



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
TEHSIL MUNICIPAL ADMINISTRATIONS  
RAHIM YAR KHAN  
AUDIT YEAR 2016-17**

**AUDITOR GENERAL OF PAKISTAN**

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## **ABBREVIATIONS AND ACRONYMS**

ADP	Annual Development Programme
BOQ	Bill of Quantity
CCB	Citizen Community Board
CO	Chief Officer
D&C	Demand and Collection
DAC	Departmental Accounts Committee
DDC	District Development Committee
DGA	Directorate General Audit
FD	Finance Department
GST	General Sales Tax
IPSAS	International Public Sector Accounting Standards
LG&CD	Local Government and Community Development
MB	Measurement Book
MC	Municipal Committee
MFDAC	Memorandum for Departmental Accounts Committee
MO	Municipal Officer
NAB	National Accountability Bureau
NAM	New Accounting Model
NOC	No Objection Certificate
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PARCO	Pak-Arab Refinery Company
P&C	Planning and Coordination
PDG	Punjab District Governments

PFC	Provincial Finance Commission
PFR	Punjab Financial Rules
PLA	Personal Ledger Account
PLG	Punjab Local Government
PLGO	Punjab Local Government Ordinance
POL	Petroleum Oil and Lubricants
RCC	Reinforced Cement Concrete
RDA	Regional Directorate of Audit
R&M	Repair and Maintenance
Sft	Square Feet
S&GAD	Services and General Administration Department
TAC	Tehsil Accounts Committee
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 and Services)
TO (P&C)	Tehsil Officer (Planning and Coordination)
TO (R)	Tehsil Officer (Regulation)
TST	Tripple Surface Treatment
WAPDA	Water and Power Development Authority

## **Preface**

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

The Report is based on audit of the accounts of Tehsil Municipal Administrations of District Rahim Yar Khan 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. Main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 million or more. Relatively less significant issues are listed in Annex-A of the Audit Report. The audit observations listed in 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 four TMAs of District Rahim Yar Khan for the Financial Year 2015-16 and the findings included in the Audit Report.

Each Tehsil Municipal Administration in District Rahim Yar Khan 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 a coordinating and administrative officer, responsible to control land use, its division and development and to enforce all laws including Municipal Laws, Rules and By-laws. The Punjab Local Government Ordinance (PLGO), 2001, requires the establishment of Tehsil / Town Local Fund and Public Account for which Annual Budget Statement is authorized by the Tehsil Nazim / Tehsil Council / Administrator in the form of Budgetary Grants.

The total Development Budget of four TMAs in District Rahim Yar Khan for the Financial Year 2015-16 was Rs 598.868 million and expenditure incurred was of Rs 471.505 million, showing savings of Rs 127.363 million. The Total Non-development Budget for Financial Year 2015-16 was Rs 1,259.991 million and expenditure was Rs 1,140.632 million, showing savings of Rs 119.359 million. The reasons for savings in Development and Non-development Budget are required to be provided by TMO and PAO concerned.

Audit of TMAs of District Rahim Yar Khan 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 Rahim Yar Khan for the Financial Year 2015-16, auditable expenditure under the jurisdiction of Regional Director Audit, Bahawalpur was Rs 1,612.137 million covering four PAOs/formations. Out of this, RDA Bahawalpur audited an expenditure of Rs 393.821 million which, in terms of percentage, is 24.42% of total auditable expenditure and irregularities amounting to Rs 2,869.780 million were pointed out. Regional Director Audit planned and executed audit of 04 formations i.e. 100% achievement against the planned audit activities.

Total receipts of TMAs of District Rahim Yar Khan for the Financial Year 2015-16 were Rs 978.247 million. RDA Bahawalpur audited receipts of Rs 762.521 million which, in term of percentage, is 77.95% of total receipts and irregularities amounting to Rs 2,887.126 million were pointed out.

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

Recoveries of Rs 2,552.523 million were pointed out by Audit (out of which Rs 2,470.005 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 0.442 million was recovered by the management and verified by Audit during the 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 Rahim Yar Khan 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 most important reason of 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 Rahim Yar Khan.

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

- i. Non production of record of Rs 132.554 million was noted in three cases.<sup>1</sup>
- ii. Irregularities and non compliance of Rs 958.234 million were noted in twenty one cases.<sup>2</sup>
- iii. Performance issues of Rs 45.590 million were noted in three cases.<sup>3</sup>
- iv. Internal Control Weaknesses of Rs 3,097.092 million were noted in thirty four cases.<sup>4</sup>

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<sup>1</sup>Para: 1.3.1.1, 1.4.1.1,1.5.1.1

<sup>2</sup>Para: 1.2.1.1 to 1.2.1.5,1.3.2.1 to 1.3.2.3,1.4.2.1 to 1.4.2.6,1.5.2.1 to 1.5.2.7

<sup>3</sup>Para: 1.2.2.1, 1.3.3.1, 1.5.3.1

<sup>4</sup>Para: 1.2.3.1 to 1.2.3.13, 1.3.4.1 to 1.3.4.10, 1.4.3.1 to 1.4.3.5, 1.5.4.1 to 1.5.4.6

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.(Annex-A)

**f. Recommendations**

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

- i. Production of record to audit for verification.
- ii. Holding of investigations for wastage, fraud, misappropriation and losses.
- iii. Strengthening of financial and managerial controls.
- iv. Compliance of DAC directives and decisions in letter and spirit.
- v. Expediting recoveries pointed out by Audit as well as other recoveries in the notice of management.
- vi. Compliance of relevant laws, rules, instructions and procedures, etc.
- vii. Proper maintenance of accounts and record.
- viii. Appropriate actions against officers/officials responsible for violation of rules and losses.
- ix. Addressing systemic issues to prevent recurrence of various acts of omission and commission.
- x. 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 Entities (PAOs) in Audit jurisdiction	04	1,612.137	978.247	2,590.384
2	Total Formations in Audit Jurisdiction	04	1,612.137	978.247	2,590.384
3	Total Entities (PAOs) Audited	04	393.821	762.521	1,156.342
4	Total formations Audited	04	393.821	762.521	1,156.342
5	Audit & Inspection Reports	04	393.821	762.521	1,156.342
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	216.719
3	Weak Internal controls relating to financial management	3,097.092
4	Others	919.659
<b>Total</b>		<b>4,233.470</b>

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

<b>Sr. No.</b>	<b>Description</b>	<b>Expenditure on Physical Assets</b>	<b>Salary</b>	<b>Non Salary</b>	<b>Civil Works</b>	<b>Receipt</b>	<b>Total Current Year</b>	<b>Total Last Year</b>
1	Total Financial Outlay	2.909	700.637	437.086	471.505	978.247	2,590.384	2,431.128
2	Outlays Audited	1.000	153.715	91.070	148.036	762.521	1,156.342*	1,645.278
3	Amount placed under audit observations / irregularities pointed out	-	642.702	96.565	232.702	3,261.501	4,233.470	4,273.390
4	Recoveries pointed out at the instance of Audit	-	2.046	8.319	17.015	2,442.625	2,470.005	721.023
5	Recoveries accepted / established at the instance of Audit	-	2.046	8.319	17.015	2,442.625	2,470.005	721.023
6	Recoveries realized at the instance of Audit	-	-	-	-	0.442	0.442	8.522

\* The amount mentioned against Sr. No. 2 in column of "Total Current Year" is the sum of expenditure and receipts whereas the total expenditure was Rs 393.821 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.	958.234
2	Reported cases of fraud, embezzlement, theft and misuse of public funds.	-
3	Accounting errors (accounting policy departure from IPSAS <sup>1</sup> , 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.	672.677
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public money.	2,470.005
6	Non-production of record to Audit	132.554
7	Others, including cases of accidents, negligence etc.	-
<b>Total</b>		<b>4,233.470</b>

**Table 5: Cost-Benefit**

(Rupees in million)		
Sr. No.	Description	Amount
1	Outlays Audited (Item 2 of Table 3)	1,156.342
2	Expenditure on Audit	0.162
3	Recoveries realized at the instance of Audit	0.442
4	Cost-Benefit Ratio	3

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

## CHAPTER-1

### 1.1 Teshil Municipal Administrations, Rahim Yar Khan

#### 1.1.1 Introduction

According to 1998 population census, the population of District Rahim Yar Khan is 3.141 million. District Rahim Yar Khan comprises four TMAs namely Rahim Yar Khan, Sadiq Abad, Khan Pur and Liaquat Pur. 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 (Regulation) under Punjab Local Government Ordinance, 2001.

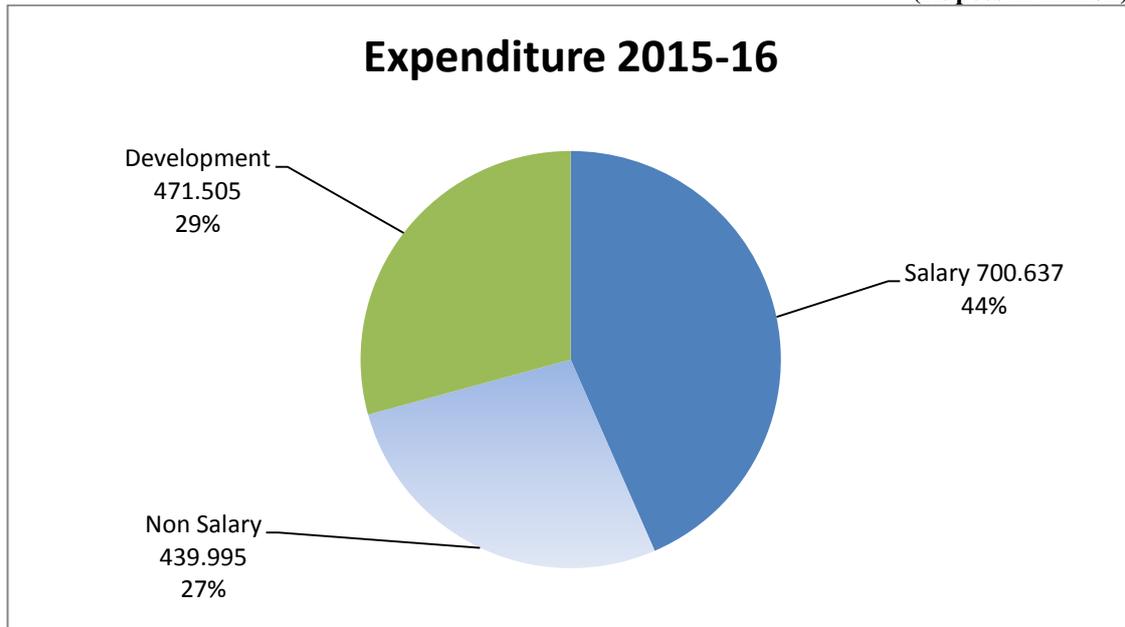
#### 1.1.2 Comments on Budget and Accounts

Detail of budget and expenditure is given below in tabulated form:

**(Rupees in million)**

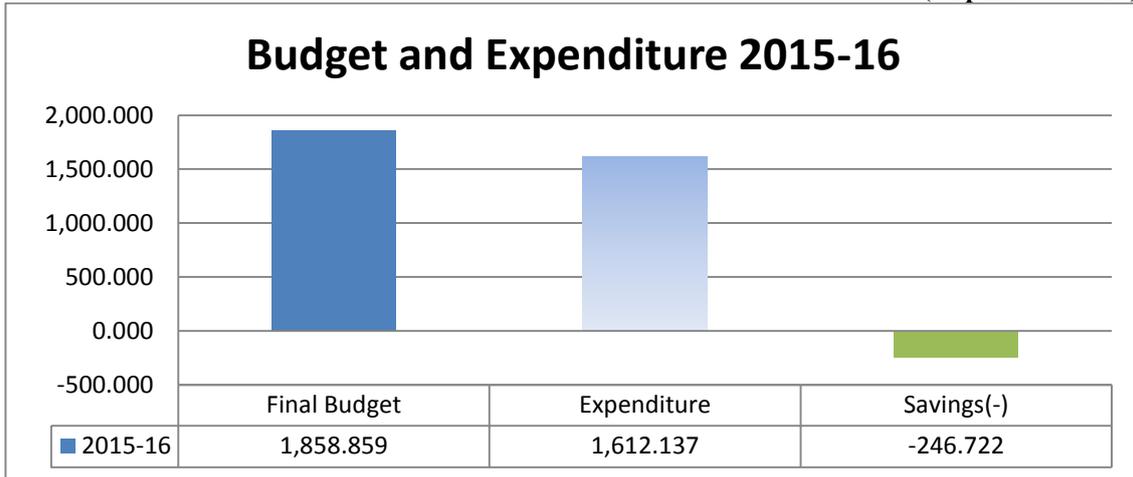
<b>2015-16</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess (+) / Savings(-)</b>	<b>% savings</b>
Salary	733.129	700.637	-32.492	-4%
Non-salary	526.862	439.995	-86.867	-16%
Development	598.868	471.505	-127.363	-21%
<b>Total</b>	<b>1,858.859</b>	<b>1,612.137</b>	<b>-246.722</b>	<b>-13%</b>
Revenue	1,053.134	978.247	<b>-74.887</b>	<b>-8%</b>

(Rupees in million)



As per Annual Accounts the expenditure relating to TMAs in District Rahim Yar Khan was Rs 1,612.137 million against original budget of Rs 1,858.859 million. A saving of Rs 246.722 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	76	PAC not constituted
2	2012-13	10	PAC not constituted
3	2013-14	35	PAC not constituted
4	2014-15	22	PAC not constituted
5	2015-16	75	PAC not constituted

# **Audit Paras**

## **1.2 Tehsil Municipal Administration, Rahim Yar Khan**

## **1.2.1 Irregularities and non compliance**

### **1.2.1.1 Irregular payment of pension contribution – Rs 43 million**

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

TMO Rahim Yar Khan made payment of pension contribution from development fund amounting to Rs 43 million during 2015-16 without getting the amount re-appropriated from the competent authority. Further, expenditure was booked to development instead of contingency.

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

Expenditure without re-appropriation from the competent authority resulted in irregular expenditure of Rs 43 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that as per letter No.SOIV(LG)1-10/2002 dated 14.04.2004 where the amount of pension account fall deficit, the local councils were authorized for its management as per demand of the pension head by curtailing development head. Reply was not tenable as re-appropriation orders by the competent authority were not produced and expenditure was also misclassified (booked to development head).

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

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

[AIR Para: 6]

#### **1.2.1.2 Irregular expenditure on development scheme without approval of the competent authority – Rs 28.798 million**

According to Rule 40 (2) of the Punjab District Government and TMA Budget Rules 2003, the Annual Development Programme shall indicate new development projects and on-going development projects separately; Development projects on which no expenditure has been incurred previously shall be termed as “New” development projects. Development projects on which expenditure has been incurred in previous years shall be termed as “On-going”.

TMO Rahim Yar Khan incurred expenditure of Rs 28.798 million during 2015-16 on development schemes of financial year 2014-15 on which no expenditure was incurred. TMO Rahim Yar Khan did not obtain approval from the competent authority in violation of the above rule. (**Annex – C**)

Audit is of the view that due to weak financial management, payment was made without approval of the competent authority.

Payment without approval from the competent authority resulted in irregular expenditure of Rs 28.798 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that the schemes were approved in 2014-15 but no expenditure was incurred. Moreover, the schemes were not completed in same financial year and the same were separately reflected in budget of TMA for the financial year 2015-16 as liability. Reply was not tenable as no expenditure was

incurred on said schemes during 2014-15 and fresh approval was required as per above referred rule.

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

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

[AIR Para: 18]

### **1.2.1.3 Irregular expenditure out of development funds – Rs 28.795 million**

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

TMO Rahim Yar Khan was granted development budget of Rs 31.560 million in PFC award for the Financial Year 2015-16 out of which Rs 3.500 million was provided as Annual Development Plan (ADP) against which no expenditure was incurred. Further, final account revealed that only Rs 2.764 million was available in Development account No. 22036 as on 30.06.2016 which showed that Rs 28.795 million out of PFC award was utilized towards contingencies without re-appropriation and approval of the competent authority.

Audit is of the view that due to weak financial management, development budget was utilized for other purposes without re-appropriation and approval of the competent authority.

Utilization of development budget without re-appropriation and approval of the competent authority resulted in irregular expenditure of Rs 28.795 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that as per approved

revised budget Rs 117.473 million was allocated for development purpose. Reply was not tenable as it did not address the actual objection raised and Rs 31.560 million allocated for development purpose was not utilized for Annual Development Plan (ADP) 2015-16.

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

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

[AIR Para: 16]

#### **1.2.1.4 Irregular payment of bitumen – Rs 2.984 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 concerns regarding use of sub standard 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 Rahim Yar Khan allowed payment of Rs 2.984 million to ten (10) contractors on account of bitumen used in surface treatment of roads during 2015-16. Invoices, gate passes and bitumen test reports were not produced to verify that bitumen of standard quality was used or not which resulted in irregular payments. (**Annex – D**)

Audit is of the view that due to weak internal controls, payment was made on account of surface treatment of roads without production of invoices, gate passes and test reports.

Payment on account of surface treatment of roads without production of invoices, gate passes and test reports resulted in irregular payment of Rs 2.984 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that bitumen used in concerned schemes was manufactured by the National Refinery Karachi. Moreover, payment was made as per schedule rate approved by the Finance Department. Reply was not tenable as evidence for purchase of bitumen from National Refinery was produced to audit.

DAC directed the Chief Officer either to provide evidence for purchase of bitumen from National refinery or to get the expenditure regularized from the competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 44]

#### **1.2.1.5 Irregular expenditure due to non compliance of Punjab Procurement Rules – Rs 2.050 million**

According to the Rule 10(2) of the Punjab Procurement Rules 2014 “procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s web site. 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 Rahim Yar Khan incurred expenditure of Rs 1.016 million during 2015-16 on account of purchase of electric items but procurement opportunity was not advertised in newspaper. Further, specifications were not generalized instead brand names such as Philips, BECO, Victory etc. were used in the advertisement. Negotiation, in violation of Rule 57, was also made with supplier. Furthermore, expenditure of Rs 1.034 million was made on

purchase of different items by splitting. Further, procurement opportunities were neither advertised in newspaper nor on the website of PPRA.

Audit is of the view that due to weak financial management, Punjab Procurement Rules were not followed.

Non compliance of Punjab Procurement Rules resulted in irregular expenditure of Rs 2.050 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that advertisement was published on PPRA's website. Negotiation was made as the rates of lowest bidder were higher than the competitive rates. Purchase of electric items was made and items of identical companies and the companies mentioned in advertisement were acceptable. Furthermore, items were purchased on different occasions and there was no violation of Punjab Procurement Rules. Reply was not tenable as the above mentioned Punjab Procurement Rules were violated. "Items of same nature from other companies are acceptable" was not mentioned in advertisement. Moreover, purchase orders were split and expenditure was more than Rs 100,000 on each occasion.

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

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

[AIR Paras: 27 & 47]

## **1.2.2 Performance**

### **1.2.2.1 Non achievement of revenue targets – Rs 28.465 million**

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

TMO Rahim Yar Khan fixed revenue targets of Rs 107.422 million for the year 2015-16 on account of different head of receipts but the relevant staff could not achieve targets. As a result, revenue targets amounting to Rs 28.465 million which was 26% of receipts could not be achieved. **(Annex – E)**

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

Non achievement of targets resulted in less realization of the Government receipts of Rs 28.465 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that budget was prepared with expected figures and arrears were brought forward to the next financial year. Reply was not tenable as the revenue not realized was more than 10% allowed.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 28.465 million, under intimation to Audit.

[AIR Para: 3]

### **1.2.3 Internal Control Weaknesses**

#### **1.2.3.1 Non recovery of cost of land from occupants of Katchi Abadies – Rs 1,636.786 million**

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

TMO Rahim Yar Khan did not recover Rs 1,636.786 million during 2015-16 on account of cost of land from Katchi Abadies in violation of above letter. (**Annex –F**)

Audit is of the view that due to weak administrative controls, cost of land from occupants of katchi abadies was not recovered.

Non recovery of cost of land resulted in loss of Rs 1,636.786 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that notices were served to defaulters for payment of cost of land and development charges. Reply of DDO was not satisfactory as no recovery was made.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1,636.786 million, under intimation to Audit.

[AIR Para: 26]

**1.2.3.2 Loss due to non / less realization of revenue and arrears – Rs 334.830 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 Rahim Yar Khan did not make due efforts during 2015-16 to recover / realize revenue of Rs 334.830 million on account of water rates, sewerage tax, license & permit fee and rent of shops. Detail is as under:

**(Rupees in million)**

<b>Sr. No</b>	<b>Head of receipts</b>	<b>Amount of recovery</b>
1	Water rates	42.401
2	Sewerage tax	177.756
3	License & Permit Fee	1.206
4	Rent of Shops / Plots	112.007
5	Theater Fee	1.460
<b>Total</b>		<b>334.830</b>

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

Non recovery of revenue and arrears resulted in loss of Rs 334.830 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that demand and collection registers were being maintained and all arrears were brought forward in next financial year. Moreover, efforts were being made to recover amount from concerned.

DAC directed the Chief Officer to expedite the process and effect recovery from the concerned within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 334.830 million, under intimation to Audit.

[AIR Para: 8, 9, 12& 49]

### **1.2.3.3 Illegal occupation of TMA property – Rs 132 million**

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

TMO Rahim Yar Khan failed to vacate 33 Kanal area valuing Rs 132 million during 2015-16 which was encroached by WAPDA.

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

Non vacation of encroached property resulted in loss of Rs 132 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that the case was under trial in the court of law.

DAC directed the Chief Officer to pursue the case actively for getting the encroached property vacated. No progress was intimated till finalization of this Report.

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

[AIR Para: 21]

### **1.2.3.4 Non transfer of property in the name of TMA and non execution of mortgage deed – Rs 119.017 million**

According to Rule 8 (4) (ii) & (iii) of the Punjab Private Site Development Schemes (Regulations) Rules 2005 and Section 17 (e) & (f) and Section 42 (h) of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall submit a transfer deed in accordance with Form B, for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority:

- i. The area reserved for roads, open space, park, solid waste management.
- ii. One percent of the area under land sub-division for public buildings, excluding the area of mosque.
- iii. A developer shall submit in the name of a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority a mortgage deed of twenty percent of the saleable area, in accordance with Form C, as security for completion of development works.

TMO Rahim Yar Khan approved eight (08) land sub division housing schemes during 2010-16 but area of roads, parks, open space, solid waste management and public buildings valuing Rs 90.084 million was not got transferred in the name of TMA. Moreover, mortgage deed equal to 20% of saleable area valuing Rs 28.933 million, as security for completion of development work, was not executed. Detail is given below:

**(Rupees in million)**

<b>Sr. No.</b>	<b>Name of Housing Scheme</b>	<b>Value of Land to be transferred</b>	<b>Value of Property to be Mortgaged</b>	<b>Total</b>
1	Gulshan-E-Batool	14.189	3.596	17.785
2	Gulshan-E-Hadeed	12.361	3.963	16.324
3	Al Falah Avenue	12.222	3.936	16.158
4	Fort Villas	9.462	4.542	14.004
5	Abbasia Villas	11.586	4.117	15.703
6	Superior Town	9.356	4.547	13.903
7	Gulshan-E-Aziz	11.019	4.232	15.251
8	Ahmed Park	9.890	0.000	9.890
<b>Total</b>		<b>90.084</b>	<b>28.933</b>	<b>119.017</b>

Audit is of the view that due to weak internal controls, neither property was transferred to TMA nor mortgage deed was executed.

Non transfer of property in the name of TMA resulted in loss of Rs 119.017 million and non execution of mortgage deed resulted in violation of rules.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that the land of roads, open spaces, parks etc. would be used for its defined purpose only, however, the approval of schemes was under process and all charges / fees would be recovered as per rules. Reply was not tenable as land for roads, parks, open space, solid waste management plot etc. was to be transferred in the name of TMA and 20% of saleable area was to be mortgaged as per Rule 42 (h) of the Punjab private Housing Schemes and Land Sub Division Rules, 2010.

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

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

[AIR Para: 43]

#### **1.2.3.5 Loss due to non recovery of conversion fee – Rs 46.300 million**

According to Rule 60 (1) (e) of Punjab Land Use Rules, 2009, a 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.

TMO Rahim Yar Khan did not collect conversion fee amounting to Rs 46.300 million during 2015-16 from the owners of buildings who had converted their buildings into educational and healthcare institutions in violation of above rule. As per record of education department there were 149 high schools and 160 middle schools in Rahim Yar Khan. Furthermore, as per record of health department there were 53 private hospitals working in Rahim Yar Khan. But conversion fee from private schools and private hospitals could not be received.

Audit is of the view that due to weak internal controls, TMO failed to recover conversion fee.

Non recovery of conversion fee resulted in loss of Rs 46.300 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that conversion fee was related to the District Planning and Design Committee. TMA issued notices to those educational and health care institutes established in houses but court issued stay on recovery of conversion fee. Reply was not tenable because no court order was produced to audit. Further, 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 in Para No. 5, TMA was directed to recover conversion fee from the educational and healthcare institutions.

DAC directed the Chief Officer to pursue the case actively for recovery of conversion fee from the concerned. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 46.300 million, under intimation to Audit.

[AIR Para: 22]

**1.2.3.6 Loss due to non auction of shops / plots after stipulated period – Rs 31.976 million**

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

TMO Rahim Yar Khan did not re-auction shops / plots despite the expiry of valid period of lease agreement. The lessees were running businesses on outdated rates. TMO neither made concrete efforts to re-auction nor cancelled the expired agreements, hence, rent of Rs 31.976 million was less realized during 2015-16 (**Annex – G**). Moreover, 607 shops / plots were subletted. Further, agreement files of 533 shops / plots were not available with the TMA due to which chances could not be ruled out that the lessee would file suit of ownership in the court of law.

Audit is of the view that due to weak internal controls, shops / plots were not re-auctioned at competitive rates and action was not taken against the persons who sublet shops.

Non-auction of shops/ plots at competitive rates to fetch maximum revenue and no action against subletting resulted in loss of Rs 31.976 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that 2015-16 was election year, therefore, auction of shops was not possible. Moreover, no shop was sublet during 2015-16. Reply was not tenable as the shops / plots were not re-auctioned since long (even from 1987) whereas according to the record / statement provided by the staff shops were being run by persons other than allottee. Further, reply regarding non availability of agreements of 533 shops / plot was not submitted.

DAC directed the Chief Officer to re-auction the shops / plots at prevailing market rates besides taking possession of sublet shops / plots from the concerned within a month. Further, record of 533 shops / plots be produced to audit for scrutiny 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/plots at competitive market rates, under intimation to Audit.

[AIR Para: 24 & 25]

### **1.2.3.7 Non deduction / deposit of GST – Rs 9.803 million**

According to Para 4 (ii) of Federal Board of Revenue letter No. 1(42)STM/2009/99638-R dated 24.11.2013 “in case of Public Works, it may be ensured that the contractors made purchases only from sales tax registered persons, since contractors carrying out government works against public tender are required to have a Bill of Quantity(BOQ), the contracting department/organization, must require such contractors to present sales tax invoices of all the material mentioned in the BOQ as evidence of its legal purchase before payment is released to them”.

TMO Rahim Yar Khan made payment of Rs 67.466 million for 64 development schemes during 2015-16 without production of Bill of Quantity (BOQ) / GST invoices of Rs 9.803 million. (**Annex – H**)

Audit is of the view that due to weak financial and internal controls, proof for deposit of GST / BOQ was not obtained from the contractors.

Non provision of proof for deposit of GST / BOQ resulted in loss of Rs 9.803 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that scheduled rates were inclusive of GST, IT and contractor profit which were fixed by the Finance Department so there was no need to get GST invoice from the contractor who fixed the articles, purchased from manufacturer. Reply was not tenable as proof for purchase from registered suppliers and payment of GST was necessary.

DAC directed the Chief Officer to provide BOQ/GST invoices or recover GST from the concerned within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 9.803 million, under intimation to Audit.

[AIR Para: 32]

### 1.2.3.8 Non remittance of contribution toward maintenance of the Punjab Local Government (PLG) Board – Rs 5.809 million

According to the Punjab Local Government Board letter No. LCS (ACCTT-Misc)2-(40)/2015 dated 05.08.2016, TMA Rahim Yar Khan was required to remit contribution to the Punjab Government Local Board Lahore @ 1.25% of actual income for the financial year 2015-16.

TMO Rahim Yar Khan did not remit contribution of Rs 5.809 million towards maintenance of the Punjab Local Government Board @ 1.25% having income of Rs 464.738 million during 2015-16. Detail is given below:

**(Rupees in million)**

Sr. No.	Source of Income	Actual Income 2015-16
1	Revenue / Income from Local Taxes	337.626
2	Income from other resources	0.397
3	Development / Non Development Grants in lieu of Octroi / Taxes	178.897
<b>Less :</b>		
1	Grant in Lieu of salaries to the employees (Devolved Departments)	17.565
2	Any other grant	34.617
<b>Total Income</b>		<b>464.738</b>
<b>PLG Board Share (1.25%)</b>		<b>5.809</b>

Audit is of the view that due to weak financial controls, PLG Board share was not remitted.

Non remittance of PLG Board share resulted in liability of Rs 5.809 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that due to weak financial position of TMA, payment was not made. However, it would be made as soon as possible.

DAC directed the Chief Officer to remit amount 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 remittance of Rs 5.809 million, under intimation to Audit.

[AIR Para: 7]

### **1.2.3.9 Non credit of unclaimed security deposits – Rs 5.044 million**

According to Rule 7.12 of PFR Vol-1, deposits remained unclaimed for more than three complete financial years, should be credited to the Government by means of transfer entries.

TMO Rahim Yar Khan did not credit securities of Rs 5.044 million to TMA's account during 2015-16 which remained un-claimed for more than three complete financial years.

Audit is of the view that due to non compliance of instructions of the Government, lapsed securities were not credited into TMA account.

Non credit of lapsed securities in TMA account resulted in loss of Rs 5.044 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that it was not possible as all contractors were alive and could claim the same any time. Reply was not tenable as some securities were laying in account since 2007 and even after lapse of 10 years were not refunded.

DAC directed the Chief Officer to transfer unclaimed securities into general account 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 credit of unclaimed security deposits into treasury, under intimation to Audit.

[AIR Para: 23]

### 1.2.3.10 Non deposit of receipts – Rs 3.500 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 Rahim Yar Khan did not deposit an amount of Rs 3.500 million into TMA's account during 2015-16. As per statement of field staff, income including arrears of Rs 52.303 million was realized and deposited into TMA's account whereas as per Tehsil Accounts Officer (TAO) an amount of Rs 48.804 million was deposited in TMA Account under the same heads as revealed from the Annual Accounts prepared by the TAO and forwarded to the TMO Rahim Yar Khan vide letter No. TAO/TMA/RYPK/174 dated 04.07.16. Detail is given below:

(Rupees in million)

(A). Tehsil Municipal Administration Rahim Yar Khan					
Sr. No.	Major/Minor Detailed Receipt Heads		Actual Income 2015-16 as per TAO	Income as per Statement of Field Staff	Difference
1	C 0388076	Advertisement Fee	13.050	15.504	2.454
2	C 0388081	Rent of Municipal Property (Rent of Shops City)	31.959	32.812	0.853
3	C 0388082	Water Rate	2.666	2.719	0.053
4	C 0388058	Sale of Sullage water	0.087	0.202	0.114
<b>SUB TOTAL</b>			<b>47.763</b>	<b>51.237</b>	<b>3.474</b>
(B) Tranda Saway Khan					
1	C 0388002	License Fees Permit	0.087	0.087	0.000
2	C 0388032	Rent of Arzi Khokhajaat / Karobari Tax	0.118	0.119	0.001
3	C 0388042	Slaughter House	0.046	0.047	0.001
4	C 0388082	Water Rate	0.332	0.338	0.006
5	C 0388087	Copying Fee	0.025	0.027	0.002
<b>SUB TOTAL</b>			<b>0.609</b>	<b>0.618</b>	<b>0.009</b>
(C) Kot Samaba					
1	C 0388042	Slaughter House	0.036	0.037	0.001
2	C 0388054	Drainage Sewerage / Sewer Tax	0.050	0.052	0.002
3	C 0388081	Rent of Municipal Property (Rent of Shops City)	0.283	0.290	0.007
4	C 0388082	Water Rate	0.064	0.069	0.006
<b>SUB TOTAL</b>			<b>0.432</b>	<b>0.448</b>	<b>0.016</b>
<b>GRAND TOTAL</b>			<b>48.804</b>	<b>52.303</b>	<b>3.500</b>

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

Non deposit of income / receipts into TMA's account resulted in loss of Rs 3.500 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that it was a matter of reconciliation. Reply was not tenable as reconciliation was not made despite issuance of letter No. TAO/TMA/RYSK/174 dated 04.07.16 by TAO and annual account was finalized and submitted to apex office.

DAC directed the Chief Officer to inquire the matter at appropriate level and submit report within 15 days. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 3.500 million, under intimation to Audit.

[AIR Para: 48]

**1.2.3.11 Non imposition of penalty for late completion of development work – Rs 1.200 million**

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

TMO Rahim Yar Khan did not impose penalty of Rs 1.200 million during 2015-16 on nine (09) contractors who did not complete development works within specific time period. Detail is given below:

(Rupees in million)

Sr. No	Name of Schemes	Agreement Cost	Work Order No. & Date	Due date of Completion	Date of Last Record Entry	Page No./ M.B No.	Actual Date of Completion	Penalty
1	Maintenance of Sewer Line, Const. of Slabs, Rings, & Laying of Pipe UNION COUNCIL 30-A	1.500	01 dt 01.09.2015	01.11.2015	02.06.2016	29-61/104	Work In Progress	0.150
2	Improvement of Park Block "Y" Gulshan-e-Iqbal RYK	2.162	9807 dt 9-6-2015	9/8/2015	20.10.2016	89 - 95/62	Work In Progress	0.216
3	Improvement of Park Block "X" "Y" Gulshan-e-Uzman RYK	1.333	118 dated 27.06.2015	27.08.2015	20.12.2016	178-193/1126	Work In Progress	0.133
4	Construction of Sewer Soling Jamia tul-Arwa Tranda Saway Khan	1.998	2263 dated 25.06.2016	15.08.2016	15.08.2016	148-159/1340	Work In Progress	0.200
5	Construction of Boundary Wall And Water Supply Scheme Chak No. 72/NP RYK	0.318	2305 dated 05.07.2016	20.08.2016	-	-	Work In Progress	0.032
6	Construction of Bridge Rukan Pur Minor Basti Laghari Mouza Taj Pur Peer Wala	2.094	2076 dated 16-05-2016	16.07.2016	15.11.2016	156-170/256	Work In Progress	0.209
7	Construction of Tuff Tile Greeb Abad Sardar Garh	0.703	2280 dated 30.06.2016	30.08.2016	21.12.2016	74-78/2208	Work In Progress	0.070
8	Construction of Soling Goth Raza Street Jam Riaz RYK	0.409	2303 dated 05.07.2016	20.08.2016	21.12.2016	90-95/2207	Work In Progress	0.041
9	Replacement of Sewer line Construction of Tuff Tile Rafiq abad RYK	1.485	2309 dated 12.07.2016	12.09.2016	22.12.2016	166-180/1340	Work In Progress	0.149
<b>Total</b>		<b>12.002</b>						<b>1.200</b>

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

Non imposition of penalty resulted in loss of Rs 1.200 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that the schemes mentioned were still in execution and penalty would be imposed as per works rules.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.200 million, under intimation to Audit.

[AIR Para:29]

### **1.2.3.12 Doubtful expenditure on consumption of POL – Rs 1.986 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. Further, according to Rule 32 of the PLGO, 2001, read with Rule 2.10(a)(1) of the PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of expenditure of his own money.

TMO Rahim Yar Khan misappropriated Rs 1.986 million on account of POL during 2015-16. Physical verification/inspection of vehicle and machinery revealed that there was difference in actual meter readings and log book entries. (**Annex – I**)

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

No check on consumption of POL resulted in probable chances of misappropriation of Rs 1.986 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that after a short period the meter of vehicles became out of order therefore, reading at the time of physical inspection

was different from that mentioned in log books. Further, the meters of all vehicles were later on got repaired and were functioning properly. Reply was not tenable as during physical inspection, the vehicles without meters and defective meters were mentioned separately.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.986 million, under intimation to Audit.

[AIR Para: 39]

### 1.2.3.13 Non reconciliation of receipts – Rs 1.058 million

According to Rule 78 of the Punjab District Government and TMA (Budget) Rules 2003, “the Collecting Officer shall reconcile his figure with the record maintained by the Account Officer by the 10 day of the month following the month to which the statement relates”. Further, according to Rule 17 of the said Manual, “It is the responsibility of the Administrative Department for the accuracy of figures, the head of office and collecting officer shall be responsible for the correctness of all figures.”

TMO Rahim Yar Khan did not reconcile receipts with those of Tehsil Accounts Officer (TAO) during 2015-16 due to which difference of Rs 1.058 million was observed under the following heads. As per statement of field staff, income including arrears of Rs 123.630 million was deposited into TMA’s account whereas as per TAO an amount of Rs 124.688 million was deposited in TMA Account under the same heads. Detail is given below:

(Rupees in million)					
Sr. No.	Major/Minor Detailed Receipt Heads		Actual Income 2015-16 as per TAO	Income as per Statement of Field Staff	Difference
<b>(A). Tehsil Municipal Administration Rahim Yar Khan</b>					
1	B 01311	Immoveable Property Tax	119.188	118.482	0.706
2	C 0388002	License Fees Permit	1.177	1.144	0.033
3	C 0388020	Cycle Stand	1.470	1.410	0.060
4	C 0388042	Slaughter House	0.713	0.711	0.002

Sr. No.	Major/Minor Detailed Receipt Heads		Actual Income 2015-16 as per TAO	Income as per Statement of Field Staff	Difference
5	C 0388054	Sewerage Tax	2.074	1.839	0.236
	<b>Sub Total</b>		<b>124.622</b>	<b>123.586</b>	<b>1.036</b>
<b>(B) TrandaSaway Khan</b>					
1	C 0388054	Drainage Sewerage / Sewer Tax	0.066	0.044	0.022
	<b>Sub Total</b>		<b>0.066</b>	<b>0.044</b>	<b>0.022</b>
	<b>Grand Total</b>		<b>124.688</b>	<b>123.630</b>	<b>1.058</b>

Audit is of the view that due to weak internal controls and weak financial management, receipt was not reconciled.

Non reconciliation of receipts resulted in unauthentic receipts of Rs 1.058 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that figures were verified by Tehsil Accounts Officer without tallying income realized. Reply was not tenable as a copy of annual account was endorsed to the TMO vide No. TAO/TMA/RYSK/174 dated 04-07-16 with request to reconcile those within 7 days otherwise it would be considered as reconciled in case of no response.

DAC directed the Chief Officer to get the receipts reconciled with TAO 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 reconciliation of receipt and payment, under intimation to Audit.

[AIR Para: 5]

## **1.3 Tehsil Municipal Administration, Sadiq Abad**

### 1.3.1 Non Production of Record

#### 1.3.1.1 Non production / maintenance of record – Rs 65.231 million

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

TMO Sadiq Abad neither maintained nor produced record despite repeated requests under different objects / codes of classification amounting to Rs 65.231 million during 2015-16. Detail is given below:

(Rupees in million)		
Sr. No.	Description	Amount
1	TMA funds (development on going schemes)	20.514
2	Other fee / Misc. fee (income)	1.628
3	Detail of Pensioners along with monthly pension	22.595
4	Record of Contracts Auctioned	18.560
5	Record of Security deposits of TMA shops	1.934
	<b>Total</b>	<b>65.231</b>

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

Non production of record created doubts regarding legitimacy of expenditure incurred / revenue realized for Rs 65.231 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, it was replied that relevant record was available and produced during audit. Reply was not tenable as record was neither produced during audit nor at the time of record verification.

DAC directed the Chief Officer to produce relevant record within a week. No progress was intimated till finalization of this Report.

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

[AIR Para: 01, 17, 18, 20]

### 1.3.2 Irregularities and non compliance

#### 1.3.2.1 Irregular issuance of NOC without execution of mortgage deed – Rs 127.500 million

According to Rule 17 (e) & (f) and Rule 42 (h) (iii) of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, A developer shall submit in the name of a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority a mortgage deed of twenty percent of the saleable area, in accordance with Form C, as security for completion of development works. Moreover, according to Rule 34 (a), a developer shall execute all development works within following stipulated time period.

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

TMO Sadiq Abad neither made mortgage deed of 20% saleable area amounting to Rs 127.500 million nor took any bank guarantee. Moreover, no action was taken against the private housing society for non completion of development works within the specified time period of 05 years. Detail is given below:

**(Rupees in million)**

Name	Location	Total area in kanals	Residential area in Kanals as per map	Commercial area in Kanals as per map	Total kanals	20 % of saleable area	Area in marlas	Rate per marla as per valuation table (Rs)	Amount
Unique City	Ahmed Pur Lamma Road	508.K	293.36K	25.4	318.76	63.752	1,275	100,000	<b>127.500</b>

Audit is of the view that due to weak internal controls, mortgage deed was not executed.

Non execution of mortgage deed of Rs 127.500 million resulted in irregular grant of NOC and non completion of development works.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, it was replied that notice was issued to the owner of said scheme for execution of mortgage deed. Reply was not tenable as no record in support of reply was produced.

DAC directed the Chief Officer to execute mortgage deed 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 execution of mortgage deed and ensure completion of development works, under intimation to Audit.

[AIR Para: 03]

### **1.3.2.2 Irregular execution of works without NOC from DO (Roads) – Rs 14.999 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 R&M on such roads has been made by the District Government, supported with M&R budget of the relevant financial year”.

TMO Sadiq Abad executed 11 development works on road amounting to Rs 14.999 million during 2015-16 without obtaining NOC from District Government. Detail is given below:

(Rupees in million)				
Sr. No.	ADP No.	Name of Schemes	TS Amount	Total Expenditure
1	1	Rehabilitation of Metalled Road Railway Phatak City Sadiqabad	2.077	2.068

<b>Sr. No.</b>	<b>ADP No.</b>	<b>Name of Schemes</b>	<b>TS Amount</b>	<b>Total Expenditure</b>
2	2	Rehabilitation of Metalled Road from Turn Underpass to Tillu Adda Sadiqabad	6.382	6.184
3	3	Rehabilitation of Metalled Road Mohallah Kothiyan/Qazafi Bazar from Manthar Road to Rail Bazar Sadiqabad.	1.268	0.909
4	4	Rehabilitation of Metalled Road Ilyas Colony (Main Street) Sadiq Abad.	2.304	1.889
5	5	Rehabilitation of Metalled Road Sadiq Club to Patwar Khana Sadiq Abad.	1.845	1.327
6	6	Rehabilitation of Metalled Road Al-Falah Town (Street Dr. Jellani) Sadiq Abad.	1.107	0.796
7	9	Repair of Metalled Road Street No. 8, Mazhar Fareed Colony Near Mian Bashir Ahmed Sadiq Abad.	0.696	0.012
8	17	Repair of Metalled Road North Side Babul Masjid, SettLite Town Sadiq Abad.	0.221	0.012
9	18	Repair of Metalled Road Bypass Road Fatta Katta to Road Jamal Din Wali SettLite Town Sadiq Abad.	0.981	0.736
10	26	Repair & Const. of Metalled Road & Tuff Tile Ali Town sadiqabad.	1.414	0.799
11	29	Repair & Const. of Metalled Road Hed Fazal Wah Road to Basti Haji Rafiq Sadiq Abad.	0.300	0.265
<b>Total</b>			<b>18.595</b>	<b>14.999</b>

Audit is of the view that due to weak financial management, civil works were executed without obtaining NOC.

Execution of works without NOC resulted in irregular expenditure amounting to Rs 14.999 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, it was replied that said letter was not received by the TMA. Reply was not tenable as NOC was not obtained from District Government.

DAC directed the Chief Officer either to produce NOC from DO (Roads) or 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 from the Competent authority, under intimation to Audit.

[AIR Para: 11]

### **1.3.2.3 Irregular expenditure due to non compliance of Punjab Procurement Rules – Rs 7.898 million**

According to the Rule 10(2) of the Punjab Procurement Rules 2014 “procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s web site. 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 Sadiq Abad incurred expenditure of Rs 6.413 million on purchase of miscellaneous items for repair of water supply and Rs 1.485 million on different occasions during 2015-16 by splitting indents to avoid tendering.

Audit is of the view that due to weak financial management, Punjab Procurement Rules were not followed.

Non compliance of Punjab Procurement Rules resulted in irregular expenditure of Rs 7.898 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, it was replied that purchase was made on urgent basis due to which quotations were called and approved by the competent authority. Reply was not tenable as indents were splited to avoid tendering process.

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

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

[AIR Para: 21 & 32]

### 1.3.3 Performance

#### 1.3.3.1 Non achievement of revenue targets – Rs 10.082 million

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

TMO Sadiq Abad fixed revenue targets of Rs 37.453 million for the year 2015-16 on account of different head of receipts but the relevant staff could not achieve targets. Revenue target amounting to Rs 10.082 million which was 27% of receipts, could not be achieved. Detail is given below:

**(Rupees in million)**

Code	Particulars	Revised Budget Estimate for the Year 2015-16	Income For the Year 2015-16	Shortage	% of shortage
C 0388002	License fee (dangerous & offensive Trades)	1.310	0.752	0.558	42.61
C 0388032	Khokha fee land officer	4.943	4.762	0.181	3.65
C 0388047 to 50	Receipt on sale of water residential & commercial consumer	8.000	6.137	1.863	23.29
C 0388054	Sewerage Fee/ Charges /Nali Tax	3.000	1.172	1.828	60.94
3800058	Sludge/Waste Water	0.245	0.180	0.065	26.69
C 0388081	Rent of municipal property-shops	18.200	12.740	5.460	30
C 0388091	Other miscellaneous fee	1.755	1.629	0.126	7.21
<b>Total</b>		<b>37.453</b>	<b>27.371</b>	<b>10.082</b>	<b>26.92</b>

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

Non achievement of targets resulted in less realization of the Government receipts of Rs 10.082 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that budget was prepared with expected figures, however, all arrears were brought forward to the next financial year. Reply was not tenable as revenue budget not achieved was greater than 10%.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 10.082 million, under intimation to Audit.

[AIR Para: 27]

### 1.3.4 Internal Control Weaknesses

#### 1.3.4.1 Non transfer of property in the name of TMA – Rs 369.275 million

According to Rule 8 (4) (ii) & (iii) of the Punjab Private Site Development Schemes (Regulations) Rules 2005 and Section 17 (e) & (f) and Section 42 (h) of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall submit a transfer deed in accordance with Form B, for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority:

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

TMO Sadiq Abad failed to get transfer the area of roads, park, open space, public buildings, solid waste management and graveyard valuing Rs 369.275 million in the name of TMA during 2015-16. Detail is given below:

<b>Unique City Housing scheme Ahmad Pur Lamma road Sadiq Abad</b>	
Total Area of Scheme (in Kanal)	508
<b>Description</b>	<b>Area to be transferred in the name of TMA</b>
Open Space	712
Area under roads	2665.95
Public buildings	101.6
Plot for Solid Waste Management	10
Area under graveyard	203.2
<b>Total</b>	<b>3692.75</b>
<b>Rate per Marla (Rs)</b>	100,000
<b>Value of Land Not Transferred to TMA</b>	<b>369.275 million</b>

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

Non transfer of property in the name of TMA resulted in loss of Rs 369.275 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, it was replied that case of said scheme was submitted under “the Punjab Private Site Development Rules, 2005” so land sub division Rules 2010 were not applicable. Reply was not tenable as according to Rule 8 (4) (ii) & (iv) of the Punjab Site Development Rules, 2005, property was not transferred in the name of TMA.

DAC directed the Chief Officer to transfer property in the name of TMA 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 transfer of property in the name of TMA, under intimation to Audit.

[AIR Para: 02]

#### **1.3.4.2 Loss due to non collection of rent of land – Rs 219.916 million**

According to letter No.S-III/2-11/80 dated 07.07.1982 read with letter No.S-III/2-11/80 dated 02.05.1984 issued by the Government of Punjab, “municipal land/shops be leased out after open auction for a period of one year. Thereafter the lease shall remain with the lessee subject to 10% annual increase in rent, upto a period of 5 years and after expiry of that period the terms of extension of that lease may be re-settled between the parties after negotiation, keeping in view current market rent of the locality. The facility be re-auctioned if the negotiation failed”.

TMO Sadiq Abad failed to recover rent of 33 kanal and 16 marla land amounting to Rs 219.916 million upto June, 2016, leased out to Madarsa-Tul-Banat during 1970 for a period of 30 years which expired in 2000. Monthly rent of Rs 429,683 was assessed by the committee in 2001 which was not collected by the TMA after adding 10% annual increase. Further, lease agreement was not renewed after every five years.

Audit is of the view that due to weak internal controls, rent was not collected as recommended by rent assessment committee.

Non recovery of rent as assessed by the committee resulted in loss of Rs 219.916 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, it was replied that rent was being collected as per agreement. Reply was not tenable as rent was neither increased annually nor a new lease agreement was signed with lessee after 5 years.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 219.916 million, under intimation to Audit.

[AIR Para: 08]

### **1.3.4.3 Loss due to non / less realization of revenue and arrears – Rs 48.224 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 Sadiq Abad did not make due efforts during 2015-16 to recover / realize revenue of Rs 48.224 million on account of water rates, sewerage tax, license & permit fee and rent of shops in violation of above rule. Detail is as under:

<b>(Rupees in million)</b>		
<b>Sr. No</b>	<b>Head of receipts</b>	<b>Amount</b>
1	Water rates	39.250
2	License & Permit fee	3.245
3	Sewerage tax	5.729
<b>Total</b>		<b>48.224</b>

Audit is of the view that due to weak administrative controls, revenue and arrears were not recovered.

Non recovery of revenue and arrears resulted in loss of Rs 48.224 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, it was replied that demand and collection registers were being maintained and all arrears were brought forward in next financial year. Moreover, efforts were being made to recover said amount from the concerned.

DAC directed the Chief Officer to expedite the process and effect recovery from the concerned within a month.No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 48.224 million, under intimation to Audit.

[AIR Para: 16, 19 & 29]

#### **1.3.4.4 Loss due to non recovery of conversion fee – Rs 42.218 million**

According to Rule 60 (1) (e) of the Punjab Land Use Rules, 2009, “a 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.

TMO Sadiq Abad did not collect conversion fee amounting to Rs 42.218 million during 2015-16 from the owners of buildings who had converted their buildings into educational and healthcare institutions in violation of above rule. As per record of education department there were 77 high schools and 45 middle schools in Sadiq Abad but conversion fee was not recovered from them.

Audit is of the view that due to weak internal controls, TMO failed to recover conversion fee.

Non recovery of conversion fee resulted in loss of Rs 42.218 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that schools were established prior to enforcement of said rule. Reply was not tenable as conversion fee was to be recovered from private schools since the date of enforcement and not of prior periods. Further, 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 in Para No. 5, TMA was directed to recover conversion fee from the educational and healthcare institutions.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 42.218 million, under intimation to Audit.

[AIR Para: 24]

#### **1.3.4.5 Non recovery of cost of land from occupants of Katchi Abadies – Rs 8.817 million**

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

TMO Sadiq Abad did not recover Rs 8.817 million during 2015-16 on account of cost of land and development charges from Katchi Abadies.

Audit is of the view that due to weak financial management, cost of land from occupants of katchi abadies was not recovered.

Non recovery of cost of land resulted in loss of Rs 8.817 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, Chief Officer did not respond.

DAC directed the Chief Officer to recover the amount within 16 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 8.817 million, under intimation to Audit.

[AIR Para: 31]

#### **1.3.4.6 Doubtful expenditure on POL due to bogus maintenance of Log Books – Rs 3.891 million**

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

TMO Sadiq Abad incurred expenditure of Rs 3.891 million on purchase of POL during 2015-16 which was doubtful as speedo meters of vehicles were out of order since long and fake entries were made in log books due to which expenditure on POL could not be authenticated.

Audit is of the view that due weak internal controls and weak administration, fake entries in log books were maintained.

Recording fake entries in log books expenditure on POL amounting to Rs 3.891 million could not be authenticated.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, it was replied that log books were maintained as per rule. Reply was not tenable as meters of vehicles were out of order as per physical verification / inspection and fake entries were recorded in log books.

DAC directed the Chief Officer to inquire the matter at appropriate level 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 actions, under intimation to Audit.

[AIR Para: 09]

#### **1.3.4.7 Non deduction / deposit of GST – Rs 2.346 million**

According to Para 4 (ii) of Federal Board of Revenue letter No. 1(42)STM/2009/99638-R dated 24.11.2013 “in case of Public Works, it may be ensured that the contractors engaged made purchases only from sales tax registered persons, since contractors carrying out government works against public tender are required to have a Bill of Quantity(BOQ), the contracting department/organization, must require such contractors to present sales tax invoices of all the material mentioned in the BOQ as evidence of its legal purchase before payments is released to them”.

TMO Sadiq Abad made payment of Rs 15.639 million for twenty four (24) development schemes during 2015-16 without production of Bill of Quantity (BOQ) / GST invoices of Rs 2.346 million. (**Annex – J**)

Audit is of the view that due to weak financial management and weak internal controls, proof for deposit of GST / BOQ was not obtained from the contractors.

Non deduction / deposit of GST resulted in loss of Rs 2.346 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that said letter was not

received in TMA. Reply was not tenable as proof for purchase from registered suppliers and payment of GST was necessary.

DAC directed the Chief Officer to provide BOQ/GST invoices or recover GST from the concerned within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 2.346 million, under intimation to Audit.

[AIR Para: 23]

#### **1.3.4.8 Non imposition of penalty for late completion of development work – Rs 2.203 million**

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

TMO Sadiq Abad did not impose penalty of Rs 2.203 million during 2015-16 on seventeen (17) contractors who did not complete development works within specific time period. **(Annex – K)**

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

Non imposition of penalty resulted in loss of Rs 2.203 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that the schemes

mentioned were delayed due to site problem and were still under execution and due penalty would be imposed as per TMA works rules. Reply was not tenable as no proof for site problem or written communication from the contractors was produced in support of reply.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 2.203 million, under intimation to Audit.

[AIR Para:13]

### 1.3.4.9 Loss due to non deduction of advance income tax – Rs 1.896 million

According to Section 236 A of Income Tax Ordinance, “advance Income Tax shall be collected at the time of auction of lease”.

TMO Sadiq Abad auctioned collection rights of different head but income tax @ 10% amounting to Rs 1.896 million was not deducted / deposited during 2015-16. Detail is given below:

(Rupees in million)						
Sr. No.	Particular	Date of Contract	Amount of Contract	Income Tax	Arrear of Income Tax	Total
1	Adda fee General Bus Stand Sadiq Abad	27.08.2015	13.500	1.350	0	1.350
2	Advertisement Fee	06.10.2015	4.815	0.482	0	0.482
3	Sale of Sullage / Waste Water	21.05.2015	0.245	0.025	0.040	0.065
<b>Total</b>			<b>18.560</b>	<b>1.856</b>	<b>0.040</b>	<b>1.896</b>

Audit is of the view that due to weak internal controls, advance income tax was not deducted / deposited.

Non deduction / deposit of advance income tax resulted in loss of Rs 1.896 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, it was replied that Rs 481,500 were already deposited whereas notices were issued to the concerned contractors for deposit of

balance amount. Reply was not tenable as receipts produced did not identify the withholding agent and notices issued to the contractors were not produced.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.896 million, under intimation to Audit.

[AIR Para: 07]

**1.3.4.10 Doubtful expenditure on manhole covers without identification of sites – Rs 1.005 million**

According to Rule 7 (a) & (b) of Punjab Tehsil/Town Municipal Administration (Works) Rules 2003, a draft scheme prepared under these rules shall among other matters specify detailed history of the scheme including nature and location of the schemes and full particulars of the works to be executed.

TMO Sadiq Abad incurred expenditure of Rs 1.005 million on purchase of 572 manhole covers during 2015-16 which was doubtful because location and full particulars like name of road or street where manhole covers were replaced, were not mentioned, as revealed from page No. 12-13 of MB No.14.

Audit is of the view that due to weak internal controls, manhole covers were purchased and consumed without identification of site.

Expenditure on manhole covers without identification of sites resulted in doubtful expenditure of Rs 1.005 million

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, it was replied that manhole covers were received from the contractor and CO Unit laid all manhole covers in the city as per requirement. Reply was not tenable as stock register, application from general public and requisition duly approved by the competent authority were not produced.

DAC directed the Chief Officer to inquire the matter and submit report within 15 days. No progress was intimated till finalization of this Report.

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

[AIR Para: 28]

## **1.4 Tehsil Municipal Administration, Khan Pur**

## 1.4.1 Non Production of Record

### 1.4.1.1 Non production / maintenance of record – Rs 35.023 million

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

TMO Khan Pur neither maintained nor produced record despite repeated requests under different objects / codes of classification amounting to Rs 35.023 million during 2015-16. Detail is given below:

**(Rupees in million)**

<b>Sr. No.</b>	<b>Description</b>	<b>Amount</b>
1	Lead Charts and pictures of development schemes	7.001
2	Test reports and rate analysis of tuff tiles	4.769
3	Record of auction of general bus stand, demand & collection register of tehbazari, building by laws, detail of encroached property, record of approved / unapproved housing schemes, record of Non Head Quarter (NHQ) Zahir Peer, service books, personal files, development schemes of maintenance & repair etc.	23.253
	<b>Total</b>	<b>35.023</b>

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

Non production of record created doubts regarding legitimacy of expenditure incurred / revenue realized for Rs 35.023 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that relevant

record was available and produced during audit. Reply was not tenable as record was neither produced during audit nor at the time of record verification.

DAC directed the Chief Officer to produce relevant record within a week. No progress was intimated till finalization of this Report.

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

[AIR Para: 34, 35 & 37]

## **1.4.2 Irregularities and non compliance**

### **1.4.2.1 Non maintenance of separate books of accounts by each DDO – Rs 370.885 million**

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

DDOs of TMA Khan Pur did not maintain separate books of accounts i.e. cash book, contingent register and budget control register etc. during Financial Year 2015-16. Expenditure of Rs 370.885 million was incurred by DDOs but neither proper books of accounts were maintained nor proper reconciliation was carried out.

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

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

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that due to shortage of staff, separate books of accounts were not maintained. Moreover, octroi clerks not being professionals could not maintain cash books and other record. Reply was not tenable as no separate books of accounts were maintained.

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

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

[AIR Para: 05]

#### **1.4.2.2 Irregular expenditure without observing codal formalities – Rs 46.850 million**

According to Para No. 2.5 of B&R Department code, no work shall be started without administrative approval, technical sanction and allotment of funds.

TMO Khan Pur floated tenders of 45 development schemes costing Rs 35.500 million before technical sanction of estimates. Moreover, work orders of 5 development schemes costing Rs 11.350 million were issued and even work on few schemes was completed before release of funds during 2015-16.

Audit is of the view that due to weak financial management and weak internal controls, tenders were floated without TSEs and release of funds.

Floating of tenders without Technically Sanctioned Estimates (TSEs) and before release of funds resulted in irregular expenditure of Rs 46.850 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that due to rush of work, administrative approval by the Administrator was granted late on 14.07.15 whereas, advertisement was published on 15.07.15. Moreover, all schemes were technically sanctioned. Reply was not supported with documentary evidence. Further, work orders were issued before release of funds.

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

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

[AIR Para: 33]

### **1.4.2.3 Irregular execution of works without NOC from DO (Roads) – Rs 15.834 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 R&M on such roads has been made by the District Government, supported with M&R budget of the relevant financial year”.

TMO Khan Pur executed 11 development works on road with a cost of Rs 15.834 million during 2015-16 without obtaining certificate from District Government.

Audit is of the view that due to weak financial management, civil works were executed without obtaining certificate.

Execution of works without certificate resulted in irregular expenditure amounting to Rs 15.834 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that schemes were got approved by the DDC/TDC, therefore, there was no need to get certificate from District Government. Reply was not tenable as certificate was not obtained from District Government because construction of roads and their repair and maintenance was in the original jurisdiction and responsibility of the District Governments.

DAC directed the Chief Officer to produce certificate from DO (Roads) or 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 from the Competent authority, under intimation to Audit.

[AIR Para:27]

#### 1.4.2.4 Irregular expenditure beyond functions of TMA – Rs 8 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 Khan Pur incurred expenditure of Rs 8 million during 2015-16 on account of construction of Culverts and RCC slab beyond the scope of its assigned functions. Detail is given below:

<b>(Rupees in million)</b>			
<b>Sr. No.</b>	<b>Name of Scheme</b>	<b>Allocation</b>	<b>% of Utilization</b>
1	Construction of Culverts Union Council Latki	0.700	100
2	Construction of RCC Culverts Union Council Jhoran Khanpur	0.500	100
3	Construction of RCC Culverts Union Council Chachran Shareef	0.500	100
4	Construction & Culverts Union Council Nawan kot Khanpur	2.000	100
5	Construction of RCC Culverts Union Council Chandia	0.500	100
6	Construction of RCC Culverts Union Council Qadir Pur	1.200	100
7	Construction of RCC Culverts Union Council Zahirpir	0.500	100
8	Construction of RCC Culverts Union Council Nawan kot khanpur	0.600	100
9	Construction of Soling & Culverts Mouza Ghazi pur ,Mosahib Lolai, Phul Lolai,Dhando and Lal Arain Union Council Ghazipur	1.500	100
<b>Total</b>		<b>8.000</b>	

Audit is of the view that due to financial indiscipline, expenditure was incurred beyond the functions of TMA.

Incurring expenditure beyond functions of TMA resulted in irregular expenditure of Rs 8 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that complete record was available and no culvert was constructed without site plan. Reply was not tenable because it did not address audit objection.

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

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

[AIR Para: 24]

#### **1.4.2.5 Irregular payment of bitumen – Rs 2.141 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 sub standard 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 Khan Pur allowed payment of Rs 2.141 million to eleven (11) contractors on account of bitumen used in surface treatment of roads during 2015-16. Invoices, gate passes and bitumen test reports were not produced to verify that bitumen of standard quality was used in the roads. Detail is given below:

(Rupees in million)

Sr. No.	Vr. No./Date	Schemes	TST Qty (Sft)	Qty of Bitumen used (Lbs)	Amount
1	92/08.10.15	Construction & Repair Metalled Road ,Sewerage Line From Zahirpir to Descent Bakery Union Council 73/D	2500	1675	0.048
2	339/29.12.15	Construction & Repair Metalled Road From Dr.Amir Rehmad to Missali Public School	6360	4261	0.122
3	308/11.12.15	Construction of Metalled Road,Sehja Road to Basti Metra Union Council Gehan Lar	6620	4435	0.127
4	338/29.12.15	Construction of Metalled Road ,Drain Shahi Road Basti Jam Muhammad Nawaz Union Council Sehja	10600	7102	0.203
5	643/15.06.16	Construction & Repair Metalled Road bagho bahar road to basti muhammad shafique Halily Niel Garh	37830	25346	0.724
6	540/25.02.16	Construction of Metalled Road and Sewerage Line,Airport Road to Madina Town,Majeed colony Union Council 73/D	5500	3685	0.105
7	578/27.04.16	Construction of Soling Metalled Road Remaining portion Qazir Farooq to Basti Faiz Khan,Basti Thaim Abad	8088	5418	0.155
8	579/27.04.16	Construction of Metalled Road From Bank Al-Habib to House Rana Waaseem Model Town khanpur	5960	3986	0.114
9	13/15.07.15	Construction of Metalled Road and Sewerage Line From Namak wali Street	9450	3993	0.114
10	06/28.07.15	Construction of Metalled Road Manzoor colony to Madina Town Union Council 73/D	12970	6331	0.181
11	573/27.04.16	Construction of Metalled Road From Basti Haji Rab Nawaz to Basti Khushuk Mouza Kamil lar	12970	8690	0.248
<b>Total</b>					<b>2.141</b>

Audit is of the view that due to weak internal controls, payment was made on account of surface treatment of roads without production of invoices, gate pass and test reports.

Payment on account of surface treatment of roads without production of invoices, gate passes and test reports resulted in irregular payment of Rs 2.141 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that bitumen used in concerned schemes was manufactured by the National Refinery Karachi.

Moreover, payment was made to the contractor as per schedule rate approved by the Finance Department. Reply was not tenable as no proof for purchase of bitumen from National Refinery was produced in support of reply.

DAC directed the Chief Officer to provide proof for purchase of bitumen from National refinery or get the expenditure regularized from the competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 28]

#### **1.4.2.6 Irregular expenditure due to non compliance of Punjab Procurement Rules – Rs 2.055 million**

According to the Rule 10(2) of the Punjab Procurement Rules 2014 “procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s web site. 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 Khan Pur incurred expenditure of Rs 2.055 million during 2015-16 on purchase of different items by splitting and procurement opportunities were neither advertised in newspaper nor on the website of PPRA.

Audit is of the view that due to weak financial management, Punjab Procurement Rules were not followed.

Non compliance of Punjab Procurement Rules resulted in irregular procurement of Rs 2.055 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that Punjab Procurement Rules were followed. In a few cases local quotations were called due to some emergency, however, all payments were made after observing all codal formalities. Reply was not tenable as indents were split and proof for advertisement in newspaper and on PPRA website was not produced.

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

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

[AIR Paras: 16]

### 1.4.3 Internal Control Weaknesses

#### 1.4.3.1 Loss due to non / less realization of revenue and arrears – Rs 23.697 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 Khan Pur did not make due efforts during 2015-16 to recover / realize revenue of Rs 23.697 million on account of water rates, sewerage tax, license & permit fee and rent of shops. Detail is as under:

(Rupees in million)		
Sr. No	Head of receipts	Amount
1	Rent of shops	1.262
2	Arrears of receipts	17.651
3	License & Permit fee	1.077
4	Advertisement / Publicity tax	2.281
5	Map fee	0.309
6	Approval of map fee (commercial units)	1.117
<b>Total</b>		<b>23.697</b>

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

Less/non recovery of revenue and arrears resulted in loss of Rs 23.697 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that recovery was in the process of back log. Further, demand & collection registers were maintained and arrears were also brought forward. Moreover, efforts were being made to recover the amount from the concerned.

DAC directed the Chief Officer to expedite the process and effect recovery from the concerned within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 23.697 million, under intimation to Audit.

[AIR Para: 01, 03, 18, 20, 25 & 38]

#### **1.4.3.2 Non recovery of conversion fee – Rs 20.160 million**

According to Rule 60 (1) (e) of the Punjab Land Use Rules, 2009, a 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.

TMO Khan pur did not collect conversion fee amounting to Rs 20.160 million during 2015-16 from the owners of buildings who converted their buildings into educational and healthcare institutions in violation of above rule. As per record of education department there were 129 schools and 66 private hospitals / clinics working in Khan Pur but conversion fee was not recovered from them.

Audit is of the view that due to weak internal controls, TMO failed to recover conversion fee.

Non recovery of conversion fee resulted in loss of Rs 20.160 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that notices were issued to private schools and hospitals working in their own buildings whereas TMA could not collect conversion fee from private schools and hospitals working in rented buildings. Reply was not tenable as notices issued were not produced. Further, conversion fee was to be recovered from the owner of building who were using those for commercial

purpose 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 in Para No. 5, TMA was directed to recover conversion fee from the educational and healthcare institutions.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 20.160 million, under intimation to Audit.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 20.160 million, under intimation to Audit.

[AIR Para: 19]

### **1.4.3.3 Unjustified expenditure on Holiday Allowance – Rs 2.046 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 Khan Pur incurred expenditure of Rs 2.046 million on “Holiday Allowance” during 2015-16. Expenditure was not justified as it was paid to clerks, naib qasids, watchmen, drivers, supervisors, reader ijlas, store keeper, electrician etc. who were not deputed on provision of essential services like water and sanitation.

Audit is of the view that due to weak internal controls, holiday allowance was paid to unauthorized persons.

Payment of holiday allowance to unauthorized persons resulted in loss of Rs 2.046 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that due to shortage of staff, duty was not rotated and the staff was deputed on holidays to provide essential services of sanitation and water supply to the general public. Reply was not tenable because it did not address the observation. Further, holiday allowance was paid to unauthorized persons who were not engaged in works of sanitation and water supply.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 2.046 million, under intimation to Audit.

[AIR Para: 04]

#### **1.4.3.4 Wasteful expenditure on sewerage line – Rs 1.743 million**

According to Rule 2.10(a)(1) of the PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of the expenditure of his own money. Further, 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.

TMO Khan Pur incurred expenditure of Rs 1.743 million on “Provision of tuff tiles & sewerage line in Khalil Colony UC No. 73/D Khan Pur” during 2015-16. Physical Inspection revealed that the same was not functional. Moreover, three manhole covers were not fixed and collecting tank and manholes were deteriorating.

Audit is of the view that due to weak administrative controls, expenditure was incurred without need / requirement.

Incurring expenditure without need resulted in wasteful expenditure of Rs 1.743 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that the project was executed on demand of locality and as per site requirement. Moreover, some manholes deteriorated with the passage of time due to rough traffic of trollies. Reply was not tenable as sewerage scheme was not functional as per physical inspection.

DAC directed the Chief Officer to hold an inquiry and submit report 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 actions, under intimation to Audit.

[AIR Para: 36]

#### **1.4.3.5 Loss due to less collection of development charges – Rs 1.395 million**

According to gazette Notification of TMA Khan Pur vide No. TMA/KPR/332 dated 31.07.2003, Rs 400 per marla development charges were to be recovered from industrial units.

TMO Khan Pur collected development charges @ Rs 300 per marla instead of Rs 400 per marla from Ch. Sugar Mills Limited during 2015-16. In this way an amount of Rs 1.395 million was less recovered.

Audit is of the view that due to weak internal controls, development charges were less recovered.

Less recovery of development charges resulted in loss of Rs 1.395 million.

The matter was reported to the Chief Officer of the Municipal Committee during March, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that development charges were collected according to revised schedule. Reply was not tenable as revised schedule was not produced.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.395 million, under intimation to Audit.

[AIR Para: 09]

## **1.5 Tehsil Municipal Administration, Liaquat Pur**

## **1.5.1 Non Production of Record**

### **1.5.1.1 Non production of record – Rs 32.300 million**

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

TMO Liaquat Pur collected Rs 32.300 million on account of tax on immovable property during 2015-16, but no back up record was available / maintained to ensure that all collection was made as per mutation registered in the Tehsil Office.

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

Owing to non production of record, legitimacy of expenditure incurred amounting to Rs 32.300 million could not be verified.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that collection was made as per mutation registered in Tehsil Office. The receipt was made on challan having bank stamp. Record was tallied with concerned patwari. Reply was not tenable as relevant record in support of reply was not produced even at the time of record verification.

DAC directed the Chief Officer to produce relevant record within a week. No progress was intimated till finalization of this Report.

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

[AIR Para:37]

## **1.5.2 Irregularities and non compliance**

### **1.5.2.1 Non-maintenance of separate books of accounts by each DDO – Rs 220.962 million**

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

DDOs of TMA Liaqat Pur did not maintain separate books of accounts i.e. cash book, contingent register and budget control register etc. during Financial Year 2015-16. Expenditure of Rs 220.962 million was incurred by DDOs but neither proper books of accounts were maintained nor proper reconciliation was carried out.

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

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

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that separate books of accounts were maintained. Reply was not tenable as no separate books of accounts were maintained / produced.

DAC directed the Chief Officer to produce separately maintained accounts within a week or irregularity be got condoned from the competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 15]

### **1.5.2.2 Payment of development scheme without approval of the competent authority – Rs 14.545 million**

According to Rule 40 (2) of the Punjab District Government and TMA Budget Rules 2003, the Annual Development Programme shall indicate new development projects and on-going development projects separately; Development projects on which no expenditure has been incurred previously shall be termed “New” development projects. Development projects on which expenditure has been incurred in previous years shall be termed “on-going”.

TMO Liaqat Pur incurred expenditure of Rs 14.545 during 2015-16 million on development schemes of financial year 2014-15 against which no expenditure was incurred during 2014-15. TMO Liaqat Pur did not obtain approval from the competent authority in violation of the rules. (**Annex – L**)

Audit is of the view that due to weak financial controls, payment was made without approval of the competent authority.

Payment without approval from the competent authority resulted in irregular expenditure of Rs 14.545 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that payment was made during 2015-16 and schemes were completed within time limits. Reply was not tenable as no expenditure was incurred on said schemes during 2014-15 and fresh approval was required.

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

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

[AIR Para: 19]

### 1.5.2.3 Irregular execution of works without NOC from DO(Roads) – Rs 7.393 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 R&M on such roads has been made by the District Government, supported with M&R budget of the relevant financial year”.

TMO Liaquat Pur executed nine (09) development works on road with a cost of Rs 7.393 million during 2015-16 without obtaining certificate from District Government. Detail is given below:

(Rupees in million)			
Sr. No.	Name of Scheme	Project Cost	Exp.
1	Const. of Metalled Street Dr. Fayaz to Channi Goth road Muhallah Gazi Khan Kachi Abadi	0.200	0.100
2	Const. of Metalled Street road Basti Fida Hussain Advocate Sedho wali Liaquatpur	4.981	4.581
3	Special repair of Metalled road Punjab bakri to WAPDA chowk LQP	1.380	0.558
4	Repair of Metalled road colony High School to boys college Liaquat pur	1.600	0.614
5	Special repair of Metalled road Hakeem abad to Rasheed abad Liaquat pur	0.995	0.294
6	Construction of Metalled road chak No. 38/A Liaquatpur	0.900	0.355
7	Construction of Metalled road basti Jam saleh Muhammad mouza Hayat lar Liaquat pur	0.825	0.130
8	Construction of Metalled road new housing scheme street shahid nazir Liaquat pur	0.460	0.259
9	Construction of Metalled road chak 4/A Liaquat pur	0.900	0.502
<b>Total</b>		<b>12.241</b>	<b>7.393</b>

Audit is of the view that due to weak financial management, civil works were executed without obtaining certificate.

Execution of works without certificate resulted in irregular expenditure amounting to Rs 7.393 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that said roads were under jurisdiction of TMA and were approved by DDC / TDC. Reply was not tenable as certificate was not obtained from District Government.

DAC directed the Chief Officer to produce certificate from DO (Roads) or 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 from the Competent authority, under intimation to Audit.

[AIR Para:14]

#### **1.5.2.4 Non reconciliation of expenditure – Rs 6.720 million**

According to Rule 67 of the Punjab District Government and TMA (Budget) Rules, 2003 reconciliation of expenditure was to be carried out with the accounts officer by the 10th day of every following month for the previous month and the respective Head of Offices, Drawing and Disbursing Officer (DDO) and the Accounts Officer shall be jointly responsible for reconciling any differences and for correcting misclassifications or any other errors.

TMO Liaquat Pur did not reconcile expenditure with Tehsil Account Officer (TAO) of TMA and a difference of Rs 6.720 million was observed in different heads of account during 2015-16. Detail is given below:

(Rupees in million)

Sr. No.	Description of Exp.	Head	Exp. As per TMA	Exp. As per TAO	Difference
1	Electricity	A03303	15.482	15.431	0.051
2	Travelling Allowance	A03805	1.389	1.547	0.158
3	Law Charges	A03917	0.133	5.071	4.938
4	POL charges	A03807	10.655	10.751	0.096
5	Exhibitions, fairs & other national celebration & sports	A03918	1.113	1.152	0.039
6	Purchase of Plant and machinery etc	A09601	0.433	0.558	0.377
7	Repair of Machinery	A013101	2.340	3.021	0.681
8	Repair of Machinery	A013199	0.862	1.243	0.381
<b>Total</b>			<b>32.408</b>	<b>38.775</b>	<b>6.720</b>

Audit is of the view that due to weak financial management, reconciliation was not carried out.

Non reconciliation of expenditure resulted in difference of Rs 6.720 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that accounts were reconciled and there was no difference. Reply was not tenable and reconciliation statement was not produced.

DAC directed the Chief Officer to reconcile accounts with TAO 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 reconciliation with TAO, under intimation to Audit.

[AIR Para: 16]

#### **1.5.2.5 Irregular payment of bitumen – Rs 2.533 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 sub standard 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 Liaquat Pur allowed payment of Rs 2.533 million to five (05) contractors on account of bitumen used in surface treatment of roads during 2015-16. Invoices, gate passes and bitumen test reports were not produced to verify that bitumen of standard quality was used or not which resulted in irregular payments. Detail is given below:

**(Rupees in million)**

<b>Sr. No.</b>	<b>Name of Scheme</b>	<b>Qty of TST (in SFT)</b>	<b>Qty of Bitumen (in Lbs)</b>	<b>Qty of Bitumen (in Kgs)</b>	<b>Amount</b>
1	Construction of Metalled Road Near Girls Elementary School New Housing Scheme Liaquat pur.	3200	2144	972	0.131
2	Repair of Metalled road Hakim Abad Rasheed abad	9950	6667	3023	0.407
3	Construction of Metalled road chak No. 4/A Liaquat pur.	6982	4678	2122	0.286
4	Special repair of Metalled road Punjab Bakri to WAPDA Chowk Liaquat Pur	19350	12965	5880	0.792
5	Repair of Metalled road colony High School to boys' college Liaquat Pur.	22400	15008	6806	0.917
<b>Total</b>		<b>61882</b>	<b>41461</b>	<b>18803</b>	<b>2.533</b>

Audit is of the view that due to weak internal controls, payment was made on account of surface treatment of roads without production of invoices, gate pass and test reports.

Payment on account of surface treatment of roads without production of invoices, gate passes and test reports resulted in irregular payment of Rs 2.533 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied

that bitumen used in concerned schemes was manufactured by the National Refinery Karachi. Moreover, payment was made to the contractor as per scheduled rate approved by the Finance Department. Reply was not tenable as no proof for purchase of bitumen from National Refinery was produced in support of reply.

DAC directed the Chief Officer either to provide proof for purchase of bitumen from National refinery or to get the expenditure regularized from the competent authority within a month. No progress was intimated till finalization of this Report.

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

[AIR Para: 33]

#### **1.5.2.6 Irregular expenditure on purchase of safety equipments – Rs 2.421 million**

According to Rule 9 of the Punjab Katchi Abadi Act, 1992, “there shall be a separate fund for each local government to be known as katchi abadies fund and the amount credited in this fund shall be utilized for carrying out the purposes of this Act as per Rule 12”.

TMO Liaquat Pur incurred expenditure of Rs 2.421 million on purchase of safety equipment during 2015-16. The expenditure was irregular as development fund of katchi abadies was re-appropriated and utilized on non development activity. Further, re-appropriation was made without observing rule 9(05) & (17) of the Punjab delegation of financial power rules.

Audit is of the view that due to weak financial management, re-appropriation was made without observing rules.

Unauthorized re-appropriation resulted in irregular expenditure of Rs 2.421 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that no irregularity occurred regarding re-appropriation however, case for regularization had been moved to the competent authority. Reply was not tenable as no approval of competent authority was produced.

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

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

[AIR Para: 7 & 8]

#### **1.5.2.7 Irregular expenditure due to non compliance of Punjab Procurement Rules – Rs 1.871 million**

According to the Rule 10(2) of the Punjab Procurement Rules 2014 “procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s web site. 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 Liaquat Pur incurred expenditure of Rs 1.871 million during 2015-16 on purchase of different items by splitting and procurement opportunities were neither advertised in newspaper nor on the website of PPRA.

Audit is of the view that due to weak financial management, Punjab Procurement Rules were not followed.

Non compliance of Punjab Procurement Rules resulted in irregular expenditure of Rs 1.871 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that advertisement was published in newspaper. Reply was not tenable as no proof in support of reply was produced.

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

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

[AIR Paras: 12]

### 1.5.3 Performance

#### 1.5.3.1 Non achievement of revenue targets – Rs 7.043 million

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

TMO Liaquat Pur fixed revenue targets of Rs 19.884 million for the year 2015-16 on account of different heads of receipts but the relevant staff could not achieve targets. As a result, revenue targets amounting to Rs 7.043 million which was 35% of receipts, could not be achieved. Detail is given below:

**(Rupees in million)**

<b>Sr. No.</b>	<b>Description</b>	<b>Target 2015-16</b>	<b>Target achieved</b>	<b>Less Realization</b>	<b>% age</b>
1	Water Rate	2.619	0.713	0.491	19%
2	Sewerage Tax	3.178	0.158	3.020	95%
3	Public Latrine	0.010	0.000	0.010	100%
4	Rent of Municipal Property Shops	14.077	10.555	3.522	25%
<b>Total</b>		<b>19.884</b>	<b>11.426</b>	<b>7.043</b>	<b>35%</b>

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

Non achievement of targets resulted in less realization of the Government receipts of Rs 7.043 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that budget was prepared with expected figures, however, all arrears were brought forward to the next financial year. Reply was not tenable as the revenue not realized was more than 10%.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 7.043 million, under intimation to Audit.

[AIR Para: 01]

## **1.5.4 Internal Control Weaknesses**

### **1.5.4.1 Loss due to non recovery of conversion fee – Rs 8.245 million**

According to Rule 60 (1) (e) of the Punjab Land Use Rules, 2009, “a 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.

TMO Liaquat Pur did not collect conversion fee amounting to Rs 8.245 million during 2015-16 from the owners of buildings who converted their buildings into educational institutions. (**Annex – M**)

Audit is of the view that due to weak internal controls, TMO failed to recover conversion fee.

Non recovery of conversion fee resulted in loss of Rs 8.245 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that conversion fee was collected as per valuation table. Reply was not tenable as no record regarding recovery of conversion fee from private educational and healthcare institutes were produced.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 8.245 million, under intimation to Audit.

[AIR Para: 28]

**1.5.4.2 Allotment of plot without approval of the competent authority – Rs 5.750 million**

According to Rule 9 (2) (k) of the Punjab Local Government (Property) Rules 2003, the auction shall be subject to the concurrence of the Council and final approval of the Government. Whereas according to Rule 11 of the Property Rules, 2003, “ The recommendations of Committee shall be placed before the concerned Council and in case of its concurrence, the same shall be forwarded along with resolution of the Council to the Government for its final approval, Provided that the Government may approve the bid, cancel it or order fresh auction”.

TMO Liaquat Pur allotted five (05) commercial plots / shops consisting of 3 marla and 6 sarsahi, without approval of the competent authority due to which TMA sustained loss of Rs 5.750 million during 2015-16.

Audit is of the view that due to weak internal controls, plots were allotted without approval of the house.

Allotment of plots without approval of house resulted in loss of Rs 5.750 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that inquiries at different forum were under process. Some matters pertaining to property were also in the Honorable High Court Bahawalpur bench Bahawalpur. After decision by the court and report from the concerned agencies, further proceeding would be initiated.

DAC directed the Chief Officer to pursue the cases actively. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides pursuing the case actively in the court of law, under intimation to Audit.

[AIR Para: 35]

### 1.5.4.3 Non deduction / deposit of GST – Rs 1.463 million

According to Para 4 (ii) of Federal Board of Revenue letter No. 1(42)STM/2009/99638-R dated 24.11.2013, “in case of Public Works, it may be ensured that the contractors engaged made purchases only from sales tax registered persons, since contractors carrying out government works against public tender are required to have a Bill of Quantity(BOQ), the contracting department/organization, must require such contractors to present sales tax invoices of all the material mentioned in the BOQ as evidence of its legal purchase before payments is released to them”.

TMO Liaquat Pur made payment of Rs 8.607 million for 4 development schemes during 2015-16 without production of Bill of Quantity (BOQ) / GST invoices of Rs 1.463 million. Detail is given below:

(Rupees in million)					
Sr. No.	Name of Scheme	M.B No. & Page From to	Amount of T.S	Expenditure	GST
1	Bill Construction of Soling Culverts PP 287	168 Page No. 8-13	2.500	2.491	0.423
2	Bill Construction of Soling chack 68/A UNION COUNCIL	160 Page 66-71	1.800	1.230	0.209
3	Bill of Construction of metalled road Basti Jam Fida Hussain Advocate	749 page 37-43	4.981	4.263	0.725
4	Bill Construction of soling basti Abdul Jabbar mouza bahnir wala UC Ghooka	158 page 28-51	0.800	0.622	0.106
<b>Total</b>				<b>8.607</b>	<b>1.463</b>

Audit is of the view that due to weak internal controls, proof for deposit of GST / BOQ was not obtained from the contractors.

Non deduction / deposit of GST resulted in loss of Rs 1.463 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied

that scheduled rates were inclusive of GST, IT and contractor profit which were fixed by the Finance Department so there was no need to deduct GST from the contractors. Reply was not tenable as proof for purchase from registered suppliers and payment of GST was necessary.

DAC directed the Chief Officer either to provide BOQ/GST invoices or recover GST from the concerned within a month. No progress was intimated till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.463 million, under intimation to Audit.

[AIR Para: 27]

#### **1.5.4.4 Overpayment on account of electricity charges – Rs 1.428 million**

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

TMO Liaquat Pur overpaid Rs 1.428 million on account of electricity charges during 2015-16. Payment was made to WAPDA in excess of bill amount.

Audit is of the view that due to weak financial management, excess payment was made to WAPDA.

Excess payment to WAPDA resulted in loss of Rs 1.428 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that due to late delivery / receipt of bill from WAPDA payment was made after due date with surcharge however, efforts were being made for reconciliation with WAPDA. Reply was not tenable as payment of surcharge was not allowed to Government departments.

DAC directed the Chief Officer to carry out reconciliation with WAPDA and adjustment of overpaid amount 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 reconciliation with WAPDA and adjustment of overpaid amounts, under intimation to Audit.

[AIR Para: 10]

**1.5.4.5 Loss due to non / less realization of license & permit fee – Rs 1.051 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 Liaquat Pur did not make due efforts to recover / realize license & permit fee amounting to Rs 1.051 million during 2015-16. Detail is given below:

(Rupees in million)

Sr. No	Category of shop	Reported as per collecting officer	Figures received from concerned Department	Difference in No.(embezzled shops)	Scheduled rate (in Rs.)	Amount
1	Medical store	121	216	95	200	0.019
2	Pesticide/ fertilizer shops	0	516	516	2,000	1.032
<b>Total</b>						<b>1.051</b>

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

Less recovery of license & permit fee resulted in loss of Rs 1.051 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied

that license and permit fee was collected as per schedule and no one was spared. Reply was not tenable as license and permit fee was less collected as per departmental record.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.051 million, under intimation to Audit.

[AIR Para: 24]

#### **1.5.4.6 Overpayment due to charging excess rates – Rs 1.014 million**

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

TMO Liaquat Pur made overpayment of Rs 1.014 million by paying excess rates on account of purchase of mobil oil, oil filters and diesel filters during 2015-16.

Audit is of the view that due to weak internal controls, purchase was made on excess rates.

Purchase on excess rates resulted in overpayment of Rs 1.014 million.

The matter was reported to the Chief Officer of the Municipal Committee during February, 2017. In the DAC meeting held on 31.03.2017, Chief Officer replied that purchase was made on market rates and comparison with other TMA was not justified. Reply was not tenable as rates paid were much higher than market rates.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.014 million, under intimation to Audit.

[AIR Para: 18]

# **Annex**

**Annex-A**  
**Part-I**

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

(Rupees in million)

Name of TMA	Sr. No.	Para No.	Description	Amount
TMA Rahim Yar Khan	1	1	Un-authorized approval of budget	609.911
	2	2	Irregular expenditure on non salary budget due to non imposing 15% economy cut	9.780
	3	4	Non maintenance of accounts and official record	17.111
	4	10	Likely mis-appropriation in recovery of License and Permit Fee	0.167
	5	11	Loss due to non recovery of different fees from private housing schemes	0.500
	6	14	Loss due to non conduction of self collection	0.038
	7	15	Blockage of revenue due to improper pursuance of court cases	20.757
	8	17	Loss due to excessive expenditure on Holiday Allowance	8.144
	9	19	Un-authorized expenditure on execution of works after expiry of financial year	13.709
	10	28	Irregular expenditure on Sports activities	0.393
	11	31	Loss due to not deduction of shrinkage	0.353
	12	34	Irregular payment of electricity charges	0.767
	13	36	Loss due to non deposit of sales proceed to used mobil oil	0.319
	14	37	Doubtful expenditure on POL due to improper maintenance of log books of vehicles and machinery	2.541
	15	38	Loss due to Mis-use of the fire brigade	0.626
	16	40	Loss due to non-recovery of professional tax	0.213
	17	42	Irregular payment of pay and allowances due to irregular promotion	0.045
	18	45	Overpayment due to non utilization of packed bitumen	0.359
	19	46	Loss due to payment of rent of CCTV Cameras	0.516
	20	51	Loss due to Non classification of land	0.000
TMA	21	5	Irregular payment of salaries to contingent paid staff	3.375

Name of TMA	Sr. No.	Para No.	Description	Amount
Sadiq Abad	22	6	Improper pursuance the case of rent of shops in the court of law and blockade of revenue	56.019
	23	10	Non-conducting of post completion evaluation of development projects	20.579
	24	12	Unjustified exercising of powers / wrong payments	41.093
	25	14	Unjustified delay in approval of maps and processing of applications	2.502
	26	15	Unauthorized Execution of works without T.S of Estimates	6.626
	27	22	Unauthorized retention of securities outside the bank account	2.424
	28	25	Less allocation of prescribed ratio of funds to sports activities	0.958
	29	26	Irregular payment of Holiday Allowance	7.134
	30	30	Non-maintenance of separate books of accounts and classified accounts of expenditure	266.4
	31	33	Irregular / unjustified expenditure on repair of transformers and recovery against old parts	0.773
	32	34	Loss to Government due to non recovery of different fees from private housing schemes	0.747
	33	35	Doubtful use of POL in Jetting and Sucker machine needs third party inquiry thereof	0.597
	34	36	Excess charging of rates of POL than rates given on OGRA websites	0.459
	35	37	Deterioration of Government property due to non auction	0.595
	36	38	Irregular payment of electricity charges	0.354
	37	39	Loss due to non-auction of plot	0.094
	38	40	Less recovery of tender fees	0.51
	39	41	Un-justified payment of non-scheduled items without rate analysis	0.168
	40	42	Loss to Government due to not deduction of shrinkage	0.066
	41	43	Loss to TMA due to non recovery of map fee	0.069
	42	44	Unjustified expenditure on photo copies	0.325
	43	45	Loss to Government due to non-deduction and deposit of Government Taxes besides concealment of deposit proof inquiry thereof.	0
44	46	Less obtaining of enlistment and renewal	0.006	

Name of TMA	Sr. No.	Para No.	Description	Amount
	45	47	Non recovery of Professional Tax	0.001
TMA Khan Pur	46	2	Loss due to non auctioning of Plots and Shops	1.561
	47	6	Loss due to non-achievement of receipt targets	0.312
	48	7	Unjustified Payment to Work Contingent /Charge Employees	15.532
	49	8	Loss due to non-auctioning of shops at competitive rates	3.036
	50	10	Unjustified/Doubtful Expenditure on POL vehicle RNN-27	0.467
	51	11	Loss due to Non accountal of various store items	0.182
	52	12	Doubtful expenditure on account of repair of machinery on bogus documents	0.118
	53	13	Doubtful withdrawal of amount of TA/DA on bogus documents	0.198
	54	14	Irregular expenditure due non-observance of terms of purchases	1.972
	55	15	Irregular expenditure on account of street lights and recovery thereof	0.692
	56	17	Unjustified expenditure on repair of machinery and recovery thereof	0.818
	57	21	Loss due to non-conducting survey regarding "Sewerage Tax	0.8
	58	22	Unjustified consumption of POL in machinery and recovery thereof	14.595
	59	23	Doubtful expenditure on various festivals	0.692
	60	26	Non-Obtaining of Performance Securities	2.54
	61	29	Loss due to excess payment on account of less deduction of Shrinkage from earthwork	0.35
	62	30	Non submission of monthly progress report by TO (I&S) regarding development Schemes	162.067
	63	31	Likely misappropriation due to improper maintenance of stock register and non-maintenance of sub-stock registers	0
	64	32	Irregular payment of works without detailed measurement	9.2
	65	39	Excess Payment due to excessive measurement	0.231
66	40	Irregular working of branch of TO (P&C) without having Building Bye-Laws	8.481	
67	41	Loss due to non-availability of inauguration pillars/sign boards at sites	1.46	

Name of TMA	Sr. No.	Para No.	Description	Amount
	68	42	Loss due to tempering of tender documents	0.035
	69	43	Doubtful expenditure on various events	0.098
	70	44	Non resale of used mobile oil	0.047
	71	45	Loss due to less carry forwarding of arrears of Rent of Shop	0.017
	72	46	Loss due to inefficiency of Legal Advisor	0.123
TMA Liaqat Pur	73	2	Loss to Government due to misuse of fire brigade	0.176
	74	3	Loss due to excessive expenditure on holiday allowance	2.939
	75	4	Irregular payment to work charge / contingent paid staff	6.512
	76	5	Bogus allotment of plot in TMA Housing Scheme	2.2
	77	6	Non transfer of profit of security account into general account	0.406
	78	9	Irregular payment of electricity charges	3.915
	79	11	Unauthorized expenditure regarding construction of culverts & bridges	2.749
	80	13	Less allocation of prescribed ratio of funds to sports activities	3.664
	81	17	Excess / overpayment due to non observing the OGRA rates and non deposit of sales proceed to used mobil oil	0.439
	82	20	Irregular execution of work without preparation of PC-I/ rough cost estimate	13.86
	83	21	Non recovery of LD charges	0.486
	84	22	Non accountal of consumable store items into stock	0.52
	85	23	Unjustified consumption of POL	0.328
	86	25	Irregular exercising of powers / wrong payments	17.831
	87	26	Unjustified utilization of saving from developments schemes	1.292
	88	29	Non deduction of provincial sales tax	0.182
		89	30	Loss due to non-imposing of penalty to contractors for late completion of development schemes
	90	31	Unjustified advance payment without getting prior approval of the Finance Department	2.35
	91	32	Irregular expenditure on tenting due to non compliance of Local Government rules	0.658
	92	34	Irregular expenditure on tree plantations	0.507
	93	36	Improper pursuance the case of rent of shops in the court of law and blockage of revenue	55.77

**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 Sadiq Abad	1	1	Irregular use of funds received from the rent of shops and plots	12.261
	2	4	Losses to government due to non / less recovery of different fees from private housing schemes	0.423
	3	7	Loss due to Non recovery of risk and cost expenses, income tax and pay of staff	0.288
	4	8	Loss to government due to non- recovery of sludge water	4.836
	5	10	Loss to Government Treasury due to charging less rates under the head of "rent of shops"	7.417
	6	11	Unjustified payment of pay and allowances	145.504
	7	12	Unjustified/illegal income	6.851
	8	13	Illegal occupations/encroachment of land	4.480
	9	14	Unjustified income	13..329
	10	15	Loss to government due to showing less connections	10.342
	11	17	Loss to government due to showing less units	0.503
	12	18	Loss to TMA due to giving undue favor to the lessee in encroachment	10.038
	13	21	Outstanding dues	3.633
	14	22	Unjustified expenditure on account of POL	0.191
	15	25	Physical inspection of Zikria Garden housing scheme	7.464
	16	26	Suspected embezzlement	4.550
	17	27	Bogus repair/ unjustified repair of water supply/ sewerage	0.338
	18	28	Unjustified expenditure on purchases/ construction of various works	1.956
	19	32	Overpayment due to non-observing the OGRA rates	0.465
	20	33	Unauthorized payment of salaries to work charge employees	2.008
	21	34	Unauthorized retention of public money and retention of closing balance as per bank statement and unjustified un-cash cheques	20.222
	22	35	Bogus/ unjustified payment	1.700
	23	36	Loss to Government due to allowing purchase of T.S.T material from far quarry	0.15
	24	37	Loss to Government Due to not deducting shrinkage	0.071

Name of TMA	Sr. No.	Para No.	Description	Amount
	25	38	Loss to Government treasury due to Non recovery of professional tax	0.033
	26	39	Loss to Government due to Non recovery for price variation of bitumen	-
	27	41	Payment of works without observing the lab test reports	9.513
TMA Khan Pur	28	3	Loss to Government due to Misappropriation of License and permit fee and slaughter house Fee	0.759
	29	4	Simulated efficiency of staff by less estimate of receipt	0.581
	30	6	Unjustified expenditure on POL vehicle RNN-27	0.966
	31	7	Incurrence of expenditure without obtaining lab test reports of the material consumed	8.843
	32	8	Non transfer of prescribed share to Local Government Board	0.102
	33	9	Irregular expenditure on void agreements	8.084
	34	10	Irregular expenditure on Photocopies	0.320
	35	11	Irregular Expenditure on Repair of Machinery	1.576
	36	12	Irregular Expenditure due to Non obtaining Performance Security	2.055
	37	16	Non maintenance of accounts and official record	1.450
	38	17	Non deduction of Professional Tax	0.272
	39	18	Irregular expenditure on different events	1.503
	40	19	Over payment due to non-deductions of different items	0.170
	41	21	Loss to Government due to less recovery of license fee	0.256
	42	22	Irregular expenditure of earth filling due to non-defining of NSL (natural surface level) and RDs of work done	0.866
	43	23	Loss to Government due to non re-auctioning of shops since establishment of TMA or Municipal Committee, after death or expiry of lease period	0.532
	44	25	Loss to TMA due to non recovery of conversion fee from the owner of petrol pumps and housing schemes / Sub-division Plan	0.908
	45	26	Misappropriation by setting less estimates than previous income	0.376
	46	27	Non deduction and deposit of B.F, FP Fund., P.Cand Income Tax from salaries	0.205
	47	28	Non-imposing of penalty due to delay in completion of works	0.840
48	29	Loss to Government due to non collection UIP share	3.903	
49	32	Irregular payment to hired staff	9.233	
50	33	Loss to Government in millions due to non classification of land	-	
51	34	Non recovery of pay pension contribution and fringe benefits	0.705	

Name of TMA	Sr. No.	Para No.	Description	Amount
	52	36	Non preparation of post completion evaluation report and non submission to the Council	80.588
	53	38	Overpayment on account of different allowances	0.078
	54	40	Non allocation of prescribed ratio of funds to sports activities	1.532
	55	41	Non resale of used mobile oil loss to Government	0.087
	56	42	Irregular payment of pension to unauthorized person	0.247
	57	43	Loss to Government due to less/non deduction of Income Tax from contractor and on purchase of POL	0.687
	58	47	Irregular purchase of different items by violating austerity committee instructions	0.651
	59	48	Unjustified repair of vehicles	1.031
	60	52	Irregular / unjustified expenditure on electricity	0.809
	61	53	Unjustified / irregular expenditure on parks & purchase of plants and fertilizers	0.421
	62	54	Irregular expenditure on T.A/D.A	0.131
	63	56	Over payment of different items	0.731
	64	58	Irregular expenditure by splitting the indents	0.453
	65	59	Loss due to non execution of mortgage deed	-
	66	60	Non realization of cost of land and development charges	-
	67	61	Loss to TMA due to non / less transfer of property to TMA	-
	68	62	Irregular completion of process / procedure of private housing schemes without observing the prescribed requirements and loss of TMA's portion of land	-
	69	63	Non production of record	-
	70	64	Loss to Government due to non awarding of contracts	-
	71	66	Loss to Government due to purchase on higher rates	0.058
	72	67	Illegal construction without approved maps and non production of record	-
	73	68	Irregular expenditure on repair of different items	0.037
	74	69	Defective & non maintenance of statutory record	-
	75	70	Improper maintenance of record	-
TMA RY Khan	76	15	Non-payment of maintenance charges	1.153
	77	21	Non deposit / correction / pension contribution	0.658
	78	22	Unjustified held up of commutation	1.226
	79	23	Unjustified of electricity charges	0.757
	80	24	Unauthorized drawl of pay and allowances without performing duty of the post	0.283

Name of TMA	Sr. No.	Para No.	Description	Amount
	81	26	Loss to Government Due to non-collection of "pesticide license fee and medical stores license fee"	0.383
	82	27	Payments of pay & allowances without verification of academic record	6.171
	83	28	Non auction of old / replaced parts of machinery and equipment expenditure	3
	84	29	Incurrence of expenditures and execution of works without soil survey	8.161
	85	31	Non-deduction of sale tax and income tax	0.291
	86	32	Loss to Government Due to Non recovery of penal rent	0.332
	87	33	Non recovery of house rent allowance	0.233
	88	34	Execution of work without lab. Test report of bricks recovery	0.190
	89	35	Purchase of durable goods without approval of the austerity committee	0.093
	90	36	Non conducting of post completion evaluation of the completed schemes	21.158
	91	38	Irregular expenditure on construction of bridge and water diggi	1.924
	92	39	Non-payment of liabilities of commutations	2.280
	93	40	Non maintenance of record of repair and maintenance of machinery and equipment	1.681
	94	41	Short fall of income on account of sewerage tax and water supply	9.088
	95	42	Expenditure on T.S.T without rate analysis	0.438
	96	43	None auctioned of use mobile oil	0.193
	97	44	Excess payments of transfer grant	0.023
	98	45	Expenditure without sanction	0.689
	99	46	Irregular payment / expenditure of district government	0.689
	100	47	Unjustified payment of contractor profit	0.254
	101	48	Non reserve of fine for improvement of regulatory function	0.609
	102	51	Irregular payment of demand notice	0.525
	103	54	Non-production of record	0
TMA Liaquat Pur	104	4	Unauthorized payment of salaries to work charge staff	68.956
	105	5	Loss to TMA due to less recovery of conversion fee	0.079
	106	6	Loss to TMA due to Non recovery of map fee and conversion fee	0.477
	107	10	Loss to TMA due to Non recovery of huge amount of rent from different shops / plots even after decision of case by the court and loss due to non-pursuing the cases in the court of law	0.322
	108	13	Suspected Fraud in substitution / replacement of plots	6.240
	109	14	Loss due to Non recovery of auctioned amount and Income Tax	0.123

Name of TMA	Sr. No.	Para No.	Description	Amount
	110	20	Illegal construction of houses / shops in unapproved housing schemes and loss to TMA due to non-collection of Map fees	0.236
	111	23	Malpractice in issuance / allotment of plots	10.400
	112	25	Suspected fraud due to non-cancellation of allotted plots	5.850
	113	27	Undue benefit due to exchange of plots	1.012
	114	29	Misappropriation due to non-deposit into TMA's Account	0.555
	115	33	Excess / overpayment due to non-observing the OGRA rates and non- deposit of sales proceed to used mobiloil	0.137
	116	34	Unauthorized retention of public money and retention of closing balance as per bank statement	176.646
	117	37	Loss to Government due to misuse of the fire brigade	0.512
	118	38	Loss to Government due to allowing Purchase of T.S.T Material from far quarry	0.047
	119	39	Loss to Government due to not deducting shrinkage	0.090
	120	40	Loss to Government due to non / less deductions of dismantle material	0.095
	121	41	Loss to Government due to payment of unnecessary expenditure	0.551
	122	42	Loss to Government treasury due to Non recovery of professional tax,	0.089
	123	43	Irregular payment of works and loss	10.713
	124	44	Loss to Government due to non recovery for price variation of bitumen	0.313
	125	47	Non conduction of post completion evaluation of schemes costing	63.023
	126	48	Unjustified payment of pay & allowances	68.014
	127	52	Unjustified expenditure on repair of machinery & vehicles and misappropriation of POL	0.114
	128	53	Doubtful expenditure on repair of transformers and motors	0.337
	129	55	Loss to Government due to hiring of tents etc. for Ramzan Bazar	0.522
	130	56	Loss to Government due to hiring of CCTV Cameras	0.240
	131	58	Loss to Government due to Non classification of land	-
	132	59	Non production of Record	-
	133	60	Loss to Government due to misappropriation of License & permit fee	0.020

**TMA of District Rahim Yar Khan**  
**Consolidated Budget and Expenditure for TMAs District Rahim Yar Khan**

**TMA Rahim Yar Khan****(Rupees in million)**

<b>2015-16</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess (+) / Savings(-)</b>	<b>% savings</b>
Salary	301.805	297.918	-3.887	-1%
Non-salary	162.322	146.534	-15.788	-10%
Development	152.08	119.362	-32.718	-22%
<b>Total</b>	<b>616.207</b>	<b>563.814</b>	<b>-52.393</b>	<b>-9%</b>
Revenue	546.832	516.92	-29.912	-5%

**TMA Sadiq Abad****(Rupees in million)**

<b>2015-16</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess (+) / Savings(-)</b>	<b>% savings</b>
Salary	162.437	160.364	-2.073	-1%
Non-salary	122.292	106.037	-16.255	-13%
Development	63.189	48.378	-14.811	-23%
<b>Total</b>	<b>347.918</b>	<b>314.779</b>	<b>-33.139</b>	<b>-10%</b>
Revenue	310.272	309.915	-0.357	0%

**TMA Khan Pur****(Rupees in million)**

<b>2015-16</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess (+) / Savings(-)</b>	<b>% savings</b>
Salary	147.866	139.298	-8.568	-6%
Non-salary	114.382	69.519	-44.863	-39%
Development	221.368	162.068	-59.3	-27%
<b>Total</b>	<b>483.616</b>	<b>370.885</b>	<b>-112.731</b>	<b>-23%</b>
Revenue	136.771	105.979	-30.792	-23%

**TMA Liaquat Pur****(Rupees in million)**

<b>2015-16</b>	<b>Budget</b>	<b>Actual</b>	<b>Excess (+) / Savings(-)</b>	<b>% savings</b>
Salary	121.021	103.057	-17.964	-15%
Non-salary	127.866	117.905	-9.961	-8%
Development	162.231	141.697	-20.534	-13%
<b>Total</b>	<b>411.118</b>	<b>362.659</b>	<b>-48.459</b>	<b>-12%</b>
Revenue	59.259	45.433	-13.826	-23%

**Annex - C**  
**[Para: 1.2.1.2]**

**Irregular expenditure on development scheme without approval of the competent authority – Rs 28.798 million**

(Rupees in million)

Sr. No.	Name of Scheme	Expenditure 2014-15	Expenditure 2015-16
1	Improvement of road Baber Colony Street No.1 Behind Book Palace RYK	-	0.524
2	Repair of Road Behind Jamia Qadria RYK	-	0.631
3	Repair of road Riaz-ur-Rehman near Allama Iqbal Town RYK	-	0.820
4	Repair of Road & Streets Qazafi Colony RYK	-	1.096
5	Repair of Streets No. 5 Habib Colony RYK	-	0.293
6	Repair of roads and Sewerage Basti Amanat Ali	-	1.163
7	Repair of road & sewerage Block "X" near Residence Tahir Ismail	-	0.403
8	Repair of Roads Jinnah Park RYK	-	1.816
9	Repair of road Shahid Park RYK	-	0.570
10	Repair of Roads Satellite Town UNION COUNCIL 32/C Rahim Yar Khan	-	0.816
11	Repair of Roads Mohalla Islam Nagar UNION COUNCIL 35/F RYK	-	1.476
12	Improvement of Metalled Road and Const. of Sewer Line , Gulshan Usman X Block Street No.5 RYK	-	0.594
13	Improvement of road Rehmat Colony Nehr Kinara RYK	-	0.575
14	Repair of Streets Rehmat Colony RYK	-	0.381
15	Repair of road & Water Supply Gulshan-e-Ravi RYK	-	0.486
16	Improvement of road Chowk Masjid to Oad Colony RYK	-	1.153
17	Repair of road Model Town near Al-hamra Park (Dr. Liaq)	-	0.937
18	Repair of Soling Chak No. 115/P RYK	-	0.655
19	Improvement of road Street Abdullah Hotel RYK	-	0.458
20	Repair of Road Main Road to "W"Block Near Park Gulshan-e-Iqbal RYK	-	1.258
21	Replacement of Sewer lines & Const. of Slabs UNION COUNCIL Non Hq Kot Samaba RYK	-	0.176
22	Const. of Sewerage Trust Colony Chowk to Katchi Abadi Trust Colony RYK	-	0.773
23	Replacement of Sewer Line Block "Y" Scheme No.3 Gulshan Iqbal RYK (Tariq Advocate)	-	1.265
24	Improvement of Sewer Line Near Residence Col. Ghafoor Club Road RYK	-	0.630

Sr. No.	Name of Scheme	Expenditure 2014-15	Expenditure 2015-16
25	Replacement of Sewerage Millat road(Millat Karyana) RYK	-	0.731
26	Replacement of Sewer Line Hameed Town RYK	-	0.300
27	Replacement of Pipe Water Supply Chak 87/P RYK	-	0.247
28	Const. of B/Wall , Grill, Umer Park Abbasia Town RYK	-	0.259
29	Const. of B/Wall , Grill, Usman Park Abbasia Town RYK	-	0.949
30	Const. of B/Wall , Grill, Siddique Park Abbasia Town RYK	-	0.916
31	Const. of B/Wall , Grill, Ali Park Abbasia Town RYK	-	1.000
32	Improvement of Park Aziz Abad RYK	-	0.417
33	Improvement of Park Gulshan-e-Usman (Tanki ground) RYK	-	0.397
34	Improvement of Park "X" & "Y" Block Gulshan-e-Usman RYK	-	0.508
35	Improvement of Park Block "Y" Gulsnan-e-Iqbal RYK	-	1.599
36	Improvement of Park Bano Market RYK	-	0.396
37	Improvement of Green Belt Pilot School Road RYK	-	0.634
38	Improvement of Al-Hamra Park RYK	-	0.246
<b>Sub Total</b>		-	<b>27.547</b>
<b>LIABILITY OF ADP 2013-14 PAID IN 2015-16</b>			
Sr. No.	Neme of Scheme	Expenditure 2014-15	Expenditure 2015-16
1	Improvement of G.P.O Chowk Rahim Yar Khan	-	1.250
<b>Sub Total</b>		-	<b>1.250</b>
<b>Grand Total</b>		-	<b>28.798</b>

**Annex - D**  
**[Para: 1.2.1.4]**

**Irregular payment of bitumen – Rs 2.984 million**

**(Rupees in million)**

<b>Sr. No.</b>	<b>Scheme</b>	<b>Description</b>	<b>M.B No &amp; Page No.</b>	<b>Date of R/E</b>	<b>QTY Executed (Sft)</b>	<b>Qty of Bitumen Used</b>	<b>Rate at the time of Utilization</b>	<b>Amount</b>
1	Const. of Metalled Road Basti Muhammad Ali Shah to BastiRaheemBux RYK	TST (67 lbs)	129 P# 95-96	27.12.16	12750	3.88	59,539	0.231
2	Repair of Road Sewer Line Tuff Tile Sett lite Town	TST (67 lbs)	2205 P# 83-90	25.01.17	25766	7.83	59,343	0.465
3	Repair of Nicas College Road Rahim Yar Khan	TST (67 lbs)	1340 P# 160-165	24.11.16	11788	3.58	59,539	0.213
4	Const. of Metalled Road Basti Rais Dosat Muhammad	TST (67 lbs)	54 P# 29-32	17.11.15	13080	3.98	74,694	0.297
5	Repair of Road Riaz-ur-Rehman Allama Iqbal Town	TST (67 lbs)	1345 P# 183-192	3.11.15	12060	3.67	74,694	0.274
6	Improvement of Road Rehmat Colony Nehar Kinara RYK	TST (67 lbs)	60 P# 67-70	25.11.15	5798	1.76	74,694	0.132
7	Repair of Road Mohallah Islam Nagar UNION COUNCIL 35/F RYK	TST (67 lbs)	124 P# 57-65	21.3.16	17829	5.42	69,539	0.377
8	Const. of Road Main Road Sohail Market	TST (67 lbs)	61 P# 50-53	10.12.15	25965	7.89	74,694	0.590
9	Repair of Road Main Road to W Block Near Park Gulshan Iqbal RYK	TST (67 lbs)	1337 P# 158-167	30.10.15	13646	4.15	74,694	0.310
10	Repair of Road Model Town Near Al-Hamra Park Dr.Laieq	TST (67 lbs)	1341 P# 152	11.11.15	4245	1.29	74,694	0.096
<b>Total</b>					<b>142927</b>	<b>43.45</b>		<b>2.984</b>

**Annex – E**  
**[Para: 1.2.2.1]**

**Non achievement of revenue targets – Rs 28.465 million**

**(Rupees in million)**

<b>(A) Tehsil Municipal Administration Rahim Yar Khan</b>						
<b>Sr. No.</b>	<b>Major/Minor Detailed Receipt Heads</b>		<b>Revised Budget 2015-16</b>	<b>Actual Income 2015-16</b>	<b>Difference</b>	<b>% age</b>
<b>1</b>	C 01803	Deposit & Reserve of TMA A/c ( Bank Profit Etc.)	1.000	0.397	0.603	60%
<b>2</b>	C 03701	Sale of Land (Improvement Trust)	3.000	2.465	0.535	18%
<b>3</b>	C 0388002	License Fees Permit	1.400	1.177	0.223	16%
<b>4</b>	C 0388020	Cycle Stand	1.800	1.470	0.330	18%
<b>5</b>	C 0388027	Building Application Fee	50.000	44.659	5.341	11%
<b>6</b>	C 0388032	Rent of Arzi Khokhajaat	0.150	0.001	0.149	100%
<b>7</b>	C 0388034	Encroachment Penalties	0.250	0.219	0.031	13%
<b>8</b>	C 0388054	Sewerage Tax	10.000	2.074	7.926	79%
<b>9</b>	C 0388058	Sale of Sullage water	0.100	0.087	0.013	13%
<b>10</b>	C 0388076	Advertisement Fee	16.000	13.050	2.950	18%
<b>11</b>	C 0388082	Water Rate	3.000	2.666	0.334	11%
<b>12</b>	C 0388087	Death & Birth Receipts Copying Fee	0.150	0.093	0.057	38%
<b>13</b>	C 0388088	Road Roller Charges	0.005	0.004	0.001	18%
<b>14</b>	C 0388091	Other Misc (Arrears)	20.000	10.277	9.723	49%
	<b>SUB TOTAL</b>		<b>106.855</b>	<b>78.640</b>	<b>28.215</b>	
<b>(B) Non Headquarter Tranda Saway Khan</b>						
<b>1</b>	C 0388032	Rent of Arzi Khokhajaat / Karobari Tax	0.150	0.118	0.032	21%
	<b>SUB TOTAL</b>		<b>0.150</b>	<b>0.118</b>	<b>0.032</b>	
<b>(C) Non Headquarter Kot Samaba</b>						
<b>1</b>	C 0388002	License Fees Permit	0.050	0.031	0.019	38%
<b>2</b>	C 0388032	Rent of Arzi Khokhajaat / Karobari Tax	0.020	0.016	0.004	19%
<b>3</b>	C 0388042	Slaughter House	0.050	0.036	0.014	27%
<b>4</b>	C 0388054	Drainage Sewerage / Sewer Tax	0.175	0.050	0.125	72%
<b>5</b>	C 0388082	Water Rate	0.120	0.064	0.056	47%
<b>6</b>	C 0388087	Copying Fee	0.001	0.001	0.000	10%
<b>7</b>	C 0388091	Other Misc	0.001	0.001	0.000	40%
	<b>SUB TOTAL</b>		<b>0.417</b>	<b>0.198</b>	<b>0.219</b>	<b>52%</b>
	<b>GRAND TOTAL</b>		<b>107.422</b>	<b>78.957</b>	<b>28.465</b>	<b>26%</b>

**Annex - F**  
**[Para: 1.2.3.1]**

**Non recovery of cost of land from occupants of Katchi Abadies – Rs 1,636.786 million**

**(Rupees in million)**

Sr. #	Name of Notified Katchi Abadi	Total No. of Dwelling Units	Proprietary Rights Granted	Proprietary Rights yet to be Granted	Expected No. Marlas in each Dwelling Units	Schedule Rate per Marla (2015-16)	Cost of Land	Sr. No. of Schedule
1	Adda Gulmerg	253	242	11	5	150,000	8.250	12 Zone-C
2	Bhatto Nagar (Muhammad Pura)	108	100	8	5	400,000	16.000	14 Zone-B
3	Basti Noore Wali	1,235	980	255	5	80,000	102.000	12 Zone-A
4	Dakhil Jinnah Park	114	100	14	5	80,000	5.600	10 Zone-B
5	Ghareeb Abad	<b>102</b>	<b>92</b>	10	5	70,000	3.500	2 Zone-A
6	Khawaja Colony	58	25	33	5	70,000	11.550	8 Zone-B
7	Behind Trust Colony	162	110	52	5	200,000	52.000	1 Zone-A
8	Ood Colony	139	45	94	5	200,000	94.000	1 Zone-A
9	Old Bhatta Colony	206	95	111	5	50,000	27.750	10 Zone-C
10	Chak 111/P (Eastern)	296	160	136	5	80,000	54.400	2 Zone-C
11	Chak 72 / NP	546	35	511	5	90,000	229.950	6 Zone-D
12	Basti Kamharan Near Chak 72/NP	386	-	386	5	90,000	173.700	6 Zone-D
13	Basti Kamharan Near Railway Phatak	121	25	96	5	90,000	43.200	6 Zone-D
14	Bheel Nagar	134	84	50	5	60,000	15.000	2 Zone-H
15	Tibbi Laran	436	-	436	5	50,000	109.000	7 Zone-D
16	Mouza Pursaan	1,461	10	1,451	5	50,000	362.750	7 Zone-D
17	Islamia Colony	321	200	121	5	70,000	42.350	6 Zone-C

Sr. #	Name of Notified Katchi Abadi	Total No. of Dwelling Units	Proprietary Rights Granted	Proprietary Rights yet to be Granted	Expected No. Marlas in each Dwelling Units	Schedule Rate per Marla (2015-16)	Cost of Land	Sr. No. of Schedule
18	Javed Colony near Chak 72/NP	86	45	41	5	90,000	18.450	6 Zone-D
19	Kouchan Kamboon Near Mohallah Qazian	45	22	23	5	100,000	11.500	22 Zone-A
20	Basti Bhattian	112	-	112	5	60,000	33.600	11
21	Chak Islamabad	99	29	70	5	35,000	12.250	14
22	Mouza Islamabad	77	3	74	5	35,000	12.950	14
23	Basti Aziz Bakhsh	46	9	37	5	25,000	4.625	16
24	Basti Bhagwan	54	22	32	5	25,000	4.000	16
25	Chak 111/P (Western)	161	-	161	5	150,000	120.750	5 Zone-A
26	Basti Shaidaan	47	-	47	5	60,000	14.100	5 Zone-H
27	City Taranda Saway Khan	249	-	249	5	39,000	48.555	11
28	Chak 78/P	178	-	178	5	5,625	5.006	1
<b>Total</b>		<b>7,232</b>	<b>2,433</b>	<b>4,799</b>	<b>140</b>	<b>2,504,625</b>	<b>1,636.786</b>	

**Annex - G**  
**[Para: 1.2.3.6]**

**Loss due to non auction of shops / plots after stipulated period – Rs 31.976 million**

**(Rupees in million)**

<b>Sr. No.</b>	<b>Name of Market</b>	<b>Total No. of Shops</b>	<b>Average Monthly Rent</b>	<b>Maximum Monthly Rent</b>	<b>Shop No.</b>	<b>Difference</b>	<b>Loss per Year</b>
1	Abbasia Road	65	2952	3800	54	848	0.661
2	Adda Gulmerg (North Side)	56	3561	4281	1	720	0.484
3	Adda Gulmerg (South Side)	24	2555	3828	1	1273	0.367
4	Adda Gulmerg Al-Khalil	9	2235	3536	1	1301	0.141
5	Adda Gulmerg (Gala Godam)	20	4422	5110	1	688	0.165
6	Adda Gulmerg Road Sadiq Town	19	1053	1920	11-12	867	0.198
7	Chowk Sadiq Town	16	1511	2785	1-2	1274	0.245
8	Circular Road School Bazar Blcok No. 3	38	2706	4164	36	1458	0.665
9	Dhobi Ghaat Nehar Kinara	17	2117	4282	6,7	2165	0.442
10	Dhobi Ghaat Circular Road	14	3428	6121	12	2693	0.452
11	Eid Garh Road	10	1981	2116	10	135	0.016
12	Old Building Octri	3	3300	4600	3	1300	0.047
13	Faisal Bazar	44	1751	2989	43,44	1238	0.654
14	Faisal Market	55	7102	11037	16	3935	2.597
15	Faisal Market Gol Chowk	57	2377	8252	59	5875	4.019
16	Farooq Azam Masjid	11	1664	1801	8	137	0.018
17	Fruit & Vegetable Market	44	2034	2338	1	304	0.161
18	Gala Mandi North Gate	12	2003	2323	11	320	0.046
19	Gallary	106	2887	8687	116	5800	7.378
20	Hospital Road	27	1904	2330	7	426	0.138
21	Jinnah Market	64	4633	10952	41	6319	4.853
22	Kocha Masjid Dhobi Ghat	8	3519	4529	8	1010	0.097
23	Kot Darya	15	1622	4645	16	3023	0.544
24	Mazba Khana	13	2445	4291	15,16	1846	0.288
26	Mustifa Market No. 2	55	3724	5046	78/A	1322	0.873
27	New Sabzi Mandi	13	10176	24216	71	14040	2.190
29	Purana Laari Adda	20		1723	9/A	1723	0.414
30	Pul School Bazar	4	7643	13877	3	6234	0.299
31	Rizwan Market	8	7019	11515	5	4496	0.432
32	School Bazar (North Side)	43	2248	5430	1	3182	1.642
33	School Bazar (South Side)	15	3001	10180	10	7179	1.292
34	Shopping Centre Khanpur Road	10	11065	11946	6	881	0.106
35	Shopping Centre No. 2, Hospital Road	6	10846	11625	6	779	0.056
<b>Total</b>							<b>31.976</b>

**Annex – H**  
**[Para: 1.2.3.7]**

**Non deduction / deposit of GST – Rs 9.803 million**

(Rupees in million)

Sr. No.	Name of Scheme	Bill	Bill No.	Date	Uptodate / Total Payment	Amount without GST	GST 17%
1	Repair of Soling Chak No. 115/P RYK	1st & Final Bill	56	3.3.16	0.540	0.461	0.078
2	Const. of Boundary Wall Gate & Iron Grill Ali Park RYK	2nd & Final Bill	178	10.06.16	0.701	0.599	0.102
3	Improvement of Park Gulshan Usman (Tanki Ground) RYK	2nd & Final Bill	229	07.06.16	0.160	0.137	0.023
4	Const. of Boundary wall ,Grill, Saddique Park Abbasia Town Rahim Yar Khan	3rd & Final Bill	379	30.06.16	0.435	0.371	0.063
5	Const. of Soling Basti Sialan RYK	1st & Final Bill	0	10.11.15	0.248	0.212	0.036
6	Const. of Soling Basti Kandey Wali	1st & Final Bill	6	18.11.15	0.390	0.334	0.057
7	Const. of Soling Culverts Thull Khair Muhammad	3rd & Final Bill	40	26.02.16	1.495	1.277	0.217
8	Const. of Soling/Culverts from Mouza Shah Pur Basti Peer Sanwal	1st & Final Bill	-	09.01.16	0.498	0.426	0.072
9	Const. of Soling at Basti Allah Bux Basti Qaim Deen Basti Elum Din UC RYK Deh	2nd & Final Bill	-	22.02.16	1.098	0.939	0.160
10	Const. of Soling/Culverts UNION COUNCIL Mianwali Qureshian	3rd & Final Bill	-	03.05.16	1.997	1.707	0.290
11	Const. of Soling/Culverts from UNION COUNCIL Haji Pur RYK	3rd & Final Bill	-	25.04.16	0.998	0.853	0.145
12	Const. of Soling / Culverts UNION COUNCIL Missan Abad	3rd & Final Bill	-	20.05.16	1.481	1.266	0.215
13	Const. of Soling / Culverts Mouza Lal Garh	1st & Final Bill	-	02.01.16	0.494	0.422	0.072
14	Const. of Soling / Culverts UNION COUNCIL Mianwali Qureshian	2nd & Final Bill	-	09.01.16	2.496	2.134	0.363
15	Const. of Soling Gousia Sultania Street Irshad Colony Rahim Yar Khan	1st & Final Bill	86	10.11.15	0.548	0.469	0.080
16	Const. of Soling Basti Channa & Basti Rao Ghulam Fareed	1st & Final Bill	210	24.11.15	1.117	0.954	0.162
17	Const. of Soling Siraj Colony / Tibba Chak 86/P	2nd & Final Bill	-	30.03.16	0.998	0.853	0.145
18	Const. of Soling/Culverts UNION COUNCIL Sardar Garh	3rd & Final Bill	-	21.03.16	1.474	1.260	0.214
19	Const. of Soling/Culverts UNION COUNCIL Mao Mubarak	2nd & Final Bill	-	16.03.16	1.493	1.276	0.217
20	Const. of Soling/Culverts UNION COUNCIL Bulaqi Wali	1st & Final Bill	125	16.11.15	1.993	1.703	0.290
21	Const. of Soling/Culverts UC Haji Pur	2nd & Final Bill	-	26.12.15	0.858	0.733	0.125
22	Const. of Soling Basti Ali Pur Bindoor	2nd & Final Bill	-	07.01.16	0.999	0.854	0.145
23	Const. of Soling Basti Mahran Near Chak	2nd & Final Bill	316	18.09.15	0.811	0.693	0.118

Sr. No.	Name of Scheme	Bill	Bill No.	Date	Uptodate / Total Payment	Amount without GST	GST 17%
	No.136/P RYK						
24	Const. of Soling Basti East Muhammad Nagar	1st & Final Bill	-	28.11.15	0.837	0.716	0.122
25	Const. of Soling Brick Pavement Culverts Shah Pur	2nd & Final Bill	-	20.01.16	1.765	1.508	0.256
26	Const. of Soling Basti Kalu Numberdar Mouza Burara	2nd & Final Bill	-	12.01.16	1.262	1.079	0.183
27	Const. of Soling Brick Pavement Bulaqi Wali	2nd & Final Bill	-	11.02.16	1.624	1.388	0.236
28	Const. of soling , brick pavement culverts, Kot Karam Khan (Shareen)	3rd & Final Bill	-	01.4.16	3.036	2.595	0.441
29	Const. of Soling, Brick Pavement, Culverts & Sewerage UC Badli Sharif RYK	3rd & Final Bill	-	07.04.16	2.586	2.211	0.376
30	Const. of Soling, Brick Pavement, Culverts & Sewerage UC Akram Abad	3rd & Final Bill	-	07.04.16	2.163	1.849	0.314
31	Const. of Soling, Brick Pavement, Culverts UC Abad Pur RYK	2nd & Final Bill	-	07.04.16	2.600	2.223	0.378
32	Const. of Soling , Brick Pavement, Culverts UC Bahoodi Pur Qureshian RYK	2nd & Final Bill	-	07.04.16	1.775	1.517	0.258
33	Const. of Soling , Briack Pavement, Culverts, & Sewerage UC Rajan Pur	2nd & Final Bill	-	16.01.16	2.683	2.294	0.390
34	Const. of Soling, Drain & Farashbandi Kot Samaba Rahim Yar Khan	2nd & Final Bill	-	12.04.16	1.394	1.192	0.203
35	Const. of Road Main Road Sohail Market	3rd & Final Bill	207	19.02.16	1.599	1.366	0.232
36	Repair of Road Main Road to W Block Near Park Gulshan Iqbal	2nd & Final Bill	90	22.12.15	1.258	1.075	0.183
37	Repair of Road Model Town Near Al-Hamra Park (Dr.Laieq)	3rd & Final Bill	53	11.08.15	0.937	0.801	0.136
38	Repair of Road Qazafi Colony RYK	1st & Final Bill	94	09.05.16	1.096	0.937	0.159
39	Repair of Road Back Side Jamia Qadria Road RYK	1st & Final Bill	153	23.11.15	0.631	0.540	0.092
40	Improvement of Road Street Abdullah Hotel Rahim Yar Khan	1st & Final Bill	53	11.12.15	0.458	0.391	0.066
41	Const. of Metalled Road Basti Muhammad Ali Shah to Basti Raheem Bux RYK	1st Running	-	18.05.16	1.445	1.235	0.210
42	Repair of Road & Sewerage Basti Amanat Ali	2nd & Final Bill	4	06.09.16	0.806	0.689	0.117
43	Repair of Road Sewer Line Tuff Tile Settlite Town	1st Running	-	21.11.16	1.807	1.544	0.263
44	P/L of Tuff Tile Street No.9 Jinnah Park RYK	2nd & Final Bill	-	-	0.100	0.085	0.014
45	P/L of Street Government / Farashbandi Mohallah Mehran Norey Wali	2nd & Final Bill	-	-	0.336	0.287	0.049
46	Const. of Farashbandi Muhammad Abad Mohallah Qadiria 34/E	1st & Final Bill	-	-	0.883	0.755	0.128
47	P/L of Tuff Tile Koucha Jaat Taranda	3rd & Final Bill	-	-	0.629	0.537	0.091

Sr. No.	Name of Scheme	Bill	Bill No.	Date	Uptodate / Total Payment	Amount without GST	GST 17%
	Saway Khan RYK						
48	Const. of Tuff Tile Chak No.111/P West Street Ghulam Mustafa RYK	1st & Final Bill	-	-	0.361	0.309	0.052
49	Const. of Tuff Tile Niazi Colony Cross 2,3,4,5 RYK	2nd & Final Bill	-	-	0.009	0.008	0.001
50	Repair of Road/Tuff Tile Settite Town	3rd & Final Bill	-	-	0.824	0.704	0.120
51	Const. of Tuff Tile Latif Abad 38/I	1st & Final Bill	-	-	0.394	0.336	0.057
52	Const. of Sewerage Line & Tuff Tile Rehman Colony Shah Faisal Colony 38/I	1st & Final Bill	-	-	1.765	1.508	0.256
53	Const. of Sewer Line & Tuff Tile 37/H	2nd & Final Bill	-	-	0.236	0.202	0.034
54	Replacement of Sewer Line & Farashbandi Qamar Abad 35/F	2nd & Final Bill	-	-	0.753	0.643	0.109
55	Const. of Sewer Line Tuff Tile Mirza Shahid Baig 32/C	1st & Final Bill	-	-	0.597	0.510	0.087
56	Const. of Sewer Line/Farashbandi Chak 72/NP	1st & Final Bill	-	-	0.965	0.825	0.140
57	Const. of Sewerage Line & Farashbandi Norey Wali	1st & Final Bill	-	-	1.452	1.241	0.211
58	Replacement of Sewer Line and Farashbandi Mohallah Kanjuan 34/E RYK	1st & Final Bill	-	-	0.807	0.690	0.117
59	Const. of Sewer Line & Tuff Tile Niazi Colony Thana B Division RYK	1st & Final Bill	-	-	0.396	0.338	0.057
60	Const. of Sewerage , Tuff Tile 30/A RYK	3rd & Final Bill	-	-	0.106	0.090	0.015
61	Const. of Sewer Line at Mastan Shah	1st & Final Bill	-	-	0.494	0.422	0.072
62	Const. of Sewerage Chak No.50P	2nd & Final Bill	-	-	0.145	0.124	0.021
63	Const. of Sewerage Line Shahnawaz Colony,Rehmat Colony 33/D	1st & Final Bill	-	-	0.575	0.492	0.084
64	Const. of Street No.10 Habib Colony	2nd & Final Bill	-	-	0.555	0.475	0.081
<b>Total</b>					<b>67.466</b>	<b>57.663</b>	<b>9.803</b>

**Annex - I**  
**[Para: 1.2.3.12]**

**Doubtful expenditure on consumption of POL - Rs 1.986 million**

**(Rupees in million)**

Sr. No.	Vehicle	Type	Meter Reading as on 10.02.17	Meter Reading as per log book	Date	Difference	Average Consumption per Hour / Km	Misappropriated POL	Average Rate / Liter	Amount
1	TR/MF/240/1357-24	Tractor Trolley	5,389	7,637	31.12.16	2,248	4	562.00	80	0.045
2	TR/MF/240/1358-63	Tractor Trolley	4,537	6,599	31.10.15	2,062	4	515.50	80	0.041
3	TR/MF/240/40467-45-9	Tractor Trolley	6,425	7,828	31.10.16	1,403	4	350.75	80	0.028
4	TR/MF/240/40469-16-9	Tractor Trolley	6,115	7,392	30.06.16	1,277	4	319.25	80	0.026
5	TR/MF/375/71213-1-12	Tractor Loader	2,796	4,581	31.12.16	1,785	5	357.00	80	0.029
6	TR/MF/375/71213-2-12	Tractor Trolley	4,092	5,996	31.12.16	1,904	5	380.80	80	0.030
7	TR/MF/385/80036	Tractor Loader	2,455	6,234	31.05.16	3,779	6	629.83	80	0.050
8	NISSAN/RNJ-1009-10	Jetting Machine (Nissan)	28,385	33,290	29.09.15	4,905	3	1635.00	80	0.131
9	HINO/11874	Succer & Jetting Machine (Hino)	31,921	66,888	31.08.15	34,967	3.5	9990.57	80	0.799
10	SUZUKI/JEEP/RNM-155	Jeep Potohar	49,575	72,083	30.11.16	22,508	7	3215.43	80	0.257
11	SUZUKI/CULTUS/RN S-1100	Car (Cultus)	52,943	58,945	30.11.16	6,002	11	545.64	80	0.044
12	FORK LIFTER	Fork Lifter	1,334	1,780	29.12.16	446	2.5	178.40	80	0.014
13	SUZUKI/PICKUP	Dangue Brigade	847	62,240	30.06.16	61,393	10	6139.30	80	0.491

**Annex – J**  
**[Para: 1.3.4.7]**

**Non deduction / deposit of GST – Rs 2.346 million**

**(Rupees in million)**

<b>Sr. No.</b>	<b>Name of Project</b>	<b>Name of Contractor</b>	<b>Amount</b>	<b>GST @ 17%</b>
1	Rehabilitation of Metalled Road Railway Phatak City Sadiqabad	Soud Ahmed	0.898	0.135
2	Rehabilitation of Metalled Road from Turn Underpass to Tillo Adda Sadiqabad	Soud Ahmed	5.474	0.821
3	Rehabilitation of Metalled Road Mohallah Kothiyani/Qazafi Bazar from Manthar Road to Rail Bazar Sadiqabad.	Maqbool Hussain Shahid	0.073	0.011
4	Rehabilitation of Metalled Road Ilyas Colony (Main Street) Sadiqabad.	Habib ur Rehman	0.936	0.140
5	Rehabilitation of Metalled Road Sadiq Club to Patwar Khana Sadiqabad.	Maqbool Hussain Shahid	0.472	0.071
6	Rehabilitation of Metalled Road Al-Falah Town (Street Dr. Jelani) Sadiqabad	Maqbool Hussain Shahid	0.047	0.007
7	Repair of Sewerage & Tuff Tile Meharabad Colony Street No. 1 Sadiqabad.	Maqbool Hussain Shahid	0.215	0.032
8	Repair of Tuff Tile Pepal Chowk, Ahmed Pur Lamma Sadiqabad.	Nizam Din	0.230	0.035
9	Repair of Swerage & Tuff Tile Gulshan Azmat Town Sadiqabad.	Umar Builders	0.392	0.059
10	Repair of Tuff Tile Under City Rahimabad Mohallah Lagarian Sadiqabad.	Maqbool Hussain Shahid	0.945	0.142
11	Repair of Tuff Tile Street No. 8, Ali Town Street Nazri Gujjar Wali Sadiqabad.	Maqbool Hussain Shahid	0.456	0.068
12	Repair of Sewerage Basti Ch. Muhammad Sadiq Aalaabad Sadiqabad.	Umar Builders	0.224	0.034
13	Repair of Sewerage & Tuff Tile Mohallah Malik Pur Rahimabad Sadiqabad	Umar Builders	0.202	0.030
14	Repair of Sewerage Line Madarsa Sadiqia Rahimabad Sadiqabad.	Haji Mushtaq Liaqat Pur	0.099	0.015
15	Repair of Metalled Road Bypass Road Fatta Katta to Road Jamal Din Wali Satellite Town Sadiqabad.	Umar Ahmed	0.403	0.060
16	Construction of Manhole Slabs TMA Sadiqabad	Maqbool Hussain Shahid	0.797	0.120
17	Providing & Laying of Manhole Covers TMA Sadiqabad.	Waseem Ahmed	1.500	0.225
18	P/L of Extra Peetar Engine with Sludge Pump & Const. of foundation Sewer pipe, Delivery Pipe, Suction Pipe etc for TMA Sadiqabad.	Ayub Ahmed Raza	0.225	0.034
19	Repair & Const. of Bridge Tibbi Minor Machi Goth Sadiqabad.	Haji Mushtaq Liaqat Pur	0.115	0.017
20	P/L of Water Supply pipe line Main water works to Madarst-ul-Madina Near Underpass Sadiqabad.	Amjad Rouf	0.727	0.109
21	Repair & Const. of Metalled Road & Tuff Tile Ali Town sadiqabad.	Maqbool Hussain Shahid	0.862	0.129
22	P/L of Tuff Tile Chak NO. 24/NP Sadiqabad.	AS Builders	0.149	0.022
23	Repair & Const. of Main Sewer Line Disposal Tibbi Wighawar Sadiqabad.	Umar Builders	0.047	0.007
24	Repair & Const. of Metalled Road Hed Fazal Wah Road to Basti Haji Rafiq Sadiqabad.	Waseem Ahmed	0.149	0.022
<b>Total</b>			<b>15.639</b>	<b>2.346</b>

**Annex – K**  
**[Para: 1.3.4.8]**

**Non imposition of penalty for late completion of development work – Rs 2.203 million**

**(Rupees in million)**

Sr. No.	Name of scheme	TS Amount	Date of Work Order	Completion Period	Date of completion	Total Amount of Expenditure	Total Amount of Expenditure	Penalty
1	Rehabilitation of Metalled Road Railway Phatak City Sadiqabad	2.077	03.05.2016	S: 03.05.16 C: 18.06.16	Not known	2,067,948	2.068	0.207
2	Rehabilitation of Metalled Road from Turn Underpass to Tillu Adda Sadiqabad	6.382	03.05.2016	S: 03.05.16 C: 18.06.16	07.11.16	6,184,294	6.184	0.618
3	Rehabilitation of Metalled Road Ilyas Colony (Main Street) Sadiqabad.	2.304	03.05.2016	S: 03.05.16 C: 18.06.16	08.08.16	1,889,280	1.889	0.189
4	Repair of Swerage & Tuff Tile Gulshan Azmat Town Sadiqabad.	0.622	03.05.2016	S: 03.05.16 C: 03.06.16	18.08.16	508,413	0.508	0.051
5	Repair of Tuff Tile Under City Rahimabad Mohallah Lagarian Sadiqabad.	1.025	03.05.2016	S: 03.05.16 C: 03.06.16	20.08.16	616,070	0.616	0.062
6	Repair of Tuff Tile Street No. 8, Ali Town Street Nazri Gujar Wali Sadiqabad.	0.612	03.05.2016	S: 03.05.16 C: 03.06.16	Work in Progress	411,238	0.411	0.061
7	Repair of Sewerage & Tuff Tile Mohallah Malik Pur Rahimabad Sadiqabad	0.258	03.05.2016	S: 03.05.16 C: 03.06.16	19.08.16	190,900	0.191	0.019
8	Repair of Sewerage Line Madarsa Sadiqia Rahimabad Sadiqabad.	0.190	03.05.2016	S: 03.05.16 C: 03.06.16	08.08.16	138,719	0.139	0.014
9	Repair of Metalled Road North Side Babul Masjid, Satellite Town Sadiqabad.	0.221	03.05.2016	S: 03.05.16 C: 03.06.16	Work in Progress	12,290	0.012	0.022

Sr. No.	Name of scheme	TS Amount	Date of Work Order	Completion Period	Date of completion	Total Amount of Expenditure	Total Amount of Expenditure	Penalty
10	Repair of Metalled Road Bypass Road Fatta Katta to Road Jamal Din Wali Settillite Town Sadiqabad.	0.981	03.05.2016	S: 03.05.16 C: 03.06.16	03.11.16	736,164	0.736	0.074
11	Construction of Manhole Slabs TMA Sadiqabad	1.000	03.05.2016	S: 03.05.16 C: 03.06.16	29.06.16	786,797	0.787	0.079
12	P/L of Extra Peeter Engine with Sludge Pump & Const. of foundation Sewer pipe, Delivery Pipe, Suction Pipe etc for TMA Sadiqabad.	0.242	03.05.2016	S: 03.05.16 C: 03.06.16	04.08.16	202,860	0.203	0.020
13	P/F Jandiar Tractor Front Bucket for TMA Sadiqabad.	0.600	03.05.2016	S: 03.05.16 C: 03.06.16	Work in Progress	0	0.000	0.060
14	Repair & Const. of Bridge Tibbi Minor Machi Goth Sadiqabad.	0.500	03.05.2016	S: 03.05.16 C: 03.06.16	Work Completed	350,050	0.350	0.050
15	P/L of Water Supply pipe line Main water works to Madarst-ul-Madina Near Underpass Sadiqabad.	0.857	03.05.2016	S: 03.05.16 C: 03.06.16	Work in Progress	20,655	0.021	0.086
16	Const. & Repair of Emergency Drainage of Disposal Kareem Town Sadiqabad.	4.503	03.05.2016	S: 03.05.16 C: 30.06.16	Work in Progress	23,210	0.023	0.450
17	Repair & Const. of Metalled Road & Tuff Tile Ali Town sadiqabad.	1.414	03.05.2016	S: 03.05.16 C: 30.06.16	Work in Progress	798,856	0.799	0.141
<b>Total</b>		<b>23.788</b>					<b>14.938</b>	<b>2.203</b>

**Annex – L**  
**[Para: 1.5.2.2]**

**Payment of development scheme without approval of the competent authority Rs  
– 14.545 million**

(Rupees in million)

Sr. No.	Name of Project	Estimated Cost	W/O No.	Dated	%age of Physical Progress	Exp. before 07/2015	Exp. 2015-16
1	Construction of soling, Culverts Union Council 68/A	1.416	37/27	30.03.15	100%	-	11.000
2	Construction of soling, drain and laying of sewer line Madina Colony Taranda Muhammad Pannah.	0.500	37/46	30.03.15	100%	-	0.383
3	Construction of soling, culverts basti Tabaruk Shah mouza bate Machhi.	0.200	37/56	30.03.15	100%	-	0.152
4	Laying of sewer line High School road Allah Abad	0.800	37/57	30.03.15	75%	-	0.310
5	Construction of Metalled Road & Laying of Tuff Tile Madina Masjid to Allah Chouk Katchi Mandi Liaquatpur .	0.808	57/2	06.04.15	100%	-	0.746
6	Laying of Tuff Tile Street Ishfaq Ahmed Iqbal Town Liaquatpur .	0.370	45/57	17.06.15	100%	-	0.337
7	Construction of soling, Culverts Mouza Arif Baloch Liaquat Pur.	0.550	57/17	06.04.15	100%	-	0.436
8	Construction of soling Chak No.44/A Near Graveyard.	0.300	57/24	06.04.15	100%	-	0.250
9	Construction of boundary wall graveyard chak 122/NP 123/NP	0.800	57/25	06.04.15	100%	-	0.632
10	Construction of side soling Metalled road Awais Nagar chak 124/NP	0.200	73/57	11.09.15	100%	-	0.200
11	Construction of soling chak 150/A Qasim Abbasi Liaquatpur.	0.100	57/70	01.10.15	100%	-	0.100
<b>Total</b>							<b>14.545</b>

**Annex – M**  
**[Para: 1.5.4.1]**

**Non recovery of conversion fee – Rs 8.245 million**

(Rupees in million)

Sr. No.	Name of School	Rate per marla	Area (in marlas)	Value of Plot	Conversion Fee
1	Jinnah public school kachi Mandi LQP,	0.150	15	2.250	0.225
2	Al Raza Public Model School Kachi Mandi LQP.	0.150	15	2.250	0.225
3	Tameer-e-Now Model school Pakki mandi LQP.	0.200	15	3.000	0.300
4	AL-Wahid Model School House No. 147/C-4 Housing Scheme LQP	0.200	15	3.000	0.300
5	Scholars Model Public School Allama Iqbal Town LQP	0.200	15	3.000	0.300
6	Pakistan Children Model Middle School Kachi Mandi LQP	0.150	15	2.250	0.225
7	Zikriya English Model E/S Kachi Mandi LQP	0.150	15	2.250	0.225
8	Al-Siraj Public Model School Kachi Mandi LQP	0.150	15	2.250	0.225
9	Misali Cadet Middle School Iqbal Town LQP	0.200	15	3.000	0.300
10	Al-Bagdad Public Model School Ghosia Colony LQP	0.060	15	0.900	0.090
11	Bright Future Public Middle School Rehmani Colony LQP	0.060	15	0.900	0.090
12	Bright Horizan Public M/S New Housing Scheme LQP	0.200	15	3.000	0.300
13	Quaid-E- Millat Public Model high School Gulshan-e-usman Col. Chak 70'A	0.120	20	2.400	0.240
14	Sir Syed H/SS (Girls) abbasian Road LQP	0.150	20	3.000	0.300
15	Fatima Girls H/SS LQP	0.150	20	3.000	0.300
16	English Grammar H/SS Girls LQP	0.150	20	3.000	0.300
17	Muslim Model Public H/SS Boys LQP	0.200	20	4.000	0.400
18	Swait secondary School LQP	0.200	20	4.000	0.400
19	Kazmi Public girls H/S LPQ	0.150	20	3.000	0.300
20	Gohar Public H/S LQP	0.150	20	3.000	0.300
21	Al-Wahab Public (Girls) H/S Colledge Road LQP	0.150	20	3.000	0.300
22	City Public H/S Park Road LQP	0.200	20	4.000	0.400
23	The Educator H/S fatima Campus LQP	0.150	20	3.000	0.300
24	Bismillah H/SS (Boys) Faisal Town LQP	0.200	20	4.000	0.400
25	The Educator (Fatima Campus) Girls Secondary LQP	0.150	20	3.000	0.300
26	Sowat Boys H/SS LQP	0.200	20	4.000	0.400
27	Sowat Girls H/SS LQP	0.200	20	4.000	0.400
28	Shine Star Public H/S 23/a Housing Scheme LQP	0.200	20	4.000	0.400
<b>Total</b>				<b>82.450</b>	<b>8.245</b>