Irregular payment to work charge / contingent paid staff	2.891
	21	11	Unauthorized appointment / posting of non-technical staff in TMA	2.422
	22	12	Loss to Government due to bogus appointment of official	1.277
	23	13	Unauthorized drawl of pay & allowances due to adjustment of official	1.536
	24	14	Unauthorized appointment and re - appointment of terminated staff	1.428

Name of TMA	Sr. No.	Para No.	Description	Amount
	25	15	Likely embezzlement in revenue receipt due to misuse of terminated official	1.434
	26	16	Unauthorized drawl of pay & allowances due to change of cadre	0.829
	27	19	Irregular payment of pay and allowances for the absent period	0.208
	28	21	Misuse of Government money for wasteful expenditure	0.098
	29	22	Loss to Government due to excess payment of electricity bill	0.350
	30	24	Doubtful expenditure of repair work	0.123
	31	25	Doubtful expenditure on Rabi-ul-Awal	0.098
	32	26	Doubtful expenditure on plantation	0.189
	33	28	Loss to Government due to purchase of POL at higher rates fixed by OGRA	0.044
	34	30	Execution of work without obtaining performance security	0.570
	35	33	Irregular grant of NOC to private housing schemes without observing the prescribed requirements and national security hazard on receipt of NOC fee	0.101
	36	36	Loss to Government due to allowing purchase of TST material from far quarry	0.829
	37	37	Unauthorized procurement of items without approval of austerity committee	0.075
	38	41	Non availability of lab test report of construction of soling	0.293
	39	43	Loss due to non deduction of shrinkage charges	0.232
	40	44	Execution of development work without deduction of performance security	5.225
	41	46	Unauthorized grant of time extension	38.862
	42	47	Irregular expenditure without preparing PC – I	7.776
	43	48	Unauthorized execution of development schemes on void agreement	7.868
	44	49	Irregular expenditure on construction of culverts and bridge	0.597
	45	51	Non contribution of post evaluation of the collated schemes	37.445
TMA Yazman	46	2	Non maintenance of accounts and official record	1.606
	47	5	Irregular payment to work charge / contingent paid staff	3.036
	48	7	Loss to Government due to non realization of permit fee / license fee	0.109
	49	9	Non imposing of penalty for late completion of development work	1.482
	50	10	Unauthorized payment of holiday allowance	1.205
	51	11	Non recovery of professional tax	0.026
	52	12	Loss to Government due to non-submission of stamp paper for contract / agreements and loss to Government due to non-collection of tax	0.016

Name of TMA	Sr. No.	Para No.	Description	Amount
	53	17	Loss to Government due to purchase of POL at higher rates than the rates fixed by OGRA for the end user	0.120
	54	19	Loss to Government due to miss-use of the fire brigade	0.179
	55	20	Irregular /unjustified expenditure on purchase misc. items for water supply without observing PPRA and recovery against old parts	0.600
	56	21	Irregular /unjustified expenditure on purchase misc. items for Ramzan Bazaar without observing PPRA	0.192
	57	22	Irregular /unjustified expenditure on purchase misc. items for Jashan-e-Azadi and purchase of plants without observing PPRA rules	0.548
TMA Khair Pur Tamewali	58	2	Irregular payment to work charge / contingent paid staff	1.523
	59	3	Irregular payment of holiday allowance	0.679
	60	5	Irregular payment of pension contribution of sub engineer	0.066
	61	6	Loss due to non recovery of different fees from the owners property/ buildings	0.506
	62	7	Loss due to non realization of conversion fee	0.750
	63	11	Likely misappropriation in permit fee/ license fee of and non-conducting survey of new shops regarding "license permit fee	0.273
	64	12	Loss due to non recovery of house rent allowance from illegal occupant	0.310
	65	13	Loss due to non - auction of tress	0.810
	66	14	Loss due to non-collection of lease rent	0.686
	67	15	Irregular /unjustified expenditure on purchase of misc. items for Ramadan Bazaar without observing Punjab Procurement Rules	0.663
	68	16	Irregular /unjustified expenditure on purchase misc. items for Jashan-e-Azadi without observing Punjab ProcurementRules	0.608
	69	17	Irregular /unjustified expenditure on purchase misc. items for Jashan-e-Bahran without observing Punjab Procurement Rules	0.356
	70	18	Irregular /unjustified expenditure on purchase misc. items for Muharram-ul-Haram without observing Punjab ProcurementRules	0.135
	71	19	Irregular /unjustified expenditure on repair of transformers and recovery against old parts	0.266
	72	21	Loss due to non auction of collection rights and poor performance of recovery staff	0.298
	73	22	Loss due to charging less rates under the head of rent of shops	0.200
74	23	Loss due to less recovery of renewal fee / penalty on account of late renewal of contractors	0.058	
75	24	Non maintenance of accounts and official record	2.390	
76	25	Loss due to purchase of POL at higher rates than the rates fixed by	0.093	

Name of TMA	Sr. No.	Para No.	Description	Amount
			OGRA for the end user	
	77	26	Irregular execution of works without NOC over payment to contractors	0.292
	78	29	Unauthorized grant / approval of building due to unqualified reinforcement of inspector in TMA	1.360
TMA HasilPur	79	1	Unauthorized payment of holiday allowance	3.328
	80	4	Loss to Government due to less recovery of license fee	0.168
	81	5	Loss to Government due to misappropriation of license & permit fee and slaughter house fee	0.383
	82	6	Non reconciliation of receipts with TAO	0.320
	83	12	Grant of NOC to the housing schemes established under land sub division rules	187.54 3
	84	14	Unjustified payment of pay & allowances (Avg.)	0.473
	85	17	Loss to TMA due to non recovery of conversion fee from the owner of petrol pump	0.577
	86	18	Irregular payment of electricity charges	0.679
	87	19	Loss to Government due to non-conduction of departmental collection	0.226
	88	20	Non recovery of professional tax	0.121
	89	23	Loss to Government due to non recovery for price variation of bitumen	0.096
	90	24	Irregular payment of bitumen on account of surface treatment	0.339
	91	26	Non conduction of post completion evaluation of schemes costing	11.045
	92	28	Loss to Government due to illegal encroachment of TMA property	38.200
	93	29	Unjustified expenditure on different events	0.228
	94	31	Likely misappropriation of funds through fictitious billing	0.349
	95	33	Irregular payment to work charge / daily wages / contingent paid staff	0.507
	96	34	Loss to Government due to misuse of the fire brigade	0.834
	97	35	Excess / overpayment due to non observing the OGRA rates and non deposit of sales proceed to used Mobil oil	0.076
	98	36	Loss to Government in millions due to non classification of land	0
99	38	Construction of buildings without recovery of map fee	0.435	
100	39	Irregular grant of NOC to the housing scheme as land sub division and less collection of fee	0.435	
TMA Ahmed Pur East	101	7	Less deposit pension contribution	1.001
	102	11	Non curtailment of budget / un-authorized increase in budget and irregular expenditure of non salary budget	0.766
	103	12	Irregular payment to work charge / contingent paid staff	5.204

Name of TMA	Sr. No.	Para No.	Description	Amount
	104	14	Irregular expenditure on plantation	1.387
	105	17	Non-collection of arrears of receipts	0.309
	106	19	Non completion of post audit of Monthly pension payment	0.026
	107	21	Payment of arrear of pay & allowances without sanction of time barred claim	0.281
	108	22	Excess payment due to payment of contractor profit	0.659
	109	24	Purchase of durable goods without approval of the austerity committee	0.810
	110	25	Purchase from the un-registered firm and un-authorized payment of sales tax & income tax	0.005
	111	30	Unauthorized payment of holiday allowance	1.128
	112	31	Loss due to non-auctioning of shops	0.246
	113	32	Execution of development scheme without approval of competent authority	29.679
	114	33	Execution of work without lab test report of bricks	0.770
	115	35	Irregular promotion & irregular payment of pay and allowances	0.503
	116	36	Doubtful issuance and non returned of material	0.659
	117	37	Loss to TMA on doubtful repair of machinery& equipment	1.188
	118	38	Ambiguous issuance of stock	0.554
	119	39	Unjustified issuance of NOC to the developers of various sub division housing schemes without observing criteria and construction of building without recovery of map fees loss to Government in million.	-
	120	40	Non conducting of post completion evaluation of the completed schemes	20.727
	121	41	Loss to Government due to non-collection of pesticide license fee and medical stores license fee	0.331
	122	42	Irregular execution of works without obtaining NOC from District Government	1.114
	123	43	Realization of Tax without maintenance of demand and collection record	0.767
	124	45	Shortage of computer recovery	0.094
	125	46	Non recovery of firefighting charges	0.034
	126	47	Non payment of sales tax	0.219
	127	50	Irregular expenditure on construction of bridge	0.497
	128	51	Default of stock taking	-
	129	52	Loss to Government due to non imposing penalty to contractors for late completion of development schemes	0.543
	130	53	Loss due to non deduction of shrinkage charges	0.069

Annex-B

**TMA of District Bahawalpur
Consolidated Budget and Expenditure for TMAs District Bahawalpur**

TMA Bahawalpur (City)

(Rupees in million)

2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	257.825	152.047	(-) 105.777	41 %
Non-salary	325.897	255.432	(-) 70.466	22 %
Development	114.710	94.748	(-) 19.962	17 %
Total	698.432	502.227	(-) 196.205	28 %
Revenue	535.941	458.335	(-) 77.606	14 %

TMA Ahmad Pur East

(Rupees in million)

2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	143.563	135.689	(-) 7.874	5 %
Non-salary	70.038	59.705	(-) 10.333	15 %
Development	68.530	52.063	(-) 16.467	24 %
Total	282.131	247.457	(-) 34.674	12%
Revenue	218.431	235.246	(-) 16.816	8 %

TMA Yazman

(Rupees in million)

2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	69.884	65.852	(-) 4.032	6%
Non-salary	71.569	56.419	(-) 15.150	21%
Development	51.741	41.792	(-) 9.949	19%
Total	193.194	164.063	(-) 29.131	15 %
Revenue	138.228	122.437	(+) 15.791	11%

TMA HasilPur

(Rupees in million)

2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	118.011	114.718	(-) 3.293	3%
Non-salary	57.141	46.408	(-) 10.733	19%
Development	9.100	8.175	(-) 0.925	10%
Total	184.252	169.301	(-) 14.950	8 %
Revenue	162.714	152.744	(-) 9.970	6%

TMA Khair Pur Tamewali

(Rupees in million)

2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	45.072	32.659	(-) 12.413	28%
Non-salary	22.541	21.900	(-) 0.641	3%
Development	5.000	3.292	(-) 1.708	34%
Total	72.613	57.851	(-) 14.762	20 %
Revenue	72.959	55.758	(-) 17.201	24%

TMA Bahawalpur (Saddar)

(Rupees in million)

2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	47.947	40.494	(-) 7.453	16 %
Non-salary	29.458	19.986	(-) 9.472	32 %
Development	72.147	3.812	(-) 68.335	95 %
Total	149.552	64.292	(-) 85.261	57 %
Revenue	111.189	106.571	(-) 4.618	4%

Grand Total of All TMAs of Bahawalpur

(Rupees in million)

2015-16	Budget	Actual	Excess (+) / Savings(-)	% savings
Salary	682.302	541.459	(-) 140.843	21 %
Non-salary	576.644	459.849	(-) 116.795	20 %
Development	321.228	203.883	(-) 117.345	37 %
Total	1,580.174	1,205.191	(-) 374.984	24 %
Revenue	1,239.462	1,131.091	(-) 108.371	9 %

Non Production of Record

(Rupees in million)

Sr. No.	Description	Amount
1	Payment was made to Bahawalpur Waste Management Company but detail of strength of staff performing their duties and attendance of staff was not on record /available for verification. Cadre / designation wise job descriptions / duties, detail of persons availing facility of government accommodation and vehicles, record of earned leave, suspension, dismissal, disciplinary proceeding and absence was not available / provided to audit.	110.366
	Annual plan, requisitions, stock registers and related record of consumption of stationery and store items	2.331
2	History Sheets of all assets and vehicles, cash book of main account and DDOs, Contractor ledger, files of housing schemes, Detail of assets, complete record except expenditure of TO (P&C) branch was not provided of Rs 97.233 million. Record of fine for encroachment of Rs 1.541 million. Record of Public Latrine at general bus stand / mini wagon stand of Rs 2.165 million. Sale of stock of store of Rs 2.730 million. Others and miscellaneous incomes Rs 1.380 million. Record of death and birth of Rs 0.214 million. Electricity bills amounting to Rs 44.805 million were not provided. Detail of area of TMA possession. The record of renting of TMA Hall, Road Roller, Bitumen Gun etc. Measurement books of many development schemes. The detail of unserviceable material, equipment, vehicles and trees. The record of auction made and sale proceed. Record of change in condition of shops. Record of subletting of shops and tenants who were died. Record of illegal occupants. Record of pension contribution of staff, deduction and deposit record of income tax, sales tax, professional tax, General Provident Fund, Benevolent Fund and Welfare Fund. Record of collection of pension contribution from employees and deposit record. Record of securities received, deposited and refunded. Log books of generators	150.067
3	GST invoices and other record to ensure that contractors of 7 schemes purchased materials from GST registered suppliers.	3.466
Grand Total		266.23

Annex-D
[Para 1.2.2.1]

**Unauthorized expenditure out of development budget and misclassification of
expenditure – Rs 10.711 million**

(Rupees in million)

Head used	Head to be used	Voucher No.	Date	Bill No.	Date	Supplier	Item	Amount
ADP A-12 Civil Works	A09601 Purchase of Plant & Machinery	1266	11.12.2015	203	28.10.2015	M/s New General Traders	wincher machine	1.378
ADP A-12 Civil Works	A09601 Purchase of Plant & Machinery	1593	13.01.2016	-	-	M/s Ghandhara Industries	Sucker Machine	6.125
ADP A-12 Civil Works	A09601 Purchase of Plant & Machinery	3421	24.06.2016	-	-	M/s Bilal Engineering	-	2.974
Office	Civil Work	739	02.05.2016	Nil	18.04.2016	M/s Mirza Enterprises	Civil Work	0.040
CO unit	Civil Work	308	16.06.2016	Nil	27.05.2016	M/s SS Traders	Civil Work	0.050
CO unit	Civil Work	309	16.06.2016	Nil	Nil	M/s SS Traders	Civil Work	0.096
CO unit	Civil Work	335	30.06.2016	Nil	24.06.2016	M/s Royal Enterprises	Civil Work	0.048
Total								10.711

Annex-E
[Para 1.2.2.3]

Irregular expenditure due to non compliance of procurement rules - Rs 4.990 million

(Rupees in million)

Voucher No.	Date	Bill No.	Date	Supplier	Item	Amount
351	02.06.2016	Nil	06.05.2016	M/s R.K Traders	Air Cooler	0.019
354	10.06.2016	Nil	19.05.2016	-	Air Cooler	0.014
355	10.06.2016	Nil	27.05.2016	M/s R.K Traders	Air Cooler	0.019
216	10.06.2016	Nil	27.05.2016	M/s SS Traders	Air Cooler	0.019
240	27.06.2016	Nil	10.06.2016	M/s A.R.Enterprises	Air Cooler	0.018
88	02.06.2016	Nil	18.05.2016	M/s SS Traders	Air Cooler	0.038
89	02.06.2016	Nil	19.05.2016	M/s SS Traders	Air Cooler	0.019
90	02.06.2016	Nil	19.05.2016	M/s SS Traders	Air Cooler	0.019
280	02.06.2016	Nil	18.05.2016	M/s SS Traders	Air Cooler	0.014
171	02.10.2015	Nil	-	M/s Sial and Company	Air Cooler	0.025
29	11.07.2015	438	02.07.2015	M/s Sial Traders	Bamboos	0.350
250	02.05.2016	Nil	19.04.2016	M/s Royal Enterprises	Bamboos	0.098
305	16.06.2016	Nil	09.06.2016	M/s Royal Enterprises	Bamboos	0.098
139	13.11.2015	Nil	16.10.2015	M/s Royal Enterprises	Buckets	0.016
258	04.05.2016	412	01.04.2016	M/s Sial and Company	canvass	0.090
7	07.07.2015	Nil	18.06.2015	M/s Farooq Traders	Ceiling Fans	0.025
29	13.08.2015	Nil	30.07.2015	M/s Royal Enterprises	Cell	0.025
239	16.04.2016	Nil	29.03.2016	M/s Sial Traders	Cell	0.038
306	16.06.2016	Nil	09.06.2016	M/s Royal Enterprises	Cell	0.040
202	10.10.2015	Nil	20.08.2015	M/s Farooq Traders	Chlorine	0.028
211	20.10.2015	192	23.09.2015	M/s New General Traders	Chlorine	0.099
350	18.12.2015	Nil	03.12.2015	M/s Mirza Enterprises	Chlorine	0.099
1070	30.06.2016	Nil	13.06.2016	M/s R.K Traders	Chlorine	0.089
43	31.08.2015	524	25.07.2015	M/s Shafique Enterprises	Deliver and suction pipe	0.021
45	31.08.2015	525	31.07.2015	M/s Shafique Enterprises	Deliver and suction pipe	0.096
230	05.04.2016	Nil	01.01.2016	M/s A.R.Enterprises	Deliver and suction pipe	0.049
704	19.04.2016	217	12.01.2016	M/s New General Traders	Energy saver	0.091
713	20.04.2016	216	04.01.2016	M/s New General Traders	Energy saver	0.095
756	08.10.2015	330,31,32	29.09.2015	M/s International Lighting System	Energy saver	1.307
565	08.03.2016	1809	27.02.2016	M/s Rehman Traders	energy saver	0.082
1118	23.11.2015	190	12.11.2015	M/s New General Traders	Filters	0.342
133	15.09.2015	132	10.08.2015	M/s Tariq Traders	Filters	0.099

Voucher No.	Date	Bill No.	Date	Supplier	Item	Amount
271	13.11.2015	Nil	28.09.2015	M/s Royal Enterprises	Filters	0.034
275	17.11.2015	Nil	27.10.2015	M/s Mirza Enterprises	Flood lights	0.096
2663	30.04.2016	Nil	22.01.2016	M/s A.R.Enterprises	Frame	0.023
100	27.06.2016	108	24.05.2016	M/s A.R.Enterprises	Iron Almerah	0.019
239	27.06.2016	556	15.06.2016	M/s A.R.Enterprises	Iron Rack	0.098
128	09.11.2015	Nil	15.10.2015	M/s Royal Enterprises	Iron Rack	0.041
31	18.08.2015	Nil	10.08.2015	M/s Royal Enterprises	Iron wire 16 gauge	0.070
237	16.04.2016	Nil	07.04.2016	M/s Mirza Enterprises	Iron wire 16 gauge	0.061
287	24.11.2015	Nil	07.11.2015	M/s R.K Traders	LED lights	0.083
27	10.08.2015	Nil	30.07.2015	M/s Royal Enterprises	Lime stone	0.012
304	16.06.2016	Nil	09.06.2016	M/s Royal Enterprises	Lime stone	0.065
238	16.04.2016	Nil	05.04.2016	M/s Mirza Enterprises	Phenyl	0.058
50	31.08.2015	Nil	-	M/s Sial Traders	Pipe	0.021
20	28.07.2015	406	28.06.2015	M/s R.K Traders	PVC cable	0.099
35	31.07.2015	Nil	15.07.2015	M/s Rehman Traders	PVC cable	0.054
316	30.06.2016	667	25.06.2016	M/s R.K Traders	PVC cable	0.092
32	18.08.2015	Nil	10.08.2015	The Hashmi Enterprises	Rope	0.077
307	16.06.2016	Nil	09.06.2016	M/s Royal Enterprises	Rope	0.099
15	31.07.2015	Nil	22.07.2015	M/s Royal Enterprises	Safety belt	0.070
337	30.06.2016	Nil	29.06.2016	M/s Royal Enterprises	Safety belt	0.089
2824	26.05.2016	Nil	17.05.2016	The Hashmi Enterprises	Stickney	0.099
113	07.01.2012	Nil	26.12.2015	M/s A.R.Enterprises	Table glass	0.003
112	07.01.2012	Nil	22.12.2015	M/s A.R. Enterprises	Table glass &cloth	0.009
161	05.04.2016	Nil	27.02.2016	M/s Rehman Traders	Table glass &cloth	0.013
95	30.10.2015		-		Uniform	0.099
209	28.03.2016	Nil	15.02.2016	M/s Mirza Enterprises	Uniform	0.025
Total						4.990

Annex-F
[Para 1.2.2.4]

Unjustified expenditure on Holiday Allowance – Rs 3.599 million

(Amount in rupees)

Sr. No.	Name	Designation	Scale	Total
1.	Fahim Iqbal	Naib Qasid	1	15,184
2.	M. Iqbal	Naib Qasid	3	22,872
3.	Suhail atta	Senior Clerk	9	35,187
4.	Abdul majidabbasi	Junior Clerk	7	33,963
5.	Bashir ahmad wald Ashiq	Naib Qasid	3	20,893
6.	Malik m anwar	Tax Suprintendent	17	73,746
7.	M naveed s/o abdustar	Water man	1	13,604
8.	Shbirhussain	Naib Qasid	3	29,754
9.	M shahzad	Naib Qasid	2	18,628
10.	Malik m saleem	Junior Clerk	7	34,135
11.	Abdul aziz	Naib Qasid	3	27,519
12.	Javed akhter	Junior Clerk	7	30,655
13.	Syed azhar ahmed	Supervisor	7	38,504
14.	M isaac	Pulumber	3	25,145
15.	Khadim hussain	Pulumber	4	32,031
16.	M hanif	Pulumber	4	33,591
17.	Sultan muhammad	Fountain Oper.	5	29,482
18.	Mushtaq ahmad	Operator	6	41,436
19.	M yousafali	Operator	5	37,452
20.	M akmal qureshi	Operator	5	37,452
21.	Saeed ahmad	Operator	5	25,912
22.	Bashir ahmad s/o nor muhammad	Operator	4	29,875
23.	M yasin khan	Operator	5	36,827
24.	M akhtar khan	Operator	6	33,409
25.	M hanif s/o rahimbakhsh	Operator	6	34,679
26.	M afzal s/o rahimbakhsh	Operator	5	31,045
27.	Sajjad hussain s/o ghulam abbas	Operator	6	32,114
28.	M ayub	Operator	6	34,629
29.	M nawaz	Operator	6	34,679
30.	Muhsinali s/o Zafar hussain	Operator	4	17,645
31.	Mukhtiar bygum	Operator	5	25,041
32.	Sajjad hameed langah	Operator	5	25,038
33.	M farooq	Operator	4	30,745
34.	M siddique	Operator	4	15,607

Sr. No.	Name	Designation	Scale	Total
35.	M iqbal	Operator	5	34,282
36.	Nadeem khan	Operator	5	33,437
37.	Nisarahmad	Operator	5	30,423
38.	M afzal s/o gehna	Operator	5	32,739
39.	M rashid s/o wal imuhammad	Operator	4	16,446
40.	Sajjad hussain so mushtaq	Kuli Elect.	2	20,965
41.	Shah muhammad	Kuli Elect.	3	29,839
42.	Allah wasaya	Oil man	3	29,839
43.	Ali rehman so m farooq	Oil man	1	15,184
44.	Fyzanalam	Oil man	1	16,951
45.	Malik shahbaz	Oil man	1	16,951
46.	Abdul jabbar	Oil man	3	30,427
47.	Syed ajmalhussain	Oil man	3	26,266
48.	Ali aslam so muhammadaslam	Oil man	1	15,184
49.	M ramzan so m din	Operator	5	34,282
50.	M akram so m shaiffee	Operator	5	31,512
51.	Mushtaq so allabachaya	Operator	6	35,457
52.	M salemm so ilahebakhsh	Operator	6	34,679
53.	Hameedahmad so janmuhammad	Operator	6	35,528
54.	Abidhusain so fidahussain	Operator	6	17,506
55.	M fiyaz so talib	Operator	5	31,972
56.	Abdul rahid so noormuhammad	Operator	5	33,509
57.	Shamasudin	Operator	6	34,679
58.	M aslam so m baksh	Operator	5	31,199
59.	M munir so qadirbaskh	Operator	5	32,521
60.	Abdulbasit	Operator	4	16,812
61.	Fryadali	Oil man	3	28,839
62.	Zahoorahmad	Oil man	3	29,839
63.	M arshadmehmood	Sewerman	3	25,923
64.	Shokatmaseeh	Sewerman	3	26,265
65.	M arifqureshi	Sewerman	2	21,093
66.	Imran maseeh	Sewerman	2	20,789
67.	Amjadmaseeh	Sewerman	1	13,503
68.	M akram so azizudin	Sewerman	1	14,302
69.	Ashiqhussain so ahmadbakhsh	Sewerman	1	14,302
70.	M ayub so abdulraoof	Sewerman	1	14,088
71.	Akbar ali so abdurahman	Sewerman	1	14,088
72.	Syed munawarali shah	Light Superintendent	15	59,269
73.	Rafiqahmad	Sub Engin.	16	5,033

Sr. No.	Name	Designation	Scale	Total
74.	Shamasulaarifin	Sub Engin.	11	43,158
75.	Ihsanulla	Sub Engin.	11	55,144
76.	Gulsher so m hassan	Mason	5	1,793
77.	M yaqub so m hassan	Electrician	6	17,016
78.	M nawab	Electrician	6	10,141
79.	Umar wdda	Electrician	6	3,818
80.	Slahudin	Electrician	6	3,031
81.	M javed	Baildar	2	2,095
82.	M ameen	Baildar	3	3,757
83.	Manzoorahmad	Baildar	3	1,287
84.	Ejazahmad	Baildar	2	2,855
85.	Gulammustaf	Baildar	3	32,106
86.	Sarfarazrahim	Baildar	1	932
87.	Abdul khaliq so khadimhussain	Kuli Elect.	2	6,657
88.	M akram so attamuhammad	Kuli Elect.	3	7,636
89.	Shokatabbas	Kuli Elect.	1	3,343
90.	Mansoorahmad	Store Keeper	7	39,794
91.	M abidmalik	Fire officer	18	82,423
92.	Mazharahmad	Head fireman	8	47,990
93.	M shahbaz khan	Head fireman	8	47,990
94.	Hafiz m akbar	Head fireman	8	42,360
95.	Mukhtiarhussain	Head fireman	8	43,070
96.	M shafiq	Driver	8	47,990
97.	M shoukatali	Driver	8	47,990
98.	Mazharhussain shah	Driver	8	46,188
99.	Mushtaqaahmad	Driver	8	44,076
100.	Syed zawarhussain	Driver	8	46,188
101.	Allawasaya	Fire man	5	37,940
102.	M munir	Fire man	5	38,130
103.	M hassan	Fire man	5	39,670
104.	Shabirhussain shah	Fire man	5	35,949
105.	Sahib yar	Fire man	5	40,419
106.	Asgharabbas	Fire man	5	40,441
107.	Mushtaqaahamd so allawasaya	Fire man	5	38,129
108.	Bushirhusaain	Fire man	5	38,134
109.	Shafqatali	Fire man	5	17,337
110.	M shakeel	Fire man	5	38,130
111.	M afzal	Fire man	5	37,360
112.	M iqbal so gulammuhammd	Fire man	5	28,860

Sr. No.	Name	Designation	Scale	Total
113.	M iqbal so muhammadhussain	Fire man	5	30,429
114.	Sajidhussain so allabachaya	Fire man	5	20,419
115.	Syed waseemhyder	Fire man	5	20,419
116.	Mazharhussain so bashir	Fire man	5	20,419
117.	Shabirali	Fire man	5	20,419
118.	Nasirhussain	Fire man	5	20,419
119.	M abbasbhutta	Fire man	5	13,162
120.	M waris	Cleanser	1	15,627
121.	Tajbibi	Cleanser	1	8,570
122.	M shakeel	Khakrob	1	14,304
123.	Qaisershahzad	NaibQasid	1	15,709
124.	Tanveerahmad	Senior Clerk	9	44,359
125.	Shahidhussain	Junior muharrir	7	26,449
126.	M riyazmalik	Chief sanitary inspector	15	40,162
127.	M altafbhatti	Sanitary supervisor	5	39,720
128.	Altafhussain so sherali	Tractor driver	5	28,284
129.	Sjjadhussain so lal shah	Sewerman	1	15,050
Total				3,599,647

Annex-G
[Para 1.2.2.5]

Unauthorized expenditure on contingent paid staff – Rs 1.640 million

(Rupees in million)

Sr. No.	Voucher No.	Date	Month	No. of employees	Amount
1	09	03.07.2015	June, 2015	04	0.043
2	17	15.07.2015	June, 2015	01	0.011
3	8,9,10	15.07.2015	June, 2015	03	0.036
4	23	07.08.2015	March, 2015 to June, 2015	04	0.034
5	38,39,40	24.08.2015	July, 2015	08	0.095
6	63,64	10.09.2015	August, 2015	08	0.097
7	75	17.09.2015	July, 2015 to August, 2015	01	0.025
8	86,87	10.10.2015	September, 2015	09	0.110
9	103,104	09.11.2015	October, 2015	09	0.112
10	121,122	12.12.2015	November, 2015	09	0.110
11	136	19.12.2015	October, 2015 to November, 2015	01	0.018
12	158,159,160	12.01.2016	November, 2015 to December, 2015	10	0.126
13	175,176,177	10.02.2016	January, 2016	09	0.099
14	184	13.02.2016	January, 2016	03	0.037
15	189	26.02.2016	January, 2016	01	0.007
16	211,212	09.03.2016	February, 2016	12	0.145
17	232,233	09.04.2016	March, 2016	11	0.136
18	246,247,248	25.04.2016	March, 2016	03	0.034
19	267,268	09.05.2016	April, 2016	14	0.173
20	280	19.05.2016	February, 2016 to April, 2016	01	0.028
21	295,296	09.06.2016	May, 2016	14	0.164
Total					1.640

Annex-H
[Para 1.2.3.1]

Non achievement of revenue targets - Rs 63.523 million

(Rupees in million)

Sr. No.	Code	Particulars	Revised Target 2015-16	Actual Collection	Difference	%
1	C-0388001-79	Permit license fee	1.100	0.689	0.411	37.3 %
2	C-0388016-18	General Bus Stand / Mini wagon Stand fee	13.700	12.055	1.645	12.0 %
3	C-0388022	A.C Coaches Stand / local rout mini wagon stand	13.490	11.488	2.002	14.8 %
4	C-0388034	Fine for encroachment	1.600	1.541	0.059	3.7 %
5	C-0388042	Fee of slaughtering of animals	1.650	1.500	0.150	9.1 %
6	C-0388046-47	Water Rate	4.200	3.009	1.191	28.4 %
7	C-0388054	Sewerage Tax	9.500	5.117	4.383	46.1 %
8	C-0388056	Public Latrine General Bus Stand / A.C /mini wagon Stand	2.220	2.165	0.055	2.5 %
9	C-0388060	Fire service of fire brigade	0.200	0.017	0.183	91.7 %
10	C-0388071	Enlistment fee of contractors	0.700	0.576	0.124	17.8 %
11	C-0388085	Arrears (land Revenue declare) (Rent of shops)	52.895	0.020	52.875	100 %
12	C-0388085	Land used for advertisement/daily basis	4.400	4.138	0.262	5.9 %
13	C-0388086	Road cut charges	0.200	0.103	0.097	48.4 %
14	C-0388087	Copying fee (death & birth)	0.300	0.214	0.086	28.8 %
Total			106.155	42.632	63.523	59.8 %

Annex-I
[Para 1.2.4.2]

Loss due to less realization of water rate and sewerage tax

Total No. of connections

(Amount in rupees)

Income Head	No. of connections as per record of TMA		No. of connections as per Survey Report		Difference in No. of connections	
	Residential	Commercial	Residential	Commercial	Residential	Commercial
Sewerage Tax	3,812	432	55,575	2,992	51,763	2,560
Water Rate	4,904	19	5,033	172	129	153

Detail of revenue not realized

(Rupees in million)

Income Head	Difference in No. of connections		Schedule Rate (Per unit / annum)		Amount of Loss
	Residential	Commercial	Residential	Commercial	
Sewerage Tax	51,763	2,560	600	6,000	46.418
Water Rate	129	153	1,200	4,200	0.797
Total					47.215

Annex- J
[Para 1.2.4.3]

Loss due to non renewal of lease agreements – Rs 37.999 million

(Rupees in million)

Sr.	Name of Market	No. of shops	Comparative Monthly rent in Same Market (Rs)	Per Shops Average (Rs)	Difference (Rs)	Months	Amount
1	Eid Gah Road	85	5,069	2,371	2,698	12	2.753
2	I/S Grain Market	7	20,679	10,276	10,403	12	0.874
3	Chowk Bazar (Tanki Wali Gali)	20	7,890	7,456	434	12	0.104
4	Chowk Shehzadi Market	20	13,922	7,394	6,528	12	1.567
5	Inside Shikar Puri Gate	28	6,174	1,821	4,353	12	1.463
6	Inside Shikar Puri Gate (Sarailal Ji Parshad)	14	2,530	2,352	178	12	0.030
7	Chowk Saraiki	10	4,628	4,061	567	12	0.068
8	Disposal Lal Bagh Model Town C	35	2,928	2,120	808	12	0.339
9	Shops Zanana Hospital Road	4	7,374	1,844	5,531	12	0.265
10	Sarai Guddu Mul / Girag	2	4,697	2,349	2,349	12	0.056
11	Shops Inside General Bus Stand	176	18,150	3,718	14,432	12	30.480
Total		401					37.999

Annex – K
[Para 1.3.2.1]

Non Production of Record – Rs 88.198 million

(Amount in Rupees)

Sr. No.	Description	Amount
1	Stock register, consumption record and vouched account pertaining to different purchases	24.642
2	Copy of last Audit Report and Internal Audit Report, all stock registers of durables, consumables and dead stock, record of immovable property tax, receipt record of various heads of headquarter, all the receipt and expenditure record of non headquarter Uch Sharif. Detail of electricity meters and bills of electricity, attendance registers of all branches, all registers which were required to be maintained under Property Rule 5(2) of Local Government Property Rules 2007. Statement of assets/list of machinery, vehicle etc. diary and dispatch registers of TMO office as well as all the DDOs for the period, list of working strength and sanctioned strength of the all the staff. Service record of all the personnel including the original service books and personal files of all non gazzated staff including personal files of all the officers, record of recruitment and promotion made during the period. Property register of immovable and movable properties and permanent stock registers, copies of By-Laws of TMA applicable for collection of various fee, fine etc. Building control register, valuation tables, copies of MRS applicable for the period, detail of temporary /permanent advances and recovery position as well, copy of funds received from any other tear of Government. All vouchers of repair works of all types so carried and necessary record pertaining to it. All the record of development works so carried from funds of TMA amounting to Rs 2.299 million. Record of deduction of professional tax from the contractors, relevant files of contractors of class-C who were enlisted with the TMA.	55.678
3	Lead charts showing area from where earth was acquired, pictures of sites before and after development work etc.	4.964
4	Record of payment of leave encashment / retirement benefits i.e. retirement/death notifications of the competent authority, copies of service books and leave accounts, pension papers / calculations etc.	1.374
5	Record including GST invoices to ensure that contractors of 12 schemes purchased materials from GST registered suppliers	1.540
Grand Total		88.198

Annex-L
[Para 1.4.3.3]

Loss due to non renewal of lease agreements – Rs 8.948 million

(Rupees in million)

Sr. No.	Name of Market	Shop No	Minimum Current Market Rent per Month (Rs)	Rent Realized (Rs)	Loss rent(Rs)	No. of Shops	Loss per month (Rs)	Loss per year
1	Tehsil bazar	10,11	2,000	1,037	963	2	1,926	0.023
2	Thana road Near veterinary Hospital	6,7,8,9,10	2,000	1,700	300	5	1,500	0.018
3	New Water supply Scheme	7,8,25,26,27	2,000	1,200	800	5	4,000	0.048
4	Rashid market	4,5,6,7	2,000	1,300	700	4	2,800	0.034
5	Old Lari Adaa Market	All market	2,000	1,502	498	126	62,748	0.752
6	Main bazaar Yazman	all Market	2,500	706	1,794	375	672,750	8.073
Total						517		8.948

Annex-M
[Para 1.5.2.1]

Non achievement of revenue targets - Rs 15.004 million

(Rupees in million)

Code	Particulars	Budget Estimate for 2015-16	Amount Recovered	Less recovery	% age of less Recovery
C0388002	License fee (dangerous & offensive trade)	0.400	0.283	0.117	29.13%
C0388027	Fee for approval of building plans	10.000	6.587	3.413	34.13%
C0388028	Change in land use (Conversion fee)	2.800	2.096	0.704	25.14%
C0388042	Fee for slaughtering of animals	0.200	0.153	0.047	23.59%
C0388047	Water Rate	6.421	2.105	4.316	67.23%
C0388054	Sewerage fee/Nali tax	1.200	0.439	0.761	63.41%
	Rent of Q.A Market Shops	5.269	4.031	1.238	23.50%
	Rent of Municipal property	22.621	18.221	4.400	19.45%
C0388086	Road cutting charges	0.005	0.003	0.002	33.40%
C0388087	Copying fee	0.030	0.025	0.005	16.33%
C0388091	NOC fee	0.005	0.004	0.001	20.00%
	Total	48.951	33.947	15.004	30.65%

Annex-N
[Para 1.5.3.6]

Loss due to non registration of private housing schemes – Rs 1.496 million

(Rupees in million)

Sr. No.	Name of Scheme	Location	Area (Kanal)	Scrutiny 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	Recovered Amount	Recoverable Amount
1	Moon Avenue	Chak 18/FW	73 K	0.001	0.073	0.100	0.219	0.037	0.036	0.466	0	0.466
2	Green Garden	QaimPur	36K	0.001	0.036	0.050	0.108	0.018	0.018	0.231	0	0.231
3	Ajmeri Town	QaimPur	29K	0.001	0.029	0.040	0.087	0.014	0.015	0.186	0	0.186
4	Al-Janat Town	Chak 63/F	96K	0.001	0.096	0.132	0.288	0.048	0.048	0.613	0	0.613
	Total			0.004	0.234	0.322	0.702	0.117	0.117	1.496	0	1.496

Annex-O
[Para 1.6.2.1]

Non achievement of revenue targets - Rs 10.812 million

(Rupees in million)

Sr. No.	Head of income	Revised budget receipt	Actual Receipt	less Realization
1	Advertisement fee	0.751	0.335	0.416
2	Parking fee motor cycle	0.172	0.132	0.040
3	License fee	0.328	0.262	0.066
4	Enlistment fee	0.250	0.158	0.092
5	Blood collection of animal	0.100	0	0.100
6	Rent of shops	0.274	0.217	0.057
7	Arrears of lease rent	2.398	0.400	1.998
8	Water charges current	1.260	0.724	0.536
9	Arrears water charges	4.911	0.390	4.521
10	Sewerage tax	0.159	0.121	0.038
11	Sale of sludge water old	0.902	0.532	0.370
12	Sale of sludge water new	0.321	0.101	0.220
13	Different arrears of previous years	2.398	0.040	2.358
	Total	14.224	3.412	10.812

Annex – P
[Para 1.7.1.1]

Non Production of Record – Rs 110.360 million

BOQs, invoices, gate passes etc. to ensure that contractors of following 18 schemes purchased from GST registered suppliers and GST was paid on relevant items.

(Rupees in million)

Sr. No.	Name of Scheme	TS Amount	GST
1	Construction of PCC Kangan road from Sama Sata Road to Darbar Sharif	2.600	0.442
2	Construction of Soling & Sewer different street Pahar Shah & Khanqah Sharif UA 29	4.300	0.731
3	Construction of Soling & Sewer Line near Masjid, Madrasa Sultaniya etc. Sama Sata	2.500	0.425
4	Construction of Soling from Graveyard to Basti Chanran, Basti Sayedan, Basti Qaziyan, Mouza Khairpur Noranga	0.500	0.085
5	Construction of Soling from Goath Mehrab to Basti Haji Zahoor Otera Mouza Goath Mehrab	0.500	0.085
6	Construction of Soling from Wahi Hussain Chowk to Mill Ghulam Hussain Channar Mouza wahi Hussain.	0.500	0.085
7	Construction of Soling from remaining work BastiBhatiyar to Basti Siyalanto Basti Koriyan MouzaWahi Gosain.	0.800	0.136
8	Construction of PCC & sewer line Girls School Road Khanqah Sharif	1.100	0.187
9	Construction of sewer line Chak 12/BC More opposite Ghala Godam	0.900	0.153
10	Construction of soling Chak No. 5/BC Basti Katcholiyan	0.875	0.149
11	Construction of Soling Basti Ghulam Rasool Dangran	1.100	0.187
12	Construction of Soling Chak No.35/BC	0.839	0.143
13	Laying of Tuff Tile Street Sattar Wali Dera Bakha	0.700	0.119
14	Laying of Tuff Tile Main Street Abbas Nagar	1.000	0.170
15	Construction of Metalled road from Hasil Pur road to Graveyard Chak No.5/BC	1.200	0.204
16	Construction of Soling resoling Abbas Nagar	0.850	0.144
17	Laying of tuff tile near Al-Farooq School Bilal Nangar	0.778	0.132
18	Construction of Soling from izafi Basti Chak No.26/BC to Graveyard Chak No.26/BC	1.250	0.213
Total		22.292	3.790

	All Receipts files (auction), security account, pension account, service books of all staff, personal files of officers, tour program of officers, stock register with disbursement, updated development expenditure scheme wise of 2015-16	-	106.570
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Grand Total		110.360	
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Annex- Q
[Para 1.7.2.3]

Unauthorized expenditure on contingent paid staff – Rs 11.353 million

(Rupees in million)

Month	Office	Daily Wages/ Contingent Paid staff	Amount
06/2015	TMA BWP Saddar- Samma Satta	Different staff	0.741
07/2015	TMA BWP Saddar, Khangah, Samma Satta Dera Bhaka	Different staff -64- BWP Headquarters – 9 Dera Bhaka , Lal Sohnra, Samma Satta	0.854
08/2015	TMA BWP Saddar, Khangah, Samma Satta Dera Bhaka	Different staff	0.879
09/2015	TMA BWP Saddar, Khangah, Samma Satta Dera Bhaka	Different staff -15 days pay	0.355
10/2015	TMA BWP Saddar, Khangah, Samma Satta Dera Bhaka	59-employees pay 15 days	0.355
10/2015	TMA BWP Saddar, Khangah, Samma Satta Dera Bhaka	Different staff	0.436
11/2015	TMA BWP Saddar, Khangah, Samma Satta Dera Bhaka	Pay of 74 employees for the Month of September 2015,	0.594
10/2015	TMA BWP Saddar, Khangah, Samma Satta Dera Bhaka	Different staff for October 2015	0.880
11/2015	TMA BWP Saddar, Khangah, Samma Satta Dera Bhaka	Different staff -74- employees	0.891
01/2016	TMA BWP Saddar, Khangah, Samma Satta Dera Bhaka	Different staff	0.766
02/2016	TMA BWP Saddar, Khangah, Samma Satta Dera Bhaka	Different staff – pay for the month of 01/16	0.889
03/2016	TMA BWP Saddar, Khangah, Samma Satta Dera Bhaka	Different staff –Pay for the month of 02/16	0.891
-	-	Different staff –Pay for the month of 03/16	0.147
04/2016	TMA BWP Saddar, Khangah, Samma Satta Dera Bhaka	Different staff – pay for the month of 04/16	0.892
06/2016	TMA BWP Saddar, Khangah, Samma Satta Dera Bhaka	Different staff – pay for the month of 06/16	0.891
05/2016	TMA BWP Saddar, Khangah, Samma Satta Dera Bhaka	Different staff – pay for 05/16	0.892
Total			11.353

Annex-R
[Para 1.7.4.1]

Non imposition of penalty due to delay in completion of works – Rs 1.461 million

(Rupees in million)

Sr. No.	Name of Scheme	Estimated cost	Work allotted rate	Agreement Amount	Date of Completion	Actual date of completion	Penalty
1	Construction of R.O water filtration plant chak No. 7/BC TMA Bahawalpur Saddar	5.000	-	4.015	17.06.2016	17.08.2016	0.401
2	Rehabilitation of linear canal park TMA Bahawalpur	4.800	10.20%	4.310	17.06.2016	30.09.2016	0.431
3	Construction of waiting rooms Adda Tara Garh Dera Bakha Lal Sohanra	1.500	12.11%	1.318	17.06.2016	16.12.2016	0.132
4	Construction of RO water filtration plant Tariq Abad Mouza Pakka	5.000	-	3.932	17.06.2016	15.07.2016	0.393
5	Construction of soling pull 4/L canal Khan pur Noranga	0.400	19.10%	0.324	18.05.2016	02.08.2016	0.040
6	Construction of soling Basti Bakshehewala khoo Basti Darkhana	0.853	25.20%	0.638	03.06.2016	24.08.2016	0.064
Total				14.537			1.461