



**AUDIT REPORT
ON
THE ACCOUNTS OF
LOCAL GOVERNMENTS
OF PUNJAB (SOUTH)**

AUDIT YEAR 2023-24

AUDITOR-GENERAL OF PAKISTAN

PREFACE

Articles 169 and 170 of Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 & 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 108 of the Punjab Local Government Act, 2013 require the Auditor-General of Pakistan to conduct audit of the accounts of Federation or a Province or Local Government and the accounts of any authority or body established by or under the control of the Federation or a Province.

The report is based on compliance audit of the accounts of 5 Metropolitan Corporations, 72 Municipal Committees, 17 District Councils, 28 Tehsil Councils and 01 Town Committee of the Government of the Punjab for the financial years 2021-22 and 2022-23. The Directorate General of Audit, Local Governments, the Punjab (South), Multan conducted audit during the Audit Years 2022-23 and 2023-24 on test check basis with a view to reporting significant findings to the relevant stakeholders. The audit report includes systemic issues and significant audit findings. Relatively less significant issues are listed in the Annexure-A of the Audit Report, which shall be pursued with the Principal Accounting Officers at the DAC level and in cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through next year's audit report.

Thematic Audit – as an across audit concept, has been made part of this report as Chapter-3, Service Delivery and Performance of Water Supply by Metropolitan Corporations.

The audit results indicate the need for adherence to the regularity framework besides instituting and strengthening internal controls to avoid recurrence of similar irregularities.

The observations included in this report have been finalized in the light of discussions in DAC meetings wherever convened.

There are certain audit para(s) which were also reported in last year(s) Audit Report(s) for the financial years 2021-22, 2020-21, 2019-20 and 2018-19. Recurrence of such irregularities is matter of concern and needs to be addressed.

The Audit Report is submitted to Governor of the Punjab in pursuance of Article 171 of Constitution of the Islamic Republic of Pakistan 1973, read with Section 108 of Punjab Local Government Act, 2013 for causing it to be laid before the Provincial Assembly of the Punjab.

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor-General of Pakistan

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ABBREVIATIONS AND ACRONYMS

AGP	Auditor-General of Pakistan
AC	Assistant Commissioner
ADP	Annual Development Program
AIR	Audit and Inspection Report
A&A	Audit and Accounts
BOQ	Bill of Quantity
B&R	Building and Road
CCO	Chief Corporation Officer
CDR	Call Deposit Receipt
Cft	Cubic Feet
CO	Chief Officer
CoA	Chart of Accounts
C&W	Communication and Works
DAC	Departmental Accounts Committee
DDC	District Development Committee
DDO	Drawing and Disbursing Officer
DFR	Departmental Financial Rules
DGA	Directorate General of Audit
FBR	Federal Board of Revenue
FMIS	Financial Management Information System
GST	General Sales Tax
HRA	House Rent Allowance
HQ	Headquarter
INTOSAI	International Organization of Supreme Audit Institutions
I&S	Infrastructure and Services
JMF	Job Mix Formula
LFA	Local Fund Audit
LG&CD	Local Government and Community Development
LSD	Land Sub-Division
MB	Measurement Book
MC	Metropolitan / Municipal Corporation / Committee
MFDAC	Memorandum for Departmental Accounts Committee
MO	Municipal Officer
MO(R)	Municipal Officer (Regulations)
MRS	Market Rate System
NAM	New Accounting Model
NOC	No Objection Certificate

PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PARCO	Pak-Arab Refinery Company
PCC	Plain Cement Concrete
PC-1	Planning Commission Proforma-1
PEEDA	Punjab Employees Efficiency, Discipline and Accountability
PFM	Public Financial Management
PFR	Punjab Financial Rules
PLGA	Punjab Local Government Act
PLGB	Punjab Local Government Board
PLGO	Punjab Local Government Ordinance
PMSP	Punjab Municipal Services Program
POL	Petroleum, Oil and Lubricants
PPRA	Punjab Procurement Regulatory Authority
PRA	Punjab Revenue Authority
PSI	Pounds Per Square Inch
PST	Punjab Sales Tax
PWD	Public Works Department
P&C	Planning and Coordination
RAD	Resident Assistant Director
RCC	Reinforced Cement Concrete
RD	Running Distance
RDA	Regional Directorate of Audit
RDD	Resident Deputy Director
RR&MTI	Road Research & Material Testing Institute
TC	Tehsil Council
TMA	Tehsil Municipal Administration
TMO	Tehsil Municipal Officer
TO	Tehsil Officer
TS	Technical Sanction
TSE	Technically Sanctioned Estimate
TST	Triple Surface Treatment
TTIP	Tax on Transfer of Immoveable Property
UPVC	Un-plasticized Polyvinyl Chloride
WASA	Water and Sanitation Agency

EXECUTIVE SUMMARY

The Directorate General of Audit (DGA), Local Governments, the Punjab (South), Multan is responsible for carrying out the audit of Local Governments (Metropolitan Corporations, Municipal Committees, District / Tehsil / Union Councils, District Education / Health Authorities and Public Sector Companies (PSCs) including Punjab Cattle Market Management & Development Company and Waste Management Companies) as well as Danish Schools and Centers of Excellence in 17 districts of Punjab (South).

The DGA, Local Governments, the Punjab (South), Multan had a human resource of 76 officers and staff constituting 19,000 man-days and Annual Budget of Rs 228.008 million during Audit Year 2023-24. This office carried out audit of the accounts of 123 Local Government formations during the Financial Years 2021-22 and 2022-23 and utilized 5,839 person-days for the purpose.

The report comprises of three (03) chapters, presenting the outcomes of certification audit, compliance with authority audits and thematic audits conducted during the Audit Years 2022-23 & 2023-24 along with the number of paras relating to the previous financial year.

Audit of the different tiers of the Local Governments was carried out in order to ascertain that the receipts collected and expenditure was incurred with legitimate authorization and in conformity with laws / rules / regulations.

Audit findings presented in the report underscore several critical issues that demand immediate attention. These include persistent disregard for the applicable regulatory framework, improper utilization of funds, deficient record management practices, lack of transparency in procurement processes and mismanagement of revenue/receipts.

The report strongly emphasizes the imperative of reinforcing internal controls within audited entities. It stresses the urgency of implementing measures that ensure effective accountability and maintain organizational integrity. Addressing these concerns is vital for promoting good governance, financial prudence, and transparent operational practices within audited organizations.

To optimize the utilization of limited audit resources, a desk audit exercise was conducted leveraging Computer Assisted Audit Techniques (CAAT) to identify high-risk entities and high-value transactions with significant financial implications. Subsequently, fieldwork was undertaken concentrating on the prioritized auditable issues pinpointed during the desk audit phase besides placing reliance on the professional judgment of the auditors.

a) Scope of Audit

The DGA is mandated to conduct audit of 123 Local Government formations / PAOs in 17 districts under its jurisdiction. Total expenditure and receipts of these formations were Rs 47,988.631 million and Rs 43,830.316 million respectively for the Financial Years 2021-22 & 2022-23.

Audit coverage relating to expenditure for the current audit year comprises 123 formations having total expenditure of Rs 19,111.093 million for the Financial Years 2021-22 and 2022-23. In terms of percentage, the audit coverage for expenditure was 40% of auditable expenditure.

This audit report also includes audit observations relating to audit year 2022-23 resulting from the audit of expenditure of Rs 6,988.386 million for the Financial Year 2021-22 pertaining to 53 formations.

Audit coverage relating to receipts for the current audit year comprises 123 formations having total receipts of Rs 21,624.341 million for the Financial Years 2021-22 and 2022-23. In terms of percentage, the audit coverage for receipts was 49% of auditable receipts.

In addition to this Compliance with Authority / Thematic Audit Report, the DGA also conducted 34 Financial Attest Audits and 03 Compliance with Authority Audits. Reports of these audits are being published separately.

b) Recoveries at the instance of Audit

As a result of audit, a recovery of Rs 7,155.606 million was pointed out in this Report. No recovery has been effected till finalization of this Audit Report.

c) Audit Methodology

Audit was carried out against the standards of financial governance provided under various provisions of PFR Vol-I & II, Delegation of Financial

Powers Rules and other relevant laws which govern the propriety of utilization of financial resources of the Local Governments. On the spot examination and verification of record was also carried out in accordance with the applicable laws / rules and according to INTOSAI auditing standards.

The selection of audit formations was made keeping in view their significance and risk assessment. Samples were selected after prioritizing risk areas by determining significance and risk associated with identified key controls.

d) Audit Impact

A number of improvements in record maintenance and procedures have been initiated by the authorities concerned. However, audit impact in the shape of change in rules is not materialized as the Public Accounts Committee has not discussed any Audit Report since the establishment of Local Governments. This has seriously hampered the accountability process and has encouraged the different tiers of Local Governments to repeat the irregularities.

e) Comments on Internal Controls and Internal Audit Department

The current audit report brings to light a series of discrepancies consistently observed by Audit over time. These recurring issues indicate potential structural problems, possibly stemming from an inadequate supervisory framework and flawed internal controls system.

Many instances of serious non-compliance of rules and regulations were noticed and reported in this audit report. These instances, inter alia, include misappropriation of public funds, irregularities pertaining to payment of inadmissible allowances, cash payments through Drawing and Disbursing Officers (DDOs) and poor maintenance of record etc. Lack of trained staff and accountability mechanism in Local Governments are major reasons for weak internal controls. Furthermore, no Internal Audit Department was established by the Local Governments.

This Audit Report includes a dedicated note at the end of each audit para intended to assist the department in recognizing and addressing recurring observations.

f) The Key Audit Findings of the Report

- i. Fraud and misappropriation amounting to Rs 1.020 million was highlighted in 01 case¹.
- ii. Procedural irregularities amounting to Rs 2,382.302 million were noticed in 134 cases².
- iii. Other issues involving an amount of Rs 23,130.449 million were observed in 241 cases³ which includes 63 cases of encroached / non-transfer of land cost and outstanding receipts related issues amounting to Rs 14,107.003 million.

¹Para No. 2.85.1

²Para No. 2.2.1 to 2.2.2, 2.3.1 to 2.3.3, 2.4.1 to 2.4.4, 2.5.1 to 2.5.2, 2.6.1, 2.7.1 to 2.7.2, 2.9.1 to 2.9.2, 2.10.1 to 2.10.2, 2.11.1 to 2.11.2, 2.12.1, 2.14.1, 2.15.1, 2.18.1 to 2.18.3, 2.21.1, 2.22.1, 2.24.1 to 2.24.3, 2.26.1, 2.27.1 to 2.27.2, 2.28.1, 2.29.1, 2.30.1 to 2.30.5, 2.35.1 to 2.35.2, 2.36.1, 2.37.1 to 2.37.3, 2.38.1, 2.39.1 to 2.39.2, 2.40.1 to 2.40.2, 2.42.1, 2.44.1, 2.47.1 to 2.47.2, 2.49.1 to 2.49.2, 2.50.1 to 2.50.2, 2.51.1 to 2.51.2, 2.52.1, 2.53.1, 2.57.1 to 2.57.4, 2.58.1, 2.59.1 to 2.59.2, 2.61.1, 2.62.1, 2.63.1, 2.65.1, 2.66.1, 2.69.1, 2.70.1, 2.71.1 to 2.71.3, 2.72.1, 2.75.1, 2.77.1, 2.79.1, 2.80.1 to 2.80.2, 2.81.1, 2.82.1 to 2.82.3, 2.84.1, 2.85.2, 2.86.1, 2.88.1 to 2.88.2, 2.89.1 to 2.89.2, 2.90.1, 2.91.1, 2.92.1, 2.93.1 to 2.93.2, 2.96.1, 2.97.1, 2.99.1, 2.101.1 to 2.101.3, 2.103.1, 2.104.1, 2.106.1 to 2.106.3, 2.108.1 to 2.108.2, 2.109.1 to 2.109.2, 2.112.1 to 2.112.2, 2.113.1 to 2.113.2, 2.114.1, 2.115.1, 2.116.1, 2.117.1 to 2.117.2, 2.120.1, 2.121.1 to 2.121.3, 2.122.1 to 2.122.2, 2.123.1 & 2.124.1

³Para No. 2.2.3 to 2.2.6, 2.3.4 to 2.3.5, 2.4.5 to 2.4.9, 2.5.3 to 2.5.5, 2.6.2 to 2.6.3, 2.7.3 to 2.7.4, 2.8.1, 2.9.3, 2.10.3 to 2.10.4, 2.11.3 to 2.11.5, 2.13.1 to 2.13.2, 2.14.2, 2.15.3 to 2.15.4, 2.16.1, 2.17.1 to 2.17.3, 2.18.4, 2.19.1 to 2.19.3, 2.20.1 to 2.20.2, 2.21.2, 2.22.2 to 2.22.3, 2.23.1 to 2.23.2, 2.24.4 to 2.24.5, 2.25.1, 2.26.2 to 2.26.3, 2.27.3, 2.28.2, 2.29.2 to 2.29.3, 2.31.1 to 2.31.5, 2.32.1, 2.33.1 to 2.33.2, 2.34.1 to 2.34.3, 2.35.3 to 2.35.4, 2.36.2 to 2.36.3, 2.37.4 to 2.37.6, 2.38.3 to 2.38.4, 2.39.3 to 2.39.6, 2.40.3 to 2.40.4, 2.41.1 to 2.41.4, 2.42.2 to 2.42.3, 2.43.1, 2.44.2, 2.45.1 to 2.45.2, 2.46.1 to 2.46.2, 2.47.3 to 2.47.4, 2.48.1 to 2.48.2, 2.49.3, 2.50.3, 2.51.3, 2.52.2 to 2.52.3, 2.54.1 to 2.54.2, 2.55.1 to 2.55.2, 2.56.1 to 2.56.2, 2.57.5 to 2.57.6, 2.58.2 to 2.58.4, 2.59.3 to 2.59.4, 2.60.1 to 2.60.2, 2.61.2 to 2.61.3, 2.62.2 to 2.62.4, 2.63.2 to 2.63.4, 2.64.1 to 2.64.2, 2.65.2, 2.67.1, 2.68.1 to 2.68.3, 2.69.2 to 2.69.6, 2.70.2, 2.71.4 to 2.71.7, 2.72.2, 2.73.1 to 2.73.2, 2.74.1, 2.75.2 to 2.75.6, 2.76.1 to 2.76.3, 2.77.2 to 2.77.4, 2.78.1 to 2.78.2, 2.79.2 to 2.79.3, 2.80.3 to 2.80.5, 2.81.2 to 2.81.5, 2.82.4, 2.83.1 to 2.83.6, 2.84.3 to 2.84.5, 2.85.3 to 2.85.4, 2.86.2 to 2.86.3, 2.87.1 to 2.87.2, 2.88.3, 2.89.3, 2.90.2 to 2.90.3, 2.91.2 to 2.91.3, 2.92.2, 2.94.1 to 2.94.4, 2.95.1 to 2.95.3, 2.96.2 to 2.96.3, 2.97.2, 2.98.1, 2.99.2, 2.100.1, 2.101.4, 2.102.1, 2.103.2, 2.104.2, 2.105.1 to 2.105.2, 2.106.4, 2.107.1 to 2.107.4, 2.108.3, 2.109.3 to 2.109.4, 2.110.1 to 2.110.3, 2.111.1 to 2.111.2, 2.112.3 to 2.112.4, 2.113.3, 2.114.2, 2.115.2 to 2.115.3, 2.116.2 to 2.116.3, 2.117.3 to 2.117.4, 2.118.1, 2.119.1 to 2.119.3, 2.120.2, 2.121.4 to 2.121.5, 2.122.3 & 2.123.2

Audit paras involving procedural issues including internal control weaknesses and other irregularities not considered worth reporting to the Public Accounts Committee have been included in the Memorandum for Departmental Accounts Committee (MFDAC) as **Annexure-A**.

g) Recommendations

PAOs are required to:

- i. Hold inquiries for fixing responsibility regarding fraud, misappropriation, losses and wasteful expenditure.
- ii. Make efforts for expediting the realization of various Government receipts.
- iii. Probe the matter regarding unauthorized use of administrative and financial powers.
- iv. Comply with the Punjab Procurement Rules for economical and rational purchases of goods and services.
- v. Ensure the establishment of internal audit department and proper implementation of the monitoring system.

CHAPTER 1

Local Governments - LG&CD Department

1.1 Introduction

A. Local Governments i.e. Metropolitan Corporations, Municipal / Town Committees, District / Tehsil / Union Councils were established under Punjab Local Government Act, 2013 amended from time to time. In recent past Provincial Assembly of the Punjab has enacted Punjab Local Government Act, 2022. These Local Governments are a body corporate having perpetual succession and a common seal with power to acquire / hold property and enter into any contract and may sue & be sued in its name.

The Chief Officer is the PAO of these Local Governments except for Union Councils where Secretary of the concerned Union Council acts as such. The PAO manages functions of these Local Governments through four offices i.e. Planning, Finance, Regulation and Infrastructure & Services. Chief Officer of the Local Government being PAO is responsible to the Public Accounts Committee of the Provincial Assembly. He / she is responsible to ensure that business of the Local Government is carried out in accordance with the applicable laws. He / she is also responsible for coherent planning, development, proper coordination of respective offices and ensuring effective and efficient functioning of the Local Government.

Administrative structure of Local Governments is given below:

Administrative Structure of a Local Government

Description	Administrative Structure
Chief Officer MC / DC / TC	1
Municipal / District / Tehsil Officer (Planning)	1
Municipal / District / Tehsil Officer (Finance)	1
Municipal / District / Tehsil Officer (Regulation)	1
Municipal / District / Tehsil Officer (Infrastructure & Services)	1

Local Government wise detail of administrative offices of 123 formations is attached as **Annexure-B**.

The following table shows detail of total & audited formations of Local Governments:

Audit Profile of Local Governments of Punjab (South)

(Rupees in million)

Sr. No.	Description	Nos.	Nos. Audited	Expenditure audited FYs 2021-23	Revenue / Receipts Audited FYs 2021-23
1	Formations	123	123	19,111.093	21,624.341
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAOs	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

Local Government wise audit profile is attached as **Annexure-C**.

B. Comments on Budget and Accounts (Variance Analysis)

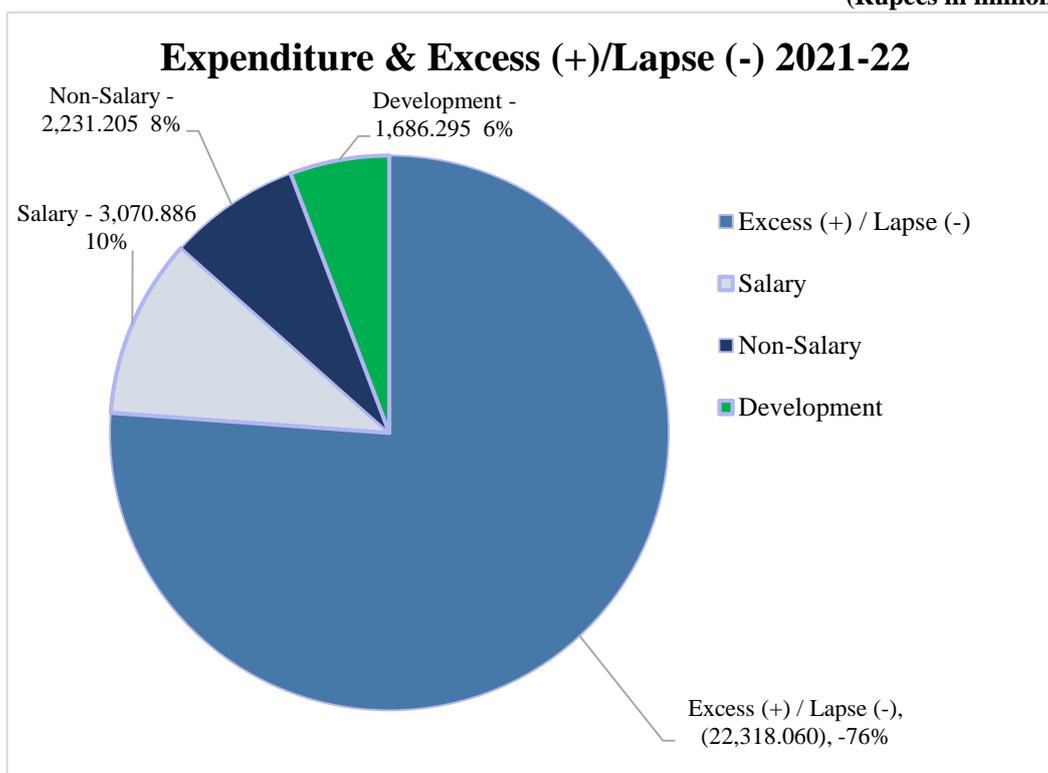
Consolidated statement of receipts and expenditure (budget and expenditure) of Local Governments is given below:

(Rupees in million)

FY	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance %
2021-22 53 audited formations	Salary	6,983.106	3,070.886	-3,912.220	-56.02
	Non-Salary	10,819.880	2,231.205	-8,588.675	-79.38
	Development	11,503.460	1,686.295	-9,817.165	-85.34
	Total	29,306.446	6,988.386	-22,318.060	-76.15
	Receipts	11,840.592	5,687.565	-6,153.027	-51.97
2022-23	Salary	19,066.471	13,274.136	-5,792.335	-30.38
	Non-Salary	33,700.206	20,229.015	-13,471.191	-39.97
	Development	38,886.257	7,497.095	-31,389.162	-80.72
	Total	91,652.934	41,000.246	- 50,652.687	-55.27
	Description	Target	Actual	Surplus (+) / Shortfall (-)	Variance
Receipts	45,483.698	38,142.751	-7,340.947	-16.14	
Grand Total of Expenditure		120,959.380	47,988.632	-72,970.747	-60.33
Grand Total of Receipts		57,324.290	43,830.316	-13,493.974	-23.54

Local Government wise detail of receipts and expenditure (budget and expenditure) is attached as **Annexure-D**.

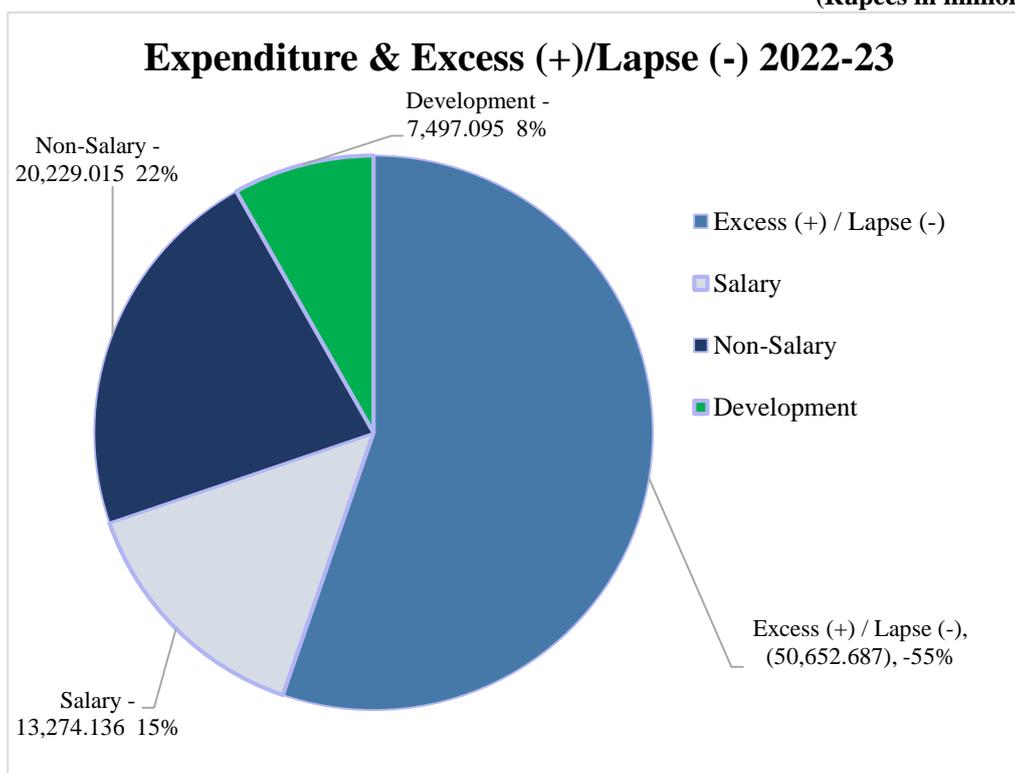
(Rupees in million)



Against budget (development / non-development) of Rs 29,306.446 million for Financial Year 2021-22, Local Governments could utilize only Rs 6,988.386 million. 85% development funds remained unspent during the financial year reflecting poor financial management of the Local Governments. Whereas 56% and 79% of budget allocation for financial year 2021-22 was allowed to lapse in salary and non-salary components of non-development expenditure. An overall lapse of Rs 22,318.060 million, which was 76% of total budget allocation of these Local Governments, came to the notice of Audit due to weak internal controls of the Local Governments.

Poor financial management by COs of Local Governments resulted in depriving the local population of the benefits likely to have accrued to them as a consequence of development undertaken by the management. Further, lapse of funds in salary / non-salary components adversely affected the overall performance of Local Governments.

(Rupees in million)



Against budget (development / non-development) of Rs 91,652.934 million for Financial Year 2022-23, Local Governments could utilize only Rs 41,000.246 million. 81% development funds remained unspent during the financial year reflecting poor financial management of the Local Governments. Whereas 30% and 40% of budget allocation for Financial Year 2022-23 was allowed to lapse in salary and non-salary components of non-development expenditure. An overall lapse of Rs 50,652.687 million, which was 55% of total budget allocation of these Local Governments, came to the notice of Audit due to weak internal controls of the Local Governments.

Poor financial management by COs of Local Governments resulted in depriving the local population of the benefits likely to have accrued to them as a consequence of development undertaken by the management. Further, lapse of funds in salary / non-salary components adversely affected the overall performance of Local Governments.

C. Sectoral Analysis on the Achievements against Targets

i. Analysis of Financial Resources

Lapse of funds (as reflected above) equivalent to 30%, 40% and 81% of the budgeted amount against salary, non-salary and development components respectively culminating at 55% of overall budget. Resultantly the Local Governments failed to achieve minimum service delivery / infrastructure targets during the year. Available funds to the tune of Rs 72,970.747 million (60%) during the years under audit were not utilized to help achieve the targets. The same resulted in depriving the local populace of necessary facilities, such as provision of municipal services, sanitation, water supplies, roads and street lights etc.

ii. Analysis of Targets and Achievements

Sectoral analysis of the Local Governments was made on the basis of various performance indicators for the Financial Years 2021-22 and 2022-23. The Local Governments were required to achieve the objectives / targets set in annual budget. Major objectives / targets set by the Local Governments were as under:

- i. Control over land use, spatial planning, land sub-division, land development and zoning by public and private sector for any purpose.
- ii. Provide, improve and maintain public open spaces, graveyards, public gardens and play grounds.
- iii. Sanitation & solid waste collection / disposal.
- iv. Enhancement of revenue generation capacity.
- v. Provision of water supply and control / development of water sources.
- vi. Establishment / formulation of sound system of internal controls, anti-corruption policy and procurement policy.

The management failed to achieve its revenue targets during the Financial Years 2021-22 & 2022-23 of Rs 13,493.974 million (24%) against the original revenue targets.

(Rupees in million)

FY	Description	Target	Actual	Surplus (+) / Shortfall (-)	Variance %
2021-22	Receipts	11,840.592	5,687.565	-6,153.027	52%
2022-23		45,483.698	38,142.751	-7,340.947	16%
Total		57,324.290	43,830.316	-13,493.974	24%

The above analysis reflects that Local Governments had failed to achieve any of their stated objectives from service delivery to sound financial management. No mechanism has been put in place to assess service delivery by these entities or achieve self-sufficiency in financial domain through revenue generation.

iii. Service Delivery Issues

Service delivery issues such as non-utilization of funds for development of municipal infrastructure, asset management, spatial planning, non-achievement of revenue collection targets, non-availability of operational vehicles and human resource management were observed and highlighted in this Audit Report. The Local Government failed to generate more revenues for ensuring best service delivery to general public. The significant irregularities pertaining to service delivery issues are given as under:

- i. Non-utilization of development funds for provision / improvement of municipal services and infrastructure.
- ii. Non-completion of development schemes within stipulated time period.
- iii. Non-auction of Local Governments properties at re-assessed market rate.
- iv. Encroachment of Local Governments properties.
- v. Non-registration of Housing Schemes / Land Sub-divisions.

iv. Expectation Analysis and Remedial Measures

The Local Governments were established to ensure provision of municipal services like civic infrastructure development in health / sanitation / water supply etc. as well as to put in place the effective system of revenue generation and collection. However, Local Governments could not perform their functions. Further, poor financial management like poor budgeting and expenditure thereof as well as in-effective internal

controls and monitoring mechanism regarding revenue collection especially from enforcement and weekly bazars were very weak.

Following remedial measures need to be taken to achieve the minimum service delivery standards of Local Governments:

- i. Establishment of effective internal controls and proper implementation of the monitoring system.
- ii. Strengthening the internal controls, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- iii. Holding those accountable who are responsible for irregularities.
- iv. Expediting the realization of Government receipts and overpayments.
- v. Budget should be rationalized with respect to utilization.

1.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 23,130.449⁴ million were raised as a result of this audit. This amount also includes recoverable of Rs 7,155.606 million as pointed out by Audit. Consolidated summary of audit observations on the accounts of Local Governments classified by nature is as under:

Overview of Audit Observations

(Rupees in million)		
Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	1.020
3	Procedural irregularities	-
A	HR / employees related irregularities	296.108
B	Procurement related irregularities	1,674.649
C	Management of Accounts with Commercial Banks	411.545
4	Value for money and service delivery issues	-
5	Others issues also include assets and receipts related issues	20,747.127
Total		23,130.449

Local Government wise summary of audit observations classified by nature is attached as **Annexure-E**.

⁴Amount of observations exceeds total expenditure as several issues of encroached / non-transfer of land cost and outstanding receipts have also been objected in many paras.

1.3 Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2018-19	405	PAC meeting was not convened
2	2019-20	895	PAC meeting was not convened
3	2020-21	418	PAC meeting was not convened
4	2022-23	890	PAC meeting was not convened

Local Government wise status of previous audit reports is attached as **Annexure-F**.

Note: Non-convening of PAC has seriously hampered the accountability process and has encouraged the different tiers of Local Governments to repeat the irregularities.

CHAPTER 2

2.1 Public Financial Management

Public Financial Management (PFM) is a central element of a functioning administration, underlying all government activities. It encompasses the mechanisms through which public resources are collected, allocated, spent and accounted for.

It is a proven fact that fiscal governance of any country is closely linked to an effective Public Financial Management (PFM) system, which focuses on principles of fiscal discipline, legitimacy, transparency and accountability of public finances. PFM is framed around achieving an overall discipline which specifically includes resource allocation and operational efficiency and effectiveness of public expenditure. The maintenance of “aggregate fiscal discipline” is foremost and primary objective of PFM which revolves around interaction of two streams; revenue and expenditure. Revenue generation and Public Expenditure Management (PEM) complement each other in attaining the strategic macroeconomic objectives of the state.

Punjab Public Financial Management Act, 2022 provides a broad framework for regulating the public sector financial management from budget making, revenue generation, cash management, expenditure, accounting to scrutiny through public audit. The regularity framework of the Local Governments during different phases of evolution is as under:

- i. The Punjab Local Government Act, 2019 (during 01.07.2021 to 15.10.2021).
- ii. The Punjab Local Government Act, 2013 (during 16.10.2021 to 24.06.2022).
- iii. The Punjab Local Government Act, 2022 (during 25.06.2022 till date).

The Chief Officer is the Principal Accounting Officer (PAO) of respective Local Government and carries out functions through offices as notified. Local Fund and Public Account constitute the fund of respective Local Government. Due to delay in electoral process, Chairmen were not elected. Therefore, the annual budget statements were authorized, in each District / Tehsil, by the Assistant

Commissioner / Deputy Commissioner whoever was notified as Administrator by Government of the Punjab. The purpose was to provide better municipal services to the local community.

The Chief Officer / Principal Accounting Officer shall be responsible:

- a) To adhere to and enforce the principles of financial propriety, including the compliance of laws, rules, regulations, maintaining high standard of prudence, vigilance, due diligence and ensuring value for money while incurring expenditure and collecting government receipts;
- b) To prepare budgetary proposals within the indicative budget ceilings agreed by the Finance Department. All expenditure proposals shall be based on well-defined plans. Budget allocation to various heads of expenditures, to the offices under his control may be made as per government plans and priorities and in such a way that during the currency of year, requirements for additional budget or re-appropriation are minimized if not eliminated altogether;
- c) To ensure the availability of budgetary allocations in various heads of accounts especially under the employee related expenditure in order to ensure timely payment of employee emoluments;
- d) To prepare development budget proposals and include the realization of economic forecasts and projections as well as achievement of goals and targets committed with reference to development budget;
- e) To sanction expenditure as per the delegated financial powers. Such sanctioning of expenditure shall not exceed the allocated budget. Prior to approving of expenditure sanction, principal accounting officer shall ensure that the required budget is available in the relevant head of account. Sanctioning of expenditure shall be based on the purpose for which the funds are allocated;
- f) To ensure revenue collection tax and non-tax revenue pertaining to concerned tiers of Local Governments on timely basis;
- g) To monitor the budget execution progress, and undertake reconciliation with accounting offices on monthly basis, related to revenues and expenditure of the concerned tiers of the Local Governments;

h) To ensure that accounts of concerned tiers of Local Governments are maintained correctly and efficiently;

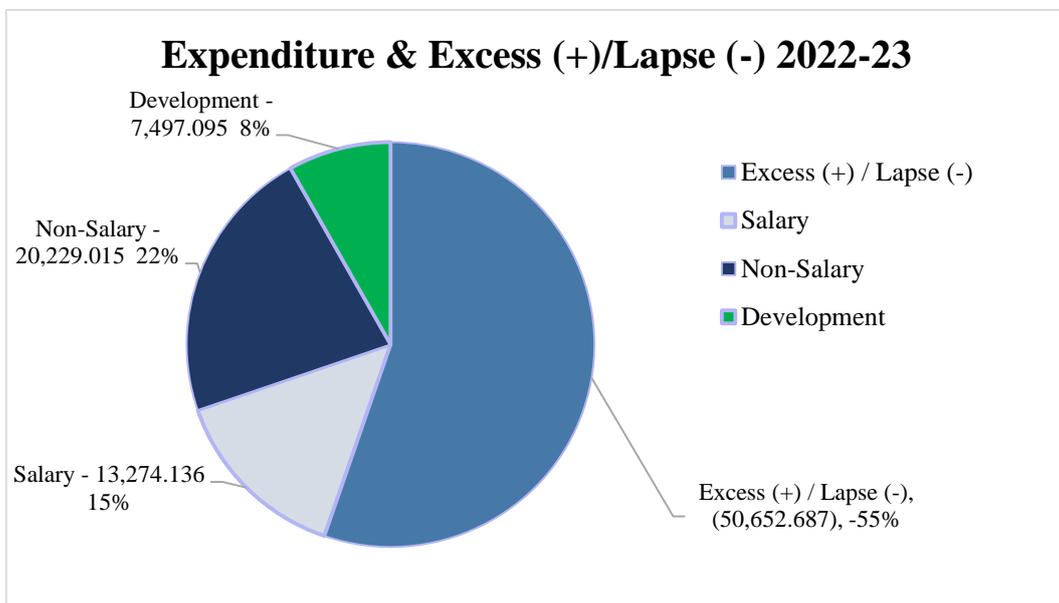
i) Any sums due to concerned tiers of Local Governments are promptly realized and credited to the Local Fund / Public Account.

Resource Mobilization

An overall view of budget and expenditure of 93 Local Governments for the FY 2022-23 is given in the table below, whereas, tier wise budget and expenditure of Local Governments is placed at **Annexure-D**.

(Rupees in million)

FY	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance %
2022-23	Salary	19,066.471	13,274.136	-5,792.335	-30
	Non-Salary	33,700.206	20,229.015	-13,471.191	-40
	Development	38,886.257	7,497.095	-31,389.162	-81
	Total	91,652.934	41,000.246	- 50,652.687	-55
	Description	Target	Actual	Surplus (+) / Shortfall (-)	Variance %
	Receipts	45,483.698	38,142.751	-7,340.947	-16



Against budget (development / non-development) of Rs 91,652.934 million for Financial Year 2022-23, different tiers of Local Governments could utilize only Rs 41,000.246 million. 81% development funds remained unspent during the financial year reflecting poor financial management of the concerned tiers of Local Governments. Whereas 30% and 40% of budget allocation for Financial Year 2022-23 was allowed to lapse in salary and non-salary components of non-development expenditure. An overall lapse of Rs 50,652.687 million, which was 55% of total budget allocation of these Local Governments, came to the notice of Audit due to weak internal controls mechanism.

Revenue Receipts of almost all tiers of Local Governments fell short of their budgeted targets. They did not increase the receipts as they heavily relied on Provincial Government funds.

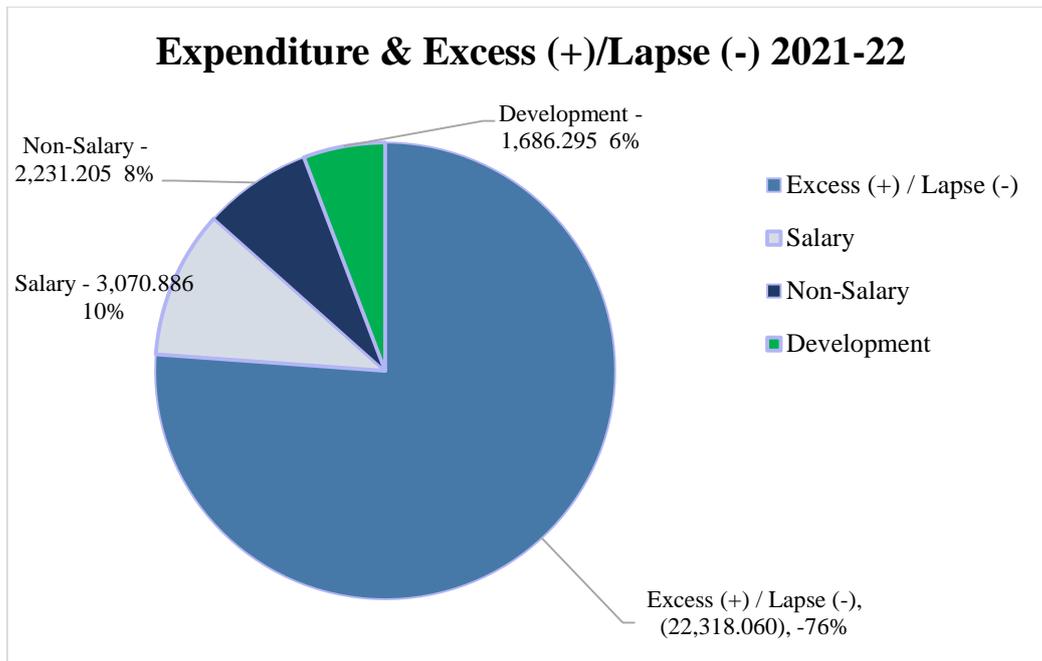
Revenue expenditure constituted 82% of the total expenditure incurred by the Local Governments during the FY 2022-23. Salary expenditure, comprising pay & allowances, pension contribution, financial assistance and leave encashment, was almost 33% of total revenue expenditure, whereas, non-salary was 49% during FY 2022-23.

Capital Receipts comprise receipts such as proceeds from recoveries of loans and advances, debt receipts from internal sources, and loans and advances from government as well as accruals from Public Account.

An overall view of budget and expenditure of 53 formations of different tiers of Local Governments for the FY 2021-22 is given in the table below, whereas, tier wise budget and expenditure of Local Governments is placed at **Annexure-D**.

(Rupees in million)

FY	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance %
2021-22	Salary	6,983.106	3,070.886	-3,912.220	-56
	Non-Salary	10,819.880	2,231.205	-8,588.675	-79
	Development	11,503.460	1,686.295	-9,817.165	-85
	Total	29,306.446	6,988.386	-22,318.060	-76
	Description	Target	Actual	Surplus (+) / Shortfall (-)	Variance %
	Receipts	11,840.592	5,687.565	-6,153.027	-52



The 53 formations audited during the audit year under report related to Financial Year 2021-22 had budget (development / non-development) of Rs 29,306.446 million. These formations could only utilize Rs 6,988.386 million against the total allocated budget of Rs 29,306.446 million. Whereas 56% and 79% of budget allocation for Financial Year 2021-22 was allowed to lapse in salary and non-salary components of non-development expenditure. Moreover, the different tiers of the Local Governments exhibited poor financial management in the development port-folio with 85% lapse of funds. An overall lapse of Rs 22,318.060 million, which was 76% of total budget allocation of 53 formations of Local Governments, came to the notice of Audit due to weak internal controls of these Local Governments.

Revenue Receipts of almost all tiers of Local Governments fell short of their budgeted targets. They did not increase the receipts as they heavily relied on Provincial Government funds.

Revenue expenditure constituted 76% of the total expenditure incurred by 53 formations during the FY 2021-22. Salary expenditure, comprising pay & allowances, pension contribution, financial assistance and leave encashment, was

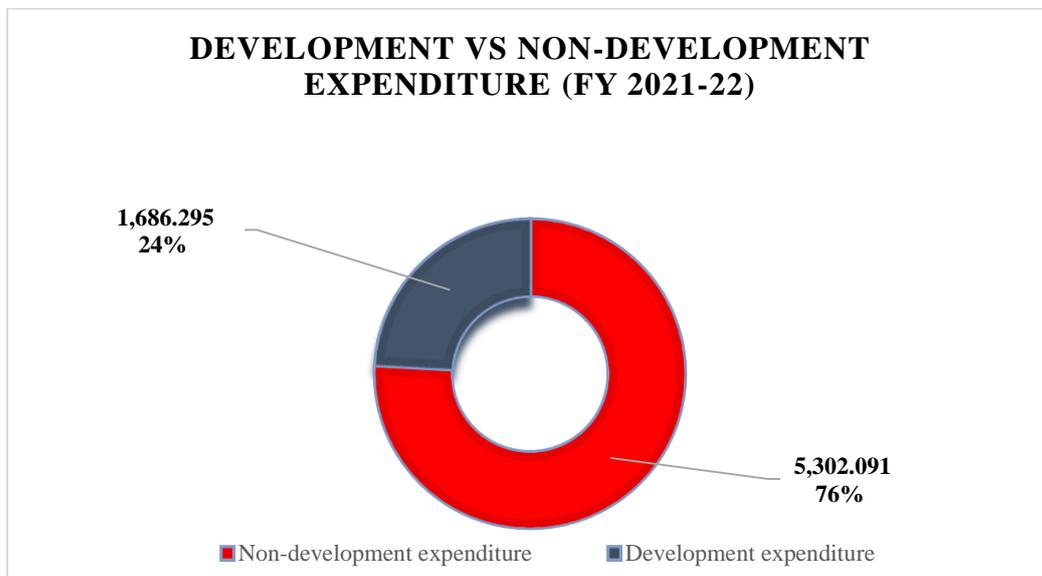
almost 44% of total revenue expenditure, whereas, non-salary was 32% during FY 2021-22.

Capital Receipts comprise receipts such as proceeds from recoveries of loans and advances, debt receipts from internal sources, and loans and advances from government as well as accruals from Public Account.

Medium Term Development Framework

The fiscal priority and fiscal capacity of the 53 formations of Local Governments with regard to development expenditure during FY 2021-22 is as under:

(Rupees in million)		
Description	Amount	Percentage
Non-development expenditure	5,302.091	76%
Development expenditure	1,686.295	24%
Total	6,988.386	100%

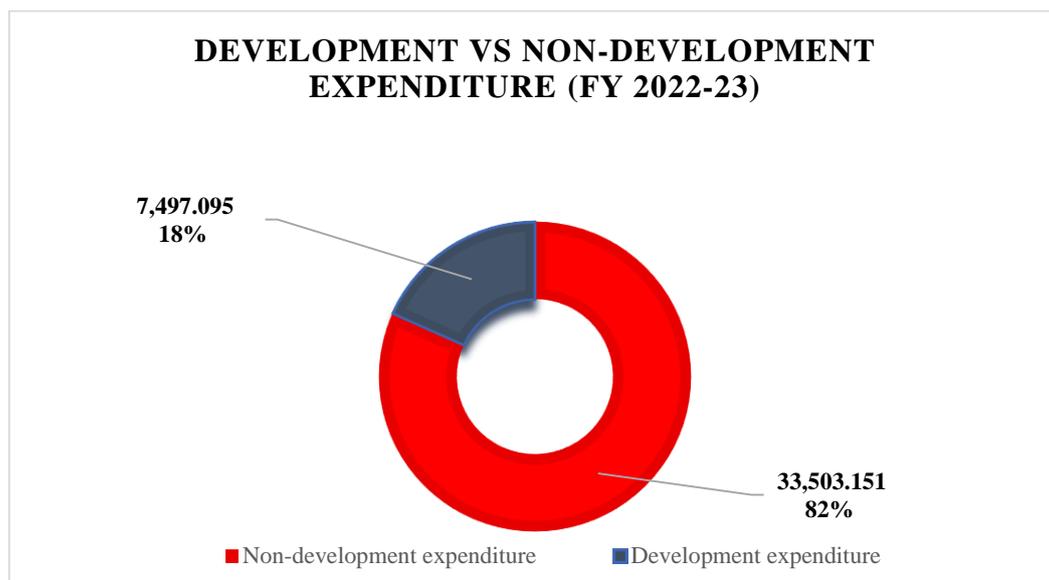


Overall evaluation of financial data indicated that Local Governments had less focus on development activities and available resources were not adequately utilized to improve infrastructure and service delivery. Only 24% of total funds

were utilized on developing the infrastructure whereas major part (76%) of available resources were utilized on day-to-day activities pertaining to salary and non-salarly components.

The fiscal priority and fiscal capacity of the 93 formations of Local Governments with regard to development expenditure during FY 2022-23 is as under:

(Rupees in million)		
Description	Amount	Percentage
Non-development expenditure	33,503.151	82%
Development expenditure	7,497.095	18%
Total	41,000.246	100%



Overall evaluation of financial data indicated that Local Governments had less focus on development activities and available resources were not adequately utilized to improve infrastructure and service delivery. Only 18% of total funds were utilized on developing the infrastructure whereas major part (82%) of available resources were utilized on day-to-day activities pertaining to salary and non-salarly components.

Annual Accounts

(Rupees in million)

Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
Salary	26,049.576	16,345.021	-9,704.555	-37
Non-Salary	44,520.086	22,460.220	-22,059.866	-50
Development	50,389.717	9,183.390	-41,206.327	-82
Total	120,959.379	47,988.631	-72,970.747	-60
Description	Target	Actual	Surplus (+) / Shortfall (-)	Variance (%)
Receipts	57,324.290	43,830.316	-13,493.974	-24

Financial Attest / Certification Audit of Annual Accounts of all the formations of Local Governments were audited in order to ascertain whether the expenditure incurred under the grant / head of account is in conformity with the laws, relevant rules and regulations. During financial attest audit of Annual Accounts of Local Governments for the FY 2021-22 audit emphasized on the following matter:

In violation of Rule 7 of the Punjab Local Government (Accounts) Rules 2017, "The accounts of the receipts and expenditures of the local government shall be maintained in such form and in accordance with such principles and methods as are given in the new accounting model (NAM) prescribed by the Auditor-General of Pakistan." Resident Audit Officer, District Council Rajanpur prepared appropriation and finance accounts of receipts and expenditures amounting to Rs 848.781 million. Resultantly, Annual Accounts were prepared variedly which failed to present a true and fair view as required by Annual Accounts duly prescribed.

Audit Paras

2.2 Metropolitan Corporation Bahawalpur

Procedural irregularities

2.2.1 Irregular expenditure by misclassification – Rs 46.461 million

According to Rule 12(b) (ii) of the Punjab Local Government (Accounts) Rules 2017, “The head of finance shall ensure that the expenditure is charged to relevant object code and remains within allocation.” Further, according to Rule 32 (d) of the Punjab Local Government (Accounts) Rules 2017, “The sanctioning authority shall ensure that the head of account to which the voucher is to be charged is correct and is recorded on the face of each voucher.”

During audit of MC Bahawalpur for the FY 2022-23, it was observed that CCO incurred expenditure of Rs 46.461 million on different heads of pay, contingent expenditure, purchase of assets and repair heads by using irrelevant head of accounts. Same nature bills were charged to different head of accounts. Further, assets were purchased from contingent heads as well as contingent items were purchased under heads of assets.

Due to weak internal controls, expenditure was incurred by misclassification which resulted in irregular expenditure.

The matter was reported to PAO in October, 2023. DDO replied that payments were made from irrelevant head of accounts due to weak financial position of this office. Reply was not tenable as expenditure was incurred from irrelevant head of accounts.

DAC in its meeting held on 11.12.2023 directed the Chief Officer to get the expenditure regularized from the competent authority besides action against responsible(s). No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC’s directives.

[AIR 2022-23 Para No. 02]

2.2.2 Irregular expenditure on contingent paid staff – Rs 7.591 million

According to Government of the Punjab, Finance Department Notification No. RO (Tech) FD 2-2/2022 dated 15.07.2022, “Appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.”

During audit of MC Bahawalpur for the FY 2022-23, it was observed that CCO hired contingent paid / daily wagger staff and made payment of Rs 7.591 million. The recruitments were made without advertisement in the newspapers and other codal formalities.

Due to weak internal controls, payment to contingent paid staff was made without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in October, 2023. DDO replied that contingent paid staff did not fall within the category of contract and regular employees, however, the demand for contingent paid staff was advertised in the newspapers. Reply of the department was irrelevant as complete process of recruitment was not adopted.

DAC in its meeting held on 11.12.2023 directed the Chief Officer to get the expenditure regularized from the competent authority besides fixing responsibility against the responsible(s). No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC’s directives.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23 and 2020-21 vide para(s) number 2.2.4 and 1.4.3 respectively having financial impact of Rs 19.622 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 13]

Others

2.2.3 Non-execution of mortgage and land transfer deed – Rs 1,831.333 million

According to Rule 17 (e) & (f) and Rule 42 (h) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, “The developers are required to transfer the area reserved for roads, open space, park and solid waste management as well as one percent of the area under land sub-division for public buildings, excluding the area of mosque in favor of relevant development authority / body and should submit mortgage deed of 20% of the saleable area, in accordance with Form C, as security for completion of development works.”

During audit of MC Bahawalpur for the FY 2022-23, it was observed that CCO neither got transferred nor mortgaged the required area valuing Rs 1,831.333 million from five housing schemes / land sub-divisions in the name of MC Bahawalpur.

Due to weak internal controls, mortgage and land transfer deed was not executed which resulted in irregular approval of housing schemes / LSDs and loss to MC.

The matter was reported to PAO in October, 2023. DDO replied that all the Housing Schemes / Land Sub-division Schemes were not cleared / approved from DPDC (District Planning & Design Committee) Bahawalpur. Reply was not tenable as required area was neither transferred nor mortgaged in the name of MC.

DAC in its meeting held on 11.12.2023 directed the Chief Officer to make efforts for transfer and mortgage of required property in the name of MC besides fixing responsibility against the person(s) at fault. No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC’s directives.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23 and 2019-20 vide para(s) number 2.2.10 and 1.6.1 respectively having financial impact of Rs 6,609.822 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 34]

2.2.4 Loss of revenue due to non-vacation of encroached property – Rs 1,155.273 million

According to Rule 4 (L) of the Punjab Local Government (Property) Rules, 2018, “The manager shall be vigilant about and to check encroachments or wrongful occupations on property and in case, there is any encroachment or wrongful occupation, take necessary steps for the removal thereof.”

During audit of MC Bahawalpur for the FY 2022-23, it was observed that CCO failed to get three (03) valuable lands vacated from illegal occupants valuing Rs 1,155.273 million. The detail is as under:

(Rupees in million)					
Sr. No	Name / Place of Land	Encroached Area (In Marla)	Encroached by	Rate / Marla	Total Amount
1	Majeed Abad	538	General Public	399,000	214.662
2	Mousa Colony	3,156	General Public	273,000	861.588
3	Saray Godomal	53	General Public	1,491,000	79.023
Total		3,747			1,155.273

Due to weak internal controls, encroached property was not got vacated from illegal occupants which resulted in potential revenue loss to the corporation.

The matter was reported to PAO in October, 2023. DDO did not submit reply.

DAC in its meeting held on 11.12.2023 directed the Chief Officer for vacation of encroached property from illegal occupants besides fixing responsibility against the person(s) at fault. No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC’s directives.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23, 2019-20 and 2018-19 vide para(s) number 2.2.7, 1.2.5.3.3 and 1.2.5.2 respectively having financial impact of Rs 28,735.127 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 30]

2.2.5 Loss due to non-recovery of revenue – Rs 114.606 million

According to Rule 47 (1) of the Punjab Local Government (Budget) Rules 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of MC Bahawalpur for the FY 2022-23, it was observed that CCO did not collect revenue on account of rent of property, water rates, sewerage fees, conversion fees and map fees resulting in loss of Rs 114.606 million. The income was either less deposited or misappropriated by the collection staff. The detail is as under:

(Rupees in million)			
Sr. No.	Description	Financial Year	Amount
1	Rent of property, water rates and sewerage fees	2022-23	110.393
2	Map and conversion fees		4.213
Total			114.606

Due to weak internal controls, non-recovery of revenue resulted in loss to MC.

The matter was reported to PAO in October, 2023. DDO replied that field staff visited the sites and served notices for recovery to the concerned. Reply was not tenable as efforts for recovery were not made.

DAC in its meeting held on 11.12.2023 directed the Chief Officer to recover the amount from the concerned besides fixing responsibility against the responsible(s). No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC’s directives.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23, 2020-21, 2019-20 and 2018-19 vide para(s) number 2.2.9, 1.4.12, 1.2.5.3.4 and 1.2.5.3 respectively having financial impact of Rs 7,690.366 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 06, 33]

2.2.6 Loss due to payment of inadmissible allowances and non-recovery of HBA – Rs 1.960 million

According to Government of the Punjab, Finance Department letter No. FD. S.R-I 9-4/86 (P) PR dated 04.12.12, “The employees who were residing in the residential colonies situated within work premises were not entitled to draw Conveyance Allowance.” Further, according to Rule 1.15 of the Punjab Travelling Allowance Rules 1976, “Conveyance allowance is not admissible during the period of leave”. Furthermore, according to Government of the Punjab, Finance Department letter No. FD (M- I) 1-15/82-F-I dated 15.01.2000, “In case of designated residence, the officer / official for whom the residence was meant cannot draw House Rent Allowance.” Moreover, according to clarification issued by the Finance Department, Government of the Punjab vide letter No. FD.SR.I.9-4/86 (P) (PR) dated 04.12.2012, “The employees who are residing in the residential colonies situated within work premises are not entitled to the facility of Conveyance Allowance.”

During audit of MC Bahawalpur for the FY 2022-23, it was observed that CCO paid inadmissible allowances against entitlement and did not recover HBA amounting to Rs 1.960 million. The detail is as under:

(Rupees in million)		
Sr. No.	Nature of recovery	Amount
1	House Rent and CA having Govt. accommodation	1.024
2	Conveyance allowance for using Govt. Vehicle	0.557
3	Recovery CA during leaves	0.006
4	Recovery of CA during leaves	0.288
5	Recovery of House Building Advance	0.085
Total		1.960

Due to weak internal controls, payment of inadmissible allowances and non-recovery of HBA resulted in loss to MC.

The matter was reported to PAO in October, 2023. DDO replied that required deductions were made from the salaries of employees to whom residence were allotted. Reply was not tenable as relevant record in support of reply was not produced during verification.

DAC in its meeting held on 11.12.2023 directed the Chief Officer for recovery from the concerned besides fixing responsibility against the person(s) at fault. No progress was intimated till the finalization of this Report.

Audit recommends early compliance of DAC's directives.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23 and 2020-21 vide para(s) number 2.2.18 and 1.4.6 respectively having financial impact of Rs 4.152 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 29]

2.3 Metropolitan Corporation Dera Ghazi Khan

Procedural irregularities

2.3.1 Irregular expenditure on purchase of store items – Rs 7.215 million

According to Rule 9 of Punjab Procurement Rules 2014, “A procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised on PPRA website in case of over two hundred thousand rupees to 3 million rupees.”

During audit of MC Dera Ghazi Khan for the FY 2022-23, it was observed that CCO incurred expenditure of Rs 7.215 million on account of purchase of various store items without tendering process by splitting the indents. The same items were purchased repeatedly with or without quotations to avoid the advertisement. These purchases were made on higher rates due to cartel and non-availability of competition.

Due to weak internal controls, expenditure was incurred on purchase of various items without observing procurement rules which resulted in irregular expenditure.

The matter was reported to PAO in October, 2023. CO replied that all the procurements were made after fulfilling codal and legal formalities. The reply was not tenable as the purchases were made without advertisement, through splitting the bills.

DAC in its meeting held on 25.01.2024 directed the CO to get the matter regularized from competent authority. No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC’s directives.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.3.11 having financial impact of Rs 4.964 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 21]

2.3.2 Irregular expenditure on work charged staff – Rs 6.615 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Dera Ghazi Khan for the FY 2022-23, it was observed that CCO incurred expenditure amounting to Rs 6.615 million on account of work charged staff. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department. The detail is as under:

(Rupees in million)

Head of Account	Budget	Expenditure	Remarks
A01277 - Contingent paid staff	2.500	2.469	Appointment of work charge employees.
A0397021- COVID-19	4.500	4.146	120 work charge employees hired to combat Covid-19.
Total		6.615	

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in October, 2023. CO replied that staff had been appointed as permanent workman in compliance of Court's Order. Further, under head COVID-19, staff had been hired for sewerage & sanitation purpose on monthly basis after sanction of the Government. The reply was not tenable as the due hiring process was not observed by the management.

DAC in its meeting held on 25.01.2024 directed the CO to get the matter regularized from competent authority. No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC's directives.

[AIR 2022-23 Para No. 04]

2.3.3 Doubtful expenditure on development schemes without mentioning site location – Rs 3.069 million

According to Rule 9(b) of Punjab Local Government (Accounts) Rules 2017, “The drawing and disbursing officer and payee of the pay, allowances, contingent expenditure, or any other expense shall be personally responsible for overcharge, fraud or misappropriation and shall be liable to make good that loss.”

During audit of MC Dera Ghazi Khan for the FY 2022-23, it was observed that CCO executed the development schemes and repair & maintenance amounting to Rs 3.069 million but site location for providing and laying of RCC slab were neither mentioned in technical sanctioned estimates nor recorded in measurement book. The detail is as under:

(Rupees in million)

Schemes	Contractor	Item	Amount
Providing and laying of RCC slab on Different Nala Jaat of DG Khan City Metropolitan corporation DG Khan	M. Ramzan work order No.557/ 20.05.2022	P/L of RCC slab	0.500
(1) Maintenance & repair of sewerage lines & Manhole including crown failures in City DG Khan up to 5 million (2) Maintenance of Manhole and manhole in city Dera Ghazi Khan up to 03 million	Nazir work order No. 1886/05.10.21	P/F of RPE Manhole covers with RPC Frame	1.032
		P/L of PCC	0.095
		Pacca brick work F&P 1:3	0.054
		Dismantling of PCC	0.013
		Pacca brick work F&P 1:3	0.101
		P/F 6” thick PCC	0.178
		P/F 6” thick RFC manhole cover 22” diameter	1.096
Total			3.069

Due to weak internal controls, development works were executed without exact location which resulted in doubtful expenditure.

The matter was reported to PAO in October, 2023. CO replied that the work was properly recorded in measurement books which were available for ready reference. The reply was not tenable as the measurement books containing required entries were not produced during verification as well as to DAC.

DAC in its meeting held on 25.01.2024 directed the CO to provide complete record within one month for verification. No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC's directives besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.3.12 having financial impact of Rs 4.794 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 11]

Others

2.3.4 Loss due to non-recovery of revenue – Rs 1,210.275 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Dera Ghazi Khan for the FY 2022-23, it was observed that CCO failed to recover arrears of revenue amounting to Rs 1,210.275 million on account of rent of municipal property / shops, slaughter house, adda fees, water rates, conversion and other fees.

Due to weak internal controls, arrears of revenue were not recovered from the concerned which resulted in loss to the MC Dera Ghazi Khan.

The matter was reported to PAO in October, 2023. CO replied that the recovery process was initiated and the arrears / default amount was being declared as arrears of land revenue. Audit stressed to expedite the process of recovery without further delay.

DAC in its meeting held on 25.01.2024 directed the CO to ensure the recovery within one month. No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC’s directives besides fixing responsibility against the person(s) at fault.

[AIR Para No. 8, 10, 24]

2.3.5 Non-deposit of government taxes and non-recovery of PST – Rs 6.811 million

According to Serial No.1 (b) (ii), 2(ii) (b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, “The rate of Income Tax to be deducted from a payment for goods or services shall be 4.5 per cent and 10 per cent respectively of the gross amount payable.” Further, according to Serial No. 11 of the Second Schedule to the Punjab Sales Tax on Services Act 2012, “Punjab

Sales Tax on Services @ 16 percent shall be applicable on services provided.” Furthermore, according to Para 1.3, 4(b) & 4(3) of the Sales Tax Special Procedure (Withholding) Rules 2007, “1/5th of GST shall be withheld by withholding agent / DDO and same shall be submitted along with monthly return to concerned Collector of Sales Tax.”

During audit of MC Dera Ghazi Khan for the FY 2022-23, it was observed that CCO did not deposit Rs 4.952 million on account of GST, Income Tax and Punjab Sales Tax during the year which were deducted at source from the bills of contractors / employees. Further, Punjab Sales Tax @ 16% amounting to Rs 1.859 million was not recovered from the contractors having collection rights of slaughter house and adda fees during the year.

Due to weak internal controls, taxes deducted at source were not deposited into government treasury and PST was not recovered which resulted in loss to the Government.

The matter was reported to PAO in October, 2023. CO replied that the recovery process had been initiated where the taxes were not / less deducted. Further, taxes deducted as source had been deposited into Government treasury. The reply was not tenable as no proof of deposited amount was produced for verification. Audit stressed to expedite the process of recovery without further delay.

DAC in its meeting held on 25.01.2024 directed the CO to ensure the recovery / deposit of taxes within one month. No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC’s directives besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 7, 12]

2.4 Metropolitan Corporation Faisalabad

Procedural irregularities

2.4.1 Irregular approval of development scheme through splitting - Rs 68 million

According to Rule 5(7) & 5(8) of the Punjab Local Governments (Works) Rules, 2017, “The Development Committee of Municipal Corporation is empowered to accord administrative approval of the works costing up to Rs 20 million.”

During audit of MC Faisalabad for the FY 2022-23, it was observed that Development Committee of MC Faisalabad accorded administrative approval of works costing Rs 68 million in its meeting dated 31.10.2022 by splitting the scheme into four different components to avoid administrative approval of next higher forum i.e. District Development Committee, as detailed below:

(Rupees in million)		
Sr. No.	Name of Scheme	Amount
1	Repair / Improvement / Rehabilitation / Providing and fixing of LED Street Lights in CC-80,81,82,84,85,86,87, 88,89,90 (NA-108)	16.300
2	Repair / Improvement / Rehabilitation / Providing and fixing of LED Street Lights in City Council Nos. 91 to 101 (NA-108)	17.000
3	Repair / Improvement / Rehabilitation / Providing and fixing of LED Street Lights in CC-102,106,108,109,110, 111,112,113 (NA-108)	17.500
4	Repair / Improvement / Rehabilitation / Providing and fixing of LED Street Lights in CC-114,115,116,117,118, 119,120,141,157 (NA-108)	17.200
Total		68.000

Due to weak internal controls, development scheme was split into sub-components which resulted in irregular administrative approval.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. Dir / Aud / Local. Govts / Fsd / 1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 11]

2.4.2 Irregular and unauthentic expenditure on hiring of vehicles & machinery – Rs 57.324 million

According to Rule 59(d)(iii)&(iv) of the Punjab Procurement Rules, 2014, “A procuring agency may engage in negotiated tendering with one or more contractors with or without prior publication of a procurement notification for reasons of extreme urgency brought about by events unforeseeable by the procuring agency, however, the circumstances invoked to justify extreme urgency must not be attributable to the procuring agency; and the Provincial Cabinet, for reason to be recorded in writing, approves any specific procurement to be made on urgent basis and shall fix the time for such urgency.”

During audit of MC Faisalabad for the FY 2022-23, it was observed that CCO incurred expenditure of Rs 57.324 million on hiring of tractors, trollies and excavators for removal of malba. However, the expenditure was held irregular / unauthentic on the following grounds:

- i. Expenditure of Rs 22.085 million was incurred on hiring of machinery (for removing encroachments at Old Vegetable Market, Nazimabad) without inviting tenders and unauthorized invoking urgency clause without justification and approval of the Provincial Cabinet. Further, whereabouts of saleable material were not forthcoming from the record. Furthermore, excess expenditure of Rs 2.859 million was incurred by paying rent on per trip basis instead of preparing analysis of rates on the basis of Input Rates.
- ii. Expenditure of Rs 35.239 million was incurred by showing removal of malba from different locations of city area without justifying existence of malba in huge quantities, without preparing detailed estimate describing exact location. Moreover, some of the claim vouchers regarding removal of malba from different locations of city contained same pictorial evidence which was attached with the claim vouchers regarding removal of encroachment from Old Vegetable Market, Nazimabad. **Annexure-1**

Due to weak internal controls, expenditure was incurred in non-transparent manner and without inviting tenders which resulted in irregular and unauthentic expenditure.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meetings were not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry for recovery and fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.4.16 having financial impact of Rs 9.686 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para Nos. 9, 20]

2.4.3 Non-transparent expenditure on sports activities – Rs 20.545 million

According to Rule 59(d)(iii)&(iv) of the Punjab Procurement Rules, 2014, “A procuring agency may engage in negotiated tendering with one or more contractors with or without prior publication of a procurement notification for reasons of extreme urgency brought about by events unforeseeable by the procuring agency, however, the circumstances invoked to justify extreme urgency must not be attributable to the procuring agency; and the Provincial Cabinet, for reason to be recorded in writing, approves any specific procurement to be made on urgent basis and shall fix the time for such urgency.”

During audit of MC Faisalabad for the FY 2022-23, it was observed that CCO incurred expenditure of Rs 20.545 million on arrangement of sports activities. However, expenditure was incurred by invoking urgency without approval of Provincial Cabinet to avoid tendering and funds were drawn by showing expenditure twice for the same dates, recording doubtful stock entries etc.

Annexure-2

Due to weak internal controls, expenditure was incurred without inviting tenders and without maintaining proper record which resulted in non-transparent expenditure.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meetings were not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of excess paid amount.

[AIR 2022-23 Para No. 15]

2.4.4 Irregular expenditure on behalf of PCMMDC – Rs 5.355 million

According to Rule 8(b) of the Punjab Local Governments (Budget) Rules 2017, “The Drawing and Disbursing Officers shall incur expenditure strictly against the allocation under the relevant object code and in accordance with the rules and keep in safe custody the departmental expenditure record. Moreover, according to Para 4.5 of the West Pakistan Buildings & Roads Department Code, “No payment should be made without detailed measurement in the measurement book. The description of the work must be lucid so as to admit of easy identification and check.”

During audit of MC Faisalabad for the FY 2022-23, it was observed that CCO made payment of Rs 5.355 million on behalf of Punjab Cattle Market Management & Development Company (PCMMDC) against scheme for Construction of Cattle Mandi, Chak No. 235/RB Nia Moana, Faisalabad. However, payment was held irregular on the following grounds:

- i. PCMMDC had its own source of income to incur expenditure.
- ii. Substantial record i.e. estimate, technical sanction, administrative approval, contractor’s bill, measurement book etc. was not maintained / produced to Audit.
- iii. Claim was not submitted to PCMMDC or LG&CD Department for reimbursement.

Due to weak internal controls, expenditure was incurred on behalf of PCMMDC without fulfilling codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meetings were not convened till finalization of this Report despite repeated requests.

Audit recommends reimbursement of expenditure from PCMMDC besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 13]

Others

2.4.5 Non-recovery of conversion fees – Rs 150.368 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Faisalabad for the FY 2022-23, it was observed that CCO did not recover conversion fees amounting to Rs 150.368 million from owners of commercial buildings who constructed commercial sites without approval. **Annexure-3**

Due to weak internal controls, the non-recovery of conversion fees resulted in loss to MC.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of conversion fees from the concerned.

Note: The issue was also reported earlier in the Audit Reports for the Audit Years 2022-23, 2020-21, 2019-20 and 2018-19 vide paras number 2.4.9, 4.4.5, 3.2.5.2.6, and 3.2.2.3 respectively having financial impact of Rs 741.677 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 7]

2.4.6 Non-recovery of Government dues – Rs 50.640 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed,

realized and credited immediately into the local fund and entered in the proper receipt head.” Moreover, according to Clause 4 of the Memorandum of Understanding between TMAs, Madina Town, Lyallpur Town, Iqbal Town, Jinnah Town (the 1st Party) and Faisalabad Parking Company Limited (the 2nd Party), “75% of the revenue generated by the 2nd Party through provision of parking facilities and service under the agreement shall be paid by the 2nd party to the 1st party.”

During audit of MC Faisalabad for the FY 2022-23, it was observed that CCO failed to recover Government dues amounting to Rs 50.640 million on account of road cut charges, property rent and parking share, as detailed below:

(Rupees in million)		
Sr. No.	Description	Amount
1	Non-recovery of restoration of road cut charges from WASA and SNGPL against 05 and 04 demand notices respectively	14.685
2	Non-recovery of rent from the lessees / occupants of various properties located at Sahulat Bazars and Darrajat under Jhaal Khanuana, Tariqabad & Novelty overhead bridges	22.955
3	Non-recovery of parking share from Parking Company as per MOU	13.000
Total		50.640

Due to weak internal controls, Government dues were not recovered which resulted in loss to MC.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meetings were not convened till finalization of this Report despite repeated requests.

Audit recommends early recovery of Government dues besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Reports for the Audit Years 2022-23, 2019-20 and 2018-19 vide paras number 2.4.12, 2.4.14, 3.2.5.9 and 3.2.2.9 having financial impact of Rs 77.722 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 4, 5, 21]

2.4.7 Loss to Government due to non-recovery of PST – Rs 6.896 million

According to Serial No.56 of the Second Schedule to the Punjab Sales Tax on Services Act, 2012, “Rate of sales tax is sixteen percent on debt collection, rent collection and similar other recovery or collection services including right to collect the toll or fee or regulatory fee or duty or any other similar collection.”

During audit of MC Faisalabad for the FY 2022-23, it was observed that CCO did not recover PST on auction of collection rights of fees from slaughter house amounting to Rs 6.896 million @ 16% from the contractor.

Due to weak internal controls, PST was not recovered which resulted in loss to the Government.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.4.21 having financial impact of Rs 4.416 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 8, 16]

2.4.8 Loss due to payment of inadmissible allowances – Rs 6.442 million

According to Government of the Punjab, Finance Department letter No. FD (M- I) 1-15/82-F-I dated 15.01.2000, “In case of designated residence, the officer / official for whom the residence was meant cannot draw House Rent Allowance.” Moreover, according to Government of the Punjab, S&GAD letter No.(O&M)S&GAD)5-3/2013 dated 01.03.2013, “The contract employees will not be entitled for Social Security Benefit (SSB) after regularization of their services and their pay shall be fixed at the initial of the respective pay scales.”

During audit of MC Faisalabad for the FY 2022-23, it was observed that CCO made inadmissible payment of house rent and SSB amounting to Rs 6.442 million to the employees, as detailed below:

(Rupees in million)		
Sr. No.	Description	Amount
1	Payment of house rent allowance to employees residing in MC residences	5.277
2	30% SSB paid after regularization of services of contract employees	1.165
Total		6.442

Due to weak internal controls, inadmissible house rent and SSB were paid which resulted in loss to MC.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meetings were not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of inadmissible allowances besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.4.22 having financial impact of Rs 4.088 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 6, 27]

2.4.9 Overpayment to the contractor due to wrong calculation – Rs 2.274 million

According to Para 4.5(5) of the Buildings and Works Department Code, “Every Officer making or ordering payment on behalf of Government should satisfy himself that work has been actually done in accordance with the bill submitted for payment.”

During audit of MC Faisalabad for the FY 2022-23, it was observed that CCO made excess payment of Rs 2.274 million to contractor against item No. 7 regarding providing / laying of 2-inch thick bituminous carpeting, as detailed below:

(Rupees in million)

Name of Scheme	Quantity of premixed carpeting	Rate per 100 Sft	Actual Amount	Amount Paid	Excess Amount
a	b	c	d = b x c / 100	e	f = e - d
Repair / improvement / rehabilitation of carpet road in Main Bazar Islam Pura	15,450 Sft	14,654.52	2.264	4.538	2.274

Due to weak internal controls, wrong calculation was made which resulted in excess payment to the contractor.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meetings were not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery from the concerned.

[AIR 2022-23 Para No. 26]

2.5 Metropolitan Corporation Multan

Procedural irregularities

2.5.1 Irregular purchases and consumption of store items – Rs 36.408 million

According to Rule 9 and 12 of the Punjab Procurement Rules 2014, “A procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised on PPRA website in case of over two hundred thousand rupees to 3 million rupees.” Furthermore, according to Rule 15.4 (a) and 15.5 of the PFR, Vol-I, “The receiving Government servant should also be required to give a certificate that he has actually received the materials and recorded them in his appropriate stock registers. When materials are issued a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or dispatched and when materials are issued from stock for departmental use, manufacture or sale, etc., the Government servant in charge of the stores should see that an indent in PFR Form 26 has been made by a properly authorized person.”

During audit of MC Multan for the FY 2022-23, it was observed that CCO incurred expenditure amounting to Rs 36.408 million on purchase of sports items, refreshment and food, stationery, street lights, general store items etc. without maintenance of proper stock entries / receiving issuance of store / stocks. Stock entries were not attested by the DDO and consumable items were shown consumed at once. Furthermore, all items were required to be purchased based on annual demand and requirement through competitive bidding instead of simple quotations by keeping bills below Rs 200,000. The detail is as under:

(Rupees in million)

Object Code	CO	MO(F)	MO(I)	MO(S)	MO(P)	MO(R)	Total
Stationery	1.472	0.420	0.478	0.274	0.252	-	2.896
Cost of store	0.494	-	-	0.331	-	-	0.825
Other	0.787	-	0.773	0.000	0.319	-	1.879
Other assets	2.476	0.361	4.209	0.462	-	-	7.508

Object Code	CO	MO(F)	MO(I)	MO(S)	MO(P)	MO(R)	Total
Unforeseen expenditure	4.927	-	0.000	0.963	-	0.468	6.358
Unforeseen for disaster	-	-	0.000	0.327	-	-	0.327
IT equipment	-	-	0.284	-	-	-	0.284
Repair transport	0.895	0.346	1.482	0.772	0.387	1.669	5.551
Furniture & fixture repair	0.388	-	-	-	-	-	0.388
Sports	2.386	-	-	-	-	-	2.386
National celebration	8.006	-	-	-	-	-	8.006
Total							36.408

Due to weak internal controls, purchases were made without observing procurement rules and maintenance of proper record of consumption which resulted in irregular procurement.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.5.3 having financial impact of Rs 20.249 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 9]

2.5.2 Loss due to payment against sub-standard work – Rs 7.095 million

According to clause 6 of the contract executed between contractor and Chief Corporation Officer MC Multan, “The contractor will execute work as per approved specification and up to entire satisfaction of authorities of Metropolitan Corporation Multan. In case of sub-standard work, the payment will not be made till rectification of defective work.”

During audit of MC Multan for the FY 2022-23, it was observed that CCO made payment to the contractors amounting to Rs 7.095 million against execution of different schemes. As per TS estimates and work orders issued to the contractors, tuff tiles of 60mm 7,000 PSI had to be used while according to test reports, tuff tiles were used having crushing strength ranging between 3,250 PSI to 5,640 PSI. Furthermore, the securities were also refunded to the contractors without removal of defects. **Annexure-4**

Due to weak internal controls, payment was made against sub-standard work without removal of defects from the contractors which resulted in loss to MC.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides removal of defects.

[AIR 2022-23 Para No.5]

Others

2.5.3 Non-recovery of conversion and map fees – Rs 162.601 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Multan for the FY 2022-23, it was observed that CCO did not recover conversion and building plan approval fees amounting to Rs 162.601 million from owners of commercial buildings and land sub-divisions who constructed commercial sites without approval.

Due to weak internal controls, conversion and building plan approval fees were not recovered from owners of commercial sites which resulted in loss to MC.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees from the concerned at the earliest.

Note: The issue was also reported earlier in the Audit Reports for the Audit Years 2022-23, 2020-21 and 2018-19 vide paras number 2.5.7, 5.4.21 and 4.2.2.9, 4.2.2.11, 4.2.3.2, 4.2.3.5, 4.2.4.10 respectively having financial impact of Rs 469.679 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No.15, 16]

2.5.4 Loss due to non-re-auctioning and recovery of rent of shops – Rs 78.673 million

According to Rule 4(d) of the Punjab Local Government (Property) Rules, 2018, “The Manager shall ensure that the rented Property fetches the maximum rent.” Further, according to clause 14 of the lease agreement, “If the tenant violate any condition of lease agreement TMA has right to get vacated shop and would recover arrears if any.”

During audit of MC Multan for the FY 2022-23, it was observed that CCO did not take any measure to re-auction shops to fetch maximum revenue. These shops were leased out during different financial years by defunct TMAs in accordance with the Punjab Local Government (Property) Rules, 2003 and the period of such lease was up to five years at a time which was already expired. Neither the management made efforts to get re-assessment of rent of shops nor fresh lease/rent agreement was executed between tenants and MC for next period. Furthermore, rent of shops amounting to Rs 78.673 million was not recovered from the different tenants during the financial year.

Due to weak internal controls, neither arrear recovered nor shops were re-auctioned to fetch maximum revenue which resulted in loss to MC.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of arrears at the earliest and re-auctioning of shops at current market rates.

Note: The issue was also reported earlier in the Audit Reports for the Audit Years 2022-23, 2020-21 and 2018-19 vide paras number 2.5.8, 5.4.23 and 4.2.3.1 respectively having financial impact of Rs 281.996 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 3, 7]

2.5.5 Loss due to short recovery of revenue – Rs 1.925 million

According to Rule 20 (7) of the Punjab Local Governments (Accounts) Rules 2017, “Receipts of the Local Government shall be collected in transparent manner, beyond any doubt of misappropriation, fraud, embezzlement or compromise.”

During audit of MC Multan for the FY 2022-23, it was observed that CCO made short recovery of revenue from different contractors amounting to Rs 1.925 million on account of different auctions of parking stand fees, entry fees of Art Gallery / Dam Dama etc. The detail is as under:

Detail of auction	Total demand	Recovery	Balance
Parking Gardezi Market	0.400	0.343	0.057
Entry fees Art Gallery / Dam Dama	8.150	8.129	0.021
Parking stand Hussain Agahi	5.511	3.664	1.847
Total	14.061	12.136	1.925

Due to weak financial controls, revenue was short recovered which resulted in loss.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of revenue besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Reports for the Audit Years 2022-23 and 2020-21 vide paras number 2.5.6 and 5.4.19 respectively having financial impact of Rs 417.594 million. Recurrence of same irregularity is a matter of serious concern

[AIR 2022-23 Para No.4, 13]

2.6 Metropolitan Corporation Sahiwal

Procedural irregularities

2.6.1 Irregular expenditure in violation of Procurement Rules – Rs 197.664 million

According to Rule 9 and 12(1) & (2) of Punjab Procurement Rules 2014, “A procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. A procuring agency shall advertise procurement of more than two hundred thousand rupees and up to the limit of three million rupees on the website of the Authority in the manner and format specified by regulations. Any procurement exceeding three million rupees shall be advertised on the website of the Authority, the website of the procuring agency, if any, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu.”

During audit of MC Sahiwal for the FY 2022-23, it was observed that CCO incurred expenditure amounting to Rs 197.664 million on purchase of various store items i.e, sports items, COVID safety items, stationary, street lights, material of filtration plant, uniforms and bamboos etc. and repair of buidings and roads. The expenditure was incurred by splitting to avoid tendering process.

Due to weak internal controls, procurement rules were not observed which resulted in irregular expenditure.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Reports for the Audit Years 2022-23 and 2020-21 vide paras number 2.6.2 and 6.4.7 respectively having financial impact of Rs 40.037 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 2, 3, 7]

Others

2.6.2 Loss due to less recovery of revenue - Rs 389.502 million

According to Rule 4.1 of PFR Vol-I, “The departmental controlling officer should see that all sums due to Government are regularly received and checked against demand and that they are paid into treasury.”

During audit of MC Sahiwal for the FY 2022-23, it was observed that CCO less recovered rent of building, shops and other receipts amounting to Rs 389.502 million from the tenants and water connection holders. Further, less recovery was made on account of water rates, sanitation tax and rent of shops during the years. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Less recovery of rent of building	44.635
2	Less recovery of water rates and sanitation tax	2.661
3	Less recovery of rent of shops	342.206
	Total	389.502

Due to weak internal controls, revenue were less recovered which resulted in loss to MC.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery from the concerned besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2018-19 vide para number 5.2.3.6 having financial impact of Rs 2.830 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 5, 6, 14]

2.6.3 Non-recovery of conversion and map fees – Rs 18.513 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Sahiwal for the FY 2022-23, it was observed that CCO did not recover conversion and map fees amounting to Rs 18.513 million from owners of commercial buildings and land sub-divisions who constructed commercial sites without approval.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees from the concerned.

Note: The issue was also reported earlier in the Audit Reports for the Audit Years 2022-23, 2020-21 and 2018-19 vide paras number 2.6.8, 6.4.15 and 5.2.3.1 respectively having financial impact of Rs 200.008 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 15, 16, 20]

2.7 Municipal Committee Abdul Hakim

Procedural irregularities

2.7.1 Irregular payment of bitumen without proof of standard quality – Rs 6.182 million

According to Chief Engineer Punjab District Support and Monitoring Department, Lahore vide his office letter No. 3357-93/W (I), Dated 26-08-2015 addressed all the EDOs (W&S) in Punjab stating that, “The chief Minister has direct all contractors 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 and gate passes of the approved / notified Refineries.”

During audit of MC Abdul Hakim for the FY 2021-22, it was observed that CO made payments of Rs 6.182 million for use of bitumen in surface treatment work of roads but did not ensure to obtain invoices and gate passes of the approved / notified Refineries. Further, test reports of bitumen used in surface treatment work of roads were also not on record.

Due to weak financial management, payment was made on account of surface treatment of roads without production of invoices and gate pass regarding quality of bitumen which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides provision of necessary record for verification.

[AIR 2019-22 Para No. 15]

Others

2.7.2 Non-recovery of conversion and map fees – Rs 11.015 million

According to Rule 50 (1)(C) of Chapter-XI of Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “A Local Government shall levy the conversion fee for the conversion site development zone (agriculture area) to residential use shall be two percent of the agricultural value of the land or plot or property as per valuation table and in case the valuation table is not available two percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.” Further, according to Sr. No. 22 (II) read with Municipal Committee Abdul Hakim, Khanewal, notification MC/ABK/574 dated 05.10.2018, “map fees of land sub-division is @ Rs 1,500/- per Marla”

During audit of MC Abdul Hakim for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 11.015 million for the Financial Years 2019-20 to 2022-23 from owners of commercial buildings and land sub-divisions who constructed commercial sites without approval.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in April, 2023 and July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees from the concerned.

[AIR 2022-23 Para No. 02, 03]

[AIR 2019-22 Para No. 07]

2.8 Municipal Committee Ahmed Pur East

Others

2.8.1 Loss due to non-realization of revenue – Rs 84.349 million

According to Rule 50 (1) (a) (e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2020, “A local government shall levy the conversion fee for the conversion of any land use to educational, healthcare institutional or commercial use @ ten percent of the existing value of the land or plot or property as per valuation table and in case valuation table is not available, ten percent of the average sale price of preceding twelve months of the land in the vicinity as determined by the District Price Assessment Committee.” Further, according to Rule 47 (1) of the Punjab Local Government (Budget) Rules 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of MC Ahmed Pur East for the FY 2022-23, it was observed that CO did not collect revenue on account of parking fees, rent of shops, arrears of receipts and conversion fees amounting to Rs 84.349 million. The income was either less collected or misappropriated by the collection staff. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Parking fees, rent of shops and arrears of receipts	1.005
2	Conversion fees	83.344
Total		84.349

Due to weak internal controls, the non-realization of revenue resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/BWP /Reports/2023-24/F-39/CD-1026 dated 08.09.2023, followed by subsequent reminders vide No. 1118-20 dated 25.09.2023 and No. 1174-77 dated 28.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23 and 2019-20 vide para(s) number 2.9.4 and 7.2.5.3.3 respectively having financial impact of Rs 129.49 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Paras No. 6, 19]

2.9 Municipal Committee Ahmad Pur Sial

Procedural irregularities

2.9.1 Irregular execution of civil works – Rs 12.263 million

According to Rules 4(3), 5(2) and 5(5) of the Punjab Local Governments (Works) Rules, 2017, “The work costing Rupees 1.5 million or above shall be prepared on the PC-I prescribed by the Government and approved in the manner prescribed for approval of PC-I. For the preparation of rough cost estimates, the engineering staff shall inspect the site and work out the feasibility of the work through images or photographs of the site. The estimate on the basis of which a work is to be undertaken shall be subject to technical sanction by the competent authority in the prescribed manner.”

During audit of MC Ahmad Pur Sial for the FY 2022-23, it was observed that CO executed three works for construction of drainage / sewer schemes through different contractors at agreement cost of Rs 12.263 million. However, works were executed without identification of sites, preparation of PC-I, technical sanction of estimates and incorporating photographs / images of sites. Moreover, record entries regarding replacement and repairing of manhole covers were not made in the Measurement Books (MBs).

Due to weak internal controls, works were executed without identification of sites, preparing PC-I, TS of estimates and recording entries in MB which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 10, 11]

2.9.2 Irregular expenditure on procurement of street lights – Rs 1.169 million

According to Rule 4 of the Punjab Procurement Rules, 2014, “A procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.” Further, according to Rule 18(3) of the Punjab Local Governments (Works) Rules 2017, “Any payment either for the work done or procurement made for more than rupees fifty thousand shall be entered in the Measurement Book.”

During audit of MC Ahmad Pur Sial for the FY 2022-23, it was observed that CO incurred expenditure of Rs 1.169 million for purchase of street lights without preparing drawings, recording entry in MB / stock register and considering market rates. Moreover, payment of 45-watt bulbs was made against supply of 40-watt bulbs.

Due to weak internal controls, procurement of LED lights was made without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to probe the matter for fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 17]

Others

2.9.3 Non-recovery of conversion fees – Rs 9.905 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Ahmad Pur Sial for the FY 2022-23, it was observed that CO and MO (P) failed to collect conversion fees amounting to Rs 9.905 million from the owners of commercial sites for the Financial Years 2019-20 to 2022-23.

Due to weak internal controls, conversion fees was not recovered which resulted in loss to MC.

The matter was reported to PAO in March and July, 2023 but management did not reply.

DAC meetings were not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of conversion fees from the concerned besides fixing responsibility against the person(s) at fault.

Note: The issue was reported in the Audit Report for Audit Year 2019-20 vide para No.52.4.2 having financial impact of Rs 1.006 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2019-22 Para No. 7]
[AIR 2022-23 Para No. 12]

2.10 Municipal Committee Alipur

Procedural irregularities

2.10.1 Irregular payment on account of tuff tiles – Rs 4.459 million

According to input rates issued by the Government of Punjab, Finance Department, “The strength of tuff pavers should be 7000-PSI and these should be of approved manufacturers i.e. Tuff Pavers (Pvt) Ltd., Izhar Building Material (Pvt) Ltd. Further, as per Government of Punjab Communication and Works Department, Lahore letter No.PA/SECY(C&W) 26-5/2009 dated 25.05.2009, “Payment be made only for quality works which conform to the given specifications.”

During audit of MC Alipur for the FY 2022-23, it was observed that CO made payment of Rs 4.459 million to the contractor on account of 41,139 sft tuff tiles used in development scheme “Rehabilitation / repair of metal road, soling drain tuff tiles ward No. 1 to 12 Alipur.” No gate pass or any other document was provided to prove that tiles were purchased from approved manufacturer. The rate of the tuff tile was based on the input rate of Izhar & Co. Taxila, but the tuff tiles were purchased of local manufacturer. Furthermore, lab tests for assessing the strength and quality were not conducted.

Due to weak internal controls, payment was made without supporting documents which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.10.1 having financial impact of Rs 11.865 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No.11]

2.10.2 Irregular expenditure on work charged staff – Rs 2.253 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Alipur for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 2.253 million on account of work charged staff. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department. The detail is as under:

(Rupees in million)		
Payment Date	No. of Employees	Amount
23-09-22	25	0.480
30-09-22	6	0.150
30-09-22	13	0.325
13-12-22	1	0.020
13-12-22	15	0.303
13-01-23	19	0.475
03-02-23	20	0.500
Total		2.253

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 23]

Others

2.10.3 Loss due to non-recovery of outstanding dues / revenue – Rs 134.980 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Alipur for the FY 2022-23, it was observed that CO failed to recover dues / revenue amounting to Rs 134.980 million on account of advances, fees and miscellaneous arrears. The detail is as under:

(Rupees in million)		
Sr. No.	Type of Recovery/Overpayment	Amount
1	Non-recovery / adjustment of advances from Govt. departments and MC employees	2.977
2	Unauthorized inclusion of Provincial Sales Tax in estimates	2.373
3	Non-recovery of conversion fees	108.746
4	Non-recovery of departmental charges	2.550
5	Non-recovery of arrears	18.227
6	Non-recovery of House Building Advances	0.107
Total		134.98

Due to weak internal controls, government dues / revenue were not recovered from the concerned which resulted in loss to the MC.

The matter was reported to PAO in July, 2023 but management did not reply

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of revenue from the concerned.

[AIR 2022-23 Para No. 2, 4, 5, 6, 10, 21]

2.10.4 Non-deposit of Government taxes – Rs 6.943 million

According to Serial No.1 (b) (ii), 2(ii) (b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, “The rate of Income Tax to be deducted from a payment for goods or services shall be 4.5 per cent and 10

per cent respectively of the gross amount payable.” Further, according to Serial No. 11 of the Second Schedule to the Punjab Sales Tax on Services Act 2012, “Punjab Sales Tax on Services @ 16 percent shall be applicable on services provided.” Furthermore, according to Para 1.3, 4(b) & 4(3) of the Sales Tax Special Procedure (Withholding) Rules 2007, “1/5th of GST shall be withheld by withholding agent / DDO and same shall be submitted along with monthly return to concerned Collector of Sales Tax.”

During audit of MC Alipur for the FY 2022-23, it was observed that CO did not deposit Rs 6.943 million on account of GST, Income Tax and Punjab Sales Tax during the year which were deducted at source from the bills of contractors / employees.

Due to weak internal controls, taxes deducted at source were not deposited into government treasury resulting in loss to government.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends deposit of GST, Income Tax and Punjab Sales Tax to the concerned departments immediately besides action against the person(s) at fault.

[AIR 2022-23 Para No. 07, 13, 24]

2.11 Municipal Committee Arifwala

Procedural irregularities

2.11.1 Irregular expenditure in violation of Procurement Rules – Rs 14.294 million

According to Rule 9 of the Punjab Procurement Rules, 2014, “Procuring agency shall announce proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s website.”

During audit of MC Arifwala for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 14.294 million against purchase of various items i.e. supply and fixing manhole covers and rings, lying sewer lines, white wash repair of transport, transformers, motors and machinery of disposal works and hiring of tent and other items for arrangement of various events etc. The expenditure was incurred by splitting to avoid tendering process and TS from the higher authority.

Due to weak internal controls, purchases were made without observing the procurement rules which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 17, 19]

2.11.2 Inadmissible payment of integrated allowance to sanitary workers - Rs 1.890 million

According to Government of the Punjab, Finance Department, Lahore, Notification No. FD.PC.2-1/2001 dated 11.07.2011, "Integrated allowance is allowed to N/Qasids, Qasids, Daftries, Frashes, Chowkidars, Sweepers, Sweeperesses & Security Guard." Furthermore, according to Finance Department Notification No. FD.SR-I/9-28/2016 dated 18.07.2016 regarding revision of rates of aforementioned notification dated 11.07.2011, in this notification only rates were revised and no admissibility to the other designations was mentioned.

During audit of MC Arifwala for the FY 2022-23, it was observed that CO made payment amounting to Rs 1.890 million on account of integrated allowance to 175 sanitary workers and 8 water carriers without admissibility in violation of above mentioned notification. Audit just calculated recovery w.e.f. 01.07.2022 to 30.06.2023. The actual recovery may be calculated by the DDO accordingly.

Annexure-5

Due to weak financial controls, inadmissible integrated allowance was paid to sanitary workers which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides immediate stoppage of such inadmissible allowances besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 16]

Others

2.11.3 Loss due to non-recovery of revenue – Rs 64.040 million

According to Rule 11(2) (c) of the Punjab Local Governments (Accounts) Rules, 2017, “Chief Officer shall ensure that any sums due to local government are promptly realized and credited into the local fund.” Furthermore, according to Punjab Gazette Notification No. SOTAX(LG)1-25/17(MC Arifwala) dated 27.09.2017 of revised schedule of taxes / fee of Municipal Committee, Arifwala District Pakpattan imposes water rate @ Rs 40 to Rs 1,000 per month and drainage rate (sewerage fee / sanitation fee) @ Rs 500 to Rs 5,000 per year will be charged from the users for domestic and commercial use.

During audit of MC Arifwala for the FY 2022-23, it was observed that CO did not recover government revenue amounting to Rs 64.040 million on account of rent of shops, water rates and sewerage / sanitation fees during the financial year.

Due to weak financial and internal controls, government revenue was not recovered which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of government dues at the earliest.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.11.2 having financial impact of Rs 102.323 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 02, 11]

2.11.4 Non-execution of land transfer deed – Rs 48 million

According to Rule 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, the area reserved for roads, open space, park, solid waste management and two percent of the area under land sub-division for public buildings.”

During audit of MC Arifwala for the FY 2022-23, it was observed that CO approved land sub-division but area of roads, parks, open space, solid waste management and public buildings was not transferred in the name of MC Arifwala valuing Rs 48 million. The detail is as under:

(Rupees in million)

Name of Scheme	Address (Main Road, Village/ Mauza)	Rate Per Marla	Open Space 7% in Marla	Area of Roads in Marla	Public Building @ 2% in Marla	Solid Waste in Marla	Total Area to be transferred	Total Value of Land
Gulshan-e-Nawab Block	147/EB Burewala Road, Arifwala	0.200	43	175	12	10	240	48

Due to weak internal controls, land transfer deed was not executed which resulted in irregular approval of land sub-division and loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides transfer deed as per rule be executed in the name of MC.

[AIR 2022-23 Para No. 6]

2.11.5 Non-recovery of conversion and map fees – Rs 30.098 million

According to Rule 50 (1) of the Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “A Local Government shall levy fee for conversion of land use from agricultural, residential, peri-urban area to commercial use conversion fee at the rate of 10% of the

commercial value of the land. Conversion fee for the conversion of agricultural land to industrial use shall be 5% of the agricultural value of land. Conversion fee for the conversion of land to health / educational institutions shall be 10% of the value of existing land.”

During audit of MC Arifwala for the FY 2022-23, it was observed that CO did not recover the conversion fees, development charges and map fees from the owners / developers of different commercial buildings and land sub-divisions amounting to Rs 30.098 million.

Due to weak internal controls, conversion and building plan approval fees were not recovered which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of dues at the earliest.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.11.3 having financial impact of Rs 19.243 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 4, 9]

2.12 Municipal Committee Athara Hazari

Procedural irregularities

2.12.1 Non-award of works at risk & cost of original contractors – Rs 2.118 million

According to Clause 3(a) and 3(c) of contract for civil works, “In any case in which under any clause or clauses of the contract the contractor shall have rendered himself liable to pay compensation amounting to whole of the security deposit, the Municipal Engineer shall have power to adopt any of the following sources as he may have deemed best suited to the interest of the Committee. To rescind the contract of which rescission notice in writing to contractor under the hand of the Municipal Engineer shall be conclusive evidence, and in which case the security deposit of the contractor shall stand forfeited, and be absolutely at disposal of the Committee. To measure up the work of the contractor and to take such part thereof as shall be executed out of his hand, and to give it to another contractor to complete, in which case any expense which may be incurred in excess of the sum, which would have been paid to the original contractor, if the whole work had been executed by him, shall be born and paid by the original contractor and may be deducted from any money due to him by the Committee under contract or otherwise, or from his security deposit or the proceeds of sale thereof or a sufficient part thereof.”

During audit of MC Athara Hazari for the FY 2021-22, it was observed that CO awarded two works costing Rs 8.246 million for supply of garbage containers / carriers, tractor MF-240 and supply / erection of street lights during Financial Year 2020-21. However, the contractor / supplier executed the work / made partial supply amounting to Rs 6.128 million and failed to complete the balance work amounting to Rs 2.118 million despite lapse of stipulated time period. MC authorities neither took action for completion of work / supply of items nor awarded the balance works at risk & cost of original contractors.

Due to weak internal controls, works were neither got completed within stipulated time nor were awarded at risk & cost of original contractors which resulted in deprival of public from envisaged benefits.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends awarding the balance works at risk & cost of original contractors besides fixing responsibility against the person(s) at fault.

[AIR 2019-22 Para No. 3]

2.13 Municipal Committee Bahawalnagar

Others

2.13.1 Non-execution of mortgage and land transfer deed – Rs 744.695 million

According to Rule 17 (e) & (f) and Rule 42 (h) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, “The developers are required to transfer the area reserved for roads, open space, park and solid waste management as well as one percent of the area under land sub-division for public buildings, excluding the area of mosque in favor of relevant development authority / body and should submit mortgage deed of 20% of the saleable area, in accordance with Form C, as security for completion of development works.”

During audit of MC Bahawalnagar for the FY 2022-23, it was observed that CO neither got transferred nor mortgaged the required area valuing Rs 744.695 million from various housing schemes / Land Sub-Division in the name of MC Bahawalnagar.

Due to weak internal controls, mortgage and land transfer deed was not executed which resulted in irregular approval of housing schemes / LSDs and loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/BWP /Reports/2023-24/F-39/CD-1026 dated 08.09.2023, followed by subsequent reminders vide No. 1118-20 dated 25.09.2023 and No. 1174-77 dated 28.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends transfer / mortgage of property in the name of MC besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 4]

2.13.2 Non-realization of conversion and map fees – Rs 177.416 million

According to Rule 50 (1) (a) (e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2020, “A local government shall levy the conversion fee for the conversion of any land use to educational, healthcare institutional or commercial use @ ten percent of the existing value of the land or plot or property as per valuation table and in case valuation table is not available, ten percent of the average sale price of preceding twelve months of the land in the vicinity as determined by the District Price Assessment Committee.”

During audit of MC Bahawalnagar for the FY 2022-23, it was observed that CO did not collect conversion / map fees amounting to Rs 177.416 million from new commercial units / shops and from the owners of residential buildings who have converted their buildings into commercial units.

Due to weak internal controls, conversion and map fees were not recovered which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No.16]

2.14 Municipal Committee Bhowana

Procedural irregularities

2.14.1 Execution of substandard civil works – Rs 1.111 million

According to Government of the Punjab, Public Health Engineering Department (North Zone), Lahore letter No.664-67/PSD-1 dated 29.05.2015, “The standard thickness of Plain Cement Concrete (PCC) pavement with ratio (1:2:4) was required to be 3”, 4” and 10” for PCC pavement width of 6’, 10’ and exceeding 10’ respectively.”

During audit of MC Bhowana for the FY 2021-22, it was observed that CO executed PCC pavement in 3 schemes for the Financial Years 2019-20 to 2021-22 without observing the standard specifications regarding thickness of PCC which resulted in substandard execution of works amounting to Rs 1.111 million. The detail is as under:

(Rupees in million)						
Sr. No.	Name of Scheme	Width of Street	PCC Thickness Required	PCC Thickness Executed	Quantity (Cft)	Amount
1	Repair of drain / soling and PCC Mohalla Khwjaabad	9’	4”	3”	2,761	0.634
2	Construction and repair drain soling and PCC ward No.6	9’	4”	3”	1,074	0.234
3	Repair of drain / soling and PCC ward No.8	9’	4”	3”	1,072	0.243
Total						1.111

Due to weak internal controls and negligence of MO (I&S), PCC pavement was executed in violation of standard specifications which resulted in execution of substandard works.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent

reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility against concerned MO (I) for execution of substandard works besides initiating proceedings under PEEDA Act.

[AIR 2019-22 Para No. 9]

Others

2.14.2 Non-recovery of conversion and building plan approval fees – Rs 5.425 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Bhowana for the FY 2022-23, it was observed that CO did not recover the conversion and building plan approval fees amounting to Rs 5.425 million from the owners of different commercial & residential buildings for the Financial Years 2019-20 to 2022-23. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	06 commercial buildings / residential	4.410
2	06 commercial buildings	0.623
3	41 residential & 19 commercial buildings	0.392
Total		5.425

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in March and July, 2023 but management did not reply.

DAC meetings were not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

Note: The issue was reported in the Audit Report for Audit Year 2019-20 vide Para No.40.3.4 having financial impact of Rs 1.336 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2019-22 Para No. 2, 8]

[AIR 2022-23 Para No. 7]

2.15 Municipal Committee Burewala

Procedural irregularities

2.15.1 Irregular expenditure without recording entries in measurement book – Rs 2.698 million

According to Rule 18 (1), (3) and (6) of the Punjab Local Government (Works) Rules, 2017, “The bills of work for payment shall be prepared in the form prescribed in the Punjab Local Governments (Accounts) Rules, 2017 and any payment either for the work done or procurement made for more than rupees fifty thousand shall be entered in the measurement book. The Head of Finance Branch of the local government, on his satisfaction, shall submit, through Chief Officer, the bills for sanction by the Mayor or Chairman.”

During audit of MC Burewala for the FY 2022-23, it was observed that CO incurred expenditure and made payment amounting to Rs 2.698 million for different works of repair of pipe line and supply of manhole covers etc. without recording entries in measurement book despite the claims were more than fifty thousand rupees. The detail is as under:

(Rupees in million)

Sr. No.	Date	Name of service provider	Description	Amount
1	123/12-22	Farrukh Shahzad Imran	Supply of man hole covers	2.533
2	1393/ 05-23	Sajid Mehmood Builder Government Contractor	Repair of water supply pipe line Chak No. 435/EB	0.096
3	1237	AL-Aziz Traders	Repair of swing, dust bin and see saw Park 447/EB MC Burewala	0.069
Total				2.698

Due to weak internal controls, the payment was made without recording entries in the measurement book which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023

and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No. 16]

Others

2.15.2 Non-recovery of conversion and map fees – Rs 19.356 million

According to Rule 50 (1) of Chapter-XI of Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “A Local Government shall levy fee for conversion of land use from agricultural, residential, peri-urban area to commercial use conversion fee at the rate of 10% of the commercial value of the land. Conversion fee for the conversion of agricultural land to industrial use shall be 5% of the agricultural value of land. Conversion fee for the conversion of land to health / educational institutions shall be 10% of the value of existing land.”

During audit of MC Burewala for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 19.356 million from the owner / developers of commercial buildings and land sub-divisions who constructed commercial sites without approval.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees at the earliest.

Note: The issue was also reported earlier in the Audit Reports for the Audit Years 2022-23 and 2019-20 vide paras number 2.7.2 and 74.3.7, 74.3.10 respectively having financial impact of Rs 96.751 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 4, 23]

2.15.3 Non-recovery of rent of shops – Rs 17.394 million

According to Rule 7 of the PLG (Budget) Rules 2017, “The collecting officer shall ensure timely recoveries against each demand.” Further, according to Rule 11 (2) (C) of the Punjab Local Governments (Accounts) Rules 2017, “Chief Officer shall ensure that any sums due to local government are promptly realized and credited into local fund.” Moreover, according to condition 19 of rent agreement, “If the tenant failed to pay the rent for six-months, agreement will be automatically cancelled and will be restored on the approval of Administrator after payment of advance rent of one year.”

During audit of MC Burewala for the FY 2022-23, it was observed that CO failed to recover Rs 17.394 million on account of rent of shops. Neither any proceeding for recovery of rent nor any action for cancellation of agreement was initiated against defaulter tenants.

Due to weak internal controls, the rent of shops was not recovered which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of rent of shops at the earliest besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 14]

2.16 Municipal Committee Chak Jhumra

Others

2.16.1 Non-recovery of water rates – Rs 12.122 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Chak Jhumra for the FY 2022-23, it was observed that CO failed to recover water rates amounting to Rs 12.122 million as recovery of Rs 1.995 million was made against total demand of Rs 14.117 million on account of 2,050 water connections for the Financial Years 2020-21 to 2022-23.

Due to weak internal controls, water rates were not recovered which resulted in short realization of revenue.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends to probe the matter for fixing responsibility against the person(s) at fault besides effecting recovery from the concerned.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23 and 2019-20 vide Para(s) No.2.13.5 and 44.4.3 respectively having financial impact of Rs 17.895 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 5]

2.17 Municipal Committee Chenab Nagar

Others

2.17.1 Non-recovery of water rates – Rs 13.594 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Chenab Nagar for the FY 2022-23, it was observed that CO failed to recover receipts amounting to Rs 13.594 million on account of water rates for the Financial Years 2019-20 to 2022-23. The detail is as under:

(Rupees in million)			
Sr. No.	Description	Financial Year	Amount
1	Arrears of water rates	2022-23	2.618
		2021-22	2.816
		2020-21	2.389
		2019-20	5.771
Total			13.594

Due to weak internal controls and negligence, the water rates were not recovered from the defaulters which resulted in loss.

The matter was reported to PAO in March and July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility against the person(s) at fault besides recovery of arrears.

Note: The issue was reported in the Audit Report for Audit Year 2019-20 vide Para No.41.4.1 having financial impact of Rs 6 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2019-22 Para No. 1]

[AIR 2022-23 Para No. 6]

2.17.2 Non-recovery of conversion, approval and map fees – Rs 4.204 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Chenab Nagar for the FY 2022-23, it was observed that CO failed to realize revenue amounting to Rs 4.204 million on account of conversion fees, design approval fees and building plan approval fees from the sponsor / owners of a housing scheme and 09 commercial buildings for the Financial Years 2019-20 to 2022-23. The detail is as under:

(Rupees in million)

Sr. No.	Description of Buildings	Description	Financial Years	Amount
1	Rasheed Town Housing Scheme	Conversion, approval & design fees	2019-20 to 2022-23	1.750
2	03 commercial buildings	Conversion & building plan approval fees	2022-23	1.024
3	06 commercial buildings		2019-20 to 2021-22	1.430
Total				4.204

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in March and July, 2023 but management did not reply.

DAC meetings were not convened till finalization of this Report despite repeated requests.

Audit recommends fixing responsibility against the person(s) at fault besides recovery of prescribed fees from the concerned.

[AIR 2019-22 Para No. 9, 12]

[AIR 2022-23 Para No. 3, 10]

2.17.3 Less deduction of PST on repair works – Rs 1.684 million

According to Punjab Revenue Authority letter No. PRA/MTN/1974 dated 17.08.2017 and Punjab Sales Tax Act, “Sales Tax should be charged @ 5% on original construction works and @ 16% on Maintenance and Repair (M&R) works.”

During audit of MC Chenab Nagar for the FY 2021-22, it was observed that CO less deducted PST amounting to Rs 1.684 million for the Financial Years 2019-20 to 2021-22. Audit observed that PST was deducted @ 5% instead of 16% on repair works.

Due to weak internal controls, PST was less deducted which resulted in loss to the Government.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of PST besides fixing responsibility against the person(s) at fault.

[AIR 2019-22 Para No. 4]

2.18 Municipal Committee Chichawatni

Procedural irregularities

2.18.1 Irregular expenditure on work charged staff - Rs 1.287 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Chichawatni for the FY 2022-23, it was observed that CO incurred expenditure of Rs 1.287 million on account of work charged staff. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department.

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No. 7]

2.18.2 Inadmissible payment of integrated allowance to sanitary workers - Rs 1.264 million

According to Government of the Punjab, Finance Department, Lahore, Notification No. FD.PC.2-1/2001 dated 11.07.2011, “Integrated allowance is allowed to N/Qasids, Qasids, Daftries, Frashes, Chowkidars, Sweepers, Sweeperesses & Security Guard.” According to Finance Department Notification

No. FD.SR-I/9-28/2016 dated 18.07.2016 regarding revision of rates of aforementioned notification dated 11.07.2011, in this notification only rates were revised and no admissibility to the other designations was mentioned.

During audit of MC Chichawatni for the FY 2022-23, it was observed that CO made payment amounting to Rs 1.264 million on account of integrated allowance to 117 sanitary workers without admissibility in contradiction of above mentioned letter. Audit just calculated recovery for the period w.e.f. 01.07.2022 to 30.06.2023. The actual recovery may be calculated by the DDO accordingly. The detail is an under:

(Rupees in million)			
Month checked by audit	Amount drawn as per July 2022	Total number of month July 2022, June2023 (audit period)	Total amount drawn/ Amount of Recovery
7/2022	105,300	12	1.264

Due to weak financial controls, inadmissible integrated allowance was paid to sanitary workers which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides immediate stoppage of such inadmissible allowances besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 6]

2.18.3 Irregular payment of contractor profit – Rs 1.102 million

According to Government of the Punjab, Finance Department letter No.RO (Tech) FD-18-29/2004 dated 03.03.2005, “20% contractor’s profit and overheads (CPOH) on electric motors, turbines, audio video systems, street lights, machinery, furnishing items etc. are not allowed.”

During audit of MC Chichawatni for the FY 2022-23, it was observed that CO purchased generator and paid amounting to Rs 5.511 million including irregular

contractor profit amounting to Rs 1.102 million in violation of the above mentioned instruction of Finance Department, Government of the Punjab.

Due to weak internal controls, irregular contractor profit was paid which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 10]

Others

2.18.4 Non-recovery of conversion and map fees – Rs 54.698 million

According to Rule 50 (1) of Chapter-XI of Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “A Local Government shall levy fee for conversion of land use from agricultural, residential, peri-urban area to commercial use conversion fee at the rate of 10% of the commercial value of the land. Conversion fee for the conversion of agricultural land to industrial use shall be 5% of the agricultural value of land. Conversion fee for the conversion of land to health / educational institutions shall be 10% of the value of existing land.”

During audit of MC Chichawatni for the FY 2022-23, it was observed that CO did not recover conversion and building plan approval fees amounting to Rs 54.698 million from the owners / developers of commercial buildings, schools and land sub-divisions.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees at the earliest.

[AIR 2022-23 Para No.14, 17]

2.19 Municipal Committee Chiniot

Others

2.19.1 Loss due to non-recovery of Government dues – Rs 4.499 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Chiniot for the FY 2022-23, it was observed that CO failed to recover Government dues amounting to Rs 4.499 million under different receipt heads i.e. rent of shops, water rates, TTIP receipts, parking fees and sanitation fees. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Non/Less recovery of rent of shops	1.208
2	Less recovery of water rates	2.185
3	Non-deposit of TTIP receipts	0.491
4	Non-recovery of parking fees	0.356
5	Less recovery of sanitation fees	0.259
Total		4.499

Due to weak internal controls and negligence, Government dues were not recovered from the defaulters which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility against the person(s) at fault besides recovery of Government dues.

Note: The issue was reported in the Audit Report for Audit Year 2019-20 vide Para No.42.5.7 having financial impact of Rs 2.307 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 10]

2.19.2 Non-recovery of conversion fees – Rs 2.394 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Chiniot for the FY 2022-23, it was observed that CO and MO (P) failed to recover conversion fees amounting to Rs 2.394 million from the developer of land sub-division situated within the territorial jurisdiction of MC, Chiniot. The detail is as under:

(Rupee in million)				
Name of Scheme	Land Area	Rate per Marla	Total Marla	Conversion Fees
Al-Fateh Garden	98 K, 2 M	122,000	1,962	2.394

Due to weak internal controls, the non-recovery of conversion fees resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends early action for realization of conversion fees from the developer of land sub-division.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23 and 2020-21 vide para(s) No.2.15.10 and 19.4.8 respectively having financial impact of Rs 8.777 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 8]

2.19.3 Non-recovery of PST from contractors – Rs 1.042 million

According to Serial No. 56 of the Second Schedule to the Punjab Sales Tax on Services Act, 2012, “Rate of sales tax is sixteen percent on debt collection, rent

collection and similar other recovery or collection services including right to collect the toll or fee or regulatory fee or duty or any other similar collection.”

During audit of MC Chiniot for the FY 2022-23, it was observed that CO auctioned collection rights of two revenue sources comprising advertisement and slaughter house fees amounting to Rs 6.510 million. However, PST amounting to Rs 1.042 million was not recovered from the contractors concerned. The detail is as under:

(Rupees in million)			
Sr. No.	Description of Lease	Contract Amount	PST @ 16%
1	Advertisement fees	5.500	0.880
2	Slaughter House	1.010	0.162
Total		6.510	1.042

Due to weak internal controls, PST was not recovered which resulted in loss to the public exchequer.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of PST from the concerned besides fixing responsibility against the person(s) at fault.

Note: The issue was reported in the Audit Report for Audit Year 2019-20 vide Para No.42.5.5 having financial impact of Rs 2.784 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 7]

2.20 Municipal Committee Chishtian

Others

2.20.1 Non-execution of mortgage and land transfer deed – Rs 85.197 million

According to Rule 17 (e) & (f) and Rule 42 (h) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, “The developers are required to transfer the area reserved for roads, open space, park and solid waste management as well as one percent of the area under land sub-division for public buildings, excluding the area of mosque in favor of relevant development authority / body and should submit mortgage deed of 20% of the saleable area, in accordance with Form C, as security for completion of development works.”

During audit of MC Chishtian for the FY 2022-23, it was observed that Chief Officer neither got transferred nor mortgaged the required area from various housing schemes / land sub-division amounting to Rs 85.197 million in the name of MC Chishtian.

Due to weak internal controls, mortgage and land transfer deed was not executed which resulted in irregular approval of housing schemes / LSDs and loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/BWP /Reports/2023-24/F-39/CD-1026 dated 08.09.2023, followed by subsequent reminders vide No. 1118-20 dated 25.09.2023 and No. 1174-77 dated 28.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends transfer / mortgage of property in the name of MC besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23 and 2019-20 vide para number 2.16.1 and 2.2.5.3.1 respectively having financial impact of Rs 1,267.039 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 15, 16]

2.20.2 Loss due to non-realization of revenue – Rs 7.141 million

According to Rule 50 (1) (a) (e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2020, “A local government shall levy the conversion fee for the conversion of any land use to educational, healthcare institutional or commercial use @ ten percent of the existing value of the land or plot or property as per valuation table and in case valuation table is not available, ten percent of the average sale price of preceding twelve months of the land in the vicinity as determined by the District Price Assessment Committee.” Further, according to Rule 47 (1) of the Punjab Local Government (Budget) Rules 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of MC Chishtian for the FY 2022-23, it was observed that Chief Officer did not collect revenue on account of rent of shops, conversion fees and government taxes amounting to Rs 7.141 million. The income was either less collected or misappropriated by the collection staff. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Rent of shops	3.537
2	General bus stand fees, advertisement fees, slaughter house fees and toilets general bus stand fees	2.543
3	Conversion fees	1.061
Total		7.141

Due to weak internal controls, revenue was not recovered which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Paras No. 8, 12, 20]

2.21 Municipal Committee Choubara

Procedural irregularities

2.21.1 Irregular payments in cash – Rs 4.714 million

According to Rule (4)(1) of the Punjab Local Governments (Accounts) Rules 2017, “The mode of payment from the Local Funds shall be, the payment up to rupees ten thousand may be made by cash, the payment exceeding rupees ten thousand shall be made through cross and non-negotiable cheques.”

During audit of MC Choubara for the FY 2022-23, it was observed that CO made payment amounting to Rs 4.714 million on account of various heads. The payments were made in cash instead of crossed cheques and without any disbursement record.

Due to weak internal controls, payments were made in cash instead of crossed cheques which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 9]

Others

2.21.2 Loss due to non-recovery of revenue – Rs 2.050 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Chaubara for the FY 2022-23, it was observed that CO failed to recover the revenue amounting to Rs 2.050 million on account of water rates and conversion fees. The detail is as under:

(Rupees in million)		
Sr. No.	Detail of recovery	Amount
1	Loss due less recovery of water rates	0.498
2	Loss due to non-recovery of building map fees and conversion charges	1.348
Total		2.050

Due to weak internal controls, government revenue were not recovered from the concerned which resulted in loss to the MC.

The matter was reported to PAO in July 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of revenue from the concerned.

[AIR 2022-23 Para No. 2, 4]

2.22 Municipal Committee Chowk Sarwar Shaheed Procedural irregularities

2.22.1 Irregular expenditure on work charged staff – Rs 1.621 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Chowk Sarwar Shaheed for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 1.621 million on account of work charged staff. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department. The detail is as under:

(Rupees in million)		
Date	Cheque No.	Amount
16.01.2023	203035500	0.400
16.01.2023	293035401	0.025
16.01.2023	293035402	0.050
11.02.2023	293035434	0.024
11.02.2023	293035435	0.024
05.09.2022	66367246	0.935
05.09.2022	66367247	0.163
Total		1.621

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No. 7]

Others

2.22.2 Loss due to non-recovery of outstanding dues / revenue – Rs 14.687 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Chowk Sarwar Shaheed for the FY 2022-23, it was observed that CO failed to recover the revenue amounting to Rs 14.687 million on account of conversion fees, wagon/bus stand fees and rent of shops.

Due to weak internal controls, government revenue were not recovered from the concerned which resulted in loss to the MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of revenue from the concerned.

[AIR2022-23 Para No. 3]

2.22.3 Non-deposit of government taxes – Rs 4.580 million

According to Serial No.1 (b) (ii), 2(ii) (b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, “The rate of Income Tax to be deducted from a payment for goods or services shall be 4.5 per cent and 10 per cent respectively of the gross amount payable.” Further, according to Serial No. 11 of the Second Schedule to the Punjab Sales Tax on Services Act 2012, “Punjab Sales Tax on Services @ 16 percent shall be applicable on services provided.” Furthermore, according to Para 1.3, 4(b) & 4(3) of the Sales Tax Special Procedure (Withholding) Rules 2007, “1/5th of GST shall be withheld by withholding agent / DDO and same shall be submitted along with monthly return to concerned Collector of Sales Tax.

During audit of MC Chowk Sarwar Shaheed for the FY 2022-23, it was observed that CO did not deposit Rs 4.580 million on account of GST, Income Tax and Punjab Sales Tax during the year which were deducted at source from the bills of contractors / employees.

Due to weak internal controls, taxes deducted at source were not deposited into government treasury resulting in loss to government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends deposit of GST, Income Tax and Punjab Sales Tax to the concerned departments immediately besides action against the person(s) at fault.

[AIR 2022-23 Para No. 05]

2.23 Municipal Committee Chowk Azam

Others

2.23.1 Non-recovery of revenue and over payments of Government dues – Rs 18.819 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Chowk Azam for the FY 2022-23, it was observed that CO failed to recover Rs 18.819 million on account of rent of Municipal Property/ shops, conversion fees and inadmissible payment of pay and allowances. The detail is as under:

(Rupees in million)		
Sr. No.	Detail of recovery	Amount
1	Less recovery due to non-award of new contract for lease	1.528
2	Loss due to non-recovery of Conversion fees	17.164
3	Unauthorized payment of Pay and Allowances	0.127
Total		18.819

Due to weak internal controls, government revenue were not recovered from the concerned which resulted in loss to the MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery of revenue from the concerned.

[AIR 2022-23 Para No. 6, 9, 13]

2.23.2 Non-deposit of government taxes – Rs 3.060 million

According to Serial No.1 (b) (ii), 2(ii) (b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, “The rate of Income Tax

to be deducted from a payment for goods or services shall be 4.5 per cent and 10 per cent respectively of the gross amount payable.” Further, according to Serial No. 11 of the Second Schedule to the Punjab Sales Tax on Services Act 2012, “Punjab Sales Tax on Services @ 16 percent shall be applicable on services provided.” Furthermore, according to Para 1.3, 4(b) & 4(3) of the Sales Tax Special Procedure (Withholding) Rules 2007, “1/5th of GST shall be withheld by withholding agent / DDO and same shall be submitted along with monthly return to concerned Collector of Sales Tax.

During audit of MC Chowk Azam for the FY 2022-23, it was observed that CO did not deposit Rs 3.060 million on account of GST, Income Tax and Punjab Sales Tax during the year which were deducted at source from the bills of contractors / employees.

Due to weak internal controls, taxes deducted at source were not deposited into government treasury resulting in loss to government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends deposit of GST, Income Tax and Punjab Sales Tax to the concerned departments immediately besides action against the person(s) at fault.

[AIR 2022-23 Para No. 14]

2.24 Municipal Committee Dijkot

Procedural irregularities

2.24.1 Irregular expenditure on remuneration of daily wage employees – Rs 11.825 million

According to Government of the Punjab, Finance Department Notification No. RO (Tech) FD 2-2/2022 dated 15.07.2022, “Appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.”

During audit of MC Dijkot for the FY 2022-23, it was observed that CO recruited sanitary workers on daily wages and made payment of Rs 11.825 million. However, recruitments were made without advertisement in the newspapers. Further, 31 to 100 sanitary workers (in different months) were appointed on daily wages against 09 vacant posts of sanitary workers.

Due to weak internal controls, recruitments were made without adopting prescribed procedure and beyond sanctioned strength which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure from the competent authority.

[AIR 2022-23 Para No. 4]

2.24.2 Irregular expenditure without observing procurement rules – Rs 4.897 million

According to Rules 4 & 9 of the Punjab Procurement Rules, 2014, “A procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement

brings value for money to the procuring agency and the procurement process is efficient and economical. All proposed procurements for each financial year shall be announced in an appropriate manner and the procuring agency shall proceed accordingly without any splitting or regrouping of the procurements so planned.” Further, according to Rule 18(3) of the Punjab Local Governments (Works) Rules, 2017, “Any payment either for the work done or procurement made for more than rupees fifty thousand shall be entered in the Measurement Book.”

During audit of MC Dijkot for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 4.897 million for procurement of goods & services and execution of works. However, expenditure was held irregular on the following grounds:

- i. Objects of procurement were split by keeping the amount of each purchase below the financial limits of Rs 75,000 and Rs 200,000 to avoid quotations and tenders respectively.
- ii. Expenditure on sports activities sponsored by District Sports Board was incurred by the MC.
- iii. Payments were made without entries in MBs where required.

Due to weak internal controls, procurements were made in violation of procurement rules and without adopting prescribed procedure which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility besides regularization of expenditure.

[AIR 2022-23 Para No. 14]

2.24.3 Irregular expenditure by changing scope of work – Rs 3.622 million

According to Rule 5(17) of the Punjab Local Government (Works) Rules, 2017, “In case the site of the work or nomenclature is changed, fresh administrative approval shall be obtained from the respective Development Committee.”

During audit of MC Dijkot for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 3.622 million on execution of a development scheme namely “Construction of rural drainage scheme in Chak No. 263/RB Dijkot” for the Financial Years 2020-21 to 2022-23. However, execution of scheme / incurrence of expenditure was held irregular and unauthorized on the following grounds:

- i. Site of the scheme and the scope of work were changed without administrative approval and technical sanction from the competent authority.
- ii. Entries were recorded in the MB, bill and completion certificate without dates.

Due to weak internal controls, scope of the scheme was changed without approval which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 9]

Others

2.24.4 Non-imposition of fine on the sponsors / developers / owners – Rs 19.136 million

According to Section 172(2)(a) & 172(2)(b) read with Sr. Nos. 2 & 18 of Eighth Schedule of the PLGA 2022, “If a person commits an offence like development of a private housing scheme without approval of a local government; or on a non-conforming use, such person shall be punishable with imprisonment for a term which may extend to seven years, or with fine which may extend to five hundred thousand rupees or with both and if a person commits offence of erection or re-erection of a building without the sanction required under this Act or using a building for a purpose which may endanger the security of people, such person shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend to one hundred thousand rupees or with both.”

During audit of MC Dijkot for the FY 2022-23, it was observed that CO failed to take appropriate action and impose fine amounting to Rs 19.136 million against the sponsors / developers / owners of 28 housing schemes / land subdivisions and 50 buildings constructed / being constructed without approval / payment of prescribed fees.

Due to dereliction of duties, efforts were not made either to regulate housing schemes / buildings or to impose fine which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends imposition of fine besides recovery of fees and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 8]

2.24.5 Less realization of water rates – Rs 13.829 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed,

realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Dijkot for the FY 2022-23, it was observed that CO failed to recover water rates from water users amounting to Rs 13.829 million as recovery of Rs 7.639 million was made against total demand of Rs 21.468 million during Financial Years 2021-22 to 2022-23.

Due to weak internal controls, recovery of water rates was not made which resulted in less realization of income and loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of water rates besides fixing responsibility against the person(s) at fault.

Note: The issue was reported in the Audit Report for Audit Year 2019-20 vide para No.45.4.1 having financial impact of Rs 3.414 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2019-22 Para No. 11]

[AIR 2022-23 Para No. 5]

2.25 Municipal Committee Dunga Bunga

Others

2.25.1 Loss due to non-realization of revenue – Rs 7.428 million

According to Rule 50 (1) (a) (e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2020, “A local government shall levy the conversion fee for the conversion of any land use to educational, healthcare institutional or commercial use @ ten percent of the existing value of the land or plot or property as per valuation table and in case valuation table is not available, ten percent of the average sale price of preceding twelve months of the land in the vicinity as determined by the District Price Assessment Committee.” Further, according to Rule 47 (1) of the Punjab Local Government (Budget) Rules 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of MC Dunga Bunga for the FY 2022-23, it was observed that CO did not collect revenue on account of rent of shops, conversion and map fees amounting to Rs 7.428 million. The income was either less collected or misappropriated by the collection staff. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Rent of shops	0.514
2	Conversion and map fees	6.914
Total		7.428

Due to weak internal controls, revenue was not recovered which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/BWP /Reports/2023-24/F-39/CD-1026 dated 08.09.2023, followed by subsequent reminders vide No. 1118-20 dated 25.09.2023 and No. 1174-77 dated 28.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 3, 6]

2.26 Municipal Committee Dunyapur

Procedural irregularities

2.26.1 Irregular expenditure on civil work items – Rs 2.391 million

According to Rule 9 (b) of Punjab Local Governments (Accounts) Rules 2017, “The drawing and disbursing officer and payee of the pay, allowance, contingent expenditure or any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss.” Further, according to Rule 18(3) of PLG Works Rules 2017, “Any payment either for the work done or procurement made for more than rupees fifty thousand shall be entered in the measurement book.”

During audit of MC Dunyapur for the FY 2021-22, it was observed that CO incurred expenditure amounting to Rs 2.391 million on construction / repair work of sewerage line, main holes and Muharrum routes, etc. through quotations irregularly. The development works were carried out without adopting prescribed tendering process and expenditure was not shown in annual accounts under development head. Further, the payments of the civil works were made without recording the measurements in MB.

Due to weak internal controls, expenditure was incurred without adopting the tendering process and recording measurements in MB which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2019-22 Para No.9]

Others

2.26.2 Non-recovery of conversion and map fees – Rs 9.835 million

According to Rule 50 (1) of Chapter-XI of Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “A Local Government shall levy fee for conversion of land use from agricultural, residential, peri-urban area to commercial use conversion fee at the rate of 10% of the commercial value of the land. Conversion fee for the conversion of agricultural land to industrial use shall be 5% of the agricultural value of land. Conversion fee for the conversion of land to health / educational institutions shall be 10% of the value of existing land.”

During audit of MC Dunyapur for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 9.835 million from owners of commercial buildings and land sub-divisions who constructed commercial sites without approval during Financial Years 2020-21 to 2022-23.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in April, 2023 and July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees from the concerned at the earliest.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2019-20 vide para number 65.4.3 having financial impact of Rs 3.758 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 5]
[AIR 2019-22 Para No.13]

2.26.3 Loss due to non-recovery of revenue - Rs 7.037 million

According to Rule 11(2) (c) of the Punjab Local Governments (Accounts) Rules, 2017, “Chief Officer shall ensure that any sums due to local government are promptly realized and credited into the local fund.”

During audit of MC Dunyapur for the FY 2022-23, it was observed that CO failed to recover of Rs 7.037 million from various connection holders on account of water rates charges and tenants of shops during Financial Years 2020-21 to 2022-23.

Due to weak financial and internal controls, MC authorities did not recover government dues which resulted in short realization of revenue.

The matter was reported to PAO in April, 2023 and July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2019-20 vide para number 65.4.2 having financial impact of Rs 7.848 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 03]

[AIR 2019-22 Para No.5, 7]

2.27 Municipal Committee Fatehpur

Procedural irregularities

2.27.1 Irregular payments in cash – Rs 34.184 million

According to Rule (4)(1) of the Punjab Local Governments (Accounts) Rules 2017, “The mode of payment from the Local Funds shall be, the payment up to rupees ten thousand may be made by cash, the payment exceeding rupees ten thousand shall be made through cross and non-negotiable cheques.”

During audit of MC Fatehpur for the FY 2022-23, it was observed that CO made payment of Rs 34.184 million on account of various contingent heads. The payments were made in cash instead of crossed cheques and without any disbursement record.

Due to weak internal controls, payments were made in cash instead of crossed cheques which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No 11]

2.27.2 Non-obtaining of additional performance securities – Rs 9.500 million

According to Rule 9 (9)(d) of Punjab Local Government Works Rules 2017, “The work order shall be issued by the engineer In-charge to a person offering the lowest bid after approval of the Chairman or Mayor or the engineer In-charge authorized by him subject to the condition that in case the rates of the lowest bid are equal to or less than 5% of the estimated cost, the lowest bidder shall

be bound to deposit additional performance security from a scheduled bank from 5% to 10% (including CDR deposited at the time of tendering) within 15 days of issuance of notice”.

During audit of MC Fatehpur for the FY 2022-23, it was observed that CO awarded 15 works of construction / improvement of roads / PCC streets valuing Rs 50 million to the contractors ranging from 24 % to 29.91% below the estimated cost during Financial Year 2020-21 but additional performance security amounting to Rs 9.500 million was not obtained from the contractors in violation of above rule.

Due to weak internal controls, additional performance security was not obtained from contractors which resulted in irregular award of works.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends regularization besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No.23]

Others

2.27.3 Loss due to non-recovery of outstanding dues / revenue – Rs 213.883 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Fatehpur for the FY 2022-23, it was observed that CO failed to recover of revenue amounting to Rs 213.883 million on account of conversion fees, rent of Municipal Property/ shops, tender fees, advertisement fees and other fees. The detail is as under:

(Rupees in million)		
Sr. No.	Detail of recovery	Amount
1	Deliberately non-recovery of conversion and building map fees	129.948
2	Loss due to delayed / non-lease of rent of shops on market rate	63.415
3	Misappropriation on account of tender fees	0.515
4	Loss due to less recovery of advertisement fees	0.428
5	Loss to Govt. due to less realization and less recovery of license fees	2.045
6	Non / less-recovery of conversion & map fees from construction	8.157
7	Illegal payment of electricity bills of rented out shops	9.375
Total		213.883

Due to weak internal controls, government revenue were not recovered from the concerned which resulted in loss to the MC Fatehpur.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 1, 2, 6, 9, 10, 13, 17]

2.28 Municipal Committee Fazilpur

Procedural irregularities

2.28.1 Irregular expenditure on work charged staff – Rs 2.971 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Fazilpur for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 2.971 million on account of work charged staff. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department. The detail is as under:

(Rupees in million)		
Month	No. of Daily Wages Staff	Amount
Sep-2022	21	0.893
Oct-2022	24	0.591
Mar-2023	11	0.275
Jun-2023	24	1.212
Total		2.971

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No. 6]

Others

2.28.2 Non-deposit of government taxes – Rs 1.196 million

According to Serial No.1 (b) (ii), 2(ii) (b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, “The rate of Income Tax to be deducted from a payment for goods or services shall be 4.5 per cent and 10 per cent respectively of the gross amount payable.” Further, according to Serial No. 11 of the Second Schedule to the Punjab Sales Tax on Services Act 2012, “Punjab Sales Tax on Services @ 16 percent shall be applicable on services provided.” Furthermore, according to Para 1.3, 4(b) & 4(3) of the Sales Tax Special Procedure (Withholding) Rules 2007, “1/5th of GST shall be withheld by withholding agent / DDO and same shall be submitted along with monthly return to concerned Collector of Sales Tax.

During audit of MC Fazilpur for the FY 2022-23, it was observed that CO did not deposit Rs 1.196 million on account of GST, Income Tax and Punjab Sales Tax during the year which were deducted at source from the bills of contractors / employees.

Due to weak internal controls, taxes deducted at source were not deposited into government treasury resulting in loss to government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends deposit of GST, Income Tax and Punjab Sales Tax to the concerned departments immediately besides action against the person(s) at fault.

[AIR 2022-23 Para No. 2, 4]

2.29 Municipal Committee Fort Abbas

Procedural irregularities

2.29.1 Irregular expenditure by non-observance of PPRA Rules – Rs 1.566 million

According to Rule 9 and 12 (1) of Punjab Procurement Rules 2014, “A procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its own website. A procuring agency shall advertise procurement of more than two hundred thousand rupees and up to the limit of three million rupees on the website of the Authority in the manner and format specified by regulations.”

During audit of MC Fort Abbas for the FY 2022-23, it was observed that Chief Officer incurred expenditure of Rs 1.566 million on account of repeated local purchase of manhole covers without observing PPRA Rules.

Due to weak internal controls, procurements were made without observing PPRA rules which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/BWP /Reports/2023-24/F-39/CD-1026 dated 08.09.2023, followed by subsequent reminders vide No. 1118-20 dated 25.09.2023 and No. 1174-77 dated 28.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 18]

Others

2.29.2 Loss due to non-transfer / mortgage of property – Rs 231.572 million

According to Rule 17 (e) & (f) and Rule 42 (h) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, “The developers are required to transfer the area reserved for roads, open space, park and solid waste management as well as one percent of the area under land sub-division for public buildings, excluding the area of mosque in favor of relevant development authority / body and should submit mortgage deed of 20% of the saleable area, in accordance with Form C, as security for completion of development works.”

During audit of MC Fort Abbas for the FY 2022-23, it was observed that CO neither got transfer nor mortgage the required area valuing Rs 231.572 million from various housing schemes / land sub-divisions in the name of MC Fort Abbas. The detail is as under:

(Rupees in million)

Sr. No.	Name of Housing Scheme	Total Area in Kanal	Valuation Table Rate per Marla	Land Transferred in Marla	Land Mortgaged in Marla	Total Value of land transfer	Land Mortgaged in Marla	Total Value of mortgage	Grand Total
1	Al-Aziz Town	88K-14M	110,000	638	0	70.180	0	0.000	70.180
2	Barkat City	35K-	154,000	290	82 Marla	44.660	82	12.628	57.288
3	Park View Garden	38K-13M-02S	154,000	263	103 Marla	40.502	103	15.862	56.364
4	Park View Green	32K-10M	154,000	225	85 Marla	34.650	85	13.090	47.740
Total						189.992	270	41.580	231.572

Due to weak internal controls, no action was taken for transfer and mortgage of land in the name of MC which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this report despite repeated requests.

Audit recommends transfer / mortgage of property in the name of MC besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23, 2020-21 and 2019-20 vide para(s) number 2.21.2, 2.4.4 and 4.2.5.3.1 respectively having financial impact of Rs 837.966 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 11]

2.29.3 Non-realization of revenue – Rs 9.996 million

According to Rule 50 (1) (a) (e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2020, “A local government shall levy the conversion fee for the conversion of any land use to educational, healthcare institutional or commercial use @ ten percent of the existing value of the land or plot or property as per valuation table and in case valuation table is not available, ten percent of the average sale price of preceding twelve months of the land in the vicinity as determined by the District Price Assessment Committee.” Further, according to Rule 47 (1) of the Punjab Local Government (Budget) Rules 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of MC Fort Abbas for the FY 2022-23, it was observed that CO did not collect revenue on account of arrears of receipts, map fees and conversion fees from housing schemes amounting to Rs 9.996 million. The income was either less collected or misappropriated by the collection staff. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Arrears of receipts	3.245
2	Map fees	3.269
3	Conversion fees	3.482
Total		9.996

Due to weak internal controls, revenue was not recovered which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 3, 9, 10]

2.30 Municipal Committee Garh Maharaja

Others

2.30.1 Non-recovery of cost of land and development charges – Rs 25.160 million

According to Directorate General of Kachi Abadies Colonies Department, Board of Revenue, Punjab, letter No.DG(KA) BOR/8-200/2012 dated 22.11.2012, “In supersession of all previous decisions, the price of land (Urban areas) will be @ 2% of the current valuation table at the time of grant of proprietary rights for area under occupation up to 5-Marlas, price of land for occupation above 5-Marlas and up to 10-Marlas will be current valuation table rate at the time of grant of proprietary rights and price of land for occupation for above 10-Marlas will be the current valuation rate with additional surcharge 50% thereof at the time of grant of proprietary rights.”

During audit of MC Garh Maharaja for the FY 2022-23, it was observed that CO failed to recover cost of land and development charges amounting to Rs 25.160 million from 35 occupants of Kachi Abadi. No action was taken by the MC authorities to recover cost of land and development charges despite lapse of considerable time.

Due to weak internal controls, cost of land and development charges were not recovered which resulted in loss and less realization of revenue.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 15]

2.30.2 Non-recovery of parking fees – Rs 2.631 million

According to Rule 47 (1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately in the local fund and entered in the proper receipt head.”

During audit of MC Garh Maharaja for the FY 2021-22, it was observed that CO did not recover Rs 2.631 million on account of parking fees.

Due to weak internal controls, parking fees was not recovered which resulted in loss.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of parking fees besides fixing responsibility against the person(s) at fault.

[AIR 2019-22 Para No. 2]

2.30.3 Non-recovery of PST – Rs 1.506 million

According to serial No. 56 of the second schedule to the Punjab Sales Tax on Services Act, 2012, “Rate of sales tax is sixteen percent on debt collection, rent collection and similar other recovery or collection services including right to collect the toll or fee or regulatory fee or duty or any other similar collection.”

During audit of MC Garh Maharaja for the FY 2022-23, it was observed that CO auctioned collection rights of four revenue sources of general bus stand, advertisement, rickshaw stand and slaughtering of animal fees to different contractors at an agreement amount of Rs 9.410 million. However, PST amounting to Rs 1.506 million was not recovered from the contractors.

Due to negligence and weak financial management, PST was not recovered from the contractors which resulted in loss of Government revenue.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends fixing responsibility against the person(s) at fault besides recovery of taxes from the contractors concerned.

[AIR 2022-23 Para No. 4, 6]

2.30.4 Non-deduction of Social Security Contribution – Rs 1.123 million

According to Section 20(1) & (9) of the Provincial Employees Social Security Ordinance, 1965, “The competent authority, before final settlement of the claims of contractors or licensee, shall require the production of a certificate from the institution showing that the necessary contributions have been paid and in default of such certificates, it shall deduct from the amount otherwise payable in settlement of such claim @ 6 percent and pay such amount directly to the institution.”

During audit of MC Garh Maharaja for the FY 2021-22, it was observed that CO executed various civil works through 15 contractors for the Financial Years 2019-20 to 2021-22 but payments for works were made without obtaining certificates regarding payment of Social Security Contribution of workers employed by the contractors. MC authorities did not make efforts to deduct the Social Security Contribution amounting to Rs 1.123 million from claims of the contractors before making payments. The detail is as under:

(Rupees in million)				
No. of Contractors	No. of Employees	Average Wage Rate per Annum	Total Wages	Amount @ 6%
15	120	0.156	18.72	1.123

Due to weak internal controls, Social Security Contribution was not deducted from claims of the contractors which resulted in excess payment to the contractors.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to probe the matter besides recovery of Social Security Contribution from the concerned.

Note: The issue was reported in the Audit Report for Audit Year 2019-20 vide Para No.53.3.1 having financial impact of Rs 1.328 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2019-22 Para No. 13]

2.30.5 Non-recovery of miscellaneous fees from the owners of buildings – Rs 1.023 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Garh Maharaja for the FY 2022-23, it was observed that CO failed to recover conversion fees, map fees etc. from owners of five private buildings who converted the land for commercial use without depositing the prescribed fees. Resultantly, an amount of Rs 1.023 million was not recovered from the owners of private buildings.

Due to weak internal controls, miscellaneous fees were not recovered from the owners which resulted in less realization of revenue and loss to the Government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends strenuous efforts be made for realization of revenue the owners at the earliest.

[AIR 2022-23 Para No. 9]

2.31 Municipal Committee Gojra

Others

2.31.1 Non-recovery of Government dues from contractors / lessees – Rs 24.109 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Gojra for the FY 2022-23, it was observed that CO leased out eleven collection rights of advertisement fees, adda / auto rickshaw / cycle stand fees, slaughter house, canteen etc. to various contractors at total agreement price of Rs 43.343 million. However, the contractors left the contracts / leases incomplete after depositing initial installments amounting to Rs 19.235 million. Resultantly, an amount of Rs 24.109 million remained un-recovered from the contractors. No action was taken by the MC authorities for getting the works resumed by the contractors besides recovery of balance amount.

Due to weak financial controls and negligence, recovery of dues was not made and works were not got resumed from the contractors which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends actions against defaulting contractors besides recovery of Government dues from contractors at the earliest.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23 and 2020-21 vide para(s) No.2.22.14 and 26.4.2 respectively having financial impact of Rs 19.695 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 5]

2.31.2 Non-recovery of cost of land and development charges – Rs 22.836 million

According to Directorate General of Kachi Abadies Colonies Department, Board of Revenue Punjab letter No.DG(KA) BOR/8-200/2012 dated 22.11.2012, “In supersession of all previous decisions, the price of land (Urban areas) will be @ 2% of the current valuation table at the time of grant of proprietary rights for area under occupation up to 5-Marlas, price of land for occupation above 5-Marlas and up to 10-Marlas will be current valuation table rate at the time of grant of proprietary rights and price of land for occupation for above 10-Marlas will be the current valuation rate with additional surcharge 50% thereof at the time of grant of proprietary rights.”

During audit of MC Gojra for the FY 2022-23, it was observed that CO failed to collect cost of land and development charges amounting to Rs 22.836 million from thirty five occupants of Kachi Abadies. Audit observed that occupants were living in these Kachi Abadies since 1985 / 2006 but MC authorities did not recover cost of land and development charges.

Due to weak internal controls, cost of land and development charges were not recovered which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

Note: The issue was reported in the Audit Report for Audit Year 2022-23 vide para No.2.22.9 having financial impact of Rs 21.353 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No.7]

2.31.3 Non-recovery of arrears of revenue – Rs 20.097 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, "The collecting officer shall ensure that all the revenue due is claimed,

realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Gojra for the FY 2022-23, it was observed that CO failed to recover arrears of water rates from defaulting connection holders. Audit observed that total demand of arrears from 7,415 connection holders was Rs 20.199 million as on 30.06.2022. However, collecting authorities could recover an amount of Rs 4.480 million leaving recoverable balance of Rs 15.719 million. Further, MC authorities failed to recover arrears of Rs 4.378 million on account of Chapper Tax, rent of shops / property and Tehbazari fees from defaulting owners / lessees. Resultantly, total arrears of Rs 20.097 million were not recovered by the MC authorities. The details are given in the following table.

(Rupees in million)

Sr. No.	Head of Income	Arrears Opening	Recovery of Arrears during FY 2022-23	Balance Amount
1	Water Rates	20.199	4.480	15.719
2	Chapper Tax	0.761	0.330	0.431
3	Rent of Municipal Property	2.400	1.524	0.876
4	Tehbazari Fees	5.263	2.192	3.071
Total		28.623	8.526	20.097

Due weak internal controls, MC authorities could not recover arrears / due which resulted in less realization of revenue.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to recover the arrears of revenue from the defaulters besides fixing responsibility against the person(s) at fault.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23, 2020-21 and 2019-20 vide para(s) No.26.4.2, 56.5.1 and 56.5.7 respectively having financial impact of Rs 32.038 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 2, 6]

2.31.4 Less charging / recovery of PST – Rs 2.758 million

According to Serial No.56 & 63 of the Second Schedule to the Punjab Sales Tax on Services Act, 2012, “Rate of sales tax is sixteen percent on debt collection, rent collection and similar other recovery or collection services including right to collect the toll or fee or regulatory fee or duty or any other similar collection and rate of sales tax is five percent on parking services.”

During audit of MC Gojra for the FY 2022-23, it was observed that CO awarded eight contracts of auction and collection rights to different contractors at total auction amount of Rs 25.342 million. Scrutiny of record revealed that PST was charged @ 5% amounting to Rs 1.267 million instead of actual of Rs 4.055 million @16%. Resultantly, less amount of PST amounting to Rs 2.758 million was charged to the contractors.

Due to weak internal controls, PST was charged at lesser than the prescribed rate which resulted in loss to the public exchequer.

The matter was reported to PAO in July, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of PST at prescribed rate from the contractors concerned besides fixing responsibility against the person(s) at fault.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23, 2020-21 and 2019-20 vide para(s) No.2.22.13, 26.4.4 and 56.5.4 respectively having financial impact of Rs 6.655 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No.8]

2.31.5 Non-recovery of miscellaneous fees – Rs 2.252 million

According to Rule 50(c) of the Punjab Local Governments Land Use Plan (Classification, Reclassification and Redevelopment) Rules 2020, “The conversion fee for conversion of site development zone (agriculture area) to residential use shall be two percent of the agricultural value of the land or plot or property as per valuation table and in case the valuation table is not available two percent of the

average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Gojra for the FY 2022-23, it was observed that CO failed to ensure recovery of conversion fees amounting to Rs 1.315 million from the sponsors / developers of two land sub-divisions. Further, MC authorities did not recover conversion fees, NOC fees, Naqsha fees etc. amounting to Rs 0.937 million from owners of 6 commercial / residential sites. Resultantly, an amount of Rs 2.252 million was not recovered by the MC authorities from the developers / owners of land sub-division and commercial / residential sites.

Due to weak internal controls, conversion, NOC and Naqsha fees were not recovered which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to ensure recovery of fees from the developers / owners of land sub-division, commercial / residential sites besides fixing responsibility against the person(s) at fault.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23, 2020-21 and 2019-20 vide para(s) No.2.22.10, 26.4.5 and 56.5.3 respectively having financial impact of Rs 8.396 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 4, 11]

2.32 Municipal Committee Haroonabad

Others

2.32.1 Non-realization of revenue – Rs 76.681 million

According to Rule 50 (1) (a) (e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2020, “A local government shall levy the conversion fee for the conversion of any land use to educational, healthcare institutional or commercial use @ ten percent of the existing value of the land or plot or property as per valuation table and in case valuation table is not available, ten percent of the average sale price of preceding twelve months of the land in the vicinity as determined by the District Price Assessment Committee.” Further, according to Rule 47 (1) of the Punjab Local Government (Budget) Rules 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of MC Haroonabad for the FY 2022-23, it was observed that CO did not collect revenue on account of sewerage fees and conversion fees amounting to Rs 76.681 million. The income was either less collected or misappropriated by the collection staff. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Sewerage fees	14.261
2	Conversion fees	62.420
Total		76.681

Due to weak internal controls, revenue was not recovered which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/BWP /Reports/2023-24/F-39/CD-1026 dated 08.09.2023, followed by subsequent reminders vide No. 1118-20 dated 25.09.2023 and No. 1174-77 dated 28.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23 and 2019-20 vide para(s) number 2.34.4 and 5.3.5.3.3 respectively having financial impact of Rs 54.211 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 8, 13]

2.33 Municipal Committee Hasilpur

Others

2.33.1 Loss due to non-recovery of revenue – Rs 455.929 million

According to Rule 50 (1) (a) (e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2020, “A local government shall levy the conversion fee for the conversion of any land use to educational, healthcare institutional or commercial use @ ten percent of the existing value of the land or plot or property as per valuation table and in case valuation table is not available, ten percent of the average sale price of preceding twelve months of the land in the vicinity as determined by the District Price Assessment Committee.” Further, according to Rule 47 (1) of the Punjab Local Government (Budget) Rules 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of MC Hasilpur for the FY 2022-23, it was observed that Chief Officer failed to collect different receipts amounting to Rs 455.929 million. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Arrears of receipts	121.043
2	Conversion Fees	90.900
3	Katchi Abadi's dues	220.790
4	Different fees from private housing schemes / Land sub-divisions	22.766
5	Risk and cost from contractor	0.430
Total		455.929

Due to weak internal controls, revenue receipts were not recovered which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/BWP /Reports/2023-24/F-39/CD-1026 dated 08.09.2023, followed by

subsequent reminders vide No. 1118-20 dated 25.09.2023 and No. 1174-77 dated 28.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23, 2020-21 and 2019-20 vide para(s) number 2.24.3, 4.4.6 and 8.2.5.3.2 respectively having financial impact of Rs 259.546 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 1, 6, 8, 9, 10]

2.33.2 Non-deposit of government taxes deducted at source – Rs 5.902 million

According to Rule 14 (1) of the Punjab Sales Tax (Withholding) Rules 2015, “A withholding agent shall be considered defaulter and personally liable to pay the amount of tax to the government and an officer of the Authority may pass an order to that effect and proceed to recover the same in the manner prescribed by Punjab Sales Tax on Services (Recovery) Rules, 2012, if a withholding agent under the rules (a) fails to withhold or deduct tax under the rules or (b) having withheld or deducted tax under the rules, fails to deposit the tax to the government.”

During audit of MC Hasilpur for the FY 2022-23, it was observed that CO did not deposit Rs 5.902 million on account of different taxes deducted from the contractors in the government treasury. The detail is as under:

(Rupees in million)		
Sr. No.	Detail	Amount
1	Income Tax	1.340
2	GST	0.302
3	PST	4.260
Total		5.902

Due to weak internal controls, taxes deducted from contractors and employees were not deposited into government treasury which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this report despite repeated requests.

Audit recommends deposit of taxes to the quarter concerned besides action against the person(s) at fault.

[AIR 2022-23 Para No.3]

2.34 Municipal Committee Jahanian

Others

2.34.1 Loss due to non-recovery of revenue – Rs 133.087 million

According to Rule 11(2) (c) of the Punjab Local Governments (Accounts) Rules, 2017, “Chief Officer shall ensure that any sums due to local government are promptly realized and credited into the local fund.”

During audit of MC Jahanian for the FY 2022-23, it was observed that CO failed to recover Rs 133.087 million on account of rent of shops from the tenants, loss due to non-re-auctioning of shops according to approved new rent of shops of DRAC Khanewal after expiry of lease period and recovery of tehbazari fees during Financial Years 2019-20 to 2022-23.

Due to weak financial and internal controls, government dues were not recovered which resulted in loss to MC.

The matter was reported to PAO in April, 2023 and July, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of dues at the earliest.

[AIR 2022-23 Para No.3, 4, 8]

[AIR 2019-22 Para No.8, 10]

2.34.2 Non-execution of land transfer deed – Rs 46.713 million

According to Chapter III Section 17 (e) & (f) and Chapter VIII Section 42 (h) of Punjab Private Housing Schemes and Land Sub-division Rules 2010, “A developer shall submit a transfer deed in accordance with Form B, for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development

Authority, the area reserved for roads, open space, park, solid waste management; and two percent of the area under land sub-division for public buildings.”

During audit of MC Jahanian for the FY 2022-23, it was observed that CO approved land sub-division but area of roads, parks, open space, solid waste management and public buildings was not transferred in the name of MC valuing Rs 46.713 million.

Due to weak administrative controls, non-execution of land transfer deed resulted in irregular approval of land sub-division.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides transfer deed as per rule be executed in the name of MC.

[AIR 2022-23 Para No. 12]

2.34.3 Non-recovery of conversion and map fees – Rs 45.796 million

According to Rule 50 (1) of Chapter-XI of Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “A Local Government shall levy fee for conversion of land use from agricultural, residential, peri-urban area to commercial use conversion fee at the rate of 10% of the commercial value of the land. Conversion fee for the conversion of agricultural land to industrial use shall be 5% of the agricultural value of land. Conversion fee for the conversion of land to health / educational institutions shall be 10% of the value of existing land.”

During audit of MC Jahanian for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 45.796 million during the Financial Year 2019-20 to 2022-23 from owners of commercial buildings and land sub-divisions who constructed commercial sites without approval.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in April, 2023 and July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of conversion and map fees at the earliest.

[AIR 2019-22 Para No.13]
[AIR 2022-23 Para No. 11, 15]

2.35 Municipal Committee Jalalpur Pirwala

Procedural irregularities

2.35.1 Irregular expenditure due to defective tendering process - Rs 50 million

According to Rule 6 & 9 (5) (6) of the Punjab Local Government (Works) Rules, 2017, “The bids shall be opened at the time and place specified in the public notice in the presence of the bidders or their representatives who care to be present by the committee comprising on Chief Officer (Convener), Representative of Dy. Commissioner (Member), Assistant Engineer (Member), Municipal Officer (Finance) and Municipal Officer (Infrastructure), the members of the committee shall affix their initials and date on every bid so opened and also on the comparative statement. The execution of work shall be undertaken after the detailed estimates and the scheme is approved by the competent authority.” Further, according to Finance Department letter No. RO (TECH) FD-1-2/83/-VI dated 29.03.2005, “The particulars of technical sanction i.e. amount, number and date of orders of technical sanction to be mentioned in the tender inviting notice.”

During audit of MC Jalalpur Pirwala for the FY 2021-22, it was observed that CO issued, received and opened tenders of development works amounting to Rs 50 million in absence of external members of tender opening committee i.e. representative of Deputy Commissioner and Assistant Engineer for the Financial Years 2019-20 to 2021-22. Further, technical sanction number and date were not mentioned in the advertisement.

Due to weak internal controls, tenders were opened in absence of two external members and TS number and date were not mentioned in the advertisement which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023,

followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2019-22 Para No.13, 14]

2.35.2 Irregular expenditure on work charged staff - Rs 14.622 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Jalalpur Pirwala for the FY 2022-23, it was observed that CO incurred expenditure of Rs 14.622 million on account of work charged staff. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department.

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No. 10]

Others

2.35.3 Loss due to non-recovery of revenue – Rs 50.676 million

According to Rule 11(2) (c) of the Punjab Local Governments (Accounts) Rules, 2017, “Chief Officer shall ensure that any sums due to local government are promptly realized and credited into the local fund.”

During audit of MC Jalalpur Pirwala for the FY 2022-23, it was observed that CO failed to recover Rs 50.676 million on account of rent of shops and water rates from the connection holders of the water supply and sale of disposal water of treatment plant for the Financial Years 2020-21 to 2022-23. The detail is as under:

(Rupees in million)

Sr. No.	Description	Mode of collection	Amount
1	Less recovery of water rates	Self-collection	16.104
2	Less-recovery of outsourced disposal water receipts from contractor	Outsourced	1.952
3	Non-recovery of rent of shops	Self-collection	5.620
4	Non-recovery of rent of 25 shops illegally occupied at General bus stand by private persons	Non-recovery	27.000
Total			50.676

Due to weak financial and internal controls, government dues were not recovered which resulted in loss to MC.

The matter was reported to PAO in April, 2023 and July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery at the earliest.

[AIR 2019-22 Para No.2, 5]

[AIR 2022-23 Para No. 3]

2.35.4 Non-recovery of conversion and map fees - Rs 19.576 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area)

abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Jalalpur Pirwala for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 19.576 million for the Financial Years 2020-21 to 2022-23 from owners of commercial buildings and land sub-divisions who constructed commercial sites without approval. Developers / owners / property dealers were running their business but same were not got regulated.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in April, 2023 and July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to probe the matter for fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees from the concerned at the earliest.

[AIR 2019-22 Para No.10]
[AIR 2022-23 Para No. 15, 16]

2.36 Municipal Committee Jampur

Procedural irregularities

2.36.1 Irregular expenditure on work charged staff – Rs 2.706 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Jampur for the FY 2022-23, it was observed that CO made payment of Rs 2.706 million to work charged employees. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG & CD Department.

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.25.3 having financial impact of Rs 13.989 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 3]

Others

2.36.2 Non-recovery of revenue and over-payments of pay and allowances – Rs 53.401 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Jampur for the FY 2022-23, it was observed that CO failed to recover the revenue amounting to Rs 53.401 million on account of conversion fees and over-payments of pay and allowances. The detail is as under:

(Rupees in million)		
Sr. No.	Type of Recovery/Overpayment	Amount
1	Recovery of unauthorized payment of pay and allowances	1.052
2	Less recovery of conversion fees	49.291
3	Recovery of non-deputing of MC employees for right of collection	3.058
Total		53.401

Due to weak internal controls, arrears of revenue were not recovered from the concerned which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of revenue from the concerned.

[AIR 2022-23 Para No. 2, 5, 9]

2.36.3 Non-deposit of government taxes – Rs 2.756 million

According to Serial No.1 (b) (ii), 2(ii) (b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, “The rate of Income Tax to be deducted from a payment for goods or services shall be 4.5 per cent and 10 per cent respectively of the gross amount payable.” Further, according to Serial No. 11 of the Second Schedule to the Punjab Sales Tax on Services Act 2012, “Punjab Sales Tax on Services @ 16 percent shall be applicable on services provided.”

Furthermore, according to Para 1.3, 4(b) & 4(3) of the Sales Tax Special Procedure (Withholding) Rules 2007, “1/5th of GST shall be withheld by withholding agent / DDO and same shall be submitted along with monthly return to concerned Collector of Sales Tax.

During audit of MC Jampur for the FY 2022-23, it was observed that CO did not deposit Rs 2.756 million on account of GST, Income Tax and Punjab Sales Tax during the year which were deducted at source from the bills of contractors / employees.

Due to weak internal controls, taxes deducted at source were not deposited into government treasury resulting in loss to government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends deposit of GST, Income Tax and Punjab Sales Tax to the concerned departments immediately besides action against the person(s) at fault.

[AIR 2022-23 Para No. 10]

2.37 Municipal Committee Jaranwala

Procedural irregularities

2.37.1 Irregular expenditure on remuneration of daily wage employees – Rs 32.714 million

According to Government of the Punjab, Finance Department Notification No. RO (Tech) FD 2-2/2022 dated 15.07.2022, “Appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.”

During audit of MC Jaranwala for the FY 2022-23, it was observed that CO made payment of Rs 32.714 million to the sanitary workers appointed on daily wages. Audit observed that appointments / recruitments were made without advertising jobs along with selection / recruitment criteria in the newspapers. Further, in various months sanitary workers were appointed on daily wages beyond the sanctioned posts as per schedule of establishment / vacant posts of sanitary workers.

Due to weak internal controls, recruitments were made without adopting prescribed procedure and beyond sanctioned strength which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure from the competent authority.

[AIR 2022-23 Para No. 18]

2.37.2 Irregular procurement in violation of PPRA Rules – Rs 2.636 million

According to Rules 4 & 9 of the Punjab Procurement Rules, 2014, "A procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical. All proposed procurements for each financial year shall be announced in an appropriate manner and the procuring agency shall proceed accordingly without any splitting or regrouping of the procurements so planned."

During audit of MC Jaranwala for the FY 2022-23, it was observed that CO incurred expenditure of Rs 2.636 million on procurement of street light /electric material, and sports items. Street light equipment and electric material was procured by splitting the cost of objects to avoid tendering. Moreover, expenditure on procurement of sports material was made without advertising on PPRA's website.

Due to weak financial management and monitoring mechanism, expenditure was incurred without open competitive bidding in violation of procurement rules which resulted in mis-procurement and irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends fixing responsibility against the person(s) at fault besides regularization of expenditure from the competent authority.

Note: The issue was reported in the Audit Report for Audit Year 2022-23 vide Para No.2.26.3 having financial impact of Rs 3.728 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 17]

2.37.3 Non-recovery of restoration cost of road cut – Rs 1.074 million

According to Rule 4 of the Punjab Local Governments (Property) Rules 2018, "The Manager shall take such care of the property of the local government as a man of ordinary prudence would take care of his own property of like nature and under similar circumstances. Prevent the property against nuisance, damage or

misuse. The Manager shall be personally responsible to the local government for any loss, destruction or deterioration of the property, if such loss, destruction or deterioration is caused as a result of his default or negligence in the discharge of responsibilities. In case any difficulty arises in the maintenance of the property, the Manager shall immediately report the matter to the Mayor or Chairman as the case may be.”

During audit of MC Jaranwala for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 1.074 million for restoration of road cut. Scrutiny of record depicted that road cut was made by Sui Northern Gas Pipelines Limited (SNGPL) for repair of existing gas pipeline. However, restoration cost of road cut was not recovered from the SNGPL.

Due to weak monitoring and lack of due diligence, cost of restoration of road cut was either not recovered from the department concerned which resulted in unauthentic expenditure and loss to the Government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends fixing responsibility against the person(s) at fault besides recovery of restoration cost from the department concerned.

[AIR 2022-23 Para No. 7]

Others

2.37.4 Non-recovery of Government dues from lessees - Rs 11.466 million

According to Schedule-II of the Punjab Local Governments (Conduct of Business) Rules 2017, “Municipal Officer (Finance) is responsible for the collection of approved taxes, fees, rates, tolls, charges, etc.” Further, according to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017 read with Rule 11(2)(c) of the Punjab Local Governments (Accounts) Rules 2017, “The Chief Officer and collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Jaranwala for the FY 2022-23, it was observed that CO auctioned collection rights of parking fees, wagon stand, general bus stand, motorcycle / auto rickshaw stand, taxi stand, slaughtering of animal fees, advertisement fees, stalls at general bus stand, parking stand land record center to different lessees at an auction amount of 37.757 million. However, the authorities could recover an amount of Rs 26.291 million from the lessees and failed to recover the remaining amount of Rs 11.466 million from the defaulters.

Due weak monitoring mechanism and financial controls, MC authorities could not recover lease amount and other Government dues from the defaulting lessees which resulted in short realization of revenue.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to probe the matter for recovery from the concerned besides fixing responsibility against the person(s) at fault.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23 and 2020-21 vide para(s) No.2.26.10 and 21.4.4 respectively having financial impact of Rs 12.581 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 3]

2.37.5 Non-recovery of PST from contractors – Rs 5.492 million

According to Government of the Punjab, Finance Department Notification No.SO(Tax)5-24/2016 dated 05.10.2016, “The Punjab Sales Tax on Services was levied on services specified in the Sr. No 56 of the Second Schedule (Taxable Services) given in the notification.”

During audit of MC Jaranwala for the FY 2022-23, it was observed that CO auctioned collection rights of eight revenue sources including advertisement fees, parking fees and slaughter of animal fees to different contractors at an auction amount of Rs 34.325 million but PST amounting to Rs 5.492 million was not recovered from the contractors.

Due to negligence and weak financial management, PST was not recovered from the contractors which resulted in loss of Government revenue.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery from the contractors concerned besides depositing the same into the Government Treasury.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2020-21 and 2019-20 vide para(s) No.21.4.5 and 46.5.6 respectively having financial impact of Rs 4.524 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 5]

2.37.6 Non-recovery of arrears of revenue – Rs 5.392 million

According to Schedule-II of the Punjab Local Governments (Conduct of Business) Rules 2017, “Municipal Officer (Finance) is responsible for the collection of approved taxes, fees, rates, tolls, charges, etc.” Further, according to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017 read with Rule 11(2)(c) of the Punjab Local Governments (Accounts) Rules 2017, “The Chief Officer and collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Jaranwala for the FY 2022-23, it was observed that CO leased out 11 shops to tenants on monthly rental basis. However, tenants did not deposit rent of shops amounting to Rs 4.163 million. Further, MC authorities could recover amount of Rs 0.420 million on account of water rates charges from connection holders of water supply against billing of Rs 1.650 million leaving a balance of Rs 1.229 million. Resultantly, total arrears of Rs 5.392 million were not recovered by the MC authorities.

Due weak monitoring mechanism and financial controls, MC authorities could not recover arrears of rent of shops and water rates charges from the defaulters which resulted in short realization of revenue.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends fixing responsibility against the person(s) at fault besides recovery from the concerned.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23 and 2019-20 vide para(s) No.2.26.9 and 46.4.5 respectively having financial impact of Rs 15.805 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 8, 9]

2.38 Municipal Committee Jatoi

Procedural irregularities

2.38.1 Irregular expenditure on work charged staff – Rs 2.540 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Jatoi for the FY 2022-23, it was observed that CO incurred expenditure of Rs 2.540 million on account of work charged staff. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department.

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No. 8]

Others

2.38.2 Non-recovery of outstanding dues / revenue – Rs 18.462 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Jatoi for the FY 2022-23, it was observed that CO failed to recover revenue amounting to Rs 18.462 million on account of under various head of accounts. The detail is as under:

(Rupees in million)		
Sr. No.	Type of Recovery/Overpayment	Amount
1	Non-recovery of revenue	5.169
2	Recovery advertisement / Sullage water fees	0.533
3	Non-recovery Govt. dues from housing Schemes	7.815
4	Less recovery of conversion fees	4.945
Total		18.462

Due to weak internal controls, government revenue were not recovered from the concerned which resulted in loss to the MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of revenue from the concerned.

[AIR 2022-23 Para No. 1, 3, 5, 19]

2.38.3 Non-deposit of government taxes – Rs 4.073 million

According to Serial No.1 (b) (ii), 2(ii) (b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, “The rate of Income Tax to be deducted from a payment for goods or services shall be 4.5 per cent and 10 per cent respectively of the gross amount payable.” Further, according to Serial No. 11 of the Second Schedule to the Punjab Sales Tax on Services Act 2012, “Punjab Sales Tax on Services @ 16 percent shall be applicable on services provided.”

Furthermore, according to Para 1.3, 4(b) & 4(3) of the Sales Tax Special Procedure (Withholding) Rules 2007, “1/5th of GST shall be withheld by withholding agent / DDO and same shall be submitted along with monthly return to concerned Collector of Sales Tax.

During audit of MC Jatoi for the FY 2022-23, it was observed that CO did not deposit Rs 4.073 million on account of GST, Income Tax and Punjab Sales Tax during the year which were deducted at source from the bills of contractors / employees.

Due to weak internal controls, taxes deducted at source were not deposited into government treasury resulting in loss to government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends deposit of GST, Income Tax and Punjab Sales Tax to the concerned departments immediately besides action against the person(s) at fault.

[AIR 2022-23 Para No. 10, 14]

2.39 Municipal Committee Jhang

Procedural irregularities

2.39.1 Irregular payment of SSB after regularization – Rs 40.862 million

According to Clause 9 of the Punjab Regularization of Service Act 2018, “Contract employee, on regularization, shall be allowed the initial stage of pay and the increments earned shall be converted into Personal Allowance but no other privilege allowed to a contract employee shall be admissible including SSB.”

During audit of MC Jhang for the FY 2022-23, it was observed that CO regularized services of 200 contract employees w.e.f. 01.03.2013 and 47 contract employees under 17-A from their respective dates of appointments. However, recovery of Social Security Benefit (SSB) amounting to Rs 40.862 million was not made from the employees after regularization of their services.

Due to weak internal controls, recovery of SSB was not made from the employees after regularization of their services which resulted in excess payment to the employees and loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery of overpaid amount of SSB from the employees concerned besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 13]

2.39.2 Irregular expenditure on hiring of generators – Rs 3.285 million

According to Rule 9 of the Punjab Procurement Rules, 2014, “A procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. The annual requirements thus determined would be advertised in advance on the PPRA’s website.”

During audit of MC Jhang for the FY 2022-23, it was observed that CO incurred expenditure of Rs 3.285 million on hiring of generators on the event of Muharrum-ul-Haram. However, the expenditure was incurred by splitting the cost of object to avoid tendering.

Due to weak internal controls, hiring of generators was made by splitting and payment of contractor profit was made without admissibility which resulted in irregular expenditure and excess payment.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault beside recovery of excess paid amount from the contractor.

Note: The issue was reported in the Audit Report for Audit Year 2022-23 vide para No.2.28.3 having financial impact of Rs 1.386 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 11]

Others

2.39.3 Non-recovery of miscellaneous fees – Rs 85.855 million

According to Rule 50(a) of the Punjab Local Governments Land Use (Classification, Reclassification, and Redevelopment) Rules 2020, “The conversion fee for the conversion zone (agriculture area) abutting list “A” roads to commercial use shall be ten percent of the commercial value of the land.” Further, according to Rule 24(1) of the Punjab Private Housing Schemes Rules 2022, “The sponsor shall deposit to the local Government or the agency concerned, as the case may be a fee for approval of a housing scheme at the rate of rupees one thousand per kanal for the total housing scheme area, approval of service design and specification for water supply, sewerage and drainage at the rate of rupees five hundred per kanal for the total housing scheme area and approval of service design and specifications for roads, bridges, underpasses and footpaths of a housing scheme at the rate of rupees five hundred per kanal for the total housing scheme area.”

During audit of MC Jhang for the FY 2022-23, it was observed that CO failed to recover conversion fees, sanction fees and designs approval fees amounting to Rs 85.855 million from the owners of 33 commercial buildings and sponsor / developer of a housing scheme.

Due to weak internal controls, the conversion and other prescribed fees were not recovered from the owners of commercial buildings & housing scheme which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends appropriate action for recovery of fees besides fixing responsibility against the person(s) at fault.

Note: The issue was reported in the Audit Report for Audit Year 2022-23 vide Para No.2.28.6 having financial impact of Rs 4.242 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 7, 10, 12]

2.39.4 Loss due to non-recovery of rent of shops – Rs 35.993 million

According to Rule 7 of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall be responsible to prepare estimates of receipts for each head of income and timely submission to the head of the finance office, making assessments of tax, a fee of the levy by the local government, on a periodical basis, for evaluating its potential and new tax proposal, ensure timely recoveries of each demand and ensure that all revenue collected against demand is credited into the Local Fund.”

During audit of MC Jhang for the FY 2022-23, it was observed that CO failed to recover arrears on account of rent of shops from tenants amounting to Rs 35.993 million. The detail is as under:

(Rupees in million)

Head of Income	No. of Shops	Recoverable Rent	Remarks
Shops and plots	313	27.393	Arrears of Rent of shops including litigation cases
Arrears of Gur Mandi shops	48	8.600	Rent of shops not realized since 2001 as per decision by the supreme court in favor of MC, Jhang
Total	313	35.993	

Due to weak internal controls, recovery of arrears of rent of shops was not made which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of rent of shops besides fixing responsibility against the person(s) at fault.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23 and 2020-21 vide para(s) No.2.28.5 and 24.4.8 respectively having financial impact of Rs 9.029 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 5]

2.39.5 Non-recovery of Government dues – Rs 6.310 million

According to Rule 47 of the Punjab Local Governments (Budget) Rules, 2017, “The collecting Officer shall ensure that all revenue due is claimed, realized, and credited immediately in Local Government Account and entered in the proper receipt head.” Further, according to Clause 25(e) of the Contract for Auction of Collection Rights, “The contractor shall not appoint his staff for the collection of income without the prior approval of the local government and all collections shall be carried out by him through the staff of the local government concerned assigned to him for this purpose.”

During audit of MC Jhang for the FY 2022-23, it was observed that CO failed to recover arrears on account of parking fees, general bus stand, rickshaw stand and cycle stand amounting to Rs 1.866 million. Further, MC authorities did not recover pay & allowances of staff deputed with the contractors amounting to Rs 4.444 million.

Due to weak financial controls, arrears of auction and pay & allowances of MC staff were not recovered from the contractors which resulted in the loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery from contractors concerned besides fixing responsibility against the person(s) at fault.

Note: The issue was reported in the Audit Report for Audit Year 2022-23 vide Para No.2.28.7 having financial impact of Rs 3.969 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 1, 14]

2.39.6 Non-recovery of cost of land and development charges – Rs 2.992 million

According to Directorate General of Kachi Abadies Colonies Department, Board of Revenue, Punjab, letter No.DG(KA) BOR/8-200/2012 dated 22.11.2012, “In supersession of all previous decisions, the price of land (Urban areas) will be

@ 2% of the current valuation table at the time of grant of proprietary rights for area under occupation up to 5-Marlas, price of land for occupation above 5-Marlas and up to 10-Marlas will be current valuation table rate at the time of grant of proprietary rights and price of land for occupation for above 10-Marlas will be the current valuation rate with additional surcharge 50% thereof at the time of grant of proprietary rights.”

During audit of MC Jhang for the FY 2022-23, it was observed that CO failed to recover cost of land and development charges amounting to Rs 2.992 million from occupants of Kachi Abadies. No action was taken by the MC authorities to recover cost of land and development charges despite lapse of considerable time.

Due to weak internal controls, outstanding dues of Kachi Abadies were not recovered which resulted in loss to public exchequer.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends fixing responsibility against the person(s) at fault besides recovery of cost of land and development charges.

[AIR 2022-23 Para No. 4]

2.40 Municipal Committee Kabirwala

Procedural irregularities

2.40.1 Non-obtaining of additional performance security – Rs 4.676 million

According to Rule 9 of the Punjab Local Governments (Works) Rules, 2017, “In case the rates of the lowest bid are equal to or less than 5% of the estimated cost, the lowest bidder shall be bound to deposit additional performance security from a scheduled bank from 5% to 10% (including CDR deposited at the time of tendering) within 15 days of issuance of notice and the same shall be refunded after issuance of the completion certificate by the in-charge of the engineering branch.”

During audit of MC Kabirwala for the FY 2021-22, it was observed that CO awarded seven development works without getting additional performance security amounting to Rs 4.676 million during Financial Year 2019-20. The works were awarded @ 25% to 33% below the estimated costs. However, no documentary evidence, regarding receipt of additional performance security and refund of the same was on record.

Due to weak internal controls, additional performance security was not obtained which resulted in irregular award of contract.

The matter was reported to PAO in April, 2023. No reply was submitted by the DDO concerned.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2019-22 Para No. 5]

Others

2.40.2 Non-recovery of conversion and map fees – Rs 20.421 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Kabirwala for the FY 2022-23, it was observed that CO did not recover conversion fees, map fees, approval of design and specification fees amounting to Rs 20.421 million from the developers / owners on account of establishment of land sub-divisions for the Financial Years 2019-20 to 2022-23. The detail is as under:

(Rupees in million)		
Sr. No.	Particulars	Amount
1	Loss due to non-registration of three private housing schemes established without paying government fees	2.692
2	Loss to Government due to non-recovery of dues from established land sub-divisions, eight housing schemes did not pay the government fees	15.278
3	Non-recovery of conversion and map fees	2.451
Total		20.421

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in April, 2023 and July, 2023. No reply was submitted by the DDO concerned.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of government dues besides fixing responsibility against the person(s) at fault.

[AIR 2019-22 Para No. 7, 8]

[AIR 2022-23 Para No.4, 7]

2.40.3 Non-recovery of rent of shops – Rs 6.062 million

According to Rule 11(2) (c) of the Punjab Local Governments (Accounts) Rules, 2017, “Chief Officer shall ensure that any sums due to local government are promptly realized and credited into the local fund.”

During audit of MC Kabirwala for the FY 2022-23, it was observed that CO failed to recover receipts amounting to Rs 6.062 million on account of arrears of rent of shops as on 30.06.2022 for the Financial Years 2019-20 to 2022-23.

Due to weak financial and internal controls, rent of shops was not recovered which resulted in loss to MC.

The matter was reported to PAO in April, 2023 and July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery at the earliest.

[AIR 2019-22 Para No.3]

[AIR 2022-23 Para No.5]

2.41 Municipal Committee Kamalia

Others

2.41.1 Non-recovery of arrears of MC revenue – Rs 17.815 million

According to Rule 4.7(1) of the Punjab Financial Rules, Vol-I, “It is primarily the responsibility of the departmental authorities to see that all revenue, or other debts due to Government, which have to be brought to account, are correctly and promptly assessed, realized and credited to Government account.”

During audit of MC Kamalia for the FY 2022-23, it was observed that CO could recover an amount of Rs 10.670 million on account of water rates charges from connection holders of water supply against total demand of Rs 27.483 million leaving recoverable balance of Rs 16.813 million. Further, staff of MC failed to recover rent of shops and accumulated arrears up to June, 2023 from 90 occupants of municipal property amounting to Rs 1.002 million. Resultantly, total arrears / revenue of Rs 17.815 million were not recovered.

Due weak monitoring mechanism, MC authorities failed to recover water rates charges and rent of shops which resulted in less realization of revenue and loss to the Government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery from the concerned.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23 and 2020-21 vide para(s) No.2.29.6 and 27.4.8 respectively having financial impact of Rs 17.085 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 5, 10]

2.41.2 Non-recovery of conversion and approval fees – Rs 12.754 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Kamalia for the FY 2022-23, it was observed that CO failed to recover conversion and building plan approval fees amounting to Rs 10.934 million from the owner of a marriage hall who converted land for commercial use without depositing prescribed fees. Further, conversion and approval fees of housing scheme amounting to Rs 1.820 million was also not recovered from owner / developer.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of conversion fees, building plan approval fees from the concerned at the earliest.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23 and 2020-21 vide para(s) No.2.29.8 and 27.4.7 respectively having financial impact of Rs 6.591 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 8]

2.41.3 Non-recovery of PST from contractors – Rs 1.946 million

According to serial No. 56 of the second schedule to the Punjab Sales Tax on Services Act, 2012, “Rate of sales tax is sixteen percent on debt collection, rent

collection and similar other recovery or collection services including right to collect the toll or fee or regulatory fee or duty or any other similar collection.”

During audit of MC Kamalia for the FY 2022-23, it was observed that CO auctioned collection rights of advertisement fees, parking fees and slaughter of animal fees to different contractors at auction amount of Rs 12.160 million. However, PST amounting to Rs 1.946 million was not recovered from the contractors.

Due to negligence and weak financial management, PST was not recovered from the contractors which resulted in loss of Government revenue.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends fixing responsibility against the person(s) at fault besides recovery from the lessees concerned.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23, 2020-21 and 2019-20 vide para(s) No.2.29.9, 27.4.10 and 57.5.2 respectively having financial impact of Rs 3.648 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 4]

2.41.4 Non-recovery of Government dues from contractor – Rs 1.094 million

According to Rule 28(3) and 28(4) of the Punjab Local Governments (Auction of Collection Rights) Rules, 2016, “After cancellation of contract, the House may decide to re-auction the income for the remaining period of contract or may make self-collection and in both situations mentioned under sub-rule (3), if the income so received is found less than the contractual amount, the difference shall be recovered from the contractor as arrears of land revenue.”

During audit of MC Kamalia for the FY 2022-23, it was observed that CO awarded auction of collection rights of motorcycle rickshaw fees amounting to Rs

2.150 million. However, the contractor deposited Rs 1.056 million into MC account by leaving the balance of Rs 1.094 million unrecovered.

Due to weak internal controls and financial mismanagement, balance amount was not recovered from the contractor which resulted in less realization of revenue and loss to the Government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery from the defaulting contractor.

Note: The issue was reported in the Audit Report for Audit Year 2022-23 vide Para No.2.29.10 having financial impact of Rs 2.148 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 2]

2.42 Municipal Committee Kameer

Procedural irregularities

2.42.1 Unauthorized payment of previous year's liabilities – Rs 1.125 million

According to Rule 17.18 of PFR Vol-I, “Expenditure incurred in one year, should not be left over to be met out of the budget for the next year.”

During audit of MC Kameer for the FY 2021-22, it was observed that CO made payment for Rs 1.125 million against procurement of POL and repair etc. for preceding financial years out of budget for the Financial Years 2019-20 to 2021-22. However, payments were made without maintaining liability register, approval of the competent authority and special provision of funds for the clearance of outstanding liabilities.

Due to weak internal controls, previous year's liabilities were paid from budget of current year which resulted in unauthorized expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2019-22 Para No. 06]

Others

2.42.2 Non-execution of land transfer deed – Rs 93.939 million

According to Chapter III Section 17 (e) & (f) and Chapter VIII Section 42 (h) of Punjab Private Housing Schemes and Land Sub-division Rules 2010, “A developer shall submit a transfer deed in accordance with Form B, for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority, the area reserved for roads, open space, park, solid waste management and two percent of the area under land sub-division for public buildings.”

During audit of MC Kameer for the FY 2022-23, it was observed that CO approved land sub-division but area of roads, parks, open space, solid waste management and public buildings was not transferred in the name of MC valuing Rs 93.939 million. The detail is as under:

(Rupees in million)

Sr. No.	Name of Housing Schemes	Address	Total Area	Area under Roads & Public Places	Valuation Table Rate Per Marla F.Y 2022-23	Transfer Deed Amount
1	Jahangir Gardens	Chak No.120/9-L	48 Kanal	18-Kanal 09 Marla	Rs.254,789	93.939

Due to weak administrative controls, non-execution of land transfer deed resulted in irregular approval of land sub-division.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides transfer deed as per rule be executed in the name of MC.

[AIR 2022-23 Para No. 12]

2.42.3 Non-recovery of conversion and map fees – Rs 1.699 million

According to Rule 50 (1) of Chapter-XI of Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules,

2020 a Local Government shall levy fee for conversion of land use from agricultural, residential, peri-urban area to commercial use conversion fee at the rate of 10% of the commercial value of the land. Conversion fee for the conversion of agricultural land to industrial use shall be 5% of the agricultural value of land. Conversion fee for the conversion of land to health / educational institutions shall be 10% of the value of existing land.

During audit of MC Kameer for the FY 2022-23, it was observed that CO failed to recover conversion and map fees amounting to Rs 1.699 million from the owners of commercial buildings and LSDs constructed. The buildings were constructed without approval but no action was taken by the MC authorities.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of conversion and map fees at the earliest.

[AIR 2022-23 Para No. 3, 5]

2.43 Municipal Committee Karor

Others

2.43.1 Non-recovery of outstanding dues / revenue – Rs 20.677 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Karor for the FY 2022-23, it was observed that CO failed to recover of revenue, over-payment and fees etc. amounting to Rs 20.677 million from the concerned. The detail is as under:

(Rupees in million)		
Sr. No.	Detail of recovery	Amount
1	Loss due to non-recovery of building map fees and conversion charges	19.932
2	Less-Recovery against Rent of Shops	0.745
Total		20.677

Due to weak internal controls, the government revenue were not recovered from the concerned resulting in loss to the MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery of revenue from the concerned.

[AIR 2022-23 Para No. 2, 11]

2.44 Municipal Committee Kehror Pacca

Procedural irregularities

2.44.1 Irregular advance withdrawal for purchase of vehicles – Rs 6.593 million

According to Para 4.2.15 of the Accounting Policies and Procedural Manual (APPM), “Payment must not be made in advance unless it is required by the agreement with the supplier and supported by a bank guarantee for the value of the advance. Officers should ensure that before agreeing to make advance payment or enter into an interim payment arrangement, approval from an officer, as specified by the delegation of Financial Powers, is obtained.”

During audit of MC Kehror Pacca for the FY 2021-22, it was observed that CO made advance payment amounting to Rs 6.593 million for purchase of chassis of sewer jetting machine and tractor without obtaining the sanction from the Punjab Finance Department for the Financial Years 2019-20 to 2021-22. Bank guarantee of Rs 0.405 million was obtained instead of Rs 4.050 million for purchase of chassis but no bank guarantee was taken against the purchase of tractor. Chassis of “Mitsubishi Canter Truck” was purchased from M/S FUSO Master Motors without inviting bids from HINO and ISUZU. Hence, the purchase process was not transparent.

Due to weak internal controls, advance payment was made without taking the sanction which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2019-22 Para No. 2, 3]

Others

2.44.2 Non-recovery of conversion and map fees – Rs 25.281 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Kehror Pacca for the FY 2022-23, it was observed that CO did not recover conversion fees, map fees, approval of design and specification fees amounting to Rs 25.281 million from the developers/ owners on account of establishment of various commercial buildings and land sub-divisions for the Financial Years 2019-20 to 2022-23.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in April, 2023 and July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of the government dues at the earliest.

[AIR 2019-22 Para No. 8, 10]

[AIR 2022-23 Para No. 10, 11]

2.45 Municipal Committee Khairpur Tamewali

Others

2.45.1 Loss due to non-recovery of revenue – Rs 35.722 million

According to Rule 50 (1) (a) (e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2020, “A local government shall levy the conversion fee for the conversion of any land use to educational, healthcare institutional or commercial use @ ten percent of the existing value of the land or plot or property as per valuation table and in case valuation table is not available, ten percent of the average sale price of preceding twelve months of the land in the vicinity as determined by the District Price Assessment Committee.” Further, according to Rule 47 (1) of the Punjab Local Government (Budget) Rules 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of MC Khairpur Tamewali for the FY 2022-23, it was observed that CO failed to collect different receipts amounting to Rs 35.722 million. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Conversion Fees	5.061
2	Arrears of receipts	19.215
3	Katchi Abadi's dues	11.446
Total		35.722

Due to weak internal controls, revenue receipts were not recovered which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/BWP /Reports/2023-24/F-39/CD-1026 dated 08.09.2023, followed by subsequent reminders vide No. 1118-20 dated 25.09.2023 and No. 1174-77 dated 28.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23 and 2019-20 vide para(s) number 2.31.2 and 9.2.5.3.4 respectively having financial impact of Rs 296.023 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 4, 6, 8]

2.45.2 Non-deposit of government taxes deducted at source – Rs 1.069 million

According to Rule 14 (1) of the Punjab Sales Tax (Withholding) Rules 2015, “A withholding agent shall be considered defaulter and personally liable to pay the amount of tax to the government and an officer of the Authority may pass an order to that effect and proceed to recover the same in the manner prescribed by Punjab Sales Tax on Services (Recovery) Rules, 2012, if a withholding agent under the rules (a) fails to withhold or deduct tax under the rules or (b) having withheld or deducted tax under the rules, fails to deposit the tax to the government.”

During audit of MC Khairpur Tamewali for the FY 2022-23, it was observed that CO did not deposit Rs 1.069 million on account of different taxes deducted from the contractors in the government treasury. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Income Tax	0.033
2	GST	0.354
3	PST	0.682
Total		1.069

Due to weak internal controls, taxes deducted from contractors and employees were not deposited into government treasury which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this report despite repeated requests.

Audit recommends deposit of taxes to the quarter concerned besides action against the person(s) at fault.

[AIR 2022-23 Para No. 3]

2.46 Municipal Committee Khan Pur

Others

2.46.1 Non-deposit of government taxes deducted at source – Rs 7.240 million

According to Rule 14 (1) of the Punjab Sales Tax (Withholding) Rules 2015, “A withholding agent shall be considered defaulter and personally liable to pay the amount of tax to the government and an officer of the Authority may pass an order to that effect and proceed to recover the same in the manner prescribed by Punjab Sales Tax on Services (Recovery) Rules, 2012, if a withholding agent under the rules (a) fails to withhold or deduct tax under the rules or (b) having withheld or deducted tax under the rules, fails to deposit the tax to the government.”

During audit of MC Khan Pur for the FY 2022-23, it was observed that CO failed to deposit Rs 7.240 million on account of taxes deducted on purchase and repair of various items etc. from the bills of contractors. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Income Tax	2.179
2	GST	3.684
3	PST	1.377
	Total	7.240

Due to weak internal controls, taxes deducted from contractors and employees were not deposited into government treasury which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/BWP /Reports/2023-24/F-39/CD-1026 dated 08.09.2023, followed by subsequent reminders vide No. 1118-20 dated 25.09.2023 and No. 1174-77 dated 28.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends deposit of taxes besides action against the person(s) at fault.

[AIR 2022-23 Para No. 9]

2.46.2 Non-realization of revenue – Rs 2.431 million

According to Rule 47 (1) of the Punjab Local Government (Budget) Rules 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of MC Khan Pur for the FY 2022-23, it was observed that CO did not collect revenue on account of bus stand fees, publicity tax and cycle stand fees amounting to Rs 2.431 million.

Due to weak internal controls, revenue was not recovered which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 18]

2.47 Municipal Committee Khanewal

Procedural irregularities

2.47.1 Irregular expenditure on work charged staff - Rs 14.477 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Khanewal for the FY 2022-23, it was observed that CO incurred expenditure of Rs 14.477 million on account of work charged staff. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department.

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.32.2 having financial impact of Rs 9.001 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 12]

2.47.2 Doubtful payments of civil work – Rs 1.096 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.”

During audit of MC Khanewal for the FY 2022-23, it was observed that CO awarded work order of scheme “Repair of roads, patch work of metaled roads, in city Khanewal” on 14.06.2022 with a time limit of 45 days up to 31.07.2022. The contractor executed work valuing Rs 2.970 million which was paid through 1st running bill dated 11.08.2022, 2nd running bill dated 26.09.2022 and 3rd running bill dated 22.11.2022. Physical verification dated 21.07.2023 indicated that no work was performed in 03 segments of the schemes located at Tehsin Lab road, Tariqabad to Naqsh Qamar printing chowk and civil line. Further, the segment of civil line was already executed through PCP project. Situation indicated that payment of Rs 1.096 million was made to the contractor through doubtful record entries. The detail is as under:

(Rupees in million)

Sr. No.	Description of work	Tehsin Lab road	Tariqabad to Naqsh Qamar printing chowk	Civil line	Total	Rate paid	Loss
1	P/L of base course of crushed stone aggregate (Cft)	1,584	148	176	1,908	17,542	0.335
2	P/L Triple Surface Treatment	4,800	448	533	5,781	5,933	0.343
3	Double Surface Treatment with 32 lbs. bitumen	-	8,512	6,127	14,639	2,858	0.418
	Total						1.096

Due to weak internal controls, payment was made against doubtful billing which may result in loss to government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 20]

Others

2.47.3 Non-recovery of conversion and map fees – Rs 87.513 million

According to Rule 50 (1) of Chapter-XI of Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “A Local Government shall levy fee for conversion of land use from agricultural, residential, peri-urban area to commercial use conversion fee at the rate of 10% of the commercial value of the land. Conversion fee for the conversion of agricultural land to industrial use shall be 5% of the agricultural value of land. Conversion fee for the conversion of land to health / educational institutions shall be 10% of the value of existing land.”

During audit of MC Khanewal for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 87.513 million from owners / developers of commercial buildings and land sub-divisions who constructed commercial sites without approval.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees at the earliest.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.32.7 having financial impact of Rs 8.313 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No.5, 17]

2.47.4 Loss due to non-recovery of revenue – Rs 33.640 million

According to Rule 11(2) (c) of the Punjab Local Governments (Accounts) Rules, 2017, “Chief Officer shall ensure that any sums due to local government are promptly realized and credited into the local fund.”

During audit of MC Khanewal for the FY 2022-23, it was observed that CO failed to recover government dues amounting to Rs 33.640 million from the tenants of shops and water connection holders. The non-recovery was consisting of Rs 31.309 million on account of rent of shops and Rs 2.331 million on account of water rates charges.

Due to weak financial and internal controls, government dues were not recovered which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of dues at the earliest.

[AIR 2022-23 Para No. 13, 16]

2.48 Municipal Committee Khangarh

Others

2.48.1 Non-recovery of revenue and over-payment of pay and allowances – Rs 26.780 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Khangarh for the FY 2022-23, it was observed that CO failed to recover the revenue amounting to Rs 26.780 million on account of conversion fees, advances and overpayments on the account of pay and allowances. The detail is as under:

(Rupees in million)		
Sr. No.	Type of Recovery/Overpayment	Amount
1	Less recovery of conversion fees	25.785
2	Recovery of Conveyance Allowance	0.045
3	Recovery of House Building Advances	0.950
Total		26.78

Due to weak internal controls, government revenue were not recovered from the concerned which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders dated 26.09.2023 and 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery of revenue from concerned.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.33.6 having financial impact of Rs 163.269 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 2, 7, 8]

2.48.2 Non-deposit of government taxes – Rs 5.014 million

According to Serial No.1 (b) (ii), 2(ii) (b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, “The rate of Income Tax to be deducted from a payment for goods or services shall be 4.5 per cent and 10 per cent respectively of the gross amount payable.” Further, according to Serial No. 11 of the Second Schedule to the Punjab Sales Tax on Services Act 2012, “Punjab Sales Tax on Services @ 16 percent shall be applicable on services provided.” Furthermore, according to Para 1.3, 4(b) & 4(3) of the Sales Tax Special Procedure (Withholding) Rules 2007, “1/5th of GST shall be withheld by withholding agent / DDO and same shall be submitted along with monthly return to concerned Collector of Sales Tax.

During audit of MC Khangarh for the FY 2022-23, it was observed that CO did not deposit Rs 5.014 million on account of GST, Income Tax and Punjab Sales Tax during the year which were deducted at source from the bills of contractors / employees.

Due to weak internal controls, taxes deducted at source were not deposited into government treasury resulting in loss to government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends deposit of GST, Income Tax and Punjab Sales Tax to the concerned departments immediately besides action against the person(s) at fault.

[AIR 2022-23 Para No. 13]

2.49 Municipal Committee Khurrianwala

Procedural irregularities

2.49.1 Irregular execution of development schemes – Rs 53.283 million

According to Rule 4(6) of the Punjab Local Governments (Works) Rules 2017, “The execution of work shall be undertaken after detailed estimates and the scheme is approved by the competent authority.” Further, according to Government of the Punjab, C&W Department letter No.PA/Secy. (C&W) 26-5/2009 dated 25.05.2009, “Job Mix Formula (JMF) for asphalt base course and asphalt wearing course must invariably be approved from Road Research & Material Testing Institute (RR&MTI). After its approval, it must be strictly followed at site and no deviation be allowed under any circumstances.” Furthermore, according to Government of the Punjab, Finance Department Notification No. RO. (Tech) FD.2-3/2004 dated 02.08.2004, “The rate of item of carpeting shall be fixed by the Chief Engineer on the basis of different percentages of bitumen i.e. 3% to 6%. However, payment will be made to contractor as per JMF or bitumen used in the work.”

During audit of MC Khurrianwala for the FY 2022-23, it was observed that CO got executed eighteen development works costing Rs 53.283 million. Audit observed following discrepancies in execution of the works:

- i. Thirteen schemes costing Rs 52.00 million were awarded without prior sanction of technical estimate and expenditure of Rs 6.624 million was incurred; and
- ii. Carpeting amounting to Rs 1.283 million was done in one scheme without formulation and approval of JMF and obtaining certificate from the RR&MTI;

Due to weak internal controls, payments were made prior sanction of technical estimate and without approval of JMF resulted in irregular execution of civil works.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent

reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure from the competent authority.

[AIR 2022-23 Para No. 11]

2.49.2 Irregular payment to daily wage staff – Rs 10.343 million

According to Government of the Punjab, Finance Department, Notification No.RO (Tech) FD-2-2/2001 dated 03.11.2008, “Appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.”

During audit of MC Khurrianwala for the FY 2022-23, it was observed that CO made payment to sanitary workers appointed on daily wages amounting to Rs 10.343 million. Audit observed that appointments / recruitments were made in non-transparent manner, without advertising jobs along with selection/ recruitment criteria in the newspapers.

Due to weak internal controls, recruitment of contingent paid staff was made without adopting prescribed procedure which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends fixing responsibility against the person(s) at fault besides regularization of expenditure from the competent Authority.

[AIR 2022-23 Para No. 9]

Others

2.49.3 Non-recovery of PST – Rs 1.437 million

According to Rule 20(3) of the Punjab Local Governments (Auction of Collection Rights) Rules 2016, “The income tax, sales tax, professional tax or any other levies enforced by law or instructions issued by the Government shall be recovered from the contractor.” Further, according to Serial No.56 of the Second Schedule to the Punjab Sales Tax on Services Act, 2012, “Rate of sales tax is sixteen percent on debt collection, rent collection and similar other recovery or collection services including right to collect the toll or fee or regulatory fee or duty or any other similar collection.”

During audit of MC Khurrianwala for the FY 2022-23, it was observed that CO leased out collection rights of advertisement fees, taxi and rickshaw stands to the contractors at an agreement amount of Rs 6.980 million. However, PST amounting to Rs 1.437 million was not recovered from the contractors.

Due to weak internal controls, PST was not recovered from the contractors which resulted in loss to the public exchequer.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends fixing responsibility against the person(s) at fault besides recovery of PST from the contractors concerned.

[AIR 2022-23 Para No. 2]

2.50 Municipal Committee Kot Addu

Procedural irregularities

2.50.1 Irregular clearance of outstanding liabilities – Rs 9.303 million

According to rule 17.18 of PFR Volume-I, “expenditure incurred in one year, should not be left over to be met out of the budget for the next year.”

During audit of MC Kot Addu for the FY 2022-23, it was observed that CO made payment amounting to Rs 9.303 million on account of purchases, repair and civil work against the expenditure pertaining to Financial Year 2021-22 without maintenance of pending liabilities register. Approval of competent authority and additional budget was not obtained to clear the pending liabilities.

Due to weak internal controls, pending liabilities were paid without budget and approval of competent authority which resulted in irregular payments.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No. 14]

2.50.2 Irregular release of securities without maintenance of record – Rs 5.876 million

According to para 5.1(II)(d), of B&R Code, “When a sum so held in deposit is ultimately paid to the contractor concerned, his acknowledgement should be set forth such particulars as would establish the settlement of this account in connection with the work concerned. It is further explained that Security Deposit Register shall be maintained and any receipt and return will be debited and credited in the concerned account.”

During audit of MC Kot Addu for the FY 2022-23, it was observed that CO made payment of securities amounting to Rs 5.876 million. The works were completed by the contractors in 2012 and securities were lapsed in 2014-15. Further, the securities were released without proof of deduction i.e. security register for said claim.

Due to weak internal controls, securities were paid after the expiry of due period which resulted in irregular payment of securities.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 05]

Others

2.50.3 Non-recovery of outstanding dues / revenue – Rs 34.709 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Kot Addu for the FY 2022-23, it was observed that CO failed to recover the revenue amounting to Rs 34.709 million on account of various rents, and fees. The detailed as under:

(Rupees in million)

Sr. No.	Type of Recovery/Overpayment	Amount
1	Non-recovery of dues against advertising Fees	1.100
2	Less recovery of conversion fees, Building map Fees and NOC Fees	31.232
3	Recovery of Rent of Shops	2.330
4	Recovery of House Rent	0.047
Total		34.709

Due to weak internal controls, government revenue were not recovered from the concerned which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of revenue from concerned.

[AIR 2022-23 Para No. 1, 4, 16, 18]

2.51 Municipal Committee Kot Chutta

Procedural irregularities

2.51.1 Irregular expenditure on work charged staff – Rs 15.800 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Kot Chutta for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 15.800 million on account of salary payment to the work charged staff. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department.

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No. 18]

2.51.2 Unauthorized payment of tuff tile – Rs 2.726 million

According to input rates issued by the Finance Department “The strength of tuff pavers should be 7000-PSI and these should be of approved manufacturers i.e. Tuff Pavers (Pvt) Ltd., Izhar Building Material (Pvt) Ltd. Further, as per Government of Punjab Communication and Works Department letter

No.PA/SECY(C&W) 26-5/2009 dated 25.05.2009, “Payment be made only for quality works which conform to the given specifications.”

During audit of MC Kot Chutta for the FY 2022-23, it was observed that CO made payment of Rs 2.726 million to the contractors on account of tuff tiles used in development schemes. No gate pass or any other documents was provided to prove that tiles were purchased from approved manufacturer. The rate of the tuff tile was based on the input rate of Izhar & Co. Taxila, but the tuff tile was purchased of local built. Furthermore, lab test from approved laboratory for assessing the quality were not made. The detail is as under:

(Rupees in million)					
Name of scheme	Contractor	Quantity	Rate	Amount	MB & page No.
Construction/Rehabilitation of surface drain/nala P/L of sewer line P.C.C tuff tiles earth filling Ward No. 2 MC Kot Chutta	Shabir Husnain Balouch	25473 sft	109/107 p/sft	2.726	619-26,18,76
Total				2.726	

Due to weak internal controls, payment was made without supporting documents resulted in unauthorized expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 15]

Others

2.51.3 Non-recovery of outstanding dues / revenue – Rs 17.470 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Kot Chutta for the FY 2022-23, it was observed that CO failed to recover Government revenue amounting to Rs 17.470 million on account of rent of shops, conversion fees and commercialization fees from defaulters. The detail is as under:

(Rupees in million)		
Sr. No.	Type of Recovery	Amount
1	Loss to Govt. due to non-collection of conversion fees	10.382
2	Non-recovery of rent of shops	4.104
3	Non / less recovery of conversion fees, registration fees, advertisement fees and NOC fees	0.563
4	Loss due to non-recovery of conversion fees and map fees from housing schemes	2.421
Total		17.47

Due to weak internal controls, government revenue were less realized which resulted in loss.to the Government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of government revenue from concerned.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23 and 2019-20 vide para(s) number 2.36.4 and 19.5.2 respectively having financial impact of Rs 93.921 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 1, 3, 4, 6, 7]

2.52 Municipal Committee Kotmithan

Procedural irregularities

2.52.1 Irregular expenditure on work charged staff – Rs 2.964 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Kotmithan for the FY 2022-23, it was observed that CO made payment of Rs 2.964 million to work charged employees. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG & CD Department.

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No. 7]

Others

2.52.2 Non-recovery of outstanding dues / revenue – Rs 16.239 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Kotmithan for the FY 2022-23, it was observed that CO failed to recover the revenue amounting to Rs 16.239 million on account of various rents, fees and arrears. The detail is as under:

(Rupees in million)		
Sr. No	Type of Recovery/Overpayment	Amount
1	Non-recovery of Rent of Shops	11.466
2	Less / non-recovery of conversion and map fees	3.005
3	Recovery of pay and allowances	1.768
Total		16.239

Due to weak internal controls, government revenue were not recovered from the concerned which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of revenue from the concerned.

[AIR 2022-23 Para No. 2, 8, 11]

2.52.3 Non-deposit of government taxes – Rs 4.323 million

According to Serial No.1 (b) (ii), 2(ii) (b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, “The rate of Income Tax to be deducted from a payment for goods or services shall be 4.5 per cent and 10 per cent respectively of the gross amount payable.” Further, according to Serial No. 11 of the Second Schedule to the Punjab Sales Tax on Services Act 2012, “Punjab Sales Tax on Services @ 16 percent shall be applicable on services provided.”

Furthermore, according to Para 1.3, 4(b) & 4(3) of the Sales Tax Special Procedure (Withholding) Rules 2007, “1/5th of GST shall be withheld by withholding agent / DDO and same shall be submitted along with monthly return to concerned Collector of Sales Tax.

During audit of MC Kotmithan for the FY 2022-23, it was observed that CO did not deposit Rs 4.323 million on account of GST, Income Tax and Punjab Sales Tax during the year which were deducted at source from the bills of contractors / employees.

Due to weak internal controls, taxes deducted at source were not deposited into government treasury resulting in loss to government.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends deposit of GST, Income Tax and Punjab Sales Tax to the concerned departments immediately besides action against the person(s) at fault.

[AIR 2022-23 Para No. 9, 10]

2.53 Municipal Committee Lalian

Procedural irregularities

2.53.1 Irregular procurement of vehicle and equipment – Rs 11.404 million

According to the Government of the Punjab, Finance Department letter No.RO (Tech) FD-18-23/2004 dated 21.09.2004, “Rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the Competent Authority, not below the rank of Superintendent Engineer based on input rates of relevant quarter placed at the website of Finance Department and rates shall not be more than the market rates.”

During audit of MC Lalian for the FY 2021-22, it was observed that CO incurred expenditure amounting to Rs 11.404 million for the procurement of different sanitation vehicles and machinery. The said expenditure was held irregularly due to the following discrepancies:

- i. Technical inspection was not carried by the inspection committee;
- ii. Penalty for late supply of vehicles and equipment was not mentioned in supply order and LD charges were not recovered from the concerned supplier;
- iii. The date of delivery/supply of the lifter was not on record; and
- iv. The advance payment was made for the purchase of a tractor amounting to Rs 1.990 million.

Due to weak internal controls, machinery was procured without technical inspection which resulted in irregular expenditure.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent

reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2019-22 Para No. 8]

2.54 Municipal Committee Layyah

Other

2.54.1 Non-recovery of Government dues / revenue – Rs 16.604 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Layyah for the FY 2022-23, it was observed that CO failed to recover the revenue amounting to Rs 16.604 million on account of conversion fees and rent of shops. The detail is as under:

(Rupees in million)		
Sr. No.	Detail of recovery	Amount
1	Non-Recovery of rent of shops and water rates	2.381
2	Unauthorized award of leases resulting non-recovery of balance leased amount	0.648
3	Loss due to non-auction of shops	8.028
4	Loss due to non-recovery of conversion fees from Housing Schemes	2.487
5	Loss due to non-recovery of conversion fees from Commercial buildings	3.060
	Total	16.604

Due to weak internal controls, government revenue were less realized which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery of revenue from the concerned.

[AIR 2022-23 Para No. 4, 7, 8, 14, 15]

2.54.2 Non-deposit of government taxes – Rs 1.707 million

According to Serial No.1 (b) (ii), 2(ii) (b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, “The rate of Income Tax

to be deducted from a payment for goods or services shall be 4.5 per cent and 10 per cent respectively of the gross amount payable.” Further, according to Serial No. 11 of the Second Schedule to the Punjab Sales Tax on Services Act 2012, “Punjab Sales Tax on Services @ 16 percent shall be applicable on services provided.” Furthermore, according to Para 1.3, 4(b) & 4(3) of the Sales Tax Special Procedure (Withholding) Rules 2007, “1/5th of GST shall be withheld by withholding agent / DDO and same shall be submitted along with monthly return to concerned Collector of Sales Tax.

During audit of MC Layyah for the FY 2022-23, it was observed that CO did not deposit Rs 1.707 million on account of GST, Income Tax and Punjab Sales Tax during the year which were deducted at source from the bills of contractors / employees.

Due to weak internal controls, taxes deducted at source were not deposited into government treasury resulting in loss to government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends deposit of GST, Income Tax and Punjab Sales Tax to the concerned departments immediately besides action against the person(s) at fault.

[AIR 2022-23 Para No. 12]

2.55 Municipal Committee Liaqat Pur

Others

2.55.1 Non-realization of revenue – Rs 168.856 million

According to Rule 50 (1) (a) (e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2020, “A local government shall levy the conversion fee for the conversion of any land use to educational, healthcare institutional or commercial use @ ten percent of the existing value of the land or plot or property as per valuation table and in case valuation table is not available, ten percent of the average sale price of preceding twelve months of the land in the vicinity as determined by the District Price Assessment Committee.” Further, according to Rule 47 (1) of the Punjab Local Government (Budget) Rules 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of MC Liaqat Pur for the FY 2022-23, it was observed that CO did not collect revenue on account of arrears of receipts, conversion fees and fees from approval of land sub-divisions amounting to Rs 168.856 million. The income was either less collected or misappropriated by the collection staff. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Arrears of receipts	35.235
2	Conversion fees	99.404
3	Fees from approval of land sub-divisions	34.217
Total		168.856

Due to weak internal controls, revenue was not recovered which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/BWP /Reports/2023-24/F-39/CD-1026 dated 08.09.2023, followed by subsequent reminders vide No. 1118-20 dated 25.09.2023 and No. 1174-77 dated 28.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23, 2020-21 and 2019-20 vide para(s) number 2.39.4, 7.4.3 and 14.2.5.3.2 respectively having financial impact of Rs395.542 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 1, 4, 16]

2.55.2 Non-deposit of government taxes – Rs1.348 million

According to Rule 14 (1) of the Punjab Sales Tax (Withholding) Rules 2015, “A withholding agent shall be considered defaulter and personally liable to pay the amount of tax to the government and an officer of the Authority may pass an order to that effect and proceed to recover the same in the manner prescribed by Punjab Sales Tax on Services (Recovery) Rules, 2012, if a withholding agent under the rules (a) fails to withhold or deduct tax under the rules or (b) having withheld or deducted tax under the rules, fails to deposit the tax to the government.”

During audit of MC Liaqat Pur for the FY 2022-23, it was observed that CO did not deposit Rs 1.348 million on account of different taxes deducted from the contractors in the government treasury.

Due to weak internal controls, taxes deducted from contractors and employees were not deposited into government treasury which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this report despite repeated requests.

Audit recommends deposit of taxes to the quarter concerned besides action against the person(s) at fault.

[AIR 2022-23 Para No. 5]

2.56 Municipal Committee Lodhran

Others

2.56.1 Non-execution of mortgage deed – Rs 411.787 million

According to Chapter III Section 17 (e) & (f) and Chapter VIII Section 42 (h) of Punjab Private Housing Schemes and Land Sub-division Rules 2010, “A developer shall submit in the name of a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority a mortgage deed of 20% of the saleable area, in accordance with Form C, as security for completion of development works.”

During audit of MC Lodhran for the FY 2022-23, it was observed that CO approved 05 land sub-divisions but 20% of saleable area valuing Rs 411.787 million was not mortgaged by the developer of these land sub-divisions in the name of MC.

Due to weak administrative controls, non-execution of mortgage deed resulted in irregular approval of LSDs.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides mortgage and transfer deed as per rule be executed in the name of MC.

[AIR 2022-23 Para No.09, 11]

2.56.2 Non-recovery of conversion and map fees – Rs 17.951 million

According to Rule 50 (1) of the Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020 “A local

government shall levy fee for conversion of land use from agricultural, residential, peri-urban area to commercial use conversion fee at the rate of 10% of the commercial value of the land.” Further, according to Rule 39 of Punjab Private Housing Schemes and Land Sub-Division Rules, 2010, “A developer shall deposit fee for conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land.”

During audit of MC Lodhran for the FY 2022-23, it was observed that CO did not recover conversion and building plan approval fees amounting to Rs 17.951 million from owners / developers of commercial buildings and land sub-divisions who constructed commercial sites without approval. Notices were served to the owners of these sites to deposit conversion and building plan approval fees.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees at the earliest.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.40.4 having financial impact of Rs 19.373 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No.13, 14, 17]

2.57 Municipal Committee Mailsi

Procedural irregularities

2.57.1 Irregular expenditure due to tendering process before technical sanction – Rs 20.740 million

According to Finance Department Letter No. RO (TECH) FD-1-2/83/-VI dated 29.03.2005, “The particulars of technical sanction i.e. amount, number and date of orders of technical sanction to be mentioned in the Draft Notice Inviting Tenders (DNIT).”

During audit of MC Mailsi for the FY 2021-22, it was observed that CO invited tenders for seven development schemes amounting to Rs 20.740 million for the Financial Years 2020-21 and 2021-22. No particulars of technical sanction i.e. TS number and date of technical sanctions were mentioned in the advertisement which was evidence that tendering process was started before technical sanction. The detail is as under:

(Rupees in million)			
Sr. No.	Financial Year	No. of Schemes	Amount
1	2020-21	47	15.960
2	2021-22	19	4.780
Total			20.740

Due to weak internal controls, tenders were advertised without observing procurement rules and FD directions which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023. No reply was submitted by the DDO concerned.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2020-22 Para No.16]

2.57.2 Irregular expenditure in violation of Procurement Rules – Rs 4.040 million

According to Rule 9 of the Punjab Procurement Rules, 2014, “Procuring agency shall announce proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s website.”

During audit of MC Mailsi for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 4.040 million on account of purchase / hiring of various items on national events. The expenditure was incurred by splitting to avoid tendering process.

Due to weak internal controls, procurement rules were not observed which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No.12]

2.57.3 Irregular expenditure without entry in measurement book - Rs 3.060 million

According to Rule No. 18(3) of the Punjab Local Governments (Works Rules) 2017, “Any payment either for the work done or procurement made for more than rupees fifty thousand shall be entered in the measurement book.”

During audit of MC Mailsi for the FY 2021-22, it was observed that CO irregularly made payment amounting to Rs 3.060 million for different expenditure without ensuring of material received and entered in the MBs for the Financial Years 2020-21 and 2021-22.

Due to weak internal controls, payment was made without making entries in MBs which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2020-22 Para No.8]

2.57.4 Irregular payment in cash instead of crossed cheques – Rs 2.460 million

According to Rule XV Chapter 2 of Receipts & Payment Rules 2021, “Payments shall be only made to contractors, vendors, suppliers, employees, etc. through direct credit or through crossed cheque.” Further, according to Rule 27 (3) Chapter 2 of Receipts & Payment Rules 2021, “Account’s officer may, as far as possible, disburse miscellaneous contingent payments to the contractors / suppliers by direct credit advice into their respective bank accounts or in exceptional cases by system generated cheques on submission of claim on bills / voucher to the Accounts Office.”

During audit of MC Mailsi for the FY 2021-22, it was observed that CO made cash payment of Rs 2.460 million to the different vendors and daily wages staff for the Financial Years 2020-21 and 2021-22. Salary of daily wages staff was paid in cash instead of bank advice.

Due to weak internal controls, cash payments were made which resulted in irregular payment.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2020-22 Para No.07]

Others

2.57.5 Non-recovery of conversion and map fees – Rs 102.658 million

According to Rule 50 (1) of the Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020 “A local government shall levy fee for conversion of land use from agricultural, residential, peri-urban area to commercial use conversion fee at the rate of 10% of the commercial value of the land.” Further, according to Rule 39 of Punjab Private Housing Schemes and Land Sub-Division Rules, 2010, “A developer shall deposit fee for conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land.”

During audit of MC Mailsi for the FY 2022-23, it was observed that CO did not recover conversion and building plan approval fees amounting to Rs 102.658 million for the Financial Years 2020-21 to 2022-23 from owners of commercial buildings and land sub-divisions who constructed commercial sites without approval. Notices were served to the owners of these sites to deposit conversion and building plan approval fees. The detail is as under:

(Rupees in million)		
Sr. No.	Particulars	Amount
1	Less recovery of dues from owners of commercial buildings, schools /colleges, hospital and BT tower	76.339
2	Less recovery of dues from owners of schools, commercial shops and petrol pumps	5.510
3	Less recovery of dues from owner of land subdivisions	20.809
Total		102.658

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in April, 2023 and July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees at the earliest.

[AIR 2022-23 Para No.02, 03, 08]

[AIR 2020-22 Para No. 6]

2.57.6 Loss due to non-recovery of revenue – Rs 17.683 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Mailsi for the FY 2022-23, it was observed that CO did not recover Rs 17.683 million for the Financial Years 2016-17 to 2022-23 on account of water rates and rent of shops. Tenant of some shops ran away without paying the arrears of rent and shops were got vacated. Neither the management of MC made any effort to get the recovery under Land Revenue Act-1976 nor the arrears were got condoned from the competent authority. The detail is as under:

(Rupees in million)					
Sr. No.	Head of receipts	Year / period	Target	Recovery made	Less recovery
1	Rent of shops	2021-22	28.515	24.489	4.026
2	Arrears of rent of shops of 20 shop keepers	20.10.2022 to 30.06.2023	3.131	-	3.131
3	Arrears of rent of shops of 32 shop keepers	2016-21	1.010	-	1.010
4	Water rates	2020-21	7.082	5.347	1.735
5	Arrear of water rates	2021-22	8.411	6.167	2.244
6	Arrear of water rates	2022-23	11.000	5.463	5.537
Total			59.153	41.467	17.683

Due to weak internal controls and poor performance of collecting officer Government dues were not recovered which resulted in loss to MC.

The matter was reported to PAO in April, 2023 and July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of the government dues at the earliest.

[AIR 2022-23 Para No. 11, 14]

[AIR 2020-22 Para No.11]

2.58 Municipal Committee Mamukanjan

Procedural irregularities

2.58.1 Irregular payment to daily wage employees – Rs 13.669 million

According to Government of the Punjab, Finance Department Notification No.RO (Tech) FD 2-2/2022 dated 15.07.2022, “Appointment of work charge / daily wages employee(s) shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.”

During audit of MC Mamukanjan for the FY 2022-23, it was observed that CO recruited sanitary workers on daily wages and made payment of Rs 13.669 million. However, recruitments were made in non-transparent manner / without advertisement in the newspapers. Further, 56 to 73 sanitary workers (in different months) were appointed on daily wages against 12 to 20 vacant posts of sanitary workers.

Due to weak internal controls, recruitments of daily wage staff were made without adopting prescribed procedure and beyond sanctioned posts which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure from the competent authority.

[AIR 2022-23 Para No. 8]

Others

2.58.2 Non-recovery of conversion and building plan approval fees – Rs 20.974 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Mamukanjan for the FY 2022-23, it was observed that CO failed to recover conversion / building plan approval fees amounting to Rs 20.974 million from 114 buildings respectively for the Financial Years 2019-20 to 2022-23. The detail is as under:

(Rupees in million)

Sr. No.	Description	Financial Year(s)	Amount
1	Non-recovery of conversion fees from the owners 42 buildings for conversion of land use	2019-20 to 2021-22	3.901
2	Non-recovery of building plan approval fees from the owners of 72 buildings	2022-23	17.073
Total			20.974

Due to weak internal controls, non-recovery of conversion and building plan approval fees from the concerned resulted in loss to MC.

The matter was reported to PAO in March and July, 2023 but management did not reply.

DAC meetings were not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of Government dues from the defaulters at the earliest.

Note: The issue was reported in the Audit Report for Audit Year 2019-20 vide Para(s) No.48.4.1 and 48.4.2 respectively having financial impact of Rs 11.176 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2019-22 Para No. 10]

[AIR 2022-23 Para No. 12]

2.58.3 Non-imposition of fine on the sponsors / developers / owners – Rs 15.023 million

According to Section 172(2)(a) & 172(2)(b) read with Sr. Nos. 2 & 18 of Eighth Schedule of the PLGA 2022, "If a person commits an offence like development of a private housing scheme without approval of a local government; or on a non-conforming use, such person shall be punishable with imprisonment for a term which may extend to seven years, or with fine which may extend to five hundred thousand rupees or with both and if a person commits offence of erection or re-erection of a building without the sanction required under this Act or using a building for a purpose which may endanger the security of people, such person shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend to one hundred thousand rupees or with both."

During audit of MC Mamukanjan for the FY 2022-23, it was observed that CO did not take appropriate action against the sponsors / developers / owners of housing schemes. Neither, fine amounting to Rs 6.500 million was imposed nor efforts were made to realize income amounting to Rs 8.523 million on account of conversion fees, preliminary planning permission fees, plans approval fees etc.

Due to dereliction of duties, appropriate action was not taken against the owners / developers of housing schemes which resulted in non-imposition / non-recovery of fine and other Government dues.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends imposition / recovery of fine and Government dues besides taking appropriate action against the person(s) at fault.

[AIR 2022-23 Para No. 5]

2.58.4 Non-recovery of rent of shops – Rs 12.030 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Mamukanjan for the FY 2022-23, it was observed that CO failed to recover rent of shops amounting to Rs 12.030 million from 145 lessees for the Financial Years 2019-20 to 2022-23. The detail is as under:

(Rupees in million)			
Sr. No.	Description	Financial Year(s)	Amount
1	Non-recovery of rent from the lessees of 145 shops	2019-20 to 2021-22	10.771
2	Non-recovery of rent from the lessees of 137 shops	2022-23	1.259
Total			12.030

Due to weak internal controls, efforts were not made for recovery of Government dues which resulted in non-recovery of rent of shops from the concerned.

The matter was reported to PAO in March and July, 2023 but management did not reply.

DAC meetings were not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of Government dues from the defaulters at the earliest.

Note: The issue was reported in the Audit Report for Audit Year 2019-20 vide Para(s) No.48.4.1 and 48.4.2 respectively having financial impact of Rs 11.176 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2019-22 Para No. 2]

[AIR 2022-23 Para No. 7]

2.59 Municipal Committee Mian Channu

Procedural irregularities

2.59.1 Irregular expenditure in violation of Procurement Rules – Rs 4.410 million

According to Rule 9 of the Punjab Procurement Rules, 2014, “Procuring agency shall announce proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s website.”

During audit of MC Mian Channu for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 4.410 million on account of purchase of various items for establishment of temporary cattle markets for Eid-ul-Azha, filters for filtration plants and manhole cover etc. The expenditure was incurred by splitting to avoid tendering process.

Due to weak internal controls, procurement rules were not observed which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.41.2 having financial impact of Rs 3.877 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No.14]

2.59.2 Irregular expenditure on work charged staff - Rs 1.287 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Mian Channu for the FY 2022-23, it was observed that CO incurred expenditure of Rs 1.287 million on account of work charged staff. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department.

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No.13]

Others

2.59.3 Inadmissible payment of integrated allowances to sanitary workers – Rs 2.041 million

According to Government of the Punjab, Finance Department, notification No. FD.PC.2-1/2001 dated 11.07.2011, “Integrated allowance is allowed to N/Qasid, Qasid, Daftries, Frash, Chowkidar, Sweeper, Sweeperess & Security Guard.” According to Finance Department Notification No. FD.SR-I/9-28/2016 dated 18.07.2016 regarding revision of rates of aforementioned notification dated 11.07.2011 in this notification only rates were revised and no admissibility to the other designations was mentioned.

During audit of MC Mian Channu for the FY 2022-23, it was observed that CO made payment amounting to Rs 2.041 million on account of integrated allowance to 196 sanitary workers without admissibility. Audit just calculated recovery for the period 01.07.2022 to 30.06.2023. The actual recovery since date of payment is the responsibility of DDO. The detail is as under:

(Rupees in million)			
Month checked by audit	Amount drawn as per July 2022	Total number of month July 2022, June2023(audit period)	Total amount drawn/ Amount of Recovery
7/2022	0.170	12	2.041

Due to weak internal controls, integrated allowance was paid to sanitary workers irregularly which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery and immediate stoppage of inadmissible allowance besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No.07]

2.59.4 Non-recovery of conversion and building plan approval fees – Rs 2.034 million

According to Rule 50 (1) (a) & (d) of the PLG Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “A Local Government shall levy fee for conversion of land use subject to scrutiny and clearance from District Planning and Design Committee, from agricultural, residential, peri-urban area to commercial use shall be 10% of the commercial value of the land. Conversion fee for the conversion of agricultural land to industrial use shall be 5% of the agricultural value of land.” Further, according to Rules 4 & 38 of the Punjab Private Housing Schemes and Land Sub-Division Rules 2010, “The developer shall submit an application to the TMA/Local Government, for seeking preliminary planning permission for a scheme before initiating any planning or development activity and shall pay the prescribed fee.” Furthermore, Rule 35(1) of said rules “Empowers the TMO to monitor the development work of the schemes and ensure that there is no deviation from the sanctioned scheme plan.”

During audit of MC Mian Channu for the FY 2022-23, it was observed that CO did not recover conversion and building plan approval fees amounting to Rs 2.034 million from owners of commercial building and land sub-division who constructed commercial sites without approval. Notices were served to the owners of these sites to deposit conversion and building plan approval fees. The detail is as under:

(Rupee in million)

Particulars	Name of owner	Location	Area	Rate per M/K	Conversion fees	Map fees @20 per SFT/@600 per Marla of saleable area	Total Recoverable
Commercial shop	Abdul Jabbar	Block No. 03	1 M	5.00	500,000	5,440	0.505
Land sub-division	Afzal Shah	125/15L	98 K	7.00	857,500	672,000	1.529
Total							2.034

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees at the earliest.

[AIR 2022-23 Para No.15]

2.60 Municipal Committee Minchinabad

Others

2.60.1 Irregular approval of LSD and non-mortgage of property – Rs 40.240 million

According to Rule 17 (e) & (f) and Rule 42 (h) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, “The developers are required to transfer the area reserved for roads, open space, park and solid waste management as well as one percent of the area under land sub-division for public buildings, excluding the area of mosque in favor of relevant development authority / body and should submit mortgage deed of 20% of the saleable area, in accordance with Form C, as security for completion of development works.”

During audit of MC Minchinabad for the FY 2022-23, it was observed that CO granted irregular approval of LSD without reserving a plot for waste management. Moreover, required 20% of saleable area was not mortgaged in the name of MC. Further, development work was not completed by the owners of the LSD despite lapse of more than 8 years. The detail is as under:

(Rupees in million)

Sr. No.	Name of Scheme	Name of Owner	Area	Area Under Plots	Commercial Area	Area to be mortgaged	DC Rate / Marla (2022-23)	Amount in million
1	Model City under land sub-division	M. Arshad s/o M. Yaqoob	80K 0M 0Sft	971	80	210	110,000	23.122
2	Kamal Garden	M. Abbas s/o Kamal Din	64K 1M 6Sft	714	64	156	110,000	17.118
Total				1,685	144	366		40.240

Due to weak internal controls, no action was taken for transfer and mortgage of land in the name of MC which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/BWP /Reports/2023-24/F-39/CD-1026 dated 08.09.2023, followed by subsequent reminders vide No. 1118-20 dated 25.09.2023 and No. 1174-77 dated 28.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends mortgage of property in the name of MC besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 12]

2.60.2 Non-realization of revenue – Rs 28.372 million

According to Rule 50 (1) (a) (e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2020, “A local government shall levy the conversion fee for the conversion of any land use to educational, healthcare institutional or commercial use @ ten percent of the existing value of the land or plot or property as per valuation table and in case valuation table is not available, ten percent of the average sale price of preceding twelve months of the land in the vicinity as determined by the District Price Assessment Committee.” Further, according to Rule 47 (1) of the Punjab Local Government (Budget) Rules 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of MC Minchinabad for the FY 2022-23, it was observed that CO did not collect revenue on account of auctioned amount, conversion fees and different receipts amounting to Rs 28.372 million. The income was either less collected or misappropriated by the collection staff. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Auctioned receipt	1.057
2	Conversion and map fees	23.553
3	Different receipts	3.762
Total		28.372

Due to weak internal controls, revenue was not recovered which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 3, 5, 7]

2.61 Municipal Committee Muzaffargarh

Procedural irregularities

2.61.1 Unauthorized payment of salaries – Rs 8.936 million

According to Rule 2.33 of PFR Volume-I, “Every Government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by the Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence.”

During audit of MC Muzaffargarh for the FY 2022-23, it was observed that CO paid arrears of salary amounting to Rs 8.936 million to daily wages employees for the Financial Years 2019-20 to 2022-23 in contradiction to a writ petition decision given by the Deputy Commissioner on the directives of the honorable Lahore High Court Multan Bench.

Due to weak internal controls, unauthorized salary was paid to daily wages staff which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not submit reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing the responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 15]

Others

2.61.2 Non-recovery of outstanding dues / revenue – Rs 81.493 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Muzaffargarh for the FY 2022-23, it was observed that CO failed to recover the revenue amounting to Rs 81.493 million on account of various rents and other dues. The detail is as under:

(Rupees in million)		
Sr. No	Type of Recovery/Overpayment	Amount
1	Recovery of rent of shops	2.707
2	Recovery of Government dues / conversion fees	74.146
3	Recovery of house rent	0.360
4	Recovery of Govt. dues from private housing societies.	4.280
Total		81.493

Due to weak internal controls, government revenue were not recovered from the concerned which resulted in loss.

The matter was reported to PAO in July, 2023 but Management did not submit reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of outstanding revenue from the concerned.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.8.3 having financial impact of Rs 535.705 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 10, 12, 13, 14]

2.61.3 Non-deposit of government taxes– Rs 6.943 million

According to Serial No.1 (b) (ii), 2(ii) (b) and 3(iii) of Division III of Part III of First Schedule of the Income Tax Ordinance, 2001, “The rate of Income Tax

to be deducted from a payment for goods or services shall be 4.5 per cent and 10 per cent respectively of the gross amount payable.” Further, according to Serial No. 11 of the Second Schedule to the Punjab Sales Tax on Services Act 2012, “Punjab Sales Tax on Services @ 16 percent shall be applicable on services provided.” Furthermore, according to Para 1.3, 4(b) & 4(3) of the Sales Tax Special Procedure (Withholding) Rules 2007, “1/5th of GST shall be withheld by withholding agent / DDO and same shall be submitted along with monthly return to concerned Collector of Sales Tax.

During audit of MC Muzaffargarh for the FY 2022-23, it was observed that CO did not deposit Rs 6.943 million on account of GST, Income Tax and Punjab Sales Tax during the year which were deducted at source from the bills of contractors / employees.

Due to weak internal controls, taxes deducted at source were not deposited into government treasury resulting in loss to government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends deposit of GST, Income Tax and Punjab Sales Tax to the concerned departments immediately besides action against the person(s) at fault.

[AIR 2022-23 Para No. 01. 4]

2.62 Municipal Committee Pakpattan

Procedural irregularities

2.62.1 Irregular expenditure in violation of Procurement Rules – Rs 22.095 million

According to Rule 9 and 12 (1) of Punjab Procurement Rules 2014, “A procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirements for procurement on the website of the Authority as well as on its own website. A procuring agency shall advertise procurement of more than two hundred thousand rupees and up to the limit of three million rupees on the website of the Authority in the manner and format specified by regulations.”

During audit of MC Pakpattan for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 22.095 million on account of celebrating national days, religious days, youth cultural and arrangements of other routine activities. The expenditure was incurred by splitting to avoid tendering process.

Due to weak internal controls, procurement rules were not observed which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide paras number 2.43.2 and 2.43.4 having financial impact of Rs 5.585 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No.15]

Others

2.62.2 Non-execution of mortgage deed – Rs 312.480 million

According to Chapter III Section 17 (e) & (f) and Chapter VIII Section 42 (h) of Punjab Private Housing Schemes and Land Sub-division Rules 2010, “A developer shall submit in the name of a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority a mortgage deed of 20% of the saleable area, in accordance with Form C, as security for completion of development works.”

During audit of MC Pakpattan for the FY 2022-23, it was observed that CO approved land sub-division / housing scheme but 20% of saleable area valuing Rs 312.480 million was not mortgaged by the developer of these housing schemes in the name of MC. The detail is as under:

(Rupees in million)

Sr. No.	Name of Scheme / LSD	Road/ location	T. Area Kanals	Date of Application	Area of Saleable Plots Kanals approx.	20% of Area of Saleable Plots Kanals	Rate per Kanal	Amount
1	Pine Garden, Housing Scheme	Gunj Shakar Road Pakpattan	104.5	30.03.2022	70	14	14.000	196.000
2	Gunjshakar Garden LSD	Farid Nagar Road Pakpattan	66.7	20.02.2017	40	8	5.860	46.880
3	Fahad Block LSD	Muhammad Pur Road Pakpattan	15.15	14.11.2016	10	2	5.500	11.000
4	Gulshan Iqbal Villas LSD	Behind District courts Pakpattan	82.85	02.12.2017	50	10	5.860	58.600
Total								312.480

Due to weak administrative controls, non-execution of mortgage deed resulted in irregular approval of housing schemes / LSDs.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides mortgage and transfer deed as per rule be executed in the name of MC.

[AIR 2022-23 Para No.05]

2.62.3 Non-recovery of conversion and map fees – Rs 65.462 million

“According to Rule 50 (1) of Chapter-XI of Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “A Local Government shall levy fee for conversion of land use from agricultural, residential, peri-urban area to commercial use conversion fee at the rate of 10% of the commercial value of the land. Conversion fee for the conversion of agricultural land to industrial use shall be 5% of the agricultural value of land. Conversion fee for the conversion of land to health / educational institutions shall be 10% of the value of existing land.”

During audit of MC Pakpattan for the FY 2022-23, it was observed that CO did not recover conversion and building plan approval fees amounting to Rs 65.462 million from owners / developers of commercial buildings and land sub-divisions who constructed commercial sites without approval. Notices were served to the owners of these sites to deposit conversion and building plan approval fees.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees from the concerned at the earliest.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.43.6 having financial impact of Rs 14.594 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No.03, 04]

2.62.4 Loss due to non-recovery of auction amount – Rs 2.664 million

“According to Rule 14 (d) of PLG (Account) Rules, 2017 the collecting officer shall collect the receipts of the local government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement or compromise.” Further, “according to Rule 7 of PLG (Budget) Rules 2017, the collecting officer shall ensure timely recoveries against each demand. According to Rule 11 (2) (C) of the Punjab Local Governments (Accounts) Rules 2017, Chief Officer shall ensure that any sums due to local government are promptly realized and credited into local fund.”

During audit of MC Pakpattan for the FY 2022-23, it was observed that CO failed to recover Rs 2.664 million on account of auction of collection rights from contractors of advertisement fees, sale of sullage water and car parking fees. The detail is as under:

(Rupees in million)					
Sr. No.	Detail Receipt Head	Mode of Recovery	Recoverable	Recovered	Shortfall
1	C03555 - Car parking fees	Auction	0.510	0.370	(0.140)
2	C0388058 - Sale of sullage/ waste-water	Auction	2.703	1.127	(1.576)
3	C0388077 - Advertisement Fees on sign boards of shops/ commercial places	Auction	3.400	2.452	(0.948)
	Total		6.613	3.949	(2.664)

Due to weak internal controls, dues were not recovered which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No.10]

2.63 Municipal Committee Pir Mahal

Procedural irregularities

2.63.1 Irregular payments to daily wage workers – Rs 3.734 million

According to Government of the Punjab, Finance Department, Notification No.RO (Tech) FD-2-2/2001 dated 03.11.2008, “Appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.”

During audit of MC Pir Mahal for the FY 2022-23, it was observed that CO made payment amounting to Rs 3.734 million to sanitary workers appointed on daily wages. Audit observed that appointments / recruitments were made in non-transparent manner / without advertising jobs along with selection criteria in the newspapers. Further, 72 sanitary workers were appointed on daily wages against 52 vacant posts.

Due to weak internal controls, recruitments of daily wage staff were made without adopting prescribed procedure and beyond sanctioned posts which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility against the person(s) at fault besides regularization of expenditure from the competent authority.

[AIR 2022-23 Para No. 15]

Others

2.63.2 Non-recovery of Government dues – Rs 15.703 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Pir Mahal for the FY 2022-23, it was observed that CO failed to recover Government dues amounting to Rs 15.703 million on account of rent of shops, water rates and dues from contractors for the Financial Years 2019-20 to 2022-23. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Non-recovery of rent of 09 shops	2.678
2	Non-recovery of water rates	2.440
3	Non-recovery of dues on account of auction of collection rights against 04 sources of income	1.307
4	Non-recovery of rent of 90 shops	4.546
5	Non-recovery of water rates charges	4.732
Total		15.703

Due to weak internal controls, efforts were not made for recovery of government dues which resulted in non-realization of revenue.

The matter was reported to PAO in March and July, 2023 but management did not reply.

DAC meetings were not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of government dues from the defaulters at the earliest.

Note: The issue was reported in the Audit Report for Audit Year 2019-20 vide Para(s) No.58.6.1 and 58.6.2 having financial impact of Rs 2.621 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2019-22 Para No. 1, 2, 3]
[AIR 2022-23 Para No. 6, 10]

2.63.3 Non-recovery of miscellaneous fees – Rs 11.916 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Pir Mahal for the FY 2022-23, it was observed that CO failed to recover Government dues amounting to Rs 11.916 million on account of conversion and building plan approval fees for the Financial Years 2019-20 to 2022-23. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Non-recovery of conversion and building plan approval fees from the owners of 07 marble factories	5.420
2	Non-recovery of conversion and building plan approval fees from the owners of 08 commercial buildings	3.848
3	47 residential buildings converted into commercial use during financial year 2022-23	2.648
Total		11.916

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in March and July, 2023 but management did not reply.

DAC meetings were not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of government dues from the defaulters at the earliest.

Note: The issue was reported in the Audit Report for Audit Year 2019-20 vide Para(s) No.58.6.1 and 58.6.2 having financial impact of Rs 2.621 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2019-22 Para No. 4, 8]
[AIR 2022-23 Para No. 11]

2.63.4 Non-recovery of taxes – Rs 2.212 million

According to Government of the Punjab, Finance Department Notification No.SO (Tax) 5-24/2016 dated 05.10.2016, “The Punjab Sales Tax on Services was levied on services specified in the Second Schedule (Taxable Services) given in the notification.”

During audit of MC Pir Mahal for the FY 2021-22, it was observed that CO auctioned the collection rights of various revenue sources of Rs 12.568 million on account of advertisement fees, general bus stand / adda parking fees, motorcycle / rickshaw parking fees, taxi stand, slaughtering of animal fees etc. for the Financial Years 2019-20 to 2021-22 to different contractors. Out of total auctioned amount, PST amounting to Rs 2.212 million was not recovered from the contractors.

Due to negligence and weak internal controls, PST was not recovered from the contractors and GST on exempted supplies was charged by the suppliers which resulted in undue favor to the contractors/suppliers concerned.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of taxes from the contractors/suppliers concerned besides depositing the same into the Government treasury.

[AIR 2019-22 Para No. 5, 14]

2.64 Municipal Committee Rahim Yar Khan

Others

2.64.1 Loss due to non-transfer / mortgage of property – Rs 333.825 million

According to Rule 17 (e) & (f) and Rule 42 (h) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, “The developers are required to transfer the area reserved for roads, open space, park and solid waste management as well as one percent of the area under land sub-division for public buildings, excluding the area of mosque in favor of relevant development authority / body and should submit mortgage deed of 20% of the saleable area, in accordance with Form C, as security for completion of development works.”

During audit of MC Rahim Yar Khan for the FY 2022-23, it was observed that CO neither got transferred nor mortgaged the required area from Khyaban Iqbal Housing Scheme in the name of MC Rahim Yar Khan. The detail is as under:

(Rupees in million)

Name of Housing Scheme	Location	Total Area in Marla	Per Marla DC rate	Total Area to be transfer in Marla	Total Area to be Mortgage in Marla	Total Area required to be Transfer & Mortgage	Amount of Area to be transfer and Mortgage
1	2	3	4	5	6	7=5+6	8=4x7
Khyaban Iqbal Housing Scheme	Mouza Sadiqabad	2234.2	301,875	829.4	276.44	1105.84	333.825

Due to weak internal controls, no action was taken for transfer and mortgage of land in the name of MC which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/BWP /Reports/2023-24/F-39/CD-1026 dated 08.09.2023, followed by subsequent reminders vide No. 1118-20 dated 25.09.2023 and No. 1174-77 dated 28.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends transfer / mortgage of property in the name of MC besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 16]

2.64.2 Non-realization of revenue – Rs 328.663 million

According to Rule 50 (1) (a) (e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2020, “A local government shall levy the conversion fee for the conversion of any land use to educational, healthcare institutional or commercial use @ ten percent of the existing value of the land or plot or property as per valuation table and in case valuation table is not available, ten percent of the average sale price of preceding twelve months of the land in the vicinity as determined by the District Price Assessment Committee.” Further, according to Rule 47 (1) of the Punjab Local Government (Budget) Rules 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of MC Rahim Yar Khan for the FY 2022-23, it was observed that CO did not collect revenue on account of arrears of revenue, auction fees, conversion fees and sewerage fees amounting to Rs 328.663 million. The income was either less collected or misappropriated by the collection staff. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Arrears of receipts	133.482
2	Auction fees	0.306
3	Conversion and map fees	42.885
4	Sewerage fees	151.990
Total		328.663

Due to weak internal controls, revenue was not recovered which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23 and 2019-20 vide para(s) number 2.44.3 and 15.2.5.3.3 respectively having financial impact of Rs 682.152 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 3, 9, 12, 22]

2.65 Municipal Committee Rajanpur

Procedural irregularities

2.65.1 Irregular expenditure on work charged staff – Rs 13.262 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Rajanpur for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 13.262 million on account of work charged staff. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department.

(Rupees in million)		
Financial Year	Type of Staff	Amount
2022-23	Contingent paid staff	10.566
	Contingent paid staff (Covid-19)	2.695
Total		13.262

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No. 11]

Others

2.65.2 Non-recovery of outstanding dues / revenue – Rs 47.484 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Rajanpur for the FY 2022-23, it was observed that CO failed to recover arrears of revenue amounting to Rs 47.484 million on account of rent of Municipal Property/ shops, overpayment of integrated allowance and conveyance allowance and other fees. The detail is as under:

(Rupees in million)		
Sr. No.	Type of Recovery/Overpayment	Amount
1	Recovery due to allowing of extra width of road	0.136
2	Recovery of conversion fees and arrear of leases	1.341
3	Recovery of rent of shops	4.103
4	Recovery of fees from private housing schemes	41.178
5	Recovery of Integrated Allowance	0.594
6	Recovery of House Rent and Conveyance Allowance	0.132
Total		47.484

Due to weak internal controls, arrears of revenue were not recovered from the concerned which resulted in loss to the MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of revenue from the concerned.

[AIR 2022-23 Para No. 2, 3, 6, 7, 8, 13]

2.66 Municipal Committee Rojhan

Procedural irregularities

2.66.1 Irregular expenditure on work charged staff – Rs 1.130 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Rojhan for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 1.13 million on account of work charged staff. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department.

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No. 01]

2.67 Municipal Committee Sadhar

Others

2.67.1 Non-undertaking of community initiatives – Rs 1.350 million

According to Section 214 of the Punjab Local Government Act, 2019, “Every local government shall allocate a portion of its funds, being not less than five per centum of the total expenditure to be incurred by it in a particular financial year on construction works, to support such activities which are proposed by the residents and implemented by them directly through a Neighborhood Council in case of an urban local government and a Panchayat in case of a Tehsil Council.”

During audit of MC Sadhar for the FY 2021-22, it was observed that CO did not allocate five percent of development budget amounting to Rs 1.350 million as community initiatives to support activities to be implemented through Neighborhood Council for the Financial Years 2020-21 and 2021-22.

Due to weak internal controls, funds were not allocated as community initiatives which resulted in violation of provision of rules.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened despite efforts made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/420 dated 13.04.2023, followed by subsequent reminders vide No.524 dated 28.04.2023 and No.548 dated 05.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility against the person(s) at fault besides regularization of the matter.

[AIR 2019-22 Para No. 1]

2.68 Municipal Committee Sadiq Abad

Others

2.68.1 Loss due to non-transfer / mortgage of property – Rs 420.185 million

According to Rule 17 (e) & (f) and Rule 42 (h) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, “The developers are required to transfer the area reserved for roads, open space, park and solid waste management as well as one percent of the area under land sub-division for public buildings, excluding the area of mosque in favor of relevant development authority / body and should submit mortgage deed of 20% of the saleable area, in accordance with Form C, as security for completion of development works.”

During audit of MC Sadiq Abad for the FY 2022-23, it was observed that CO neither got transferred nor mortgaged the required area from two housing schemes in the name of MC Sadiq Abad. The detail is as under:

(Rupees in million)

Sr. No.	Name of housing Schemes	Area (In Kanal)	DC Rate Per Marla	Area to Be transferred (in Kanal)	Remaining Area to Be Mortgaged (in Kanal)	Total Marla	Amount
1	Kamal City	80	0.226	10.27	28.46	774.6	174.866
2	Link City	98	0.249	12.14	37.22	987.2	245.319
Total		178		22.41	65.68	1,761.8	420.185

Due to weak internal controls, no action was taken for transfer and mortgage of land in the name of MC which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/BWP /Reports/2023-24/F-39/CD-1026 dated 08.09.2023, followed by subsequent reminders vide No. 1118-20 dated 25.09.2023 and No. 1174-77 dated 28.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends transfer / mortgage of property in the name of MC besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23 and 2019-20 vide para(s) number 2.47.3 and 16.2.5.3.4 respectively having financial impact of Rs 1,647.8 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 3]

2.68.2 Non-realization of conversion and map fees – Rs 4.139 million

According to Rule 50 (1) (a) (e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2020, “A local government shall levy the conversion fee for the conversion of any land use to educational, healthcare institutional or commercial use @ ten percent of the existing value of the land or plot or property as per valuation table and in case valuation table is not available, ten percent of the average sale price of preceding twelve months of the land in the vicinity as determined by the District Price Assessment Committee.”

During audit of MC Sadiq Abad for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 4.139 million from the owner of buildings who had converted their buildings into commercial units in violation of rule. Further, non-recovery resulted in loss to government. The detail is as under:

(Rupees in million)					
Sr. No	Name of Owner	Location	Area (In Marla)	Map Fees	Conversion Fees
1	M. Iqbal	Old k.L.P Road	01.40	0.003	0.490
2	Safyan Ali	Ahmad pur lama Road	02.47	0.010	0.418
3	Tahir Iqbal	Manthar Road	13.70	0.055	1.933
4	Ashiq Ali	Jamal din wali Road	20.00	0.040	0.878
5	Muhammad Kashif	Ahmad pur lama Road	02.00	0.008	0.304
Total			39.57	0.116	4.023
Grand Total (Map & Conversion Fees)					4.139

Due to weak internal controls, conversion and map fees were not recovered which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this report despite repeated requests

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 8]

2.68.3 Non-deposit of government taxes deducted at source – Rs 2.507 million

According to Rule 14 (1) of the Punjab Sales Tax (Withholding) Rules 2015, “A withholding agent shall be considered defaulter and personally liable to pay the amount of tax to the government and an officer of the Authority may pass an order to that effect and proceed to recover the same in the manner prescribed by Punjab Sales Tax on Services (Recovery) Rules, 2012, if a withholding agent under the rules (a) fails to withhold or deduct tax under the rules or (b) having withheld or deducted tax under the rules, fails to deposit the tax to the government.”

During audit of MC Sadiq Abad for the FY 2022-23, it was observed that CO failed to deposit Rs 2.507 million on account of income tax and PST deducted from the bills of contractors regarding development schemes.

Due to weak internal controls, taxes were not deposited into government treasury which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this report despite repeated requests.

Audit recommends deposit of taxes besides action against the person(s) at fault.

[AIR 2022-23 Para No. 16]

2.69 Municipal Committee Samundri

Procedural irregularities

2.69.1 Irregular payments to daily wage workers – Rs 12.460 million

According to Government of the Punjab, Finance Department, Notification No.RO (Tech) FD-2-2/2001 dated 03.11.2008, “Appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.”

During audit of MC Samundri for the FY 2022-23, it was observed that CO made payments of Rs 12.460 million to the sanitary workers appointed on daily wages. Audit observed that appointments / recruitments were made in non-transparent manner, without advertising jobs along with selection criteria in the newspapers. Further, 67 to 100 sanitary workers were appointed on daily wages against 55 vacant posts.

Due to weak internal controls, recruitments of daily wage staff were made without adopting prescribed procedure and beyond sanctioned posts which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility against the person(s) at fault besides regularization of expenditure from the competent authority.

[AIR 2022-23 Para No. 7]

Others

2.69.2 Non-recovery of miscellaneous fees – Rs 32.568 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Samundri for the FY 2022-23, it was observed that CO did not recover conversion and building plan approval fees amounting to Rs 32.568 million from owners of commercial buildings and land sub-divisions who constructed commercial sites without approval. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Non-recovery of conversion and building plan approval fees from the owners of 12 commercial buildings	4.375
2	Non-recovery of conversion and building plan approval fees from the owners of 07 commercial buildings situated in Government Housing Schemes No.1 & 2	28.193
Total		32.568

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in March and July, 2023 but management did not reply.

DAC meetings were not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of government dues from the defaulters at the earliest.

Note: The issue was reported in the Audit Report for Audit Year 2020-21 vide Para No.22.4.8 having financial impact of Rs 12.329 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 4, 3]

2.69.3 Non-imposition of fine on the sponsors / developers / owners – Rs 12.130 million

According to Section 172(2)(a) & 172(2)(b) read with Sr. Nos. 2 & 18 of Eighth Schedule of the PLGA 2022, "If a person commits an offence like development of a private housing scheme without approval of a local government; or on a non-conforming use, such person shall be punishable with imprisonment for a term which may extend to seven years, or with fine which may extend to five hundred thousand rupees or with both and if a person commits offence of erection or re-erection of a building without the sanction required under this Act or using a building for a purpose which may endanger the security of people, such person shall be punishable with imprisonment for a term which may extend to three years, or with fine which may extend to one hundred thousand rupees or with both."

During audit of MC Samundri for the FY 2022-23, it was observed that CO did not take appropriate action against the sponsors / developers / owners of housing schemes. Neither, fine amounting to Rs 4 million was imposed nor efforts were made to realize income amounting to Rs 8.130 million on account of conversion fees, preliminary planning permission fees, plans approval fees etc.

Due to dereliction of duties, appropriate action was not taken against the owners / developers of housing schemes which resulted in non-imposition / non-recovery of fine and other Government dues.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends imposition / recovery of fine and Government dues besides taking appropriate action against the person(s) at fault.

[AIR 2022-23 Para No. 11]

2.69.4 Non-recovery of Government dues – Rs 8.937 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, "The collecting officer shall ensure that all the revenue due is claimed,

realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Samundri for the FY 2022-23, it was observed that CO did not recover rent of shops amounting to Rs 8.617 million from 63 lessees for the Financial Years 2020-21 to 2022-23. Further, an amount of Rs 0.320 million on account of auction of collection rights of Adda fees was also not recovered during Financial Year 2021-22. Resultantly, an amount of Rs 8.937 million remained unrecovered. The detail is as under:

(Rupees in million)			
Sr. No.	Description	Period	Amount
1	Recovery on account of rent of 63 shops	2020-21 to 2021-22	5.193
2	Recovery on account of rent of 27 shops	2022-23	3.424
3	Recovery on account of auction of collection rights of Adda Fees	2021-22	0.320
Total			8.937

Due to weak internal controls, outstanding amount could not be recovered which resulted in less realization of income to the Municipal Committee.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery from the defaulters concerned at the earliest besides fixing responsibility against the officials(s) concerned.

Note: The issue was reported in the Audit Report for Audit Year 2019-20 vide Para No.49.4.1 having financial impact of Rs 27.839 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2020-22 Para No. 3, 13]

[AIR 2022-23 Para No. 5]

2.69.5 Less recovery of taxes – Rs 2.793 million

According to Rule at serial No. 56 of the second schedule to the Punjab Sales Tax on Services Act, 2012, “Rate of sales tax is sixteen percent on debt collection, rent collection and similar other recovery or collection services

including right to collect the toll or fee or regulatory fee or duty or any other similar collection.” Further, according to Section 236(A) of the Income Tax Ordinance, 2001, “Any person making sale by public auction of any property or goods, shall collect Advance Tax, computed on the basis of sale price of such property @ 10% if the person is a filer and @ 15% if the person is non-filer.”

During audit of MC Samundri for the FY 2021-22, it was observed that CO leased out different collection rights at agreement amount of Rs 17.456 million for the Financial Years 2020-21 & 2021-22. Contrary to the above referred rule, PST amounting to Rs 2.793 million was not recovered from the concerned.

Due to weak internal controls and financial mismanagement, taxes were not recovered which resulted in violation of rules and less collection of receipts to the Federal / the Punjab Government.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry for less / non-recovery besides recovery from the concerned at the earliest.

Note: The issue was reported in the Audit Report for Audit Year 2019-20 vide Para No.49.5.3 having financial impact of Rs 1.344 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2020-22 Para No. 10]

2.69.6 Non-deduction of Social Security Contribution – Rs 1.244 million

According to Section 20(1) and (9) of the Provincial Employees Social Security Ordinance, 1965, “In case of works executed or undertakings carried on behalf of the state by a contractor or licensee, the competent public authority shall before final settlement of the claims of contractors or licensee, require the production of a certificate from the institution showing that the necessary contributions have been paid, and in default of such certificates, it shall deduct from the amount otherwise payable in

settlement of such claim, the appropriate amount of the contributions payable, and pay such amount direct to the institution.”

During audit of MC Samundri for the FY 2021-22, it was observed that CO did not deduct the Social Security Contribution @ 6 percent amounting to Rs 1.244 million from claims of the contractors before making payment for the Financial Years 2020-21 & 2021-22. Further, management got executed different development works through 16 contractors but payments were made without obtaining certificate regarding payment of Social Security contribution of workers employed by the contractors. The detail is as under:

(Rupees in million)

No. of Contractors	No. of Employees	Average wage rate/Annum	Total Wages	Amount @ 6%
16	96	18,000*12=216,000	20.736	1.244

Due to weak internal controls, deduction of Social Security Contribution was not made which resulted in excess payment to the contractors.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery from the concerned at the earliest.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2020-21 and 2019-20 vide para(s) No.22.4.13 and 49.5.2 respectively having financial impact of Rs 3.287 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2020-22 Para No. 11]

2.70 Municipal Committee Shorkot

Procedural irregularities

2.70.1 Irregular expenditure in violation of PPRA Rules – Rs 2.893 million

According to Rules 4 & 9 of the Punjab Procurement Rules, 2014, "A procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical. All proposed procurements for each financial year shall be announced in an appropriate manner and the procuring agency shall proceed accordingly without any splitting or regrouping of the procurements so planned."

During audit of MC Shorkot for the FY 2022-23, it was observed that CO incurred expenditure of Rs 2.893 million on account of purchase of bags, tyres, sports material and CCTV cameras. Audit observed that the expenditure was incurred by splitting the same nature objects to avoid the tendering and by keeping the expenditure below 200,000 for non-uploading of tenders on PPRA's websites.

Due to weak internal controls, expenditure was incurred by splitting the object to avoid tendering process which resulted in uneconomical and irregular purchases.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility against the person(s) at fault besides regularization of expenditure from the competent authority.

[AIR 2022-23 Para No. 5]

Others

2.70.2 Less recovery of Government dues – Rs 7.506 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Shorkot for the FY 2022-23, it was observed that CO recovered Government dues from four contractors amounting to Rs 10.825 million out of Rs 18.331 leaving a balance of Rs 7.506 million. The detail is as under:

(Rupees in million)				
Sr. No.	Description	Recoverable Amount	Recovered Amount	Remaining Amount
1	Car Parking Fees	0.746	0.459	0.288
2	Slaughter House	0.450	0.243	0.207
3	Adda Fees / Parking Fees	13.570	8.127	5.443
4	Tanga Rickshaw Fees	3.564	1.996	1.568
Total		18.331	10.825	7.506

Due to weak internal controls, Government dues were not recovered from defaulters which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends fixing responsibility against the person(s) at fault besides recovery of Government dues from the defaulters.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23 and 2020-21 vide para(s) No.2.48.6 and 25.4.20 respectively having financial impact of Rs 3.581 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 4]

2.71 Municipal Committee Shujabad

Procedural irregularities

2.71.1 Irregular expenditure on tuff tile pavers – Rs 6.990 million

According to Market Rate Schedule of Government of Punjab Finance Department, “The strength of tuff pavers should be 7000-PSI and these should be of approved manufacturers i.e. Tuff Pavers (Pvt) Ltd., Izhar building material (Pvt) Ltd.”

During audit of MC Shujabad for the FY 2021-22, it was observed that CO made payment amounting to Rs 6.990 million to the contractors on account of tuff tile without ensuring the approved manufacturers for the Financial Years 2019-20 to 2021-22. No gate pass or any other documents were provided to prove that tiles were purchased from approved manufacturer. The rate of the tuff tile was based on the input rate of Izhar & Co. Taxila, but the tuff tile was purchased of local built. Furthermore, lab tests from approved laboratory for assessing the quality were also not got conducted.

Due to weak internal controls, payment was made without availability of gate pass of tuff tile and lab tests which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2019-22 Para No.18]

2.71.2 Irregular expenditure on execution of civil works - Rs 2.761 million

According to Rule 9 of Punjab Procurement Rules 2014, “A procuring agency shall advertise procurement of more than two hundred thousand rupees and

up to the limit of three million rupees on the website of the Authority in the manner and format specified by regulations but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.”

During audit of MC Shujabad for the FY 2022-23, it was observed that CO incurred expenditure of Rs 2.761 million on account of repair of sewer lines, repair of manhole slabs, replacement of RCC pipes, replacement of damaged sewer line etc. on quotations basis. In mostly cases, the amount of works was taken below the limit of Rs 200,000 just to avoid tendering process and TS from the relevant authority. Specific site plan / map, nomenclature of the work was also not on record, due to which, physical verification / spot verification of repair work could not be verified.

Due to weak internal controls, works were split up to avoid the tendering process which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No.12]

2.71.3 Irregular expenditure on work charged staff - Rs 1.944 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Shujabad for the FY 2022-23, it was observed that CO incurred expenditure of Rs 1.944 million on account of work charged staff. The

work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department.

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No. 09]

Others

2.71.4 Non-recovery of conversion and map fees – Rs 80.400 million

According to Rule 50 (1) of Chapter-XI of Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “A Local Government shall levy fee for conversion of land use from agricultural, residential, peri-urban area to commercial use conversion fee at the rate of 10% of the commercial value of the land. Conversion fee for the conversion of agricultural land to industrial use shall be 5% of the agricultural value of land. Conversion fee for the conversion of land to health / educational institutions shall be 10% of the value of existing land.”

During audit of MC Shujabad for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 80.400 million for the Financial Years 2019-20 to 2022-23 from owners of commercial buildings and land sub-divisions who constructed commercial sites without approval.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in April, 2023 and July, 2023. No reply was submitted by the DDO concerned.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to probe the matter for fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees from the concerned at the earliest.

[AIR 2022-23 Para No.02, 03, 17]

[AIR 2019-22 Para No. 10, 11]

2.71.5 Loss due to non-recovery of rent of shops – Rs 19.857 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed,

realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Shujabad for the FY 2022-23, it was observed that CO did not recover rent of shops amounting to Rs 19.857 million. It was observed that shopkeepers have not deposited rent of shops since 1998 but neither tenancy agreement was cancelled nor re-auction of the shops was made by the management. The detail is as under:

(Rupees in million)		
Sr. No.	Particulars	Amount
1	Non-recovery of rent of shops	2.191
2	Non-recovery of rent of shops and non-vacation of shops from occupants	17.666
Total		19.857

Due to weak internal controls, arrears of rent of shops were not recovered which resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery at the earliest.

[AIR 2022-23 Para No. 05, 14]

2.71.6 Loss due to short recovery of outsource income – Rs 3.221 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Shujabad for the FY 2021-22, it was observed that CO did not collect rented income of shops and various leased income of parking stands of Rs 3.221 million from the contractors for the Financial Years 2018-19 to 2020-21. The amount of agreement was Rs 7.642 million but contractors paid only Rs 5.971 million leaving the balance of Rs 1.671 million unpaid. Similarly, amount of

Rs 1.550 was not recovered on account of rent of sops. No appropriate action was taken by the management for recovery of remaining amount of auctions.

Due to weak internal controls, the amount of auction of collection rights was not recovered which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2019-22 Para No.6, 23]

2.71.7 Inadmissible payment of integrated allowance - Rs 1.485 million

According to Government of the Punjab, Finance Department, Lahore, notification No. FD.PC.2-1/2001 dated 11.07.2011, "Integrated allowance is allowed to Naib Qasid, Qasid, Daftries, Frash, Chowkidar, Sweeper, Sweeperess and Security Guards." Further, according to Finance Department Notification No. FD.SR-I/9-28/2016 dated 18.07.2016 regarding revision of rates of aforementioned notification dated 11.07.2011 in this notification only rates were revised and no admissibility to the other designations was mentioned.

During audit of MC Shujabad for the FY 2021-22, it was observed that CO allowed payment of Rs 1.485 million on account of integrated allowance to 75 sanitary workers without admissibility for the Financial Years 2019-20 to 2021-22. The said allowance was only admissible to those employees whose designations were mentioned in above referred letter. Audit calculated recovery for the period of 01.07.2019 to 30.06.2022. The detail is as under:

(Rupees in million)

No. of Sanitary Workers	Rate Per Month	Amount Drawn as per August, 2019	Total No. of months July, 2019 to June, 2022	Amount drawn
75	550	41250	36	1.485

Due to weak internal controls, integrated allowance was paid to sanitary workers without entitlement which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery and immediate stoppage of allowance in future besides fixing responsibility against the person(s) at fault.

[AIR 2019-22 Para No.1]

2.72 Municipal Committee Sinawan

Procedural irregularities

2.72.1 Irregular expenditure on work charged staff – Rs 3.953 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of MC Sinawan for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 3.953 million on account of work charged staff. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department.

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders vide No. 1047 dated 26.09.2023 and No. 1080 dated 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No. 16]

Others

2.72.2 Non-recovery of revenue and over payment of allowances – Rs 104.234 million

According to Rule 47 of the Punjab Local Government (Budget) Rules 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited to the Local Fund.”

During audit of MC Sinawan for the FY 2022-23, it was observed that CO failed to recover revenue amounting to Rs 104.234 million on account of rent of Municipal Property/ shops, conversion fees and other fees. The detail is as under:

(Rupees in million)		
Sr. No.	Type of Recovery/Overpayment	Amount
1	Recovery of Rent of Shops	29.475
2	Recovery of Integrated allowances	0.421
3	Recovery of different fees from private housing societies	15.398
4	Recovery of rent of shops from unauthorized occupants	13.979
5	Recovery of conversion fees	44.961
Total		104.234

Due to weak internal controls, government revenue were less realized which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this report despite repeated requests.

Audit recommends recovery of revenue from the concerned.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.49.5 having financial impact of Rs 259.803 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 1, 10, 13, 15, 17]

2.73 Municipal Committee Tandlianwala

Others

2.73.1 Non-recovery of Government dues – Rs 8.393 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Tandlianwala for the FY 2022-23, it was observed that CO did not recover rent of shops amounting to Rs 8.393 million from 81 lessees for the Financial Years 2020-21 to 2022-23. The detail is as under:

(Rupees in million)			
Sr. No.	Description	Period	Amount
1	Recovery on account of rent of 81 shops	2022-23	4.784
2	Recovery on account of rent of 34 shops of MC at general bus stand	2020-21 to 2021-22	3.609
Total			8.393

Due to weak internal controls, outstanding amount could not be recovered which resulted in less realization of income to the MC.

The matter was reported to PAO in March and July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery from the defaulters concerned at the earliest besides fixing responsibility against the officials(s) concerned.

Note: The issue was reported in the Audit Report for Audit Year 2019-20 vide Para No.50.4.3 having financial impact of Rs 1.677 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2020-22 Para No. 3]

[AIR 2022-23 Para No. 4]

2.73.2 Non-deduction of Social Security Contribution – Rs 1.123 million

According to Section 20(1) & (9) of the Provincial Employees Social Security Ordinance, 1965, “The competent authority shall before final settlement of the claims of contractors or licensee shall require the production of a certificate from the institution showing that the necessary contributions have been paid and in default of such certificates, it shall deduct from the amount otherwise payable in settlement of such claim @ 6 percent and pay such amount directly to the institution.”

During audit of MC Tandlianwala for the FY 2021-22, it was observed that CO executed various civil works through 12 contractors for the Financial Years 2020-21 & 2021-22 but payments were made without obtaining certificates regarding payment of Social Security Contribution of workers employed by the contractors. MC authorities did not make efforts to deduct the Social Security contribution amounting to Rs 1.123 million from claims of the contractors before making payments. The detail is as under:

(Rupees in million)				
No. of Contractors	No. of Employees	Average Wage Rate per Annum	Total Wages	Amount @ 6%
12	120	0.156	18.720	1.123

Due to weak internal controls, Social Security Contribution was not deducted from claims of the contractors which resulted in excess payment to the contractors.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to probe the matter besides recovery of Social Security Contribution from the concerned.

Note: The issue was reported in the Audit Report for Audit Year 2020-21 vide Para No.23.4.15 having financial impact of Rs 1.705 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2020-22 Para No. 6]

2.74 Municipal Committee Taunsa

Others

2.74.1 Non-recovery of outstanding dues / revenue – Rs 18.362 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of MC Taunsa for the FY 2022-23, it was observed that CO did not recover the revenue amounting to Rs 18.362 million on account of water rates charges and conversion fees. No serious efforts were made to recover the outstanding revenue. The detail is as under:

(Rupees in million)				
Sr. No.	Receipt head	Auction /Demand amount	Amount deposited	Balance amount
1	Water rates charges	12.643	9.453	3.197
2	Conversion fees of commercial, residential buildings	-	-	15.165
Total				18.362

Due to weak internal controls, government revenue were not recovered from the concerned which resulted in loss to the MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDA / DGK/CD-1008 dated 15.09.2023, followed by subsequent reminders dated 26.09.2023 and 02.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery of government revenue from the concerned.

[AIR 2022-23 Para No. 2, 7, 8]

2.75 Municipal Committee Toba Tek Singh

Procedural irregularities

2.75.1 Irregular payment to daily wage employees – Rs 11.068 million

According to Government of the Punjab, Finance Department Notification No. RO (Tech) FD 2-2/2022 dated 15.07.2022, “Appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.”

During audit of MC Toba Tek Singh for the FY 2022-23, it was observed that CO made payment amounting to Rs 11.068 million to sanitary workers appointed on daily wages. Audit observed that appointments were made in non-transparent manner / without advertising jobs along with selection criteria in the newspapers. Further, 53 to 65 sanitary workers were appointed on daily wages against 47 vacant posts.

Due to weak internal controls, recruitments of daily wage staff were made without adopting prescribed procedure and beyond sanctioned posts which resulted in irregular expenditure.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility against the person(s) at fault besides regularization of expenditure from the competent authority.

[AIR 2022-23 Para No. 8]

Others

2.75.2 Non-recovery of rent from lessees of municipal property – Rs 148.070 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.” Further, according to Rule 11(2) (c) of the Punjab Local Governments (Accounts) Rules, 2017, “In the discharge of his responsibilities, the Chief Officer shall ensure that any sums due to the local government are promptly realized and credited to the local fund.”

During audit of MC Toba Tek Singh for the FY 2022-23, it was observed that CO failed to recover the rent of shops from 207 occupants of municipal property and accumulated arrears up to June, 2023 were amounting to Rs 148.070 million. Contrary to the above, efforts were not made for recovery of arrears from lessees.

Due to weak internal controls, arrears of rent of shops were not recovered which resulted in less realization of revenue and loss to the Government.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry for fixing responsibility against the person(s) at fault besides recovery from the concerned at the earliest.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23, 2020-21 and 2019-20 vide para(s) No.2.51.7, 28.4.3 and 59.5.1 respectively having financial impact of Rs 132.25 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 7]

2.75.3 Non-recovery of water rate charges – Rs 39.683 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed,

realized and credited immediately into the local fund and entered in the proper receipt head.” Further, according to Rule 11(2) (c) of the Punjab Local Governments (Accounts) Rules, 2017, “In the discharge of his responsibilities, the Chief Officer shall ensure that any sums due to the local government are promptly realized and credited to the local fund.”

During audit of MC Toba Tek Singh for the FY 2022-23, it was observed that CO could recover an amount of Rs 33.074 million on account of water rate charges against total demand of Rs 72.757 million leaving balance of Rs 39.683 million unrecovered.

Due to weak monitoring mechanism, MC authorities could not recover water rate charges which resulted in short realization of revenue.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends fixing responsibility against the person(s) at fault besides recovery of arrears.

Note: The issue was reported in the Audit Report for Audit Year 2022-23 vide Para No.2.51.9 having financial impact of Rs 33.811 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 4]

2.75.4 Non-recovery of cost of land and development charges – Rs 14.630 million

According to Directorate General of Kachi Abadies Colonies Department, Board of Revenue, Punjab, letter No.DG(KA) BOR/8-200/2012 dated 22.11.2012, “In supersession of all previous decisions, the price of land (Urban areas) will be @ 2% of the current valuation table at the time of grant of proprietary rights for area under occupation up to 5-Marlas, price of land for occupation above 5-Marlas and up to 10-Marlas will be current valuation table rate at the time of grant of proprietary rights and price of land for occupation for above 10-Marlas will be the

current valuation rate with additional surcharge 50% thereof at the time of grant of proprietary rights.”

During audit of MC Toba Tek Singh for the FY 2022-23, it was observed that CO failed to recover cost of land and development charges from 151 occupants of two Kachi Abadies. Audit observed that said occupants were living in these Kachi Abadies since 1985 and 2012 but MC authorities did not recover cost of land and development charges amounting to Rs 14.630 million.

Due to weak internal controls, cost of land and development charges were not recovered which resulted in loss and less realization of revenue.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends fixing responsibility against the person(s) at fault besides recovery of cost of land and development charges.

[AIR 2022-23 Para No. 10]

2.75.5 Non-recovery of miscellaneous fees – Rs 7.068 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of MC Toba Tek Singh for the FY 2022-23, it was observed that CO failed to recover conversion fees, building plan and approval of housing schemes from owners of four private buildings and one housing colony who converted the land for commercial use, housing schemes without depositing the prescribed fees. Resultantly, an amount of Rs 7.068 million was not recovered from the owners.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of conversion fees, building plan, housing colony approval fees from the owners concerned.

Note: The issue was reported in the Audit Report(s) for Audit Year(s) 2022-23 and 2020-21 vide para(s) No.2.51.10 and 28.4.5 respectively having financial impact of Rs 18.909 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 9]

2.75.6 Non-execution of mortgage deed – Rs 3.819 million

According to Chapter III Section 17 (e) & (f) and Chapter VIII Section 42 (h) of Punjab Private Housing Schemes and Land Sub-division Rules 2010, “A developer shall submit in the name of a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority a mortgage deed of 20% of the saleable area, in accordance with Form C, as security for completion of development works.”

During audit of MC Toba Tek Singh for the FY 2022-23, it was observed that CO approved land sub-division / housing scheme but 20% of saleable area 10.9 Kanal valuing Rs 3.819 million was not mortgaged by the developer of these housing schemes in the name of MC. The detail is as under:

(Rupees in million)				
Sr. No.	Name of Housing Scheme	Area reserved for public use	Value of Land per Marla	Total value of land
1.	Rai Anwar Town	10 K, 18 M	20,313	3.819

Due to weak administrative controls, non-execution of mortgage deed resulted in irregular approval of housing scheme.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides mortgage and transfer deed as per rule be executed in the name of MC.

[AIR 2022-23 Para No. 12]

2.76 Municipal Committee Tulamba

Others

2.76.1 Non-execution of mortgage deed – Rs 25.550 million

According to Chapter III Section 17 (e) & (f) and Chapter VIII Section 42 (h) of Punjab Private Housing Schemes and Land Sub-division Rules 2010, “A developer shall submit in the name of a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority a mortgage deed of 20% of the saleable area, in accordance with Form C, as security for completion of development works.”

During audit of MC Tulamba for the FY 2022-23, it was observed that CO approved land sub-division but 20% of saleable area valuing Rs 25.550 million was not mortgaged by the developer of land sub-division in the name of MC. The detail is as under:

(Rupee in million)

Name of Land Sub-Division	Name of Owners	Total area	Total saleable area (Marla)	20% of saleable area (Marla)	Rate per Marla (Rs.)	Value of mortgage deed not made in Favour of Govt.
Abdullah Town, in front of Sadiq Filling Station, Mian Channu Road, Tulamba	Hameedan w.o Abdul Ghaffar and Muhammad Tariq, etc. S/o Abdul Ghaffar	31 K 17 M	364 M	73 M	0.350	25.550

Due to weak administrative controls, non-execution of mortgage deed resulted in irregular approval of LSD.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023,

followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides mortgage and transfer deed as per rule be executed in the name of MC.

[AIR 2022-23 Para No. 09]

2.76.2 Non-recovery of conversion and map fees – Rs 21.194 million

According to Rule 50 (1) of the Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020 “A local government shall levy fee for conversion of land use from agricultural, residential, peri-urban area to commercial use conversion fee at the rate of 10% of the commercial value of the land.” Further, according to Rule 39 of Punjab Private Housing Schemes and Land Sub-Division Rules, 2010, “A developer shall deposit fee for conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land.”

During audit of MC Tulamba for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 21.194 million for the Financial Years 2019-20 to 2022-23 from owners of commercial buildings and land sub-division who constructed commercial sites without approval. Notices were served to the owners of these sites to deposit conversion and building plan approval fees. However, no action was taken by MC authorities for sealing the commercial sites or recovery of fees.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to probe the matter for fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees from the concerned at the earliest.

[AIR 2022-23 Para No. 08]

2.76.3 Non-forfeiture of securities despite non-completion of work - Rs 3.708 million

According to clause 3(a)&(c) of Contract Agreement and Tender Documents of civil works, “In any case in which under any clause or clauses of the contract the contractor shall have rendered himself liable to pay compensation amounting to whole of the security deposit. Local Government Engineer shall have power to adopt any of the following sources as he may have deemed best suited to the interest of the Local Government/Committee. To rescind the contract of which rescission notice in writing to contractor under the hand of the Local Government/Municipal Engineer shall be conclusive evidence, and in which case the security deposit of the contractor shall stand forfeited, and be absolutely at disposal of the Local Government/Committee.” Furthermore, according to terms of advertisement, “the successful bidder whose bid is less or more than 5% below of the estimate cost of the work will have to deposit additional performance security as per rules. Failure to do so shall result in the forfeiture of earnest money.”

During audit of MC Tulamba for the FY 2022-23, it was observed that CO did not forfeit Rs 3.708 million on account of performance securities obtained and security retained / deducted from the running bills from contractors / additional performance security & earnest money for the Financial Years 2017-18 to 2022-23. Work orders were issued to the different contractors who offered rates below the TS estimate but additional performance security & earnest money was not confiscated from contractors, who did not complete the work till to date. It is pertinent to mention here that despite lapse of 03 years contractors left the remaining work of schemes in violation of contract agreement but the MC authorities did not make efforts for completion of the schemes by awarding the works to other contractor(s) at risk and expense of original contractors.

Due to weak internal controls and monitoring mechanism, action was not taken against the contractors for non-completion of schemes.

The matter was reported to PAO in April, 2023 and July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends execution and completion of work at risk and cost of defaulting contractor, forfeiture of performance securities of contractors besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No.13]

[AIR 2019-22 Para No. 04]

2.77 Municipal Committee Vehari

Procedural irregularities

2.77.1 Irregular award of contract of repair of road - Rs 4.500 million

According to Rule 8 of Punjab Work Rules 2017, “The contractors registered with Pakistan Engineering Council or any person possessing such qualification and experience as may be specified by the Government. The contractors of category C-A, C-B, C-1, C-2, C-3, C-4, C-5, or B, C-6 or C and D may tender in all local Government departments according to the field of specialization.” Further, according to letter of membership of Pakistan Engineering Council dated 06.07.2022 valid up to 30th June 2023, Para 2, “M/s Mehtab Shahid Daultana field of specialization EE01 to EE-11 (General Electric Works Only of ten Codes) for detail see overleaf.” Furthermore, according to Registration Categories, code and specialization of constructor / operators published by Pakistan Engineering Council Lahore, C06 category is used for repair of road works.”

During audit of MC Vehari for the FY 2022-23, it was observed that CO irregularly awarded three tenders amounting to Rs 4.500 million for repair of road and sewerage lines to contractor M/s Mehtab Daultan Enterprises. While as per registration letter of Pakistan Engineering Council, the contractor did not had the expertise / infrastructure of the repair of road and sewerage.

Due to weak internal controls, the contract of repair of road and sewerage line was awarded to irrelevant contractor which resulted in irregular award of contract.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1489 dated 08.09.2023, followed by subsequent reminders vide No. 1535 dated 27.09.2023 and No. 1623 dated 20.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.52.3 having financial impact of Rs 17.990 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No.13]

Others

2.77.2 Loss due to non-recovery of revenue – Rs 93.893 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of MC Vehari for the FY 2022-23, it was observed that CO did not recover receipts amounting to Rs 93.893 million on account of water rates and rent of shops during the financial year.

Due to weak financial and internal controls, government dues were not recovered which resulted in loss of revenue.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery at the earliest.

[AIR 2022-23 Para No. 02]

2.77.3 Non-recovery of conversion and map fees – Rs 6.890 million

According to Rule 50 (1) of the Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020 “A local government shall levy fee for conversion of land use from agricultural, residential, peri-urban area to commercial use conversion fee at the rate of 10% of the commercial value of the land.” Further, according to Rule 39 of Punjab Private Housing Schemes and Land Sub-Division Rules, 2010, “A developer shall deposit fee for conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land.”

During audit of MC Vehari for the FY 2022-23, it was observed that CO did not recover conversion and building plan approval fees amounting to Rs

6.890 million from owners / developers of commercial buildings and land subdivisions who constructed commercial sites without approval. Notices were served to the owners of these sites to deposit conversion and building plan approval fees.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to probe the matter for fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees from the concerned at the earliest.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.52.11 having financial impact of Rs 12.853 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No.11]

2.77.4 Unauthorized payment of integrated allowance to sanitary workers – Rs 1.588 million

According to Government of the Punjab, Finance Department, Lahore, notification No. FD.PC.2-1/2001 dated 11.07.2011, “Integrated allowance is allowed to N/Qasids, Qasids, Daftries, Frashes, Chowkidars, Sweepers, Sweeperess & Security Guard.” According to Finance Department Notification No. FD.SR-I/9-28/2016 dated 18.07.2016 regarding revision of rates of aforementioned notification dated 11.07.2011, in this notification only rates were revised and no admissibility to the other designations was mentioned.

During audit of MC Vehari for the FY 2022-23, it was observed that CO made payment amounting to Rs 1.588 million on account of integrated allowance to 140 sanitary workers and 7 water carriers without admissibility. Audit just calculated recovery for the period 01.07.2022 to 30.06.2023. The department is responsible to recover total inadmissible payment. The detail is as under:

(Rupees in million)

Month checked by audit	Amount drawn as per July 2022	Total number of month July 2022, June2023(audit period)	Total amount drawn/ Amount of Recovery
7/2022	0.1323	12	1.588

Due to weak internal controls, integrated allowance was paid to sanitary workers irregularly which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery and immediate stoppage of inadmissible allowance besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No.08]

2.78 Municipal Committee Yazman

Others

2.78.1 Loss due to non-transfer / mortgage of property – Rs 1,269.390 million

According to Rule 17 (e) & (f) and Rule 42 (h) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, “The developers are required to transfer the area reserved for roads, open space, park and solid waste management as well as one percent of the area under land sub-division for public buildings, excluding the area of mosque in favor of relevant development authority / body and should submit mortgage deed of 20% of the saleable area, in accordance with Form C, as security for completion of development works.”

During audit of MC Yazman for the FY 2022-23, it was observed that Chief Officer neither got transferred nor mortgaged the required area amounting to Rs 1,269.390 million from private housing schemes in the name of MC Yazman.

Due to weak internal controls, no action was taken for transfer and mortgage of land in the name of MC which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/BWP /Reports/2023-24/F-39/CD-1026 dated 08.09.2023, followed by subsequent reminders vide No. 1118-20 dated 25.09.2023 and No. 1174-77 dated 28.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends transfer / mortgage of property in the name of MC besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23 and 2019-20 vide para(s) number 2.53.3, 11.2.5.2.2 and 11.2.5.3.1 respectively having financial impact of Rs 2,945.46 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 9]

2.78.2 Non-realization of revenue – Rs 49.602 million

According to Rule 50 (1) (a) (e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2020, “A local government shall levy the conversion fee for the conversion of any land use to educational, healthcare institutional or commercial use @ ten percent of the existing value of the land or plot or property as per valuation table and in case valuation table is not available, ten percent of the average sale price of preceding twelve months of the land in the vicinity as determined by the District Price Assessment Committee.” Further, according to Rule 47 (1) of the Punjab Local Government (Budget) Rules 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of MC Yazman for the FY 2022-23, it was observed that CO did not collect revenue on account of arrears, sewerage fees, various receipts and map fees amounting to Rs 49.602 million. The income was either less collected or misappropriated by the collection staff. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Arrears of receipts	45.517
2	Sewerage fees	1.439
3	Different fees	1.550
4	Map fees	1.096
Total		49.602

Due to weak internal controls, revenue was not recovered which resulted in loss.

The matter was reported to PAO in July, 2023 but management did not reply.

DAC meeting was not convened till finalization of this report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23, 2020-21 and 2019-20 vide para(s) number 2.53.4, 5.4.3 and 11.2.5.3.2 respectively having financial impact of Rs 1034.757 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 3, 5, 8, 15]

2.79 District Council Bahawalnagar

Procedural irregularities

2.79.1 Irregular expenditure on contingent paid staff – Rs 4.298 million

According to Government of the Punjab, Finance Department Notification No. RO (Tech) FD 2-2/2022 dated 15.07.2022, “Appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.”

During audit of District Council Bahawalnagar for the FY 2022-23, it was observed that CO recruited sanitary workers on daily wages for Urban Union Council Dahanranwala, Faqir Wala and Mandi Sadiq Gunj and made payment of Rs 4.298 million. However, recruitments were made without advertisement in the newspapers and other codal formalities.

Due to weak internal controls, recruitments were made without adopting prescribed procedure which resulted in irregular expenditure.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / BWP / Reports / 2023-24 / F-39 / CD 1252-1255 dated 04.10.2023, followed by subsequent reminders vide No. 1272-75 dated 10.10.2023 and No. 1357-60 dated 19.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure from the competent authority.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2019-20 and 2018-19 vide para(s) number 1.2.2.14 and 1.4.7 respectively having financial impact of Rs 2.993 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 22]

Others

2.79.2 Non-execution of land transfer deed – Rs 963.369 million

According to section 21 clause (1) (d) pre-requisites for approval of housing scheme of Punjab Private Housing Schemes Rules 2022. The local government concerned before approval of a housing scheme shall ensure fulfillment of the following requirements, “Execute a transfer deed on Form-B, B1, B2 for free of cost transfer to the local government concerned in the office of Sub Registrar, the total area reserved for roads, parks, open spaces, sports facility / playground, graveyard, parking, green strip (prohibited area), solid waste management and such other services and fifty percent area of minimum limit of public building sites excluding the area of mosque or worship.”

During audit of District Council Bahawalnagar for the FY 2022-23, it was observed that CO neither got transferred nor mortgaged the required area amounting to Rs 963.369 million from ten (10) housing schemes / LSDs in the name of DC Bahawalnagar.

Due to weak administrative controls, non-execution of land transfer deed resulted in irregular approval of housing schemes / LSDs.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends transfer and mortgage of property in the name of DC besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23 and 2018-19 vide para(s) number 2.54.3 and 1.2.4.1 respectively having financial impact of Rs 335.207 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 16]

2.79.3 Non-realization of revenue – Rs 3.597 million

According to Rule 50 (1) (a) (e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2020, “A local government shall levy the conversion fee for the conversion of any land use to educational, healthcare institutional or commercial use @ ten percent of the existing value of the land or plot or property as per valuation table and in case valuation table is not available, ten percent of the average sale price of preceding twelve months of the land in the vicinity as determined by the District Price Assessment Committee.” Further, according to Rule 47 (1) of the Punjab Local Government (Budget) Rules 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of District Council Bahawalnagar for the FY 2022-23, it was observed that CO did not collect revenue on account of auction amount and map & conversion fees amounting to Rs 3.597 million. The income was either less collected or misappropriated by the collection staff. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Non-recovery of auctioned amount from contractor	1.451
2	Map and conversion fees	2.146
Total		3.597

Due to weak internal controls, revenue was not recovered which resulted in loss.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23, 2019-20 and 2018-19 vide para(s) number 2.54.2, 1.5.1 and 1.2.3.1 respectively having financial impact of Rs 538.844 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 8, 15]

2.80 District Council Bahawalpur

Procedural irregularities

2.80.1 Mis-procurement of goods and services – Rs 53.889 million

According to Rules 9 and 12(1) of the Punjab Procurement Rules 2014, “Procuring agency shall announce proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s website. Procurement opportunities over two hundred thousand rupees and up to the limit of three million rupees shall be advertised on the PPRA’s website in the manner and format specified by the PPRA from time to time.”

During audit of District Council Bahawalpur for the FY 2022-23, it was observed that CO incurred expenditure of Rs 53.889 million on account of various items without observing PPRA Rules. Annual requirements were not consolidated / advertised in print media / on PPRA’s website. Further, purchases were made by splitting the indents. The detail is as under:

(Rupees in million)

Sr. No.	Description	Amount
1	Stationery and different items purchased on eve of fair & exhibitions etc.	20.219
2	Purchased of various items on the arrangements of Independence Day	3.323
3	Purchases on the arrangements of Muharrum-ul-Haram	7.901
4	Purchase of CCTV cameras, bulbs, PVC cables, pana flexs etc.	22.446
Total		53.889

Due to weak internal controls, procurements were made without observing procurement rules which resulted in mis-procurement.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / BWP / Reports / 2023-24 / F-39 / CD 1252-1255 dated 04.10.2023, followed by subsequent reminders vide No. 1272-75 dated 10.10.2023 and No.

1357-60 dated 19.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends to probe the matter and fixing responsibility besides regularization of expenditure.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23, 2019-20 and 2018-19 vide para(s) number 2.55.2, 2.3.1 and 2.2.2.5 respectively having financial impact of Rs 50.873 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 2, 22, 25, 29]

2.80.2 Unauthorized expenditure on contingent paid staff – Rs 13.006 million

According to Government of the Punjab, Finance Department Notification No. RO (Tech) FD 2-2/2022 dated 15.07.2022, “Appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.”

During audit of District Council Bahawalpur for the FY 2022-23, it was observed that CO recruited sanitary workers on daily wages and made payment of Rs 13.006 million. However, recruitments were made without advertisement in the newspapers and other codal formalities.

Due to weak internal controls, recruitments were made without adopting prescribed procedure which resulted in irregular expenditure.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure from the competent authority.

[AIR 2022-23 Para No. 4]

Others

2.80.3 Non-execution of land transfer deed – Rs 630.955 million

According to section 21 clause (1) (d) pre-requisites for approval of housing scheme of Punjab Private Housing Schemes Rules 2022. The local government concerned before approval of a housing scheme shall ensure fulfillment of the following requirements, “Execute a transfer deed on Form-B, B1, B2 for free of cost transfer to the local government concerned in the office of Sub Registrar, the total area reserved for roads, parks, open spaces, sports facility / playground, graveyard, parking, green strip (prohibited area), solid waste management and such other services and fifty percent area of minimum limit of public building sites excluding the area of mosque or worship.”

During audit of District Council Bahawalpur for the FY 2022-23, it was observed that CO neither got transferred nor mortgaged the required area of thirteen (13) housing schemes / LSDs valuing Rs 630.955 million in the name of DC Bahawalpur.

Due to weak administrative controls, non-execution of land transfer deed resulted in irregular approval of housing schemes / LSDs.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends transfer and mortgage of property in the name of DC besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23, 2019-20 and 2018-19 vide para(s) number 2.55.5, 2.4.1 and 2.2.4.3 respectively having financial impact of Rs 4,458.026 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 21]

2.80.4 Non-recovery of conversion and map fees – Rs 22.815 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of District Council Bahawalpur for the FY 2022-23, it was observed that Chief Officer did not recover conversion and map fees amounting to Rs 22.815 million from the developers of LSDs / Housing Schemes. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Conversion fees	7.681
2	Map fees	15.134
Total		22.815

Due to weak internal controls, conversion and map fees was not recovered which resulted in loss.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23, 2019-20 and 2018-19 vide para(s) number 2.55.8, 2.4.4 and 2.2.4.6 respectively having financial impact of Rs 28.005 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 20]

2.80.5 Loss due to misappropriation of funds through fictitious / doubtful billing – Rs 13.291 million

According to Rule 2.31 (a) of PFR Vol-I, “A drawer of bill for pay, allowances, contingent and other expenses will be responsible for any overcharges, frauds and misappropriation.” Further, according to Rule 29 of the Punjab Local Government (Accounts) Rules 2001, “Every drawing and disbursing officer signing and authorizing the payments shall be personally responsible for any erroneous payment and claim of bill.”

During audit of District Council Bahawalpur for the FY 2022-23, it was observed that Chief Officer withdrew fictitious / doubtful billing amounting to Rs 13.291 million on account of different heads of accounts. Expenditure is unjustified on the basis of below mentioned grounds:

- i. Supply orders were issued without ensuring despatch number and date.
- ii. Purchases in most of the cases were made after completion of the event.
- iii. Expenditure was incurred on repair of Jinnah hall which was already handed over to the Election Commission vide letter No. PA/DC/BWP/278, dated 11.03.2023 issued by the Deputy Commissioner BWP.
- iv. Repeated expenditure was incurred on similar nature items without ensuring stock entries and consumption.
- v. Expenditure was incurred on hiring of vehicles/ machineries despite having own vehicles/ machineries.
- vi. POL was issued to out of order vehicles

Due to intention of misappropriation, fictitious / doubtful bills were drawn which resulted in loss to government.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery from the concerned besides initiating disciplinary proceedings against the person(s) at fault.

[AIR 2022-23 Para No. 27]

2.81 District Council Chiniot

Procedural Irregularities

2.81.1 Unauthorized execution of works without technically sanctioned estimates – Rs 148.432 million

According to Government of the Punjab, Finance Department letter No. FD (TMA) 1-158/2005 dated 21.10.2010 and circular No. FD (FR)-II-2/89 dated 24.06.1996, “Technical Sanction (TS) must be issued before inviting tenders and TS order number, date and amount must be mentioned in Notice Inviting Tenders (NITs).”

During audit of District Council, Chiniot for the FY 2022-23, it was observed that CO awarded 22 works for construction of soling, drain, PCC slab, nala, improvement of roads etc. at work order cost of Rs 148.432 million. However, the schemes were awarded without technical sanction of estimates.
Annexure-6

Due to weak internal controls, works were awarded without technically sanctioned estimates which resulted in unauthorized execution of civil works.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 12]

Others

2.81.2 Non-recovery of conversion and map fees – Rs 4.916 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of District Council, Chiniot for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 4.916 million from owners of commercial buildings and petrol pumps who constructed commercial sites without approval.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery from the concerned at the earliest.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.56.7 having financial impact of Rs 1.245 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 8]

2.81.3 Non-recovery of replenishment cost of trees – Rs 4.143 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed,

realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of District Council, Chiniot for the FY 2022-23, it was observed that CO failed to recover replenishment cost of trees amounting to Rs 4.143 million from XEN Highway Division Chiniot. Demand notice regarding cutting/removing of trees from the site of scheme “widening / improvement of Lalian-Kandiwaal Road was submitted vide letter No. DC/CHT/CO.465 dated 17.02.2023 but no further efforts were made for recovery of replenishment cost.

Due to weak internal controls, replenishment cost could not be recovered which resulted in non-realization of revenue.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends early recovery of replenishment cost of trees.

[AIR 2022-23 Para No. 4]

2.81.4 Non-recovery of rent of municipal properties – Rs 2.264 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of District Council, Chiniot for the FY 2022-23, it was observed that CO failed to recover rent of municipal properties amounting to Rs 2.264 million from the tenants of shops, agricultural land as well as Food Department. The detail is as under:

(Rupees in million)

Sr. No.	Description	Amount
1	Non/Less recovery of rent of shops	2.128
2	Non-recovery of rent of agricultural land	0.007
3	Non-recovery of Godown rent from Food Department	0.129
Total		2.264

Due to weak internal controls, rent was not recovered from the defaulters which resulted in loss.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.56.6 having financial impact of Rs 1.545 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 6]

2.82 District Council Dera Ghazi Khan

Procedural irregularities

2.82.1 Irregular expenditure on work charged staff – Rs 29.813 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of District Council Dera Ghazi Khan for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 29.813 million on account of work charged staff. The work charged employees were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department.

Due to weak internal controls, work charge employees were appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letters No. RDA/DGK/CD-1184 dated 13.10.2023, followed by subsequent reminders No.1285 dated 17.11.2023 and No.1353 dated 22.12.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2019-20 and 2018-19 vide para(s) number 4.4.4 and 4.2.1.4 respectively having financial impact of Rs 23.097 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 18]

2.82.2 Unauthorized payment of tuff tiles - Rs 6.835 million

According to input rates issued by the Finance Department “The strength of tuff pavers should be 7000-PSI and these should be of approved manufacturers i.e. Tuff Pavers (Pvt) Ltd., Izhar Building Material (Pvt) Ltd. Further, as per Government of Punjab Communication and Works Department letter No.PA/SECY(C&W) 26-5/2009 dated 25.05.2009, “Payment be made only for quality works which conform to the given specifications.”

During audit of District Council Dera Ghazi Khan for the FY 2022-23, it was observed that CO made payment of Rs 6.835 million to the contractors on account of tuff tiles used in development schemes. No gate pass or any other documents was provided to prove that tiles were purchased from approved manufacturer. The rate of the tuff tile was based on the input rate of Izhar & Co. Taxila, but the tuff tiles were purchased from the local manufacturer. Furthermore, lab tests for assessing the quality were not conducted. The detail is as under:

(Rupees in million)

Scheme	Agency	Qty Sft	Rate Sft	Amount
Construction of surface drain tuff tiles UC Choti	Kaleem	45,186	109.5	4.835
Construction of surface drain tuff tiles UCs of DGK	Irshad	18,696	107	2.000
Total				6.835

Due to weak internal controls, payment was made without supporting documents resulted in un-authorized expenditure.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.57.2 having financial impact of Rs 19.277 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 8]

2.82.3 Unauthorized expenditure without technical sanction of estimates – Rs 1.708 million

According to Rule 5(3) of the Punjab Local Government (Works) Rules 2017, “The Local Government Engineer shall prepare rough cost estimate before undertaking the work. The rough cost estimate, detailed estimate and PC-1, shall be approved by the authority competent to do so.”

During audit of District Council Dera Ghazi Khan for the FY 2022-23, it was observed that CO executed the scheme having value of Rs 1.708 million and made payment to the contractor. Scrutiny of the record revealed that the estimate was not technically sanctioned by the competent authority as required in above quoted rule.

Due to weak internal controls, the development scheme was executed without technical sanction which resulted in irregular expenditure.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 15]

Others

2.82.4 Non-recovery of outstanding dues / revenue – Rs 54.095 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of District Council Dera Ghazi Khan for the FY 2022-23, it was observed that CO failed to recover the outstanding dues / revenue amounting to Rs 54.095 million on account of conversion fees and other dues. The detail is as under:

(Rupees in million)			
Sr. No.	Period	Description of Recovery	Amount
1	2022-23	Loss due to non-reduction of cost of bricks	0.144
2	2003-22	Non-recovery of outstanding receipts	19.409
3	2022-23	Loss due to non-recovery of conversion fees	34.542
4			
Total			54.095

Due to weak internal controls, government revenue were less realized which resulted in loss.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of revenue from the concerned.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.57.7 having financial impact of Rs 183.445 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 6, 7, 12]

2.83 District Council Faisalabad

Others

2.83.1 Loss due to non-leasing of shops through open auction – Rs 65.742 million

According to Rule 16 of the Punjab Local Governments (Property) Rules, 2003 and the Punjab Local Governments (Property) Rules, 2018, “The shops and commercial property shall be leased out through competitive bidding in the prescribed manner.” Further, according to Government of the Punjab LG&CD Department letter No.SO(Estate)LG2-18/2016(P) dated 28.06.2019, “Every head of local government shall take fresh market rent rate through DPAC/DRAC and also evaluate it with the market rent and immediately take measures for getting market rates of leases to improve own source revenue of local government. The authorities shall revisit the agreements to ensure market rent of shops and in case of expiry of agreement(s) immediately put properties to fresh auction after assessment of market rent.”

During audit of District Council Faisalabad for the FY 2022-23, it was observed that CO failed to lease out 413 shops through open auction and caused loss amounting to Rs 65.742 million to District Council.

Due to weak internal controls, shops were not leased out through open auction on assessed / market rate of rent which resulted in loss to District Council.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2018-19 vide para number 9.2.3.1 having financial impact of Rs 19.226 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 11, 12]

2.83.2 Non-recovery of conversion and map fees – Rs 39.364 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of District Council Faisalabad for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 39.364 million from owners of commercial buildings and petrol pumps who constructed commercial sites without approval. **Annexure-7**

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery from the concerned at the earliest.

[AIR 2022-23 Para No. 3]

2.83.3 Non-recovery of Punjab Sales Tax on Services – Rs 4 million

According to Sr. No.56 of the 2nd Schedule read with Rule 10(1) of the Punjab Sales Tax on Services Act 2012, “The PST shall be paid @ 16% of value

of taxable services provided by a contractor on debt collection, rent collection or similar other recovery or collection services including right to collect the toll or fee or regulatory fee or duty or any other similar collection.” Further, according to condition No.13 of the agreement deed, “The contractor was bound to pay all taxes levied by Government of Pakistan and Government of the Punjab.”

During audit of District Council Faisalabad for the FY 2022-23, it was observed that CO awarded collection rights for advertisement fees to third party for Rs 25 million but Punjab Sales Tax on Services @ 16% amounting to Rs 4 million was not recovered from the contractor in violation of above rules.

Due to weak internal controls, PST was not recovered from the contractor of collection rights which resulted in loss to Government.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of PST from the concerned and depositing the same into relevant account.

[AIR 2022-23 Para No. 6]

2.83.4 Non-recovery of rent of shops – Rs 2.607 million

According to Rule 11(2) (C) of the Punjab Local Governments (Accounts) Rules 2017, “Chief Officer shall ensure that any sums due to local government are promptly realized and credited into local fund.”

During audit of District Council Faisalabad for the FY 2022-23, it was observed that CO failed to recover rent of shops amounting to Rs 2.607 million from the tenants of 37 shops.

Due to weak internal controls, rent of shops was not recovered which resulted in loss of revenue.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of rent besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Years 2022-23 and 2018-19 vide paras number 2.58.8 and 9.2.2.13 respectively having financial impact of Rs 4.963 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 2]

2.83.5 Non-forfeiture of bid security due to non-commencement of works – Rs 2.150 million

According to Terms & Conditions of work orders issued by District Officer (I&S), District Council Faisalabad, “The contractors were directed to start the work at site after signing the agreement deed and getting demarcation from Sub Engineer concerned. Failure of the contractor in this regard would result in cancellation of tender and forfeiture of earnest money in favor of District Council Faisalabad.”

During audit of District Council Faisalabad for the FY 2022-23, it was observed that DO (I&S) issued 06 work orders for construction of soling, drains, PCC works, repair of roads etc. at estimated cost of Rs 43 million in December, 2022. However, contractors did not start the works at site till the date of audit. DC authorities did not take action to forfeit the bid securities amounting to Rs 2.150 million due to non-commencement of works at sites even after lapse of considerable time. **Annexure-8**

Due to weak internal controls, bid securities of the contractors were not forfeited which resulted in loss to District Council.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends forfeiture of bid security at the earliest besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 8]

2.83.6 Non / less obtaining of additional performance security – Rs 2.094 million

According to Rule 9(9)(d) & 9(10) of the Punjab Local Governments (Works) Rules, 2017, “In case the rates of the lowest bid are equal to or less than 5% of the estimated cost, the lowest bidder shall be bound to deposit additional performance security from a scheduled bank from 5% to 10% (including CDR deposited at the time of tendering) within 15 days of issuance of notice and the same shall be refunded after issuance of the completion certificate by the In-charge of the engineering branch.”

During audit of District Council Faisalabad for the FY 2022-23, it was observed that CO awarded 05 works to different contractors for repair / rehabilitation of roads, construction of rural drainage, tuff tiles and PCC schemes valuing Rs 54.890 million. The works were awarded below the estimated cost ranging from 5.11% to 13.05% but additional performance security amounting to Rs 2.094 million was not obtained from the contractors in violation of above rule.

Due to weak internal controls, additional performance security was not / less obtained which resulted in violation of rules.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends fixing responsibility against the person(s) at fault besides regularization of the matter.

[AIR 2022-23 Para No. 9]

2.84 District Council Jhang

Procedural Irregularities

2.84.1 Non-transparent payments to sports teams – Rs 5.621 million

According to Rule 4 of the Punjab Local Governments (Accounts) Rules, 2017, “The payments exceeding rupees ten thousand shall be made through crossed non-negotiable cheque. Further, the payment against accrued liabilities shall be made through crossed non-negotiable cheque and the cheque shall be collected by the payee in person or through his authorized agent or, if so requested, the cheque may be sent through post.”

During audit of District Council Jhang for the FY 2022-23, it was observed that CO drew funds amounting to Rs 5.620 million for payment to sports team and made payment to a government contractor instead of making direct payment to actual payees / team members through crossed / non-negotiable cheques. Moreover, essential documents such as names, CNIC / contact numbers and acknowledgements of recipients were also not forthcoming from the record.

Due to weak internal controls, payments were made to contractor instead of actual recipients by mentioning their particulars which resulted in non-transparent payments.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 5]

Others

2.84.2 Non-recovery of Government dues – Rs 21.958 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of District Council Jhang for the FY 2022-23, it was observed that CO failed to recover government dues on account of auction of collection rights, rent of municipal properties etc. amounting to Rs 21.958 million, as detailed below:

(Rupees in million)

Sr. No.	Description of Income Source	Source of Income	Amount Recoverable	Recovery Effected	Remaining Recoverable
1	Collection Rights	Ferries	10.835	8.196	2.639
		Lease of Agricultural Land	2.973	1.478	1.495
		Parking Stand	4.203	3.921	0.282
		Advertisement Fees	11.005	3.644	7.361
2	Rent of Property	Rent of Shops	8.122	1.164	6.958
		Rent of Food Godowns	3.223	-	3.223
Total			40.361	18.403	21.958

Due to weak financial controls, Government dues were not recovered which resulted in loss.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery from the concerned at the earliest.

Note: The issue was also reported earlier in the Audit Reports for the Audit Years 2022-23, 2019-20 and 2018-19 vide paras number 2.59.9, 10.2.5.1.4, 10.2.3.2 and 10.2.3.3 having financial impact of Rs 27.732 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 10]

2.84.3 Non-recovery of conversion and map fees – Rs 11.200 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of District Council Jhang for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 11.200 million from owners of commercial buildings who constructed commercial sites without approval.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery from the concerned at the earliest.

Note: The issue was also reported earlier in the Audit Reports for the Audit Years 2022-23, 2019-20 and 2018-19 vide paras number 2.59.12, 10.2.5.1.2 and 10.2.3.1 respectively having financial impact of Rs 33.025 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 17]

2.84.4 Non-obtaining of additional performance security – Rs 4.925 million

According to Rule 9(9)(d) & 9(10) of the Punjab Local Governments (Works) Rules, 2017, “In case the rates of the lowest bid are equal to or less than

5% of the estimated cost, the lowest bidder shall be bound to deposit additional performance security from a scheduled bank from 5% to 10% (including CDR deposited at the time of tendering) within 15 days of issuance of notice and the same shall be refunded after issuance of the completion certificate by the In-charge of the engineering branch.”

During audit of District Council Jhang for the FY 2022-23, it was observed that CO awarded 08 works to different contractors for construction of roads, soling, resoling, sludge, drainage, sludge, sludge carriers, PCC slab and rehabilitation of pull valuing Rs 49.247 million. The works were awarded below the estimated cost ranging from 24 % to 32 % but additional performance security amounting to Rs 4.925 million was not obtained from the contractors in violation of above rule.

Annexure-9

Due to weak internal controls, additional performance security was not obtained which resulted in violation of rules.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of the matter.

[AIR 2022-23 Para No. 6]

2.85 District Council Khanewal

Fraud and misappropriation

2.85.1 Misappropriation of copy fees – Rs 1.020 million

According to Rule 19 (a) sub-rule 1 of the Punjab Local Government (Registration of Births and Deaths) Rules 2021, amended vide LG&CD Department Notification No. SOR (LG) 8-6/2021 dated 1st September, 2021, “The Governor of the Punjab made following amendment”:

(1) The detail of charges is as follows:

Sr. No.	Description	Amount in Rs.
1	Certificate or duplicate certificate	200
2	Late registration of birth (after sixty days to a maximum period of seven years)	200
3	Late registration of birth (after seven years)	300
4	Registration of birth of a foreigner	2000
5	Registration of Pakistani citizen (birth abroad)	1000
6	Late registration of death	1000
7	Correction or change	500

During audit of DC Khanewal for the FY 2022-23, it was observed that CO collected Rs 1.573 million for the Financial Years 2021-22 and 2022-23 on account of copy fees for 7,865 certificates of birth, death and marriage @ Rs 200 each as revealed from annual accounts. NADRA share of Rs 589,839 was paid from District Council fund @ of Rs 75 each certificate / copy issued on security papers. Payment of NADRA share shows that at least 7,865 certificates were issued but annual accounts provided by Finance branch revealed that only Rs 552,787 were deposited against collection of Rs 1,572,904 resulting in non-deposit of Rs 1,020,117 in District Council fund during 2021-23. **Annexure-10**

Due to malafied intension and weak financial controls, copy fees was less deposited which resulted in misappropriation.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1546 dated 02.10.2023, followed by subsequent reminders vide No. 1615 dated 13.10.2023 and No. 1680 dated 01.11.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of entire amount collected.

[AIR 2022-23 Para No. 04]

Procedural irregularities

2.85.2 Less charging of PST on repair works – Rs 31.977 million

According to Punjab Regulatory Authority letter No. PRA/Public Sector/753 dated 20.03.2018 “Government of the Punjab is please to allow reduce rates of PST on Government civil works at the 5% for government civil works in accordance with specific instruction as mentioned in the 2nd schedule of the Punjab Sales Tax on Services Act 2012. However, Repair & Maintenance (R&M), consultancy and contractual execution of works will continue to be taxed @ 16%.”

During audit of DC Khanewal for the FY 2022-23, it was observed that CO added PST @ 5% amounting to Rs 31.977 million instead of 16% in TS Estimates for M&R works costing Rs 305.235 million. It was observed that estimates were not yet technically sanctioned and few estimates were sanctioned by the Chief Engineer by charging 5% PST. As per Administrative Approval vide letter No. 45 dated 22.08.2022 and No. 116 dated 19.10.2022 all these works were M&R works hence 16% PST needs to be applied instead of 5% PST.

Due to weak internal controls, PST was less charged in estimates which resulted in loss.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of PST from the concerned contractors besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 11]

Others

2.85.3 Non-recovery of conversion and map fees – Rs 139.921 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.” Further, according to Gazette Notification No. 2404/DCK dated 23.05.2017 of schedule rates published on Tuesday March 06, 2018 map fee of commercial buildings will be charged twelve rupees per Sft and eight rupees for education / health buildings.

During audit of DC Khanewal for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 139.921 million from the owners / developers of commercial, educational, health buildings and housing schemes as summarized below:

(Rupees in million)		
Sr. No.	Particulars	Amount
1	Conversion and map fees of commercial markets / plaza	58.455
2	Conversion and map fees of commercial buildings	68.936
3	Conversion and map fees of housing schemes	12.530
Total		139.921

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss.

The matter was reported to PAO in September, 2023. No reply was submitted by the DDO concerned.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of Government dues at the earliest besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 21]

2.85.4 Loss due to non-recovery of revenue – Rs 33.883 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of DC Khanewal for the FY 2022-23, it was observed that CO did not recover Rs 33.883 million on account of rent of shops, rent of land, advertisement fees. Summary is given below:

(Rupees in million)		
Sr. No.	Particulars	Amount
1	Rent of shops / municipal property	24.037
2	Rent of Agricultural land	1.987
3	Advertisement fees	3.287
4	Fine for encroachment	0.100
5	Less charged rent of shops	4.472
Total		33.883

Due to weak financial and internal controls, government dues were not recovered which resulted in loss of revenue.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 2]

2.86 District Council Layyah

Procedural Irregularities

2.86.1 Irregular payment on account of tuff tiles – Rs 5.439 million

According to input rates issued by the Government of Punjab, Finance Department, “The strength of tuff pavers should be 7000-PSI and these should be of approved manufacturers i.e. Tuff Pavers (Pvt) Ltd., Izhar Building Material (Pvt) Ltd. Further, as per Government of Punjab Communication and Works Department, Lahore letter No.PA/SECY(C&W) 26-5/2009 dated 25.05.2009, “Payment be made only for quality works which conform to the given specifications.”

During audit of District Council Layyah for the FY 2022-23, it was observed that CO made payment of Rs 5.439 million to the contractors on account of 34,630 sft tuff tile used in 5 development schemes. No gate pass or any other document was provided to prove that tiles were purchased from approved manufacturer. The rate of the tuff tile was based on the input rate of Izhar & Co. Taxila, but the tuff tiles were purchased from local manufacturer. Furthermore, lab tests for assessing the strength and quality were not conducted. The detail is as under:

(Rupees in million)

Scheme No.	Name of Development Schemes	contractor	MB No. / page from to	Tuff tile sft	Rate sft	Amount as per TS (Million)
31/66	Construction of soling, drainage system, tuff tile, PCC slab, culverts and other allied works at UC Thal Jandi Layyah, Tehsil Layyah District Layyah	Khizer Hayyat khan	504/49 to 58	6,712	157.4	1.056
37/66	Construction of soling, drainage system, tuff tile, PCC slab, culverts and other allied works at Basti Bhutta, Basti Elyaani, UC Kotla Haji Shah Layyah	Ghulam Yaseen Sial	583/79 to 89	10,553	157.4	1.661

Scheme No.	Name of Development Schemes	contractor	MB No. / page from to	Tuff tile sft	Rate sft	Amount as per TS (Million)
26/66	Construction of soling, drainage system, tuff tile, and other allied works at UC Saharan Tehsil Choubara District Layyah	Thal Enterprises	529/1 to 5	1,500	150	0.225
48/66	Construction of drain, soiling, re- soling tuff tile Kot Sultan (Razak Nata)	Khuda Bakhsh	920/39 to 43	8,699	157.4	1.369
56/66	Construction of drain, soiling, re- soling tuff tile Kot Sultan (Sohail Baloch)	Khuda Bakhsh	920/44 to 47	7,166	157.4	1.127
Total				34630		5.439

Due to weak internal controls, payment was made without supporting documents which resulted in irregular expenditure.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letters No. RDA/DGK/CD-1184 dated 13.10.2023, followed by subsequent reminders No.1285 dated 17.11.2023 and No.1353 dated 22.12.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.61.2 having financial impact of Rs 9.130 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No.13]

Others

2.86.2 Non-recovery of revenue/over payments of pay and allowances – Rs 23.531 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.” Further, according to Rule 2.31 of the PFR Vol-I, “A drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation.”

During audit of District Council Layyah for the FY 2022-23, it was observed that CO failed to recover of revenue amounting to Rs 23.531 million on account of over-payments, lease money, commercialization / conversion fees and taxes. The detail is as under:

(Rupees in million)		
Sr. No.	Description / Detail of recovery	Amount
1	Illegal up gradation / promotion of BPS-11 employee in BPS-17 resulted overpayment	2.840
2	Loss to Govt. due to un-approved/ residential housing schemes	5.639
3	Non / less recovery of NOC fees, conversion fees from commercial buildings	9.994
4	Loss to Govt. due to non / less deposit of lease money	4.801
5	Non-collection of professional tax	0.110
6	Recovery of unauthorized payment of allowances (HRA, CA, Holiday Allowance)	0.147
Total		23.531

Due to weak internal controls, government revenue were not recovered from the concerned resulting in loss to the DC.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of revenue from the concerned.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.61.5 having financial impact of Rs 10.530 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 2, 4, 5, 6, 9, 14]

2.87 District Council Lodhran

Others

2.87.1 Non-recovery of conversion and map fees – Rs 13.401 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “the conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.” Further, according to Gazette Notification No. 2404/DCK dated 23.05.2017 of schedule rates published on Tuesday March 06, 2018 map fee of commercial buildings will be charged twelve rupees per Sft and eight rupees for education / health buildings.

During audit of DC Lodhran for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 13.401 million from the developers / owners of various buildings and housing schemes as summarized below:

(Rupees in million)		
Sr. No.	Particulars	Amount
1	Conversion and map fees of housing schemes	7.525
2	Conversion and map fees of commercial buildings	5.876
Total		13.401

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1546 dated 02.10.2023, followed by subsequent reminders vide No. 1615 dated 13.10.2023 and No. 1680 dated 01.11.2023. No progress was intimated till the finalization of this Report.

Audit recommends to probe the matter for fixing responsibility against the person(s) at fault besides recovery of conversion and building plan approval fees from the concerned at the earliest.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.62.2 having financial impact of Rs 23.381 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No.10, 14]

2.87.2 Loss due to non-recovery of revenue – Rs 2.926 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of DC Lodhran for the FY 2022-23, it was observed that CO did not recover dues amounting to Rs 2.926 million on account of rent of shops and water rates during the financial year. The detail is as under:

(Rupees in million)		
Sr. No.	Particulars	Amount
1	Rent of shops	0.191
2	Water rates	0.198
3	Loss due to less rate then rent assessed by DRAC	2.537
Total		2.926

Due to weak financial and internal controls, government dues were not recovered which resulted in loss of revenue.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of government dues at the earliest.

[AIR 2022-23 Para No. 04, 05, 19]

2.88 District Council Multan

Procedural irregularities

2.88.1 Irregular expenditure by splitting – Rs 38.281 million

According to Rule 9 and 12 of the Punjab Procurement Rules, 2014, “Procuring agency shall announce proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s website. Procurement opportunities over Rs 200,000 and up to Rs 3,000,000 shall be advertised on the PPRA’s website.”

During audit of DC Multan for the FY 2022-23, it was observed that CO incurred expenditure of Rs 38.281 million by splitting on account of celebrating national and religious days, stationery items, panaflex, cleanliness, and manhole covers. The expenditure was incurred by splitting to keep the expenditure below Rs 200,000 to avoid the open tender process.

Due to weak internal controls, expenditure was incurred by splitting to avoid open tender process which resulted in irregular expenditure.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1546 dated 02.10.2023, followed by subsequent reminders vide No. 1615 dated 13.10.2023 and No. 1680 dated 01.11.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.63.2 having financial impact of Rs 40.505 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 02]

2.88.2 Doubtful expenditure on tournament and fun fair – Rs 27.951 million

According to Rule 2.31 of the PFR Vol-I, “A drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation.”

During audit of DC Multan for the FY 2022-23, it was observed that CO incurred an expenditure of Rs 27.951 million on tournament and fun fair. Audit observed that three members of tender opening committee did not participate in tender process of fun fair as evident from attendance sheet. Heavy rental expenditure was incurred on rent of beam / tower lights, food items, animal fodder, and fans. There was no detail of horses / horse riders participated in the event coming from other areas. The non-scheduled items were paid on assumption basis without approval of rates from concerned competent forum. The detail is as under:

(Rupees in million)

Voucher No	Booking No	Head	Cheque Date	Supplier Name	Narration	Gross Total
2010	915	A03940 Unforeseen expenses	8/12/2022	M/s Arain Construction	Payment of supply and fixing lights, Pena flex Jashan e Multan	6.850
2011	914	A03940 Unforeseen expenses	8/12/2022	M/s Green Land	Payment of arrangement regarding Jashn e Multan held on 22 to 23 at PGSHF	12.536
4429	1399	A0397010 Sports	27-06-2023	M/s Abrar ul Haq	Payment arrangements South Punjab School Sports (South Punjab School Cricket Championship under -16)	8.565
Total						27.951

Due to weak financial management, irregular expenditure was incurred which resulted in doubtful expenditure.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry of the matter and fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 22]

Other

2.88.3 Loss due to non-recovery of revenue – Rs 107.313 million

According to Rule 50 (1) (a) & (d) of the Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “A Local Government shall levy fee for conversion of land use subject to scrutiny and clearance from District Planning and Design Committee, from agricultural, residential, peri-urban area to commercial use shall be 10% of the commercial value of the land. Conversion fee for the conversion of agricultural land to industrial use shall be 5% of the agricultural value of land.”

During audit of DC Multan for the FY 2022-23, it was observed that CO did not recover conversion, map fees and other revenue amounting to Rs 107.313 million from the owners / developers of commercial buildings, educational institutes and housing schemes. The detail is as under:

(Rupees in million)		
Sr. No.	Particulars	Amount
1	Non-recovery of dues from owners of commercial buildings	75.810
2	Less recovery of advertisement fees	2.560
3	Non-recovery of dues from educational institutes	17.920
4	Non-recovery of dues from owners of LSDs/Housing schemes	11.023
Total		107.313

Due to weak internal controls, government dues were not recovered which resulted in loss.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of government dues at the earliest.

Note: The issue was also reported earlier in the Audit Reports for the Audit Years 2022-23 and 2018-19 vide paras number 2.63.9 and 14.2.2.2, 14.2.2.4, 14.2.2.5 respectively having financial impact of Rs 232.135 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 04, 05, 06, 08]

2.89 District Council Muzaffargarh

Procedural irregularities

2.89.1 Non-execution of mortgage and transfer deed – Rs 213.895 million

According to Chapter III Section 17 € & (f) and Chapter VIII Section 42 (h) of Punjab Private Housing Schemes and Land Sub-division Rules 2010, “A developer shall submit in the name of a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority a mortgage deed of 20% of the saleable area, in accordance with Form C, as security for completion of development works.”

During audit of District Council Muzaffargarh for the FY 2022-23, it was observed that CO approved land sub-division / housing scheme but 20% of saleable area 97.59 Kanal valuing Rs 54.655 million was not mortgaged by the developer of these housing schemes in the name of DC. Moreover, admissible land area 284.35 Kanal of same housing scheme in shape of road, mosque, school, graveyard, etc. valuing Rs 159.240 million was still pending to be transferred in the name of DC.

Due to weak administrative controls, non-execution of mortgage and land transfer deed resulted in irregular approval of housing schemes / LSDs.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letters No. RDA/DGK/CD-1184 dated 13.10.2023, followed by subsequent reminders No.1285 dated 17.11.2023 and No.1353 dated 22.12.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides mortgage and transfer deed as per rule be executed in the name of District Council.

[AIR 2022-23 Para No. 14]

2.89.2 Irregular expenditure on work charged staff – Rs 19.079 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of District Council Muzaffargarh for the FY 2022-23, it was observed that CO incurred an amount of Rs 19.079 million on account of salaries of work charged employees. The recruitment process was conducted without advertisement and recommendations of the recruitment committee.

Due to weak internal control, expenditure was made on the wages of work charged employees appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2018-19 vide para number 6.2.2.13 having financial impact of Rs 4.351 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 22]

Others

2.89.3 Non-recovery of outstanding dues / revenue – Rs 52.892 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of District Council Muzaffargarh for the FY 2022-23, it was observed that CO failed to recover the revenue amounting to Rs 52.892 million on account of advertisement fees, pattan fees, conversion fees and water rates. The detail is as under:

(Rupees in million)		
Sr. No	Description of recovery	Amount
1	Non-recovery of advertisement and pattan fees	3.286
2	Non-collection of conversion / commercialization fees	44.606
3	Non-recovery of water rates charges	5.000
Total		52.892

Due to weak internal controls, local government revenue were not recovered from the concerned which resulted in loss to the DC.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of revenue from the concerned.

[AIR 2022-23 Para No. 4, 6, 12, 16, 19]

2.90 District Council Pakpattan

Procedural irregularities

2.90.1 Unauthorized expenditure on sports event by splitting – Rs 4.038 million

According to Rule 2.31 of the PFR Vol-I, “A drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriation.” Further, according to Rule 9 of the Punjab Procurement Rules 2014, “A procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The procuring agency shall advertise in advance annual requirement for procurement on the website of the authority as well as on its website”

During audit of DC Pakpattan for the FY 2022-23, it was observed that CO incurred expenditure of Rs 4.038 million on sports tournament. There was no list of players of 11 teams divided in two groups. Furthermore, entire expenditure was incurred uneconomically by splitting the indents through quotations without adopting proper tender process.

Due to weak financial management, irregular / unauthentic expenditure was incurred resulted in in doubtful procurement and chances of misappropriation.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1546 dated 02.10.2023, followed by subsequent reminders vide No. 1615 dated 13.10.2023 and No. 1680 dated 01.11.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.65.1 having financial impact of Rs 5.598 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 18]

Others

2.90.2 Non-recovery of conversion and map fees – Rs 88.710 million

According to Rule 50 (1) of Chapter-XI of Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020 “A Local Government shall levy fee for conversion of land use from agricultural, residential, peri-urban area to commercial use conversion fee at the rate of 10% of the commercial value of the land. Conversion fee for the conversion of agricultural land to industrial use shall be 5% of the agricultural value of land.”

During audit of DC Pakpattan for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 88.710 million from the owners / developers of commercial buildings and housing schemes. The detail is as under:

(Rupees in million)		
Sr. No.	Particulars	Amount
1	Non-recovery of dues from owners of commercial buildings	54.422
2	Non-recovery of dues form owners of buildings / land sub-divisions	34.288
Total		88.710

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to probe the matter for fixing responsibility against the person(s) at fault besides recovery of conversion and map fees from the concerned at the earliest.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide paras number 2.65.2 and 2.65.5 having financial impact of Rs 65.508 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 20, 21]

2.90.3 Non-recovery of contract price of advertisement fees – Rs 1.735 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of DC Pakpattan for the FY 2022-23, it was observed that CO did not recover Government dues on account of advertisement fees and applicable taxes amounting to Rs 1.735 million. The detail is as under:

(Rupees in million)

Sr. No.	Financial Year	Head of Income	Contract price	Amount Recovered	Balance Recoverable	I. Tax	Employee salary	Total Recoverable
1	2022-23	Advertisement Fees	2.250	2.099	0.151	0.125	0.966	1.242
2	2021-22	Advertisement Fees	1.900	15.977	0.303	0.190	-	0.493
	Total							1.735

Due to weak internal controls, contract price of advertisement fees was not recovered which resulted in loss.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 04]

2.91 District Council Rahim Yar Khan

Procedural irregularities

2.91.1 Mis-procurement due to non-compliance of PPRA Rules –Rs 92.484 million

According to Rules 9 and 12(1) of the Punjab Procurement Rules 2014 (amended 17.08.2020), “Procuring agency shall announce proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s website. Procurement opportunities over two hundred thousand rupees and up to the limit of three million rupees shall be advertised on the PPRA’s website in the manner and format specified by the PPRA from time to time.”

During audit of District Council Rahim Yar Khan for the FY 2022-23, it was observed that Chief Officer incurred expenditure of Rs 92.484 million for repeated purchases of stationary, medicine, printing, sports and I.T equipment items etc. without determining annual requirements or advertising planned procurements on PPRA’s website to achieve benefits of competitive bidding. Moreover, the indents were split-up to avoid fair tendering process.

Due to weak internal controls, purchases were made by splitting which resulted in mis-procurement.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / BWP / Reports / 2023-24 / F-39 / CD 1252-1255 dated 04.10.2023, followed by subsequent reminders vide No. 1272-75 dated 10.10.2023 and No. 1357-60 dated 19.10.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2022-23 and 2018-19 vide para(s) number 2.66.1 and 3.2.2.2 respectively having financial impact of Rs 13.607 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 17]

Others

2.91.2 Non-execution of mortgage and transfer deed – Rs 1,470.659 million

According to Punjab Private Housing Schemes Rules 2022 section 21 clause (1) (d) pre-requisites for approval of housing scheme: The local government concerned before approval of a housing scheme shall ensure fulfillment of the following requirements, “execute a transfer deed on Form-B, B1, B2 for free of cost transfer to the local government concerned in the office of Sub Registrar, the total area reserved for roads, parks, open spaces, sports facility / playground, graveyard, parking, green strip (prohibited area), solid waste management and such other services and fifty percent area of minimum limit of public building sites excluding the area of mosque or worship.”

During audit of District Council Rahim Yar Khan for the FY 2022-23, it was observed that Chief Officer neither got transfer nor mortgage the required area in the name of District Council valuing Rs 1,470.659 million from sixty (60) housing schemes / LSDs.

Due to weak administrative controls, non-execution of mortgage and land transfer deed resulted in irregular approval of housing schemes / LSDs.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends transfer and mortgage of property in the name of DC besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report(s) for the Audit Year(s) 2019-20 and 2018-19 vide para(s) number 3.5.1 and 3.2.4.1 respectively having financial impact of Rs 884.577 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 10]

2.91.3 Unauthentic expenditure on purchases – Rs 98.452 million

According to Rule 2.33 of Punjab Financial Rules 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.”

During audit of District Council Rahim Yar Khan for the FY 2022-23, it was observed that Chief Officer drew substantial amount of Rs 98.452 million through doubtful billings as contradictions were observed among serial numbers and dates of bills of consumable items. For example;

Bill No.	Date
161	14.01.2023
169	31.12.2022
175	14.01.2023

Due to intention of misappropriation, doubtful bills were drawn which resulted in loss to the Authority.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery from the concerned.

[AIR 2022-23 Para No. 18]

2.92 District Council Rajanpur

Procedural irregularities

2.92.1 Irregular expenditure on work charged staff - Rs 26.163 million

According to Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, “No work charged / daily wages employee will be appointed in the local governments without the approval of LG&CD Department and without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of District Council Rajanpur for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 26.163 million on account of work charged for the Financial Years 2021-22 and 2022-23. The contingent paid staff were appointed without eligibility criteria provided in the relevant service rules, advertisement and permission from LG&CD Department. The detail is as under:

(Rupees in million)		
Period	Description	Amount
2021-22	Payment of Contingent Paid Staff	17.262
	Payment made to Sanitary Workers	7.512
2022-23	Doubtful and Irregular incurrence of expenditure on contingent paid staff	1.389
Total		26.163

Due to weak internal control, expenditure was made on the wages of work charged employees appointed without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in April and October, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letters No. RDA/DGK/CD-1184 dated 13.10.2023, followed by subsequent reminders No.1285 dated 17.11.2023 and No.1353 dated 22.12.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2018-19 vide para number 7.2.2.3 having financial impact of Rs 23.744 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2021-22 Para No. 6, 12]

[AIR 2022-23 Para No. 5]

Others

2.92.2 Non-recovery of outstanding dues / revenue – Rs 107.807 million

According to Rule 14(d) of the Punjab Local Governments (Accounts) Rules, 2017, “The Collecting Officer shall collect the receipt of local Government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement, or compromise.”

During audit of District Council Rajanpur for the FY 2022-23, it was observed that CO failed to recover Rs 107.807 million under various heads of receipts for the Financial Years 2021-22 and 2022-23. The detail is as under:

(Rupees in million)

Sr. No.	Period	Description of recovery	Amount
1	2021-22	Non-recovery of rent of shops	17.412
2		Less recovery / deposit of General Bus stands fees	1.209
3		Less recovery of water rates	1.594
4		Unauthorized construction of commercial buildings without payment of fees	16.515
5		Unauthorized establishment of housing schemes without approval	5.638
6	2022-23	Loss on account of Conveyance Allowance	0.197
7		Loss due to non-auction of shops and non-realization of receipt targets	47.314
8		Non-recovery of rent of shops / water rates	12.026
9		Loss due to non-recovery of conversion / commercialization fees	5.902
Total			107.807

Due to weak internal controls, arrears of revenue were not recovered from the concerned which resulted in loss to the DC Rajanpur.

The matter was reported to PAO in April and October, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of arrears from the concerned.

[AIR 2021-22 Para No.5, 13, 16, 18, 19]

[AIR 2022-23 Para No.3, 6, 9, 13]

2.93 District Council Sahiwal

Procedural irregularities

2.93.1 Irregular expenditure by splitting – Rs 65.941 million

According to Rule 9 and 12 of the Punjab Procurement Rules 2014, “A procuring agency shall announce proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s website. Procurement opportunities over Rs 200,000 and up to Rs 3,000,000 shall be advertised on the PPRA’s website.”

During audit of DC Sahiwal for the FY 2022-23, it was observed that CO incurred expenditure amounting to Rs 65.941 million by splitting on account of lifting / dumping garbage, procurement of sports material, hiring of vehicles, repair of soling, manholes etc. The expenditure was incurred by splitting to avoid the open tendering process.

Due to weak internal controls, procurements were made by splitting to avoid open tendering process which resulted in irregular expenditure.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1546 dated 02.10.2023, followed by subsequent reminders vide No. 1615 dated 13.10.2023 and No. 1680 dated 01.11.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.67.1 having financial impact of Rs 30.775 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 11]

2.93.2 Unauthorized payment without approval of competent authority – Rs 29.821 million

According to Rule 18(6) of the Punjab Local Governments (Works) Rules, 2017, “The head of Finance Branch of the local Government, on his satisfaction, shall submit, through Chief Officer, the bills for sanction by the Mayor or Chairman.”

During audit of DC Sahiwal for the FY 2022-23, it was observed that CO made payment amounting to Rs. 29.821 million on account of different civil works i.e. construction of soling, culverts, manholes, repair of office and residential buildings without approval from the competent authority i.e. Chairman / Administrator.

Due to negligence and financial indiscipline, payment of civil works was made without approval of competent authority which resulted in unauthorized payment.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure.

[AIR 2022-23 Para No. 13]

Other

2.93.3 Non-recovery of conversion and map fees – Rs 33.366 million

According to Rule 39 of Punjab Private Housing Schemes and Land Sub-Division Rules, 2010, “A developer shall deposit fee for conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land.”

During audit of DC Sahiwal for the FY 2022-23, it was observed that CO did not collect conversion and map fees amounting to Rs 33.366 million from the owners / developers of commercial buildings and land sub-divisions. The detail is as under:

(Rupees in million)		
Sr. No.	Particulars	Amount recoverable
1	Non-recovery of dues from commercial buildings	19.478
2	Non-recovery of dues from LSDs	13.888
Total		33.366

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to probe the matter for fixing responsibility against the person(s) at fault besides recovery of conversion and map fees from the concerned at the earliest.

Note: The issue was also reported earlier in the Audit Reports for the Audit Years 2022-23 and 2018-19 vide paras number 2.67.4 and 16.2.3.1, 16.2.3.7 respectively having financial impact of Rs 399.36 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 12, 15]

2.93.4 Loss due to non-recovery of revenue – Rs 8.806 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of DC Sahiwal for the FY 2022-23, it was observed that CO did not recover advertisement fees, TTIP and goods exit tax amounting to Rs 8.806 million as summarized below:

(Rupees in million)			
Sr. No.	Contractor Name	Description	Amount Recoverable
1	Shahid Khan	Advertisement fees	3.256
2	Zaheer Ahmad	Tax on transfer of immoveable property	2.364
3	Mumtaz Ahmad	Goods exit tax	3.187
Total			8.806

Due to weak financial and internal controls, government dues were not recovered which resulted in loss of revenue.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of government dues at the earliest.

[AIR 2022-23 Para No. 04]

2.94 District Council Toba Tek Singh

Others

2.94.1 Encroachment / unauthorized occupation on Government properties – Rs 2,257.080 million

According to Rule 4 of the Punjab Local Governments (Property) Rules, 2018, “The manager shall be vigilant about encroachments on, or wrongful occupation of, the property and in case of encroachment or wrongful occupation, take necessary steps for the removal thereof and prevent the property against nuisance, damage or misuse.”

During audit of District Council Toba Tek Singh for the FY 2022-23, it was observed that CO did not make efforts for vacation of two properties measuring 48 kanals & 04 marlas valuing Rs 2,257.080 million from the encroachers. The detail is as under:

(Rupees in million)

Sr. No.	Identification of Property	Area	Remarks	Amount
1	“Sarai” situated near railway crossing Toba Tek Singh	4 kanal & 16 marla	73 shops were constructed by encroachers on the state land without permission of District Council a	252.000
2	Cattle Fair Ground	43 kanal & 8 marla	Fruit & vegetable market being run under control of Market Committee Toba Tek Singh	2,005.080
Total				2,257.080

Due to poor asset management, Government properties were not safeguarded which resulted in encroachment over state land.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/1011 dated 11.09.2023, followed by subsequent reminders vide No.1078 dated 18.09.2023 and No.1114 dated 21.09.2023. No progress was intimated till the finalization of this Report.

Audit recommends vacation of properties from encroachers besides utilization of Government properties for revenue generation in the best public interest.

[AIR 2022-23 Para No. 13]

2.94.2 Non-recovery of conversion and map fees – Rs 81.780 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of District Council Toba Tek Singh for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 81.780 million from owners of commercial buildings and private housing schemes who constructed commercial sites without approval.

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss to MC.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery from the concerned at the earliest.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.68.5 having financial impact of Rs 69.823 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 5, 6]

2.94.3 Excess payment to contractors against un-executed work – Rs 12.405 million

According to Para 4.5(5) of the B & R Department Code, “Every Officer making or ordering payment on behalf of Government should satisfy himself that work has been actually done in accordance with the bill submitted for payment. He should inspect personally all the most important works before authorizing final payment, and should check the measurements made by his subordinates as per scale laid by the Chief Engineer.”

During audit of District Council Toba Tek Singh for the FY 2022-23, it was observed that CO got executed 16 works for repair / improvement and rehabilitation of roads. Scrutiny of TSEs depicted that existing surface of roads was treated as sub grade / sub-base course and overlay of base course was provided with a thickness of 4 inches and an extra quantity of base course was also provided to fill pot holes on roads at a certain percentage of 5 to 20 in addition to above said quantity of overlay. However, record entries made in measurement books at the time of execution of work depicted that above said quantity of overlay of base course was laid with different thickness of 4 inches to 4.5 inches instead of fixed thickness on 4 inches from which it was apprehended that patches were already filled while overlaying of base course therefore, recording of separate quantity of base course to fill pot holes / patches was unjustified. Resultantly, excess payment of Rs 12.405 million was made to contractors for work not actually executed at site.

Due to weak internal controls, measurements were recorded in MB without actual work done at site which resulted in excess payment to contractors.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of excess paid amount from the concerned.

[AIR 2022-23 Para No. 10]

2.94.4 Excess payment to contractors beyond estimated provisions – Rs 4.073 million

According to Rule 40(2) (b) (i) of the Punjab Local Governments (Accounts) Rules, 2017, “The engineer shall ensure that the claims submitted for payment are valid for the works actually executed at site in accordance with the specifications and agreed quantity, or the service actually rendered to the entire satisfaction of the District Authority and entered in the relevant books or register of accounts and there is no reason to stop the payment.” Furthermore, according to Provision 4.5(5) of the B & R Department Code, “Every Officer making or ordering payment on behalf of Government should satisfy himself that work has been actually done in accordance with the bill submitted for payment. He should inspect personally all the most important works before authorizing final payment, and should check the measurements made by his subordinates as per scale laid by the Chief Engineer.”

During audit of District Council Toba Tek Singh for the FY 2022-23, it was observed that CO made excess payment of Rs 4.073 million to the contractors of 09 civil works, as detailed below:

- i. In seven cases, payment to contractors for earth filling in ordinary soil for embankment was made @ Rs 13,965.90 and Rs 13,413.40 respectively by including ½ mile lead whereas in TSEs only 100 ft lead was provided which resulted in excess payment of Rs 3.922 million.
- ii. In two cases, earth filling in ordinary soil for embankment lead up to 1/2 mile i/c ploughing, mixing with blade, or disc harrow or other suitable equipment and compaction of earth to 85% maximum modified AASHO for road berms was provided @ 13,413.40 per 1000% cft but pavement was made @ Rs 13,965.90 per 1000 cft which resulted in excess payment of Rs 0.151 million.

Due to weak internal controls, payment for earthwork execution was made to contractors at excessive rates which resulted in excess payment.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of loss from the defaulters.

[AIR 2022-23 Para No. 9]

2.95 District Council Vehari

Others

2.95.1 Non-recovery of conversion and map fees – Rs 25.079 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.” According to Rule 39 of Punjab Private Housing Schemes and Land Sub-Division Rules, 2010, “A developer shall deposit fee for conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land.”

During audit of DC Vehari for the FY 2022-23, it was observed that CO did not recover conversion and map fees amounting to Rs 25.079 million from developers of private housing schemes / LSDs as summarized below:

(Rupees in million)		
Sr. No.	Particulars	Amount
1	Commercial buildings	22.594
2	Housing colonies	2.485
Total		25.079

Due to weak internal controls, the non-recovery of conversion and building plan approval fees resulted in loss.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1546 dated 02.10.2023, followed by subsequent reminders vide No. 1615 dated 13.10.2023 and No. 1680 dated 01.11.2023. No progress was intimated till the finalization of this Report.

Audit recommends to probe the matter for fixing responsibility against the person(s) at fault besides recovery of conversion and map fees at the earliest.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.69.4 having financial impact of Rs 13.774 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 04]

2.95.2 Loss due to non-recovery of revenue – Rs 4.841 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of DC Vehari for the FY 2022-23, it was observed that CO did not recover rent of shops, water rates and income tax amounting to Rs 4.841 million as summarized below:

(Rupees in million)		
Sr. No.	Particulars	Recoverable Amount
1	Rent of shops	4.656
2	Water rates	0.185
Total		4.841

Due to weak financial and internal controls, government dues were not recovered which resulted in loss of revenue.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides recovery of government dues at the earliest.

Note: The issue was also reported earlier in the Audit Reports for the Audit Years 2022-23 and 2018-19 vide paras number 2.69.5 and 17.2.2.2 respectively having

financial impact of Rs 74.018 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2022-23 Para No. 06]

2.95.3 Payment of inadmissible pay and allowances – Rs 1.931 million

According to Government of the Punjab, Finance Department, Lahore, notification No. FD.PC.2-1/2001 dated 11.07.2011, “Integrated allowance is allowed to N/Qasids, Qasids, Daftries, Frashes, Chowkidars, Sweepers, Sweeperess & Security Guard.” Furthermore, according to Para No. 5 of letter No. FD (M-1)1-15/82-P-1, of Government of the Punjab, Finance Department, “In case government servant is allotted below, entitlement residence, he will not be allowed to draw house rent allowance and will have to pay house rent at the rate of 5% of maximum scale of the category for which residence is meant. In case government servant is allotted of above entitlement, he will not be allowed to draw house rent allowance and he will pay 10% rent of maximum of the scale for which residence is meant.”

During audit of DC Vehari for the FY 2022-23, it was observed that CO did not recover Rs 1.931 million from different employees on account of integrated allowance and house rent allowance as summarized below:

(Rupees in million)

Sr. No.	Description	Amount
1	Integrated Allowance	1.209
2	House Rent Allowance	0.722
Total		1.931

Due to weak internal controls, inadmissible allowances were paid which resulted in loss.

The matter was reported to PAO in September, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of inadmissible allowances and penal rent from concerned besides fixing responsibility against the person(s) at fault.

[AIR 2022-23 Para No. 05, 08]

2.96 Tehsil Council Ahmed Pur East

Procedural irregularities

2.96.1 Payment of brick work without lab test reports – Rs 2.549 million

According to Rules 9(13), 16(b) of Punjab Local Government (Works) Rule, 2017, the local government engineer and his subordinates shall be responsible for ensuring the work is executed in accordance with the specifications in technically sanctioned estimates and the provisions of the rules. The Engineer In charge and his subordinates shall be responsible for strict implementation of the term of the contract and shall adhere to the roles and responsibilities defined for execution of development work in Building and Road Department works Code.

During audit of TC Ahmed Pur East for the FY 2021-22, it was observed that Chief Officer made payment of Rs 2.549 million on account of brick work / pacca brick works to various contractors. Payment was made in different constructions and repair works without obtaining of lab test reports.

Due to weak internal controls, payment was made without obtaining lab test reports which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite request made by Audit vide letter No. RDA / BWP / Reports / 2022-23 / F-39 / CD 467 dated 02.05.2023, followed by subsequent reminders vide No. 518 dated 12.05.2023 and No. 522 dated 16.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery and regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 03]

Others

2.96.2 Non-achievement of targets of revenue – Rs 54.366 million

According to Rule 11(2) (c) of the Punjab Local Government (Accounts) Rules, 2017, “Chief Officer shall ensure that any sums due to local government are promptly realized and credited into local fund.”

During audit of TC Ahmed Pur East for the FY 2021-22, it was observed that Chief Officer did not achieve the targets of various heads of receipts amounting to Rs 54.366 million.

Due to weak financial management and poor performance of staff budgeted targets were not achieved which resulted in loss.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to probe the matter besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.71.3 having financial impact of Rs 34.519 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2021-22 Para No.06]

2.96.3 Non-undertaking of Community Initiatives – Rs 23.842 million

According to Section 214 of the PLGA, 2019, “Every local government shall allocate a portion of its funds, being not less than five percent of the total expenditures to be incurred by it in a particular financial year on construction works, to support such activities which are proposed by the residents and implemented by them directly through a Neighborhood Council in case of an urban local government and a Panchayat in case of a Tehsil Council.”

During audit of TC Ahmed Pur East for the FY 2021-22, it was observed that Chief Officer did not allocate five percent of budgeted expenditure amounting to Rs 23.842 million as community initiatives to support activities proposed by the residents and implemented through Panchayat.

Due to weak budgetary controls, funds were not allocated for community initiatives which resulted in violation of provision of the Punjab Local Government Act, 2019.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 16]

2.97 Tehsil Council Arifwala

Procedural irregularities

2.97.1 Irregular cash payment – Rs 3.028 million

According to Rule XV & Rule 27 (3) Chapter 2 of Receipts & Payment Rules 2021, “Payments shall be only be made to contractors, vendors, suppliers, employees, etc. through direct credit or through crossed cheques. Account’s officer may, as far as possible, disburse miscellaneous contingent payments to the contractors / suppliers by direct credit advice into their respective bank accounts or in exceptional cases by system generated cheques on submission of claim on bills / voucher to the Accounts Office.”

During audit of TC Arifwala for the FY 2021-22, it was observed that CO made cash payment amounting to Rs 3.028 million to the contingent paid staff instead of direct credit or through crossed cheques in violation of above rules. Further, advertisement, CNIC, personal files and other allied record of their recruitment was also not available / produced. The detail is as under:

(Rupees in million)

Month	No. of employees	Amount
July, 2021	56	1.130
August, 2021	47	0.949
September, 2021	47	0.949
Total		3.028

Due to weak internal controls, cash payments have been made to the contingent paid staff which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1000 dated 13.04.2023, followed by subsequent reminders vide No. 1051 dated 27.04.2023 and No. 1132 dated 22.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 12]

Others

2.97.2 Loss due to less recovery of conversion fees - Rs 1.175 million

According to Rule 50 (1) (a) & (d) of the Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “A Local Government shall levy fee for conversion of land use subject to scrutiny and clearance from District Planning and Design Committee, from agricultural, residential, peri-urban area to commercial use shall be 10% of the commercial value of the land. Conversion fee for the conversion of agricultural land to industrial use shall be 5% of the agricultural value of land.”

During audit of TC Arifwala for the FY 2021-22, it was observed that CO allowed the establishment of commercial buildings without recovery of conversion fees amounting to Rs 1.175 million.

Due to weak internal controls, government dues were not recovered which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of government dues besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.74.4 having financial impact of Rs 549.310 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2021-22 Para No. 07]

2.98 Tehsil Council Bahawalnagar

Others

2.98.1 Non-achievement of targets of revenue – Rs 11.375 million

According to Rule 11(2) (c) of the Punjab Local Government (Accounts) Rules, 2017, “Chief Officer shall ensure that any sums due to local government are promptly realized and credited into local fund.”

During audit of TC Bahawalnagar for the FY 2021-22, it was observed that Chief Officer did not achieve the targets of various heads of receipts amounting to Rs 11.375 million.

Due to weak financial management and poor performance of staff budgeted targets were not achieved which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite request made by Audit vide letter No. RDA / BWP / Reports / 2022-23 / F-39 / CD 467 dated 02.05.2023, followed by subsequent reminders vide No. 518 dated 12.05.2023 and No. 522 dated 16.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends to probe the matter besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No.06]

2.99 Tehsil Council Burewala

Procedural irregularities

2.99.1 Non-reconciliation of record of Immoveable Property Tax – Rs 26.251 million

According to Government of the Punjab, LG&CD Department letter No. SOTAX (LG) 2-46/08(PI) dated 20.02.2011, “Maintenance of daily recovery register by the TMA staff shall be ensured and recovery of Tax on Transfer of Immoveable Property (TTIP) shall be reconciled with the Revenue Staff preferably on daily basis and any departure from these directions shall be interpreted as misconduct and corrupt practice in terms of Punjab Employees Efficiency and Disciplinary Act (PEEDA).”

During audit of TC Burewala for the FY 2021-22, it was observed that CO collected immoveable property tax amounting to Rs 26.251 million without reconciliation / maintenance of allied record i.e. IP Tax register, rate schedule of the area or average rate, total land transferred, cost of structure, cost of land, location etc. The rate of land was not ascertainable from the produced partial deposit vouchers in absence of copy of registry. The realized income was also not reconciled with the Revenue Staff in violation of above directions. The detail is as under:

(Rupees in million)		
Description	Estimated Budget	Total Receipts
TTIP / Tax on Transfer of immovable property	92.000	26.251

Due to weak internal controls, record of TTIP receipts was not maintained and reconciled with Revenue Department which resulted in vulnerability to the leakage of resources and violation of the Government instructions.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1000 dated 13.04.2023, followed by subsequent reminders vide No. 1051 dated 27.04.2023 and No. 1132 dated 22.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends maintenance of record and reconciliation of income with Revenue Department besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 05]

Others

2.99.2 Defective / non-maintenance of accounts - Rs 33.930 million

According to Rule 8(1) of the Punjab Local Government (Accounts) Rules 2017, “The Accounts shall be maintained in the Forms or as prescribed by Auditor-General of Pakistan in APPM and Book of Forms.” Furthermore, according to Rule 42(2) read with Rule 43(1) and Form AR-41 of the Punjab Local Government (Accounts) Rules 2017, “The accounts officer shall prepare the monthly accounts in Form AR-38 to AR-42 on the basis of compiled accounts. At the end of each year, the accounts of the local government shall be compiled by the head of finance office in Form AR-38 to AR-42 and reconciled with the accounts on similar forms separately compiled by the Accounts Officer.”

During audit of TC Burewala for the FY 2021-22, it was observed that CO did not maintain the annual / monthly accounts according to the COA (Chart of Account) & according to NAM (New Accounting Model). Provided accounts were unsigned by the LFA staff and also by the Chief Officer and Finance Officer. There was no information available about the total assets, total liabilities, general and administration receipts, economic service receipts, trust & other public accounts receipts and payments, general provident receipts and payments, special deposits receipts and payments, cash flow statements etc. Accounts were prepared on different forms which did not provide the prescribed information as mentioned above. The detail is as under:

(Rupees in million)

Period	Budget				Expenditure			
	Salary	Non-salary	Development	Total	Salary	Non-salary	Development	Total
July-2021 -Oct-2021	54.434	670.901	240.032	965.366	12.108	21.822	-	33.930

Due to weak internal controls accounts were not prepared according to Government instructions which resulted in unreliable and irregular reporting of accounts.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends corrective measure be taken besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 04]

2.100 Tehsil Council Chak Jhumra

Others

2.100.1 Non-reconciliation of TTIP receipts – Rs 12.759 million

According to the Government of Punjab, LG&CD Department letter No. SO.TAX(LG)2-46/08(PI) dated 20.02.2011, “Maintenance of Daily Recovery Register by the Council staff shall be ensured and recovery of TTIP shall be reconciled with the Revenue Staff on daily basis and any departure from these directions shall be interpreted as misconduct and corrupt practice in terms of PEEDA Act.”

During audit of TC Chak Jhumra for the FY 2021-22, it was observed that CO realized income amounting to Rs 12.759 million on account of TTIP during the period 01.07.2021 to 17.10.2021 but these receipts were not got reconciled with Revenue Department on daily basis in violation of the above directions.

Due to weak internal and financial controls, TTIP income was not reconciled with Revenue Department which resulted in violation of Government instructions.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/420 dated 13.04.2023, followed by subsequent reminders vide No.524 dated 28.04.2023 and No.548 dated 05.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends reconciliation of income with the Revenue Department besides fixing responsibility on the person(s) at fault.

Note: The issue was reported in the Audit Report for Audit Year 2022-23 vide Para No.2.79.2 having financial impact of Rs 65.527 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2021-22 Para No.1]

2.101 Tehsil Council Chichawatni

Procedural irregularities

2.101.1 Irregular payments without pre-audit- Rs 32.030 million

According to Rules 33 (1)(a) of Punjab Local Governments (Accounts) Rules 2017, “The Accounts Officer while pre-auditing the payment, shall ensure that the claims submitted for payment are valid on the basis of certificate dully recorded the drawing and disbursing officer on form AR-3, work has been actually carried out in side according to the specification and agreed quantity, the services has been rendered according to the agreement and supply has been made according to agreed quantity and quality.”

During audit of TC Chichawatni for the FY 2021-22, it was observed that CO and Accounts Officer made payment of Rs 32.030 million to contractors on account of development schemes without pre-audit of bills. The bills neither pre-audited nor payment order was signed by Accounts Officer. The payments were authorized/ funds were drawn without applying pre-audit checks.

Due to weak financial control, funds were withdrawn without pre-audit which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1000 dated 13.04.2023, followed by subsequent reminders vide No. 1051 dated 27.04.2023 and No. 1132 dated 22.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 08]

2.101.2 Mis-procurement – Rs 3.977 million

According to Rule 8 of the Punjab Procurement Rules 2014, “A procuring agency shall, within one month from the commencement of a financial year, devise annual planning for all proposed procurements with the object of realistically

determining the requirements of the procuring agency.” Further, according to Rules 9 and 12(1) of the Punjab Procurement Rules 2014, “Procuring agency shall announce proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s website. Procurement opportunities over Rs 200,000 and up to Rs 3,000,000 shall be advertised on the PPRA’s website in the manner and format specified by the PPRA from time to time.

During audit of TC Chichawatni for the FY 2021-22, it was observed that CO incurred irregular expenditure amounting to Rs 3.977 million for different items i.e. rental charges, tentage, furniture and panaflex etc. without observing PPRA rules. Annual requirement was neither consolidated nor was planned procurement advertised in print media and on PPRA website. Further, payment was authorized without deduction/ less deduction of taxes amounting to Rs 289,664.

Due to weak internal controls, different items were purchased without observing PPRA Rules, and without deduction/ less deduction of taxes which resulted in mis-procurement and loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends regularization of expenditure, recovery of government loss besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.80.2 having financial impact of Rs 3.359 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2021-22 Para No. 05]

2.101.3 Non-deduction of social security contribution – Rs 2.736 million

According to Section 20(1) & (9) of the Provincial Employees Social Security Ordinance, 1965, “The competent public authority shall before final

settlement of the claims of contractors or licensee shall require the production of a certificate from the institution showing that the necessary contributions have been paid and in default of such certificates, it shall deduct from the amount otherwise payable in settlement of such claim @ 6 percent and pay such amount directly to the institution.

During audit of TC Chichawatni for the FY 2021-22, it was observed that CO did not make efforts to deduct the Social Security Contribution @ 6 percent amounting to Rs 2.736 million from claims of the contractors before making payments. Payments were made without obtaining certificate regarding payment of Social Security Contribution of workers employed by the contractors. The detail is as under:

(Rupees in million)

No. of Contractors	No. of Employees	Average wage rate/Annum	Total Wages	Amount @ 6%
171	855	80,000	68.400	2.736

Due to weak internal controls, deduction of Social Security Contribution was not made which resulted in excess payment to the contractors and loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 07]

Others

2.101.4 Loss due to non-deposit of Government taxes – Rs 58.067 million

According to Punjab Sales Tax on Services Act, 2012 Sr. No.14 classification 9824.000 and 9814.2000 rate of tax is five percent without input tax credit/ adjustment in respect of Government civil works and sixteen percent without input tax credit/ adjustment for others. Further according to Section 153(1) (c) of Income Tax Ordinance amended vide Finance Act. 2015 read with clause 3(ii) & (iii) of Division III of Part III of the First Schedule, “The rate of tax to be deducted from a payment referred to in clause (c) of sub-section (1) of section 153 shall be:

- (ii) In case of a company, 7% of the gross amount payable, if the company is a filer and 10% if the company is a non-filer; and
- (iii) In any other case, 7.5% of the gross amount payable, if the person is a filer and 10% if the person is a non-filer.

During audit of TC Chichawatni for the FY 2021-22, it was observed that CO deducted Income Tax, GST and PST amounting to Rs 58.067 million from the payments of various contractors. The same amount was not deposited into FBR and PRA accounts during the year. The detail is as under:

(Rupees in million)

Name of tax	Amount
Income tax	20.065
GST	0.528
PST	37.474
Total	58.067

Due to weak internal controls, the Government taxes were not deposited which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends deposit of taxes besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 06]

2.102 Tehsil Council Chishtian

Others

2.102.1 Non-achievement of targets of revenue – Rs 13.113 million

According to Rule 11(2) (c) of the Punjab Local Government (Accounts) Rules, 2017, “Chief Officer shall ensure that any sums due to local government are promptly realized and credited into local fund.”

During audit of TC Chishtian for the FY 2021-22, it was observed that Chief Officer did not achieve the targets of various heads of receipts amounting to Rs 13.133 million.

Due to weak financial management and poor performance of staff budgeted targets were not achieved which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite request made by Audit vide letter No. RDA / BWP / Reports / 2022-23 / F-39 / CD 467 dated 02.05.2023, followed by subsequent reminders vide No. 518 dated 12.05.2023 and No. 522 dated 16.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends to probe the matter besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No.02]

2.103 Tehsil Council Dera Ghazi Khan

Procedural irregularities

2.103.1 Irregular expenditure on daily wage staff – Rs 3.948 million

According to Government of the Punjab, Finance Department, Notification No.RO (Tech) FD-2-2/2001 dated 03.11.2008, “Appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.” Furthermore, according to Para 3 of Government of the Punjab LG & CD Department letter No.SO-ADMNII (LG) 3-55/2007 dated 03.03.2016, “It has also come to the notice of the Department that the Local Governments in Punjab are appointing the work charge / daily wages employees without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules. Therefore, it has been decided that in future no work charge / daily wages employee will be appointed without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of TC Dera Ghazi Khan for the FY 2021-22, it was observed that CO incurred expenditure amounting to Rs 3.948 million on wages of work charged / daily wages staff. The recruitment was made by the management without observing prescribed recruitment process i.e. advertisement of the posts, processing of files for preparation of merit list followed by recommendation of recruitment committee etc. The detail is as under:

(Rupees in million)

Period	Employees	No. of Employees	Amount
2021-22	Sanitary Workers	60	2.373
	Work Charge	26	1.575
Total			3.948

Due to weak internal controls, recruitment process was made without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-502 dated 08.05.2023, followed by subsequent reminders No.

574 dated 05.06.2023 and No. 808 dated 18.07.2023. No progress was intimated till the finalization of this Report.

Audit recommends that matter may be investigated and responsibility may be fixed against the person(s) at fault.

[AIR 2021-22 Para No. 7, 11]

2.103.2 Defective tendering of development works – Rs 2.980 million

According to Rule 12 (2) of the Punjab Procurement Rules 2014, “All procurement opportunities over two million rupees should be advertised on PPRA website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu.” Further According to Rule 9 (2) of the Punjab Local Governments (Works) Rules 2017, “After the administrative approval and technical sanction for the work is accorded, bid shall be invited with the prior approval of the Mayor or Chairman by the Chief Officer or any other officer duly authorized by the Chairman or Mayor.” Further, as per Finance Department letter No. RO (TECH) FD – 1 – 2 / 83 /-VI dated 29.03.2005, “Technical Sanction be issued before inviting tenders, the particulars of technical sanction i.e. amount, number and date of orders of Technical Sanction be mentioned in the tender inviting notice as well as in the letter of acceptance of tender to be issued to the contractor.”

During audit of TC Dera Ghazi Khan for the FY 2021-22, it was observed that CO invited tenders for development schemes of Rs 2.980 million through advertisement in only PPRA website. No particulars of technical sanction i.e. TS number and date of orders of Technical Sanctions were mentioned in the advertisement. It was evident that work was split into two schemes in violation of above rules.

(Rupees in million)

Sr. No.	Name of Scheme	Contractor	Rate tendered by M/s Shahbaz	Rate tendered by M/S Ameer Hussain	Amount
1	Construction/Rehabilitation and laying of sub base course schemes and installation of lights with other allied works of Muharrum ul Haram routes Zone-A Tehsil Council D.G Khan	Shahbaz Abbas	0.020% below	0.010% below	1.495

Sr. No.	Name of Scheme	Contractor	Rate tendered by M/s Shahbaz	Rate tendered by M/S Ameer Hussain	Amount
2	Construction/Rehabilitation and laying of sub base course schemes and installation of lights with other allied works of Muharrum Ul Haram routes Zone-B Tehsil Council D.G Khan	Ameer Hussain	0.010% below	0.015% below	1.485
Total					2.980

Due to weak internal controls, tender was advertised only on PPRA website which resulted in defective tendering of development schemes.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends proper justification or fixing responsibility against the person(s) at fault besides regularization of expenditure from competent authority.

[AIR 2021-22 Para No. 4]

2.103.3 Unjustified releases of security deposits - Rs 2.814 million

According to para 5.1(II)(d), of B&R Code, “When a sum so held in deposit is ultimately paid to the contractor concerned, his acknowledgement should be set forth such particulars as would establish the settlement of this account in connection with the work concerned. It is further explained that Security Deposit Register shall be maintained and any receipt and return will be debited and credited in the concerned account.”

During audit of TC Dera Ghazi Khan for the FY 2021-22, it was observed that CO made a payment of Rs 2.814 million out of Security Bank Account No. PK75PUN 6620200583600040 against refund of security to contractors but security deposit register was not maintained. Further no cashbook was maintained to check opening balance, closing balance, receipts and payments of the whole financial year. The proof of authenticity of security returned to contractors was not available.

Due to poor internal controls, security deposit was released without supporting documents which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends provision of supporting documents besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 8]

Others

2.103.4 Non-recovery of Government revenue – Rs 2.783 million

According to Rule 47 of the Punjab Local Government (Budget) Rules 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited to the Local Fund.”

During audit of TC Dera Ghazi Khan for the FY 2021-22, it was observed that CO failed to recover / less recovered and credited revenue / taxes / fees amounting to Rs 2.783 million that was recoverable under various heads of accounts as per detail given below:

(Rupees in million)		
Sr. No.	Description	Amount
1	Bank Profit earned on Security Account but not credited to General Fund Account	0.303
2	Income Tax, GST and PST realized but not deposited	2.480
Total		2.783

Due to weak internal controls, Local Government revenue were not / less realized which resulted in loss.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of outstanding revenue besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 2, 3]

2.104 Tehsil Council Gojra

Procedural irregularities

2.104.1 Withdrawal of funds without maintenance of record and bank reconciliation – Rs 5.736 million

According to Rule 27 of the Punjab Local Governments (Accounts) Rules, 2017, “The DDO, sanctioning authority, head of finance office and the accounts officer shall ensure the implementation of requirements in all expenditure transactions including pre-audit of claims and authorization of payment, issuance of cheques for payment, recording expenditure in the accounting records, reconciliation of the daily totals as per daily advice note, prepared from the cheque register, with the daily expenditures recorded in the Abstract, reconciliation of expenditure as per daily advice note with the bank scroll, reconciliation of expenditure as per daily advice note and the Abstract with the cash book of the drawing and disbursing officer.”

During audit of TC Gojra for the FY 2021-22, it was observed that different transactions amounting to Rs 5.736 million were found in bank statement. However, authorities of TC failed to maintain / provide record of those transactions for audit scrutiny. Moreover, bank reconciliation was also not carried out during the period.

Due to weak internal controls, record of withdrawn funds was not maintained / provided for audit verification and bank reconciliation was not carried out which resulted in irregular withdrawal of funds.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/ 523 dated 28.04.2023, followed by subsequent reminder vide No.549 dated 05.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends to probe the matter for non-reconciliation besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 10]

Others

2.104.2 Less recovery of conversion fees from owner of petrol pump – Rs 1.700 million

According to Rule 60(1)(a)(e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 read with letter No.SO(LG)38-18/2009-P dated 06.03.2020 of Government of the Punjab LG&CD Department, “The conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be charged @ of 5% if value of land is less than one million rupees, 10% of value of land one million rupees to ten million rupees and 20 per cent for value of land more than ten million rupees.”

During audit of TC Gojra for the FY 2021-22, it was observed that CO recovered less conversion fees amounting to Rs 1.700 million against the land converted for installation of petrol pump during Financial Year 2020-21. Scrutiny of record depicted that owner of land applied for conversion of land measuring 05 Kanals and 10 Marlas, as evident from request sent to Additional Deputy Commissioner (Revenue) via Assistant Commissioner Gojra for assessment of commercial value (rate) of land, whereas the case for recovery was processed against land measuring 02 Kanals and 10 Marlas. The detail is as under:

(Rupees in million)

Description of land	Area of land processed	Actual area of land	Commercial rate per Marla	Actual Value of land	Actual conversion fees @ 20%	Conversion fees recovered	Amount less recovered
Muhammad Saleem S/o Muhammad Deen Square No. 51 Kila No. 6/1Chak No. 370/JB Gojra	2 K & 10 M (50 Marlas)	5 K & 10 M (110 Marlas)	0.100	11.000	2.200	0.500	1.700

Due to weak internal controls, less conversion fees was recovered from the owner of petrol pump which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to probe the matter for recovery of conversion fees from the concerned besides action against defaulters.

[AIR 2021-22 Para No. 8]

2.105 Tehsil Council Jampur

Others

2.105.1 Non-recovery of Government revenue – Rs 81.035 million

According to Rule 47 of the Punjab Local Government (Budget) Rules 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited to the Local Fund.”

During audit of TC Jampur for the FY 2021-22, it was observed that CO failed to recover amounting to Rs 81.035 million under various heads of accounts as per detail given below:

(Rupees in million)		
Sr. No.	Description of recovery	Amount
1	Recovery of map and conversion fees from building owners	17.397
2	Conversion fees (LSD)	31.005
3	Recovery of map and conversion fees from commercial market	5.640
4	Rent of shops	1.538
5	Water rates charges	10.043
6	Provincial Sales Tax	11.277
7	Transfer fees from tenants	0.980
8	GST not transferred to FBR	3.155
Total		81.035

Due to weak internal controls, Local Government revenue were not / less realized which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-502 dated 08.05.2023, followed by subsequent reminders No. 574 dated 05.06.2023 and No. 808 dated 18.07.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery of outstanding revenue besides fixing responsibility against person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.93.4 having financial impact of Rs 11.759 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2021-22 Para No. 1, 2, 3, 4, 5, 6, 9, 10]

2.105.2 Loss due to non-auctioning of shops -Rs 22.094 million

According to Rule 16 (c) of the Punjab Local Government (Property) Rules 2018, “The initial lease period of the shop or commercial property shall not exceed fifteen years.” Furthermore, sub rule (e) of ibid states that “The lease may be extended with mutual consent of the local government and the lessee for any period not exceeding ten-year subject to the revised rent assessed by the District Rent Assessment Committee and there shall be an automatic increase in the rent at the rate of ten percent for each extended year of lease.”

During audit of TC Jampur for the FY 2021-22, it was observed that CO did not re-auction shops after expiry of contract. The agreement period of lease of rent of shops in Dajal city was expired on June, 2018. The shops have to re-auction on 30 June 2018. Due to this, the rent of shops was also not increased/recovered up to market value which cause loss to TC Jampur amounting to Rs 22.094 million.

Due to weak financial controls, shops were not re-auctioned which resulted in less collection of revenue.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends fixing of responsibility against the person(s) at fault for non-auctioning of shops in time.

[AIR 2021-22 Para No.7]

2.106 Tehsil Council Jaranwala

Procedural irregularities

2.106.1 Execution of schemes without fulfilling codal formalities – Rs 31.756 million

According to Rule 4 (3) of the Punjab Local Governments (Works) Rules, 2017, “The work costing rupees 1.5 million or above shall be prepared on the PC-I prescribed by the Government and approved in the manner prescribed for approval of PC-I.” Further, according to Rule 5 (2) of the Rules *ibid* “For the preparation of rough cost estimates, the engineering staff shall inspect the site and work out the feasibility of the work through images or photographs of the site.” Furthermore, according to Rule 9 of the Rules *ibid*, “All the contract deeds shall be executed on standard contract form. The contract between the local government and the contractor shall be executed by the Chairman or an officer authorized by him, on the stamp paper of the requisite value.”

During audit of TC Jaranwala for the FY 2021-22, it was observed that CO made payment amounting to Rs 31.756 million to the contractors on account of four works. Estimated cost of works was prepared and technically sanctioned without sites plan, identification of sites of work supported by photographs / images and without approval of PC-I from the competent authority. Further, the contractor failed to complete the work till the date of audit i.e. March, 2023 which was required to be completed up to October, 2021. It is pertinent to mention that most of the payments were made on last working day before dissolution of the Tehsil Council without considering above mentioned formalities by the TC as well as Local Fund Audit authorities.

Due to weak internal controls, schemes were initiated without identification of sites, entering into formal agreements and approval of PC-I which resulted in irregular expenditure.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/420 dated 13.04.2023, followed by subsequent

reminders vide No.524 dated 28.04.2023 and No.548 dated 05.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry for fixing responsibility against the person(s) at fault.

Note: The issue was reported in the Audit Report for Audit Year 2022-23 vide Para No.2.94.5 having financial impact of Rs 3.354 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2021-22 Para No. 10]

2.106.2 Irregular expenditure on procurement – Rs 2.194 million

According to Rule 12 & 59(a) of the Rules *ibid*, “A procuring agency shall advertise procurement of more than two hundred thousand rupees and up to the limit of three million rupees on the website of the Authority and a procuring agency may engage in petty purchases through at least three quotations where the cost of the procurement is more than seventy-five thousand rupees but less than two hundred thousand rupees.”

During audit of TC Jaranwala for the FY 2021-22, it was observed that CO incurred expenditure amounting to Rs 2.194 million for lifting & dumping of garbage, procurement of stationery, repair of computers etc. However, expenditure was incurred without execution of framework contract by splitting and keeping the cost of each bill below the financial limit of Rs 200,000 & 75,000 to avoid tendering. Further procurement were made from unregistered persons without mentioning specifications.

Due to weak internal controls, procurements were made without open competition, advertisement on PPRA’s website and maintenance of proper record which resulted in irregular expenditure and mis-procurement.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry for fixing responsibility against the person(s) at fault besides regularization of expenditure from the competent authority.

Note: The issue was reported in the Audit Report for Audit Year 2022-23 vide Para No.2.94.6 having financial impact of Rs 1.453 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2021-22 Para No. 3]

2.107 Tehsil Council Kabirwala

Others

2.107.1 Non-achievement of targets of revenue – Rs 20.489 million

According to Rule 11 (2) (C) of Punjab Local Governments (Accounts) Rules 2017, “Chief Officer shall ensure that any sums due to local government are promptly realized and credited into local fund.”

During audit of TC Kabirwala for the FY 2021-22, it was observed that CO less achieved the targets amounting to Rs 20.489 million against fixed revenue targets of Rs 28.040 million on account of rent of shops, license & permit fees, advertisement and publicity charges, map fees, conversion fees. Relevant staff did not make due efforts to recover / realize revenue.

Due to weak internal controls, targets of revenue were not achieved which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1000 dated 13.04.2023, followed by subsequent reminders vide No. 1051 dated 27.04.2023 and No. 1132 dated 22.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 03]

2.107.2 Undue retention of funds in the bank accounts of defunct LGs – Rs 8.812 million

According to Government of the Punjab, LG&CD Department’s Notification No. SOR (LG) 1-11/2019 dated 17.10.2021, “Pursuant to short order dated 25.03.2021 of August Supreme Court of Pakistan and detailed judgment announced in the month of July 2021, notification Nos. SOR (LG) 1-11/2019, SOR (LG) 38-34/2018 dated 04.05.2019, SOR (LG) 1-11/2019 and notifications of

constitution of local governments (including Tehsil Councils) under Punjab Local Government Act 2019 dated 07.11.2019 are hereby withdrawn, with immediate effect, subject to outcome of Review Petitions Nos. 117 & 118 of 2021 filed by the Government of the Punjab, pending adjudication before the august Court.”

During audit of TC Kabirwala for the FY 2021-22, it was observed that the orders of constitution of Tehsil Councils were withdrawn by the competent authority w.e.f. 17.10.2021 but the defunct Tehsil Council did not close its bank accounts and public money amounting to Rs 8.812 million was unduly retained instead of transferring the same into the bank accounts of succeeding LGs. The detail is as under:

(Rupees in million)

Bank A/C No.	Description of A/C	Closing Balance on 28.03.2023
5550200282200053	General Account- Local Fund Tehsil Council Kabirwala	5.789
5550200282200018	Development Account - Local Fund Tehsil Council Kabirwala	1.702
5550200302000042	General Account - Local Fund Town Committee Sarai Sidhu	1.231
5550200302000020	Pension Account - Public Fund Town Committee Sarai Sidhu	0.090
Total		8.812

Due to weak internal controls, neither bank accounts of defunct LGs were closed nor the funds available in those accounts were transferred to succeeding LGs resulted in financial indiscipline.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends transfer of the funds to succeeding LGs besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 02]

2.107.3 Non-recovery of arrears of lease – Rs 1.987 million

According to Rule 11 (2) (C) of Punjab Local Governments (Accounts) Rules 2017, “Chief Officer shall ensure that any sums due to local government are promptly realized and credited into local fund.”

During audit of TC Kabirwala for the FY 2021-22, it was observed that CO did not recover arrears of lease rent of agricultural land amounting to Rs 1.987 million from the tenants. Management and staff of Tehsil Council did not make efforts to recover the arrears of land revenue.

Due to weak internal controls, arrears of revenue were not recovered resulted into loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of amount due besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 08]

2.107.4 Loss due to non-registration of private housing schemes– Rs 1.854 million

According to Rule 4&38 of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, “The developer shall submit an application to the TMA, for seeking preliminary planning permission for a scheme before initiating any planning or development activity and shall pay the prescribed fee. Furthermore, Rule 35(1) of said rules “Empowers the TMO to monitor the development work of the schemes and ensure that there is no deviation from the sanctioned scheme plan.”

During audit of TC Kabirwala for the FY 2021-22, it was observed that CO did not recover Rs 1.854 million from the owners of 03 private housing schemes / land sub-divisions on account of conversion fees and map / design fees. The detail is as under:

(Rupees in million)

Sr. No.	Name of Housing Scheme	Total Area in Kanal	Scrutiny/ PPP fees @ Rs 1000	Sanction of scheme fees @ Rs.3000 /acre	*Map Fees @ Rs 500/ mark of saleable area	Design and specification for sewerage/ water supply @ Rs 500/kanal	Design and specification for road, bridge fees (Rs.500/Kanal)	Conversion Fees @ 1% of current residential prices	Total Fees due (Rs)	Fees deposited (Rs)	Balance (Rs)
1	London Town	42-00	1,000	15,750	420,000	21,000	21,000	0.840	1.319	-	1.319
2	Al-Jannat City (LSD)	42-18	1,000	16,125	429,000	21,500	21,500	0.086	0.575	0.330	0.245
3	Afriah City (LSD)	50-07	1,000	18,750	528,000	25,500	25,500	0.217	0.816	0.525	0.290
Total											1.854

Due to weak internal controls, illegal and unauthorized activities were not checked by the staff resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery and action against concerned owners / developer of land sub-division.

[AIR 2021-22 Para No. 10]

2.108 Tehsil Council Karor

Procedural irregularities

2.108.1 Irregular expenditure without administrative approval – Rs 75.706 million

According to Rule 5 of the Punjab Local Government (Works) Rules, 2017, the Development Committee of the local government shall exercise the powers of according administrative approval of the work, if it has been approved by the House and is reflected in the Annual Development Program. The work estimates beyond the above-mentioned limits shall be submitted to the District Development Committee (DDC), Divisional Development Committee or Departmental Development sub-committee or Provincial Development Working Party, as the case may be. Further, according to Paras x & xii of planning guidelines published in the Punjab Gazette dated 30.09.2020, upon approval/clearance of the development schemes by the Local Planning Board, the schemes shall be considered by the competent forum as stipulated in the PLG (Works) Rules, 2017 and Administrative Approval shall be issued by the competent authority.

During audit of TC Karor for the FY 2021-22, it was observed that CO made payment of Rs 75.706 million on account of development schemes. However, administrative approval was accorded by the committee headed by the Administrator of Tehsil Council instead of competent forum i.e. District Development Committee.

Due to weak internal controls, development schemes were executed without obtaining of administrative approval from competent authority which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/DGK/CD-502 dated 08.05.2023, followed by subsequent reminders No. 574 dated 05.06.2023 and No. 808 dated 18.07.2023. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No.11]

2.108.2 Irregular expenditure due to non-conducting of lab tests – Rs 22.298 million

According to the directions issued by the Secretary C&W Department, Government of the Punjab vide letter No. PA/SECY(C&W) 26.05/2009 dated 25.05.2009, the bitumen to be used should be tested from the Road Research & Material Testing Institute (RR&MTI) to ensure that it meets the AASHTO Standards. The bitumen for use on road was to be arranged by the contractor from the National Refinery Limited Karachi and documentary evidence in support thereof was to be produced.

During audit of TC Karor for the FY 2021-22, it was observed that CO incurred expenditure of Rs 22.298 million on provision of constructions of roads. Payments were made without compaction test reports of earth work, sub-base and base course and quality test report of bitumen in violation of above referred instructions of the Government.

Due to weak internal controls, work was executed without ensuring compaction testing of sub-base, base course and quality test of bitumen material which resulted in execution of substandard works and irregular expenditure.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry besides fixing responsibility against the person(s) at fault besides condonation of irregularity.

[AIR 2021-22 Para No.9, 10]

Others

2.108.3 Non-recovery of Government dues – Rs 2.525 million

According to chapter-IV Rule 4.7(1) of the Punjab Financial Rule, Vol-I, “It is primarily the responsibility of the departmental authority to see that all revenue, or other debts due to Government, which have to be brought to account, are correctly and promptly assessed, realized and credited to the Government account.”

During audit of TC Karor for the FY 2021-22, it was observed that CO failed to recover government dues of Rs 16.464 million as pointed out in the previous year audit paras. Further, various fees / taxes / rents were also not recovered. The detail is as under:

(Rupees in million)		
Sr. No.	Detail of recovery	Amount
1	Less deduction of Income Tax & Security Deposit	0.461
2	Excess payment of PST	0.134
3	Less deduction of Income Tax	0.822
4	Non-recovery of conversion fees	1.019
5	Payment excess than claim	0.089
Total		2.525

Due to weak internal controls, Government dues were not recovered from the defaulters which resulted in loss.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of Government dues besides disciplinary proceedings against the person(s) at fault.

[AIR 2021-22 Para No. 06, 07, 12, 13, 14]

2.109 Tehsil Council Khan Pur

Procedural irregularities

2.109.1 Irregular expenditure by non-observance of PPRA Rules – Rs 2.527 million

According to Rule 8 of the Punjab Procurement Rules 2014, “A procuring agency shall, within one month from the commencement of a financial year, devise annual planning for all proposed procurements with the object of realistically determining the requirements of the procuring agency. Further, according to Rules 9 and 12(1) of the Punjab Procurement Rules 2014 (amended 17.08.2020), procuring agency shall announce proposed procurements for each Financial Year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s website. Procurement opportunities over Rs 200,000 and up to Rs 3,000,000 shall be advertised on the PPRA’s website in the manner and format specified by the PPRA from time to time.

During audit of TC Khan Pur for the FY 2021-22, it was observed that Chief Officer incurred expenditure amounting to Rs 2.527 million on purchase of printing and publication, medicines and other store items without observing PPRA Rules. Annual requirement was not consolidated and planned procurement was not advertised in print media and on PPRA website. Further, purchase was made by splitting the indents resulting in irregular expenditure. The detail is as under:

(Rupees in million)

Sr. No.	Particulars	Budget	Expenditure
1	Printing and publication	1.000	0.113
2	Exhibitions, fairs and other national celebrations	2.000	0.925
3	Purchase of drug and medicines	2.000	0.282
4	Cost of other stores	3.000	1.207
Total			2.527

Due to weak internal controls, procurements were made without observing PPRA rules which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite request made by Audit vide letter No. RDA / BWP / Reports / 2022-23 / F-39 / CD 467 dated 02.05.2023, followed by subsequent reminders vide No. 518 dated 12.05.2023 and No. 522 dated 16.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure from the Competent Authority besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 3]

2.109.2 Irregular execution of schemes without PC-1 – Rs 1.941 million

According to Rule 4(3) (4) of PLG (Works) Rules 2017 “Work costing rupees 1.5 million or above shall be prepared on the PC-1 prescribed by the government and approved in the manner prescribed for approval of PC-I.”

During audit of TC Khan Pur for the FY 2021-22, it was observed that Chief Officer allowed execution of development schemes costing Rs 1.941 million. The Chief Officer did not ensure preparation and approval of PC-I in violation of above mentioned rule which resulted in irregular execution of development works. Administrative approval without preparation of PC-1 for projects costing Rs 1.500 million or above was irregular. The detail is as under:

(Rupees in million)

Sr. No.	Financial Year	Name of Scheme	Name of Contractor	Contract Amount	Expenditure Incurred
1	2021-22	Construction and improvement RCC culverts, drain, sewer line Muharrum Routs TC Khan Pur	M/s Jajvi & Co.	2.500	1.941

Due to weak internal controls, development schemes were executed without preparation of detailed PC-1 which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 07]

Others

2.109.3 Loss due to non-transfer of land of housing scheme – Rs 95.100 million

According to Chapter VIII Section 42 (f) & (h) of the Punjab Private Housing Schemes and Land Subdivision Rules, “A developer shall provide and submit a transfer deed in accordance with form “B” for free of cost transfer of open space or park (07%), public buildings (02 to 10%), internal roads and a ten marla plot for solid waste management to a Town Municipal Administration, a Tehsil Municipal Administration or a development authority.” Further, As per Chapter VIII Section 42 (i) of the Punjab Private housing Schemes and Land Subdivision Rules, “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.”

During audit of TC Khan Pur for the FY 2021-22, it was observed that Chief Officer did not transfer admissible land / area valuing Rs 95.100 million in its name from different approved land sub-division in the city area.

Due to weak internal controls, required area of land could not be transferred in the name of TC which resulted in loss.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends transfer of land area in the name of TC besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.102.2 having financial impact of Rs170.450 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2021-22 Para No. 12]

2.109.4 Loss due to non-recovery of fees from unapproved housing schemes – Rs 3.733 million

According to Land Use Rules 2009 and Chapter VIII Rule 60 (C) of Commercialization Rules 2008 “The conversion fee for the conversion of peri-

urban area or intercity services area to residential use shall be one percent (1%) of the value of the land as per valuation table. Further as per Rule 47 of Punjab Local Government (Budget) Rules 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited to the Local Fund.”

During audit of TC Khan Pur for the FY 2021-22, it was observed that Chief Officer did not take any action to approve five residential housing schemes and to recover various fees from the owners of residential schemes amounting to Rs 3.733 million.

Due to weak internal control, neither the residential schemes were approved nor various fees were recovered which resulted in loss.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No.11]

2.110 Tehsil Council Khanewal

Others

2.110.1 Non-achievement of targets of revenue – Rs 165.439 million

According to Rule 11(2) (C) of the Punjab Local Government (Accounts) Rules, 2017, “Chief Officer shall ensure that all sums due to local government are promptly realized and credited into local fund.”

During audit of TC Khanewal for the FY 2021-22, it was observed that CO fixed revenue targets of Rs 196.92 million on account of TTIP, license fees, map fees, conversion fees etc. Relevant staff did not make due efforts for recovery. As a result, revenue targets of 84 % amounting to Rs 165.439 million were not achieved.

Due to weak internal controls, targets of revenue were not achieved which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1000 dated 13.04.2023, followed by subsequent reminders vide No. 1051 dated 27.04.2023 and No. 1132 dated 22.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 14]

2.110.2 Non-recovery of arrears of shops and lease - Rs 4.198 million

According to Rule 47(1) of the Punjab Local Governments (Budget) Rules, 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited immediately into the local fund and entered in the proper receipt head.”

During audit of TC Khanewal for the FY 2021-22, it was observed that CO did not recover arrears amounting to Rs 4.198 million from tenants on account of rent of shops and leases. The detail is as under:

(Rupees in million)

Detail Receipt Head	Budget	Actual for the Year (01-07-21 to 17-10-21)	Recovery
Arrears of Shops	4.000	0.502	3.498
Arrears of Leases	0.700	-	0.700
Total			4.198

Due to weak internal controls, arrears of rent of shops and leases were not recovered which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery from concerned besides fixing responsibility against the person(s) at fault.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.103.3 having financial impact of Rs 3.632 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2021-22 Para No. 11]

2.110.3 Non-recovery of municipal property dues – Rs 1.657 million

According to Rule 7 of Punjab Local Governments (Budget) Rules 2017, “The Collecting officer is responsible to ensure timely recovery against each demand.” Further, according to Rule 47(1) of Punjab Local Governments (Budget) Rules, 2017, “The Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund and entered in proper receipt head.”

During audit of TC Khanewal for the FY 2021-22, it was observed that CO did not recover municipal property dues amounting to Rs 1.657 million on account of rent of municipal property. The detail is as under:

(Rupees in million)

Code No.	Detail of receipt head	Budget	Actual	Less recovery
Rent of Municipal Properties	Rent of municipal Property - Shops	1.700	0.043	1.657

Due to weak financial controls, municipal property dues were not recovered which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 10]

2.111 Tehsil Council Kot Addu

Others

2.111.1 Less realization of revenue – Rs 18.810 million

According to the Rule 13 of the Punjab Local Government (Budget) Rules, 2017, “To ascertain the revenue potential, the Local Government shall conduct a review of tax base.” Further, according to rule 14 of Rules *ibid*, “After completing the receipts estimates the collecting officer shall sign estimates and forward it to the head of the office.” Furthermore, according to Rules 11(2) and 14(d) of the Punjab Local Government (Accounts) Rules, 2017, “In the discharge of his responsibilities, the Chief Officer shall ensure that any sums due to the local government are promptly realized and credited to the local fund. The collecting officer shall collect receipts of the local government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement or compromise.”

During audit of TC Kot Adu for the FY 2021-22, it was observed that CO failed to achieve income targets set from 01.07.2021 to 17.10.2021 under various heads of income. No efforts were made by the collecting officers/officials to achieve the set targets due to which income amounting to Rs 18.810 million remained unrealized.

Due to weak internal controls and negligence, income targets were not achieved which resulted in short realization of revenue.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-502 dated 08.05.2023, followed by subsequent reminders No. 574 dated 05.06.2023 and No. 808 dated 18.07.2023. No progress was intimated till the finalization of this Report.

Audit recommends to probe the matter besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No.9]

2.111.2 Non-recovery of Government dues – Rs 3.393 million

According to chapter-IV Rule 4.7(1) of the Punjab Financial Rule, Volume-I, “It is primarily the responsibility of the departmental authority to see that all revenue, or other debts due to Government, which have to be brought to account, are correctly and promptly assessed, realized and credited to the Government account.”

During audit of TC Kot Adu for the FY 2021-22, it was observed that CO failed to recover government dues amounting to Rs 3.393 million as pointed out in the previous year audit paras. Further, various fees/taxes/rents were also not recovered. The detail is as under:

(Rupees in million)		
Sr. No.	Detail of recovery	Amount
1	Non-deposit of Income Tax and Punjab Sales Tax / General Sales Tax	3.393
Total		3.393

Due to weak internal controls, Government dues were not recovered from the defaulters which resulted in loss.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of Government dues besides disciplinary proceedings against the person(s) at fault.

[AIR 2021-22 Para No. 2]

2.112 Tehsil Council Layyah

Procedural irregularities

2.112.1 Irregular expenditure without administrative approval – Rs 11.481 million

According to Rule 5 of the Punjab Local Government (Works) Rules, 2017, the Development Committee of the local government shall exercise the powers of according administrative approval of the work, if it has been approved by the House and is reflected in the Annual Development Program. The work estimates beyond the above-mentioned limits shall be submitted to the District Development Committee (DDC), Divisional Development Committee or Departmental Development sub-committee or Provincial Development Working Party, as the case may be. Further, according to Paras x & xii of planning guidelines published in the Punjab Gazette dated 30.09.2020, upon approval/clearance of the development schemes by the Local Planning Board, the schemes shall be considered by the competent forum as stipulated in the PLG (Works) Rules, 2017 and Administrative Approval shall be issued by the competent authority.

During audit of TC Layyah for the FY 2021-22, it was observed that CO did made payment amounting to Rs 11.481 million on account of development schemes. However, administrative approval was accorded by the committee headed by the Administrator of Tehsil Council instead of competent forum i.e. DDC as so such powers of administration of Tehsil Council were not mentioned in the PLG (Works) Rules, referred above.

Due to weak internal controls, development schemes were executed without obtaining of administrative approval from competent authority which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA/ DGK/CD-502 dated 08.05.2023, followed by subsequent reminders No. 574 dated 05.06.2023 and No. 808 dated 18.07.2023. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No.8]

2.112.2 Irregular expenditure on works – Rs 2.616 million

According to item 43 of chapter 10 of MRS, 2nd Bi-Annual-2020 (1st July to 31st December, 2020) District Layyah “Rate was given for providing and laying tuff pavers, having 7,000 PSI crushing strength of approved manufacturer.”

During audit of TC Layyah for the FY 2021-22, it was observed that CO did made payment amounting to Rs 2.616 million to the contractors on account of tuff tile used in two development schemes. Neither gate passes nor other documents were provided to prove that tiles were purchased from approved manufacturers. Furthermore, lab test from approved laboratory for assessing the quality were not made. The detail is as under:

(Rupees in million)

Sr. No.	Scheme	Name of Contractor	Agreement Amount (Rs)	MB No. / Page No.	Quantity	Rate (Rs)	Amount
1	Providing and laying of tuff tile at Ladhana city	Ghulam Abbas Gujjar	2,470,328	22221 / 32 to 36	10,654	110.75	1.180
2	Provision of tuff tile Basti (Dr. Iqbal Dasti)	Khuda Baksh	1,999,960	920 / 03 to 07	12,970	110.75	1.436
Total							2.616

Due to weak internal controls, payment was made without proof of purchases from approved manufacturers which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No.9]

Others

2.112.3 Irregular award of contracts of collection rights – Rs 11.655 million

According to Condition No. 4 of the Terms & Conditions of Auction of Collection Rights for “Pattans”, successful bidder would be bound to deposit 1/3rd of total amount along with 1st instalment within three days after the bid.

During audit of TC Layyah for the FY 2021-22, it was observed that CO did leased out collection rights of different “Pattans” at an agreement cost of Rs 11.655 million. According to demand notices issued by the Chief Officer Tehsil Council, Layyah, successful bidders were directed to deposit an amount of Rs 4.242 million and execute agreement for issuance of work order. Scrutiny of record depicted that agreements with successful bidders were executed after deposit of only Rs 1.865 million by the contractors in violation of above referred condition. Resultantly, irregular award of collection rights amounting to Rs 11.655 million was made. The detail is as under:

(Rupees in million)

Sr. No.	Description	Contractor	Lease Amount	Demand Notice Amount for Agreement	Amount Deposited before Agreement
1	Khojay Wala Pattan	M. Saleem	1.750	0.733	-
2	Bakhri Ahmed Khan	Saeed Ahmed	2.560	0.873	-
3	Chandia Wala Pattan	Kashif Mehmood	3.550	1.298	0.800
4	Jhakhar Pattan	Fayyaz Ahmad	0.415	0.148	0.148
5	Khokhar Wala Pattan	Sajjad Hussain	0.580	0.207	0.140
6	Shah Wala Pattan	Ghulam Murtaza	2.800	0.985	0.777
Total			11.655	4.244	1.865

Due to weak internal controls, collection rights were awarded without observing Terms & Conditions of Auction which resulted in irregular award of contracts.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to probe the matter for fixing responsibility against the person(s) at fault besides regularization of matter from the competent authority.

[AIR 2021-22 Para No.7]

2.112.4 Non-recovery of Government dues – Rs 4.249 million

According to chapter-IV Rule 4.7(1) of the Punjab Financial Rule, Volume-I, “It is primarily the responsibility of the departmental authority to see that all revenue, or other debts due to Government, which have to be brought to account, are correctly and promptly assessed, realized and credited to the Government account.”

During audit of TC Layyah for the FY 2021-22, it was observed that CO did failed to recover government dues amounting to Rs 4.249 million as pointed out in the previous year audit paras. Further, various fees/taxes/rents were also not recovered. The detail is as under:

(Rupees in million)

Sr. No.	Detail of recovery	Amount
1	Non-deposit / recovery of Penal Rent, HRA & HRC	0.140
2	Less / non-recovery of taxes	1.209
3	Non-recovery of conversion and other miscellaneous fees	2.900
Total		4.249

Due to weak internal controls, Government dues were not recovered from the defaulters which resulted in loss.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of Government dues besides disciplinary proceedings against the person(s) at fault.

[AIR 2021-22 Para No. 2, 6, 12]

2.113 Tehsil Council Liaqat Pur

Procedural irregularities

2.113.1 Irregular clearance of pending liabilities – Rs 114.521 million

According to Rule 17.17(A) of PFR Vol-I, “Every DDO shall maintain a register of pending liabilities in PFR Form No. 27 in which he will enter all those items of expenditure for which,

- Payment is made by or through another officer.
- Budget allotment or sanction of a higher authority is to be obtained.
- Payment would be required partly of wholly during the next Financial Year or years.”

During audit of TC Liaqat Pur for the FY 2021-22, it was observed that Chief Officer made payment amounting to Rs 114.521 million on account of pending liabilities of POL, TA/DA and previous year’s development schemes without maintenance of pending liabilities register. Approval of competent authority and additional budget was not obtained to clear the pending liabilities.

Due to weak internal controls, pending liabilities were paid without approval of competent authority which resulted in irregular payments.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite request made by Audit vide letter No. RDA / BWP / Reports / 2022-23 / F-39 / CD 467 dated 02.05.2023, followed by subsequent reminders vide No. 518 dated 12.05.2023 and No. 522 dated 16.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 6]

2.113.2 Non-undertaking of Community Initiatives – Rs 22.116 million

According to Section 214 of the PLGA, 2019, “Every local government shall allocate a portion of its funds, being not less than five percent of the total

expenditures to be incurred by it in a particular financial year on construction works, to support such activities which are proposed by the residents and implemented by them directly through a Neighborhood Council in case of an urban local government and a Panchayat in case of a Tehsil Council.”

During audit of TC Liaqat Pur for the FY 2021-22, it was observed that Chief Officer did not allocate five percent of budgeted expenditure amounting to Rs 22.116 million as community initiatives to support activities in violation of above instructions.

Due to weak internal controls, funds were not allocated for community initiatives which resulted in violation of rules.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 9]

Others

2.113.3 Poor performance in service delivery

According to rule 34 of Punjab Local Governments (Rules of business) Rules, 2017 Municipal Officer Infrastructure is responsible to provide, manage, operate, maintain and improve the municipal services including water supply, sewerage, roads, streets etc.

During audit of TC Liaqat Pur for the FY 2021-22, it was observed that resolution of public complaints received through Pakistan Citizen Portal against service delivery were found poor. Non-satisfaction level of public against submitted complaints was only 55.10%. The detail is as under:

Complaints Resolved	Feedback received	Positive Feedback	Citizen Satisfied in %age	Not Satisfied in %age
26 Fully + 22 Partially	98	44	44.9	55.1

Source: Dashboard of Chief Officer TC Liaqat Pur at Pakistan Citizen Portal

Due to weak internal administrative controls, proper service delivery was not ensured by the management of TC which resulted in non-satisfaction of general public.

The matter was reported to PAO in April 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends resolution of public complaints regarding provision of municipal services, besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 10]

2.114 Tehsil Council Mian Channu

Procedural irregularities

2.114.1 Non-transparent bidding and incorrect compaction test report – Rs 3.844 million

According to Rule 4 of the Punjab Procurement Rules 2014, “A procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner, the object of procurement brings value for money to the procuring agency and the procurement process is efficient and economical.” Further, according to Rule 27 (3) (a) of Punjab Local Governments (Accounts) Rules 2017, “Sanctioning authority shall exercise the same vigilance in the expenditure from the local fund as a person of ordinary prudence may exercise in respect of his own money.”

During audit of TC Mian Channu for the FY 2021-22, it was observed that CO made payment amounting to Rs 3.844 million for execution of scheme “Rehabilitation of M/R Chak No.47/15 L.” Transparent tendering process was not held as the contractor had arranged CDRs on 21.01.2021 well before the date of bid opening (23.01.2021). Further, compaction test report dated 25.06.2021 was also not correct as sub-grade could not be tested after laying sub base and base course. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Irregular expenditure due to non-transparent bidding	3.844
2	Irregular expenditure due to incorrect compaction test report	
Total		3.844

Due to weak internal controls, tendering process was not held transparently which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1000 dated 13.04.2023, followed by subsequent reminders vide No. 1051 dated 27.04.2023

and No. 1132 dated 22.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 07]

Others

2.114.2 Non-achievement of targets of revenue – Rs 23.223 million

According to Rule 11 (2) (C) of Punjab Local Governments (Accounts) Rules 2017, “Chief Officer shall ensure that any sums due to local government are promptly realized and credited into local fund.”

During audit of TC Mian Channu for the FY 2021-22, it was observed that CO fixed revenue targets of Rs 26.500 million on account of rent of shops, advertisement and publicity charges, conversion fees etc. The concerned staff did not make due efforts to recover / realize revenue. As a result, revenue targets of 88 % amounting to Rs 23.223 million could not be achieved. Furthermore, revised budget/targets (if any) were not produced to Audit. The detail is as under:

(Rupees in million)

Sr. No.	Detail Receipt Head	Budget	Actual Receipts	Recovery
1	Fees for approval of building/ construction plan	2.500	0.136	2.364
2	Conversion fees for change in building use	4.500	0.089	4.411
3	Advertisement fees on billboards/ hoardings	1.500	0.393	1.107
4	Arrears of shops	13.600	2.547	11.053
5	Rent of municipal property / shops	4.400	0.111	4.289
Total		26.500	3.277	23.223

Due to weak internal controls, targets of revenue were not achieved which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 02]

2.115 Tehsil Council Multan Saddar

Procedural irregularities

2.115.1 Non-transfer of area of public amenities – Rs 32.835 million

According to Rule 18 of Punjab Private Housing & Land Sub-division Rules 2010, “Land for roads and public places is to be transferred in the name of local government concerned.”

During audit of TC Multan Saddar for the FY 2021-22, it was observed that CO did not get transferred land for roads and public places from land sub-divisions amounting to Rs 32.835 million in the name of TC Multan Saddar. The detail is as under:

(Rupees in million)

Name of LSD	Location	Application date	Name of developer	Total area (kanal)	Area for roads and public places 40% (Marla)	Rate per Marla (Rs)	Amount
Baba Fareed LSD	Mauza khairpur, near Qasim Bela	23.06.2021	Javed Akhtar Bhutta	45	360	46,690	16.808
Nawab city	Near saida wali kholi, Nawabpur road Multan	02.07.2021	Muhammad Asgher	44	280	57,241	16.027
Total							32.835

Due to weak internal controls, land sub-divisions were constructed without transfer of land in the name of TC Multan which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1000 dated 13.04.2023,

followed by subsequent reminders vide No. 1051 dated 27.04.2023 and No. 1132 dated 22.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends transfer of land besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 16]

Others

2.115.2 Non-realization of Government receipts – Rs 15.918 million

According to Rule 4.1 of PFR, Vol-I, “The departmental controlling officers should accordingly see that all sums due to Government are regularly received and checked against demands, and that they are paid into the treasury.” 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 the Government through fraud or negligence on his part.”

During audit of TC Multan Saddar for the FY 2021-22, it was observed that CO failed to recover government dues amounting to Rs 15.918 million. The detail is as under:

(Rupees in million)		
Sr. No.	Nature of receipts	Amount
1	Non-recovery of drainage / sewer fees	3.117
2	Unauthorized construction of petrol pump without payment of fees	2.335
3	Non-approval and recovery of fees from the land sub-divisions	2.036
4	Unauthorized construction of buildings for industrial use without payment of fees	8.430
Total		15.918

Due to weak internal controls, the receipts were not realized / deposited which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of the government dues besides disciplinary proceedings against the person(s) at fault.

[AIR 2021-22 Para No. 05, 11, 12, 13]

2.115.3 Establishment of land sub-divisions – Rs 2.216 million

According to Rule 39 and 44 (a) of Punjab Private Housing Schemes and Land Sub-Division Rules, 2010, “A developer shall deposit fee for conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land as per valuation table or one percent of the average sale price of preceding twelve months of residential land in the vicinity, if valuation table is not available. A developer shall submit an application for sub-division of a plot or a land to a TMA or a Development Authority along with rupees one thousand as a scrutiny fee.”

During audit of TC Multan Saddar for the FY 2021-22, it was observed that CO allowed establishment of land sub-divisions without recovering conversion, design and map fees amounting to Rs 2.216 million from the developers of land sub-divisions. The detail is as under:

(Rupees in million)

Sr. No.	Name of colony	Name of owner	Application date	Area of land (Kanal)	Per marla rate	value of land	Conv. fees @1%	design fees @Rs 500 per kanal	map fees@ Rs 1000 per kanal	Recovery
1	Roshan LSD, Mauza bind sandeela jhok bahloo wala road	Umer Hayyat	03.05.21	27	0.014	7.799	0.156	0.054	0.027	0.236
2	Rana Shezad LSD, Dera Muhammadai	Rana Shehzad	13.09.2021	90	0.045	81.000	1.620	0.270	0.090	1.980
Total										2.216

Due to weak internal controls, LSDs were allowed without approval and recovery of Government dues which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 14]

2.116 Tehsil Council Muzaffargarh

Procedural irregularities

2.116.1 Unauthentic / bogus billing – Rs 3.578 million

According to Rule 2.33 of the 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.

During audit of TC Muzaffargarh for the FY 2021-22, it was observed that CO made unauthentic / bogus expenditure Rs 3.578 million on account of exhibition, purchase of furniture and photocopies etc. Stock entry was not made nor maintenance/provided of stock registers. Mostly purchases were made from unregistered firms.5. All quotations were made without detail of items just 2%, 3% less from estimate. Proof of deposit of GST by the company was not available. Mostly bills are dateless and all bills were without bill numbers.

Due to weak financial management, unauthentic / bogus billing was made which resulted unauthentic payments.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-502 dated 08.05.2023, followed by subsequent reminders No. 574 dated 05.06.2023 and No. 808 dated 18.07.2023. No progress was intimated till the finalization of this Report.

Audit recommends investigation regarding unauthentic / bogus billing besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No.8]

Others

2.116.2 Non-closure / transfer of funds of defunct tehsil council bank accounts – Rs 104.381 million

According to PFR-Vol-I Rule 2.33, Every Government Servant should realize fully and clearly that he will be hold personally responsible for any loss sustained by Government through fraud or negligence on his part and he will be also hold personally responsible for any loss arriving from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that the contributed to the loss by his own action or negligence.

During audit of TC Muzaffargarh for the FY 2021-22, it was observed that CO neither transferred funds amounting to Rs 104.381 million nor closed all bank accounts of Tehsil Council (Defunct) Muzaffargarh. After closing of TC, CO was required to transfer funds to new accounts of District Council Muzaffargarh but the management neither transferred funds nor closed bank accounts of TC. The detail is as under:

(Rupees in million)				
Sr. No.	Name of Bank	Title of Account	Account No.	Closing Balance as on 17.10.21
1	Bank of Punjab	General Account	382100060	96.877
2	Bank of Punjab	Pension Account	382100022	4.135
3	Bank of Punjab	Sinking Fund	382100033	0.002
4	Bank of Punjab	Special Fund	382100044	0.002
5	Bank of Punjab	Development Account	382100055	0.000
6	Bank of Punjab	Security Account	382100077	2.365
7	Bank of Punjab	Special Fund TC Khangarh	507400021	1.000
Total				104.381

Due to weak financial control, bank accounts were neither closed nor transfer of funds of TC which resulted chances of misappropriation of funds.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends transferring of fund to new accounts of District Council Muzaffargarh and closure of all bank accounts of TC besides fixing of responsibility against the persons at fault.

[AIR 2021-22 Para No.11]

2.116.3 Non-recovery of Government dues – Rs 8.176 million

According to chapter-IV Rule 4.7(1) of the Punjab Financial Rule, Volume-I, “It is primarily the responsibility of the departmental authority to see that all revenue, or other debts due to Government, which have to be brought to account, are correctly and promptly assessed, realized and credited to the Government account.”

During audit of TC Muzaffargarh for the FY 2021-22, it was observed that CO failed to recover government dues amounting to Rs 8.176 million as pointed out in the previous year audit paras. Further, various fees/taxes/rents were also not recovered. The detail is as under:

(Rupees in million)		
Sr. No.	Detail of recovery	Amount
1	Unauthorized payment of Conveyance Allowance	0.260
2	Non-deposit of GST, PST and Income Tax	2.659
3	less/non-recovery of arrears of shops and agriculture land	5.257
Total		8.176

Due to weak internal controls, Government dues were not recovered from the defaulters which resulted in loss.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of Government dues besides disciplinary proceedings against the person(s) at fault.

[AIR 2021-22 Para No. 2, 4, 10]

2.117 Tehsil Council Pakpattan

Procedural irregularities

2.117.1 Irregular expenditure on hiring of machinery and vehicles - Rs 3.575 million

According to Rule 9 of Punjab Procurement Rules 2014, “A procuring agency shall announce in an appropriate manner all proposed procurement for each financial year and shall proceed accordingly without any splitting or regrouping of the procurement so planned. Procurement over 200,000 and up to Rs 3.00 million shall be advertised on the PPRA website in format specified by PPRA from time to time. All procurements over three million rupees should be advertised on the PPRA website as well as other print media and at least in two national newspapers.”

During audit of TC Pakpattan for the FY 2021-22, it was observed that CO incurred expenditure of Rs 3.575 million on account of hiring of machinery & vehicles under program for “Khidmat Apki Dehleez Par.” It was observed that machinery & vehicles were hired by splitting. Neither advertisement was made on PPRA website nor in two national newspapers. Purchases were made from the single contractor by calling quotation instead of calling the tender. The detail is as under:

(Rupees in million)			
Sr. No	Vr. No. / Date	Description	Amount
1	72 / 29.07. 2021	Purchase of Equipment	0.521
2	72 / 29.07. 2021	Hiring charges for Machinery	2.230
3	72 / 29.07.2021	White wash offices	0.330
		PST 16%	0.494
Total			3.575

Due to weak internal controls, expenditure was incurred on hiring of machinery & vehicles which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1000 dated 13.04.2023,

followed by subsequent reminders vide No. 1051 dated 27.04.2023 and No. 1132 dated 22.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 01]

2.117.2 Irregular appointment of contingent paid staff - Rs 2.109 million

According to Government of the Punjab, Finance Department, Notification No.RO(Tech)FD-2-2/2001 dated 03.11.2008, "Appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment" and according to Para 3 of Government of the Punjab LG & CD Department letter No.SO-ADMN-II (LG) 3-55/2007 dated 03.03.2016, "It has also come to the notice of the Department that the Local Governments in Punjab are appointing the work charge / daily wages employees without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules. Therefore, it has been decided that in future no work charge / daily wages employee will be appointed without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules."

During audit of TC Pakpattan for the FY 2021-22, it was observed that CO made payment of Rs 2.109 million on account of payment of daily wages / contingent paid staff of sanitation. The entire recruitment was irregular and unauthorized as no advertisement for appointment of daily wages staff was published in the newspapers. The detail is as under:

(Rupees in million)

Vr. No.	Date	No. of Daily Wages Staff	Payment	Month	Amount
60	23.08.2021	64	Daily Wages staff	July-2021	1.292
96	23.09.2021	36	Daily Wages staff	September-2021	0.817
Total					2.109

Due to weak internal controls appointments of contingent paid staff was made without advertisement of appointment procedure which resulted in violation of instructions / Rules.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends justification and regularization of expenditure from the competent authority besides fixing of responsibility.

[AIR 2021-22 Para No. 06]

Others

2.117.3 Non-recovery of conversion fees - Rs 2.660 million

According to Rule 39 of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, “A developer shall deposit fee for conversion of peri-urban area to scheme use at the rate of one percent of the value of the residential land as per valuation table or one percent of the average sale price of preceding twelve months of residential land in the vicinity, if valuation table is not available.”

During audit of TC Pakpattan for the FY 2021-22, it was observed that CO did not recover amounting to Rs 2.660 million from the owner of housing scheme on account of conversion fees. It was observed that developer established housing scheme and openly sold their plot without approval from the Tehsil Council and payment of the conversion and other fees. Tehsil Officer did not take any action against the violators/developers. The detail is as under:

(Rupees in million)

Sr. #	Name of Housing Schemes	Address	Area	Valuation Table 2022-23 Rate Per Marla	Fees		
					Conversion	LSD	Total
1.	Pak City Housing Scheme	Chungi Baba Sheikh Jamal	120-K,18-M	0.100 /- Per Marla	2.418	0.242	2.660
Total							2.660

Due to weak internal controls, neither any action was taken against the land sub-division nor was prescribed fees and land recovered from the owners / developer which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery besides fixing of responsibility.

[AIR 2021-22 Para No. 05]

2.117.4 Non-recovery of government dues – Rs 2.509 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available, ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of TC Pakpattan for the FY 2021-22, it was observed that CO did not recover conversion & map fees amounting to Rs 2.509 million from owners of land sub-divisions and commercial market. Audit also conducted physical inspection of buildings in the area in the presence of field staff and noticed commercial market (shops) on the roads without approval of maps and payment of conversion fees. The detail is as under:

(Rupees in million)		
Sr. No.	Nature of receipts	Amount
1	Construction of commercial buildings without payment of fees	1.023
2	Non-recovery of Government dues from commercial market	1.486
Total		2.509

Due to weak internal controls, the government dues were not recovered which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of the government dues besides disciplinary proceedings against the person(s) at fault.

[AIR 2021-22 Para No. 07, 09]

2.118 Tehsil Council Pir Mahal

Others

2.118.1 Non / less realization of revenue - Rs 16.076 million

According to Rule 50(1)(a) of the Punjab Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020, “The conversion fee for the conversion of residential, industrial or site development zone (agriculture area) abutting List "A" roads to commercial use shall be ten percent of the commercial value of the land or plot or property as per valuation table and in case the valuation table is not available ten percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of TC Pir Mahal for the FY 2021-22, it was observed that owners of nine properties located at different places within territorial jurisdiction of TC Pir Mahal submitted building plans for commercial buildings and poultry sheds for the Financial Years 2020-21 and 2021-22. However, conversion fees, approval of map fees, scrutiny fees etc. amounting to Rs 8.390 million was not recovered. Further, conversion fees was less recovered amounting to Rs 7.686 million from owners of seven properties (petrol pumps and commercial buildings) by applying residential rates instead of commercial rates. Resultantly, TC sustained loss of Rs 16.076 million. The detail is as under:

(Rupees in million)			
Sr. No.	Nature of Property	Description	Amount
1	07 commercial buildings	Conversion fees, map fees, scrutiny fees not recovered	3.660
2	02 poultry sheds	Conversion fees, map fees, scrutiny fees not recovered	4.730
3	02 petrol pumps	Conversion fees, map fees scrutiny fees recovered at lesser rate	0.903
4	05 commercial buildings	Conversion fees, map fees scrutiny fees recovered at lesser rate	6.783
Total			16.076

Due to weak financial and internal controls, either conversion fees, map fees, scrutiny fees was not recovered or recovered at lesser rates which resulted in loss.

The matter was reported to PAO in March, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/ 523 dated 28.04.2023, followed by subsequent reminder vide No.549 dated 05.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry for fixing responsibility against person(s) at fault besides recovery of conversion fees from the concerned.

Note: The issue was reported in the Audit Report for Audit Year 2022-23 vide Para No.2.116.9 having financial impact of Rs 8.729 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2021-22 Para No. 4, 5, 2, 7]

2.119 Tehsil Council Rahim Yar Khan

Others

2.119.1 Non-obtaining of additional performance securities – Rs 3.855 million

According to Rule 9 (9)(d) of Punjab Local Government Works Rules 2017, the work order shall be issued by the engineer In-charge to a person offering the lowest bid after approval of the Chairman or Mayor or the engineer In-charge authorized by him subject to the condition that in case the rates of the lowest bid are equal to or less than 5% of the estimated cost, the lowest bidder shall be bound to deposit additional performance security from a scheduled bank from 5% to 10% (including CDR deposited at the time of tendering) within 15 days of issuance of notice. Further according to terms of advertisement, the successful bidder whose bid is less or more than 5% below of the estimate cost of the work will have to deposit additional performance security as per rules. Failure to do so shall result in the forfeiture of earnest money.

During audit of TC Rahim Yar Khan for the FY 2021-22, it was observed that Chief Officer executed 17 development schemes but neither obtained Additional Performance Securities @ 10% amounting to Rs 3.855 million from the successful bidders nor forfeited their earnest money amounting to Rs 1.927 million. Undue financial benefit was likely awarded to the contractors in violation of above terms of advertisement and rules and no evidence to this effect was on record for audit scrutiny.

Due to weak internal controls, additional Performance Security was not obtained from the contractors quoted below rates than TS value which put the completion of schemes at risk.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite request made by Audit vide letter No. RDA / BWP / Reports / 2022-23 / F-39 / CD 467 dated 02.05.2023, followed by subsequent reminders vide No. 518 dated 12.05.2023 and No. 522 dated 16.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends regularization besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No.7]

2.119.2 Loss due to non-transfer / mortgage of property

According to Rule 17 (e) & (f), Section 42 (h), Chapter III Section 17 (e) & (f) and Chapter VIII Section 42 (h) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010, “The developers are required to transfer the area reserved for roads, open space, park and solid waste management as well as one percent of the area under land sub-division for public buildings, excluding the area of mosque in favour of relevant development authority / body and should submit mortgage deed of 20% of the saleable area, in accordance with Form-C, as security for completion of development works.”

During audit of TC Rahim Yar Khan for the FY 2021-22, it was observed that Chief Officer failed to transfer mortgaged 21 Kanal of land from Palace Land Sub-division to the name of TC Rahim Yar Khan. The detail is as under:

Sr. No.	Number of Scheme	Description	Land area(In Kanal)	Amount as per valuation table
1	Palace Villas LSD	Property not transferred in the name of TC	16.15	Schedule rate not available
2		Property not mortgaged in the name of TC	4.85	
Total			21	

Due to weak internal controls, required area of land could not be transferred / mortgaged in the name of TC which resulted in loss.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends transfer / mortgage of property in the name of TC besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.117.1 having financial impact of Rs 2,420.198 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2021-22 Para No. 14]

2.119.3 Poor performance in service delivery

According to Rule 34 of Punjab Local Governments (Rules of Business) Rules, 2017, “Municipal Officer Infrastructure is responsible to provide, manage, operate, maintain and improve the municipal services including water supply, sewerage, roads, streets etc.”

During audit of TC Rahim Yar Khan for the FY 2021-22, it was observed that resolution of public complaints received through Pakistan Citizen Portal regarding service delivery was found poor. As per record 35 complaints were fully resolved and 25 complaints were partially resolved. 197 complainants had sent feedback out of which positive feedback was reported by only 56 complainants which depicted that non-satisfaction level of general public against submitted complaints was only 71.57%. The detail is as under:

Complaints Resolved	Feedback received	Positive Feedback	Citizen Satisfied in %age	Not Satisfied in %age
35 Fully + 25 Partially	197	56	28.43	71.57

Due to weak internal and administrative controls, proper service delivery was not ensured by the management of TC which resulted in low satisfaction level of the general public.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends resolution of public complaints regarding provision of municipal services, besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 5]

2.120 Tehsil Council Rajanpur

Procedural irregularities

2.120.1 Unauthorized deviation in scope of work – Rs 4.028 million

According to Rule 5(17) of the Punjab Local Governments (Works) Rules 2017, “in case, the site of the work or nomenclature is changed, fresh administrative approval shall be obtained from the respective Development Committee.” Moreover, according to Para 1.59 of the West Pakistan Buildings and Roads Department Code, “Divisional Officers are strictly prohibited from commencing the construction of any work or expending public funds without the sanction of the competent authority and also from making or permitting any material deviations from any sanctioned design in the course of execution without specific authority.”

During audit of TC Rajanpur for the FY 2021-22, it was observed that CO executed development scheme with TS amounting to Rs 4.028 million during Financial Year 2020-21. The items executed were different from the advertised scheme and during execution some items were reduced and only tuff tile / brick pavement was executed on site. The scope of the scheme was changed without obtaining revised administrative approval and processing the scheme as a new scheme after change of scope. The detail as below:

(Rupees in million)					
Sr. No.	ADP No.	Nomenclature of Scheme	Contractor Name	MB No. / Page No.	TS Amount
1	20	Construction of Drain, Soling Tuff Tile, Culverts, RCC Pipe Culverts, Sewerage, Small Bridges, Sullage Carrier in U/C Murghai	M/S Sajjad Engineer	968	4.028
Total					4.028

Due to weak internal controls, work was executed by deviating original scope of work without approval of the competent authority which resulted in unjustified expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No. RDA / DGK/CD-502 dated 08.05.2023, followed by subsequent reminders No.

574 dated 05.06.2023 and No. 808 dated 18.07.2023. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No.7]

Others

2.120.2 Non-recovery of Government revenue - Rs 18.246 million

According to Rule 47 of the Punjab Local Government (Budget) Rules 2017, “The collecting officer shall ensure that all the revenue due is claimed, realized and credited to the Local Fund.”

During audit of TC Rajanpur for the FY 2021-22, it was observed that CO failed to recover / less recovered revenue / taxes / fees amounting to Rs 18.246 million under various heads of accounts as per detail given below:

(Rupees in million)

Sr. No.	Description of Recovery	Amount
1	Map fees and conversion fees	8.595
2	Non-recovery of rent of shop	0.033
3	Map and conversion fees	9.618
Total		18.246

Due to weak internal controls, Local Government revenue were not / less realized which resulted in loss.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of outstanding revenue besides fixing responsibility against person(s) at fault.

[AIR 2021-22 Para No.2, 3, 6]

2.121 Tehsil Council Sahiwal

Procedural irregularities

2.121.1 Irregular expenditure by splitting – Rs 19.949 million

According to Rule 12 of PPRA Rules 2014, “A procuring agency shall advertise procurement of more than one hundred thousand rupees and up to the limit of two million rupees on the website of the Authority in the manner and format specified by regulations. The procurement exceeding two million rupees shall be advertised on the website of the Authority, and in at least two national daily newspapers of wide circulation, one in English and one in Urdu.”

During audit of TC Sahiwal for the FY 2021-22, it was observed that CO incurred expenditure amounting to Rs 19.949 million on account of rent of machinery for cleanliness of garbage at different areas, celebrating of National Independence Day, Defense Day 06-09-2021 and celebrating religious days Muharrum ul Haram etc. Audit observed that the expenditure was incurred by splitting the same nature objects intentionally to avoid the tendering process. The expenditure was incurred by keeping the expenditure below Rs 200,000. Further, the expenditure was incurred without making annual procurement planning and by splitting up the indents without advertisement on PPRA. In addition to splitting following discrepancies were also observed:

- 1) Sealed quotations were not obtained;
- 2) Most of quotations were date less;
- 3) Dateless invoices were provided by the service providers.

Due to weak internal controls, expenditure was incurred by splitting the object to avoid tendering which resulted in uneconomical and irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1000 dated 13.04.2023,

followed by subsequent reminders vide No. 1051 dated 27.04.2023 and No. 1132 dated 22.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends action against concerned besides regularization of expenditure from competent authority.

Note: The issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.121.2 having financial impact of Rs 63.899 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2021-22 Para No. 04, 07]

2.121.2 Irregular expenditure on bitumen – Rs 18.350 million

According to Chief Engineer Punjab District Support and Monitoring Department, Lahore vide his office letter No. 3357-93/W (I), Dated 26-08-2015 addressed all the EDOs (W&S) in Punjab stating that, “The chief Minister has direct all contractors 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 and gate passes of the approved / notified Refineries.” Further, according to Government of the Punjab, Communication & Works (C&W) Department, letter No.PA/SECY(C&W) 26.05/2009 dated 25.05.2009, “The bitumen to be used should be tested from the Road Research & Material Testing Institute (RR&MTI) to ensure that it meets the American Association of State Highway and Transportation Officials (AASHTO) Standards. Further, according to Government of the Punjab, C&W Department Notification No. SOH-I(C&W)1-49/2012(G) dated 13.06.2014, approval was accorded for use of “Parco Biturox” produced by Pak Arab Refinery Limited (PARCO), Mehmood Kot District Muzaffargarh, in projects to be executed by C&W Department, having grade 60/70 & grade 80/100 in addition to bitumen of National Refinery Karachi.”

During audit of TC Sahiwal for the FY 2021-22, it was observed that CO made payment of Rs 18.350 million to different contractors for execution of bituminous items in works for improvement of roads in different areas which were in process. These works were executed and payments were made without getting the quality of bitumen tested from the RR&MTI. Documentary evidence i.e. invoices and gate passes for procurement and consumption of bitumen from approved refinery was also not available in record.

Due to weak monitoring mechanism, quality of bituminous items was not got tested from RR&MTI and utilization of approved quality bitumen was also not ensured which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides regularization of expenditure from the competent authority.

[AIR 2021-22 Para No. 16]

2.121.3 Irregular expenditure on contingent paid staff – Rs 6.886 million

According to Government of the Punjab, Finance Department, Notification No.RO (Tech) FD-2-2/2001 dated 03.11.2008, “Appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment.” Furthermore, according to Para 3 of Government of the Punjab LG & CD Department letter No.SO-ADMNII (LG) 3-55/2007 dated 03.03.2016, “It has also come to the notice of the Department that the Local Governments in Punjab are appointing the work charge / daily wages employees without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules. Therefore, it has been decided that in future no work charge / daily wages employee will be appointed without adhering to the formalities pertaining to appointment and eligibility criteria provided in the relevant service rules.”

During audit of TC Sahiwal for the FY 2021-22, it was observed that CO made payments of Rs 6.886 million on account of wages of daily wages / contingent paid staff of sanitation. The entire recruitment was irregular and unauthorized as procedure was not adopted for hiring of daily wages staff as required in letter No. RO (Tech) FD 2-2/2018 dated 20.09.2019 after fulfilling all codal formalities i.e. advertisement in newspaper and interview etc. The detail is as under:

(Rupees in million)

Sr. No.	Voucher No.	Voucher Date	Head of Account	Period of Wages	No. of Daily Wagers	Daily Wage Rate (Rs.)	Payment
1	74	14.07.2021	A01277	June-2021	92	673	1.568
2	213	28.07.2021	A01277	June-2021	2	673	0.035
3	25	16.08.2021	A01277	July-2021	95	673	1.558
4	103	06.09.2021	A01277	31.07.2021 to 05.08.2021	88	673	0.296
5	129	14.09.2021	A01277	08.08.2021 to 06.09.2021	91	769	1.553
6	27	01.10.2021	A01277	31.07.2021 to 05.08.2021	1	673	0.004
7	28	01.10.2021	A01277	31.07.2021 to 05.08.2021	1	673	0.015
8	106	14.10.2021	A01277	07.09.2021 to 06.10.2021	96	769	1.857
Total							6.886

Due to weak internal control and willful negligence of the management, contingent paid staff was hired without observing codal formalities which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends regularization of expenditure from the competent authority besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 05]

Others

2.121.4 Establishment and non-receipt of fees – Rs 5.657 million

According to Rule 50 (1)(C) of Chapter-XI of Punjab Local Government Land Use Plan (Classification, Reclassification and Redevelopment) Rules, 2020” A Local Government shall levy the conversion fee for the conversion site development zone (agriculture area) to residential use shall be two percent of the agricultural value of the land or plot or property as per valuation table and in case the valuation table is not available two percent of the average sale price of preceding twelve months of land in the vicinity as determined by the district price assessment committee.”

During audit of TC Sahiwal for the FY 2021-22, it was observed that CO did not take notice of establishment of land sub-divisions and did not recover amounting to Rs 5.657 million from the developers of private housing societies / land sub-divisions on account of map, conversion and scrutiny fees. The detail is as under:

(Rupees in million)										
Name of LSD	Name of owner	Area	DC rate per Acre	Rate per Marla	Total value of land	Conversion fees @2%	LSD fees Rs4000 per kanal	Design fees Rs 2000 per kanal	NOC fees	Total
Paam Villas 88/6-R	Shahid Hussain, Zahid Hussain etc.	98K 15M	11.385	71,155	140,531	2.811	0.395	0.197	0.025	3.428
Al-Wali Archard, Chak No. 90/6-R	Mirza Jafer Hussain	56-k	4.621	28,879	32,344	0.647	0.224	0.112	0.025	1.008
Indus City	Burhan Munir	44-K 6-M	8.404	52,525	46,537	0.931	0.177	0.089	0.025	1.221
Total										5.657

Due to weak internal controls, action was not taken by the department to recover government fees which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery and action against concerned owners / developer of land sub-division.

[AIR 2021-22 Para No. 27]

2.121.5 Unauthorized deduction of withholding tax on bank profit - Rs 1.720 million

According to Section 49(2) & (3) of the Income Tax Ordinance, 2001, “The income of a Provincial Government or a Local Government in Pakistan shall be exempt from tax under this Ordinance, other than income chargeable under the head “Income from Business” derived by a Provincial Government or Local Government from a business carried on outside its jurisdictional area and any payment received by the Federal Government, a Provincial Government or a Local Government shall not be liable to any collection or deduction of advance tax.”

During audit of TC Sahiwal for the FY 2021-22, it was observed that CO allowed the deduction of withholding income tax on profit amounting to Rs 1.720 million from bank accounts of Tehsil Council Sahiwal. Management of the Tehsil Council did not take any action to recover the amount. The detail is as under:

(Rupees in million)

Sr. No.	Particulars	Profit Earned	Withholding Income Tax on Profit
1	Bank Account Number 5310010268200019 General Account District Council Sahiwal	8.052	1.208
2	Bank Account Number 5310010283600018 Security Account District Council Sahiwal	0.52	0.007
3	Bank Account Number 5310010268200096 DC & DDLG Account District Council Sahiwal	0.042	0.006
4	Bank Account Number 5310030306000012 General Account District Council Sahiwal	3.326	0.499
Total		11.94	1.720

Due to weak internal controls, unauthorized deduction of withholding tax on profit was made by the bank which resulted in loss.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends recovery of unauthorized deducted amount besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 08]

2.122 Tehsil Council Vehari

Procedural irregularities

2.122.1 Irregular expenditure without approval of Chairman / Administrator - Rs 20.154 million

According to Rule 18 (6) of PLG (Works) Rules 2017, “The Head of Finance Branch of the local government, on his satisfaction, shall submit, through Chief Officer, the bills for sanction by the Mayor / Chairman.”

During audit of TC Vehari for the FY 2021-22, it was observed that CO made payment of Rs 20.154 million on account of development schemes to contractors without sanction of Chairman / Administrator. Bills were not signed by the Administrator and payment was made without sanction of competent authority.

Due to weak internal controls, payments were made to contractors without sanction of Chairman /Administrator which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit vide letter No. RDDA-MLN/C&R-170/2022-23/CD-1000 dated 13.04.2023, followed by subsequent reminders vide No. 1051 dated 27.04.2023 and No. 1132 dated 22.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides fixing of responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 13]

2.122.2 Irregular execution of schemes without PC-1 – Rs 9.372 million

According to Rule 4(3) (4) of PLG (Works) Rules 2017 “Work costing rupees 1.5 million or above shall be prepared on the PC-1 prescribed by the government and approved in the manner prescribed for approval of PC-I.” Furthermore, according to Rule No.4(5) (2) PLG (Works) Rules 2017 “The engineering staff shall inspect the site and work out the feasibility of the work

through images or photographs of the site, rough cost estimates, detailed estimates and PC-I shall be approved by the authority competent to do so.”

During audit of TC Vehari for the FY 2021-22, it was observed that CO executed different development schemes and made payments amounting to Rs 9.372 million. Audit observed that the schemes were executed without preparation of PC-1 in violation of above rules. Further, Audit observed that estimates were prepared without physical inspection of sites as photographs of site before execution of works were not available.

Due to weak internal controls, development schemes were executed without preparation of detailed PC-1 and ensuring site inspections which resulted in irregular expenditure.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 12]

2.123 Tehsil Council Yazman

Procedural irregularities

2.123.1 Non-obtaining of additional performance Securities – Rs 4.194 million

According to Rule 9 (9)(d) of Punjab Local Government Works Rules 2017, the work order shall be issued by the engineer In-charge to a person offering the lowest bid after approval of the Chairman or Mayor or the engineer In-charge authorized by him subject to the condition that in case the rates of the lowest bid are equal to or less than 5% of the estimated cost, the lowest bidder shall be bound to deposit additional performance security from a scheduled bank from 5% to 10% (including CDR deposited at the time of tendering) within 15 days of issuance of notice. Further according to terms of advertisement, the successful bidder whose bid is less or more than 5% below of the estimate cost of the work will have to deposit additional performance security as per rules. Failure to do so shall result in the forfeiture of earnest money.

During audit of TC Yazman for the FY 2021-22, it was observed that Chief Officer awarded fifteen contracts for construction of soling and construction & repairing of metaled roads costing Rs 41.938 million to the contractors. The works were awarded below the estimated cost ranging from 20% to 36.5% without obtaining additional performance security amounting to Rs 4.194 million.

Due to weak internal controls, additional performance security was not obtained from contractors who were awarded contracts below the estimated cost which resulted in irregular award of works.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite request made by Audit vide letter No. RDA / BWP / Reports / 2022-23 / F-39 / CD 467 dated 02.05.2023, followed by subsequent reminders vide No. 518 dated 12.05.2023 and No. 522 dated 16.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends regularization besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No.10]

Others

2.123.2 Non-achievement of targets of revenue – Rs 51.368 million

According to Rule 47 (1) of the Punjab Local Government (Budget) Rules, 2017, “Collecting officer shall ensure that all revenue due is claimed, realized and credited immediately into Local Government Fund and entered in the proper receipt head.”

During audit of TC Yazman for the FY 2021-22, it was observed that Chief Officer did not achieve the targets of various heads of receipts amounting to Rs 51.368 million.

Due to weak financial management and poor performance of staff budgeted targets were not achieved which resulted in loss.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends to probe the matter besides fixing responsibility against the person(s) at fault.

Note: This issue was also reported earlier in the Audit Report for the Audit Year 2022-23 vide para number 2.129.3 having financial impact of Rs33.841 million. Recurrence of same irregularity is a matter of serious concern.

[AIR 2021-22 Para No. 4]

2.123.3 Non-undertaking of Community Initiatives – Rs 13.571 million

According to Section 214 of the PLGA, 2019, “Every local government shall allocate a portion of its funds, being not less than five percent of the total expenditures to be incurred by it in a particular financial year on construction works, to support such activities which are proposed by the residents and implemented by them directly through a Neighborhood Council in case of an urban local government and a Panchayat in case of a Tehsil Council.”

During audit of TC Yazman for the FY 2021-22, it was observed that Chief Officer did not allocate five percent i.e. Rs 13.571 million of budgeted expenditure

amounting to Rs 271.414 million as community initiatives to support activities proposed by the residents and implemented through Panchayat.

Due to weak budgetary controls, funds were not allocated for community initiatives which resulted in violation of rules.

The matter was reported to PAO in April, 2023. DAC meeting was not convened till finalization of this Report despite repeated requests.

Audit recommends regularization of expenditure besides fixing responsibility against the person(s) at fault.

[AIR 2021-22 Para No. 5]

2.124 Town Committee Makkuana

Procedural irregularities

2.124.1 Irregular cash payments to daily wage employees – Rs 1.888 million

According to Rule 4(a) (b) of the Punjab Local Governments (Accounts) Rules, 2017, “The mode of payments from the local fund shall be that the payments up to rupees ten thousand may be made by cash and the payments exceeding rupees ten thousand shall be made through crossed non-negotiable cheque.” Further, according to Rule 37(7) of the Rules *ibid*, “All the employees of the local government shall be paid by direct credit to the bank accounts through a direct credit advice in Form AR-II but, in case of exigency, the payment may be made by cheque.”

During audit of Town Committee Makkuana for the FY 2021-22, it was observed that CO incurred expenditure amounting to Rs 1.888 million for payment to daily wage employees for the Financial Years 2019-20 to 2021-22. Contrary to the above, all payments were made in cash instead of direct credit to the bank accounts through a direct credit advice and cheques were issued in the name of sub engineer. Further, record of disbursements was also not available in the relevant vouchers.

Due to weak financial and internal controls, payments were made in cash instead of direct credit to the bank accounts which resulted in violation of rules.

The matter was reported to PAO in April, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letter No.Dir/Aud/Local.Govts/Fsd/420 dated 13.04.2023, followed by subsequent reminders vide No.524 dated 28.04.2023 and No.548 dated 05.05.2023. No progress was intimated till the finalization of this Report.

Audit recommends inquiry for fixing responsibility against the person(s) at fault as well as provision of disbursements record besides regularization of expenditure from the competent authority.

[AIR 2019-22 Para No. 1]

CHAPTER 3

Thematic Audit

3.1 Service Delivery and Performance – Water Supply by Metropolitan Corporations Bahawalpur and Dera Ghazi Khan

3.1.1 Introduction

Pakistan adopted the Sustainable Development Goals (SDGs) as part of its national development agenda in 2016. To meet the international commitments under SDGs Local Government & Community Development Department, Government of the Punjab, established Metropolitan Corporations, Municipal Corporations, Municipal Committees and Town Committees under PLGA, 2022 to improve quality of municipal services.

These local government institutions are responsible for basic services' delivery, provision of water, sanitation, solid waste collection, cleanliness, commercial and town planning etc. in their respective areas of jurisdiction. Further, they are duty bound to maintain minimum standards for quality services.

3.1.2 Background

The Government of Pakistan being signatory to international declarations and conventions is obligated to fulfill international commitments. There has been a major emphasis on addressing the vital issues relating to water supply through pipe supply and filtration plants. The Millennium Development Goals (MDGs) and Sustainable Development Goals (SDGs) are aimed at better provision of water supply. The international covenants like SDGs, agreed by the United Nation Member States in 2015, emphasize on the quality aspect of municipality services and also bind the signatory countries to ensure inclusive, equitable and quality municipality services for all by year 2030.

Pakistan has designed a comprehensive National SDG Framework which was approved by the National Economic Council (NEC), the country's highest economic policy-making forum, in March 2018. This Framework sets baselines and targets for SDG indicators. The SDG 6 sub clauses (1 and 9) composed of numerous outcome

targets consisting of water supply through pipe supply and filtration plants for all citizens. The Government intends to provide water supply in well-resourced environment.

3.1.3 Establishing the Audit Theme

The main audit theme and sub-themes were established on the basis of outcomes of sectoral analysis of MCs carried out and recurring observations highlighted during the previous audit years. The objective of Thematic Audit was to assess the achievements of the MCs against the desired outcomes of following main theme and its sub-themes.

Main Theme

Service Delivery and Performance – Water Supply by Metropolitan Corporations Bahawalpur and Dera Ghazi Khan for Financial Year 2022-23.

Sub-Themes

- i. Piped supply
- ii. Filtration plants

3.1.3.1 Reasons of Selection

The Audit Theme “Service Delivery and Performance – Water Supply by Metropolitan Corporations Bahawalpur and Dera Ghazi Khan” was taken up considering that it encompassed the broad spectrum of terms of reference of Metropolitan Corporations established by the Government of the Punjab. It was also relevant to the SDG 6 sub clauses (1&9) regarding provision of drinking water supply through pipelines and filtration plants which were included as the sub themes along with provision of water supply. It is helpful in assessing the overall performance of the MCs concerned as well as help the Government of Pakistan and Government of the Punjab to measure their achievements with regard to SDG-6 (1&9).

3.1.3.2 Purpose / Objectives

The Government of Punjab had planned to improve following indicators for better service delivery of municipal services up to year 2030:

- i. Provision of water supply

- Piped supply
- Filtration plants

Thematic Audit of Metropolitan Corporations was carried out with the objectives to:

- i. Analyze the provision of water supply to households by Metropolitan Corporation;
- ii. Evaluate clean drinking water supply through pipelines and filtration plants is provided as per standards;
- iii. Evaluate the results of the services' delivery and
- iv. Assess achievement of Key Performance Indicators.

3.1.3.3 Scope

Scope of the Thematic Audit was limited to Metropolitan Corporations Bahawalpur and Dera Ghazi Khan. The Performance of the Metropolitan Corporations were assessed through comparative analysis and critical reviews. The analytical / critical reviews were performed in the light of Audit sub-themes on collected data regarding funds allocation (development and non-development) and financial management of funds with a view to evaluate trickledown effect of funds to the beneficiaries.

3.2 Legal frame work governing the Theme

Punjab Local Government Act, 2022 was launched to provide maximum service delivery.

3.3 Stakeholders and governmental organizations identified as directly / indirectly involved

Punjab Local Government & Community Development Department as well as MCs are the key stakeholders involved in execution and operation / maintenance of the said public service delivery.

3.4 Role of important organizations

Metropolitan Corporations are responsible to provide provision of clean drinking water and sanitation in its city areas whereas Waste Management

Companies of Bahawalpur and DG Khan are responsible for collection of solid waste and its disposal. They are also responsible to maintain necessary / relevant data and requisite reporting of the public service delivery. LG&CD Department is responsible for monitoring besides evaluation of the services rendered.

3.5 Organization's Financials

The detail of budget and expenditure for Financial Year 2022-23 is given below:

Table-1 Summary of budget and expenditure of MCs

MCs	FYs	Budget				Actual			
		Salary	Non-Salary	Development	Total	Salary	Non-Salary	Development	Total
MC Bahawalpur	2022-23	451.265	879.566	137.250	1,468.081	299.959	677.650	28.675	1,006.284
MC Dera Ghazi Khan	2022-23	302.850	524.115	68.348	895.312	261.783	390.637	3.875	656.295

3.6 Field Audit Activity

3.6.1. Methodology

Audit was carried out against predefined objectives of the various functions of the Metropolitan Corporations, financial governance provided in relevant rules, strategies and policies of the Government which were formulated to govern the MCs. Audit activity comprised of data collection regarding sub-themes, study of relevant reports / literature and field surveys. Critical analysis regarding optimal utilization of human and financial resources of the MCs was done in accordance with service delivery activities carried out. On spot examination / verification of record and activities were also carried out in accordance with the applicable laws / rules and according to the INTOSAI auditing standards.

3.6.2 Audit Analysis

3.6.2.1 Audit Analysis of Metropolitan Corporation, Bahawalpur

3.6.2.1.1 Review of Internal Controls

Effectiveness of internal controls was assessed on test check basis and a sample was selected for the purpose. Following issues of potential significance were observed regarding weaknesses of internal controls:

- i. No service standards, infrastructure standards, healthy and clean water, hygiene standards and minimum service delivery standards for provision of quality municipal services were set.
- ii. Targets for receipt collection from municipal services were not achieved.
- iii. Record of feedback from general public was not available.
- iv. No mechanism was devised to maintain the record of KPIs, its evaluation and remedial measures.

3.6.2.1.2 Critical Review

1. Provision/improvement of municipal services and infrastructure

i. Provision of clean drinking water through water supply schemes

Out of 21 UCs under jurisdiction of MC Bahawalpur, piped water supply was provided only in 7 UCs. Moreover, piped supply had a downward trend as total number of water connections were reduced from 5,575 to 2,495 during 2022-23 in comparison to 2021-22. It was pertinent to mention here that 2,049 (37%) connections were dead and 1,031 (18%) connections had been discontinued on personal request of users etc. The detail is as under:

Sr. No.	Name of Water Supply Scheme	UC No.	Total Households and Water Connections during 2021-22		Total Households and Water Connections during 2022-23			
			Households	water Connections	Households	Water Connections Functional	Dead Connection	Disconnected connections
1	Bahawal Colony	4	2,489	237	2,496	125	-	240
2	Tibba Badar Sher	7	3,926	1,560	3,956	702	800	-
3	Chak No.09/BC	8	3,762	2,037	3,783	839	1,149	-
4	Maqbool Colony	8	1,780	550	1,821	252	-	166
5	Satellite Town	9	4,711	115	4,733	52	100	-
6	Islam Pura	14	1,896	211	1,916	102	-	120
7	Model Town "C"	16	3,614	393	3,631	241	-	235
8	Rehmat colony	18	3,027	472	3,040	182	-	270
Total			25,205	5,575	25,376	2,495	2,049	1,031

Source: - MC Bahawalpur

ii. Provision of clean drinking water through water filtration plants

Clean drinking water through filtration plants was provided in 15 UCs out of 21UCs of MC, Bahawalpur and populace of 06 UCs (29%) was deprived of clean drinking water. Moreover, in 15 UCs only 25 filtration plants were installed for a

total population of 486,925 people and 02 filtration plants were non-functional during 2022-23. The detail is given below:

Sr. No.	Location	UC No.	Status 2021-22	Status 2022-23
1	Model Bazar	4	Functional	Functional
2	Model Town C	16	Functional	Functional
3	Islami Colony	11	Functional	Functional
4	Satellite Town	9	Non-Functional	Functional
5	Model Bazar Filter-2	4	Functional	Functional
6	Model Town C Filter2	16	Functional	Functional
7	Islam Pura Filter	14	Functional	Functional
8	Well Come Chowk Filter	17	Functional	Functional
9	Goth Gani Filter	1	Functional	Functional
10	Bohor Gate Filter	16	Functional	Functional
11	Bindra Puli Filter	2	Non-Functional	Functional
12	Diwan Wali Puli Filter	5	Non-Functional	Functional
13	Muhajir Colony filter	8	Functional	Non-Functional
14	Maqbool Colony Filter	8	Functional	Functional
15	Islami Colony Filter2	11	Functional	Functional
16	University Chowk Filter	4	Functional	Functional
17	Bhatta No.1 filter	19	Functional	Functional
18	Satellite Town Filter2	9	Functional	Functional
19	Thana Bagdad Filter	5	Functional	Non-Functional
20	Dar ul Kabab filter	13	Functional	Functional
21	Habib Colony Filter	18	Functional	Functional
22	Makki Masjid Tibba Bader Sher	7	Non-Functional	Functional
23	Shahdara Park	17	Non-Functional	Functional
24	Mander Phatay Wali Gali	14	Functional	Functional
25	Girls School Bhatta No.1	19	Functional	Functional

Source: MC Bahawalpur

iii. Non-testing of drinking water at the household level

In Bahawalpur city, 2,495 water connections remained functional during 2022-23. However, water testing quality was not conducted at household and water works level. Consequently, potential contaminants or water quality issues remained undetected which put the health of end users at risk.

iv. Lack of planning for improvement in infrastructure and provision of municipal services

Despite increase in population, the provision of water supply through pipelines was not improved. No steps were taken to restore the 2,049 dead water connections during 2022-23. In order to improve the provision of clean drinking

water services no new project was launched by the management of MC, Bahawalpur. Even targets were also not set in this regard.

v. Non-maintenance of historical record of filtration plants and water supply

The management did not maintain historical record of filtration plants regarding repair & maintenance and their replacement including date of repair, description of work performed, associated costs, and the condition of infrastructure before and after maintenance to track or validate the utilization of allocated funds for 10.713 million during Financial Year 2022-23.

vi. Theft of electricity and motors of filtration plants

The management did not take any action against the concerned regarding theft of electricity from filtration plants connections. Further, electric motors of 2 filtration plants were theft away but management did not take action against the concerned.

vii. Shortfall in recovery targets

The management did not achieve recovery targets of water rates from the connection holders. The Chief Officer MC Bahawalpur failed to use e-billing/e-complaint system for collection of water rate. The short recovery of water rate resulted in non-improvement of infrastructure. The detail is as under:

(Rupees in million)

Object Code	Detail Receipt Head	Demand as per D&C register FY 2022-23	Actual Recovery FY 2022-23	Pending Recovery FY 2022-23	Short fall
C0388046	Water connection/ disconnection/ re-connection fees	8.850	2.269	6.581	74%
Total of Arrears		8.850	2.269	6.581	74%

viii. Non-utilization of allocated funds for water filtration plants

The management did not utilize allocated funds for repair & maintenance of water filtration plants. Non-utilization of funds for water filtration plants and machinery implied that maintenance of essential infrastructure was neglected by the management. The detail is as under:

(Rupees in million)				
Sr. No.	Classification	Budget	Expenditure	Savings
1	Water Filtration Plant	2.000	0.568	1.432
2	Machinery and Equipment (Repairs)	29.150	27.682	1.468
Total				2.900

ix. Non-conduction of surveys

The management did not conduct fresh survey regarding water rates of residential as well as commercial connections. D&C register contained data of the period prior to 2010 which was not updated.

x. Contamination of drinking water with sewerage water

As per study report of MC Bahawalpur, more than 451,712 Rft water lines were non-functional in city. All pipelines were of Un-plasticized Polyvinyl Chloride (UPVC) material, which had been damaged during road construction / repair and maintenance and the drinking water was contaminated with sewerage water. Most of the water supply pipelines had completed their life cycle and needed to be replaced.

3.6.2.1.3 Significant Audit Observations

- i. Substandard and insufficient provision of drinking water through piped supply and filtration plants was observed in 10 cases⁵

3.6.2.2 Audit Analysis of Metropolitan Corporation, Dera Ghazi Khan

3.6.2.2.1 Review of Internal Controls

Effectiveness of internal controls was assessed on test check basis and a sample was selected for the purpose. Following issues of potential significance were observed regarding weaknesses of internal controls:

- i. No service standards, infrastructure standards, healthy and clean water, hygiene standards and minimum service delivery standards for provision of quality municipal services were set.
- ii. Record of feedback from general public was not available.
- iii. No mechanism was available to maintain the record of KPIs, its evaluation and remedial measures.

⁵ Annexure – 11 to 20

3.6.2.2.2. Critical Review

1. Provision of drinking water through Piped Supply and Filtration Plants

i. Non-testing of drinking water at the household level

The management of MC DG Khan did not conduct the testing of drinking water quality at household as well as waterworks level. It showed that the quality and safety of drinking water supplied to individual households (18,676 housing units) and population 149,408 (18,676x8) were not consistently monitored, posing health risks to end users.

ii. Contamination of drinking water with sewerage water due to obsolete infrastructure

The water pump operators and supervisors of water supply reported that most of the water supply pipelines, near about 17,500 Rft were out of order but the authority did not take any action. Further, a feedback from the end users revealed that the quality of water, supplied by Metropolitan Corporation was very low and not suitable for drinking. In some areas, the water supplied through pipelines was being contaminated with the sewerage water. Whereas, discontinuity of water supply due to obsolete / non-repairable infrastructure was also reported.

iii. Unassured continuity of water supply in absence of alternative power supply

Pipeline water was being supplied by 33 tube well /water supply schemes with a daily capacity of 115 lac gallons. But only 05 tube well were provided the alternative power facility of generator. The same were also not in functional position and were not utilized during last year. The lack of continuous water supply due to the absence of a power backup had affected the residents' daily lives badly.

iv. Non-conduction of fresh surveys

A survey conducted by MC Dera Ghazi Khan during 2017-18 showed that 97 commercial connections out of 179 were non-functional which were neither made functional nor removed from the record of MC. Furthermore, fresh survey was not conducted to enhance water supply coverage. The detail is as under:

Description of business	No. of connections as per MC record	No. of connections not available on site	No. of actual connections
Nursery	7	02	05
Barber (Hamam)	57	40	17
Hotel	57	8	49
Ice Factory	16	5	11
Subzi Mondi Market	42	42	0
Total	179	97	82

v. Non-enhancement of water supply facility

MC DG Khan provided 18,676 water supply connections to residents of the city during Financial Year 2022-23. As per National Censuses 2017, total population of the UCs under jurisdiction of MC was 397,362 persons with 52,872 housing units. It showed that piped water supply was not provided to 34,196 housing units / 247,954 persons. The detail is as under:

Total population	Total housing unit	Person/housing unit (1/2)	No. of connections to house hold	Population with water supply	Population without water supply	% age of population without water supply
397,362	52,872	8	18,676	149,408	247,954	62.40 %

vi. Non-establishment of water supply complaints and resolution cell

MC DG Khan did not establish a well-organized complaints cell to receive, document, investigate, and resolve complaints related to water supply. Total 1,731 complaints about pipeline leakage, sewerage water mixing and non supply of water were received during 2022-23. The same were just entered on a simple complaint register without any description about measures taken and time lapsed to resolve the complaints.

vii. Shortfall in recovery targets

The management did not achieve recovery targets of water rates from the connection holders. The Chief Officer MC Dera Ghazi Khan failed to use e-billing/e-complaint system for collection of water rate. The short recovery of water

rate resulted in non-improvement of infrastructure. The detail is as under:

(Rupees in million)

Name of receipts	Arrears as on 01.07.2022	Demand 2022- 23	Actual recovery	Less recovery
Water rates	713.997	87.414	12.215	789.196

viii. Non-maintenance of historical record of water supply schemes

The management did not maintain historical record of 26 water supply schemes regarding repair & maintenance, description of work performed, associated costs, and the condition of infrastructure before and after maintenance to track or validate the utilization of allocated funds. Moreover, the funds allocated for repair and maintenance during 2022-13 were not fully utilized despite 09 water pumps remained non-functional throughout the year. The detail of funds allocated and utilized is as under:

(Rupees in million)

Description	Budget allocation	Expenditure	Unutilized budget
Repair of turbines / transformers / electric motors	5.000	3.577	1.423

ix. Non-provision of clean drinking water through water filtration plants

Facility of clean drinking water through water filtration plants was not provided by the MC DG Khan. Populace of 397,362 in the city was depending on the filtration plants operated by private sector for clean drinking water.

3.6.2.2.3. Significant Audit Observations

Substandard and insufficient provision of drinking water through piped supply and filtration plants was observed in 10 cases⁶

3.7 Departmental Responses

The matter was reported to PAOs in October, 2023. The CO, MC Bahawalpur replied that water supply was being supplied according to the available resources. Therefore, due to insufficient funds and manpower this issue was persistent.

⁶ Annexure – 21 to 30

Department ensured drinking water safety through rigorous testing at the source and throughout the distribution network. Efforts were made to increase the income and distribution of computerized bills was also started and monitored by the authority. Reply was not tenable as no record was produced in DAC for verification in support of replies. The CCO, MC Dera Ghazi Khan did not reply.

DAC in its meeting held on 11.12.2023 directed the CO, MC Bahawalpur to produce the relevant record besides initiating action against the responsible(s).

3.8 Recommendations

MCs authorities are required to:

- i. Strengthen the internal control system for proper achievement of SDG-6 (1 & 9) including other targets of MCs.
- ii. Devise a comprehensive monitoring system for effective service delivery.
- iii. Make strenuous efforts for compliance of pending cases of spatial planning.
- iv. Make concrete efforts for early completion of development works.
- v. Expedite the process of recovery and realization/collection of revenue.
- vi. Reconcile the receipts with appropriate authorities on periodic basis.

3.9 Conclusion

Provision of municipal services to public is the primary responsibility of the Government. Government of the Punjab launched an ambitious program to achieve high standards of quality drinking water service delivery in Municipal Sector under PLGA, 2022 by establishing the Metropolitan Corporations / Metropolitan Corporations and Municipal Committees. Many of its aims coincided with the national and provincial commitments under MDGs and their successor SDGs. However, the efforts could not achieve the intended targets due to the following reasons:

- i. The management did not prepare and implement the comprehensive program for the frequent testing of drinking water quality at household level.

- ii. Non utilization of development funds optimally for provision of drinking water.
- iii. No action plan to prevent the mixing of sewerage water in the piped water supply.
- iv. Non installation of water filtration plants by MC Dera Ghazi Khan.
- v. Non availability of power supply back-up for water supply schemes.
- vi. Non conduction of surveys to asses and evaluate increasing demand and population trends.
- vii. Absence of business plan to recover the huge outstanding receipts.
- viii. Non- maintenance of data bank regarding store and its utilization related to pipelines and filtration plants.
- ix. The overall achievement of SDG-6 (sub clauses 1 & 9) was found unsatisfactory in Metropolitan Corporations.

3.10 References

- i. Punjab Local Government Act, 2022.
- ii. Summary for National Economic Council on SDGs National framework, March 2018.
- iii. Local Government Summit on SDGs, March 9, 2017.

MFDAC**Annexure-A****Part-I****Memorandum for Departmental Accounts Committee Paras
Pertaining to the Audit Year 2023-24****(Rupees in million)**

Sr. No.	DDOs	PDP No.	Subject	Amount
1	Metropolitan Corporation Bahawalpur (AY 2023-24)	1	Non-recovery of Government dues as pointed out in previous year' Audit Paras	17,346.965
2		4	Non-recovery of cost of land from occupants of Kachi Abadies	10,043.145
3		7	Illegal lease out of Agriculture land	10.093
4		8	Improper classification & booking and difference of receipts	5.956
5		9	Non-auction of property at competitive rates	60.141
6		11	Non provision of vouched account of deposit work	11.917
7		14	Unauthentic expenditure on purchase of insecticides from local supplier	0.913
8		17	Irregular appointments on contract basis	1.376
9		19	Irregular expenditure by splitting the indents and non-observance of the PPRA	45.834
10		20	Irregular advance payment for purchase of machinery	9.600
11		22	Irregular creation of liabilities	28.351
12		24	Irregular execution of development and repair works	36.325
13		25	Irregular expenditure on repair of machinery and vehicles	18.847
14		26	Less deposit of income tax and non-verification of GST deposit by supplier	10.846
15		27	Non transfer of pension contribution	33.678
16		31	Unjustified payment of electricity and transformer	297.029
17		32	Loss due to delay in approval of housing schemes / land sub-divisions	256.807
18		35	Non-production of record	223.348
19		36	Irregular / unjustified expenditure of POL	12.924

Sr. No.	DDOs	PDP No.	Subject	Amount
20	Metropolitan Corporation Dera Ghazi Khan (AY 2023-24)	2	Non-realization / recovery of arrears / outstanding income of sanitation fees	8.130
21		3	Non maintenance of security deposit register	14.228
22		5	Irregular budget allocation and expenditure without liability register	70.000
23		6	Irregular payment of holiday allowance	15.045
24		9	Un-authorized expenditure on fire-fighting services	6.285
25		13	Unjustified transfer of income and property	4.632
26		14	Loss due to non-auction of old material	15.000
27		15	Loss on account of conveyance allowance	0.480
28		16	Transfer of amount without reports regarding execution of budgets	96.698
29		17	Irregular regularization of work charge Employees and payment arrears of salaries	12.344
30		18	Willful concealment of arrears of recovery chances of misappropriation	682.409
31		19	Non-reconciliation of TTIP receipts	77.107
32		20	Non-maintenance of cash book and difference of bank balance / receipts	1,607.486
33		26	Non / less deduction of electricity charges	1.296
34		27	Illegal sale of property already-transfer in favor of MC	1,898.627
35		Metropolitan Corporation Faisalabad (AY 2023-24)	1	Non-recovery of Government dues as pointed out during previous years
36	2		Non-transfer of profit into general account	31.565
37	3		Difference between security deposit bank account and un-refunded amount shown in cash book	17.365
38	10		Irregular award of works to ineligible contractors	295.345
39	12		Irregular / unauthentic expenditure for iron cabins	2.659
40	14		Irregular expenditure on procurement of plants	3.04
41	16		Less deduction of GST	1.357
42	17		Non-reconciliation of TTIP receipts	221.167
43	18		Irregular framework contracts	118.858
44	19		Unauthentic expenditure on flexes, steamers and banners	31.333

Sr. No.	DDOs	PDP No.	Subject	Amount	
45		22	Irregular expenditure on repair & maintenance of buildings	3.812	
46		23	Irregular execution of development works	9.255	
47		24	Irregular execution of works without approved Job Mix Formula	38.916	
48		25	Non-obtaining of additional performance security	34.164	
49	Metropolitan Corporation Multan (AY 2023-24)	1	Non-recovery of Government dues	22.127	
50		2	Poor performance due to non-achievement of budget targets	160.304	
51		6	Irregular expenditure in violation of Procurement Rules	18.499	
52		8	Irregular payment of construction without issuance of revised work order	3.846	
53		10	Irregular sanction of expenditure without delegated financial powers	46.744	
54		11	Unjustified heavy expenditure on POL	4.048	
55		12	Loss of revenue due to rejection of highest bid	13.479	
56		14	Irregular expenditure on excess rates and without maintenance of record	2.514	
57		17	Less deduction of income tax from contractor	0.839	
58		18	Less addition & deduction of PST in repair works and less payment	1.816	
59		19	Irregular expenditure without stock entries in dead stock register	4.361	
60		20	Irregular / unjustified expenditure on Bakar Mandi arrangements	1.956	
61		21	Doubtful expenditure on repair of vehicles	6.453	
62		22	Loss to government due to high rate through quotation	0.561	
63		23	Irregular technical sanction of development schemes beyond powers	21.011	
64		24	Irregular expenditure on sports festival	2.386	
65		25	Irregular / unjustified consumption of POL	13.335	
66		26	Irregular promotions of class-IV employees and payment of salaries	4.522	
67		Metropolitan Corporation Sahiwal	1	Non-recovery of Government dues	570.220
68			4	Unjustified expenditure on general repair by un-registered suppliers	285.166

Sr. No.	DDOs	PDP No.	Subject	Amount
69	(AY 2023-24)	8	Non-recovery of pay & allowances and taxes from contractors	1.491
70		9	Irregular withdrawal of funds for payment of temporary employees	19.923
71		10	Fraudulent withdrawal of fuel for sanitation vehicles	14.240
72		11	Non-auction of city general bus stand	2.105
73		12	Less granting of bank profit on balance due to non-negotiation	2.911
74		13	Fraudulent withdrawal of fuel for sanitation vehicles	12.442
75		17	Irregular expenditure on repair of transformers	3.099
76		18	Non-credit of unclaimed security deposits into government revenue	18.199
77		19	Loss due to less recovery of road cuts charges	19.107
78		21	Irregular expenditure on repair of sewerage lines	4.761
79		22	Unauthorized payment of holiday / overtime allowance	6.531
80		23	Irregular / costly procurement of electric material	9.804
81		24	Irregular expenditure on repair of sanitation vehicles	7.848
82		25	Recovery of inadmissible allowance	0.191
83		26	Non-Production of record	-
84	Municipal Committee Abdul Hakim (AY 2023-24)	1	Non-recovery of government dues from the owners of commercial markets	1.257
85		4	Non achievement of Budgeted Targets	6.470
86		5	Less recovery of advertisement fees and sale of sullage water	0.349
87		6	Non-recovery of Government dues	25.163
88		7	Less realization of rent as per DRAC rates and arrears of revenue	3.735
89		8	Unauthorized payment of integrated allowance	0.394
90		9	Non-deposit / forfeiture of performance security besides non-imposition of penalty	1.270
91		10	Non-recovery of deduction for substandard tuff tile without lab test report	0.105

Sr. No.	DDOs	PDP No.	Subject	Amount	
92		11	Unauthorized expenditure on arrangement of cattle markets	0.933	
93		12	Mis-procurement due to violation of PPRA Rules	1.339	
94		13	Unjustified expenditure on account of POL due to fake maintenance of Log books	7.222	
95	Town Committee Abdul Hakim (AY 2022-23)	1	Loss due to non-auctioning of shops after completion of lease period	3.879	
96		2	Non-reconciliation of tax on transfer of immovable property	17.833	
97		3	Short recovery from contractor of advertisement fees	0.058	
98		4	Non-achievement of targets	33.158	
99		5	Non-recovery of Government dues	8.347	
100		6	Irregular construction of commercial buildings	1.156	
101		8	Irregular expenditure on earth work	4.696	
102		9	Non-imposition of penalty on late completion of development schemes	3.083	
103		10	Loss due to less-recovery of tender fees	0.608	
104		11	Non-deposit / transfer of share of Local Government Board	0.907	
105		12	Unauthorized lump sum provision of development schemes	70.989	
106		13	Doubtful expenditure on POL	1.737	
107		14	Doubtful expenditure by calling quotations on repair of transformers	0.168	
108		16	Excess payment of bricks without obtaining lab test reports	0.564	
109		17	Irregular Payment of Surface Treatment	6.459	
110		18	Irregular expenditure on tuff pavers	1.235	
111		19	Loss due to non-recovery of professional tax	0.066	
112		Municipal Committee Ahmed Pur East (AY 2023-24)	1	Non-recovery of Government dues as pointed out in previous year' Audit Paras	1,209.278
113			2	Non-maintenance of Security Register	1.119
114	3		Non maintenance of separate books of accounts	365.947	
115	4		Less deposit of PLGB share	1.961	
116	5		Non deposit of taxes into government treasury	1.298	

Sr. No.	DDOs	PDP No.	Subject	Amount	
117		7	Non reconciliation of tax collected on transfer of immovable property	21.400	
118		8	Expenditure without budget authorization	4.404	
119		9	Irregular drawl of HRA CA and house maintenance charges	0.087	
120		10	Unauthorized expenditure on establishment of cattle market	0.898	
121		11	Irregular expenditure due to non-observance of PPRA Rules	16.170	
122		12	Irregular payment of pension without obtaining life and no marriage certificates	101.389	
123		13	Loss due to excess expenditure on holiday allowance	3.091	
124		14	Loss due to misuse of fire brigade	2.007	
125		15	Unjustified expenditure on desilting of manhole	0.179	
126		16	Irregular expenditure on POL of vehicles	14.897	
127		17	Doubtful expenditure on repair of vehicles and machinery	3.860	
128		18	Misappropriation of receipts	1.675	
129		20	Loss due to non-assessment of revised rent of shops	8.158	
130		21	Non-production of record	2,112.160	
131		Municipal Committee, Ahmed Pur Sial (AY 2023-24)	1	Non-recovery of Govt dues as pointed out in previous years' Audit Paras	22.220
132			2	Non-receipt of Government grant	5.063
133			3	Wasteful expenditure due to non-functioning of Tractor	2.226
134			4	Non-auction of Ada Parking Fees	1.291
135			5	Poor performance due to non-achievement of revenue targets	3.578
136			6	Non-reconciliation of Tax on Transfer of Immoveable Property	3.145
137			7	Irregular payment for execution of earthwork	2.548
138	8		Utilization of bricks without ensuring specifications/testing	1.861	
139	9		Non-deduction / deposit of advance Income Tax	0.066	
140	13		Irregular expenditure on tuff tiles	1.287	
141	14		Irregular expenditure on POL	6.663	

Sr. No.	DDOs	PDP No.	Subject	Amount
142		15	Loss due to purchase of street lights items at higher rates	0.796
143		16	Withdrawal of funds without procurement	0.249
144		19	Non-reconciliation of receipts and expenditure	7.287
145	Municipal Committee Ahmad Pur Sial (AY 2022-23)	1	Non-compliance of previous year audit Paras	3.916
146		2	Irregular procurement of sanitation machinery and equipment	4.999
147		3	Loss due to procurement at higher rate	0.240
148		4	Non-recovery of Punjab Sales Tax on Services	0.238
149		5	Irregular expenditure on POL	6.235
150		6	Excess payment to the supplier	0.249
151		8	Substandard execution of civil work	0.660
152		9	Wasteful expenditure on cultural day	0.853
153		10	Irregular payment of holiday allowance	0.682
154		11	Less deduction of Income Tax on services	0.058
155		12	Non deposit/verification of General Sales Tax	0.325
156		13	Non-reconciliation of TTIP receipts	15.987
157		18	Non-imposition of penalty for delay in completion of works	1.350
158	Municipal Committee Alipur (AY 2023-24)	1	Non auction of contract of collection rights	0.821
159		3	Un-reconciled release of security deposits	0.532
160		8	Unauthorized expenditure on repair and maintenance without measurement	0.949
161		9	Loss due to non-reduction of cost of bricks	0.324
162		12	Non-reconciliation of tax on transfer of immoveable property	5.333
163		14	Illegal utilization of electricity by Tehsil Press Club from the Municipal Committee meter	0.180
164		15	Un-authorized expenditure against another formations	1.126
165		16	Irregular expenditure due to defective tendering process	17.200
166		17	Irregular expenditure through splitting of indents to avoid open tendering	2.076
167		18	Irregular expenditure on repair of M&E and vehicles	2.668

Sr. No.	DDOs	PDP No.	Subject	Amount
168		22	Unjustified payments of pension without verification	21.295
169	Municipal Committee Arifwala (AY 2023-24)	1	Non-recovery of Government dues	539.183
170		3	Less payment of Punjab Local Government Board fees	3.639
171		5	Charging of expenditure without observing Chart of Accounts	-
172		7	Non execution of mortgage deed @ 20%	56.952
173		8	Non-approval of housing colonies within timelines prescribed under land sub-division	4.255
174		10	Collection of tax on TTIP without any backup record / reconciliations	34.753
175		12	Un-authorized clearance of outstanding liabilities	0.431
176		13	Irregular expenditure against POL of vehicles	16.763
177		14	Unauthorized payment of Holiday Allowance	2.606
178		15	Loss to Municipal Committee fund by non-auctioning of shops at competitive rates	-
179		18	Non-auction of dried trees	2.458
180		Municipal Committee, Athara Hazari (AY 2023-24)	1	Non-recovery of dues as pointed out in previous year's Audit observations
181	2		Non-reconciliation of TTIP receipts	4.980
182	3		Non-deduction of Social Security Contribution	0.500
183	4		Non-recovery of conversion and map fees from commercial shops	0.296
184	5		Unauthorized declaration of urgency and mis-procurements thereof	0.875
185	6		Irregular expenditure on POL	1.240
186	7		Utilization of bricks without ensuring standard specifications and testing	5.665
187	8		Unauthorized splitting of expenditure without following PPRA	0.989
188	9		Unauthorized deduction of Zakat from Municipal Committees account	0.260
189	Municipal Committee	1	Non-compliance of previous year's recovery related audit observations	1.253
190		2	Irregular payment of bituminous item	0.516

Sr. No.	DDOs	PDP No.	Subject	Amount
191	Athara Hazari (AY 2022-23)	4	Irregular procurement of sanitation machinery	17.078
192		5	Irregular expenditure on POL	1.693
193		6	Non deposit/verification of General Sales Tax	1.969
194		7	Irregular payment for execution of earthwork	2.308
195		8	Non-recovery of conversion fees and map fees	0.116
196		9	Non-achievement of targets of revenue	3.722
197		10	Non-reconciliation of TTIP receipts	12.232
198		11	Loss due to procurement at higher rate	0.238
199		12	Irregular expenditure by splitting	1.433
200		Municipal Committee Bahawalnagar (AY 2023-24)	1	Non-recovery of Government dues as pointed out in previous year' Audit Paras
201	2		Loss due to charging less rates under the head of "Rent of Shops"	34.282
202	3		Loss due to delay in approval / registration of land sub-divisions	13.495
203	5		Loss due to establishment of LSD schemes without verification of land	155.631
204	6		Unjustified / establishment of land sub-division schemes without requirement	-
205	7		Loss due to non-collection of contract and tax amounts from contractor	2.105
206	8		Loss due to omission / modification of compulsory conditions from contract paper	3.507
207	9		Loss due to non-auction of old machinery	5.000
208	10		Loss due to Purchase of POL from Distant Petrol Pump	2.302
209	11		Loss due to Purchase of POL at Higher Rates than the Rates Fixed by OGRA	0.128
210	12		Loss due to non-deposit of sale proceeds of used mobil oil	0.076
211	13		Loss due to unjustified drawl of excess fuel	13.558
212	14		Loss due to shortfall in targets	120.691
213	15		Loss due to misappropriation under the head of "fair & exhibition"	2.792
214	17		Non production of record	181.439
215		1	Non-recovery of Govt dues as pointed out in previous years' Audit Paras / Observations	21.146

Sr. No.	DDOs	PDP No.	Subject	Amount
216	Municipal Committee, Bhowana (AY 2023-24)	2	Non-reconciliation of TTIP receipts	5.675
217		3	Non-recovery of Punjab Sales Tax on Services	0.103
218		4	Non-credit of bank profit to Municipal Committee Fund	0.246
219		5	Non-realization of revenue on account of approval of private housing schemes	0.027
220		8	Non-auction of condemned material	0.056
221		9	Non-recovery / deposit of local Government dues and taxes	0.075
222	Municipal Committee Bhowana (AY 2022-23)	1	Non-imposition of penalty for delay in completion of works	0.527
223		3	Unauthentic payment on account of lead on earth work	1.009
224		4	Non-award of works on risk and expense of original contractor	1.823
225		5	Non-realization of sanitation/drainage fees	2.524
226		6	Less recovery of revenue	2.286
227		7	Non-reconciliation of TTIP receipts	10.178
228		10	Non-recovery of Government dues as pointed out during previous years	4.664
229	Municipal Committee Burewala (AY 2023-24)	1	Non-recovery of Government dues	1,049.928
230		2	Non-maintenance of separate head of account of Betterment fees	3.724
231		3	Poor performance due to non-achievement of targets	22.042
232		5	Non-reconciliation of record of Immoveable Property Tax	77.984
233		6	Irregular payment of arrears without allocation of separate budge	0.412
234		7	Unauthorized payment of Holiday Allowance	6.165
235		8	Non-transfer of unclaimed security & profit to general account of Municipal Committee	0.706
236		9	Irregular payment without administrative approval and technical sanction	2.965
237		10	Irregular expenditure in violation of Procurement Rules	2.026
238		11	Loss to municipal fund by adding of Provincial Sales Tax for unregistered contractors	0.300

Sr. No.	DDOs	PDP No.	Subject	Amount
239		12	Doubtful expenditure on repair of machinery & equipment	5.022
240		13	Irregular payment of sales Tax without sales tax invoice	0.223
241		15	Irregular expenditure on repair of soling and provision of manhole covers	3.612
242		17	Unjustified expenditure against fake repair bills	0.304
243		18	Irregular expenditure on repair of transformer & machinery	0.412
244		19	Doubtful payment without stock entry and consumption record of store items	1.041
245		20	Irregular expenditure on sports festival	1.028
246		21	Irregular expenditure against POL of vehicles	53.421
247		22	Irregular expenditure on Bakar Mandi	2.183
248		Municipal Committee, Chak Jhumra (AY 2023-24)	1	Non-recovery of Govt. dues as pointed out in previous years' Audit Paras/Observations
249	2		Non-reconciliation of Tax on Transfer of Immoveable Property	8.789
250	3		Non-recovery of pay of staff from the contractor	0.447
251	4		Non-recovery of Government dues	0.866
252	6		Irregular Payment of bituminous items without testing from RR&MTI	5.691
253	Municipal Committee, Chenab Nagar (AY 2023-24)	1	Non-recovery of dues as pointed out in previous year's Audit observations	29.360
254		2	Non-reconciliation of TTIP receipts	22.995
255		4	Less deduction of PST on repair works	0.073
256		5	Loss due to non-recovery of arrears of shops rent as per assessment rates / market rates	3.332
257		7	Non-recovery of arrears of excess salary withdrawn	0.612
258		8	Irregular expenditure on POL	3.280
259		9	Unauthorized splitting of expenditure without following PPRA	2.561
260	Municipal Committee Chenab Nagar (AY 2022-23)	2	Irregular payment without approval of Job Mix Formula	8.416
261		3	Irregular payment due to non-conducting of lab tests	0.831
262		5	Loss due to non-recovery of sanitation fees	0.451

Sr. No.	DDOs	PDP No.	Subject	Amount
263		6	Non-reconciliation of TTIP receipts	38.466
264		7	Non-recovery of Government dues as pointed out during previous years	8.304
265		8	Unauthentic payment on account of lead on earth work	1.671
266		10	Loss due to non-recovery of rent of shops at competitive rates	3.515
267		11	Non-auction of dried trees and old machinery	1.030
268		Municipal Committee Chichawatni (AY 2023-24)	1	Non-recovery of Government dues
269	2		Loss due to short recovery of revenue as per demand and collection register	40.152
270	3		Non reconciliation pay & allowances expenditure	199.914
271	8		Non-reconciliation of TTIP receipts	33.959
272	9		Less recovery/ non-recovery of advance income tax and PST	1.061
273	11		Unauthorized/ fraudulent payments due to issuance of cheques in the name of DDOs	487.503
274	12		Irregular expenditure against POL of vehicles	17.849
275	13		Irregular award of works without performance	0.150
276	15		Irregular expenditure by splitting	1.691
277	16		Non-imposition of penalty for delay in completion of works	2.732
278	Municipal Committee, Chiniot (AY 2023-24)		1	Non-recovery of Government dues as pointed out in previous year's Audit Paras
279		2	Non-receipt of Government grant	6.191
280		3	Non-credit of bank profit to Municipal Committee General Fund	0.193
281		4	Non-reconciliation of TTIP receipts	27.325
282		5	Unauthorized clearance of outstanding liabilities	3.039
283		6	Irregular payment of bituminous items	1.282
284		9	Non-imposition of penalty on late completion of work	0.400
285		11	Loss to Govt. due to non-rent out of Govt. Property	0.442
286		12	Irregular expenditure on repair of machinery and vehicles	1.167

Sr. No.	DDOs	PDP No.	Subject	Amount
287		13	Irregular expenditure on procurement	10.093
288		14	Irregular expenditure on POL due to improper maintenance of log books	20.624
289	Municipal Committee Chishtian (AY 2023-24)	1	Non-recovery of Govt. dues as pointed out in previous year Audit paras	289.808
290		2	Non-recovery of rent of Plots / Flats on assessed market-based rent	6.468
291		3	Non-reconciliation of TTIP receipts with Revenue Department	49.671
292		4	Non-recovery of income from rent of shops at approved market-based rate of rent	32.631
293		5	Deterioration of Government property due to non-auction	0.885
294		6	Loss to MC due to non-approval of rent of open white plots on market based assessed rent	2.286
295		7	Payment of pension without obtaining life certificates	78.915
296		9	Non-realization of revenue on account of approval of private housing schemes	11.882
297		10	Loss to Govt. due to non-maintenance of water connections record and non-recovery	84.604
298		11	Non-recovery of land revenue from MEPCO Chishtian	10.068
299		13	Non submission of back up record by the contractor	11.011
300		14	Non-maintenance of separate books of accounts and classified accounts of expenditure mill	480.595
301		17	Over payment of TA/DA	0.106
302		18	Doubtful use of POL in Jetting and Sucker machines	7.679
303		19	Unjustified delay in approval of maps and processing of applications	3.512
304		21	Unjustified expenditure on purchases items for water supply without observing PPRA	8.363
305		22	Misappropriation of POL and bogus maintenance of log books	25.211
306		23	Loss due to non / less achievement of targets of receipts	118.796

Sr. No.	DDOs	PDP No.	Subject	Amount
307	Municipal Committee Choubara (AY 2023-24)	3	Non-reconciliation and backup record on Account of immoveable Property Tax	9.413
308		7	Unjustified expenditure against repair of vehicles and machinery	1.530
309		8	Irregular execution of schemes by splitting without making PC-I and without tenders	1.705
310		10	Irregular execution of scheme due to lapse of TSE and without PC-I	1.600
311		11	Non-recovery of penalty due to delay in completion of work	1.600
312		12	Loss due to non-transfer and deposit of GST and income tax	0.204
313	Municipal Committee Chowk Sarwar Shaheed (AY 2023-24)	2	Non-reconciliation and backup record on Account of immoveable Property Tax	12.483
314		4	Non-achievement of revenue target	0.392
315		10	Unjustified return of securities to contractor	0.403
316		11	Unauthorized payment in cash	0.524
317		12	Non-production of record	1.156
318	Municipal Committee Chowk Azam (AY 2023-24)	2	Non-maintenance, non-reconciliation of record of Immoveable Property Tax	18.268
319		3	Unauthorized payment of holiday allowance	1.369
320		4	Irregular clearance of pending liabilities	1.322
321		5	Irregular payments of daily wages and misclassification of expenditure	1.995
322		7	Irregular expenditure on TA/DA	0.408
323		8	Non-performing of internal audit of own source receipts by the RAD	8.047
324		11	Non-maintenance of books of accounts of expenditure	98.586
325		12	Less deposit of PLGB share	1.587
326	MC Dijkot (AY 2023-24)	1	Non-compliance of previous year's recovery paras	11.622
327		2	Less realization of income due to non-leasing of shops on market-based rent	3.312
328		6	Non-reconciliation of TTIP receipts with Revenue Department	4.135
329		7	Irregular expenditure against POL of vehicles	7.087
330		10	Non-maintenance of Security Deposit Register and non-credit of bank profit	1.165

Sr. No.	DDOs	PDP No.	Subject	Amount
331		12	Non-completion of development schemes	4.087
332		13	Non-transparent recruitment process by manipulation of record	2.358
333	Municipal Committee Dijkot (AY 2022-23)	1	Non-compliance of previous years audit observations	8.274
334		2	Execution of works without approved Job Mix Formula	3.892
335		3	Irregular procurement of machinery & equipment	10.973
336		4	Irregular payment for execution of earthwork	3.355
337		5	Overestimation and excess payment of Contractor's Profit	0.267
338		6	Irregular payment due to non-conducting of lab tests	3.871
339		7	Non-leasing of shops on reassessed market rent rates	6.749
340		8	Non deposit/verification of General Sales Tax	1.907
341		9	Overpayment due to procurement on higher rate	0.684
342		10	Non-recovery of Punjab Sales Tax on Services	0.264
343		12	Non-reconciliation of TTIP receipts	17.202
344		13	Irregular expenditure on POL	2.372
345		14	Non-imposition of penalty for delay in completion of works	0.697
346		15	Non-achievement of targets of revenue	3.264
347		Municipal Committee Donga Bonga (AY 2023-24)	1	Non-recovery of Govt. dues as pointed out in previous years audit paras
348	2		Non-reconciliation of TTIP receipts with Revenue Department	15.937
349	4		Loss to Government exchequer due to non-recovery of water rates	5.044
350	5		Payment of pension without obtaining life certificates	31.154
351	7		Unjustified expenditure on purchases for water supply without observing PPRA	2.842
352	8		Non-maintenance of separate books of accounts and classified accounts of expenditure	205.351

Sr. No.	DDOs	PDP No.	Subject	Amount
353		9	Receipt of income without maintaining Demand & Collection register and back up record	4.692
354		10	Realization of income without observing auction of collection rights rules	7.070
355		11	Unauthorized expenditure on contingent paid staff	3.479
356		12	Doubtful expenditure on POL of generator	1.975
357		13	Doubtful expenditure on purchase and consumption of different consumable items	3.067
358	Municipal Committee Dunyapur (AY 2023-24)	1	Non-compliance of previous Audit paras involving recovery	77.253
359		2	Unauthorized payment of holiday allowance	0.411
360		4	Non-performing of internal audit of own source receipts by the RAD	14.803
361		6	Non-obtaining of mortgage deed of 20% saleable plots as surety	5.861
362		7	Irregular expenditure on electricity charges	2.929
363		8	Irregular expenditure on POL charges	12.213
364		9	Non-reconciliation of TTIP receipts	12.793
365		10	Unauthorized payment of integrated allowance	0.299
366		11	Irregular expenditure in violation of Procurement Rules	1.824
367		12	Irregular appointment and payment of salaries	4.591
368	Municipal Committee Dunyapur (AY 2022-23)	1	Non-compliance of previous Audit paras involving recovery	34.666
369		2	Irregular payment to contractors without BOQ / GST invoices	0.370
370		3	Loss due to non-auction of contract of collection rights	0.559
371		4	Non-reconciliation of immoveable property tax	32.459
372		6	Loss due to less recovery of auctioned amount	0.421
373		8	Loss due to shortfall in receipt targets	34.354
374		10	Non maintenance of record of assets	-
375		11	Non-production of record	5.222
376		12	Irregular expenditure without third party validation	45.506

Sr. No.	DDOs	PDP No.	Subject	Amount	
377		14	Doubtful consumption of POL	17.698	
378		15	Irregular payment of additional allowance	0.052	
379	Municipal Committee Fatehpur (AY 2023-24)	4	Execution of Punjab PMS schemes without observing time schedule and third-party validation	50.000	
380		5	Irregular expenditure without observing procurement rules	50.000	
381		7	Unjustified releases of security deposits	4.665	
382		12	Non-transfer of property of housing schemes in the name of Municipal Committee	270.270	
383		14	Irregular payment of holiday allowance due to non-rotation of duties	4.864	
384		19	Non realization of arrears of income in D & C and Budgets books	130.357	
385		21	Misappropriation due to less reporting of income in books of accounts	21.175	
386		22	Non-imposition of penalty for late completion of works	2.235	
387		Municipal Committee Fazilpur (AY 2023-24)	1	Less recovery of rent of shops	0.112
388			3	Non-achievement of revenue target	3.528
389	5		Irregular expenditure against repair of Tractor and Trolley	0.775	
390	7		Irregular procedure of Collection of Immovable Property Taxes	7.037	
391	8		Unjustified Payment from the Pension Fund	15.633	
392	9		Unauthentic expenditure on consumable store	2.064	
393	Municipal Committee Fort Abbas (AY 2023-24)	1	Non-recovery of dues as pointed out in previous year' Audit Paras	903.511	
394		2	Unjustified payment of Holiday Allowance due to non-rotation of duties	0.692	
395		4	Shortfall in target receipts	22.367	
396		5	Less deposit of PLGB share	2.855	
397		6	Non maintenance of separate books of accounts	133.453	
398		7	Loss due to non-auction for rent of shops/plots	4.168	
399		8	Less deposit of Income Tax on auction of receipts	13.395	
400		12	Doubtful expenditure on repair of machinery & vehicles	4.398	

Sr. No.	DDOs	PDP No.	Subject	Amount
401		13	Non-deposit of GST/Income Taxes	0.664
402		14	Excess / Overpayment due to non-observing OGRA rates	0.069
403		15	Non-reconciliation of TTIP receipts and non-maintenance of backup record	7.174
404		16	Loss due to unjustified drawl of excess fuel	9.967
405		17	Irregular expenditure on establishment of cattle markets	0.148
406		19	Doubtful expenditure on arrangements on national events	0.996
407		20	Non-production/maintenance of record	133.453
408	Municipal Committee, Ghar Maharaja (AY 2023-24)	1	Non-recovery of Govt. dues as pointed out in previous years	9.634
409		2	Non-recovery of rent of shops	0.037
410		3	Unauthorized award of collection rights to defaulter contractors	9.035
411		5	Non-recovery of local Government dues from contractor/lessees	0.109
412		6	Less receipt / deposit of advance Income Tax	0.888
413		7	Non-reconciliation of Tax on Transfer of Immoveable Property	2.239
414		8	Non-completion of civil works within stipulated time period	1.691
415		10	Cost overrun due to non-procurement of Sucker & Jetting Truck mount combined unit	15.000
416		11	Execution of civil works without open competition	2.894
417		12	Irregular expenditure due to procurement made from un-registered suppliers	6.882
418		13	Execution of schemes without identification of sites / PC-I	14.336
419		14	Irregular expenditure on POL	3.930
420	Municipal Committee Garh Maharaja (AY 2022-23)	1	Non-recovery of Government dues as pointed out in previous year's Audit Paras	3.985
421		3	Non-recovery of PST on Services	0.798
422		4	Less charging/payment of stamp duty by the contractors	0.059
423		5	Non-credit of bank profit to Municipal Committee General Fund	0.546
424		6	Non-recovery of arrears of rent of shops	0.252
425		7	Non-reconciliation of TTIP receipts	10.715

Sr. No.	DDOs	PDP No.	Subject	Amount
426		8	Irregular payment of bituminous items	3.222
427		9	Utilization of bricks without ensuring standard specifications and testing	3.945
428		10	Irregular payment for execution of earthwork	1.571
429		11	Irregular procurement of sanitation machinery & equipment	2.317
430		12	Loss due to procurement at higher rate	0.240
431		14	Irregular expenditure on POL due to improper maintenance of log books	1.135
432		Municipal Committee, Gojra (AY 2023-24)	1	Non-recovery of Govt. dues as pointed out in previous years' Audit Paras
433	3		Loss due to non-auction of municipal property at re-assessed market rates	135.275
434	9		Irregular payment without maintaining MBs and deduction of Security	0.565
435	10		Irregular expenditure on POL	7.804
436	12		Non-reconciliation of Tax on Transfer of Immoveable Property	49.043
437	13		Irregular payment of holiday allowance	2.069
438	14		Irregular payment of bituminous items	1.588
439	15		Less charging of stamp duty from contractors	0.165
440	Municipal Committee Haroonabad (AY 2023-24)	1	Less deposit of PLGB share	2.822
441		2	Non-utilization of funds provided for PMS Schemes	23.180
442		3	Non-receipt of PMSP funds from District Council	26.820
443		4	Non-reconciliation of tax collected on transfer of immovable property	21.762
444		5	Loss due to non / less achievement of targets of receipts	106.171
445		6	Loss due to non-auctioning of shops at competitive rates	52.340
446		9	Non reconciliation of receipts	5.491
447		10	Unauthentic receipt of income without maintaining demand & collection register	1.355
448		7	Loss due to non-recovery of auctioned amount, income tax and salary of staff	0.798

Sr. No.	DDOs	PDP No.	Subject	Amount
449		11	Non-recovery of Government dues as pointed out in previous year's Audit Paras	231.649
450		12	Non-deposit of taxes into government treasury	0.587
451		14	Non-transfer of balance from non-functional bank accounts	12.743
452		15	Loss due to excess expenditure on holiday allowance	3.600
453		16	Loss due to misuse of fire brigade	0.855
454		17	Loss due to non-observing OGRA rates and non-deposit of sales proceeds of used mobil oil	0.094
455		18	Doubtful expenditure on POL due to improper maintenance of log books	10.864
456		19	Irregular payment of pension without obtaining life and no marriage certificates	64.144
457		20	Irregular payment to legal adviser	0.300
458		21	Non-production of record	12.430
459		Municipal Committee Hasil Pur (AY 2023-24)	3	Non-compliance of observations issued in previous year Audit
460	4		Loss due to non-recovery of rent of shops on new assessment	89.412
461	6		Non-maintenance of separate books of accounts	377.945
462	10		Non-deduction / deposit of GST	2.360
463	11		Non-reconciliation of TTIP receipts with Revenue Department and non-maintenance of recovery register	32.228
464	12		Unjustified payment from the pension fund	35.399
465	13		Irregular payment to work charged establishment	4.356
466	14		Unauthorized budget and expenditure	25.181
467	15		Non-maintenance of security register amounting	14.125
468	16		Less deposit of PLGB share	4.615
469	17		Irregular expenditure on POL	2.072
470	Municipal Committee Jahanian (AY 2023-24)	1	Non-recovery of Government dues as pointed out in previous years' paras	389.339
471		2	Collection of tax on TTIP without any backup record / reconciliations	10.619

Sr. No.	DDOs	PDP No.	Subject	Amount	
472		5	Less payment of Punjab Local Government Board fees	2.531	
473		6	Poor Performance due to non-utilization of development funds	9.536	
474		7	Charging of expenditure without observing Chart of Accounts	-	
475		9	Non-realization of income from drainage rate (sewerage fees / sanitation fees)	-	
476		10	Irregular expenditure against POL of vehicles	11.811	
477		13	Non-execution of mortgage deed @ 20%	44.929	
478		14	Non-approval of housing colonies within timelines prescribed under land sub-division	8.846	
479		16	Irregular expenditure on execution of civil works	1.813	
480		17	Irregular expenditure in violation of Procurement Rules	1.991	
481		Municipal Committee Jhanian (AY 2022-23)	1	Non-recovery of Government dues as pointed out in previous years' Audit Paras	12.789
482			2	Execution of PMS Schemes without observing time schedule	25.813
483	3		Payment without third-party validation	14.743	
484	4		Loss due to non-recovery of professional tax	0.036	
485	5		Non-auction of dried trees	1.200	
486	6		Loss on account of holiday allowance	2.633	
487	7		Irregular expenditure on bituminous items	5.671	
488	9		Loss due to non-reducing of brick rate	1.192	
489	11		Un-justified expenditure on account of lead on earth work	1.065	
490	12		Shortfall of revenue receipt	249.124	
491	14		Non-production of record	-	
492	Municipal Committee Jalalpur Pirwala (AY 2023-24)	1	Non-recovery of government dues as pointed out in previous years paras	218.883	
493		5	Unauthorized payment of holiday / extra duty allowance	4.455	
494		6	Non-deposit of government taxes deducted at source	6.447	
495		8	Irregular award of outsourced income contract due to unhealthy competition	7.699	
496		9	Unauthorized expenditure on arrangement of cattle markets	1.806	

Sr. No.	DDOs	PDP No.	Subject	Amount
497		11	Procurement of substandard tuff pavers and bricks	1.365
498		12	Doubtful expenditure on POL	2.945
499		13	Irregular execution of repair works through quotation instead of open tender in violation of PPRA Rules	6.111
500		14	Irregular expenditure on general purchase and repair of machinery	3.346
501		17	Non-production of record	5.033
502	Municipal Committee Jalalpur Pir Wala (AY 2022-23)	1	Non-recovery of Government dues as pointed out in previous years' Audit	132.055
503		3	Non-recovery the salaries & electricity bills from the contractor of	7.654
504		4	Illegal recovery without work order of general bus stand	1.111
505		6	Non-forfeited the bid securities	0.300
506		7	Irregular auction of outsource income	6.720
507		8	Irregular drawl of funds without making entry in Measurement Book	6.980
508		9	Unauthorized payment of holiday / extra duty allowance	2.149
509		11	Irregular uneconomical doubtful quotations work of civil work	5.500
510		12	Irregular selection of schemes out of PMSP	11.710
511		15	Irregular expenditure without approval of pavement design	15.000
512		16	Irregular expenditure on bituminous items and tuff tiles	8.290
513		17	Less payment of PRA Charges for repair & maintenance work	1.680
514		18	Irregular payment of earth without recording of Cross Section Area	4.830
515		19	Irregular expenditure without third party validation	30.000
516		20	Non-production / non-maintenance of record	29.465
517	21	Excess payment to contractor due to payment of excess quantities	0.795	
518	Municipal Committee Jampur (AY 2023-24)	7	Unjustified expenditure on electricity	18.800
519		8	Un-authorized payment of Pay and allowances	2.086
520		11	Less-recovery of leases / non-achievement of receipt target	51.003

Sr. No.	DDOs	PDP No.	Subject	Amount	
521		12	Non-production/non-maintenance of record	-	
522	Municipal Committee, Jaranwala (AY 2023-24)	1	Approval of building plans for commercial use without conversion of land	0.847	
523		2	Payment to contractor for work executed beyond estimated provisions	1.447	
524		4	Non-recovery of Government dues as pointed out in previous year Audit Paras	21.339	
525		6	Loss due to non-implementation of reassessed rent of MC shops / properties	13.301	
526		10	Procurement of sports equipment in violation of procurement rules	0.384	
527		13	Irregular utilization of maintenance & repair funds	15.838	
528		14	Irregular expenditure on repair of machinery and vehicles	3.514	
529		15	Irregular expenditure against POL	23.197	
530		16	Irregular payment of maintenance & repair works liabilities	2.389	
531		19	Non-reconciliation of TTIP receipts with Revenue Department	31.934	
532		20	Non-maintenance of security deposit register and non-credit of bank profit	0.173	
533		Municipal Committee Jatoi (AY 2023-24)	2	Non-execution of mortgage and transfer deed	59.960
534			4	Non-reconciliation and backup record on Account of TTIP collected	5.265
535	7		Irregular payment of holiday allowance	1.044	
536	9		Deliberately non-realization of income	1.387	
537	11		Irregular utilization of PMSP development funds	10.000	
538	12		Irregular expenditure on establishment of cattle markets	0.940	
539	13		Unjustified expenditure without maintenance of liability register	7.721	
540	16		Irregular expenditure on development works	22.644	
541	Municipal Committee, Jhang (AY 2023-24)	2	Non-finalization of assessment of rent of shops at competitive rates	85.476	
542		3	Loss due to non-auction of vacant shops and open places for shops MC	99.471	
543		6	Non-recovery of Government dues as pointed out during previous years	314.529	

Sr. No.	DDOs	PDP No.	Subject	Amount	
544		8	Irregular payment of holiday allowance	2.509	
545		9	Irregular expenditure on POL	70.097	
546		16	Irregular expenditure on repair of machinery and equipment	2.551	
547		18	Non-auction of dried trees, old vehicle and parts of machinery	2.000	
548	Municipal Committee Kabirwala (AY 2023-24)	1	Non-recovery of government dues as pointed out in previous years audit paras	60.939	
549		2	Recovery of conveyance allowance having official car and motorcycles	0.087	
550		3	Less recovery of advertisement fees	0.373	
551		6	Less realization of rent as compared to rates specified by DRAC	14.014	
552		8	Irregular expenditure on pension payment due to non-availability of certificates	20.756	
553		9	Unauthorized expenditure on arrangement of cattle markets	1.885	
554		10	Non-imposition of penalty for delay in completion of work	0.227	
555		11	Non verification of record of tax on transfer of immoveable property	17.585	
556		12	Irregular expenditure in violation of Procurement Rules	3.136	
557		13	Irregular expenditure against POL of vehicles	14.586	
558		14	Non-production of record	3.546	
559		Municipal Committee Kabirwala (AY 2022-23)	1	Non-recovery of Government dues as pointed out in previous year's Audit Paras	31.132
560			2	Non-achievement of targets of revenue	4.044
561			4	Loss due to realization of rent at less than prevailing market rates	7.924
562	6		Non-imposition of penalty on late completion of works	2.570	
563	9		Non-stoppage of sale and development activities in housing scheme	-	
564	10		Irregular expenditure due to purchases without tendering	10.122	
565	11		Non-production of record	1.085	
566		1	Non-recovery of Government dues as pointed out in previous year Audit Paras	93.782	

Sr. No.	DDOs	PDP No.	Subject	Amount	
567	Municipal Committee Kamalia (AY 2023-24)	3	Undue retention of collected Advance Income Tax	1.127	
568		6	Loss due to non-reassessment of market-based rent of MC shops / properties	6.330	
569		7	Irregular auction of collection rights of revenue sources	12.160	
570		9	Non-maintenance of security deposit register & non-realization of Public Account receipts	6.531	
571		11	Unauthorized withdrawal of funds without pre-audit	7.431	
572		12	Irregular expenditure on repair of machinery and vehicles	2.282	
573		13	Irregular expenditure without open competition	1.887	
574		14	Irregular expenditure on civil works	5.076	
575		Municipal Committee Kameer (AY 2023-24)	1	Irregular execution of civil works through quotations	4.490
576			2	Irregular expenditure without mentioning site locations	2.060
577	4		Non-obtaining of mortgage deed of 20% saleable area	29.300	
578	6		Loss of bank profit due to late transfer of funds share from defunct District Council, Sahiwal	32.174	
579	7		Irregular expenditure on POL	10.270	
580	8		Unauthorized expenditure through splitting of indents to avoid open tendering	3.892	
581	9		Unjustified expenditure on the repair of vehicles	1.875	
582	10		Non-recovery of Government dues as pointed out in previous years' Audit Paras	74.086	
583	11		Non-verification of deposit of GST by suppliers	1.030	
584	Town Committee Kameer (AY 2022-23)		1	Non-recovery of Government dues as pointed out in previous year's Audit Paras	71.847
585		2	Non reconciliation of TTIP receipts	10.573	
586		3	Excess expenditure due to charging of sales tax on exempted items	0.035	
587		4	Irregular expenditure through splitting	2.368	
588		5	Non-credit of bank profit to Municipal Committee General Fund	0.437	

Sr. No.	DDOs	PDP No.	Subject	Amount
589		7	Irregular expenditure on POL due to improper maintenance of log books	1.200
590		8	Non-production of record	33.174
591		9	Irregular expenditure on the repair of vehicles	0.405
592	Municipal Committee Karor (AY 2023-24)	3	Loss due to non-recovery of PST	0.091
593		4	Unjustified transfer of funds from security deposit account to General Funds Account	4.900
594		5	Non-reconciliation of TTIP receipts and non-maintenance of ancillary record	11.837
595		6	Overpayment of salary owing to wrong fixation of Pay on promotion	0.103
596		9	Loss due to non-transfer and deposit of taxes	0.396
597		10	Irregular payment from pension fund	22.528
598		13	Irregular payment of arrears bills without additional budget	2.172
599		14	Unjustified expenditure against repair of vehicles and machinery	0.770
600	Municipal Committee Kehror Pacca (AY 2023-24)	1	Non-recovery of Government dues as pointed out in previous year's Audit Paras	6.848
601		2	Unauthorized payment of holiday / extra duty allowance	2.605
602		3	Non-recovery of water rates	1.414
603		4	Irregular expenditure against POL of vehicles	6.644
604		5	Unauthorized clearance of outstanding liabilities	3.453
605		6	Poor performance of collection staff	-
606		7	Irregular expenditure on electricity charges	1.134
607		8	Irregular execution of civil works on quotations	1.488
608		9	Non-performing of internal audit of own source receipts by the RAD	5.112
609		12	Non-reconciliation of TTIP receipts	19.651
610	13	Irregular expenditure by splitting	2.093	
611	Municipal Committee Kehror Pacca (AY 2022-23)	1	Non-compliance of previous audit paras involving recovery	35.556
612		4	Non-recovery of liquidated damages	0.482
613		5	Loss due to purchase of electric items at higher rates than the rates given in the bid	0.182

Sr. No.	DDOs	PDP No.	Subject	Amount
614		6	Non-imposition of penalty for delay in completion of works	0.855
615		7	Less receipt of additional performance security	0.170
616		9	Loss due to incorrect ownership verifications of land	9.092
617		11	Non-achievement of targets of revenue	18.731
618		12	Irregular expenditure due to purchases without tendering	2.173
619	Municipal Committee Khair Pur Tamewali (AY 2023-24)	1	Non-recovery of Government dues as pointed out in previous year' Audit Paras	335.599
620		4	Loss due to excess expenditure on holiday allowance	1.901
621		6	Receipt on account of transfer of immovable property without backup record	4.698
622		8	Non-maintenance of separate books of accounts	139.038
623		9	Loss to Municipal Committee due to non-auction of cultivated area	3.500
624		10	Non-maintenance of Security Register amounting	11.604
625		11	Expenditure without authorization	8.439
626		12	Unauthorized expenditure on POL of vehicle and generators	2.718
627		13	Improper budgeting by the Municipal Committee	171.646
628		14	Doubtful expenditure due to non-maintenance of history sheet	2.993
629	Municipal Committee Khan Pur (AY 2023-24)	1	Non-compliance of observations issued in previous year Audit paras / observation	949.748
630		2	Non-maintenance of separate books of accounts of expenditure	400.773
631		3	Non-depositing of local government board fees	9.335
632		4	Irregular payments of daily wages / contingent paid establishment	2.320
633		5	Irregular appointments of sanitary workers on contract basis	2.365
634		6	Loss due to non-imposition of penalty for late completion of work	1.144
635		7	Irregular release of securities	0.651

Sr. No.	DDOs	PDP No.	Subject	Amount	
636		8	Unauthorized clearance of outstanding liabilities	0.665	
637		10	Irregular expenditure on TA/DA	0.492	
638		11	Irregular expenditure on drawl of POL	21.306	
639		12	Loss due to non-auction of old dry trees vehicles and other misc. items	7.000	
640		13	Charging of expenditure without observing Chart of Accounts	-	
641		14	Irregular expenditure on repair	7.277	
642		15	Unauthorized expenditure on establishment of cattle markets	0.507	
643		16	Misappropriation in receipt without backup record / reconciliation thereof	0.448	
644		17	Non-production of record	-	
645		Municipal Committee Khanewal (AY 2023-24)	1	Non-recovery of Government dues	58.715
646			2	Non-achievement of targets of revenue	3.249
647			3	Non-recovery of declared arrears of land revenue	132.741
648			4	Illegal award of state land	631.500
649			6	Loss due to approvals of land sub-divisions	9.470
650			7	Non-recovery of PST on Services	0.600
651			8	Less realization of advertisement fees	314.000
652			9	Loss due to non-stoppage of sale and development activities in unapproved LSDs	59.101
653	10		Loss due to purchase of POL at higher rates than fixed by OGRA	0.260	
654	11		Loss due to fake repairs of sewer jetting machine	0.129	
655	14		Irregular expenditure in violation of Procurement Rules	4.376	
656	15		Loss due to non-registration of private housing schemes	63.193	
657	18		Non-recovery of HRA from the pay of Chief Officers	0.327	
658	19		Non-transfer of contractor's security in relevant bank account	6.623	
659	21	Non-preparation of annual accounts	-		
660	Municipal Committee Khangarh (AY 2023-24)	3	Non-realization / recovery of receipts	2.141	
661		4	Loss due to non-auction of shops	3.081	
662		5	Non-maintenance of proper record of Securities	1.114	

Sr. No.	DDOs	PDP No.	Subject	Amount	
663		9	Unauthentic and unverified amount of IP Tax collected	4.412	
664		11	Unauthentic expenditure on POL	3.795	
665	Municipal Committee, Khurrianwala (AY 2023-24)	1	Non-recovery of Government dues as pointed out in previous year's Audit Paras	13.738	
666		3	Less recovery of auction amount	0.552	
667		4	Non-credit of bank profit to MC General Fund Account	1.904	
668		5	Non-transfer of unclaimed security deposit to General Fund Account	2.567	
669		6	Irregular expenditure without open competition	14.033	
670		7	Less-deduction of General Sales Tax	0.062	
671		8	Loss due to non-vacation of shops from encroachers	37.297	
672		10	Irregular expenditure against POL of vehicles / peter engines	15.206	
673		12	Non-completion of work at risk and cost of the original contractor	12.692	
674		13	Difference of pending security deposits and bank balance of security accounts	4.501	
675		14	Doubtful / unauthentic expenditure	17.725	
676		Municipal Committee Khurrianwala (AY 2022-23)	1	Non-recovery of Govt. dues as pointed out in previous years' Audit Paras	9.019
677			2	Non-reconciliation of TTIP receipts with Revenue Department	37.204
678			3	Undue retention of Taxes collected on behalf of Federal / Provincial Government	1.349
679	4		Non-credit of bank profit to Municipal Committee Fund	1.444	
680	5		Non-imposition of penalty for delay in completion of works	2.420	
681	6		Less charging/collection of Advance Income Tax	1.316	
682	7		Non-recovery of conversion and building plan approval fees	0.578	
683	8		Irregular execution of works without maintaining history	7.490	
684	9		Non-deduction of Social Security Contribution	0.855	
685	10		Non-auction of condemned material	0.032	

Sr. No.	DDOs	PDP No.	Subject	Amount
686	Municipal Committee Kot Addu (AY 2023-24)	2	Improper efforts to auction collection rights	1.949
687		3	Misappropriation of receipt	0.264
688		6	Irregular award and expenditure of development scheme	4.071
689		7	Less deposit and unauthentic receipt of TTIP	32.777
690		10	Unjustified expenditure on repair of vehicles / machinery	6.659
691		13	Irregular payment of holiday allowance due to non-rotation of duties	2.094
692		15	Irregular payments without pre-audit	31.478
693		17	Unjustified pension payments without any verification	50.224
694	Municipal Committee Kot Chutta (AY 2023-24)	2	Non-reconciliation of TTIP receipts	7.143
695		5	Non-achievement of targets of revenue	1.084
696		8	Irregular expenditure and doubtful consumption of strychnine	1.829
697		10	Unauthorized expenditure against repair and maintenance of disposal works	4.935
698		11	Irregular expenditure due to defective tendering process	5.306
699		13	Unauthorized expenditure against repair and maintenance of machinery	4.249
700		16	Un-authorized inclusion of provincial sales tax in estimates	0.325
701	19	Un-authorized repair of transformers	0.615	
702	Municipal Committee Kotmithan (AY 2023-24)	1	Non-achievement of receipt target	14.408
703		6	Irregular payment of additional salary to staff during Sunday	3.639
704		7	Irregular expenditure on contingent paid staff	2.964
705		12	Non-production/Non maintenance of important record	-
706	Municipal Committee, Lalian (AY 2023-24)	1	Non-recovery of Govt. dues as pointed out in previous years' Audit Paras/Observations	14.732
707		2	No-vacation of MC property	154.290
708		3	Irregular expenditure by splitting of repairs	1.036
709		4	Non-reconciliation of TTIP receipts with Revenue Department	6.245
710		5	Non-realization of sanitation/drainage fees and water rates	3.792
711		6	Non-recovery of PST on Services	0.474

Sr. No.	DDOs	PDP No.	Subject	Amount
712		7	Irregular / doubtful expenditure on the repair of machinery & equipment	1.559
713		8	Unauthentic expenditure on consumable items	0.614
714		9	Less recovery of revenue	1.223
715		10	Non-recovery of conversion and map fees	0.350
716	Municipal Committee Lalian (AY 2022-23)	1	Non vacation of MC property	111.200
717		2	Non-recovery of Government dues of previous paras	4.748
718		3	Less recovery of revenue	2.420
719		4	Non-realization of sanitation/drainage fees	3.134
720		5	Non-reconciliation of TTIP receipts	16.249
721		6	Non-recovery of conversion and map fees	0.452
722		7	Irregular/ Suspicious expenditure on the repair of machinery & equipment	1.364
723		9	Non- recovery of conversion and map fees from construction of commercial shop	0.278
724		10	Non-imposition of penalty for delay in completion of works	2.086
725		11	Unauthentic expenditure on perishable /consumable items	0.400
726	Municipal Committee Layyah (AY 2023-24)	2	Non-achievement of receipt targets	38.903
727		3	Non-reconciliation of TTIP receipts	20.359
728		6	Unjustified expenditure on repair of vehicles / machinery	3.988
729		9	Doubtful execution of works	1.627
730		10	Unjustified record entries in measurement book of work	0.800
731		13	Unauthorized payment of previous year liabilities	0.426
732		16	Loss on Account of House Rent and Conveyance Allowance	0.130
733		17	Irregular expenditure on POL	9.731
734		18	Irregular release of securities	5.824
735	Municipal Committee Liaqat Pur (AY 2023-24)	2	Non deposit of PLGB share	5.523
736		3	Loss to MC due to negligence	4.000
737		6	Loss due to non-recovery of rent of shops on new assessment	23.422
738		7	Utilization of POL without proper maintenance of log books	2.390

Sr. No.	DDOs	PDP No.	Subject	Amount
739		8	Expenditure on repair work by violation of PPRA rules	0.932
740		9	Collection of Conversion fees without approval of DPDC	16.907
741		10	Unjustified expenditure on electricity due to non-reconciliation of billing unit	36.365
742		11	Non-compliance of observations issued in previous year Audit	1,992.359
743		12	Non maintenance of separate books of accounts	187.923
744		13	Non-achievement of targets due to poor monitoring	96.165
745		14	Non-recovery of embezzled amount of	5.151
746		15	Receipt of water rates on the basis of unauthentic survey	4.311
747		Municipal Committee Lodhran (AY 2023-24)	1	Non-recovery of Government dues
748	2		Irregular payment of holiday allowance	1.423
749	3		Non-deposit / transfer of share of Local Government Board	3.070
750	4		Unauthorized payment of integrated allowances to sanitary workers and Mali	0.875
751	5		Unauthorized lump sum provision of development schemes in the budget	50.000
752	6		Non-reconciliation of TTIP	41.984
753	7		Poor performance due to non-achievement of Receipts targets	55.584
754	8		Non-granting of ownership rights of kachi abbadi and loss of revenue	1.389
755	10		Doubtful repair of vehicles and Machinery	2.114
756	12		Short recovery from auction of Collection Rights	0.257
757	15		Loss due to non-recovery of arrears of rent of shops	0.574
758	16		Less realization of rent of shops than rates specified by DRAC	8.515
759	18		Irregular expenditure against POL of vehicles	38.504
760	19		Irregular expenditure in violation of Procurement Rules	4.735
761	20		Non-imposing of penalty due to non-completion of works within time limit	2.091

Sr. No.	DDOs	PDP No.	Subject	Amount
762		21	Loss due to non-recovery of professional tax	0.013
763		22	Non-payment of 50% Share for the Recovery of Rent of Shops	27.850
764		28	Non-production of record	38.976
765	Municipal Committee Mailsi (AY 2023-24)	1	Non-recovery of Govt. dues pointed out in previous years	255.722
766		4	Non-achievement of targets of own source receipts	68.741
767		5	Irregular expenditure on holiday allowance due to non-rotation of duties	1.322
768		6	Loss due to non-auction of vacant shops	1.849
769		7	Irregular expenditure on pension payment without obtaining life certificate	3.198
770		9	Irregular and unjustified expenditure on POL	14.141
771		10	Non-reconciliation of 1% Tax on Transfer of Immoveable Property (TTIP)	16.391
772		12	Unauthorized Expenditure through splitting	4.040
773		13	Non-imposition of penalty due to non-completion of development scheme	0.500
774		Municipal Committee Mailsi (AY 2022-23)	1	Non-recovery of Govt. dues pointed out in previous years
775	2		Non-credit of unclaimed security in general account	1.246
776	3		Non-payment / fraudulent payment of advance income tax due to fake CPRs	0.109
777	4		Mis-appropriation of income due to non-auction and down fall in income due to departmental collection	1.310
778	5		Irregular auction of outsource income	2.465
779	9		Non-maintenance / non-reconciliation of record of Immoveable Property Tax	31.196
780	10		Doubtful consumption of POL due to inoperative speedo meter of the vehicles	16.130
781	12		Overestimation and excess payment of Contractor's Profit	0.481
782	13		Irregular execution of schemes without site location	14.725
783	14		Irregular expenditure on electricity charges	4.379
784	15		Unauthorized payment of tuff tile pavers	5.336

Sr. No.	DDOs	PDP No.	Subject	Amount	
785		17	Substandard execution of work due to use of substandard steel worth	0.505	
786		18	Irregular expenditure on holiday allowance due to non-rotation of duties	0.895	
787	Municipal Committee, Mamukanjan (AY 2023-24)	1	Non-compliance of previous years recovery related para	41.831	
788		2	Non-maintenance of security deposit register and non-credit of bank profit	1.020	
789		3	Non-reconciliation of TTIP receipts with Revenue Department	4.614	
790		4	Irregular & unauthentic expenditure on POL	7.506	
791		6	Non-recovery of PST and non/less recovery of Stamp Duty	0.241	
792		9	Execution of works without TS, non-imposition of penalty and non-execution of works	15.312	
793		10	Non-transparent recruitment process by manipulation of record	1.150	
794		11	Irregular and unauthentic expenditure on procurements and execution of works	26.272	
795		Municipal Committee Mamukanjan (AY 2022-23)	1	Non-recovery of Govt. dues as pointed out in previous years' Audit Paras / Observations	24.596
796			3	Non-reconciliation of TTIP receipts with Revenue Department	16.518
797	4		Non-credit of bank profit to Municipal Committee Fund	0.385	
798	5		Non-recovery of Punjab Sales Tax on Services	0.760	
799	6		Non-deduction of Social Security Contribution	0.311	
800	7		Irregular execution of works without maintaining history	3.840	
801	8		Non-auction of condemned material	0.816	
802	9		Less recovery of Income Tax	0.064	
803	Municipal Committee Mian Channu (AY 2023-24)		1	Non-recovery of Government dues	395.268
804		2	Loss due to short recovery of revenue as per demand and collection register	8.512	
805		3	Irregular award of contract of collection rights without obtaining surety	2.600	
806		4	Loss to government due to non-receipt of pay & allowances	1.273	

Sr. No.	DDOs	PDP No.	Subject	Amount
807		5	Difference in figure of departmental receipts and annual accounts	7.853
808		6	Non-reconciliation of TTIP receipts	54.831
809		8	Irregular payment of holiday allowance	3.049
810		9	Mis-procurement without budget authorization	0.994
811		10	Irregular expenditure on electricity charges	3.499
812		11	Irregular execution of work without administrative approval	3.000
813		12	Execution of development schemes without PC-I	3.000
814		16	Irregular expenditure against POL of vehicles	17.365
815		17	Non allocation / less allocation of funds	77.560
816		18	Irregular refund of contractor's securities	1.908
817		19	Irregular opening of tenders and less deduction of PST	0.250
818		20	Irregular expenditure without budget authorization	5.944
819		Municipal Committee Minchin Abad (AY 2023-24)	1	Non-reconciliation of tax collected on transfer of immovable property
820	2		Loss due to non-recovery of rent of shops at rates assessed by DRAC	5.106
821	4		Non-recovery of Government dues as pointed out in previous year's Audit Paras	794.214
822	6		Non-remittance / deposit of PLGB share	1.037
823	8		Loss due to excess expenditure on holiday allowance	0.488
824	9		Non-reconciliation of receipts with Resident Assistant Director (A&A)	18.913
825	10		Non-deposit of taxes into government treasury	0.443
826	11		Loss due to non-recovery of different fees from owner of land sub-divisions	0.144
827	13		Unauthentic expenditure on POL due to improper maintenance of log books	8.855
828	14		Loss due to non-observing OGRA rates and non-deposit of sales proceeds of used mobil oil	0.097
829	15		Irregular payment to legal adviser	0.427

Sr. No.	DDOs	PDP No.	Subject	Amount
830		16	Loss due to poor performance of collection staff	18.041
831		17	Non-production of record	4.433
832	Municipal Committee Muzaffargarh (AY 2023-24)	5	Inauthentic payment of Securities	1.583
833		6	Delay in finalization of pension cases and late payment dues	9.681
834		7	Irregular expenditure on pension payment without obtaining life certificate	0.811
835		11	Irregular advance payment for purchase of tyres	4.570
836		16	Irregular expenditure against Budget Appropriation by Misclassification	19.900
837	Municipal Committee Pakpattan (AY 2023-24)	1	Non-recovery of Government dues	850.220
838		2	Irregular payment of holiday allowance	7.760
839		6	Irregular expenditure on electricity charges	5.307
840		7	Pool tendering besides less recovery of tender fees	0.257
841		8	Overpayment of earthwork recovery thereof	1.272
842		9	Non-imposition of penalty for delay in completion of works	11.235
843		11	Poor performance due to non-achievement of targets	19.216
844		12	Incurring of expenditure without budget authorization	21.244
845		13	Poor performance of regulation branch inquiry thereof	1.926
846		14	Fraudulent withdrawal of daily wages without performance of duties	0.461
847		16	Unjustified procurements from unregistered firms and payment of taxes	72.836
848		17	Irregular floating of tenders prior to TS of works	12.600
849		18	Irregular expenditure against POL of vehicles	65.255
850		20	Unjustified heavy expenditure on rewinding of motors	5.039
851		21	Overpayment of crush stone besides sub-standard execution of work	0.309
852		22	Irregular procurement of motorcycles without prior approval of FD	0.366

Sr. No.	DDOs	PDP No.	Subject	Amount	
853		23	Irregular procurements without annual procurement planning –	16.266	
854		24	Non-production of record	26.274	
855	Municipal Committee, Pir Mahal (AY 2023-24)	1	Non-reconciliation of TTIP receipts	27.091	
856		2	Non-recovery of Govt. dues as pointed out in previous years' Audit Paras	34.836	
857		3	Non-recovery of Punjab Sales Tax on Services	0.572	
858		4	Non-credit of bank profit to Municipal Committee Fund	0.167	
859		5	Non-Recovery / deposit of local Government dues and taxes	0.470	
860		7	Unjustified expenditure on the repair of vehicles	0.692	
861		8	Non-maintenance of record of asset registers on prescribed format	1.506	
862		9	Short realization of revenue	0.830	
863		12	Non-recovery of renewal fees from the Nikah Registrars	0.060	
864		13	Non-recovery of rent of shops / commercial land on assessed market-based rent	15.918	
865		14	Non-auction of dried trees and condemned material	0.831	
866		Municipal Committee Pir Mahal (AY 2022-23)	6	Irregular expenditures on POL of vehicles and generators	5.575
867			7	Non-achievement of revenue targets due to departmental collection	1.659
868	9		Wastage of resources due to abandonment of works by the contractors	6.226	
869	10		Non-completion of schemes and non-imposition of penalty against contractors	0.688	
870	11		Irregular execution of works by splitting	2.262	
871	12		Loss due to non-implementation of reassessed market rent of MC shops/properties	17.654	
872	13		Irregular procurement on furniture without technical evaluation	0.996	
873	14		Recovery on account of GST on exempted supplies	0.205	
874	15		Irregular procurement on equipment without specifications	0.683	

Sr. No.	DDOs	PDP No.	Subject	Amount
875		16	Irregular adjustment / appointment of employees after termination of service	-
876	Municipal Committee Rahim Yar Khan (AY 2023-24)	1	Non-recovery of Govt. dues as pointed out in previous year	5,139.267
877		2	Non-imposition of penalty for late completion of development work	0.510
878		4	Irregular payment to contractor without BOQ / GST invoices	6.090
879		5	Loss to Govt. due to non-auction of Contract of Collection Rights	53.853
880		6	Non-reconciliation of immoveable property tax	116.906
881		7	Loss to Government due to zero recovery of Income Head	0.650
882		8	Non-accountal of Revenue Receipt into Demand & Collection Register	6.546
883		10	Less achievement of revenue due to poor performance of collection staff	231.042
884		11	Non-Production of Record	6.722
885		13	Misappropriation of funds on purchase of electric items during Muharrum	0.907
886		14	Doubtful consumption of POL	60.395
887		15	Irregular payment of additional allowance	0.084
888		17	Misappropriation of funds on accounts of holiday allowance	4.326
889		18	Non-observance of PPRA Rules	17.108
890		19	Doubtful expenditure of repair due to non-maintenance of history sheet	13.729
891		20	Non-deposit of Income Tax into Government Treasury	5.785
892		21	Fraudulent maintenance of store record	18.339
893	Municipal Committee Rajanpur (AY 2023-24)	1	Loss due to self-collection and non-auction of leases	2.172
894		4	Non-reconciliation of tax on transfer of immoveable property	30.417
895		12	Non-accountal of stores in stock register	4.985
896		14	Expenditure on holiday allowance due to non-rotation of duties	1.840
897		15	Unjustified received and refund of security without security deposit register	5.433

Sr. No.	DDOs	PDP No.	Subject	Amount	
898		16	Loss due to non-re-auction of rent of shops/plots at competitive rates	2.151	
899	Municipal Committee Rojhan (AY 2023-24)	1	Unauthorized/Doubtful Expenditure of Work Charge/Contingent paid staff	1.130	
900		2	Unjustified Payment from the Pension Fund	8.920	
901		3	Irregular self-collection of different Municipal Committee fees/dues/rents	4.115	
902		4	Non-deposit of PST, GST and Income tax	0.505	
903		6	Irregular expenditure against repair of vehicles/Tractors and machinery	0.810	
904		7	Unauthentic expenditure on consumable stores	0.810	
905		8	Non-production of important record worth	36.083	
906		10	Non-Recovery of Conveyance Allowance from Municipal Officer Infrastructure	0.059	
907		Municipal Committee Sadhar (AY 2022-23)	2	Poor performance due to non-utilization of development funds	25.000
908			3	Irregular expenditure after lapse of budget / Schedule of Authorized Expenditure	0.739
909	4		Non-credit of closing bank balance to District Council fund	0.795	
910	5		Non-recovery of pay on resignation from service without serving one month notice	0.033	
911	6		Non-production of record	36.149	
912	Municipal Committee Sadiqabad (AY 2023-24)	1	Non-compliance of observations issued in previous year Audit paras	2,988.926	
913		2	Non-maintenance of separate books of accounts of expenditure	538.085	
914		4	Loss due to non-recovery of professional tax	0.016	
915		5	Loss due to non-imposition of penalty	1.140	
916		6	Non-execution and termination of contract	4.000	
917		7	Extending undue favor to contractor due to non-forfeiture of earnest money	0.445	
918		9	Irregular appointments of sanitary workers on contract basis	1.745	
919		10	Non-depositing of local government board fees	9.378	
920		11	Irregular expenditure on holiday allowance due to non-rotation of duties	11.076	
921		12	Irregular expenditure on TA/DA	0.510	

Sr. No.	DDOs	PDP No.	Subject	Amount
922		13	Irregular payments of daily wages / contingent paid establishment	7.287
923		14	Irregular expenditure on drawl of POL	7.763
924		15	Charging of expenditure without observing Chart of Accounts	-
925		17	Irregular release of securities	0.892
926		18	Loss due to non-auction of old tires transformer vehicles and other items	4.000
927		19	Non-production of record	7.531
928		Municipal Committee, Sammundri (AY 2023-24)	1	Non-recovery of Govt. dues as pointed out in previous years' Audit Paras/Observations
929	2		Non-recovery of Punjab Sales Tax on Services	0.832
930	6		Irregular works without maintaining history and payment of bituminous items	18.750
931	8		Undue retention of Income Tax collected on behalf of Federal Government	0.241
932	9		Irregular expenditure against POL of vehicles	14.827
933	10		Irregular / doubtful expenditure on the repair of machinery & equipment	4.783
934	12		Payment without budget authorization	8.675
935	13		Irregular expenditure without advertisement on PPRA website	1.269
936	Municipal Committee Samundri (AY 2022-23)	1	Non-recovery of Govt. dues as pointed out in previous years' Audit Paras / Observations	145.771
937		2	Non-credit of bank profit to Municipal Committee Fund	0.474
938		4	Undue retention of Income Tax collected on behalf of Federal Government	0.225
939		5	Non-imposition of penalty for delay in completion of works	1.386
940		6	Non-reconciliation of TTIP receipts with Revenue Department	44.412
941		7	Irregular payment of bituminous items	3.896
942		8	Irregular execution of works without maintaining history	4.375
943		9	Non-verification of General Sales Tax	0.464
944		12	Non-auction of condemned material	0.387
945		14	Irregular expenditure on the repair of machinery & equipment, furniture & fixture	1.636

Sr. No.	DDOs	PDP No.	Subject	Amount	
946		15	Less recovery of Income Tax	0.103	
947	Municipal Committee, Shorkot (AY 2023-24)	1	Non-recovery of Government dues as pointed out in previous year's Audit Paras	185.514	
948		2	Non-reconciliation of TTIP receipts	2.324	
949		3	Unauthorized clearance of outstanding liabilities	1.945	
950		6	Unjustified expenditure on the repair	1.738	
951		7	Irregular expenditure on tuff tile	24.952	
952		8	Unauthorized retention of Security deducted in General Fund Account	1.796	
953		9	Non-credit of bank profit to Municipal Committee General Fund	0.795	
954		10	Non-auction of unserviceable items and fallen tree	1.049	
955		11	Non-deposit of government taxes deducted at source	4.093	
956		12	Non-production of record	17.073	
957		Municipal Committee Shujabad (AY 2023-24)	1	Non-recovery of Government dues	86.587
958			4	Non-performing of internal audit of own source receipts by the Resident Accounts Officer	5.494
959	6		loss to government due to non-assessment / non-auction of rent of shops	15.087	
960	7		Non-achievement of targets of own source receipts	3.545	
961	8		Unauthorized expenditure on arrangement of cattle markets	1.981	
962	10		Non-deposit of government taxes deducted at source	3.984	
963	11		Unauthorized withdrawal of fuel on account of generators	1.766	
964	13		Non reconciliation of Tax on Transfer of Immovable Property with revenue department	15.044	
965	15		Non-conducting of Post Completion Evaluation of development Schemes	12.585	
966	Municipal Committee Shujabad (AY 2022-23)	2	Non-recovery of Government dues	15.211	
967		3	Improper maintenance of cash books	-	
968		4	Irregular expenditure due to defective tendering process	29.700	

Sr. No.	DDOs	PDP No.	Subject	Amount
969		5	Unauthorized Administrative approval of development schemes without preparation of PC-I	5.000
970		7	Unauthorized lump sum provision of development schemes in the budget	19.446
971		8	Non-reconciliation of tax on transfer of immovable property	46.698
972		9	Unauthorized withdrawal of house rent allowance and non-recovery of maintenance charges	0.295
973		12	Unauthorized construction of buildings for Marriage Halls and Marquee without payment of Government fees	-
974		13	Doubtful repair of vehicles	0.683
975		14	Unjustified expenditure on POL	1.449
976		15	Irregular payment of earth work without recording of levels and cross section area	3.316
977		16	Excess payment of bricks without obtaining lab test reports	0.260
978		17	Loss due to less-recovery of tender fees	0.310
979		19	Loss due to non-recovery of professional tax	0.039
980		20	Non-imposing of penalty due to non-completion of works within time limit	0.260
981		21	Poor performance due to non-achievement of Receipts targets	122.767
982		22	Non-maintenance of record and charging of expenditure by the DDOs	343.922
983		24	Loss due to non-recovery / less realization of rent of shops	15.418
984		3	Non-reconciliation of tax on transfer of immovable property	6.454
985		2	Loss due to non-re-auction of rent of shops/plots at competitive rates	7.191
986	Municipal Committee Sinanan (AY 2023-24)	5	Unauthorized payment of tuff tile pavers	2.174
987		7	Un-authorized Collection of receipt without Gazette Notification	0.938
988		8	Loss due to non-reduction of cost of bricks	0.304
989		11	Non/Less transferring of tax	0.897
990		14	Unauthorized payments without pre-audit	2.789
991	Municipal Committee,	1	Non-recovery of Government dues as pointed out in previous year's Audit Paras	37.807

Sr. No.	DDOs	PDP No.	Subject	Amount	
992	Tandlianwala (AY 2023-24)	2	Loss due to non-re-auctioning of shops at current market rate	54.750	
993		3	Less/Non-recovery of Income Tax and Punjab Sales Tax on Services	0.446	
994		5	Non-credit of bank profit to Municipal Committee General Fund Account	0.529	
995		6	Non-auctioning of trees and stocks/stores	1.200	
996		7	Irregular expenditure without open competition	1.141	
997		8	Non-completion of work at risk and cost of the original contractor	4.500	
998		9	Non-completion of scheme despite availability of funds	0.409	
999		10	Less-deduction of General Sales Tax	0.054	
1000		11	Unauthorized retention of Security deducted in General Fund Account	1.008	
1001		12	Misappropriation of security deposits	5.360	
1002		Municipal Committee Tandlianwala (AY 2022-23)	1	Non-recovery of Government dues as pointed out in previous year's Audit Paras	49.208
1003			2	Non-credit of bank profit to Municipal Committee General Fund	0.553
1004	4		Non-recovery of Punjab Sales Tax on Services	0.622	
1005	5		Irregular payment of bituminous items	4.146	
1006	7		Unjustified expenditure on the repair of vehicles	0.705	
1007	8		Non-production of record	17.192	
1008	9		Irregular expenditure without open competition	1.348	
1009	10		Irregular payment without making entry in measurement book	1.219	
1010	Municipal Committee Taunsa (AY 2023-24)	3	Loss due to non-achievement of receipt targets	56.556	
1011		4	Non-reconciliation of TTIP receipts	3.379	
1012		5	Irregular expenditure without budget authorization	4.500	
1013		6	Irregular utilization of Bailout Package	1.842	
1014		9	Irregular payment of development liabilities from MC fund	5.610	
1015		10	Irregular award of collection right to unregistered contractors	3.398	

Sr. No.	DDOs	PDP No.	Subject	Amount
1016		11	Irregular payment of Holiday Allowance	2.384
1017		12	Irregular execution of civil works	19.993
1018		15	Irregular appointment of Class-IV employees on contract basis	3.381
1019	Municipal Committee, Toba Tek Singh (AY 2023-24)	1	Non-recovery of Govt. dues as pointed out in previous years' Audit Paras / Observations	637.289
1020		2	Less / non-recovery of taxes	0.921
1021		3	Loss to the local Government due to non-auction / recovery against revenue source	3.758
1022		5	Non-maintenance of Works Register and non-credit of bank profit	2.743
1023		6	Non-reconciliation of TTIP receipts with Revenue Department	37.618
1024		11	Irregular expenditure on repair of machinery and vehicles	2.381
1025		13	Irregular expenditure without open competition	1.347
1026		Municipal Committee Tulamba (AY 2023-24)	1	Loss due to non-recovery of arrears of rent of shops
1027	2		Unauthorized payment of Integrated Allowance to Sanitary Workers and recovery thereof	0.410
1028	3		Non-recovery of Government dues	36.080
1029	4		Unauthorized lump sum provision of development schemes in the budget	35.000
1030	5		Short recovery from auction of Collection Rights	0.046
1031	6		Irregular payment of Holiday Allowance	0.387
1032	7		Non-deposit / transfer of share of Local Government Board	1.084
1033	10		Irregular expenditure against POL of vehicles	5.488
1034	11		Non-reconciliation of Tax on Transfer of Immovable Property	4.306
1035	12		Poor performance due to non-achievement of Receipts targets	1.658
1036	14		Non-recovery of excess paid Social Security Benefit	0.215
1037	15		Non-deposit of Performance Securities into Security Deposit Account	1.250
1038	16	Recovery of Conveyance Allowance having official car	0.017	

Sr. No.	DDOs	PDP No.	Subject	Amount
1039		17	Irregular execution of old schemes without getting fresh administrative approval	12.500
1040	Town Committee Tulamba (AY 2022-23)	1	Irregular execution of old development schemes	39.279
1041		2	Construction of building without submission of application and building plan	8.328
1042		3	Loss due to non-auction of vacant shops	1.008
1043		5	Unauthorized deduction of withholding tax on profit by bank	0.456
1044		6	Irregular expenditure on earth work	1.243
1045		7	Non-imposition of penalty for delay in completion of works	3.692
1046		8	Loss to govt. due to less recovery of receipts	8.803
1047		9	Irregular expenditure on pension without obtaining life and no marriage Certificates	33.128
1048		10	Overpayment due to payment of excess rates of tuff tile	0.158
1049		11	Irregular payment of tuff tiles without obtaining lab test reports	0.829
1050		12	Loss to the Government due to less deduction of shrinkage of earthwork	0.111
1051		13	Less recovery from own source receipts lease money	0.119
1052		14	Excess payment of bricks without ensuring quality	0.439
1053		15	Irregular expenditure on bituminous items	5.981
1054		16	Non-forfeiture of earnest money	2.261
1055		Municipal Committee Vehari (AY 2023-24)	1	Non-recovery of Government dues
1056	3		Non-reconciliation of record of Immoveable Property Tax	40.650
1057	4		Un-authorized Excess payment of Salaries to due to illegal promotion	3.640
1058	5		Non-collection of Salaries of Employees from contractor of	0.516
1059	6		Irregular collection of income due to non-auction and down fall in income	6.990
1060	7		Non-transfer of unclaimed security & Profit	2.750
1061	9		Irregular payment of holiday allowance	5.059
1062	10		Unjustified Expenditure of Electricity bills of Water Works	30.400

Sr. No.	DDOs	PDP No.	Subject	Amount
1063		12	Irregular expenditure against POL of vehicles	7.574
1064		14	Irregular technical sanction beyond delegated financial powers	2.880
1065		15	Non-forfeited the bid securities	0.115
1066		16	Irregular expenditure due to defective tendering process	19.091
1067		17	Irregular expenditure without approval of pavement design	1.135
1068	Municipal Committee Yazman (AY 2023-24)	1	Non-recovery of Government dues as pointed out in previous year' Audit Paras	367.938
1069		2	Loss due to non-auctioning of shops at competitive rates	4.131
1070		4	Improper maintenance of dispatched register due to left blank / open serial number	-
1071		6	Non-auction of contract of collection rights	5.479
1072		7	Unauthorized payment of house rent and conveyance allowance	0.157
1073		10	Unjustified payment of holiday allowance due to non-rotation of duties	4.440
1074		11	Irregular expenditure on payments to contingent paid staff	7.143
1075		12	Irregular expenditure on establishment of cattle markets	0.553
1076		13	Doubtful expenditure on arrangements during Muharm-ul-Haram	0.253
1077		14	Irregular expenditure by Splitting the indents and non-observance of PPRA Rules	3.329
1078		16	Doubtful expenditure due to non-maintenance of history sheet	5.431
1079		17	Non-production/maintenance of record	18.179
1080	District Council Bahawalnagar (AY 2023-24)	1	Non-compliance of observations issued in previous year Audit paras / observation	160.346
1081		2	Non-maintenance of separate classified books of accounts of expenditure-	1,063.024
1082		3	Non-reconciliation of Tax of TTIP	269.179
1083		4	Non-depositing of PLGB	17.088
1084		5	Non-undertaking of Community Initiatives	41.789
1085		6	Loss due to non-conducting of Internal Audit of own source revenue receipts	140.889

Sr. No.	DDOs	PDP No.	Subject	Amount
1086		7	Non-clearance of pending liabilities of leave encashment and financial assistance	1.773
1087		9	Non-uploading of expenditure on Local Government Financial Management System	925.259
1088		10	Irregular appointments on contract basis	1.946
1089		11	Non-imposition of penalty for late completion of development work	46.054
1090		12	Irregular execution of development works based on doubtful agreement	376.974
1091		13	Loss due to non-re-auctioning of public property on existing market rates	136.054
1092		14	Loss due to less reporting of water connections in demand and collection register	19.903
1093		17	Irregular payment of bituminous items	15.615
1094		18	Irregular payment due to non-conducting of lab tests	56.491
1095		19	Undue blockage of funds due to non-utilization of budget	1,245.866
1096		20	Less collection of receipt due to poor performance of recovery staff	140.889
1097		21	Irregular expenditure on holiday allowance due to non-rotation of duties	2.160
1098		23	Irregular award of development schemes to contractor	179.134
1099		24	Misappropriation in collection of receipt without back up record	31.966
1100		25	Irregular utilization of funds from General Account	411.940
1101		26	Irregular expenditure on repair	11.041
1102		27	Mis-procurement due to non-observance of PPRA Rules	16.428
1103		28	Unauthentic expenditure on purchase of insecticides from local supplier	0.445
1104		29	Loss due to unjustified expenditure on transformer	0.377
1105		30	Irregular expenditure on drawl of POL	16.363
1106		31	Irregular expenditure due to misclassification	3.911

Sr. No.	DDOs	PDP No.	Subject	Amount
1107		32	Non-maintenance / reconciliation of cash book with bank statement and annual account	-
1108	District Council Bahawalpur (AY 2023-24)	1	Non-recovery of government dues as pointed out in previous year Audit Para	4,671.909
1109		3	Expenditure on holiday allowance due to non-rotation of duties	0.344
1110		5	Irregular / unjustified expenditure of POL	3.077
1111		6	Loss due to unauthorized payment of special allowances to OSD post	0.736
1112		7	Irregular drawl of pay and allowances due to shifting of headquarter	5.592
1113		8	Improper maintenance of dairy/dispatch register due to left blank / open serial number	-
1114		9	Loss due to unauthorized occupant of DC residences	0.630
1115		10	Non-maintenance of separate books of accounts	786.583
1116		11	Non-reconciliation of transfer of immovable property receipt	242.723
1117		12	Loss due to non-deposit of Income Tax & General Sales Tax	0.241
1118		13	Irregular payment due to unjustified / illegal promotion	1.654
1119		14	Doubtful payment of pension without obtaining life & no marriage certificate	64.272
1120		15	Unjustified recruitment/appointment of baildar	1.526
1121		16	Loss due to non-auctioning of shops at competitive rates	0.755
1122		17	Unauthentic expenditure due to improper maintenance of stock register	72.309
1123		18	Expenditure incurred without having budget in relevant object code / misclassification of expenditure	11.344
1124		19	Loss due to delay in approval of housing schemes / land sub-divisions	167.830
1125		23	Doubtful payment of pension	1.641
1126		24	Non-conducting of Internal Audit of own source revenue receipts	415.662

Sr. No.	DDOs	PDP No.	Subject	Amount	
1127		26	Non-accountal of consumable items into stock	6.266	
1128		28	Doubtful payments due to non/improper maintenance of official record	2.666	
1129		30	Loss due to excess drawl of POL as comparison with mobil oil	3.086	
1130		31	Loss due to non-recovery of professional tax	0.443	
1131		32	Non-recovery of penalty for late completion of works	7.750	
1132		33	Loss due to allowing purchase of triple surface treatment material from far quarry	0.470	
1133		34	Doubtful payment of earth work without recording earth levels and cross section area	69.324	
1134		35	Irregular payment to contractor due to non-provision of bill of quantity	34.143	
1135		36	Irregular payments without detailed measurements	10.447	
1136		37	Non-production/maintenance of record	58.648	
1137		38	Doubtful consumption of POL due to illogical travelling	27.435	
1138		District Council, Chiniot (AY 2023-24)	1	Non-recovery of Government dues pointed out during previous audit years	17.927
1139			2	Loss due to grant of collection rights to defaulting contractor	2.500
1140	3		Non-credit of bank profit to District Council's General Fund	9.020	
1141	5		Non-recovery of Punjab Sales Tax on Services from contractors	0.239	
1142	7		Loss due to theft of trees	0.060	
1143	9		Irregular expenditure on procurements	3.603	
1144	10		Non-imposition of penalty for delay in completion of works	13.283	
1145	11		Loss to Govt. due non-renting out of Govt. Property of	0.568	
1146	13		Irregular payment for execution of earthwork	2.991	
1147	14		Utilization of bricks without ensuring standard specifications and testing	2.415	
1148	15		Irregular payment of bituminous items without testing from RR&MTI	4.791	

Sr. No.	DDOs	PDP No.	Subject	Amount
1149		16	Execution of work without executing formal agreement	9.410
1150		17	Non -deduction/verification of taxes	0.585
1151	District Council D.G Khan (AY 2023-24)	2	Non auction of contract of collection rights	2.463
1152		3	Non-reconciliation of tax on transfer of immoveable property	166.481
1153		4	Loss due un-authorized inclusion of Provincial Sales Tax in estimates	1.761
1154		5	Loss on Account of less recovery of various taxes	0.745
1155		9	Un-authorized expenditure against another formations	2.089
1156		10	Irregular payment of bituminous items	4.006
1157		13	Unauthorized expenditure on repair and maintenance without measurement	4.579
1158		17	Irregular payment of previous year's liabilities	5.938
1159		19	Irregular expenditure on repair of M&E and vehicles	6.418
1160		20	Difference of figures of D&C register with Budget book and annual accounts	60.808
1161		21	Irregular expenditure due to defective tendering process	504.200
1162		22	Loss due to unauthorized occupancy of shops and agriculture land	0.812
1163		23	Non-deduction of HRA and maintenance charges	0.074
1164		District Council, Faisalabad (AY 2023-24)	1	Non-recovery of Government dues pointed out during previous audit years
1165	4		Non-recovery of fine for constructions	0.510
1166	5		Loss due to non-reconstruction of demolished revenue generating buildings	22.692
1167	7		Non-reconciliation of TTIP receipts	476.192
1168	10		Loss due to non-allotment of works to lowest bidders	14.117
1169	13		Irregular expenditure due to purchases without tendering	2.675
1170	14		Irregular payments of bituminous items	9.415
1171	15		Non-imposing penalty for delay in completion of works	1.065

Sr. No.	DDOs	PDP No.	Subject	Amount
1172		16	Non-auction of unserviceable vehicles and machinery	14.6
1173		17	Irregular expenditure without ensuring quality of bricks	19.641
1174		18	Undue retention of receipts in pension fund account	2.089
1175		19	Non-recovery of penal rent	0.821
1176		21	Incorrect preparation of income & expenditure statements	1.308
1177	District Council, Jhang (AY 2023-24)	1	Non-recovery of Government dues pointed out during previous audit years	81.966
1178		2	Non-credit of profit to District Council Fund	1.934
1179		3	Non-recovery of loss sustained by local Government due to theft of trees	0.475
1180		4	Irregular payment of previous years' liabilities	1.348
1181		7	Non-reconciliation of TTIP receipts	242.050
1182		8	Irregular payment due to non-conducting of Lab Tests	10.595
1183		9	Undue Burden of SSB due to non-regularization of services of the contract employees	0.756
1184		11	Loss due to non-registration of private housing schemes	1.500
1185		12	Irregular expenditure through non-transparent procurement process	4.928
1186		13	Non/less payment of Stamp Duty by the contractors	0.416
1187		14	Irregular expenditure on Jashan-e-Baharan	2.997
1188		15	Irregular expenditure on POL due to improper maintenance of log books	4.900
1189		16	Unjustified expenditure on the repair of vehicles	2.76
1190		18	Irregular expenditure on the repair of machinery & equipment	2.016
1191		19	Inappropriate rental payments for tractors, trollies, and loaders totaling	1.700
1192	District Council Khanewal (AY 2023-24)	1	Non-recovery of Government dues	59.233
1193		3	Loss to Government due to payment of inadmissible allowances	1.683

Sr. No.	DDOs	PDP No.	Subject	Amount
1194		5	Un-authorized change in works without revision of administrative approval	43.000
1195		6	Improper classification and booking of receipts	1.278
1196		7	Loss to government due to less recovery of tender fees	5.580
1197		8	Defective reporting of revenue in books of accounts and non-reconciliation of TTIP	316.900
1198		9	Irregular expenditure by splitting	11.820
1199		10	Unauthorized technical sanction of repair works beyond powers	225.140
1200		12	Illegal appointments and payment of salaries	2.180
1201		13	Unauthorized revised technical sanction beyond permissible limit	13.800
1202		14	Un-justified administrative approval of works	1,044.425
1203		15	Unauthorized refund of performance security before completion of works	2.357
1204		16	Unauthorized acceptance of tender beyond delegated powers	188.985
1205		17	Un-authorized advance withdrawal of funds and payment to PLGA Lalamusa	0.100
1206		18	Unauthorized approval of budget and expenditure	1,036.049
1207		19	Unauthorized expenditure on Cricket League Championship by Urgency	0.695
1208		20	Doubtful and irregular withdrawal of funds on account of POL charges	10.834
1209		22	Substandard and below specifications work of brick-soling	69.936
1210		23	Excess payment of brick soling without ensuring quality	6.941
1211		24	Non-imposition of penalty for non-completion of works within time limit	27.953
1212		25	Overpayment of earthwork as compare to work done at site recovery thereof	1.052
1213		26	Misuse of fuel and Government vehicle by Deputy Commissioner	3.592
1214		27	Unjustified pension payments without any verification	132.606

Sr. No.	DDOs	PDP No.	Subject	Amount
1215		28	Loss to District Council due to deduction of withholding tax on bank profit	1.967
1216		29	Loss of revenue due to valuation of land at lower Rates	2.231
1217	District Council Layyah (AY 2023-24)	3	Non-reconciliation of TTIP receipts	145.609
1218		7	Non-imposition of penalty for late completion of works	10.247
1219		8	Overpayment due to charging of excess rate than the market rate schedule	0.226
1220		10	Overpayment against base course overlay extra height	3.916
1221		11	Overpayment due to charging excess rate in restoration of soling work	0.428
1222		12	Overpayment due to non-reducing of brick rate	7.281
1223		15	Unauthorized expenditure on repair & maintenance work without measurement	3.929
1224		16	Irregular expenditure on POL	1.339
1225		17	Irregular purchases and doubtful consumption of store items	3.190
1226		19	Unjustified expenditure on repair of vehicles / machinery	2.954
1227		District Council Lodhran (AY 2023-24)	1	Non-recovery of Government dues
1228	2		Collection of tax on transfer of immovable property without reconciliation	171.329
1229	3		Charging of expenditure without observing Chart of Accounts	1,091.711
1230	6		Doubtful use of POL in Sucker machine	2.986
1231	7		Payment of pension without obtaining life certificates	28.759
1232	8		Deterioration of Government property due to non-auction	11.057
1233	9		Over payment of Travelling Allowance	0.300
1234	11		Non-transfer of land to District Council	8.208
1235	12		Non mortgage of property by the owners of land sub-divisions	2.599
1236	13		Unjustified delay in approval of maps and processing of applications	4.676
1237	15		Loss due to non-reduction of bricks rate	2.160
1238	16		Irregular payment of earth work without recording of levels and cross section area	16.278

Sr. No.	DDOs	PDP No.	Subject	Amount
1239		17	Irregular payment of tuff tiles without obtaining invoice and lab test reports	9.034
1240		18	Unauthorized declaration of urgency and incurring of expenditure	3.789
1241		20	Non-maintenance of separate books of accounts and classified accounts of expenditure	123.182
1242		21	Expenditure on holiday allowance due to non-rotation of duties	0.489
1243		22	Non-recovery of Professional Tax	0.139
1244		23	Doubtful expenditure on account of POL	12.334
1245		24	Irregular expenditure on payments to contingent paid staff	5.801
1246		25	Non-completion of schemes despite availability of funds	152.494
1247		26	Non preparation of monthly progress report of works	196.344
1248		27	Loss due to unauthorized payment of special allowances to OSD post	1.526
1249		District Council Multan (AY 2023-24)	1	Non-recovery of Government dues
1250	3		Irregular classification and booking of receipts	8.022
1251	7		Non-imposing of penalty despite non-completion of works within time limit	47.041
1252	9		Unjustified payment of earth work and cross section area	56.601
1253	10		Booking of expenditure by misclassification	1.526
1254	11		Excess payment of bricks without ensuring quality	4.612
1255	12		Non / less recovery of stamp duty and professional tax and on contract agreement	0.549
1256	13		Irregular execution of development schemes	546.166
1257	14		Unauthorized custody of bikes besides irregular payment of repairs and maintenance	0.641
1258	15		Less Deposit of additional performance security	52.465
1259	16		Recovery due to payments of higher rate of tuff tile	0.935
1260	17		Unauthorized payment of inadmissible allowances	0.132
1261	18		Misappropriation on accounts of POL used	2.067

Sr. No.	DDOs	PDP No.	Subject	Amount
1262		19	Less recovery of tax on transfer of immovable property besides unreconciled record	1.666
1263		20	Doubtful repair of vehicles, machinery and equipment	10.329
1264		21	Doubtful consumption of POL besides non provision of log book	3.689
1265		23	Unjustified expenditure on account of POL due to fake maintenance of Log books	6.902
1266		24	Non-production of record	8.334
1267	District Council Muzaffargarh (AY 2023-24)	2	Non-reconciliation of immoveable property tax	297.974
1268		5	Charging of expenditure without observing Chart of Accounts	978.554
1269		7	Non-accountal of Revenue Receipt into Demand & Collection Register	2.861
1270		8	Less achievement of revenue receipt due to poor performance of collection staff	82.372
1271		9	Non-recovery of professional tax	0.320
1272		10	Doubtful expenditure on establishment of temporary cattle markets	8.347
1273		11	Non-transfer profit / unclaimed security account into general account	1.912
1274		12	Non-recovery of house building advance (HBA)	1.300
1275		13	Non / less obtaining of additional performance security	65.595
1276		15	Irregular execution of scheme without PC-1	2.233
1277		18	Doubtful expenditure on Jashan-e-Azadi	1.648
1278		20	Non-maintenance of separate books of accounts	524.298
1279		21	Deterioration of Government property due to non-auction	1.793
1280		23	Loss to Govt. due to Non-Auction of Contract of Collection Rights	10.807
1281		24	Wasteful expenditure on purchase of plastic bags	1.995
1282		25	Irregular payment of additional allowance	0.555
1283		27	Illegal promotion without observing prevailing rules	2.195
1284			1	Non-recovery of Government dues

Sr. No.	DDOs	PDP No.	Subject	Amount
1285	District Council Pakpattan (AY 2023-24)	2	Irregular payment due to execution of unauthorized development schemes	20.021
1286		3	Unauthorized technical sanction of repair works beyond powers	181.500
1287		5	Irregular payment of development schemes from general head	499.977
1288		6	Unauthorized deduction of withholding tax on profit by bank	2.687
1289		7	Less payment of Punjab Local Government Board fees	3.129
1290		8	Non-credit of bank profit to District Council General Fund Account	8.958
1291		9	Unauthorized award of contract for road construction	75.245
1292		10	Irregular execution of Annual Development schemes without preparation of PC-1	444.120
1293		11	Non-forfeiture of securities from contractors of rescinded development schemes	9.020
1294		12	Irregular expenditure on pension without obtaining life & marriage certificate	29.844
1295		13	Unauthorized change in scope of work of development schemes after advertisement	9.500
1296		14	Overpayment of earthwork due to non-deduction of road camber	0.693
1297		15	Irregular payment of bituminous items	38.458
1298		16	Overpayment to contractors without deducting the marginal rate of color tuff tiles	0.570
1299		17	Execution of development schemes without time schedule and third-party validation	18.512
1300		19	Non-recovery of penalty for non-completion of works within time limit	29.033
1301		22	Loss due to double inclusion of rate of compaction in earth filling work	3.556
1302	District Council Rahim Yar Khan (AY 2023-24)	1	Non-recovery of Government dues as pointed out in previous year' Audit Paras	1,110.800
1303		2	Loss due to charging less rates under the head of "Rent of Shops"	1.848
1304		3	Non-reduction of rate despite using local sand	0.766

Sr. No.	DDOs	PDP No.	Subject	Amount	
1305		4	Unjustified payment of earth work without earth levels & cross section area	99.371	
1306		5	Non-imposition of penalty for late completion of development work	31.793	
1307		6	Non deduction / deposit of General Sales Tax	7.358	
1308		7	Loss due to non-recovery of professional tax	0.222	
1309		8	Loss due to shortfall in targets	150.304	
1310		9	Loss due to delay in approval / registration of housing schemes / land sub-divisions	41.147	
1311		11	Loss due to establishment of private housing schemes	290.163	
1312		12	Unjustified / establishment of land sub-division schemes without requirement	-	
1313		13	Loss due to purchasing "Triple Surface Treatment" material from far quarry	0.183	
1314		14	Illegal occupation of District Council's property / residences	-	
1315		15	Irregular expenditure on pay and allowances due to nonperforming actual duties	32.235	
1316		16	Irregular expenditure due to misclassification	6.175	
1317		19	Misappropriation of funds under the head of "Water Filtration Plants"	8.767	
1318		20	Unjustified expenditure due to doubtful stock entries	6.266	
1319		21	Irregular lump sum approval of development schemes	622.551	
1320		22	Loss due to non-collection of fees from commercial units	70.766	
1321		23	Non-production of record	-	
1322		District Council Rajanpur (A.Y. 2023-24)	4	Non-recovery of balance leased amount and Punjab Sales Tax	0.852
1323			10	Loss due to non-replacement of burnt / defective meters, payment of detection bills	12.910
1324			11	Irregular release of securities	23.385
1325			12	Unauthentic amount of IP Tax collected resulted variation in accounts	7.826
1326	15		Irregular payment from Pension Fund	152.968	
1327	16		Delay in completion of work, non-forfeiture of bid security / imposition of penalty	6.816	

Sr. No.	DDOs	PDP No.	Subject	Amount	
1328		17	Doubtful expenditure on repair of water supply schemes	6.133	
1329		18	Doubtful execution of earth works	3.288	
1330		19	Unauthentic expenditure of tuff tile	5.477	
1331		20	Unauthentic Payment against brick work	5.854	
1332		21	Unauthentic execution of development works worth	5.118	
1333	District Council Rajapur (A.Y. 2022-23)	2	Non-achievement of targets of own source receipts	88.972	
1334		3	Non-achievement of TTIP targets of revenue	42.987	
1335		4	Non-performing of internal audit of own source receipts	80.190	
1336		7	Unauthorized payment of holiday / overtime allowance	2.759	
1337		8	Loss due to non-imposition of penalty	1.362	
1338		9	Irregular expenditure on earth work	6.377	
1339		10	Irregular expenditure due to non-conducting of lab tests of bricks	1.673	
1340		11	Non-reconciliation of tax deducted at source and deposited	16.653	
1341		14	Non-Recovery of Professional Tax	0.024	
1342		15	Irregular withdrawal of fuel on fake maintenance of log books	10.232	
1343		17	Irregular expenditure on repair of water supply lines through quotation	4.993	
1344		District Council Sahiwal (AY 2023-24)	1	Non-recovery of Government dues	1,173.662
1345			2	Loss due to non-auction of shops at re-assessed market rates	1.622
1346	3		Non-deposit of Income Tax, General Sales Tax and Punjab Sales Tax on Services	1.102	
1347	5		Poor performance due to non-achievement of revenue targets	85.617	
1348	6		Loss due to non-award of collection rights of advertisement fees to highest bidder	1.542	
1349	7		Non-realization of rent from tenants of shops / Tehbazari holders on market based assessed rent	307.148	
1350	8		Unauthorized deduction of withholding tax on profit by bank	1.735	
1351	9		Irregular award of collection rights of canteen	1.305	

Sr. No.	DDOs	PDP No.	Subject	Amount	
1352		10	Irregular expenditure due to misclassification	102.275	
1353		14	Irregular expenditure due to procurement made from un-registered suppliers	7.417	
1354		16	Loss to local government due to less receipt of tender fees	4.195	
1355		17	Irregular expenditure on repair of vehicle and other items	4.125	
1356		18	Irregular payment of bituminous items	7.905	
1357		19	Irregular payments without ensuring standard specifications and testing	5.763	
1358		20	Irregular expenditure on POL	9.526	
1359		21	Non-completion of civil works and non-imposition of penalty for delay	62.636	
1360		22	Loss due to non-award of civil works at lowest rates	4.195	
1361		23	Non-recovery of miscellaneous fees from the industrialist	1.864	
1362		24	Unauthorized / unjustified expenditure without sanction	0.724	
1363		25	Non-receipt of Tax on Transfer of Immoveable Property	0.394	
1364		26	Undue retention of funds in separate bank account	4.042	
1365		27	Misappropriation of POL	0.396	
1366		28	Non-forfeiture of Bid Security	0.740	
1367		29	Irregular expenditure without vouched accounts	0.500	
1368		30	Non-reconciliation of receipts and expenditures and non-maintenance of separate books of accounts	-	
1369		31	Unauthorized execution of civil work without technical sanction	17.362	
1370		32	Excess payments due to excess quantities of earth work	0.849	
1371		District Council, Toba Tek Singh (AY 2023-24)	1	Loss due to non-deduction of cost of old material from claims of contractors	1.936
1372			2	Unauthentic payments for works without recording detail measurements in MBs	6.174
1373			3	Irregular expenditure in violation of procurement rules	1.699

Sr. No.	DDOs	PDP No.	Subject	Amount
1374		4	Payment for hiring of machinery without assessment of work done	0.843
1375		7	Irregular payment without detailed calculation of earthwork	73.741
1376		8	Irregular payment of bituminous items	138.605
1377		11	Non-imposition of penalty against incomplete work	0.779
1378		12	Non-utilization of Government properties for revenue generation	993.457
1379		14	Shortfall in pension payments due to non-creation of Pension Fund	88.412
1380		15	Non-recovery of Government dues pointed out during previous audit years	198.215
1381		16	Non-reconciliation of TTIP receipts with Revenue Department	254.240
1382		17	Expenditure in violation of procurement rules	1.084
1383		District Council Vehari (AY 2023-24)	1	Non-recovery of Government dues
1384	2		Unauthorized collection of advertising fees through private staff	1.847
1385	3		Non-transfer of unclaimed security & Profit into general account	26.330
1386	7		Non-reconciliation of record of immoveable property tax	96.154
1387	9		Non-maintenance of enlistment registers and less recovery of enlistment fees	0.984
1388	10		Irregular expenditure on contingent paid / daily wages staff	8.400
1389	11		Unauthorized payment without approval of competent authority	31.684
1390	12		Doubtful consumption of pol due to inoperative speedo meter of the vehicle's inquiry thereof	10.500
1391	13		Mis-procurement due to non-conducting of technical evaluation	4.231
1392	14		Irregular expenditure due to defective tendering process	920.000
1393	15		Unjustified payment of street lights without lab test & late completion penalty	1.544
1394	16		Irregular work order beyond delegated financial powers	5.410

Sr. No.	DDOs	PDP No.	Subject	Amount
1395		17	Purchase of substandard machinery without specification & fair competition of	1.053
1396		18	Irregular execution of works without obtaining NOC from irrigation department & substandard use of steel	2.140
1397		19	Fraudulent drawls of POL charges of vehicle no. VRD 6879 due to absence of meter reading	1.139
1398		20	Non-maintenance of record and less realization of tender fees	11.433
1399		21	Irregular expenditure without approval of pavement design	170.170
1400		22	Irregular payment of bituminous items & tuff tiles	82.430
1401		23	Unjustified releases of security deposits	38.064
1402		24	Excess payment to contractor due to payment of excess quantities	0.438
1403		25	Excess payment to contractor due to payment of excess rates	4.450
1404		26	Unjustified split of scheme to avoid the adman approval from the competent authority	4.767
1405		27	Non-maintenance of record of water rates Gaggoo and misappropriation of receipts	1.270
1406		28	Purchase of substandard solar lights other than approved specifications	0.888
1407		29	Overestimation and excess payment of Contractor's Profit	0.391
1408		30	Unjustified drawl of POL due to fake travelling / maintenance of log book of vehicle NO. VRG-1	2.420
1409	Tehsil Council Ahmed Pur East (AY 2022-23)	1	Non-recovery of Govt dues as pointed out in previous year	2.539
1410		2	Irregular payment of work charged establishment	4.227
1411		4	Unjustified expenditure on Eid Occasion	0.473
1412		5	Non-accountal of consumable store items into stock	0.824
1413		7	Irregular payment to contractors without BOQ / GST invoices	1.207
1414		8	Non-reconciliation of immoveable property tax	3.386

Sr. No.	DDOs	PDP No.	Subject	Amount	
1415		9	Non-conducting of Internal Audit of Revenue Receipts	8.767	
1416		10	Non-maintenance of record of assets	-	
1417		11	Non-accountal of Revenue Receipt into monthly account and relevant D&C Register	-	
1418		12	Loss to Government in millions due to non-classification of land	-	
1419		13	Loss to Government due to non / dead recovery of income head	1.680	
1420		14	Unjustified decrease in Receipt Budget	0.110	
1421		15	Non-maintenance of separate books of accounts expenditure	476.850	
1422		17	Non-verification of deposit taxes in government treasury	2.411	
1423		18	Non-Production of Record	12.582	
1424		19	Loss due to non-recovery of professional tax	0.035	
1425		20	Doubtful expenditure on repair of vehicles / machinery & equipment	0.335	
1426		21	Unjustified payment of earthwork without recording of levels and cross section	4.001	
1427		22	Non-transfer profit / unclaimed security account into general account	12.172	
1428		23	Irregular payment of additional allowance	0.036	
1429		Tehsil Council Arifwala (AY 2022-23)	1	Non-recovery of Government dues	557.643
1430			2	Less-deduction of Punjab Sales Tax and Income Tax	0.175
1431			3	Overpayment due to measurement of soling without earthwork	0.082
1432			4	Overpayment due to excess thickness of earth work	0.057
1433			5	Overpayment due to higher rate of earth work	0.168
1434	6		Overpayment due to excess width of soling	0.099	
1435	8		Irregular payment due to non-preparation of rate analysis	0.835	
1436	9		Non-Recovery of cost of dismantled material	0.012	
1437	10		Establishment of land sub-divisions without approval and payment of fees	0.720	
1438	11		Loss due to hiring of vehicles at higher rates	2.089	
1439	13		Irregular expenditure by splitting	7.432	
1440	14		Non-reconciliation of TTIP receipts	32.440	

Sr. No.	DDOs	PDP No.	Subject	Amount
1441		15	Non-preparation of appropriation accounts and financial statements on NAM	101.574
1442		16	Irregular expenditure on hiring of vehicles by splitting	4.314
1443		17	Less collection of advertisement fees of professions	0.328
1444		18	Non-production of record	19.897
1445	Tehsil Council Bahawalnagar (AY 2022-23)	1	Non-recovery of Government dues as pointed out in previous year' Audit Paras	136.015
1446		2	Non-deposit of GST, PST and Income Tax withheld at source	1.021
1447		3	Doubtful expenditure due to non-maintenance of history sheet	0.445
1448		4	Unjustified expenditure of POL without maintenance / provision of log books	0.197
1449		5	Loss due to non-auction off expired rent agreement of shops	0.091
1450		7	Receipt on account of transfer of immovable property without backup record	23.381
1451		8	Non-availability and reconciliation of annual accounts	127.098
1452		9	Non-closure/transfer of funds of defunct tehsil council bank accounts	237.167
1453		10	Unjustified expenditure after windup office of TC	16.403
1454		11	Non-production/maintenance of record	32.135
1455		Tehsil Council Burewala (AY 2022-23)	1	Non-recovery of Government dues
1456	2		Irregular releases of security deposits	4.517
1457	3		Irregular doubtful Cash payment to contingent paid staff	0.666
1458	6		Irregular retention / non transfer of Government taxes	0.209
1459	7		Non-transfer profit security account into general account	5.467
1460	8		Irregular payment earth without recording of Cross Section	0.300
1461	9		Irregular drawl of allowances, Instead of Using Government Vehicle	0.129
1462	10		Excess Payment to contractor by charging excess rates & quantities	0.085
1463	11		Substandard Steel work	0.058

Sr. No.	DDOs	PDP No.	Subject	Amount	
1464		12	Unauthorized expenditure without advertisement hiring of machinery	1.212	
1465		13	Non-production of record	13.380	
1466		14	Unauthorized payment without Sanction of DDO and without Pre-Audit	0.556	
1467	Tehsil Council Chak Jhumra (AY 2022-23)	2	Non-imposition of penalty for delay on late completion of works	2.373	
1468		3	Loss due to non-recovery of rent of shops on reassessed rate	1.382	
1469		4	Non / less obtaining of additional performance security	0.169	
1470		5	Non-award of works on risk and expense of original contractor	1.728	
1471		6	Non-recovery of Government dues as pointed out during previous years	5.206	
1472		7	Unauthentic payment on account of lead on earth work	3.404	
1473		8	Irregular payment due to non-conducting of lab tests	0.915	
1474		9	Non-preparation of accounting record	-	
1475		Tehsil Council Chichawatni (AY 2022-23)	1	Non-recovery of Government dues	82.280
1476			2	Non-credit of bank profit to general account	2.118
1477	3		Irregular expenditure by declaration of emergency	0.439	
1478	4		Irregular payments of daily wages and recovery thereof	0.388	
1479	9		Non deposit of securities in security account	26.282	
1480	10		Irregular execution of development schemes	626.490	
1481	11		Loss to Local Council Fund due to excess payment of PST	10.167	
1482	12		Non-imposition of penalty for delay in completion of works	8.974	
1483	13		Irregular execution of development schemes without approval and without publishing	65.206	
1484	14		Irregular excess payment of earthwork	4.701	
1485	15	Loss due to inclusion of PST in estimates	15.146		
1486	16	Non-production of record	-		
1487	Tehsil Council Chishtian (AY 2022-23)	1	Non-recovery of Government dues as pointed out in previous year' Audit Paras	498.878	
1488		3	Unjustified expenditure of POL without maintenance / provision of log books	0.532	

Sr. No.	DDOs	PDP No.	Subject	Amount
1489		4	Unjustified payment of legal charges	0.127
1490		5	Doubtful expenditure due to non-maintenance of history sheet	0.196
1491		6	Non-closure/transfer of funds of defunct tehsil council bank accounts	233.475
1492		7	Unjustified expenditure after windup office of the TC Chishtian	0.882
1493		8	Unjustified /doubtful expenditure	0.803
1494		9	Non-production/maintenance of record	3.957
1495		Tehsil Council Dera Ghazi khan (AY 2022-23)	5	Irregular payment of arrears bills without additional budget
1496	9		Unjustified allocation of development budget resulting blockage of fund.	108.467
1497	Tehsil Council Gojra (AY 2022-23)	1	Non-reconciliation of Tax on Transfer of Immoveable Property	25.008
1498		2	Expenditure on hiring of excavators without authentication of work done at sites	0.256
1499		3	Execution of earthwork without detailed calculation	4.431
1500		4	Non-completion of works by the contractors	1.602
1501		5	Non-imposition of penalty for delay in completion of works	1.038
1502		6	Overpayment to contractors due to non-reuse of excavated earth	0.227
1503		7	Irregular approval / execution of development schemes	50.444
1504		9	Non-maintenance of cash book	-
1505	Tehsil Council Jampur (AY 2022-23)	8	Loss due to non-imposition of penalty	3.579
1506		11	Suspected excess adjustment of rent against construction cost of shops.	2.866
1507	Tehsil Council Jaranwala (AY 2022-23)	1	Non-recovery of Govt. dues as pointed out in previous years' Audit Paras / Observations	10.359
1508		2	Excess payment of Travelling Allowance on transfer	0.049
1509		4	Irregular expenditure for procurement of material / hiring of vehicles	1.863
1510		5	Irregular expenditure for lifting and dumping of garbage	1.783
1511		6	Non-deposit of Punjab Sales Tax on Services, Income Tax and General Sales Tax	10.125

Sr. No.	DDOs	PDP No.	Subject	Amount
1512		7	Irregular expenditure on repair of water filtration plants	4.425
1513		8	Irregular Payment of Bituminous Items without Testing from RR&MTI	4.834
1514		9	Non-award of civil work at risk and cost of the contractor	2.160
1515		11	Irregular payment for execution of earthwork	4.138
1516		12	Irregular expenditure for hiring of sanitation vehicles	5.659
1517		13	Utilization of bricks without ensuring standard specifications and testing	5.718
1518		14	Non-imposition of penalty for delay in completion of works	3.640
1519		15	Payments from the tehsil council funds without maintenance of record	1.056
1520		16	Payment for irregular execution of development works	83.147
1521		17	Non-production of record	87.121
1522		Tehsil Council Kabirwala (AY 2022-23)	1	Non-recovery of Government dues
1523	4		Irregular expenditure without ensuring quality of materials used	23.782
1524	5		Less obtaining of additional performance security	1.194
1525	6		Non-imposition of penalty due non-completion of schemes	0.992
1526	7		Non-undertaking Community Initiatives	7.000
1527	9		Irregular expenditure due to purchases without tendering	0.666
1528	11		Loss due to incorrect ownership verifications of land	3.111
1529	12		Non preparation of final accounts	-
1530	Tehsil Council Karor (AY 2022-23)	3	Non-credit of bank profit to General Fund Account	0.126
1531		4	Record of withholding taxes not maintained	8.174
1532		5	Irregular expenditure on procurements of goods & services	2.027
1533		8	Loss due to non-imposition of penalty	5.900
1534	Tehsil Council Khan Pur (AY 2022-23)	1	Non-recovery of Govt. dues as pointed out in previous year	49.213
1535		2	Payment of brick work and earth work without lab test reports	4.948

Sr. No.	DDOs	PDP No.	Subject	Amount	
1536		4	Irregular payment of work charged establishment	1.930	
1537		5	Non-accountal of consumable store items into stock	0.398	
1538		6	Loss due to shortfall in receipt targets	288.333	
1539		8	Irregular payment to contractors without BOQ / GST invoices	1.129	
1540		9	Non-reconciliation of immoveable property tax	21.634	
1541		10	Non-conducting of Internal Audit of Revenue Receipts	29.086	
1542		13	Non maintenance of record of assets	-	
1543		14	Non-collection of conversion / commercialization fees	10.530	
1544		15	Non-accountal of Revenue Receipt into monthly account and relevant D&C Register	-	
1545		16	Loss to Government in millions due to non-classification of land	-	
1546		17	Non-preparation of gazette notification for collection of receipts	29.087	
1547		18	Loss to Government due to Non / Dead recovery of Income Head	234.620	
1548		19	Irregular expenditure on POL without maintenance of log books	1.486	
1549		Tehsil Council Khanewal (AY 2022-23)	1	Non-recovery of Government dues	27.324
1550			2	Non-maintenance of separate books of accounts and classified accounts of expenditure	-
1551			3	Non-undertaking of Community Initiatives	19.658
1552			4	Loss due to non-reducing of brick rate	0.774
1553			5	Non-deduction of shrinkage of earthwork	0.910
1554			6	Irregular payment of earthwork without recording of levels and cross section area	1.928
1555	7		Irregular payment of bituminous items	0.531	
1556	8		Un-justified expenditure on account of lead on earth work	1.831	
1557	9		Loss due to non-recovery of professional tax	0.058	
1558	12		Irregular clearance of pending liabilities	0.416	
1559	13		Irregular withdrawal of POL and non-maintenance of log book	0.798	

Sr. No.	DDOs	PDP No.	Subject	Amount
1560		15	Non-maintenance, non-reconciliation of record of Immoveable Property Tax	23.885
1561		16	Non-preparation of monthly and annual accounts	64.395
1562		17	Non-production of record	-
1563	Tehsil Council Kot Addu (AY 2022-23)	3	Payments from the Tehsil Council funds without maintenance of record	1.726
1564		5	Irregular expenditure on repair of water filtration plants	0.774
1565		7	Unjustified expenditure of POL without maintenance / provision of log books	0.854
1566		8	Excess payment due to inclusion of Income Tax in the claim by vendor	0.009
1567		10	Non-production of record	97.288
1568		Tehsil Council Layyah (AY 2022-23)	5	Irregular expenditure after lapse of budget / Schedule of Authorized Expenditure
1569	10		Overpayment due to non-reducing of brick rate	0.650
1570	11		Irregular expenditure on repair of machinery and vehicles	0.849
1571	Tehsil Council Liaqat Pur (AY 2022-23)	1	Non-compliance of observations issued in previous year Audit paras / observation	13.656
1572		2	Loss to the Government due to shortfall in targets	88.624
1573		3	Non-maintenance of separate books of accounts and classified accounts of expenditure	-
1574		4	Collection of receipt without backup record and reconciliation thereof	25.030
1575		5	Irregular appointment of daily wagers / contingent paid staff	1.890
1576		7	Irregular expenditure by non-observance of PPRA Rules	1.182
1577		8	Irregular expenditure on TA/DA	0.022
1578		11	Unjustified expenditure on repair	0.102
1579		12	Irregular expenditure on cattle markets	0.373
1580		13	Non-depositing of Local Government Board fees	0.608
1581		14	Non-verification of deposit of GST / Income Tax	0.188

Sr. No.	DDOs	PDP No.	Subject	Amount	
1582		15	Irregular expenditure on POL without maintaining Log book	0.822	
1583		16	Charging of expenditure without observing Chart of Accounts	-	
1584		17	Non-production of record	-	
1585	Tehsil Council Mian Channu (AY 2022-23)	1	Non-recovery of Government dues	27.968	
1586		3	Loss due to non-registration of private housing schemes / LSDs	3.886	
1587		4	Loss due to incorrect ownership verifications of land	4.272	
1588		5	Unauthorized use of bank account of defunct TC for transactions	5.678	
1589		6	Undue retention/ non transfer of funds to succeeding LGs	7.468	
1590		8	Non-obtaining of additional performance security	0.840	
1591		9	Irregular Expenditure due to incorrect compaction test report	3.844	
1592		10	Irregular Expenditure without ensuring quality of bricks used	4.025	
1593		Tehsil Council Multan Saddar (AY 2022-23)	1	Defective reporting of income of advertisement fees in books of accounts	2.913
1594			2	Non-recovery of house rent allowance and maintenance charges	0.330
1595	3		Non reconciliation of Tax on Transfer of Immovable Property with revenue department	20.627	
1596	4		Blockage of funds due to creation of irregular pending liabilities	92.334	
1597	6		Irregular withdrawal of fuel and non-maintenance of log book	1.023	
1598	7		Payment of pension without obtaining essential certificates	40.000	
1599	8		Irregular payment of earth work without recording earth levels and cross section area	0.621	
1600	9		Irregular payment of tuff tiles without obtaining lab test reports and overpayment due to payment	0.112	
1601	10		Irregular payment of financial assistance without maintenance of record & proper sanction	1.600	
1602	15		Non-obtaining of mortgage deed of 20% saleable area	12.471	

Sr. No.	DDOs	PDP No.	Subject	Amount
1603	Tehsil Council Muzaffargarh (AY 2022-23)	3	Irregular / unjustified expenditure of POL	0.829
1604		5	Doubtful expenditure due to non-maintenance of history sheet	0.474
1605		6	Unauthorized / unjustified expenditure beyond their jurisdiction	2.093
1606		7	Unjustified expenditure of POL without maintenance / provision of log books	1.364
1607		9	Loss due to non / less achievement of targets of receipts	0.557
1608		12	Difference in monthly accounts and non-provision of vouched account	11.664
1609		13	Non-production/maintenance of record	12.885
1610	Tehsil Council Pakpattan (AY 2022-23)	2	Excess payment to contractor on hiring of machinery & equipment	0.670
1611		3	Blockage of funds due to creation of unjustified pending liabilities	171.542
1612		4	Non-reconciliation of TTIP	32.098
1613		8	Non-recovery of arrears of advertisement fees from contractor	0.488
1614		10	Non-auction of collection rights and loss due to less recovery by self-collection	0.922
1615	Tehsil Council Pir Mahal (AY 2022-23)	1	Non-reconciliation of Tax on Transfer of Immoveable Property	14.685
1616		3	Irregular expenditure on sports events	0.288
1617		6	Expenditure without maintenance of record	1.035
1618	Tehsil Council Rahim Yar Khan (AY 2022-23)	1	Non-compliance of observations issued in previous year Audit paras / observation	88.284
1619		2	Non-maintenance of separate books of accounts and classified accounts of expenditure	-
1620		3	Loss to the Government due to shortfall in targets	159.668
1621		4	Loss due to non-recovery of professional tax	0.393
1622		6	Non-maintenance of fixed asset register	-
1623		8	Irregular appointment of daily wages / contingent paid staff	2.157
1624		9	Non-preparation of monthly / annual accounts	-
1625		10	Non-imposition of penalty for late completion of works	7.156

Sr. No.	DDOs	PDP No.	Subject	Amount
1626		11	Irregular execution of development works based on doubtful agreement	119.191
1627		12	Non-appointment of internal auditor	-
1628		13	Variation in receipt figure between annual account and cash book	-
1629		15	Collection of receipt without any backup record / reconciliations	4.469
1630		16	Non-verification of deposit of GST by suppliers	0.112
1631		17	Irregular clearance of pending liabilities	1.152
1632		18	Unjustified expenditure on repair	2.145
1633		19	Irregular expenditure on cattle markets	0.179
1634		20	Charging of expenditure without observing Chart of Accounts	-
1635		21	Unjustified payment of earth work without recording of levels and area	16.680
1636		22	Irregular expenditure by non-observance of PPRA Rules	0.900
1637		23	Non-deduction of PST and Income Tax on repair	0.341
1638		24	Unjustified refund of income tax on auction of old trees	0.472
1639		25	Non-production of record	-
1640		Tehsil Council Rajanpur (AY 2022-23)	1	Loss due to non-auctioning of vacant Tehsil Council shops
1641	5		Loss due to non-imposition of penalty	1.433
1642	8		Unauthorized withdrawal of funds after Tehsil Council made defunct	0.557
1643	Tehsil Council Sahiwal (AY 2022-23)	1	Non-recovery of Government dues	174.469
1644		3	Unauthorized lump sum provision of development schemes	650.000
1645		6	Irregular expenditure on pension payment due to non-reconciliation of amended and discontinued pensioners	22.281
1646		9	Irregular expenditure on POL	2.160
1647		10	Non-credit of bank profit to general account	-
1648		11	Unauthorized purchase for Civil Defense Department	6.011
1649		12	Irregular refund of earnest money and performance guarantee	14.438

Sr. No.	DDOs	PDP No.	Subject	Amount	
1650		13	Non-deduction of Social Security Contribution	0.552	
1651		15	Loss due to non-recovery of professional tax	0.031	
1652		14	Unauthorized approval of development schemes	98.498	
1653		17	Non-achievement of targets of receipts	10.111	
1654		18	Non-reconciliation of Tax on Transfer of Immovable Property	22.488	
1655		19	Overpayment due to irregular estimation and approval of rate analysis of Drain Type-I	0.941	
1656		20	Excess payment of bricks without obtaining lab test reports	0.409	
1657		21	Loss to government due to Less deduction of Income Tax on Services	0.079	
1658		22	Loss to government due to un-authorized occupation of government residences	-	
1659		23	Loss due to non-auctioning of shops after completion of lease period	0.965	
1660		24	Loss due to Non auction Agri Land	0.066	
1661		26	Less / non-recovery of conversion and map fees Petrol Pump	0.346	
1662		28	Irregular repair of vehicles and machinery	1.115	
1663		29	Unauthorized declaration of office building as rest house by Administrator and incurring of expenditure for renovation works without approval of Administrator	0.406	
1664		Tehsil Council Vehari (AY 2022-23)	1	Non-recovery of Government dues	239.234
1665			2	Irregular award of contract of collection rights without obtaining surety	0.843
1666	3		Less / non-recovery of taxes	0.135	
1667	4		Unauthorized expenditure through splitting of indents to avoid open tendering	0.760	
1668	5		Unauthorized drawl of funds for electricity charges without bills	0.212	
1669	6		Unauthorized withdrawal of funds without sanction order	1.819	
1670	7		Unauthorized payment of fixed TA/DA and additional charge allowance without admissibility	0.097	
1671	8		Non-reconciliation of TTIP receipts	23.573	
1672	9		Non-credit of bank profit to general account	0.993	

Sr. No.	DDOs	PDP No.	Subject	Amount
1673		10	Loss to Local Council Fund due to excess payment of PST	0.237
1674		11	Non-imposition of penalty for delay in completion of works	1.317
1675		14	Non / less recovery of conversion fees	0.266
1676		17	Non-imposing of penalty due to non-completion of works	12.731
1677	Tehsil Council Yazman (AY 2022-23)	1	Non-recovery of Government dues as pointed out in previous year' Audit Paras/Observations	19.187
1678		2	Non-maintenance of separate books of accounts and classified accounts of expenditure	-
1679		3	Non-maintenance, non-reconciliation of record of Immoveable Property Tax	13.402
1680		6	Irregular withdrawal of POL and non-maintenance of log book	0.640
1681		7	Loss due to non-deposit of the Government taxes	6.517
1682		8	Loss due to less-recovery of tender fees	0.054
1683		9	Irregular payment of bituminous items	0.889
1684		11	Irregular drawl of funds without making entry in Measurement Book	0.828
1685		12	Non-recovery of Punjab Sales Tax on Services	0.077
1686		13	Non-deduction of social security contribution	3.600
1687		14	Non-imposition of penalty for late completion of development work	1.863
1688		15	Loss due to non-recovery of professional tax	0.110
1689		16	Loss due to non-reducing of brick rate	4.526
1690		17	Unjustified payment of earthwork without recording of levels and cross section area	5.507
1691		18	Un-justified expenditure on account of lead on earth work	4.911
1692		19	Non-transfer profit / unclaimed security account into general account	27.279
1693		20	Non-preparation of monthly and annual accounts	81.304
1694		21	Unjustified releases of security deposits	6.340
1695		22	Non-production of record	-

Sr. No.	DDOs	PDP No.	Subject	Amount
1696	Town Committee Makkuana (AY 2022-23)	2	Irregular expenditure on procurement	1.434
1697		3	Irregular expenditure for procurement of material / hiring of vehicle	1.017
1698		4	Poor performance due to non-utilization of development funds	6.717
1699		5	Non-payment of Punjab Sales Tax on Services and Income Tax	0.534
1700		6	Non-credit of closing bank balance to District Council fund	0.189
1701		7	Non-recovery of General Sales Tax	0.070
1702		8	Payments from the town committee funds without maintenance of record	0.254
1703		9	Non-production of record	10.487

MFDAC**Annexure-A****Part-II****Memorandum for Departmental Accounts Committee Paras
Pertaining to the Audit Year 2022-23 (Vol-I)****(Rupees in million)**

Sr. No.	DDO	PDP No.	Subject	Amount
1	Metropolitan Corporation Bahawalpur (AY 2022-23)	5	Irregular expenditure due to unauthorized repatriation of staff from BWMC to MC	11.203
2		9	Unauthorized payment of House Rent and Conveyance Allowance to residents of MC	0.282
3		11	Loss due to non-transfer of property to MC	4,956.432
4		12	Loss due to non-execution of mortgage deed	1,525.890
5		15	Unauthorized payment of conveyance allowances	0.186
6		16	Non-auction of dry trees and old machinery	2.500
7		23	Irregular / unjustified expenditure	0.515
8	Metropolitan Corporation Bahawalpur (AY 2021-22)	8	Irregular expenditure due to unauthorized repatriation of staff from BWMC to MC	9.869
9		11	Execution of PMS Schemes without observing time schedule and third-party validation	6.429
10		23	Unjustified expenditure on repair of transformers	0.846
11		24	Unjustified Expenditure on National & Culture Events	0.706
12		25	Non-imposing penalties despite late completion of works	0.395
13		26	Irregular / unjustified expenditure on POL	0.172
14		29	Loss due to non / less achievement of targets of receipts	89.368
15		37	Non auction of dry trees and old machinery	1.500
16		39	Loss-due to less recovery of auctioned amount	0.610
17		40	Unauthorized payment of conveyance allowances	0.154
18		45	Loss due to establishment of cycle stands and no action against relevant persons	16.096
19		46	Misuse of electric pole and electricity on greenbelt for private publicity	8.685
20		49	Unjustified decrease in revised budget	4.378

Sr. No.	DDO	PDP No.	Subject	Amount
21		51	Doubtful expenditure on repair of vehicles / machinery	2.525
22		52	Non transfer of profit of security account into general account	1.972
23		54	Excess payment of electricity bills than units consumed	1.440
24		55	Non-accountal of consumable items into stock	1.394
25		56	Doubtful consumption of street light items	1.138
26		57	Loss due to non-deposit of sale proceeds of used Mobil oil	0.296
27		58	Excess / Overpayment due to non-observing OGRA rates	0.098
28		59	Non-recovery of professional tax	0.057
29		Metropolitan Corporation DG Khan (AY-2022-23)	3	Loss on account of conveyance allowance
30	6		Non-auction of contract of collection rights	1.550
31	7		Transfer of amount without reports regarding execution of budget	116.220
32	10		Non-reconciliation of tax on transfer of immovable property	93.051
33	14		Irregular payment of work charged establishment	4.408
34	15		Loss to Govt. due to provision of excess carriage/lead of crushed stone material	1.540
35	24		Loss due to non-reduction of cost of bricks	0.163
36	27		Non-allocation and deposit of Civil Defense and PHA share	0.564
37	28		Irregular repair of vehicles.	2.191
38	30		Misclassification of expenditure.	2.106
39	32		Unjustified expenditure on repair of machinery & equipment.	4.939
40	33		Non/less deduction of electricity charges	0.744
41	34		Difference between the figures of demand and collection register with Budget book	621.208
42	Metropolitan Corporation DG Khan (AY-2021-22)	9	Irregular payment of work charged establishment	8.936
43		15	Non-recovery of building map fees and commercialization fees	3.506
44		19	Non-reconciliation of tax on transfer of immovable property	116.990
45		22	Payment of higher rates of POL than notified by OGRA	0.394

Sr. No.	DDO	PDP No.	Subject	Amount
46		26	Unauthorized purchase of electric items without expense	0.794
47		27	Unauthorized purchase of machinery	1.995
48		28	Unauthorized drawl against M&R	1.904
49		30	Irregular payment against TA/DA claim	0.026
50		32	Unjustified drawl on account of operational expenditure	7.633
51		33	Loss due to un-authorized inclusion of provincial sales tax in estimates	4.663
52	Metropolitan Corporation, Faisalabad (AY-2022-23)	4	Non-achievement of targets of receipts	464.295
53		5	Non-undertaking Community Initiatives funds	126.192
54		9	Non-recovery of House Rent Allowance	0.218
55		14	Misclassification of expenditure	20.728
56		18	Irregular expenditure on POL	2.963
57		22	Irregular expenditure on repair & maintenance of roads	82.839
58		23	Unauthentic payment due to non-calculation of actual lose volume of sub-base and base course	25.993
59		26	Non-recovery of professional Tax	0.249
60		34	Unauthentic expenditure on perishable/ consumable items	0.971
61	Metropolitan Corporation, Faisalabad (AY-2021-22)	24	Less payment of Stamp Duty and non-recovery of late charges	0.097
62		26	Loss due to non-realization of revenue on account Parking Fees and share from Faisalabad Parking Company	-
63	Metropolitan Corporation, Multan (AY-2022-23)	2	Irregular allocation of development budget of civil work, purchase of assets in violation of chart of classification	241.335
64		3	Charging of expenditure without maintenance of record	1,379.600
65		4	Irregular split up of repair of buildings schemes to avoid the administrative approval	0.627
66		5	Loss to Government due to less recovery of enlistment fees & less deposit of tender fees in bank than actual realized amount	0.191
67		6	Unauthorized payment of daily allowance	3.564
68		7	Unjustified execution of installation of RO plants without sweet water test, without taking quotations of non-schedule items	28.349

Sr. No.	DDO	PDP No.	Subject	Amount	
69		9	Non-forfeited of performance Security of defaulted contractors	0.793	
70		10	Difference of tender fees and enlistment fees as per annual account and as per actual receipts shown to Audit	1.228	
71		12	Un-justified expenditure on account of lead on earth work	2.705	
72		13	Irregular withdrawal of funds on account of repair of Government Vehicle without maintaining history sheet	5.510	
73		15	Shortage of lighting material and doubtful consumption of electricity material recovery thereof	2.056	
74		16	Irregular passing building Map of industry without leaving the parking area, approval of Mayor, and NOCs from Civil defense and environment department.	-	
75		17	Unjustified payment of Street Lights without Lab test of involving purchase value	18.510	
76		20	Approval of Building Map of Land subdivision without obtaining NOC from Environmental Protection Agency (EPA)	6.490	
77		22	Doubtful Consumption of Pol Due to Inoperative Speedo Meter of The Vehicles in Light Branch inquiry thereof	3.311	
78		23	Irregular drawl of funds without making entry in measurement book	1.470	
79		26	Non-compliance of observations issued in previous year Audit of value	1,875.943	
80		Metropolitan Corporation, Multan (AY-2021-22)	8	Doubtful withdrawal on account of Repair of Vehicle through fake documentation	0.150
81			12	Irregular auction of outsource income	22.347
82			15	Suspected loss to the Government due to non-recovery of professional tax	0.132
83	18		Over estimation of non-scheduled items in development schemes as evident from bids offered 41.10%	40.000	
84	21		Overpayment due to payment of excess rates recovery thereof	7.018	
85	22		Irregular purchase by Unjustified billing process / fake competition	0.617	
86	25		Irregular Entry in the MB by leaving blank spaces for deductions and net amount	1.500	

Sr. No.	DDO	PDP No.	Subject	Amount
87		28	Non-obtaining of Bill of Quantity (BOQ) as evidence of legal purchase and Suspected Misappropriation of GST	9.444
88		30	Unjustified payment of food material and Tentage for the Chief Minister and recovery thereof	1.309
89		32	Non-obtaining of lab test reports to ascertain Crushing Strength and non-deduction @ 7% due to substandard material	2.124
90		33	Charging of expenditure without maintenance of record	990.639
91		34	Misclassification of development expenditure	141.667
92		35	Defective maintenance of annual appropriation accounts	2,091.880
93		36	Non-transfer of unclaimed security account into general account	6.598
94		40	Non-recovery of Government receipt on account of rent of shops estimated	0.560
95		42	Illegal Collection of Government fees by the contractors by hiring private staff	8.935
96		43	Non-taking Pension Contribution and Leave Salary from the Contractor	3.000
97		47	Irregular Revised TS Estimates by Removing Original Estimates to change the scope	182.280
98		50	Non-repair of Road Cuttings despite Recovery of Charges from PTCL	8.500
99		51	Minimum Loss due to non-auctioning of shops at prevailing market rates	15.216
100		Metropolitan Corporation, Sahiwal (AY-2022-23)	1	Non-compliance of observations issued in previous year's audit
101	3		Loss to Government due to non-recovery of dues from owners of commercial buildings	7.095
102	5		Non-recovery of water rates and sewerage tax	1.411
103	6		Drawl of funds through fake quotation	0.765
104	8		Less-recovery of rent of shops/building	311.515
105	9		Irregular payment of holiday allowance	2.251
106	11		Unauthorized deduction of PST on supplies	0.727
107	13		Irregular expenditure on repair machinery of disposal/water works	4.218
108	14		Non-reconciliation besides non-maintenance of proper record of TTIP	186.102

Sr. No.	DDO	PDP No.	Subject	Amount
109		16	Non-recovery of Punjab Sales Tax on Services	0.726
110		18	Non-imposition of penalty for non-completion of works within time limit	3.998
111		19	Undue favor to the suppliers by inclusion of GST in estimates/non-deduction of GST	2.585
112		20	Irregular expenditure on POL of tractors/peter engines	15.504
113		21	Irregular expenditure by splitting the indents and non-observance of PPRA Rules	1.305
114		22	Non-recovery of MC dues on account of rent for land	1.940
115		23	Irregular expenditure without estimates and splitting the indents	1.178
116		24	Loss due to non-auctioning of khokas/tharas at prevailing market rates	61.400
117		25	Non-executing of agreements and non-obtaining of stamp duty	0.120
118		26	Undue favor to the contractors by non-deduction of security	1.541
119		Metropolitan Corporation, Sahiwal (AY-2021-22)	1	Irregular withdrawal of daily of daily wageworkers without performance duty
120	2		Irregular payment of holiday allowance	1.795
121	3		Irregular payment to daily wage workers for Sunday	1.110
122	4		Less deduction of group insurance	0.171
123	7		Defective preparation of budget due to wrong reporting of opening balance	5.849
124	13		Unauthorized purchase of store items through works contractor	2.705
125	16		Loss due to auction of collection rights below than reserve price-	0.992
126	17		Irregular auction of collection rights	4.205
127	18		Loss due to non-auctioning of shops at prevailing market rates	104.235
128	19		Loss due to non-auctioning of Khohas/ shops at prevailing market rates	28.920
129	20		Unauthorized expenditure due to misclassification	5.713
130	21		Unauthorized procurement by splitting	0.406
131	22		Fake estimation of works costing	17.776

Sr. No.	DDO	PDP No.	Subject	Amount
132		23	Irregular execution of works without maintaining history	17.766
133		24	Non-recovery of penalty for non-completion of works within time limit	0.081
134		25	Unauthorized advance withdrawal of funds	3.096
135		26	Irregular execution of work without approval of PC-I	14.525
136		27	Irregular expenditure on POL	47.746
137		31	Irregular purchase of furniture without budget allocation-	0.132
138		33	Loss to government due to non-investment of saving	6.684
139		34	Irregular expenditure on repair of machinery and equipment	1.147
140		35	Poor performance due to non-achievement collection of taxes targets	184.872
141		36	Irregular expenditure on pension payment on unauthorized life certificate no marriage certificate	-
142		Municipal Corporation Burewala	1	Non-recovery of Government dues as pointed out in previous year's Audit Paras
143	2		Less achievement of receipt targets than revised estimates	200.743
144	3		Irregular payment of overtime allowance against holidays	5.430
145	4		Non provision of schedule of authorized expenditure	766.770
146	5		Non-maintenance of statement of fixed assets	-
147	6		Doubtful withdrawal of funds by preparing fake bills of repair of containers	0.187
148	7		Non-reconciliation of TTIP income and its credit in books of accounts	110.976
149	12		Non-transfer of area of public amenities in the name of Municipal Committee	420.599
150	13		Non-obtaining of mortgage deed of 20% saleable plots as surety for completion of development works	120.056
151	14		Irregular expenditure on POL	49.841
152	15		Payment of fixed TA beyond entitlement	1.800
153	17		Irregular incurring of works expenditure without administrative approval followed by technical sanction	9.463

Sr. No.	DDO	PDP No.	Subject	Amount
154		19	Doubtful repair and withdrawal of funds	9.442
155		20	Unjustified withdrawal of funds without signature of sanctioning authority on works bill	0.415
156		21	Loss to MC Fund by payment of exorbitant rates for purchase of tyres recovery thereof	0.159
157		23	Irregular expenditure by misclassification	199.184
158		24	Non-availability of consumption record of Strychnine and Chlorine	0.806
159		25	Unjustified repair of truck lifter container	0.852
160		26	Concealment of site of works from audit inspection due to substandard execution	135.950
161		27	Recovery of below specification sub-base against the standard specification recovery thereof	0.033
162		28	Difference in payment of same rate allowances to same employees due to poor accounting and lack of reconciliation	0.648
163		29	Non-production of vouched account	-
164		MC Muzaffargarh	3	Collection of tax on transfer / sales of immoveable property without maintaining backup record
165	6		Irregular expenditure on pension payment due to non-reconciliation of amended and discontinued pension	-
166	10		Non-maintenance of record of assets and non-conducting of stock taking of moveable and immoveable	-
167	11		Unjustified payment of pay & allowance without verification of degrees	-
168	13		Charging of expenditure without observing Chart of Accounts	-
169	15		Loss due to non-auctioning of shops at prevailing market rates	0.263
170	18		Non-achievement of budgeted targets of revenue and loss to the MC Fund	243.671
171	6		Non-imposition of government fees / non-fixing of targets by the management	-
172	13		Excess payment on purchase of tractor	0.661
173	15		Non-completion of sewerage scheme on the price of work order loss to government due to non-recovery of fine	0.256

Sr. No.	DDO	PDP No.	Subject	Amount	
174		16	Non-conducting of Post Completion Evaluation of development Schemes	23.677	
175	MC Alipur	2	Non-reconciliation of Tax on Transfer of Immoveable Property	10.680	
176		3	Non-maintenance of record of assets and non-conducting of stock taking of moveable and immoveable	-	
177		4	Non-reconciliation of accounts of receipts and expenditure	-	
178		5	Charging of expenditure without observing Chart of Accounts	-	
179		6	Loss due to establishment of land sub-division without fulfilment of legal requirements	0.360	
180		8	Non-achievement of budgeted targets of revenue and loss to the MC Fund	-	
181		10	Unjustified and irregular expenditure on work charged establishment/ daily wages workers	3.960	
182		11	Doubtful pension payments without any documented proof of life certificate or Bio metric verification	31.914	
183		12	Irregular expenditure on pension payment due to non-reconciliation of amended and discontinued pension	-	
184		13	Loss due to non-auction of shops	2.987	
185		17	Irregular expenditure on repair of machinery and equipment	1.815	
186		18	Unjustified payment without receipt of stores	2.157	
187		Municipal Committee Arifwala	2	Loss due to short recovery of revenue	376.821
188			6	Irregular withdrawal of daily of daily wageworkers without performance	0.969
189	7		Unauthorized auction of contractual right	3.441	
190	8		Non-recovery of advance Income Tax	0.516	
191	9		Irregular withdrawal of funds without sanction	5.729	
192	10		Irregular withdrawal of pay & allowances without availability of budget	265.042	
193	11		Unauthorized declaration of Emergency by Administrator without approval of Provincial Cabinet and mis-procurements	3.340	
194	12		Difference in receipts due to non-reconciliation	0.806	
195	16	Irregular drawl of funds without making entry in measurement book	3.400		

Sr. No.	DDO	PDP No.	Subject	Amount
196		17	Less charging of PST on repair/ maintenance and renovation work	0.368
197		18	Loss to the Government due to non-conducting of Internal Audit of OSR Receipts	479.145
198	Municipal Committee Bahawalnagar	3	Un-authorized collection of receipt without Gazette Notification	76.619
199		4	Unauthorized expenditure on POL of Peters	2.617
200		5	Non-reconciliation of tax on transfer of immoveable property	118.985
201		11	Payment of higher rates of POL than notified by OGRA	0.261
202		15	Expenditure on holiday allowance due to non-rotation of duties	1.728
203		16	Irregular payments of daily wages / contingent paid establishment	7.296
204		19	Unjustified incurrence of expenditure against lighting/Tentage	1.988
205		20	Loss due to non-auction of property at competitive rates	2.838
206		21	Loss due to payment of conveyance allowance during leave	0.036
207		22	Loss to Government due to recovery of lease rent at lesser rate	18.248
208		MC Chak Jhumra	9	Non-auction of dried trees and condemned material
209	Municipal Committee Chichawatni	7	Irregular withdrawal of funds without pre-audit	4.627
210		8	Non-reconciliation of TTIP receipts with Revenue Department	66.556
211		9	Less deduction of GST	0.081
212		10	Non-executing of agreements and non-obtaining of stamp duty	0.065
213		12	Poor performance due to non-achievement of targets	4.524
214		13	Misclassification of expenditure under pay and allowances	307.121
215		14	Irregular payment without recording measurement book	1.011
216	MC Chiniot	9	Loss to Govt. due non rent out of Govt. property	0.783
217		18	Un-justified and irregular expenditure on desilting of sewer line	0.784
218		19	Non-deduction of Provincial Sales Tax	0.184

Sr. No.	DDO	PDP No.	Subject	Amount
219	Municipal Committee Chishtian	3	Non-reconciliation of TTIP receipts with Revenue Department	157.251
220		7	Non-deduction of Social Security Contribution	1.312
221		11	Loss to municipal committee due to non-approval of rent of open white plots on market based assessed rent	2.286
222		12	Payment of pension without obtaining life certificates	30.136
223		13	Non-auction of dried trees and condemned material	0.580
224		14	Non-verification of General Sales Tax	0.198
225	Chowk Sarwar Shaheed	6	Non-reconciliation of tax on transfer of immoveable property	17.268
226		10	Unauthorized incurrence of legal charges and non-deduction PST and income tax	0.443
227		13	Unjustified execution of RCC work	0.656
228		17	Unauthorized payments without pre-audit	5.017
229		21	Un-authorized consumption of POL due damaged meter and un-approved routs.	7.154
230		22	Irregular repair of vehicles	1.905
231		23	Unjustified leads for transportation of excavated earth	0.357
232	MC Chaubara	2	Difference of bank balance figure provided in budget and monthly accounts	6.266
233		6	Non-credit of bank profit to Municipal General Fund	0.825
234		8	Non-reconciliation of Tax on Transfer of Immoveable Property	20.312
235		9	Non-provision of schedule of authorized expenditure	-
236	MC Chowk Azam	2	Non-reconciliation of Tax on Transfer of Immoveable Property	46.272
237		3	Non-achievement of budgeted targets of revenue	10.688
238		6	Non-credit of bank profit to Municipal General Fund	0.799
239		7	Unauthorized payment of integrated allowances to sanitary workers	0.562
240	MC Fazilpur	3	Non-uploading of budget on Local Government Financial Management Information System	-
241		7	Unjustified and unauthentic drawl on account of operational expenditure	4.394

Sr. No.	DDO	PDP No.	Subject	Amount
242		9	Irregular purchase of furniture	0.677
243		10	Unauthorized/doubtful expenditure of work charge/contingent paid staff	4.540
244		11	Non-achievement of targets of receipts	72.293
245		12	Doubtful expenditure repair of machinery & equipment	1.172
246		16	Non-maintenance of important record	-
247	Municipal Committee Fort Abbas	4	Non-reconciliation of TTIP receipts with Revenue Department	21.046
248		7	Less /Non-deposit of Stamp Duty	0.065
249		9	Payment of pension without obtaining life certificates	1.281
250	MC Gojra	6	Less charging/payment of Stamp Duty by the contractors	0.115
251		14	Short-recovery of dues from the owner of commercial building	0.157
252		15	Irregular procurements from unregistered persons	0.745
253	Municipal Committee Haroonabad	2	Collection of tax on transfer of immovable property without any backup record / reconciliations	116.419
254		3	Less payment of Punjab Local Government Board fees	3.573
255		4	Non-Preparations of reconciled expenditure Statements and Receipt Statements	-
256		5	Charging of expenditure without observing Chart of Accounts	-
257		6	Loss to MC fund by non-auctioning of shops at competitive rates	18.237
258		7	Blockage of funds for Punjab Municipal Services (PMS) Schemes	49.370
259		15	Poor Performance due to non-utilization of development funds	141.827
260		16	Non-realization of income from drainage rate (sewerage fees)	-
261		17	Doubtful expenditure on account of POL	13.343
262		19	Non-approval of housing colonies within timelines prescribed under land sub-division	9.261
263	Municipal Committee Hasilpur	4	Collection of tax on transfer of immovable property without any backup record / reconciliations	44.806

Sr. No.	DDO	PDP No.	Subject	Amount
264		5	Non-Preparations of reconciled expenditure Statements and Receipt Statements	-
265		6	Charging of expenditure without observing Chart of Accounts	-
266		9	Unjustified payment of earth work without recording of levels and cross section area	2.483
267		10	Non-vacation of encroached property	2.805
268		11	Loss due to non-reduction of bricks rate	0.218
269		12	Less payment of Local Government Board fees	5.065
270		16	Doubtful expenditure on account of POL	13.454
271		MC Jampur	6	Non-uploading of budget on Local Government Financial Management Information System
272	9		Irregular procedure of collection of immovable property taxes and without reconciliation	52.954
273	10		Un-authorized appointment and payment of salaries to Legal Advisor	0.900
274	13		Irregular expenditure against repair of machinery and vehicles without calling tenders	2.800
275	17		Unauthorized consumption of POL	5.574
276	MC Jaranwala	3	Unauthorized payment without invoices of approved manufacturer	0.322
277		4	Un-authorized inclusion of Provincial Sales Tax in estimates	0.916
278		5	Unjustified payment for execution of earthwork	0.437
279		8	Loss to Govt. due to non-reducing of brick rate	0.445
280		18	Loss on Account of House Rent	0.084
281		19	Loss due to non-recovery of conveyance allowance	0.170
282		20	Loss due to non-transfer of taxes to Government account	0.033
283		21	Unauthorized advance payment for Construction of RCC Box Culvert	0.346
284	MC Jatoi	3	Non-Reconciliation and backup record on Account of immoveable Property Tax collected	14.292
285		5	Loss due to non-achievement of receipt targets	48.814
286		7	Unauthorized expenditure against repair and maintenance of machinery and equipment and disposal work	1.633
287		9	Unjustified return of securities to contractor	2.981

Sr. No.	DDO	PDP No.	Subject	Amount
288		12	Unauthorized payment of previous year liabilities	0.378
289		17	Irregular payment of work charged establishment	5.254
290		19	Misclassification of expenditure	4.371
291	MC Jhang	5	Non-deduction of Social Security Contribution	0.168
292		6	Unjustified payment of brick work resulting non-recovery due to non-reducing of brick rate	0.264
293		7	Non-uploading of budget on Local Government Financial Management Information System	-
294		8	Overpayment on the account of earthwork Excavation	0.063
295		9	Overpayment due to non-deduction on account of marble patti	0.435
296	MC Karor	10	Unjustified and doubtful expenditure on account of earth work	1.177
297		11	Unjustified Payment of Tuff Tile Pavers	0.083
298		13	Unjustified Releases of Security Deposits	0.768
299		15	Unjustified and doubtful expenditure on POL of Machinery	1.500
300		17	Irregular expenditure against repair of machinery and vehicles	1.054
301		22	Non-maintenance of important record	-
302		2	Execution of PMS Schemes without observing time schedule and third-party validation	30.000
303		5	Excess expenditure then Admin Approval	0.195
304		6	Unauthorized payment during defunct period	7.240
305		7	Unjustified retention of funds	22.526
306	Municipal Committee Khair Pur Tamewali	8	Non-accountal of consumable store items into stock	0.944
307		10	Loss due to non-recovery of receipts credited into District Council account	3.652
308		12	Irregular payment for purchase of vehicles	4.258
309		15	Non achievement of targets due to poor monitoring	145.887
310		17	Non-recovery of dues from the owners of constructions, water and sewerage connections	-
311		19	Non deposit of taxes into government treasury	3.799
312		2	Non-achievement of targets of revenue	53.561

Sr. No.	DDO	PDP No.	Subject	Amount
313	Municipal Committee Khanewal	5	Irregular purchase of electricity items for street lights	0.702
314		7	Charging of expenditure without observing Chart of Accounts	-
315		9	Non-Preparations/non provision of reconciled expenditure statement	-
316		10	Non-submission of monthly progress report regarding development Schemes	-
317		11	Non-maintenance of Separate Books of accounts and classified	-
318		15	Payment of pension to pensioners without verification of existence	63.065
319		19	Non-Preparation of Site Development Zone	-
320		20	Non-deposit of taxes into FBR account	2.049
321		21	Non-Production of Record of MC Khanewal for the period 2020-21	-
322		22	Consumption of Fuel without Authenticity in sanitation branch inquiry thereof	3.967
323		24	Doubtful expenditure on repair and maintenance	2.143
324		25	Loss to the Government due to non-conducting of internal audit of own source revenue receipts	95.806
325		26	Non-conducting of internal audit of own source revenue receipts	89.259
326		Municipal Committee Khan Pur	6	Loss due to misuse of fire brigade
327	7		Expenditure on holiday allowance due to non-rotation of duties	8.585
328	9		Irregular expenditure on establishment of cattle markets	0.156
329	11		Execution of Development Works without PC-I	1.996
330	12		Non auction of dry trees and old machinery	1.000
331	13		Loss due to non-auction of contract of collection rights and non-conduction of self-collection	0.420
332	16		Non transfer of profit of security account into general account	0.348
333	18		Non deposit of pension contribution	0.961
334	23		Non-reconciliation of Revenue Receipt with Demand & Collection Register	1.216
335	MC Khangarh	4	Non-utilization/transfer of funds for Clean and Green Initiative	0.961

Sr. No.	DDO	PDP No.	Subject	Amount
336		5	Unauthorized award of works without additional performance security	0.066
337		9	Unauthorized expenditure against repair and maintenance of machinery	3.216
338		13	Irregular payment of work charged establishment	3.405
339		16	Non-Reconciliation and backup record on Account of immoveable Property Tax collected	9.642
340	MC Kot Addu	17	Non-Reconciliation of immoveable Property Tax receipts	47.528
341		2	Non-achievement of revenue target	7.467
342		3	Irregular procedure of Collection of Immoveable Property Taxes and without Reconciliation	17.367
343		5	Misclassification of expenditure	3.211
344		6	Irregular expenditure against repair of machinery and vehicles without calling tenders	1.569
345	MC Kot Chutta	11	Non-uploading of budget on Local Government Financial Management Information System	-
346		12	Unauthorized repair of transformers	0.196
347		13	Loss to the Government due to non-allotment of Government Vehicle/Motor Cycle	0.277
348		16	Unauthentic expenditure on consumable stores	1.504
349		4	Irregular procedure of Collection of Immoveable Property Taxes and without Reconciliation	7.765
350	MC Kotmithan	6	Non-achievement of revenue target	10.398
351		7	Non-uploading of budget on Local Government Financial Management Information System	-
352		3	Unauthorized payment of integrated allowances to sanitary workers and recovery thereof	2.381
353	MC Layyah	6	Non-reconciliation of Tax on Transfer of Immoveable Property	34.310
354		10	Non-credit of bank profit to Municipal General Fund	1.220
355		2	Loss due to non-deposit of Taxes by contractors	0.094
356	Municipal Committee Liaqatpur	3	Loss due to omission / modification of compulsory conditions from contract papers	0.126
357		7	Loss due to non-recovery of professional tax	0.028

Sr. No.	DDO	PDP No.	Subject	Amount	
358		10	Non-reduction of rate despite using local sand	0.032	
359		11	Loss due to delay in approval / registration of housing schemes / land sub-divisions.	13.584	
360		13	Loss due to establishment of private housing schemes / LSDs without verification of land in the name of developers / owners	14.636	
361		14	Unjustified / establishment of land sub-division schemes without requirement.	-	
362		15	Loss due to misappropriation under the head of "fair & exhibition"	1.386	
363		16	Loss due to doubtful / fake repair of transformers	0.197	
364		17	Irregular expenditure due to misclassification	0.423	
365		19	Non-recovery of government dues as pointed out in previous years Audit Paras / observations	2,191.837	
366		20	Loss due to charging less rates under the head of "Rent of Shops"	40.960	
367		21	Loss due to non-auction of old machinery	3.709	
368		22	Misappropriation of "License Permit Fees" due to non-conducting survey of shops	1.722	
369		Municipal Committee Lodhran	2	Loss due to non-auction/self-collection of Canteen Children Park	0.155
370			3	Less recovery due to non-auction of revenue generating points	0.686
371	4		Non maintenance of books of accounts	75.010	
372	11		Non-maintenance of record and charging of expenditure by the DDOs	385.338	
373	13		Unjustified payment of earth work without recording of levels and cross section area	3.710	
374	15		Non-reconciliation of recovery of tax on transfer of immoveable property	92.015	
375	17		Irregular expenditure on pension payment due to non-availability of life certificate / no marriage	32.287	
376	18		Non-deduction of cost of dismantled material	1.183	
377	19		Non-preparation of monthly progress report of works	74.322	
378	20		Loss to Government due to non/ less recovery of professional tax	0.045	
379	23		Unauthorized custody of bikes without allocation	0.130	

Sr. No.	DDO	PDP No.	Subject	Amount	
380		25	Non-production of auditable record	-	
381	Municipal Committee Mian Channu	12	Loss due to non / less achievement of targets of receipts	421.221	
382		14	Loss due to short recovery of lease rent	0.393	
383		15	Loss of Revenue of TTIP Tax due to valuation / assessment of land at lower Rates	0.214	
384		16	Loss of revenue to establishment of housing schemes	-	
385		18	Doubtful expenditure on POL due to improper maintenance of log books of vehicles and machinery	8.479	
386		22	Unauthorized expenditure due to misclassification	5.367	
387		23	Doubtful expenditure on repair of vehicles	0.580	
388		27	Irregular expenditure due to non-compliance of procurement Rules	0.521	
389		28	Non-payment of taxes deducted at source to FBR	2.979	
390		29	Charging of expenditure without observing Chart of Accounts	-	
391		30	Non-Preparations /non provision of reconciled expenditure Statements and Receipt Statements	-	
392		31	Non-maintenance of Separate Books of accounts and classified accounts of expenditure	-	
393		35	Irregular expenditure on pension payment due to non-availability of life certificate /no marriage certificate	29.279	
394		37	Loss of Income due to non-receiving of tender fees	0.060	
395		38	Difference in receipts collected due to non-reconciliation	3.278	
396		39	Loss due to non-conducting of internal audit of own source revenue receipts	111.057	
397		40	Loss to the Government due to non-conducting of internal audit of own source revenue receipts	60.948	
398		Municipal Committee Minchinabad	1	Misappropriation due to less reporting of household / connection in D&C register for water rates	46.073
399			2	Non-accountal collected receipts into annual accounts and misappropriation thereof	417.832
400	3		Non-production of record	-	

Sr. No.	DDO	PDP No.	Subject	Amount
401		4	Non-preparation of record as per Chart of Accounts	-
402		5	Non-maintenance of separate books of accounts and classified accounts of expenditure	-
403		6	Irregular appointment of daily wages / contingent paid staff	3.450
404		7	Irregular execution of works without obtaining NOC from District Government	49.980
405		8	Irregular expenditure on cattle markets	0.424
406		9	Irregular approval of development Schemes	50.000
407		10	Non-accountal of consumable items into stock	0.885
408		11	Unjustified expenditure on Holiday Allowance	0.258
409		12	Poor performance in service delivery	-
410		14	Non uploading of budget on Local Government Financial Management Information System	-
411		15	Loss due to non-auction of dry trees and old machinery	0.700
412		16	Non-appointment of internal auditor	-
413		17	Non-fixation of target against various head of receipts	-
414		18	Non-reconciliation of monthly / annual accounts	-
415		19	Difference in figures of Bank statement, Annual Account and Cash book	-
416		22	Loss due to non-recovery of professional tax	0.143
417		23	Collection of tax on transfer of immovable property without any backup record / reconciliations	13.837
418		25	Loss due to non-conducting market survey and non-re-auction of rent of shops	6.019
419		26	Non-conducting of realistic survey and imposing of License or Permit Fees	-
420		27	Non-setting realistic target and recovery against thereof without backup record	14.181
421	Municipal Committee Pakpattan	2	Loss due to short recovery of revenue	374.143
422		4	Less achievement of receipt targets than revised estimates	24.536
423		7	Irregular withdrawal of daily of daily wagers without performance duty	0.606

Sr. No.	DDO	PDP No.	Subject	Amount
424		9	Loss to Government due to non-recovery of dues from established land sub-division	-
425		12	Less deduction of group insurance	0.146
426		13	Irregular award of contract of collection rights without obtaining surety	8.839
427		14	Non-recovery of advance Income Tax	1.326
428		15	Difference in allowances due to poor accounting	0.595
429		16	Misclassification of tender fees	0.062
430		18	Irregular sanction of expenditure without financial powers	3.254
431		19	Unauthorized declaration of Emergency by Administrator without approval of Provincial Cabinet and mi	1.797
432		20	Non provision of schedule of authorized expenditure	349.473
433		23	Loss to the Government due to non-conducting of Internal Audit of OSR Receipts	387.060
434		Municipal Committee Rahim Yar Khan	4	Loss due to non-recovery of contract amount from the contractors
435	5		Non-production of record of income recovered through Land Revenue	7.669
436	6		Non deduction / deposit of GST	6.655
437	9		Non-recovery of cost of land from occupants of Katchi Abadies	-
438	10		Unjustified expenditure on repair of disposal pump	1.435
439	11		Loss to MC fund due to non-re-assessment of rent of shops	-
440	14		Non-reconciliation of TTIP receipts with Revenue Department and non-maintenance of recovery register	-
441	15		Non-recovery of dues from the owners of constructions, water and sewerage connections	-
442	16		Unauthorized incurrence of expenditure without detailed measurement	39.510
443	18		Unjustified expenditure on repair of pumping stations, treatment plants and sewer lines	4.346
444	19		Charging of expenditure without observing Chart of Accounts	-
445	MC Rajanpur	2	Non-uploading of budget on Local Government Financial Management Information System	-

Sr. No.	DDO	PDP No.	Subject	Amount
446		6	Misappropriation due to un-justified lying of manhole covers	0.593
447		7	Recovery of un-authorized payment of conveyance allowance	0.531
448		12	Unauthorized/doubtful expenditure of work charge/contingent paid staff	14.538
449		13	Non-maintenance of important record	-
450		15	Non-achievement of targets of receipts	181.906
451	MC Rojhan	2	Non-achievement of targets of receipts	3.254
452		4	Non-uploading of budget on Local Government Financial Management Information System	-
453		8	Unauthorized/Doubtful Expenditure of Work Charge/Contingent paid staff	2.507
454		12	Non-maintenance of important record	-
455	Municipal Committee Sadiqabad	5	Non-approval of rent assessment on market-based rent rate and loss to government	79.247
456		6	Unauthorized establishment of housing schemes and land sub-division without approval and payment of fees	33.540
457		14	Irregular execution of works through quotation instead of open tender in violation of PPRA Rules	9.555
458		17	Non-imposing of penalty on non-completion of works within time limit	0.624
459		18	Non-conducting of Post Completion Evaluation of development Schemes	29.503
460		19	Procurement of substandard tuff pavers from un-approved manufacturer	0.799
461		20	Non-deduction of shrinkage, road camber and cost of substandard bricks	0.215
462		21	Unauthorized withdrawal of fuel on account of generators	10.204
463		22	Irregular withdrawal on account of repair of transformer	1.056
464		23	Irregular expenditure on repair of water supply and electric work	5.751
465		24	Unauthorized expenditure on arrangement of cattle markets	0.802
466		25	Difference in expenditure due to non-reconciliation of monthly Accounts	75.097

Sr. No.	DDO	PDP No.	Subject	Amount
467		26	Non-reconciliation of own source receipts with figures reported in Form AR-39 of Appropriation	3.942
468	MC Shorkot	6	Irregular execution of civil work without signing of agreement	0.611
469		7	Less charging/payment of Stamp Duty by the contractors	0.091
470	MC Sinawan	2	Unjustified execution of RCC work	1.352
471		4	Non-reconciliation of tax on transfer of immoveable property	12.859
472		6	Non-forfeiting of earnest money.	0.139
473		17	Irregular expenditure on repair of	0.743
474		20	Unauthorized expenditure against development schemes without measurement	0.464
475		21	Mis-procurement of loader rickshaws	1.950
476		23	Unauthorized payments without pre-audit	4.322
477	MC Taunsa	2	Non-achievement of receipt targets	7.728
478		3	Loss due to non-reduction of cost of bricks	0.057
479		4	Unauthorized execution of schemes without third party validation	7.560
480		5	Non-allocation and deposit of Civil Defence and PHA share	0.516
481		6	Non-reconciliation of Immoveable Property Tax with Revenue Department	5.965
482		7	Loss on account of conveyance allowance	0.120
483		MC Toba Tek Singh	12	Non-imposition of penalty for delay in completion of works
484	19		Non-deposit of deducted amount of Group Insurance with SLIC	0.836
485	Municipal Committee Vehari	2	Loss due to non / less achievement of targets of receipts	1,264.900
486		3	Loss due to less recovery of auctioned amount and income tax	0.171
487		4	Loss due to non-auctioning of shops at competitive rates	253.823
488		5	Irregular expenditure on purchase of tyres	0.976
489		6	Loss due to less recovery of rent of municipal property, water rates and sewerage tax	88.006
490		7	Less deposit of PLGB share	1.002

Sr. No.	DDO	PDP No.	Subject	Amount	
491		10	Irregular expenditure due to promotions without observing prevailing rules	10.547	
492		14	Irregular expenditure due to unauthorized technical sanction beyond delegated financial powers	13.066	
493		15	Irregular expenditure without obtaining revised administrative approval	2.673	
494		16	Irregular payment of tuff pavers	1.084	
495		19	Loss due to delay in approval of land sub-divisions and housing schemes	46.561	
496		20	Wasteful expenditure on purchase of plants	0.483	
497		22	Irregular receipt due to irregular grant of approval to land sub-divisions without observing rules	14.987	
498		24	Non deposit of taxes into government treasury	3.799	
499		26	Non provision of proof of deposit of GST by suppliers	2.253	
500		27	Doubtful expenditure on POL due to improper maintenance of log books of vehicles and machinery	29.092	
501		28	Loss due to non-observing OGRA rates and non-deposit of sales proceeds of used Mobil oil	0.034	
502		29	Non-recovery of professional tax	0.112	
503		30	Irregular expenditure on establishment of cattle markets	0.558	
504		32	Doubtful expenditure on purchase of computer accessories	0.420	
505		36	Expenditure by misclassification	3.978	
506		37	Unauthorized payment during defunct period	17.194	
507		38	Loss due to non-recovery of receipts credited into District Council account	40.633	
508		Municipal Committee Yazman	4	Non-accountal of Revenue Receipt into Demand & Collection Register	4.503
509			7	Doubtful drawl and misused of funds from security account	15.061
510	8		Collection of tax on transfer / Sale of immoveable property without backup record and verification	15.052	
511	13		Non maintenance of record of assets	-	
512	14		Unjustified decrease in Revised Budget	0.277	

Sr. No.	DDO	PDP No.	Subject	Amount
513		17	Non-Preparations/non provision of reconciled expenditure Statements and Receipt Statements	295.948
514		18	Expenditure on holiday allowance due to non-rotation of duties	3.501

**Memorandum for Departmental Accounts Committee Paras
Pertaining to the Audit Year 2022-23 (Vol-II)**

(Rupees in million)

Sr. No.	DDO	PDP No.	Subject	Amount
1	District Council Bahawalnagar	2	Non-accountal of property by the District Council	231.486
2		3	Irregular auction of shops and residential plots at non-head quarter (Mandi Sadiq Ganj)	-
3		4	Irregular award of works to contractor	284.486
4		5	Payment to contractor without inspection of Sites	160.776
5		6	Expenditure of works without observing rules regarding completion of works	160.776
6		8	Loss to the DC fund due to non-re-auctioning of public property on existing market rates	105.615
7		9	Non-recovery of fees from the owner of commercial buildings	2.793
8		10	Expenditure on works based on doubtful lab test reports	160.776
9		11	Loss in s due to non-making efforts for holding of lease agreement	-
10		12	Unjustified late shifting of funds from MC General Account to DC	118.083
11		13	Irrational behavior of DC regarding distribution of assets/ funds	-
12		14	Irregular utilization of funds from General Account	160
13		17	Expenditure on works by using same nomenclature of schemes	-
14		18	Loss to MC due to non-auction of cultivated area and different heads of income	-
15		20	Loss to Government due to non-conducting of Internal Audit of Own Source Revenue Receipts	317.275
16		23	Un-authorized expenditure on contingent paid staff	1.659
17		24	Unclear status of payment of tax to FBR	40.411
18		26	Loss due to non-recovery of cost of land & development charges from dwelling units	3.148
19		28	Budgeting and expenditure on electricity by misclassification	113.071
20		District Council Bahawalpur	2	Irregular expenditure due to misclassification
21	6		Loss due to misappropriation of funds through fictitious / doubtful billing	5.368

Sr. No.	DDO	PDP No.	Subject	Amount	
22		7	Loss due to allowing purchase of TST material from far quarry	0.028	
23		8	Non-reduction of rate despite using local sand	0.16	
24		12	Loss due to non-recovery of professional tax	0.199	
25		16	Loss due to establishment of private housing schemes / LSDs without verification of land in the name of developer / owner	46.318	
26		17	Unjustified / establishment of land sub-division schemes without requirement	-	
27		18	Loss due to non-conducting of Internal Audit of Own Source Revenue Receipts	55.928	
28		19	Doubtful payments due to issuance of cheques in the names of employees	25.299	
29		District Council, Chiniot	2	Non-reconciliation of receipts and expenditures and non-maintenance of books of accounts	1,272.66
30			3	Non-recovery of Local Government Dues	0.016
31	10		Non-imposition of penalty for delay in completion of works	0.893	
32	11		Non-obtaining of additional performance security	0.2	
33	13		Irregular expenditure on the repair of vehicle, machinery & equipment	0.655	
34	District Council DG Khan	1	Non-recovery of Government dues as pointed out in previous year Audit paras	569.857	
35		3	Unauthorized expenditure against repair of machinery and water supply schemes	12.212	
36		4	Doubtful expenditure of POL	21.135	
37		6	Unauthorized execution of development works on quotations basis	1.826	
38		7	Unauthorized Purchase and doubtful consumption of store items	4.433	
39		11	Irregular payment of work charged establishment	13.92	
40		12	Non-Reconciliation and backup record on Account of I P Tax collected	144.921	
41		13	Loss due to non-achievement of receipt targets	417.127	
42		18	Non-deduction of advance income tax	0.324	
43		19	Defective tendering and splitting of the schemes	2.921	
44		21	Loss to DC due to non-mortgaging of properties	165.6	
45	District Council, Faisalabad	4	Non-recovery of Punjab Sales Tax on Services	0.888	
46		5	Short realization of revenue from FPCL through suspicious income statements	0.619	

Sr. No.	DDO	PDP No.	Subject	Amount
47	District Council, Jhang	13	Lease of shops without assessment of market-based rent rates	-
48		11	Excess payment due to recording of excess thickness of bricks	0.144
49		17	Overpayment due to use of substandard bricks	0.56
50		12	Overpayment to contractor due to less deduction of shrinkage	0.191
51		13	Non-recovery of old steel frame of main hole cover	0.124
52		20	Irregular payment due to non-production of GST Invoices on steel	0.124
53		21	Non-realization of revenue on account of license fees of boats	0.083
54		14	Non-recovery of Professional Tax	0.066
55		19	Non-recovery of Income Tax on old material and stamp duty	0.04
56	District Council Khanewal	1	Wasteful expenditure due to finalization of civil work without laying mandatory item	3.012
57		2	Payment of non-scheduled items without preparation of analysis of rates on competitive market rates	3.663
58		3	Non-recovery of Govt. dues as pointed out in previous year's Audit Paras / Observations	296.469
59		5	Execution of works without approval of job mix formula	3.265
60		6	Non-reconciliation of TTIP receipts with Revenue Department	196.248
61		7	Payment for irregular execution of development works	107.754
62		8	Non-imposition of penalty for delay in completion of works	2.282
63		9	Irregular payment of bituminous items	13.618
64		11	Loss to the local Government due to less recovery through departmental collection	4.479
65		12	Non-realization of rent from tenants of shops on market based assessed rent	2.102
66		13	Non-achievement of budgeted targets of revenue	10.51
67		15	Irregular payment of holiday allowance	3.688
68		19	Non-verification of General Sales Tax	0.495
69		20	Excess payment due to inclusion of taxes in the claim by vendor	0.076
70		21	Irregular expenditure on procurement	0.696

Sr. No.	DDO	PDP No.	Subject	Amount
71		23	Non-completion of schemes despite availability of funds	105.009
72		24	Poor service delivery due to non-execution of works	18.601
73		26	Non-reconciliation of receipts and expenditure and non-maintenance of separate books of accounts	1,587.14
74		27	Irregular expenditure on POL due to improper maintenance of log books	27.229
75		28	Non-deduction of Social Security Contribution	1.958
76		29	Less realization of income due to unauthorized deduction of withholding tax on profit by bank	0.601
77		30	Overpayment to contractor	0.2
78		District Council Layyah	1	Non-recovery of Government dues as pointed out in previous year Audit paras
79	3		Loss due to non-achievement of receipt targets	102.9
80	6		Non-Reconciliation and backup record on Account of I P Tax collected	159.021
81	7		Irregular payment of work charged establishment	1.669
82	9		Unjustified expenditure on POL	4.744
83	10		Unauthorized expenditure against repair and maintenance of disposal works	6.796
84	11		Unauthorized execution of development works on quotations basis	2.194
85	16		Non-utilization/transfer of funds for Clean and Green Initiative	0.933
86	17		Non-deposit /deduction of house rent allowance	0.165
87	18		Doubtful expenditure on POL	15.514
88	20		Unauthorized expenditure against repair and maintenance of machinery	6.596
89	22	Non-allocation of funds for Clean and Green Initiative	0.187	
90	District Council Lodhran	1	Non-recovery of Government dues as pointed out in previous year's audit paras	90.164
91		2	Collection of TTIP without any backup record / reconciliations	226.912
92		3	Less payment of Punjab Local Government Board fees	11.881
93		4	Non-Preparations of reconciled expenditure Statements and Receipt Statements	1,358.62
94		5	Charging of expenditure without observing Chart of Accounts	1,358.62

Sr. No.	DDO	PDP No.	Subject	Amount
95		6	Illegally occupation of District Council property to establish Citizen Facilitation & Service Center (CFSC)	-
96		8	Loss due to delay in approval of land subdivisions and housing schemes	11.65
97		9	Non-recovery of map fees, conversion fees and scrutiny fees from housing colonies	-
98		12	Non-recovery of advertisement fees	0.282
99		13	Loss to DC fund by non-auctioning of shops at competitive rates	1.184
100		14	Loss due to non-achievement of target of receipts	194.428
101		15	Non-completion of schemes despite availability of funds	57.25
102		18	Doubtful expenditure on account of POL	17.331
103		19	Loss due to non-reduction of bricks rate	1.965
104		20	Irregular payment of tuff tiles without obtaining invoice and lab test reports	14.415
105		21	Non-auctioning of dried trees	4.442
106		22	Loss to Government due to non-imposing of fine on late completion	2.145
107		23	Unjustified payment of earth work without recording of levels and cross section area	4.576
108		24	Loss to the Government due to non-conducting of Internal Audit of Own Source Revenue Receipts	244.694
109		25	Non-collection of proof of deposit of sales tax	0.551
110	District Council Multan	1	Non-recovery of Government dues as pointed out in previous year's Audit Paras	288.168
111		2	Improper classification and booking of receipts	203.476
112		4	Poor performance due to non-achievement of targets	121.306
113		5	Non-provision of TTIP income from mutations besides non-reconciliation of TTIP income	496.259
114		6	Loss to government due to less recovery of tender fees	2.915
115		7	Irregular process of technical sanction of estimates prior to Administrative Approval	122.6
116		10	Loss to Government due to less deduction of Punjab Sales Tax from unregistered supplier	0.718
117		11	Irregular execution of development schemes without approval of annual development plan and without publishing	432.855

Sr. No.	DDO	PDP No.	Subject	Amount
118		14	Overpayment of earthwork as compare to work done at site recovery	1.085
119		15	Defective Estimation and overpayment of earthwork without deduction of Road Camber	0.339
120		19	Unauthorized sanction of land sub-divisions by splitting up the area beyond Kanals	77.818
121		20	Substandard and below specifications construction of brick-soling	11.919
122		21	Loss due to non-recovery of Government dues	1.848
123		23	Improper maintenance of budget control and contingent register	538.706
124		24	Doubtful recording of log besides misuse of POL and Govt. Vehicle	3.33
125		26	Doubtful expenditure on POL charges	8.308
126		29	Non-maintenance of stock entries and consumption record	25.35
127		30	Doubtful tendering of works and defective maintenance of CD record	16.878
128		31	Booking of expenditure by misclassification regularization	7.859
129		32	Excess payment of bricks without ensuring quality	0.834
130		33	Non-verification /non-production of GST, PST and income tax paid	2.918
131		34	Defective reporting of figures in books of accounts	344.783
132		35	Irregular allocation and booking of expenditure by misclassification	9.39
133		36	Non-conducting of internal audit of own source revenue	913.817
134		37	Payment of earth work without recording of earth levels and cross section area	8.495
135		38	Irregular payment of overtime allowance against holidays	0.032
136		39	Non-recovery of penalty for non-completion of works within time limit	10.987
137		1	Non-recovery of Govt. dues as pointed out in previous year's Audit Paras / Observations	60.876
138	District Council Muzaffargarh	2	Non-credit of bank profit to District Council Fund	1.264
139		7	Less realization of income due to deduction of withholding tax on profit by bank	0.103
140		8	Irregular expenditure without open competition	2.949

Sr. No.	DDO	PDP No.	Subject	Amount
141		9	Non-reconciliation and non-maintenance of separate books of accounts	3351.15
142		10	Irregular payment of holiday allowance	0.568
143		11	Non-recovery of Local Government Dues	0.183
144		12	Lease of shops without assessment of market rates	31.37
145		15	Non-auction of trees and scrap of unserviceable items	0
146	District Council Pakpattan	1	Payment of irrelevant allowances to OSD posts	0.389
147		3	Non-deduction of group insurance at relevant rates	0.291
148		5	Irregular execution of works due to approval from incapable committees	545.094
149		6	Loss due to excess expenditure on holiday allowance	4.172
150		8	Unauthorized payment to contingent paid / daily wages staff	11.977
151		9	Non-imposing penalties despite late completion of works	18.839
152		10	Irregular payment of pension without obtaining life and no marriage certificates	32.238
153		11	Non-recovery of Government dues as pointed out in previous year's Audit Paras	142.242
154		12	Loss due to establishment of housing schemes	34.289
155		13	Unjustified payment of earth without recording of earth levels/ cross section	50.849
156		14	Loss due to less recovery of auctioned amount and taxes	0.796
157		16	Irregular withdrawal of funds without supporting record	13.512
158		17	Non-allocation funds for plantation out of cost	6.16
159		18	Loss due to non-auctioning of shops at competitive rates	10.39
160		19	Overpayment due to charging excess rates of bitumen and tuff tiles	1.003
161		21	Execution of development schemes without observing PPRA rules	-
162		22	Loss due to non / less achievement of targets of receipts	795.68
163		23	Doubtful expenditure on POL due to non-maintenance of log books	13.624
164		24	Excess payment in development schemes due to inclusion of extra items	1.254

Sr. No.	DDO	PDP No.	Subject	Amount
165		25	Doubtful receipt of different items and payment	16.697
166		26	Irregular drawl of funds without making entry in measurement book	5.58
167		27	Unauthorized payments from bank account after defunct	41.424
168		29	Less credit of receipts of units and non-conduction of internal audit of OSR	51.052
169	District Council Rahim Yar Khan	2	Loss due to non-leasing of shops	0.273
170		3	Non-action against encroachers	-
171		4	Less realization of rent of shops	0.411
172		5	Illegal sanction of private housing schemes / land sub-divisions	-
173		8	Loss due to sanctioning of housing schemes on incorrect ownership verifications	529.7
174		9	Non-Reconciliation of Tax on Transfer of Immoveable Property	215.091
175		10	Drawl of funds through fake execution of project	1
176		11	Irregular expenditure on repair of soling	0.995
177		13	Overpayment to contractor	0.855
178		15	Non-stoppage of sale and development activities in Banned housing schemes / land sub-divisions	-
179	District Council Sahiwal	1	Non-recovery of government dues of previous year Audit paras / observations	794.212
180		2	Loss due to short recovery of revenue	280.764
181		4	Irregular award of contract of collection rights without obtaining surety	5.25
182		5	Non-recovery of advance Income Tax and PST	1.627
183		6	Irregular booking of pay & allowances expenditure	143.526
184		10	Irregular expenditure due to defective tendering process	13.29
185		11	Irregular execution of development schemes without approval and without publishing	13.29
186		12	Loss to District Council due to deduction of withholding tax on bank profit	4.591
187		14	Irregular withdrawal of funds without sanction of competent authority	2.094
188		15	Withdrawal of funds by preparing fake vouched account	1.188
189		16	Unjustified expenditure of civil works without maintenance of MB	1.717

Sr. No.	DDO	PDP No.	Subject	Amount
190		17	Unauthorized expenditure due to misclassification	0.572
191		18	Irregular award of works without performance guarantee	4.333
192		19	Non-imposition of penalty for delay in completion of works	12.494
193		20	Loss to Local Council Fund due to excess payment of PST	7.166
194		24	Consumption of fuel without authenticity in sanitation branch inquiry	87.985
195		25	Defective maintenance of log books of operation vehicles	4.102
196		District Council, Toba Tek Singh	5	Non-recovery of local government dues from the contractor/lessee
197	3		Less-recovery of auctioned amount of trees	0.971
198	9		Non-executing of agreements and non-obtaining of stamp duty	0.014
199	6		Non-recovery of Punjab Sales Tax on Services	0.683
200	2		Irregular payment of holiday allowance	0.357
201	District Council Vehari	1	Non-achievement of targets of own source receipts	196.045
202		2	Non-reconciliation of income from tax on transfer of immoveable property	169.403
203		3	Non-recovery of government dues as pointed out in previous year Audit paras / observations	138.3
204		4	Non-performing of internal audit of own source receipts by the Resident Accounts Officer and loss to government	365.449
205		7	Unauthorized payment of holiday / overtime allowance	4.868
206		8	Irregular payment on account of contingent paid staff	19.435
207		9	Irregular payment of electricity charges of lodges of rest house	0.604
208		10	loss to government due to non-assessment / non-auction of rent of shops	1.444
209		13	Non-recovery of house rent allowance & maintenance charges	0.976
210		14	Irregular payment of fuel without maintenance of proper log books	1.861
211		15	Non-recovery of fine from contractor on late completion of development schemes	10.095

Sr. No.	DDO	PDP No.	Subject	Amount
212		16	Unjustified expenditure due to delay in execution of development works	6.753
213		17	Non-Recovery of Professional Tax	0.202
214		18	Non-forfeiting of additional performance securities due to non-execution of development schemes and blacklisting of contractor	0.55
215		21	Payment of earth work without recording of earth levels and cross section area	16.435
216		22	Excess payment of bricks without ensuring quality	1.845
217		24	Irregular incurring of expenditure on civil works and contingencies	2.539
218		Tehsil Council 18 Hazari	3	Irregular procurements through splitting
219	4		Non-realization of revenue on account of a license fees of boats	0.017
220	5		Excessive expenditure on rent of excavator and tractor blade	0.08
221	9		Less deduction of Punjab Sales Tax on Services	0.883
222	10		Non-deduction of GST	0.081
223	11		Overpayment due to less deduction of shrinkage	0.021
224	12		Overpayment due to use of sub-standard bricks	0.068
225	13		Overpayment due to non-deduction of soling crust	0.046
226	Tehsil Council Ahmed Pur East		3	Irregular execution of works without obtaining revised AAs
227		4	Execution of works on the basis of doubtful agreements	7.194
228		6	Loss due to less collection of map fees	0.029
229		7	Irregular working of branch of TO (P&C) without having Building Bye-Laws	1.495
230		8	Execution of PMS Schemes without observing time schedule and third-party validation	-
231		9	Irregular expenditure on due to selection of schemes out of PMSP scope	-
232		11	Irregular payments without detailed measurements	7.846
233		12	Identification and execution of development schemes in violation of PLGA	-
234		13	Loss due to non-obtaining the NOC fees from Petrol Pumps	0.380
235		14	Non reconciliation of amount of expenditure	29.614
236		16	Irregular payment of brickworks without test reports	12.012

Sr. No.	DDO	PDP No.	Subject	Amount
237		17	Payment of brickworks on the basis of doubtful test reports	16.695
238		20	Non-taking actions against contractor due to poor quality of works	4.840
239		21	Un-justified expenditure on account of lead on earth work	7.757
240		22	Misclassification of expenditure	5.247
241		23	Non-reconciliation of tax on transfer of immoveable property	70.267
242		25	Doubtful expenditure on various heads	0.453
243		Tehsil Council Ahmed Pur Sial	1	Mis-procurements on account of Tentage worth
244	4		Non-recovery of penalty for non-completion of works within time limit	0.93
245	6		Overpayment on account earthwork	0.096
246	10		Overpayment due to non-deduction of shrinkage in earth work	0.144
247	11		Overpayment on account of maximum compacted earthwork embankment without proper compaction	0.06
248	13		Loss due to adding of Provincial Sales Tax in development bills	0.511
249	14		Non-Proof of Consumption of POL for Vehicles and chances of misappropriation	0.797
250	15		Expenditure without calling tender	0.395
251	16		Doubtful expenditure due to non-accountal and proof of consumption of various store items	0.774
252	TC Alipur	3	Collection of tax on transfer / sales of immoveable property without maintaining backup record	38.956
253		4	Non-maintenance of record of assets and non-conducting of stock taking of moveable and immoveable property	-
254		5	Non-achievement of budgeted targets of revenue and loss to the Tehsil Council Fund	28.573
255		6	Non-reconciliation of accounts of receipts and expenditure	-
256		7	Charging of expenditure without observing Chart of Accounts	-
257		9	Irregular expenditure on repair of machinery and equipment	5.362
258		11	Irregular drawl of funds without making entry in measurement book	2.296

Sr. No.	DDO	PDP No.	Subject	Amount
259		13	Irregular payment to work charged establishment	1.51
260		14	Irregular expenditure on manhole covers without proper stock entries and consumption record	0.262
261		19	Non-conduction / provision of annual inspection report of PLGC	-
262		20	Unjustified releases of security deposits	15.936
263		7	Non-conducting of annual inspection of accounts	-
264		8	Unauthorized payment of contingent paid staff	2.011
265		11	Non-achievement of budgeted targets of revenue and loss to the Council Fund	8.664
266		12	Non-recovery of funds from Zila Council	327.834
267		14	Unjustified payment of earth work without recording of levels and cross section area	2.554
268		15	Non-imposition of penalty for non-completion of works within stipulated period	3.12
269		16	Non-obtaining of additional performance securities	13.492
270		17	Irregular payment of surface treatment	5.737
271	Tehsil Council Arifwala	19	Non-reconciliation of accounts of receipts and expenditure	-
272		21	Non-forfeiture of security deposits despite non-execution / non-completion of works at site	3.922
273		24	Non-collection of proof of deposit of General Sales Tax and doubtful payment of Punjab Sales Tax and Income Tax on services and supplies	4.533
274		25	Unauthorized excess expenditure by changing the scope of work	0.26
275		26	Irregular drawl of funds without making entry in measurement book	3.555
276		27	Improper maintenance of consumption account	0.112
277		28	Overpayment due to non-deduction of shrinkage in the earth work for bank measurements	0.02
278		29	Charging of expenditure without observing Chart of Accounts	-
279		1	Non collection of Pension Contribution of employees working in union councils	3.013
280	Tehsil Council Bahawalnagar	2	Non-completion of development scheme in stipulated time due to non-conduction of monitoring	-
281		4	Identification and execution of development schemes in violation of PLGA	68.270

Sr. No.	DDO	PDP No.	Subject	Amount
282		5	Loss due to non-auction off expired rent agreement of shops	0.187
283		6	Incurring expenditure on development schemes without third party validation	42.138
284		8	Irregular expenditure due to selection of schemes out of PMSP scope	40.763
285		10	Irregular payment to contractor and loss due to non-provision of BOQ / GST invoices	7.252
286		11	Doubtful drawl of funds from bank accounts	180.006
287		12	Loss to government due to non-recovery of HR, Penal Rent etc.	3.660
288		14	Payment of leave encashment without provision of leave account	1.479
289		15	Doubtful payment of different items in development schemes	1.554
290		16	Doubtful expenditure on repair of vehicles / machinery and furniture,	0.383
291		18	Irregular expenditure on purchase of different items,	0.638
292		19	Excess payment due to non-reducing brick rates	1.220
293		20	Less deposit of PLGB share	10.647
294		22	Loss due to less fixation of targets	11.411
295		27	Loss to Government due to non-classification of land	-
296		28	Execution of development schemes without DPCC	40.372
297		29	Irregular expenditure on establishment of cattle sale points, sahulat bazar and khuly kacheri,	0.985
298		30	Loss due to non-recovery of professional tax,	0.039
299		31	Non deduction of group insurance at relevant rates,	0.077
300		32	Unauthorized payment of expenditure to local fund tehsil accounts officer,	0.135
301		33	Irregular expenditure on TA/DA,	0.476
302		34	Receipt on account of Transfer of Immovable Property without backup record	100.287
303		35	Irregular expenditure on photocopies	0.185
304		36	Irregular expenditure and purchase of POL from unregistered Pump	0.421
305	Tehsil Council Bahawalpur (Saddar)	2	Irregular / unjustified expenditure	1.625
306		3	Loss due to establishment of housing schemes / land sub-divisions	169.201

Sr. No.	DDO	PDP No.	Subject	Amount	
307		4	Loss due to delay in approval of housing schemes / land sub-divisions	17.142	
308		8	Unauthorized payment of conveyance allowances	0.030	
309		9	Loss due to unauthorized occupant of TC residences	1.180	
310		10	Doubtful expenditure due to non-maintenance of history sheet	3.533	
311		12	Irregular expenditure on establishment of cattle markets	4.204	
312		13	Doubtful expenditure due to improper maintenance of stock register	33.944	
313		15	Irregular payment to contractor due to non-provision of BOQ / GST invoice	4.443	
314		16	Loss due to allowing purchase of TST material from far quarry	0.108	
315		17	Irregular payments without detailed measurements	6.367	
316		18	Doubtful expenditure on accounts of different head	10.654	
317		19	Misclassification of expenditure	15.028	
318		Tehsil Council Bhowana	2	Loss to Govt. due to Non-Forfeiting Earnest Money	0.245
319			3	Loss to government due to non-relaying of dismantled material as sub base course	0.29
320	5		Overpayment Due to non-Deduction of shrinkage in Earth Work	0.236	
321	7		Loss due to adding of Provincial Sales Tax in development bills	0.965	
322	8		Unjustified Payment against Bitumen	0.603	
323	10		Loss to Govt. due Less Realization and Less Recovery of License Fees	0.929	
324	11		Non-realization of arrears of Rent of Shops Chances of misappropriation	0.35	
325	12		Payment against repair work without calling tender	0.379	
326	Tehsil Council Burewala	1	Non-Utilization of Tied Grant of Punjab Municipal Services Program	248.241	
327		2	Non-Obtaining of Mortgage Deed % of Saleable Area in Revenue record	103.53	
328		5	Loss to Government treasury due to non-deduction of PST % on schemes of repair & rehabilitation works	2.196	

Sr. No.	DDO	PDP No.	Subject	Amount	
329		8	Overpayment to contractor due to non-deduction of % for tree plantation in development schemes	0.231	
330		9	Irregular payment of earth work	1.316	
331		11	Non-forfeiture of additional performance security deposit despite non-completion of development works	1.075	
332		14	Non-achievement of targets of receipts	59.327	
333		16	Irregular Sanction of Financial Assistance beyond Delegated Financial Power	1.6	
334		17	Loss Due to Non-Reduction of Cost of Bricks and Non-Deduction of % Cost of Bricks	0.471	
335		18	Excess payment due to excessive measurement	0.366	
336		19	Undue financial aid to the contractor due to non-obtaining additional performance security	0.36	
337		20	Loss to the government due to non-receiving of tender form fees	0.31	
338		21	Non-imposition of penalty due to non-completion of works within time limit	0.264	
339		22	Irregular payment of tuff tiles without obtaining lab test reports and overpayment due to payment of excess rates of tuff tile	0.077	
340		23	Loss to the Government due to non-recovery of professional tax	0.078	
341		Tehsil Council Chak Jhumra	4	Non-recovery of rent of shops	0.018
342			8	Non-leasing of shops on market-based rent	-
343	10		Non-deposit of local Government dues	0.074	
344	Tehsil Council Chichawatni	1	Non-achievement of budgeted targets of revenue	45.968	
345		4	Irregular payment of bituminous items	25.816	
346		7	Irregular payments without ensuring standard specifications and testing	7.333	
347		9	Non-imposition of penalty for delay in completion of works	4.606	
348		11	Loss to local government due to non-investment of surplus funds	3.016	
349		12	Irregular payment without maintenance of record	2.563	
350		13	Loss due to delay in acceptance of bid for auctioning of collection rights of Advertisement Fees	2.555	
351		15	Less realization of income due to unauthorized deduction of withholding tax on profit by bank	2.306	
352		16	Non-deduction of Social Security Contribution	2.232	

Sr. No.	DDO	PDP No.	Subject	Amount
353		19	Overpayment of earthwork as compared to work done at site	0.505
354		20	Loss to local Government due to procurement at excessive rates	0.288
355		21	Overpayment to contractor	0.056
356		22	Non-reconciliation of receipts and expenditures and non-maintenance of separate books of accounts	1,721.85
357	Tehsil Council Chishtian	2	Non-Preparation of Excess / Surrender Statement	245.734
358		3	Non-reconciliation of cash book with annual account	1.746
359		4	Non-reconciliation of immoveable property tax	59.802
360		5	Un-authorized payment to Legal Advisor	0.309
361		6	Irregular Execution of Works without Obtaining NOC from District Government	15.359
362		7	Loss to Government in s due to non-classification of land	-
363		8	Non-accountal of consumable store items into stock	0.724
364		9	Loss due to Non-Levying of License Fees on Different Business Activities	-
365		10	Non-preparation of gazette notification for collection of receipts	6.328
366		11	Loss to Government due to Non-Achievement of Targets	1.336
367		12	Loss to Government due to Non / Dead recovery of Income Head	101.656
368		13	Non-utilization of funds on Sports and Youth Activities	7.000
369		14	Unjustified deduction of Group Insurance-,	0.022
370		16	Doubtful expenditure on POL	0.215
371		17	Irregular refund of securities before time period	1.040
372		18	Execution of works without production of GST invoices & CP	2.954
373		22	Irregular payment of Holiday allowance and recovery thereof	0.143
374		23	Execution of PMS Schemes without observing time schedule and third-party validation	-
375		24	Irregular expenditure on due to selection of schemes out of PMSP scope	27.014
376		26	Non-accountal of Revenue Receipt into Demand & Collection Register	2.275

Sr. No.	DDO	PDP No.	Subject	Amount
377		27	Non-Verification of deposit taxes in government treasury	3.876
378		28	Unjustified blockage of public money in DDO account and non-realization of profit on investment	217.746
379	Tehsil Council Chiniot	5	Non-realization of revenue on account of approval of private housing schemes	0.529
380		6	Loss to the government due to departmental collection of advertisement fees	0.069
381		8	Non-recovery of Punjab Sales Tax on Services	0.182
382		10	Non-auctioning of dried trees	0.216
383	TC Chowbara	5	Non-Reconciliation and backup record on Account of immoveable Property Tax collected	51.344
384		6	Non-utilization/transfer of funds for Clean and Green Initiative	1.29
385		9	Unauthorized payment of tuff pave without invoices of purchase from approved manufacturer	0.789
386		10	Non-reconciliation of receipts and expenditure	-
387		12	Overpayment to contractor by allowing unjustified item of earthwork	0.16
388		13	Defective tendering of development works	97.3
389	TC DGK	4	Doubtful payment on account of POL	0.463
390		6	Unauthentic expenditure on Muharrum routes and Eid	0.615
391		7	Unauthorized consumption of POL due damaged meter and un-approved routs	0.456
392		8	Non-achievement of receipt targets	3.011
393		9	Non-deduction of room rent occupied by chief officer metropolitan corporation	0.05
394		10	Irregular drawl of additional charge allowance	0.127
395		11	Non-reconciliation of immoveable property tax receipts	87.546
396		12	Non-deposit of % civil defense share	2.265
397		13	Expenditure without calling tender	0.69
398		15	Loss due to non-auction of shops and non-recovery of rent	0.528
399		16	Overpayment due to decrease in price of bitumen	0.075
400	17	Execution of work without obtaining of administrative approval from competent authority	12.374	

Sr. No.	DDO	PDP No.	Subject	Amount
401		18	Unjustified and defective tendering of developments works	127.483
402		19	Non-recovery of building map fees	0.498
403		20	Overpayment due to decrease in price of high-speed diesel	0.061
404		21	Payments without detailed measurements	1.029
405		23	Unauthorized payment on account of salaries of work charge staff	7.635
406		24	Unauthorized clearance of outstanding liabilities	0.418
407		25	Non-recovery of professional tax	0.48
408		26	Irregular expenditure on repair of vehicle	2.456
409		27	Unjustified expenditure on repair of machinery & equipment	1.367
410		Tehsil Council Dunyapur	1	Shortfall in income during the Financial Year -
411	4		Irregular payment of work charged establishment	0.426
412	6		Overpayment due to payment of excess rates of tuff tile	0.452
413	8		Non-forfeiture of additional performance security & earnest money despite non-completion of development schemes	0.577
414	9		Non-imposition of penalty due to non-completion of works within time limit	0.371
415	10		Overpayment to contractor due to non-deduction of % for tree plantation in development scheme	0.786
416	11		Misappropriation due to un-justified lying of manhole cove	0.199
417	Tehsil Council Faisalabad	9	Less recovery of cost of old material	0.058
418		18	Excess payment to the contractor	0.217
419	Tehsil Council Fort Abbas	1	Loss due to non-recovery of professional tax	0.044
420		2	Non deduction / deposit of GST	10.694
421		3	Irrational distribution of development funds among Union Councils	-
422		5	Non imposition of penalty for late completion of development work	0.550
423		9	Unjustified / establishment of land sub-division schemes without requirement	-
424		10	Loss due to delay in approval / registration of housing schemes / land sub-divisions	0.768
425		11	Loss due to establishment of land sub-division schemes	3.939
426			1	Non/Less deduction of Taxes

Sr. No.	DDO	PDP No.	Subject	Amount
427	Tehsil Council Gojra	3	Non-blacklisting of contactor who submitted bogus CD	0.95
428		4	Irregular change of scope of scheme	0.5
429		5	Irregular award of works without obtaining performance security	1.18
430		8	Undue favor to contractor by recording excess quantity in Measurement Book	0.255
431		12	Unauthorized retention of fund in Pension Account	1.864
432		13	Loss to the Government due to non-recovery of license fees	0.516
433		16	Non-maintenance / preparation of prescribed record	-
434		Tehsil Council Haroonabad	1	Non deduction / deposit of GST
435	2		Non imposition of penalty for late completion of development work	0.550
436	3		Loss due to non-recovery of professional tax	0.006
437	4		Unequal distribution of development funds among Union Councils	5.185
438	5		Unjustified payment of earth work without recording of earth levels and cross section area	0.187
439	6		Non-reduction of rate despite using local sand	0.007
440	9		Unjustified / establishment of land sub-division schemes without requirement	-
441	10		Loss due to delay in approval / registration of housing schemes / land sub-divisions	0.385
442	11	Loss due to establishment of land sub-division schemes	7.807	
443	Tehsil Council Hasilpur	2	Non updating data in the Software	-
444		3	Physical verification of store and stock not carried out	-
445		5	Irregular payments to contractor and possible loss due to non-provision of BOQ / GST invoices	8.301
446		7	Loss due to non-recovery of professional tax	0.053
447		9	Non-Recovery of map fees, Conversion fees and scrutiny fees from housing colonies	1.449
448		12	Loss due to construction of commercial buildings without payment of map fees and conversion fees	2.383
449		13	Irregular payment of development works	49.096
450		14	Irregular expenditure due to misclassification	1.204

Sr. No.	DDO	PDP No.	Subject	Amount
451		17	Irregular payment of tuff tiles without obtaining evidence of purchase from approved manufacturer and lab test reports	0.973
452		18	Unjustified expenditure on purchase of Different Articles,	0.729
453		19	Irregular expenditure on purchase of Peter Engine/HP	0.193
454		22	Payment of brick work and earth work without lab test reports	32.330
455		23	Irregular payment of development works without completion certificate	41.558
456	Tehsil Council Jahanian	1	Nil Recovery on Account of Building Plan Fees and Conversion Fees against Target	1.5
457		8	Non-Auction of Advertisement Fees and Loss due to less realization of Advertisement Fees minimum	0.451
458		10	Establishment of residential colonies / land subdivisions and estimated minimum loss	17.5
459		11	Non-achievement of budgeted targets of revenue	14.434
460		13	Non-deposit of Income Tax deducted at Source	0.029
461		15	Allocation of Budget and Booking of expenditure in Violation of Chart of Accounts (CoA) prescribed by Auditor-General of Pakistan under New Accounting Model (NAM)	-
462		16	Non-Preparation of Financial Statements to depicted Financial Position of the Tehsil Council Jahanian	-
463		17	Overpayment of earthwork to contractor due to non-deduction road camber	0.027
464	Tehsil Council Jalalpur Pirwala	5	Non-deposit of Civil Defence and PHA share of tree plantation	0.649
465		8	Irregular sanction of financial assistance beyond delegated financial power	2.2
466		11	Overpayment of earthwork to contractor due to non-deduction road camber	0.223
467	TC Jampur	3	Non-recovery of NOC Fees	0.06
468		5	Loss to Govt. due to non-auction of collection rights and non-deposit of self-collection income	1.179
469		7	Loss to Govt. due to Less deposit of Conversion fees of Petrol Pump by showing less value of land	0.17

Sr. No.	DDO	PDP No.	Subject	Amount	
470		8	Recovery of Less Deposit of Birth/Death computerized Certificate issuance Fees and Marriage Registration (Part) fees	0.314	
471		9	Loss to Govt. due to non-deposit/ less recovery of license/ permit Fees	0.199	
472		10	Non-Reconciliation of Monthly income and difference in immovable Property Tax collected figure of Annual account and collection record	4.637	
473		11	Non-Conducting of stock taking of assets and unjustified expenditure without stock entry	13.21	
474		12	Unjustified and irregular expenditure on daily wages workers	16.735	
475		13	Unjustified expenditure on procurement of consumable items without consumption/issuance proof and advertisement	2.829	
476		14	Unjustified drawl of POL on account of Tractor	0.826	
477		19	Overpayment Due to non-deduction of shrinkage in Earth Work	0.073	
478		20	Non-reducing of brick rate and loss to Govt.	0.251	
479		21	Unjustified payment of tuff tile pave	0.832	
480		22	Loss due to non-re-use of old material as sub-base and less recovery of cost of old material	0.42	
481		23	Unjustified provision of excess carriage/lead of crushed stone for double/ triple surface treatment and loss to Govt.	0.962	
482		24	Overpayment of quantity of Base course overlay height inches instead of inches	0.592	
483		Tehsil Council Jaranwala	4	Non-credit of bank profit to Tehsil Council fund	0.809
484			5	Non-recovery of area of rent of shops	0.088
485			5	Utilization of bricks without ensuring standard specification and testing	5.927
486		TC Jatoi	3	Recovery due to non-deposit of Marriage Registration Fees (Part fees)	0.236
487			4	Recovery due to non-deposit of Marriage Registration / License Renewal Fees	0.037
488			5	Overpayment due to allowing unjustified rate of ramming of earthwork	0.53
489			7	Loss to Govt. due to non-reducing of brick rate	0.732
490			8	Loss to Govt. Due to unjustified excess carriage/lead of crushed stone for TST	0.48
491			10	Overpayment Due to non-deduction of shrinkage in Earth Work	0.757

Sr. No.	DDO	PDP No.	Subject	Amount
492		14	Non-Reconciliation of immovable Property Tax receipts	47.372
493		15	Unjustified expenditure on POL	0.249
494		17	Recovery of Unauthorized payment of Pay and Allowances during Absent Period	0.407
495	Tehsil Council Jhang	2	Less recovery of conversion fees	1.76
496		3	Non-recovery of conversion and building plan fees despite clearance from DPDC	-
497		9	Non-forfeiture of bid security due to non-commencement of works	0.414
498		16	Irregular expenditure by splitting	1.419
499		17	Irregular execution of works by splitting instead of tender	0.723
500		18	Irregular preparation and approval of budget of Tehsil Council	-
501		19	Loss due to non-recovery of rent of house / penal rent	-
502		Tehsil Council Kabirwala	2	Misappropriation on accounts of POL
503	4		Irregular Payment of Tuff tile without obtaining of Lab test report	1.211
504	5		Non-imposition of penalty due to non-completion of works within time limit	1.137
505	6		Unjustified expenditure through quotations instead of tender	1.854
506	7		Loss due to non-auction and self-collection of Advertisement Fees	1.1
507	8		Expenditure in excess of budget allocation	0.148
508	11		Non-maintenance of books of accounts as prescribed by AGP resulted in irregular booking of expenditures	219.484
509	12		Non-preparation of monthly progress report	219.022
510	13		Irregular approval of development schemes valuing	18.5
511	14		Shortage of Recovery of conversion Fees and Building map due non-surveys and defaulter record	7.802
512	15		Non-achievement of Budgeted Targets	4.021
513	17		Non-verification /non-production of GST and income tax paid	0.356
514	18		Unjustified expenditure on account of POL and repair of vehicle	0.149

Sr. No.	DDO	PDP No.	Subject	Amount
515		19	Loss to government due to non/ less recovery of professional tax and stamp duty on contract agreement	0.07
516		20	Non-maintenance of separate books of accounts by each DDO	296.358
517	Tehsil Council Kehror Pacca	3	Non-achievement of targets	36.863
518		6	Non-reconciliation of Tax on Transfer of Immovable Property	72.047
519	Tehsil Council Kamalia	2	Non-obtaining of additional performance security	0.707
520	TC Karor	2	Non-maintenance of cash book	425.989
521		3	Unauthorized opening of bank account and irregular retention of Pensions funds	0.936
522		5	Unjustified and defective tendering of developments works	214.6
523		8	Loss due to non-recovery tax on transfer of immovable property	3.186
524		9	Expenditure on Repair and Maintenance of civil works without estimates/Technical sanction and tender advertisement	2.847
525		14	Unauthorized payments without detailed measurement	3.311
526		16	Unjustified and irregular expenditure on metaled roads	7.469
527		17	Unauthorized expenditure beyond technical sanction without Lab Test / Compaction Test Reports	6.111
528		19	Unjustified and doubtful consumption of POL	0.97
529		20	Unauthorized block of allocation/funds in the Final Accounts	283.151
530		21	Loss due to non-auction of advertisement lease	0.3
531		22	Non-maintenance record of taxes	12.171
532		23	Collection of taxes/revenue without reconciliation	82.471
533		Tehsil Council Khair Pur Tamewali	2	Non-undertaking Community Initiatives
534	3		Irregular execution of works without maintaining history	74.704
535	6		Less payment of Local Government Board fees	0.311
536	7		Non-completion of schemes despite availability of funds	6.271
537	8		Irregular payment of bituminous items ,,	16.592
538	11		Improper Budgeting by the Tehsil Council	-

Sr. No.	DDO	PDP No.	Subject	Amount
539		15	Irregular expenditure through quotations instead of open tendering	0.908
540	Tehsil Council Khan Pur	1	Loss due to non-recovery of professional tax	0.103
541		2	Non deduction / deposit of GST	17.361
542		4	Loss due to payment of unnecessary development expenditure	1.445
543		5	Unjustified modification of development schemes	7.408
544		7	Loss due to non-conducting survey of businesses and units	14.777
545		8	Loss due to misappropriation of funds through doubtful / fictitious billing	2.216
546		9	Loss due to showing higher rates of store items	0.073
547		10	Irregular expenditure due to non-compliance of PPRA Rules	6.734
548		11	Non-reduction of rate despite using local sand	0.289
549		12	Loss due to allowing purchase of TST material from far quarry	0.042
550		13	Unjustified expenditure on Holiday Allowance	0.194
551		14	Unjustified / establishment of land sub-division schemes without requirement	-
552		17	Loss due to utilization of development funds for nepotism	33.877
553		Tehsil Council Khanewal	1	Non-realization and less Recovery of Building map & conversion Fees due non-surveys and defaulter record
554	2		Loss due to non-auction/self-collection or less Recovery advertisement fees	0.615
555	7		Non-achievement of receipt target	8.995
556	9		Unauthorized advance payment through fake certificate on form-B	6.916
557	10		Unjustified expenditure through quotations instead of tender	2.096
558	11		Non-Proof of Consumption of POL for Vehicles and chances of misappropriation	4.037
559	12		Unjustly rejection of bids and payment without physical verification of Assets	9.665
560	13		Misappropriation of POL	0.559
561	14		Procurement of various stores items without calling tender	17.171
562	15		Misclassification of expenditure	0.391
563	16		Non-Deduction of House Rent Allowance	0.114
564	17		Irregular expenditure on repair of vehicles worth	0.506

Sr. No.	DDO	PDP No.	Subject	Amount
565		18	Non-verification/non-production of GST paid	0.316
566		19	loss due to less or non-deduction of Income tax	0.311
567		21	Blockage of funds due to non-utilized development budget	57.138
568		22	Tender before TS and payment without third part validation	52.025
569		23	Unauthorized enhancement payment without fresh tendering & enhancement work order	1.914
570		24	Recovery due to unauthorized Payment in excess of quantities provided in TSE and work order	2.039
571		25	Unjustified payment of quantities of earthwork without actual measurement	0.221
572		26	Unauthorized payment of tuff tile pave	1.568
573		27	Recovery due to non-reducing of brick rate	0.574
574		28	Non-allocation and deposit of Civil Defense and PHA share	52.013
575		29	Recovery due to overpayment of account of Sullage carrier	0.216
576		30	Less imposition of penalty for delayed works	0.1
577		31	Payments without detailed measurements worth	17.892
578		32	Non-verification of receipt due to non-production of record	28.838
579		33	Less imposition of Penalty for delayed works	3.08
580		34	Non-recovery of departmental charges from deposit work	0.408
581		35	Un-authorized delayed acceptance of tender	6.712
582		36	Less recovery on account of old material	0.051
583		37	Non-forfeiture of Earnest money due to delay in start of work	0.05
584		38	Overpayment on Account of Maximum Compacted Earthwork Embankment without Proper Compaction	0.027
585		39	Unjustified lead for transportation of excavated earth	0.284
586		40	Overpayment due to non-deduction of shrinkage in earth work	0.065
587		41	Recovery due to miscalculation	0.028
588		42	Purposefully/willfully concealment of record from audit	-
589	TC Kot Addu	2	Excess payment of earthwork by increasing the lead in the running bill	0.16

Sr. No.	DDO	PDP No.	Subject	Amount
590		3	Excess payment of earthwork due to wrong calculation	0.133
591		8	Non-deposit of tender fees	0.403
592		10	Un-authorized payment of earthwork without recording of levels and cross section area	12.56
593		11	Defective tendering of development works	81.986
594		13	Irregular expenditure by splitting	0.363
595		17	Non-maintenance of record and charging of expenditure by the DDOs	180.495
596		18	Poor performance due to non-achievement of receipt targets	47.79
597		19	Excess payment to contractor by charging excess rate	0.097
598		21	Non-reconciliation of receipts of tax on transfer of immoveable property	128.069
599		TC Kot Chutta	1	Non-reconciliation of receipts and expenditures and non-maintenance of separate books of accounts
600	4		Non-achievement of budgeted targets of revenue	11.095
601	8		Loss due to Non-auctioning of Collection rights	2.215
602	Tehsil Council Lalian	5	Non-deduction of Social Security Contribution	0.787
603	TC Layyah	1	Non-achievement of targets of revenue	1.042
604		5	Non-realization of revenue on account of a license fees of boats	0.136
605		7	Excessive consumption of POL	2.776
606		8	Loss due to purchase of different items at higher rate	0.553
607		9	Uneconomical procurements without tendering	2.067
608		10	Non-execution of development	30.17
609		11	Wasteful expenditure due to non-completion of development schemes	77.54
610		14	Irregular execution of works without maintaining history	19.811
611		15	Excess payment to the contractor without ensuring use of 1st class bricks	0.717
612		16	Unauthentic expenditure on consumable stores	3.015
613		17	Irregular expenditure on pending liabilities	2.48
614		18	Irregular expenditure on repair of vehicle	0.75
615		19	Irregular expenditure on unsolicited and irrelevant activities	1.663
616		20	Unjustified expenditure on repair of electrical items	2.632

Sr. No.	DDO	PDP No.	Subject	Amount
617		21	Non-maintenance of Assets Register	1.226
618		22	Non-recovery of professional Tax	0.065
619		23	Non-allocation of funds for Clean and Green Initiative	0.668
620		24	Irregular expenditure on POL without sealing of speedo meter	-
621		25	Drawl of POL beyond the fuel tank capacity of the vehicles	0.141
622		26	Non-deposit of HRA into Tehsil Council fund	0.846
623		27	Non-recovery of House Rent allowance above-entitled residence	0.091
624		28	Less deduction of income tax	0.022
625		29	Non-reconciliation of receipts and expenditure	-
626		30	Unknown whereabouts of Call Deposit Receipts	-
627	Tehsil Council Liaqat Pur	2	Irregular payments to contractor and possible loss due to non-provision of BOQ / GST invoices	44.986
628		5	Loss due to non-recovery of professional tax	0.198
629		7	Non-maintenance of DDO wise annual accounts and books of accounts	67.883
630		8	Unauthorized Payments of Non-scheduled Items without Approval of Competent Authority	14.313
631		9	Non updating data in the Software	-
632		10	Less recovery of auctioned amount of advertisement	0.191
633		12	Loss due to non-re-auction of expired rent agreement of shops	10.834
634		13	Non-accountal of different store items into stock	0.340
635		15	Non-reduction of rate despite using local sand	0.258
636		16	Loss due to allowing purchase of TST material from far quarry	0.341
637	17	Overpayment due to charging of excess rate of earth work on wrong analysis basis	0.400	
638	Tehsil Council Lodhran	1	Non-achievement of budgeted targets of revenue	33.881
639		7	Allocation of Budget and Booking of expenditure in Violation of Chart of Accounts (CoA)	16.62
640		12	Irregular consumption of POL in sucker machines	0.825
641		13	Overpayment due to payment of excess rates of tuff tile	0.13
642		15	Suspected loss to the Government due to non-recovery of Professional Tax	0.087

Sr. No.	DDO	PDP No.	Subject	Amount	
643		16	Non-imposition / recovery of penalty due to late completion of development schemes	1.839	
644		17	Excess payment due to the contractor by taking excess quantities of Soling	0.121	
645		18	Irregular payment of Tuff Tiles without obtaining evidence of supply from approved manufacturer	2.86	
646	Tehsil Council Mailsi	2	Irregular payment of surface treatment	15.764	
647		3	Non-achievement of targets	119.668	
648		4	Loss due to non-recovery of professional tax	0.167	
649		5	Irregular expenditure on pension payment due to non-availability of life certificate / no marriage certificate	1.955	
650		7	Non-maintenance of separate books of accounts by each DDO	538.768	
651		8	Difference in receipts figures between appropriation accounts and record of receipts	38.281	
652		9	Non- deduction of Shrinkage from earthwork	0.111	
653		11	Excess payment of bricks without obtaining lab test reports	0.564	
654		12	Payment of bitumen without proof of standard quality	18.804	
655		13	Non-deposit / transfer of share of Local Government Board	8.362	
656		15	Loss due to adding of Provincial Sales Tax in development bills	3.516	
657		16	Non-reconciliation of Tax on Transfer of Immovable Property	138.771	
658		17	Non-deposit of Income in the Bank Account of Tehsil Council	20.786	
659		18	Difference in Closing Cash Balance between Appropriation Accounts and the Bank of Punjab	19.115	
660		21	Non-production of record of assets	-	
661		22	Doubtful expenditure on POL due to improper maintenance of log books of vehicles and machinery	0.147	
662		Tehsil Council Mian Channu	1	Irregular booking of expenditure due to misclassification	87.163
663			2	Non-achievement of targets	43.452
664	3		Non-recovery of building plan fees despite clearance from DPDC	0.117	
665	4		Non-reconciliation of Tax on Transfer of Immovable Property	93.238	

Sr. No.	DDO	PDP No.	Subject	Amount	
666		6	Non-obtaining of mortgage deed of % saleable area	32.882	
667		7	Non-maintenance of separate books of accounts non-reconciliation of receipts by each DDO	169.338	
668		8	Unjustified payment of earth work without recording of levels and cross section area	8.649	
669		9	Payment of bitumen without proof of standard quality	6.009	
670		11	Establishment of housing colonies in agricultural areas	651.636	
671		12	Loss due to non-auctioning of shops after completion of lease period	0.607	
672		14	Less deduction of Shrinkage from earthwork	0.407	
673		15	Irregular purchase of Strychnine Powder	0.198	
674		16	Un-authorized withdrawal Additional Charge Allowance	0.107	
675		17	Irregular payment of surface treatment	10.016	
676		18	Irregular payment of bricks without obtaining lab test reports and without deduction in composite rate	4.305	
677		20	Irregular Execution of Works without Obtaining NOC from Roads Department	19.379	
678		21	Execution of works without production of GST invoices & CP	13.399	
679		22	Loss due to non-recovery of professional tax	0.125	
680		Tehsil Council Minchinabad	2	Non-appointment of internal auditor	-
681			4	Irregular appointment of daily wages / contingent paid staff	2.491
682			5	Unjustified expenditure on Holiday Allowance	0.105
683	6		Non-surrendering of anticipated saving	141.446	
684	7		Irregular expenditure by non-observance of PPRA Rules	0.368	
685	8		Doubtful expenditure due to erroneous billings	0.753	
686	9		Unjustified Payment on account of Stationery	0.022	
687	10		Loss due to non-recovery of professional tax	0.241	
688	11		Non-deduction / verification of PST and Income Tax	31.121	
689	13		Execution of works on the basis of doubtful agreements	123.84	
690	Tehsil Council Multan	1	Unrealistic fixing of targets of own source receipts	121.804	
691		4	Less recovery of advertisement fees from contractor	3.035	

Sr. No.	DDO	PDP No.	Subject	Amount
692		5	Non-recovery of advertisement fees through departmental mode of collection	33.608
693		6	Less realization of interest on bank deposits than market rate	47.583
694		7	Non-auction of collection rights of advertisement fees and loss to government due to less recovery through self-collection	6.051
695		12	Non-completion of sewerage scheme on the price of work order and loss to government due to non-recovery of fine	1.75
696		13	Less-recovery of tender form fees	2.355
697		14	Non-imposing of penalty despite non-completion of works within time limit	14.65
698		15	Irregular tendering of development schemes through compromised offered rates and loss to government	57.805
699		16	Unjustified payment of earth work without recording of earth levels and cross section area	12.294
700		17	Unauthorized payment of tuff pave without invoices of purchase from approved manufacturer and test reports	20.752
701		18	Uneconomical expenditure due to ward of work on less than three bids	59.011
702		19	Blockage of funds due to creation of unjustified pending liabilities	72.984
703		21	Illegal collection of Tehsil Council receipt through contractor without issuing of receipt books	12.492
704		23	Non-deposit of CD into the Tehsil Council account and return back to the contractor before start of execution of development schemes	6.835
705		25	Non-reconciliation of Tax on Transfer of Immovable Property with revenue department and difference in receipts	71.279
706		26	Excess payment of bricks without ensuring quality	1.895
707		27	Non-reconciliation of own source Receipts	14.233
708		28	Non-recovery of Professional Tax	0.377
709		29	Non-conducting of Post Completion Evaluation of development Schemes	346.059
710		33	Non-recovery of house rent allowance and maintenance charges	0.307

Sr. No.	DDO	PDP No.	Subject	Amount	
711		34	Irregular withdrawal of fuel and non-maintenance of log book	3.519	
712		35	Non-obtaining of mortgage deed of % saleable area	24.492	
713		36	Non-transfer of area under road and public places	60.311	
714	TC Muzaffargarh	1	Loss on Account of House Rent	0.708	
715		5	Non-collection / less collection of NOC Fees	0.42	
716		7	Non-achievement of receipt target	40.785	
717		8	Un-reconciled deposit of Birth/Death and Marriage Registration computerized Certificate issuance Fees	0.44	
718		12	Defective Tendering of Works	132	
719		13	Unauthentic Purchase of Furniture / machinery through contractor	9.006	
720		14	Loss of income of Chenab Kinara Park	1.02	
721		15	Uneconomical Procurements on Quotations without Fair and Transparent Manner	2.967	
722		16	Overpayment due to payment of higher rates of POL than notified by OGRA	0.111	
723		17	Loss due to non-recovery of withholding tax on services	0.483	
724		18	Non-deposit of GST and Income Tax withheld at source	0.489	
725		19	Doubtful consumption on account of POL	7.44	
726		20	Doubtful expenditure on repair of vehicles / M&E	1.54	
727		21	Doubtful Purchase of Stores	1.638	
728		22	Doubtful payment of expenditure on repair of soling, streets, Buildings and Routs	1.776	
729		23	Unauthorized incurrence of legal charges	0.63	
730		25	Overpayment due to non-reducing of brick rate	0.722	
731		26	Unjustified expenditure without Monitoring of Development Schemes	291.627	
732		27	Unauthentic payments of Civil Pension	44.986	
733		29	Non-reconciliation of Immoveable Property Tax with Revenue Department	115.123	
734		Tehsil Council Pakpattan	1	Non-obtaining of security plots for development of housing scheme	205.849
735			3	Non/ less collection of additional Performance Security	19.188
736			4	Non-obtaining of proof of purchase of bitumen	8.802

Sr. No.	DDO	PDP No.	Subject	Amount	
737		7	Non-imposition of penalty for late completion of schemes	2.769	
738		8	Irregular appointment of Contingent Paid staff and Payment	1.817	
739		9	Unjustified payment of earth work without recording cross section	1.273	
740		10	Doubtful consumption of POL	1.01	
741		11	Non-cancellation of work order and non-forfeiture of earnest money	0.75	
742		13	Irregular expenditure of hiring of tentage	0.535	
743		14	Loss due to short collection of License Permit Fees	0.53	
744		15	Non-recovery of auction of advertisement fees	0.488	
745		16	Uneconomical expenditure on eve of Muharrum	0.477	
746		17	Unjustified expenditure on repair of government vehicle	0.426	
747		18	Loss to Government due to non-recovery of Professional Tax	0.441	
748		19	Overpayments to contractor by allowing excess quantities than TS estimates	0.263	
749		20	Irregular expenditure on hiring of tractor	0.255	
750		21	Purchase at exorbitant higher rate	0.236	
751		22	Excess payment due to non/short-deduction of Shrinkage in the Earth Work	0.236	
752		23	Uneconomical expenditure on non-schedule item	0.126	
753		Tehsil Council Pir Mahal	2	Less deduction of Income Tax	0.389
754			3	Overpayment to contractor	0.159
755			4	Non-recovery of Punjab Sales Tax	0.048
756			9	Non-deduction of Shrinkage charges	0.113
757		Tehsil Council Rahim Yar Khan	3	Unauthorized Payments of Non-scheduled Items without Approval of Competent Authority	14.380
758			4	Irregular payment for purchase of vehicles	7.601
759			5	Non-utilization of funds within relevant financial year	51.912
760	6		Execution of PMS Schemes without observing time schedule and third-party validation	-	
761	7		Non utilization of funds provided for PMSP	44.935	
762	8		Irregular payment without obtaining lab test reports –	30.542	
763	9		Non revision of work order of enhanced schemes valuing	30.542	

Sr. No.	DDO	PDP No.	Subject	Amount	
764		11	Poor efforts for increasing recovery of Tehsil Council	-	
765		12	Loss to Tehsil Council Fund due to non-conduct of DPDC meetings	-	
766		13	Non-recovery of amount of un-cash Cheque	0.933	
767		14	Encroachment of valuable property	-	
768		15	Non-action against Petrol Pumps and loss	4.950	
769		16	Irregular expenditure on due to selection of schemes out of PMSP scope	34.338	
770		18	Non submission of monthly progress report by TO (I&S) regarding development Schemes	155.899	
771		19	Loss due to non-realization of conversion fees	64.250	
772		20	Non deduction / deposit of GST	21.546	
773		21	Loss due to non-auctioning of advertisement fees	3.904	
774		22	Loss due to excess payment on account of non-deduction of Shrinkage from earthwork,	0.023	
775		TC Rajanpur	3	Loss to Govt. due to provision of excess carriage/lead of crushed stone bajri	0.401
776			6	Loss due to non- achievement of receipt targets	5.806
777			7	Non-Reconciliation and backup record on Account of immoveable Property Tax collected	28.64
778	8		Defective tendering of development works	216.068	
779	10		Loss to Government due to non-deposit of Income Tax, General Sales Tax and PST	0.2	
780	13		Irregular expenditure on work charge employees	2.52	
781	14		Unjustified payment from the pension fund	43.151	
782	15		Loss on account of house rent, conveyance allowance and maintenance charge due to non-allotment of Govt. residences	0.713	
783	16		Loss due to non-recovery of conveyance allowance having entitled Govt. vehicle	0.2	
784	17		Overpayment of quantity overlay of Base course height inch instead of inches	0.192	
785	18		Loss to Govt. due to non-reducing of brick rate	0.66	
786	20		Unreconciled deposit of Birth/Death and Marriage Registration computerized Certificate issuance Fees	1.439	
787	21		Self-collection of License fees expected loss	0.921	
788	22		Doubtful expenditure on POL	0.689	
789	23		Misclassification of expenditure	9.447	
790	TC Rojhan	1	Non-imposing of penalty for abnormal delay in completion of project	0.69	

Sr. No.	DDO	PDP No.	Subject	Amount
791		2	Non-achievement of targets of receipts	17.971
792		7	Non-maintenance of important record	-
793	Tehsil Council Sadiqabad	4	Non-verification of receipts of amounting to under head transfer of immovable property and difference in receipts figures	139.708
794		5	Irregular payment of Development schemes from the General Head of Tehsil account	40.468
795		6	Irregular expenditure due to misclassification	1.848
796		7	Irregular expenditure by splitting/without advertisement stationery	0.656
797		8	Irregular payments to contractor and possible loss due to non-provision of BOQ / GST invoices	25.019
798		9	Loss due to non-recovery of professional tax	0.146
799		10	Irregular payment of encashment of LPR out of the Basic Pay of other staff	2.052
800		11	Loss to government due to non-recovery of rent of shops	0.486
801		12	Loss due to non-re-auction of expired rent agreement of shops	2.910
802		13	Improper Budgeting by the Tehsil Council Sadiq Abad for the financial year	-
803		14	Doubtful payments of Development Works	5.685
804		15	Non-utilization of funds deducted as % Plantation from payments of development scheme	1.262
805		17	Doubtful receipts of procured items	1.848
806		19	Encroachment of valuable property	-
807		Tehsil Council Sahiwal	1	Loss to Government due to less realization of Advertisement Fees due to Self-Collection
808	4		Unauthorized refund of earnest money and performance guarantee prior to completion of work	80.156
809	6		Defective reporting of income of advertisement fees in books of accounts	5.238
810	8		Unauthorized deduction of withholding tax on profit by bank	10.602
811	12		Establishment of land sub-divisions / housing schemes	-
812	15		Unauthorized purchase and provision of articles to Civil Defense Department functionary wing of provincial government	6.884

Sr. No.	DDO	PDP No.	Subject	Amount
813		19	Non-recovery of penalty for non-completion of works within time limit	66.36
814		21	Irregular payment of bituminous items	14.832
815		22	Non-achievement of targets of receipts	71.331
816		24	Overpayment due to bogus measurement in MBs and Payment in Bill	0.318
817		25	Substandard and below specifications construction of soling works	0.619
818		26	Doubtful payment of works without record entry in measurement books of development works	-
819		28	Irregular expenditure on POL of tractor sewer and jetting vehicles	3.295
820		29	Non-reconciliation of TTIP income with revenue department and its credit in books of accounts inquiry thereof	169.564
821		33	Bogus bill preparation and payment of Coal supplied in field offices recovery	0.729
822		34	Doubtful payment of excess quantities to supplier without verification of deputed staff of revenue department	2.68
823		36	Uneconomical providing and fixing of steel frame imported fiber roofing in work of construction of shed for vehicles in tehsil council Sahiwal	2.411
824		37	Unauthorized issuance of payment order by Resident Deputy Director Audit without sanction of current chief officer/DDO	0.827
825		39	Fake technical sanction of estimates for works	89.014
826		40	Non-verification / reconciliation of proof of deposits of tender form fees and deposit of CD with the bank statements and collection of tender form fees in cash without issuance of receipts to contractor	11.12
827		41	Loss to government due to non-investment of saving	87.039
828		42	Payment of pension without obtaining essential certificates and unjustified increase in pension expenditure inquiry	88.384
829		43	Irregular expenditure on pension payment due to non-reconciliation of amended and discontinued pensioner	-
830	Tehsil Council Samundri	9	Difference between figures due to non-reconciliation of receipts and expenditures	-

Sr. No.	DDO	PDP No.	Subject	Amount
831	Tehsil Council Shorkot	1	Non-credit of bank profit to Tehsil Council fund	0.3
832		2	Funds drawn against POL without maintenance of Log Book	0.234
833		7	Irregular payment for execution of earthwork	0.296
834	Tehsil Council Shujabad	1	Unauthorized payment of integrated allowances to Dak Runner	0.009
835		2	Non-achievement of Budgeted Targets	84.299
836		3	Non-allocation and deposit of Civil Defense and PHA share	7.172
837		4	Non-reconciliation of recovery of tax on transfer of immoveable property	53.493
838		6	Non-maintenance of books of accounts as prescribed by AGP resulted in irregular	47.345
839		7	Irregular Payment of Tuff tile and bricks without obtaining of Lab test report recovery thereof	0.096
840		10	Loss due to non-auction of vacant shops	0.295
841		11	Unjustified expenditure due to splitting	1.136
842		12	Non / Improper maintenance of budget control and contingent register for expenditure	126.165
843		13	Non-verification / non-production of GST, PST and income tax paid	0.354
844		Tehsil Council Tandlianwala	2	Non-credit of bank profit to general account
845	9		Unauthorized execution of development works without entering into formal agreements	0.475
846	11		Irregular expenditure on national days / events	0.795
847	12		Non-recovery of rent of shops	0.115
848	TC Taunsa	3	Blockage of funds due to non-utilized development budget	15.92
849		5	Poor performance due to Unauthorized Retention of Public Money into account	221.078
850		6	Less Recovery of Fees	0.553
851		7	Non-reconciliation of Immoveable Property Tax with Revenue Department	55.741
852		8	Unauthorized block allocation in the Final Account	98.817
853		9	Purchase of Rickshaws on Exorbitant Rates and Overpayment	0.72
854		10	Unjustified retention / non-payment of uncashed Cheques	5.218
855	Tehsil Council Toba Tek Singh	5	Less deduction of Income Tax from the Contractor	0.376
856		6	Excess payment to contractor	0.098

Sr. No.	DDO	PDP No.	Subject	Amount
857		11	Overpayment due to Non-deduction of Shrinkage in the earthwork for Bank Measurements	0.359
858		13	Non-conducting of realistic survey and imposing of License or Permit Fees	-
859		14	Non-recovery of license fees from owner	0.427
860		15	Non-recovery of advertisement fees	0.201
861		16	Non-preparation of annual accounts	-
862		19	Excess payment to contractor due to non-deduction of earth excavation	0.093
863		22	Non-recovery of Punjab Sales Tax on Services	0.508
864		23	Payment without approval of original estimate and excess payment to contractor	0.531
865		24	Unauthorized contractor profit on non-schedule items and without obtaining of competitive market rates and recovery thereof	0.17
866		Tehsil Council Vehari	1	Non-compliance of previous year Paras
867	2		Loss due to non-auction of shops after the expiry period	1.171
868	3		Unauthorized Purchase of Laptops without tender advertisement	0.38
869	4		Doubtful expenditure of Stickney	0.283
870	5		Irregular execution of development schemes of PMSP beyond its scope	53.462
871	6		Irregular and doubtful expenditure against repair of machinery	2.189
872	7		Non-achievement of targets of receipts	39.47
873	9		Loss due to non-imposition of penalty owing to delay in completion of works	1.148
874	10		Defective tendering of works	176.789
875	11		Non-recovery of house rent & maintenance dues, from the occupants of residences of Zila Council	0.968
876	12		Non-maintenance of books of accounts	-
877	14		Irregular and doubtful expenditure on Repair of sound system	0.625
878	15		Unjustified and unauthentic drawl on account of POL	6.687
879	16		Excess payment due to excessive measurement	0.606
880	17		Non-deposit of additional performance security	3.496
881	19		Loss due to non-reduction of cost of bricks	5.084

Sr. No.	DDO	PDP No.	Subject	Amount
882		20	Irregular payment of work charged establishment	2.572
883		21	Irregular execution of schemes	121.982
884		22	Doubtful expenditure on plants	0.275
885		24	Non-provision of record	-
886		25	Irregular payment of bituminous items	9.03
887		26	Overpayments on Cattle market on Eid-ul-Azha	0.119
888		27	Unauthorized payment of SSB to employees appointed through 17-A	0.312
889		28	Non-recovery of Government dues from commercial market	3.84
890		29	Irregular Expenditure on cattle market	0.597
891		Tehsil Council Yazman	2	Defective maintenance of annual appropriation accounts
892	4		Misclassification of Development Expenditure	159.786
893	5		Non-maintenance, non-reconciliation of record of Immoveable Property Tax	56.230
894	6		Irregular expenditure on due to selection of schemes out of PMSP scope	28.913
895	7		Unjustified retention / non-transfer of Government taxes	17.151
896	8		Unauthorized revision of technical sanctions and work order without revised administrative approvals	13.168
897	11		Un-justified expenditure on account of lead on earth work	2.705
898	12		Unauthorized expenditure without advertisement Cholistan Desert Jeep Rally	2.337
899	14		Execution of PMS Schemes without observing time schedule and third-party validation of	33.837
900	15		Non-transfer profit / unclaimed security account into general account	22.110
901	18		Loss due to non-obtaining the NOC fees from Petrol Pumps	0.160
902	19		Excess payment to contractor due to wrong calculations and payment of earth work without actual work done at site of	0.119
903	20		Unjustified releases of security deposits	10.904
904	21		Non-verification / reconciliation of proof of deposits of bid fees with the bank statements	2.982

ANNEXURES

Annexure-B

Local Governments wise detail of Administrative Offices

Administrative structure of each Local Government is same as given in Para 1.1 / Introduction of Chapter-1.

Sr. No.	Entity
1	Metropolitan Corporation Bahawalpur
2	Metropolitan Corporation Dera Ghazi Khan
3	Metropolitan Corporation Faisalabad
4	Metropolitan Corporation Multan
5	Metropolitan Corporation Sahiwal
6	Municipal Committee Abdul Hakim
7	Municipal Committee Ahmad Pur East
8	Municipal Committee Ahmad Pur Sial
9	Municipal Committee Alipur
10	Municipal Committee Arifwala
11	Municipal Committee Athara Hazari
12	Municipal Committee Bahawalnagar
13	Municipal Committee Bhowana
14	Municipal Committee Burewala
15	Municipal Committee Chak Jhumra
16	Municipal Committee Chenab Nagar
17	Municipal Committee Chichawatni
18	Municipal Committee Chiniot
19	Municipal Committee Chishtian
20	Municipal Committee Choubara
21	Municipal Committee Chowk Sarwar Shaheed
22	Municipal Committee Chowk Azam
23	Municipal Committee Dijkot
24	Municipal Committee Dunga Bunga
25	Municipal Committee Dunyapur
26	Municipal Committee Fatehpur

Sr. No.	Entity
27	Municipal Committee Fazilpur
28	Municipal Committee Fort Abbas
29	Municipal Committee Ghar Maharaja
30	Municipal Committee Gojra
31	Municipal Committee Haroonabad
32	Municipal Committee Hasilpur
33	Municipal Committee Jahanian
34	Municipal Committee Jalapur pirwala
35	Municipal Committee Jampur
36	Municipal Committee Jaranwala
37	Municipal Committee Jatoi
38	Municipal Committee Jhang
39	Municipal Committee Kabirwala
40	Municipal Committee Kamalia
41	Municipal Committee Kameer
42	Municipal Committee Karor
43	Municipal Committee Kehror Pacca
44	Municipal Committee Khairpur Tamewali
45	Municipal Committee Khan Pur
46	Municipal Committee Khanewal
47	Municipal Committee Khengarh
48	Municipal Committee Khurrianwala
49	Municipal Committee Kot Addu
50	Municipal Committee Kot Chutta
51	Municipal Committee Kotmithan
52	Municipal Committee Lalian
53	Municipal Committee Layyah
54	Municipal Committee Liaqat Pur
55	Municipal Committee Lodhran
56	Municipal Committee Mailsi
57	Municipal Committee Mamukanjan
58	Municipal Committee Mian Channu

Sr. No.	Entity
59	Municipal Committee Minchinabad
60	Municipal Committee Muzaffargarh
61	Municipal Committee Pakpattan
62	Municipal Committee Pir Mahal
63	Municipal Committee Rahim Yar Khan
64	Municipal Committee Rajanpur
65	Municipal Committee Rojan
66	Municipal Committee Sadhar
67	Municipal Committee Sadiq Abad
68	Municipal Committee Sammundri
69	Municipal Committee Shorkot
70	Municipal Committee Shujabad
71	Municipal Committee Sinawan
72	Municipal Committee Tandlianwala
73	Municipal Committee Taunsa
74	Municipal Committee Toba Tek Singh
75	Municipal Committee Tulamba
76	Municipal Committee Vehari
77	Municipal Committee Yazman
78	District Council Bahawalnagar
79	District Council Bahawalpur
80	District Council Chiniot
81	District Council Dera Ghazi Khan
82	District Council Faisalabad
83	District Council Jhang
84	District Council Khanewal
85	District Council Layyah
86	District Council Lodhran
87	District Council Multan
88	District Council Muzaffargarh
89	District Council Pakpattan
90	District Council Rahim Yar Khan

Sr. No.	Entity
91	District Council Rajanpur
92	District Council Sahiwal
93	District Council Toba Tek Singh
94	District Council Vehari
95	Tehsil Council Ahmad Pur East
96	Tehsil Council Arifwala
97	Tehsil Council Bahawalnagar
98	Tehsil Council Burewala
99	Tehsil Council Chak Jhumra
100	Tehsil Council Chichawatni
101	Tehsil Council Chishtian
102	Tehsil Council Dera Ghazi Khan
103	Tehsil Council Gojra
104	Tehsil Council Jampur
105	Tehsil Council Jaranwala
106	Tehsil Council Kabirwala
107	Tehsil Council Karor
108	Tehsil Council Khan Pur
109	Tehsil Council Khanewal
110	Tehsil Council Kot Addu
111	Tehsil Council Layyah
112	Tehsil Council Liaquat Pur
113	Tehsil Council Mian Channu
114	Tehsil Council Multan Saddar
115	Tehsil Council Muzaffargarh
116	Tehsil Council Pakpattan
117	Tehsil Council Pir Mahal
118	Tehsil Council Rahim Yar Khan
119	Tehsil Council Rajanpur
120	Tehsil Council Sahiwal
121	Tehsil Council Vehari
122	Tehsil Council Yazman
123	Town Committee Makuana

Annexure-C

Audit Profile of local governments

(Rupees in million)

Sr. No.	Entity	Description	Total Nos.	Audited	Expenditure audited FYs 2021-23	Revenue / Receipts Audited FYs 2021-23
1	Metropolitan Corporation Bahawalpur	Formation	1	1	698.552	478.755
2	Metropolitan Corporation Dera Ghazi Khan	Formation	1	1	341.231	331.254
3	Metropolitan Corporation Faisalabad	Formation	1	1	1,573.663	2,069.695
4	Metropolitan Corporation Multan	Formation	1	1	755.855	921.049
5	Metropolitan Corporation Sahiwal	Formation	1	1	692.903	-
6	Municipal Committee Abdul Hakim	Formation	1	1	152.583	32.754
7	Municipal Committee Ahmed Pur East	Formation	1	1	195.061	70.332
8	Municipal Committee Ahmad Pur Sial	Formation	1	1	115.627	32.269
9	Municipal Committee Alipur	Formation	1	1	66.423	54.872
10	Municipal Committee Arifwala	Formation	1	1	130.554	319.916
11	Municipal Committee Athara Hazari	Formation	1	1	125.613	235.708
12	Municipal Committee Bahawalnagar	Formation	1	1	2.792	46.513

Sr. No.	Entity	Description	Total Nos.	Audited	Expenditure audited FYs 2021-23	Revenue / Receipts Audited FYs 2021-23
13	Municipal Committee Bhowana	Formation	1	1	41.945	42.824
14	Municipal Committee Burewala	Formation	1	1	178.653	493.190
15	Municipal Committee Chak Jhumra	Formation	1	1	49.869	-
16	Municipal Committee Chenab Nagar	Formation	1	1	210.750	172.130
17	Municipal Committee Chichawattni	Formation	1	1	68.501	962.219
18	Municipal Committee Chiniot	Formation	1	1	160.523	53.609
19	Municipal Committee Chishtian	Formation	1	1	124.244	43.941
20	Municipal Committee Choubara	Formation	1	1	18.658	63.745
21	Municipal Committee Chowk Sarwar Shaheed	Formation	1	1	44.529	54.169
22	Municipal Committee Chowk Azam	Formation	1	1	60.590	44.253
23	Municipal Committee Dijkot	Formation	1	1	108.268	86.667
24	Municipal Committee Dunga Bunga	Formation	1	1	17.733	43.941
25	Municipal Committee Dunyapur	Formation	1	1	76.830	68.986

Sr. No.	Entity	Description	Total Nos.	Audited	Expenditure audited FYs 2021-23	Revenue / Receipts Audited FYs 2021-23
26	Municipal Committee Fatehpur	Formation	1	1	124.250	129.200
27	Municipal Committee Fazilpur	Formation	1	1	50.439	72.875
28	Municipal Committee Fort Abbas	Formation	1	1	53.657	133.795
29	Municipal Committee Ghar Maharaja	Formation	1	1	203.503	101.931
30	Municipal Committee Gojra	Formation	1	1	173.949	168.930
31	Municipal Committee Haroonabad	Formation	1	1	80.812	192.932
32	Municipal Committee Hasilpur	Formation	1	1	378.041	346.947
33	Municipal Committee Jahanian	Formation	1	1	51.120	376.560
34	Municipal Committee Jalapur Pirwala	Formation	1	1	85.703	115.536
35	Municipal Committee Jampur	Formation	1	1	65.106	71.788
36	Municipal Committee Jaranwala	Formation	1	1	126.188	102.703
37	Municipal Committee Jatoi	Formation	1	1	93.559	67.830
38	Municipal Committee Jhang	Formation	1	1	222.492	281.121
39	Municipal Committee Kabirwala	Formation	1	1	55.911	39.205

Sr. No.	Entity	Description	Total Nos.	Audited	Expenditure audited FYs 2021-23	Revenue / Receipts Audited FYs 2021-23
40	Municipal Committee Kamalia	Formation	1	1	75.539	28.855
41	Municipal Committee Kameer	Formation	1	1	72.398	24.031
42	Municipal Committee Karor	Formation	1	1	16.623	18.552
43	Municipal Committee Kehror Pacca	Formation	1	1	26.587	36.371
44	Municipal Committee Khairpur Tamewali	Formation	1	1	88.419	23.423
45	Municipal Committee Khan Pur	Formation	1	1	35.574	195.456
46	Municipal Committee Khanewal	Formation	1	1	68.501	962.219
47	Municipal Committee Khangarh	Formation	1	1	57.376	31.818
48	Municipal Committee Khurrianwala	Formation	1	1	135.658	284.715
49	Municipal Committee Kot Addu	Formation	1	1	212.540	87.870
50	Municipal Committee Kot Chutta	Formation	1	1	65.354	150.934
51	Municipal Committee Kotmithan	Formation	1	1	43.887	20.047
52	Municipal Committee Lalian	Formation	1	1	88.398	60.802
53	Municipal Committee Layyah	Formation	1	1	201.184	152.100

Sr. No.	Entity	Description	Total Nos.	Audited	Expenditure audited FYs 2021-23	Revenue / Receipts Audited FYs 2021-23
54	Municipal Committee Liaqat Pur	Formation	1	1	187.916	35.948
55	Municipal Committee Lodhran	Formation	1	1	105.062	41.250
56	Municipal Committee Mailsi	Formation	1	1	117.700	106.636
57	Municipal Committee Mamukanjan	Formation	1	1	103.412	146.745
58	Municipal Committee Mian Channu	Formation	1	1	93.355	32.751
59	Municipal Committee Minchinabad	Formation	1	1	24.965	58.038
60	Municipal Committee Muzaffargarh	Formation	1	1	141.487	28.932
61	Municipal Committee Pakpattan	Formation	1	1	429.972	1,013.701
62	Municipal Committee Pir Mahal	Formation	1	1	140.376	135.256
63	Municipal Committee Rahim Yar Khan	Formation	1	1	441.460	527.291
64	Municipal Committee Rajanpur	Formation	1	1	65.880	88.250
65	Municipal Committee Rojhan	Formation	1	1	16.500	30.000
66	Municipal Committee Sadhar	Formation	1	1	2.825	1.414
67	Municipal Committee Sadiq Abad	Formation	1	1	48.911	124.328

Sr. No.	Entity	Description	Total Nos.	Audited	Expenditure audited FYs 2021-23	Revenue / Receipts Audited FYs 2021-23
68	Municipal Committee Sammundri	Formation	1	1	144.914	261.871
69	Municipal Committee Shorkot	Formation	1	1	82.254	22.803
70	Municipal Committee Shujabad	Formation	1	1	242.313	281.322
71	Municipal Committee Sinawan	Formation	1	1	30.876	31.340
72	Municipal Committee Tandlianwala	Formation	1	1	181.494	123.614
73	Municipal Committee Taunsa	Formation	1	1	13.325	10.491
74	Municipal Committee Toba Tek Singh	Formation	1	1	137.998	-
75	Municipal Committee Tulamba	Formation	1	1	72.989	13.367
76	Municipal Committee Vehari	Formation	1	1	127.544	244.940
77	Municipal Committee Yazman	Formation	1	1	61.184	178.117
78	District Council Bahawalnagar	Formation	1	1	470.585	307.026
79	District Council Bahawalpur	Formation	1	1	367.958	829.333
80	District Council Chiniot	Formation	1	1	121.747	81.026
81	District Council Dera Ghazi Khan	Formation	1	1	164.605	143.062
82	District Council Faisalabad	Formation	1	1	218.222	628.616
83	District Council Jhang	Formation	1	1	187.841	205.412
84	District Council Khanewal	Formation	1	1	667.110	278.670

Sr. No.	Entity	Description	Total Nos.	Audited	Expenditure audited FYs 2021-23	Revenue / Receipts Audited FYs 2021-23
85	District Council Layyah	Formation	1	1	432.206	305.000
86	District Council Lodhran	Formation	1	1	431.339	446.841
87	District Council Multan	Formation	1	1	659.834	926.411
88	District Council Muzaffargarh	Formation	1	1	141.487	28.932
89	District Council Pakpattan	Formation	1	1	358.204	119.773
90	District Council Rahim Yar Khan	Formation	1	1	192.728	7.488
91	District Council Rajanpur	Formation	1	1	415.305	425.689
92	District Council Sahiwal	Formation	1	1	769.444	512.528
93	District Council Toba Tek Singh	Formation	1	1	733.344	593.966
94	District Council Vehari	Formation	1	1	247.050	556.260
95	Tehsil Council Ahmad Pur East	Formation	1	1	22.170	25.870
96	Tehsil Council Arifwala	Formation	1	1	16.880	18.680
97	Tehsil Council Bahawalnagar	Formation	1	1	28.250	23.380
98	Tehsil Council Burewala	Formation	1	1	8.483	9.771
99	Tehsil Council Chak Jhumra	Formation	1	1	3.220	2.790
100	Tehsil Council Chichawatni	Formation	1	1	157.115	37.104
101	Tehsil Council Chishtian	Formation	1	1	8.780	24.420
102	Tehsil Council Dera Ghazi Khan	Formation	1	1	12.734	15.376
103	Tehsil Council Gojra	Formation	1	1	2.559	27.274
104	Tehsil Council Jampur	Formation	1	1	11.665	7.947

Sr. No.	Entity	Description	Total Nos.	Audited	Expenditure audited FYs 2021-23	Revenue / Receipts Audited FYs 2021-23
105	Tehsil Council Jaranwala	Formation	1	1	73.913	10.102
106	Tehsil Council Kabirwala	Formation	1	1	39.759	26.906
107	Tehsil Council Karor	Formation	1	1	34.207	9.638
108	Tehsil Council Khan Pur	Formation	1	1	20.320	22.690
109	Tehsil Council Khanewal	Formation	1	1	19.319	9.616
110	Tehsil Council Kot Addu	Formation	1	1	14.622	-
111	Tehsil Council Layyah	Formation	1	1	24.354	12.520
112	Tehsil Council Liaqat Pur	Formation	1	1	12.220	25.640
113	Tehsil Council Mian Channu	Formation	1	1	6.235	31.381
114	Tehsil Council Multan Saddar	Formation	1	1	19.782	75.684
115	Tehsil Council Muzaffargarh	Formation	1	1	35.796	40.901
116	Tehsil Council Pakpattan	Formation	1	1	9.139	63.471
117	Tehsil Council Pir Mahal	Formation	1	1	3.010	55.379
118	Tehsil Council Rahim Yar Khan	Formation	1	1	57.100	43.300
119	Tehsil Council Rajanpur	Formation	1	1	7.171	5.551
120	Tehsil Council Sahiwal	Formation	1	1	65.911	34.406
121	Tehsil Council Vehari	Formation	1	1	27.809	23.159
122	Tehsil Council Yazman	Formation	1	1	11.690	5.610
123	Town Committee Makuana	Formation	1	1	2.641	-
Total		Formations	123	123	19,111.093	21,624.341

Annexure-D

Consolidated Statement of Receipt and Expenditure

(Rupees in million)

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
1	Metropolitan Corporation Bahawalpur	Salary	451.265	299.959	-151.306	-33.53
		Non-Salary	879.566	677.650	-201.916	-22.96
		Development	137.250	28.675	-108.575	-79.11
		Total	1,468.081	1,006.284	-461.797	-31.46
		Description	Target	Actual	Surplus (+) / Shortfall (-)	Variance
Receipts	1,128.109	916.718	-211.391	-18.74		
2	Metropolitan Corporation Dera Ghazi Khan	Salary	302.850	261.783	-41.067	-13.56
		Non-Salary	524.115	390.637	-133.478	-25.47
		Development	68.348	3.875	-64.473	-94.33
		Total	895.313	656.295	-239.018	-26.70
		Receipts	501.650	473.899	-27.751	-5.53
3	Metropolitan Corporation Faisalabad	Salary	690.425	377.040	-313.385	-45.39
		Non-Salary	3,822.918	2,333.519	-1,489.399	-38.96
		Development	1,748.602	436.767	-1,311.835	-75.02
		Total	6,261.945	3,147.326	-3,114.619	-49.74
		Receipts	2,968.823	3,449.492	480.669	16.19
4	Metropolitan Corporation Multan	Salary	1,027.319	342.265	-685.054	-66.68
		Non-Salary	1,708.850	903.505	-805.345	-47.13
		Development	1,242.504	83.323	-1,159.181	-93.29
		Total	3,978.673	1,329.093	-2,649.580	-66.59
		Receipts	2,084.475	2,046.775	-37.700	-1.81
5	Metropolitan Corporation Sahiwal	Salary	469.270	426.672	-42.598	-9.08
		Non-Salary	881.210	931.134	49.924	5.67
		Development	36.206	28.000	-8.206	-22.66
		Total	1,386.686	1,385.806	-0.880	-0.06
		Receipts	-	-	-	-
6	Municipal Committee Abdul Hakim	Salary	156.595	76.197	-80.398	-51.34
		Non-Salary	278.161	170.124	-108.037	-38.84
		Development	222.967	107.609	-115.358	-51.74

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
		Total	657.723	353.930	-303.793	-46.19
		Receipts	-	-	-	-
7	Municipal Committee Ahmad Pur East	Salary	210.200	206.261	-3.939	-1.87
		Non-Salary	177.934	155.776	-22.158	-12.45
		Development	-	-	-	-
		Total	388.134	362.037	-26.097	-6.72
		Receipts	81.280	70.332	-10.948	-13.47
8	Municipal Committee Ahmad Pur Sial	Salary	240.688	135.739	-104.949	-43.60
		Non-Salary	99.689	60.870	-38.819	-38.94
		Development	204.250	49.980	-154.270	-75.53
		Total	544.627	246.589	-298.038	-54.72
		Receipts	242.378	200.560	-41.818	-17.25
9	Municipal Committee Alipur	Salary	85.620	74.460	-11.160	-13.03
		Non-Salary	75.159	56.970	-18.189	-24.20
		Development	3.000	2.034	-0.966	-32.20
		Total	163.779	133.464	-30.315	-18.51
		Receipts	137.665	102.223	-35.442	-25.75
10	Municipal Committee Arifwala	Salary	179.279	169.354	-9.925	-5.54
		Non-Salary	208.825	143.118	-65.707	-31.47
		Development	-	-	-	-
		Total	388.104	312.472	-75.632	-19.49
		Receipts	338.037	319.916	-18.121	-5.36
11	Municipal Committee Athara Hazari	Salary	165.358	56.682	-108.676	-65.72
		Non-Salary	234.737	54.708	-180.029	-76.69
		Development	298.745	100.800	-197.945	-66.26
		Total	698.840	212.190	-486.650	-69.64
		Receipts	408.230	405.852	-2.378	-0.58
12	Municipal Committee Bahawalnagar	Salary	283.875	292.977	9.102	3.21
		Non-Salary	144.305	158.039	13.734	9.52
		Development	1,228.328	116.605	-1,111.723	-90.51
		Total	1,656.508	567.621	-1,088.887	-65.73
		Receipts	369.904	388.597	18.693	5.05
13		Salary	74.450	58.624	-15.826	-21.26
		Non-Salary	141.493	55.527	-85.966	-60.76

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
	Municipal Committee Bhowana	Development	130.011	51.363	-78.648	-60.49
		Total	345.954	165.514	-180.440	-52.16
		Receipts	161.455	190.480	29.025	17.98
14	Municipal Committee Burewala	Salary	350.330	278.588	-71.742	-20.48
		Non-Salary	650.870	277.659	-373.211	-57.34
		Development	122.245	10.894	-111.351	-91.09
		Total	1,123.445	567.141	-556.304	-49.52
		Receipts	3,008.998	1,437.735	-1,571.263	-52.22
15	Municipal Committee Chak Jhumra	Salary	93.354	66.184	-27.171	-29.10
		Non-Salary	89.648	41.862	-47.785	-53.30
		Development	53.587	16.628	-36.959	-68.97
		Total	236.589	124.674	-111.915	-47.30
		Receipts	66.740	29.016	-37.724	-56.52
16	Municipal Committee Chenab Nagar	Salary	293.415	172.002	-121.413	-41.38
		Non-Salary	268.495	179.112	-89.383	-33.29
		Development	78.161	50.876	-27.285	-34.91
		Total	640.071	401.990	-238.081	-37.20
		Receipts	537.516	343.668	-193.848	-36.06
17	Municipal Committee Chichawatni	Salary	245.300	150.976	-94.324	-38.45
		Non-Salary	183.935	151.413	-32.522	-17.68
		Development	16.081	0.054	-16.027	-99.66
		Total	445.316	302.443	-142.873	-32.08
		Receipts	253.555	269.392	15.837	6.25
18	Municipal Committee Chiniot	Salary	206.639	168.191	-38.448	-18.61
		Non-Salary	272.940	216.200	-56.740	-20.79
		Development	42.148	16.918	-25.230	-59.86
		Total	521.727	401.309	-120.418	-23.08
		Receipts	168.699	134.024	-34.675	-20.55
19	Municipal Committee Chishtian	Salary	318.928	245.689	-73.239	-22.96
		Non-Salary	136.795	102.699	-34.096	-24.92
		Development	24.872		-24.872	-100.00
		Total	480.595	348.388	-132.207	-27.51
		Receipts	435.439	48.823	-386.616	-88.79
20		Salary	36.772	27.255	-9.517	-25.88

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
	Municipal Committee Choubara	Non-Salary	64.987	24.164	-40.823	-62.82
		Development	30.824	1.890	-28.934	-93.87
		Total	132.583	53.309	-79.274	-59.79
		Receipts	59.500	127.489	67.989	114.27
21	Municipal Committee Chowk Sarwar Shaheed	Salary	57.808	56.610	-1.198	-2.07
		Non-Salary	34.753	33.666	-1.087	-3.13
		Development	12.575	0.599	-11.976	-95.24
		Total	105.136	90.875	-14.261	-13.56
	Receipts	67.100	67.711	0.611	0.91	
22	Municipal Committee Chowk Azam	Salary	65.526	56.303	-9.223	-14.08
		Non-Salary	46.275	42.284	-3.991	-8.62
		Development	5.300	2.230	-3.070	-57.92
		Total	117.101	100.817	-16.284	-13.91
	Receipts	123.318	105.770	-17.548	-14.23	
23	Municipal Committee Dijkot	Salary	281.969	77.255	-204.714	-72.60
		Non-Salary	334.375	157.046	-177.329	-53.03
		Development	194.367	104.147	-90.220	-46.42
		Total	810.711	338.448	-472.263	-58.25
	Receipts	435.194	312.046	-123.148	-28.30	
24	Municipal Committee Dunga Bunga	Salary	61.885	40.251	-21.634	-34.96
		Non-Salary	27.679	14.116	-13.563	-49.00
		Development	54.993		-54.993	-100.00
		Total	144.557	54.367	-90.190	-62.39
	Receipts	89.300	48.823	-40.477	-45.33	
25	Municipal Committee Dunyapur	Salary	235.696	160.831	-74.865	-31.76
		Non-Salary	230.231	204.572	-25.659	-11.14
		Development	91.639	49.454	-42.185	-46.03
		Total	557.566	414.857	-142.709	-25.59
	Receipts	577.778	342.482	-235.296	-40.72	
26	Municipal Committee Fatehpur	Salary	146.050	108.820	-37.230	-25.49
		Non-Salary	166.600	111.970	-54.630	-32.79
		Development	112.320	27.720	-84.600	-75.32
		Total	424.970	248.510	-176.460	-41.52
	Receipts	327.560	323.000	-4.560	-1.39	

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
27	Municipal Committee Fazilpur	Salary	89.626	68.721	-20.905	-23.32
		Non-Salary	42.220	25.914	-16.306	-38.62
		Development	55.000	-	-55.000	-100.00
		Total	186.846	94.635	-92.211	-49.35
		Receipts	202.478	112.199	-90.279	-44.59
28	Municipal Committee Fort Abbas	Salary	11.462	79.795	68.333	596.17
		Non-Salary	73.288	52.622	-20.666	-28.20
		Development	-	-	-	-
		Total	84.750	132.417	47.667	56.24
		Receipts	197.016	133.795	-63.221	-32.09
29	Municipal Committee Ghar Maharaja	Salary	246.368	133.575	-112.793	-45.78
		Non-Salary	626.420	64.562	-561.858	-89.69
		Development	223.738	63.812	-159.926	-71.48
		Total	1,096.526	261.949	-834.577	-76.11
		Receipts	935.050	252.573	-682.477	-72.99
20	Municipal Committee Gojra	Salary	129.987	104.539	-25.448	-19.58
		Non-Salary	350.077	281.473	-68.604	-19.60
		Development	15.202	0.442	-14.760	-97.09
		Total	495.266	386.454	-108.812	-21.97
		Receipts	502.579	-	-502.579	-100.00
31	Municipal Committee Haroonabad	Salary	228.447	209.120	-19.327	-8.46
		Non-Salary	70.762	55.697	-15.065	-21.29
		Development	62.187	-	-62.187	-100.00
		Total	361.396	264.817	-96.579	-26.72
		Receipts	347.104	257.243	-89.861	-25.89
32	Municipal Committee Hasilpur	Salary	221.198	193.739	-27.459	-12.41
		Non-Salary	189.058	162.210	-26.848	-14.20
		Development	1.488	1.488	0.000	0.00
		Total	411.744	357.437	-54.307	-13.19
		Receipts	397.243	346.947	-50.296	-12.66
33	Municipal Committee Jahanian	Salary	470.608	340.544	-130.064	-27.64
		Non-Salary	353.335	211.391	-141.944	-40.17
		Development	99.509	43.933	-55.576	-55.85
		Total	923.452	595.868	-327.584	-35.47
		Receipts	654.276	524.438	-129.838	-19.84

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
34	Municipal Committee Jalapur pirwala	Salary	370.206	257.992	-112.214	-30.31
		Non-Salary	349.690	141.900	-207.789	-59.42
		Development	189.290	115.971	-73.319	-38.73
		Total	909.185	515.863	-393.322	-43.26
		Receipts	630.840	509.412	-121.427	-19.25
35	Municipal Committee Jampur	Salary	136.763	89.030	-47.733	-34.90
		Non-Salary	95.005	58.358	-36.647	-38.57
		Development	10.300	-	-10.300	-100.00
		Total	242.068	147.388	-94.680	-39.11
		Receipts	245.500	179.469	-66.031	-26.90
36	Municipal Committee Jaranwala	Salary	215.345	190.371	-24.974	-11.60
		Non-Salary	155.426	136.303	-19.123	-12.30
		Development	0.500	-	-0.500	-100.00
		Total	371.271	326.674	-44.597	-12.01
		Receipts	158.068	128.379	-29.689	-18.78
37	Municipal Committee Jatoi	Salary	68.120	51.677	-16.443	-24.14
		Non-Salary	158.500	135.442	-23.058	-14.55
		Development	50.000	-	-50.000	-100.00
		Total	276.620	187.119	-89.501	-32.36
		Receipts	196.164	96.912	-99.252	-50.60
38	Municipal Committee Jhang	Salary	511.930	320.720	-191.210	-37.35
		Non-Salary	342.510	286.500	-56.010	-16.35
		Development	1,675.000	134.430	-1,540.570	-91.97
		Total	2,529.440	741.650	-1,787.790	-70.68
		Receipts	1,238.200	937.070	-301.130	-24.32
39	Municipal Committee Kabirwala	Salary	333.719	271.703	-62.016	-18.58
		Non-Salary	156.630	113.265	-43.365	-27.69
		Development	45.654	39.668	-5.986	-13.11
		Total	536.003	424.636	-111.367	-20.78
		Receipts	337.255	266.974	-70.281	-20.84
40	Municipal Committee Kamalia	Salary	145.822	118.000	-27.822	-19.08
		Non-Salary	222.420	135.973	-86.447	-38.87
		Development	1.205	0.447	-0.758	-62.90
		Total	369.447	254.420	-115.027	-31.13
		Receipts	120.483	80.154	-40.329	-33.47

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
41	Municipal Committee Kameer	Salary	260.965	90.249	-170.717	-65.42
		Non-Salary	494.268	75.524	-418.744	-84.72
		Development	1,469.167	34.094	-1,435.073	-97.68
		Total	2,224.400	199.866	-2,024.534	-91.01
		Receipts	449.090	450.339	1.249	0.28
42	Municipal Committee Karor	Salary	96.512	32.786	-63.726	-66.03
		Non-Salary	53.452	14.564	-38.888	-72.75
		Development	15.050	0.145	-14.905	-99.04
		Total	165.014	47.495	-117.519	-71.22
		Receipts	44.130	37.103	-7.027	-15.92
43	Municipal Committee Kehror Pacca	Salary	507.890	472.916	-34.974	-6.89
		Non-Salary	215.257	177.961	-37.296	-17.33
		Development	82.706	43.093	-39.613	-47.90
		Total	805.853	693.970	-111.883	-13.88
		Receipts	352.630	304.090	-48.540	-13.77
44	Municipal Committee Khairpur Tamewali	Salary	65.258	56.209	-9.049	-13.87
		Non-Salary	103.955	81.107	-22.848	-21.98
		Development	-	-	-	-
		Total	169.213	137.316	-31.897	-18.85
		Receipts	42.565	23.423	-19.142	-44.97
45	Municipal Committee Khan Pur	Salary	336.416	241.298	-95.118	-28.27
		Non-Salary	150.754	149.875	-0.879	-0.58
		Development	65.611	9.517	-56.094	-85.49
		Total	552.781	400.690	-152.091	-27.51
		Receipts	465.151	330.122	-135.029	-29.03
46	Municipal Committee Khanewal	Salary	245.300	150.976	-94.324	-38.45
		Non-Salary	183.935	151.413	-32.522	-17.68
		Development	16.081	0.054	-16.027	-99.66
		Total	445.316	302.443	-142.873	-32.08
		Receipts	312.813	347.324	34.511	11.03
47	Municipal Committee Khangarh	Salary	42.091	39.255	-2.836	-6.74
		Non-Salary	53.535	38.906	-14.629	-27.33
		Development	-	-	-	-
		Total	95.626	78.161	-17.465	-18.26
		Receipts	70.706	52.076	-18.630	-26.35

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
48	Municipal Committee Khurrianwala	Salary	253.308	108.956	-144.352	-56.99
		Non-Salary	390.004	253.038	-136.966	-35.12
		Development	453.361	149.069	-304.292	-67.12
		Total	1,096.673	511.063	-585.610	-53.40
		Receipts	534.702	865.327	330.625	61.83
49	Municipal Committee Kot Addu	Salary	285.597	250.234	-35.363	-12.38
		Non-Salary	164.894	73.687	-91.207	-55.31
		Development	416.468	72.575	-343.893	-82.57
		Total	866.959	396.496	-470.463	-54.27
		Receipts	187.980	161.430	-26.550	-14.12
50	Municipal Committee Kot Chutta	Salary	49.641	49.620	-0.021	-0.04
		Non-Salary	147.154	82.268	-64.886	-44.09
		Development	12.098	1.488	-10.610	-87.70
		Total	208.893	133.376	-75.517	-36.15
		Receipts	228.659	167.704	-60.955	-26.66
51	Municipal Committee Kotmithan	Salary	106.660	89.488	-17.172	-16.10
		Non-Salary	45.040	34.820	-10.220	-22.69
		Development	21.482	-	-21.482	-100.00
		Total	173.182	124.308	-48.874	-28.22
		Receipts	148.631	114.805	-33.826	-22.76
52	Municipal Committee Lalian	Salary	219.228	132.973	-86.255	-39.34
		Non-Salary	198.134	105.357	-92.777	-46.83
		Development	115.461	56.339	-59.122	-51.21
		Total	532.823	294.669	-238.154	-44.70
		Receipts	450.025	286.620	-163.405	-36.31
53	Municipal Committee Layyah	Salary	165.624	137.728	-27.896	-16.84
		Non-Salary	169.682	110.642	-59.040	-34.79
		Development	-	-	-	-
		Total	335.306	248.370	-86.936	-25.93
		Receipts	338.000	250.610	-87.390	-25.86
54	Municipal Committee Liaqat Pur	Salary	198.377	143.336	-55.041	-27.75
		Non-Salary	78.980	44.580	-34.400	-43.56
		Development	-	-	-	-
		Total	277.357	187.916	-89.441	-32.25
		Receipts	132.114	35.948	-96.166	-72.79

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
55	Municipal Committee Lodhran	Salary	140.474	120.914	-19.560	-13.92
		Non-Salary	248.496	129.585	-118.911	-47.85
		Development	66.537	12.156	-54.381	-81.73
		Total	455.507	262.655	-192.852	-42.34
		Receipts	145.157	103.125	-42.032	-28.96
56	Municipal Committee Mailsi	Salary	308.536	272.889	-35.647	-11.55
		Non-Salary	220.473	157.718	-62.755	-28.46
		Development	18.902	3.072	-15.830	-83.75
		Total	547.911	433.679	-114.232	-20.85
		Receipts	552.066	423.506	-128.560	-23.29
57	Municipal Committee Mamukanjan	Salary	253.896	108.574	-145.322	-57.24
		Non-Salary	298.940	99.551	-199.389	-66.70
		Development	218.504	31.615	-186.889	-85.53
		Total	771.340	239.740	-531.600	-68.92
		Receipts	362.210	342.440	-19.770	-5.46
58	Municipal Committee Mian Channu	Salary	227.620	207.960	-19.660	-8.64
		Non-Salary	139.260	121.300	-17.960	-12.90
		Development	-	-	-	-
		Total	366.880	329.260	-37.620	-10.25
		Receipts	296.390	110.290	-186.100	-62.79
59	Municipal Committee Minchinabad	Salary	81.019	64.647	-16.372	-20.21
		Non-Salary	33.408	17.194	-16.214	-48.53
		Development	2.234		-2.234	-100.00
		Total	116.661	81.841	-34.820	-29.85
		Receipts	112.275	77.384	-34.891	-31.08
60	Municipal Committee Muzaffargarh	Salary	217.950	206.679	-11.271	-5.17
		Non-Salary	293.390	293.260	-0.130	-0.04
		Development	42.500	24.088	-18.412	-43.32
		Total	553.840	524.027	-29.813	-5.38
		Receipts	134.115	107.156	-26.959	-20.10
61	Municipal Committee Pakpattan	Salary	222.749	160.181	-62.568	-28.09
		Non-Salary	683.122	471.195	-211.927	-31.02
		Development	455.663	91.659	-364.004	-79.88
		Total	1,361.534	723.035	-638.499	-46.90
		Receipts	1,398.181	1,351.601	-46.580	-3.33

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
62	Municipal Committee Pir Mahal	Salary	260.699	179.067	-81.632	-31.31
		Non-Salary	291.023	228.215	-62.808	-21.58
		Development	146.420	88.778	-57.642	-39.37
		Total	698.142	496.060	-202.082	-28.95
		Receipts	553.300	541.022	-12.278	-2.22
63	Municipal Committee Rahim Yar Khan	Salary	435.720	357.642	-78.078	-17.92
		Non-Salary	848.590	455.169	-393.421	-46.36
		Development	48.314	20.133	-28.181	-58.33
		Total	1,332.624	832.944	-499.680	-37.50
		Receipts	1,219.118	703.055	-516.063	-42.33
64	Municipal Committee Rajanpur	Salary	88.814	81.852	-6.962	-7.84
		Non-Salary	106.606	92.272	-14.334	-13.45
		Development	17.471	14.108	-3.363	-19.25
		Total	212.891	188.232	-24.659	-11.58
		Receipts	226.093	196.103	-29.990	-13.26
65	Municipal Committee Rojhan	Salary	66.321	49.560	-16.761	-25.27
		Non-Salary	52.563	30.337	-22.226	-42.28
		Development	-	-	-	-
		Total	118.884	79.897	-38.987	-32.79
		Receipts	113.502	97.538	-15.964	-14.06
66	Municipal Committee Sadhar	Salary	220.241	7.879	-212.362	-96.42
		Non-Salary	44.369	1.536	-42.833	-96.54
		Development	45.350	-	-45.350	-100.00
		Total	309.960	9.415	-300.545	-96.96
		Receipts	333.668	28.270	-305.398	-91.53
67	Municipal Committee Sadiq Abad	Salary	334.142	327.900	-6.242	-1.87
		Non-Salary	190.432	184.451	-5.981	-3.14
		Development	26.753	25.734	-1.019	-3.81
		Total	551.327	538.085	-13.242	-2.40
		Receipts	638.572	468.900	-169.672	-26.57
68	Municipal Committee Sammundri	Salary	539.030	211.903	-327.127	-60.69
		Non-Salary	655.563	249.838	-405.725	-61.89
		Development	787.583	104.674	-682.909	-86.71
		Total	1,982.176	566.415	-1,415.761	-71.42
		Receipts	955.645	1,047.480	91.835	9.61

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
69	Municipal Committee Shorkot	Salary	103.538	52.924	-50.614	-48.88
		Non-Salary	95.855	85.755	-10.100	-10.54
		Development	176.064	66.925	-109.139	-61.99
		Total	375.457	205.604	-169.853	-45.24
		Receipts	58.895	57.009	-1.886	-3.20
70	Municipal Committee Shujabad	Salary	584.292	402.819	-181.473	-31.06
		Non-Salary	274.308	191.255	-83.053	-30.28
		Development	105.701	36.493	-69.208	-65.48
		Total	964.301	630.567	-333.734	-34.61
		Receipts	461.368	382.129	-79.239	-17.17
71	Municipal Committee Sinawan	Salary	55.495	35.112	-20.383	-36.73
		Non-Salary	73.485	19.732	-53.753	-73.15
		Development	31.685	-	-31.685	-100.00
		Total	160.665	54.844	-105.821	-65.86
		Receipts	157.531	48.550	-108.981	-69.18
72	Municipal Committee Tandlianwala	Salary	545.378	304.938	-240.440	-44.09
		Non-Salary	337.064	134.826	-202.238	-60.00
		Development	194.488	13.971	-180.517	-92.82
		Total	1,076.930	453.735	-623.195	-57.87
		Receipts	813.554	468.532	-345.022	-42.41
73	Municipal Committee Taunsa	Salary	203.979	185.260	-18.719	-9.18
		Non-Salary	119.039	110.848	-8.191	-6.88
		Development	3.000	-	-3.000	-100.00
		Total	326.018	296.108	-29.910	-9.17
		Receipts	293.192	233.126	-60.066	-20.49
74	Municipal Committee Toba Tek Singh	Salary	180.829	154.168	-26.661	-14.74
		Non-Salary	243.155	206.831	-36.324	-14.94
		Development	6.064	2.153	-3.911	-64.50
		Total	430.048	363.152	-66.896	-15.56
		Receipts	402.110	325.025	-77.085	-19.17
75	Municipal Committee Tulamba	Salary	172.094	85.753	-86.341	-50.17
		Non-Salary	163.002	74.667	-88.335	-54.19
		Development	58.609	38.927	-19.682	-33.58
		Total	393.705	199.347	-194.358	-49.37
		Receipts	37.656	39.291	1.635	4.34

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
76	Municipal Committee Vehari	Salary	328.572	253.445	-75.127	-22.86
		Non-Salary	226.225	126.922	-99.303	-43.90
		Development	2,613.575	129.807	-2,483.768	-95.03
		Total	3,168.372	510.174	-2,658.198	-83.90
		Receipts	2,096.632	777.522	-1,319.110	-62.92
77	Municipal Committee Yazman	Salary	95.631	76.529	-19.102	-19.97
		Non-Salary	162.173	127.418	-34.755	-21.43
		Development	-	-	-	-
		Total	257.804	203.947	-53.857	-20.89
		Receipts	245.255	178.117	-67.138	-27.37
78	District Council Bahawalnagar	Salary	263.632	166.717	-96.915	-36.76
		Non-Salary	451.297	217.698	-233.599	-51.76
		Development	1,643.458	540.844	-1,102.614	-67.09
		Total	2,358.387	925.259	-1,433.128	-60.77
		Receipts	807.291	835.770	28.479	3.53
79	District Council Bahawalpur	Salary	351.842	171.297	-180.545	-51.31
		Non-Salary	586.832	229.837	-356.995	-60.83
		Development	918.631	385.448	-533.183	-58.04
		Total	1,857.305	786.582	-1,070.723	-57.65
		Receipts	732.969	829.333	96.364	13.15
80	District Council Chiniot	Salary	96.487	48.826	-47.661	-49.40
		Non-Salary	331.612	241.542	-90.070	-27.16
		Development	570.978	14.000	-556.978	-97.55
		Total	999.077	304.368	-694.709	-69.54
		Receipts	130.550	202.566	72.016	55.16
81	District Council Dera Ghazi Khan	Salary	325.796	254.929	-70.867	-21.75
		Non-Salary	590.140	293.756	-296.384	-50.22
		Development	836.029	-	-836.029	-100.00
		Total	1,751.965	548.685	-1,203.280	-68.68
		Receipts	223.471	408.750	185.279	82.91
82	District Council Faisalabad	Salary	793.075	487.893	-305.182	-38.48
		Non-Salary	1,540.607	942.386	-598.221	-38.83
		Development	3,811.587	255.447	-3,556.140	-93.30
		Total	6,145.269	1,685.726	-4,459.543	-72.57
		Receipts	1,755.363	2,019.683	264.320	15.06

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
83	District Council Jhang	Salary	185.524	161.398	-24.126	-13.00
		Non-Salary	747.464	602.991	-144.473	-19.33
		Development	460.069	174.818	-285.251	-62.00
		Total	1,393.057	939.207	-453.850	-32.58
		Receipts	549.063	586.891	37.828	6.89
84	District Council Khanewal	Salary	165.147	118.981	-46.166	-27.95
		Non-Salary	496.097	329.530	-166.567	-33.58
		Development	1,427.088	587.538	-839.550	-58.83
		Total	2,088.332	1,036.049	-1,052.283	-50.39
		Receipts	947.480	796.206	-151.274	-15.97
85	District Council Layyah	Salary	120.219	81.639	-38.580	-32.09
		Non-Salary	459.476	430.697	-28.779	-6.26
		Development	752.592	232.847	-519.745	-69.06
		Total	1,332.287	745.183	-587.104	-44.07
		Receipts	1,521.700	1,918.306	396.606	26.06
86	District Council Lodhran	Salary	123.182	122.342	-0.840	-0.68
		Non-Salary	296.697	276.535	-20.162	-6.80
		Development	631.224	196.344	-434.880	-68.89
		Total	1,051.103	595.221	-455.882	-43.37
		Receipts	521.915	496.490	-25.425	-4.87
87	District Council Multan	Salary	394.076	274.546	-119.530	-30.33
		Non-Salary	610.034	514.672	-95.362	-15.63
		Development	1,582.210	1,118.360	-463.850	-29.32
		Total	2,586.320	1,907.578	-678.742	-26.24
		Receipts	1,371.423	1,570.189	198.766	14.49
88	District Council Muzaffargarh	Salary	217.950	206.679	-11.271	-5.17
		Non-Salary	293.390	293.260	-0.130	-0.04
		Development	42.500	24.088	-18.412	-43.32
		Total	553.840	524.027	-29.813	-5.38
		Receipts	134.150	107.156	-26.994	-20.12
89	District Council Pakpattan	Salary	295.587	88.523	-207.064	-70.05
		Non-Salary	1,092.072	750.396	-341.676	-31.29
		Development	1,390.155	593.898	-796.257	-57.28
		Total	2,777.814	1,432.817	-1,344.997	-48.42
		Receipts	388.605	598.888	210.283	54.11

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
90	District Council Rahim Yar Khan	Salary	308.352	243.473	-64.879	-21.04
		Non-Salary	1,556.421	812.045	-744.376	-47.83
		Development	1,889.131	387.472	-1,501.659	-79.49
		Total	3,753.904	1,442.990	-2,310.914	-61.56
		Receipts	1,497.431	1,471.304	-26.127	-1.74
91	District Council Rajanpur	Salary	516.248	319.899	-196.349	-38.03
		Non-Salary	4,447.105	445.828	-4,001.277	-89.97
		Development	3,386.454	99.472	-3,286.982	-97.06
		Total	8,349.807	865.199	-7,484.608	-89.64
		Receipts	790.091	773.980	-16.111	-2.04
92	District Council Sahiwal	Salary	244.977	156.524	-88.453	-36.11
		Non-Salary	981.168	529.692	-451.476	-46.01
		Development	1,833.775	83.228	-1,750.547	-95.46
		Total	3,059.920	769.444	-2,290.476	-74.85
		Receipts	620.515	512.528	-107.987	-17.40
93	District Council Toba Tek Singh	Salary	200.645	188.318	-12.327	-6.14
		Non-Salary	487.530	363.030	-124.500	-25.54
		Development	1,333.760	514.757	-819.003	-61.41
		Total	2,021.935	1,066.105	-955.830	-47.27
		Receipts	657.295	698.784	41.489	6.31
94	District Council Vehari	Salary	260.500	116.400	-144.100	-55.32
		Non-Salary	783.100	238.400	-544.700	-69.56
		Development	1,264.200	351.030	-913.170	-72.23
		Total	2,307.800	705.830	-1,601.970	-69.42
		Receipts	756.470	1,112.520	356.050	47.07
95	Tehsil Council Ahmad Pur East	Salary	112.446	3.812	-108.634	-96.61
		Non-Salary	171.520	11.995	-159.525	-93.01
		Development	192.884	14.983	-177.901	-92.23
		Total	476.850	30.790	-446.060	-93.54
		Receipts	232.810	26.944	-205.866	-88.43
96	Tehsil Council Arifwala	Salary	57.169	14.277	-42.892	-75.03
		Non-Salary	346.074	30.648	-315.426	-91.14
		Development	867.710	3.296	-864.414	-99.62
		Total	1,270.953	48.221	-1,222.732	-96.21
		Receipts	592.540	53.352	-539.188	-91.00

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
97	Tehsil Council Bahawalnagar	Salary	48.965	21.862	-27.103	-55.35
		Non-Salary	62.856	15.287	-47.569	-75.68
		Development	-	-	-	-
		Total	111.821	37.149	-74.672	-66.78
		Receipts	34.756	23.381	-11.375	-32.73
98	Tehsil Council Burewala	Salary	54.434	12.108	-42.326	-77.76
		Non-Salary	670.901	21.822	-649.079	-96.75
		Development	240.032	-	-240.032	-100.00
		Total	965.367	33.930	-931.437	-96.49
		Receipts	116.500	39.086	-77.414	-66.45
99	Tehsil Council Chak Jhumra	Salary	87.671	10.393	-77.278	-88.15
		Non-Salary	109.775	0.191	-109.584	-99.83
		Development	176.309	0.164	-176.145	-99.91
		Total	373.755	10.748	-363.007	-97.12
		Receipts	286.382	42.947	-243.435	-85.00
100	Tehsil Council Chichawatni	Salary	137.588	19.302	-118.286	-85.97
		Non-Salary	345.219	4.876	-340.343	-98.59
		Development	626.490	261.749	-364.741	-58.22
		Total	1,109.297	285.927	-823.370	-74.22
		Receipts	1,009.035	51.064	-957.971	-94.94
101	Tehsil Council Chishtian	Salary	54.055	5.656	-48.399	-89.54
		Non-Salary	290.129	7.316	-282.813	-97.48
		Development	-	-	-	-
		Total	344.184	12.972	-331.212	-96.23
		Receipts	179.578	24.424	-155.154	-86.40
102	Tehsil Council Dera Ghazi Khan	Salary	182.641	33.792	-148.849	-81.50
		Non-Salary	125.681	2.590	-123.091	-97.94
		Development	108.467	-	-108.467	-100.00
		Total	416.789	36.382	-380.407	-91.27
		Receipts	30.223	30.752	0.529	1.75
103	Tehsil Council Gojra	Salary	53.809	3.855	-49.954	-92.84
		Non-Salary	147.884	1.576	-146.308	-98.93
		Development	172.500	-	-172.500	-100.00
		Total	374.193	5.431	-368.762	-98.55
		Receipts	270.490	30.487	-240.003	-88.73

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
104	Tehsil Council Jampur	Salary	43.946	8.340	-35.606	-81.02
		Non-Salary	144.284	7.368	-136.916	-94.89
		Development	486.016	39.837	-446.179	-91.80
		Total	674.246	55.545	-618.701	-91.76
		Receipts	471.691	22.707	-448.984	-95.19
105	Tehsil Council Jaranwala	Salary	135.915	22.966	-112.949	-83.10
		Non-Salary	208.454	28.275	-180.179	-86.44
		Development	625.363	83.147	-542.216	-86.70
		Total	969.732	134.388	-835.344	-86.14
		Receipts	577.180	59.845	-517.335	-89.63
106	Tehsil Council Kabirwala	Salary	104.921	16.387	-88.534	-84.38
		Non-Salary	117.672	10.168	-107.504	-91.36
		Development	342.899	33.410	-309.489	-90.26
		Total	565.492	59.965	-505.527	-89.40
		Receipts	137.185	47.951	-89.234	-65.05
107	Tehsil Council Karor	Salary	59.320	4.340	-54.980	-92.68
		Non-Salary	50.286	6.717	-43.569	-86.64
		Development	274.981	74.767	-200.214	-72.81
		Total	384.587	85.824	-298.763	-77.68
		Receipts	77.580	25.374	-52.206	-67.29
108	Tehsil Council Khan Pur	Salary	32.356	8.254	-24.102	-74.49
		Non-Salary	216.791	10.306	-206.485	-95.25
		Development	282.402	4.525	-277.877	-98.40
		Total	531.549	23.085	-508.464	-95.66
		Receipts	317.420	29.086	-288.334	-90.84
109	Tehsil Council Khanewal	Salary	79.170	12.230	-66.940	-84.55
		Non-Salary	157.023	40.735	-116.288	-74.06
		Development	156.971	11.430	-145.541	-92.72
		Total	393.164	64.395	-328.769	-83.62
		Receipts	253.420	32.052	-221.368	-87.35
110	Tehsil Council Kot Addu	Salary	65.120	8.834	-56.286	-86.43
		Non-Salary	44.964	5.788	-39.176	-87.13
		Development	453.029	58.293	-394.736	-87.13
		Total	563.113	72.915	-490.198	-87.05
		Receipts	136.210	39.903	-96.307	-70.70

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
111	Tehsil Council Layyah	Salary	138.181	16.852	-121.329	-87.80
		Non-Salary	77.145	15.047	-62.098	-80.50
		Development	251.077	11.481	-239.596	-95.43
		Total	466.403	43.380	-423.023	-90.70
		Receipts	96.200	33.822	-62.378	-64.84
112	Tehsil Council Liaqat Pur	Salary	91.538	9.657	-81.881	-89.45
		Non-Salary	147.410	11.808	-135.602	-91.99
		Development	390.866	113.687	-277.179	-70.91
		Total	629.814	135.152	-494.662	-78.54
		Receipts	369.282	30.409	-338.873	-91.77
113	Tehsil Council Mian Channu	Salary	60.008	10.521	-49.487	-82.47
		Non-Salary	87.845	1.008	-86.837	-98.85
		Development	297.976	3.209	-294.767	-98.92
		Total	445.829	14.738	-431.091	-96.69
		Receipts	126.970	32.237	-94.733	-74.61
114	Tehsil Council Multan Saddar	Salary	321.765	37.922	-283.843	-88.21
		Non-Salary	427.426	11.523	-415.903	-97.30
		Development	781.191	-	-781.191	-100.00
		Total	1,530.382	49.445	-1,480.937	-96.77
		Receipts	665.000	252.281	-412.719	-62.06
115	Tehsil Council Muzaffargarh	Salary	130.246	17.907	-112.339	-86.25
		Non-Salary	535.035	34.975	-500.060	-93.46
		Development	-	-	-	-
		Total	665.281	52.882	-612.399	-92.05
		Receipts	52.882	40.901	-11.981	-22.66
116	Tehsil Council Pakpattan	Salary	139.244	18.750	-120.494	-86.53
		Non-Salary	178.405	11.712	-166.693	-93.44
		Development	1,032.802	-	-1,032.802	-100.00
		Total	1,350.451	30.462	-1,319.989	-97.74
		Receipts	65.352	63.471	-1.881	-2.88
117	Tehsil Council Pir Mahal	Salary	31.765	2.642	-29.123	-91.68
		Non-Salary	58.861	2.295	-56.566	-96.10
		Development	126.658	-	-126.658	-100.00
		Total	217.284	4.937	-212.347	-97.73
		Receipts	191.000	124.994	-66.006	-34.56

Sr. No.	Entity	Description	Budget	Expenditure	Excess (+) / Lapse (-)	Variance (%)
118	Tehsil Council Rahim Yar Khan	Salary	145.384	41.755	-103.629	-71.28
		Non-Salary	177.800	17.823	-159.977	-89.98
		Development	516.366	43.368	-472.998	-91.60
		Total	839.550	102.946	-736.604	-87.74
		Receipts	469.310	56.300	-413.010	-88.00
119	Tehsil Council Rajanpur	Salary	42.246	7.548	-34.698	-82.13
		Non-Salary	112.130	25.624	-86.506	-77.15
		Development	302.615	0.977	-301.638	-99.68
		Total	456.991	34.149	-422.842	-92.53
		Receipts	272.410	15.860	-256.550	-94.18
120	Tehsil Council Sahiwal	Salary	161.988	29.246	-132.742	-81.95
		Non-Salary	302.678	85.020	-217.658	-71.91
		Development	891.463	50.511	-840.952	-94.33
		Total	1,356.129	164.777	-1,191.352	-87.85
		Receipts	214.825	86.015	-128.810	-59.96
121	Tehsil Council Vehari	Salary	60.029	12.017	-48.012	-79.98
		Non-Salary	140.755	4.408	-136.347	-96.87
		Development	419.382	26.162	-393.220	-93.76
		Total	620.166	42.587	-577.579	-93.13
		Receipts	292.418	34.340	-258.078	-88.26
122	Tehsil Council Yazman	Salary	43.475	2.700	-40.775	-93.79
		Non-Salary	136.571	3.188	-133.383	-97.67
		Development	271.412	27.504	-243.908	-89.87
		Total	451.458	33.392	-418.066	-92.60
		Receipts	264.900	16.020	-248.880	-93.95
123	Town Committee Makuana	Salary	100.589	1.600	-98.989	-98.41
		Non-Salary	58.000	4.269	-53.731	-92.64
		Development	6.717	-	-6.717	-100.00
		Total	165.306	5.869	-159.437	-96.45
		Receipts	16.320	10.487	-5.833	-35.74
Total 123 LGs		Salary	26,049.576	16,345.021	-9,704.555	-37.25
		Non-Salary	44,520.086	22,460.220	-22,059.866	-49.55
		Development	50,389.717	9,183.390	-41,206.327	-81.78
		Total	120,959.379	47,988.631	-72,970.747	-60.33
		Description	Target	Actual	Surplus (+) / Shortfall (-)	Variance
		Receipts	57,324.290	43,830.316	-13,493.974	-23.54

Annexure-E

Classified Summary of Audit Observations

(Rupees in million)

Sr. No.	Entity	Reported cases of fraud, embezzlement and misappropriation	Procedural irregularities			Others
			HR / employees related irregularities	Procurement related irregularities	Management of Accounts with Commercial Banks	
			2	3A	3B	
1	Metropolitan Corporation Bahawalpur	-	7.591	46.461	-	3,103.172
2	Metropolitan Corporation Dera Ghazi Khan	-	6.615	10.284	-	1,217.086
3	Metropolitan Corporation Faisalabad	-	-	145.869	5.355	216.620
4	Metropolitan Corporation Multan	-	-	43.503	-	243.199
5	Metropolitan Corporation Sahiwal	-	-	197.664	-	408.015
6	Municipal Committee Abdul Hakim	-	-	6.182	-	14.098
7	Municipal Committee Ahmed Pur East	-	-	-	-	84.349
8	Municipal Committee Ahmad Pur Sial	-	-	13.432	-	9.905
9	Municipal Committee Alipur	-	2.253	4.459	-	141.923
10	Municipal Committee Arifwala	-	-	16.185	-	142.138
11	Municipal Committee Athara Hazari	-	-	2.118	-	-
12	Municipal Committee Bahawalnagar	-	-	-	-	922.111
13	Municipal Committee Bhowana	-	-	1.111	-	5.425
14	Municipal Committee Burewala	-	-	2.698	-	36.750
15	Municipal Committee Chak Jhumra	-	-	-	-	12.122

Sr. No.	Entity	Reported cases of fraud, embezzlement and misappropriation	Procedural irregularities			Others
			HR / employees related irregularities	Procurement related irregularities	Management of Accounts with Commercial Banks	
			2	3A	3B	
16	Municipal Committee Chenab Nagar	-	-	-	-	19.482
17	Municipal Committee Chichawatni	-	3.653	-	-	54.698
18	Municipal Committee Chiniot	-	-	-	-	7.935
19	Municipal Committee Chishtian	-	-	-	-	92.338
20	Municipal Committee Choubara	-	-	-	4.714	2.050
21	Municipal Committee Chowk Sarwar Shaheed	-	1.621	-	-	19.267
22	Municipal Committee Chowk Azam	-	-	-	-	21.879
23	Municipal Committee Dijkot	-	11.825	8.519	-	32.965
24	Municipal Committee Dunga Bunga	-	-	-	-	7.428
25	Municipal Committee Dunyapur	-	-	2.391	-	16.872
26	Municipal Committee Fatehpur	-	-	-	43.684	213.883
27	Municipal Committee Fazilpur	-	2.971	-	-	1.196
28	Municipal Committee Fort Abbas	-	-	1.566	-	241.568
29	Municipal Committee Ghar Maharaja	-	1.123	29.297	1.023	-
30	Municipal Committee Gojra	-	-	-	-	72.052
31	Municipal Committee Haroonabad	-	-	-	-	76.681
32	Municipal Committee Hasilpur	-	-	-	-	461.831
33	Municipal Committee Jahanian	-	-	-	-	225.596

Sr. No.	Entity	Reported cases of fraud, embezzlement and misappropriation	Procedural irregularities			Others
			HR / employees related irregularities	Procurement related irregularities	Management of Accounts with Commercial Banks	
			2	3A	3B	
34	Municipal Committee Jalapur pirwala	-	14.622	50.000	-	70.252
35	Municipal Committee Jampur	-	2.706	-	-	56.157
36	Municipal Committee Jaranwala	-	32.714	3.710	-	22.350
37	Municipal Committee Jatoi	-	2.540	-	-	22.535
38	Municipal Committee Jhang	-	-	44.147	-	131.149
39	Municipal Committee Kabirwala	-	-	4.676	-	26.483
40	Municipal Committee Kamalia	-	-	-	-	33.609
41	Municipal Committee Kameer	-	-	1.125	-	101.638
42	Municipal Committee Karor	-	-	-	-	20.677
43	Municipal Committee Kehror Pacca	-	-	6.593	-	25.281
44	Municipal Committee Khairpur Tamewali	-	-	-	-	36.791
45	Municipal Committee Khan Pur	-	-	-	-	9.671
46	Municipal Committee Khanewal	-	14.477	1.096	-	121.153
47	Municipal Committee Khangarh	-	-	-	-	31.794
48	Municipal Committee Khurrianwala	-	10.343	53.283	-	1.437
49	Municipal Committee Kot Addu	-	-	5.876	9.303	34.709
50	Municipal Committee Kot Chutta	-	15.800	2.726	-	17.470
51	Municipal Committee Kotmithan	-	2.964	-	-	20.562

Sr. No.	Entity	Reported cases of fraud, embezzlement and misappropriation	Procedural irregularities			Others
			HR / employees related irregularities	Procurement related irregularities	Management of Accounts with Commercial Banks	
			2	3A	3B	
52	Municipal Committee Lalian	-	-	11.404	-	-
53	Municipal Committee Layyah	-	-	-	-	18.311
54	Municipal Committee Liaqat Pur	-	-	-	-	170.204
55	Municipal Committee Lodhran	-	-	-	-	429.738
56	Municipal Committee Mailsi	-	-	27.840	2.460	120.341
57	Municipal Committee Mamukanjan	-	13.669	-	-	48.027
58	Municipal Committee Mian Channu	-	1.287	4.410	-	4.075
59	Municipal Committee Minchinabad	-	-	-	-	68.612
60	Municipal Committee Muzaffargarh	-	8.936	-	-	88.436
61	Municipal Committee Pakpattan	-	-	22.095	-	380.606
62	Municipal Committee Pir Mahal	-	3.734	-	-	29.831
63	Municipal Committee Rahim Yar Khan	-	-	-	-	662.488
64	Municipal Committee Rajanpur	-	13.262	-	-	47.484
65	Municipal Committee Rojan	-	1.130	-	-	-
66	Municipal Committee Sadhar	-	-	-	-	1.350
67	Municipal Committee Sadiq Abad	-	-	-	-	426.831
68	Municipal Committee Samundri	-	12.460	-	-	57.672
69	Municipal Committee Shorkot	-	-	2.893	-	7.506

Sr. No.	Entity	Reported cases of fraud, embezzlement and misappropriation	Procedural irregularities			Others
			HR / employees related irregularities	Procurement related irregularities	Management of Accounts with Commercial Banks	
			2	3A	3B	
70	Municipal Committee Shujabad	-	1.944	9.751	-	104.963
71	Municipal Committee Sinawan	-	3.953	-	-	104.234
72	Municipal Committee Tandlianwala	-	-	-	-	9.516
73	Municipal Committee Taunsa	-	-	-	-	18.362
74	Municipal Committee Toba Tek Singh	-	11.068	-	-	213.270
75	Municipal Committee Tulamba	-	-	-	-	50.452
76	Municipal Committee Vehari	-	-	4.500	-	102.371
77	Municipal Committee Yazman	-	-	-	-	1,318.992
78	District Council Bahawalnagar	-	4.298	-	-	966.966
79	District Council Bahawalpur	-	13.006	53.889	-	667.061
80	District Council Chiniot	-	-	148.432	-	11.317
81	District Council Dera Ghazi Khan	-	29.813	8.543	-	54.095
82	District Council Faisalabad	-	-	-	-	115.957
83	District Council Jhang	-	-	-	5.621	38.083
84	District Council Khanewal	1.020	-	31.977	-	173.804
85	District Council Layyah	-	-	5.439	-	23.531
86	District Council Lodhran	-	-	-	-	16.327
87	District Council Multan	-	-	66.232	-	107.313
88	District Council Muzaffargarh	-	-	232.974	-	52.892
89	District Council Pakpattan	-	-	4.038	-	90.445
90	District Council Rahim Yar Khan	-	-	92.484	-	1,569.111

Sr. No.	Entity	Reported cases of fraud, embezzlement and misappropriation	Procedural irregularities			Others
			HR / employees related irregularities	Procurement related irregularities	Management of Accounts with Commercial Banks	
			2	3A	3B	
91	District Council Rajanpur	-	26.163			107.807
92	District Council Sahiwal	-	-	95.762	-	42.172
93	District Council Toba Tek Singh	-	-	-	-	2,355.338
94	District Council Vehari	-	-	-	-	31.851
95	Tehsil Council Ahmad Pur East	-	-	2.549	-	78.208
96	Tehsil Council Arifwala	-	-	-	3.028	1.175
97	Tehsil Council Bahawalnagar	-	-	-	-	11.375
98	Tehsil Council Burewala	-	-	-	26.251	33.930
99	Tehsil Council Chak Jhumra	-	-	-	-	12.759
100	Tehsil Council Chichawatni	-	2.736	3.977	32.030	58.067
101	Tehsil Council Chishtian	-	-	-	-	13.113
102	Tehsil Council Dera Ghazi Khan	-	3.948	2.980	2.814	2.783
103	Tehsil Council Gojra	-	-	-	5.736	1.700
104	Tehsil Council Jampur	-	-	-	-	103.129
105	Tehsil Council Jaranwala	-	-	33.950	-	
106	Tehsil Council Kabirwala	-	-	-	-	33.142
107	Tehsil Council Karor	-	-	22.298	75.706	2.525
108	Tehsil Council Khan Pur	-	-	4.468	-	98.833
109	Tehsil Council Khanewal	-	-	-	-	171.294
110	Tehsil Council Kot Addu	-	-	-	-	22.203
111	Tehsil Council Layyah	-	-	14.097	-	15.904
112	Tehsil Council Liaquat Pur	-	-	-	136.637	-
113	Tehsil Council Mian Channu	-	-	3.844	-	23.223
114	Tehsil Council Multan Saddar	-	-	-	32.835	18.134

Sr. No.	Entity	Reported cases of fraud, embezzlement and misappropriation	Procedural irregularities			Others
			HR / employees related irregularities	Procurement related irregularities	Management of Accounts with Commercial Banks	
			2	3A	3B	
115	Tehsil Council Muzaffargarh	-	-	3.578	-	112.557
116	Tehsil Council Pakpattan	-	2.109	3.575	-	5.169
117	Tehsil Council Pir Mahal	-	-	-	-	16.076
118	Tehsil Council Rahim Yar Khan	-	-	-	-	3.855
119	Tehsil Council Rajanpur	-	-	4.028	-	18.246
120	Tehsil Council Sahiwal	-	6.886	38.299	-	7.377
121	Tehsil Council Vehari	-	-	9.372	20.154	1.317
122	Tehsil Council Yazman	-	-	-	4.194	64.939
123	Town Committee Makuana	-	1.888	-	-	-
	Total	1.020	296.108	1,674,649	411.545	20,747.127

Annexure-F

Status of Previous Audit Reports

Sr. No.	LG	No. of Paras				Status of PAC Meetings
		2018-19	2019-20	2020-21	2022-23	
1	Metropolitan Corporation Bahawalpur	26	16	-	18	PAC meeting was not convened
2	Metropolitan Corporation Dera Ghazi Khan	14	19	-	23	PAC meeting was not convened
3	Metropolitan Corporation Faisalabad	35	30	-	27	PAC meeting was not convened
4	Metropolitan Corporation Multan	47	45	-	10	PAC meeting was not convened
5	Metropolitan Corporation Sahiwal	18	21	-	9	PAC meeting was not convened
6	Municipal Committee Ahmed Pur East	-	18	3	4	PAC meeting was not convened
7	Municipal Committee Alipur	-	19	10	4	PAC meeting was not convened
8	Municipal Committee Arifwala	-	14	18	5	PAC meeting was not convened
9	Municipal Committee Bahawalnagar	-	19	8	6	PAC meeting was not convened
10	Municipal Committee Burewala	-	17	21	6	PAC meeting was not convened
11	Municipal Committee Chak Jhumra	-	14	6	7	PAC meeting was not convened
12	Municipal Committee Chichawatni	-	21	-	8	PAC meeting was not convened
13	Municipal Committee Chiniot	-	10	10	14	PAC meeting was not convened
14	Municipal Committee Chishtian	-	-	-	4	PAC meeting was not convened
15	Municipal Committee Choubara	-	7	7	1	PAC meeting was not convened
16	Municipal Committee Chowk Sarwar Shaheed	-	-	-	5	PAC meeting was not convened
17	Municipal Committee Chowk Azam	-	-	-	3	PAC meeting was not convened
18	Municipal Committee Fazilpur	-	-	-	5	PAC meeting was not convened

Sr. No.	LG	No. of Paras				Status of PAC Meetings
		2018-19	2019-20	2020-21	2022-23	
19	Municipal Committee Fort Abbas	-	9	17	14	PAC meeting was not convened
20	Municipal Committee Gojra	-	14	6	-	PAC meeting was not convened
21	Municipal Committee Haroonabad	-	-	-	4	PAC meeting was not convened
22	Municipal Committee Hasilpur	-	17	10	3	PAC meeting was not convened
23	Municipal Committee Jampur	-	10	8	7	PAC meeting was not convened
24	Municipal Committee Jaranwala	-	14	7	13	PAC meeting was not convened
25	Municipal Committee Jatoi	-	5	13	6	PAC meeting was not convened
26	Municipal Committee Jhang	-	13	10	11	PAC meeting was not convened
27	Municipal Committee Kamalia	-	8	11	11	PAC meeting was not convened
28	Municipal Committee Karor	-	9	9	8	PAC meeting was not convened
29	Municipal Committee Khairpur Tamewali	-	-	-	4	PAC meeting was not convened
30	Municipal Committee Khan Pur	-	-	11	-	PAC meeting was not convened
31	Municipal Committee Khanewal	-	20	29	8	PAC meeting was not convened
32	Municipal Committee Khangarh	-	-	-	6	PAC meeting was not convened
33	Municipal Committee Khanpur	-	20	-	6	PAC meeting was not convened
34	Municipal Committee Kot Addu	-	10	13	4	PAC meeting was not convened
35	Municipal Committee Kot Chutta	-	-	-	4	PAC meeting was not convened
36	Municipal Committee Kot Mithan	-	13	-	6	PAC meeting was not convened
37	Municipal Committee Layyah	-	7	9	1	PAC meeting was not convened

Sr. No.	LG	No. of Paras				Status of PAC Meetings
		2018-19	2019-20	2020-21	2022-23	
38	Municipal Committee Liaquat Pur	-	16	5	5	PAC meeting was not convened
39	Municipal Committee Lodhran	-	21	19	7	PAC meeting was not convened
40	Municipal Committee Mailsi	-	-	20	-	PAC meeting was not convened
41	Municipal Committee Mian Channu	-	9	12	13	PAC meeting was not convened
42	Municipal Committee Minchinabad	-	-	-	3	PAC meeting was not convened
43	Municipal Committee Muzaffargarh	-	-	-	4	PAC meeting was not convened
44	Municipal Committee Pakpattan	-	14	18	8	PAC meeting was not convened
45	Municipal Committee Rahim Yar Khan	-	18	6	4	PAC meeting was not convened
46	Municipal Committee Rajanpur	-	8	12	6	PAC meeting was not convened
47	Municipal Committee Rojhan	-	-	-	8	PAC meeting was not convened
48	Municipal Committee Sadiq Abad	-	26	5	5	PAC meeting was not convened
49	Municipal Committee Sammundri	-	-	13	-	PAC meeting was not convened
50	Municipal Committee Shorkot	-	13	22	9	PAC meeting was not convened
51	Municipal Committee Sinawan	-	-	-	5	PAC meeting was not convened
52	Municipal Committee Tandlianwala	-	-	15	-	PAC meeting was not convened
53	Municipal Committee Taunsa	-	12	7	5	PAC meeting was not convened
54	Municipal Committee Toba Tek Singh	-	17	8	16	PAC meeting was not convened
55	Municipal Committee Vehari	-	22	16	15	PAC meeting was not convened
56	Municipal Committee Yazman	-	19	4	5	PAC meeting was not convened

Sr. No.	LG	No. of Paras				Status of PAC Meetings
		2018-19	2019-20	2020-21	2022-23	
57	District Council Bahawalnagar	31	23	-	7	PAC meeting was not convened
58	District Council Bahawalpur	19	21	-	8	PAC meeting was not convened
59	District Council Chiniot	5	7	-	8	PAC meeting was not convened
60	District Council Dera Ghazi Khan	8	16	-	7	PAC meeting was not convened
61	District Council Faisalabad	18	10	-	10	PAC meeting was not convened
62	District Council Jhang	26	13	-	18	PAC meeting was not convened
63	District Council Khanewal	12	15	-	3	PAC meeting was not convened
64	District Council Layyah	8	13	-	6	PAC meeting was not convened
65	District Council Lodhran	19	14	-	3	PAC meeting was not convened
66	District Council Multan	17	21	-	9	PAC meeting was not convened
67	District Council Muzaffargarh	16	15	-	2	PAC meeting was not convened
68	District Council Pakpattan	13	18	-	5	PAC meeting was not convened
69	District Council Rahim Yar Khan	13	18	-	6	PAC meeting was not convened
70	District Council Sahiwal	25	26	-	6	PAC meeting was not convened
71	District Council Toba Tek Singh	18	17	-	7	PAC meeting was not convened
72	District Council Vehari	17	14	-	5	PAC meeting was not convened
73	Tehsil Council Ahmad Pur East	-	-	-	5	PAC meeting was not convened
74	Tehsil Council Ahmad Pur Sial	-	-	-	8	PAC meeting was not convened
75	Tehsil Council Alipur	-	-	-	7	PAC meeting was not convened

Sr. No.	LG	No. of Paras				Status of PAC Meetings
		2018-19	2019-20	2020-21	2022-23	
76	Tehsil Council Arifwala	-	-	-	5	PAC meeting was not convened
77	Tehsil Council Athara Hazari	-	-	-	5	PAC meeting was not convened
78	Tehsil Council Bahawalnagar	-	-	-	5	PAC meeting was not convened
79	Tehsil Council Bahawalpur	-	-	-	6	PAC meeting was not convened
80	Tehsil Council Bhowana	-	-	-	5	PAC meeting was not convened
81	Tehsil Council Burewala	-	-	-	5	PAC meeting was not convened
82	Tehsil Council Chak Jhumra	-	-	-	9	PAC meeting was not convened
83	Tehsil Council Chichawattni	-	-	-	6	PAC meeting was not convened
84	Tehsil Council Chiniot	-	-	-	6	PAC meeting was not convened
85	Tehsil Council Chishtian	-	-	-	4	PAC meeting was not convened
86	Tehsil Council Chowbara	-	-	-	9	PAC meeting was not convened
87	Tehsil Council Dera Ghazi Khan	-	-	-	6	PAC meeting was not convened
88	Tehsil Council Dunyapur	-	-	-	4	PAC meeting was not convened
89	Tehsil Council Faisalabad	-	-	-	14	PAC meeting was not convened
90	Tehsil Council Fort Abbas	-	-	-	6	PAC meeting was not convened
91	Tehsil Council Gojra	-	-	-	8	PAC meeting was not convened
92	Tehsil Council Haroonabad	-	-	-	4	PAC meeting was not convened
93	Tehsil Council Hasilpur	-	-	-	6	PAC meeting was not convened
94	Tehsil Council Jahanian	-	-	-	4	PAC meeting was not convened

Sr. No.	LG	No. of Paras				Status of PAC Meetings
		2018-19	2019-20	2020-21	2022-23	
95	Tehsil Council Jalalpur Pirwala	-	-	-	6	PAC meeting was not convened
96	Tehsil Council Jampur	-	-	-	6	PAC meeting was not convened
97	Tehsil Council Jaranwala	-	-	-	12	PAC meeting was not convened
98	Tehsil Council Jatoi	-	-	-	8	PAC meeting was not convened
99	Tehsil Council Jhang	-	-	-	11	PAC meeting was not convened
100	Tehsil Council Kabirwala	-	-	-	3	PAC meeting was not convened
101	Tehsil Council Kahrora Pacca	-	-	-	5	PAC meeting was not convened
102	Tehsil Council Kamalia	-	-	-	6	PAC meeting was not convened
103	Tehsil Council Karor	-	-	-	9	PAC meeting was not convened
104	Tehsil Council Khairpur Tamewali	-	-	-	3	PAC meeting was not convened
105	Tehsil Council Khan Pur	-	-	-	6	PAC meeting was not convened
106	Tehsil Council Khanewal	-	-	-	3	PAC meeting was not convened
107	Tehsil Council Kot Addu	-	-	-	11	PAC meeting was not convened
108	Tehsil Council Kot Chutta	-	-	-	7	PAC meeting was not convened
109	Tehsil Council Lalain	-	-	-	7	PAC meeting was not convened
110	Tehsil Council Layyah	-	-	-	6	PAC meeting was not convened
111	Tehsil Council Liaquat Pur	-	-	-	7	PAC meeting was not convened
112	Tehsil Council Lodhran	-	-	-	5	PAC meeting was not convened
113	Tehsil Council Mailsi	-	-	-	7	PAC meeting was not convened

Sr. No.	LG	No. of Paras				Status of PAC Meetings
		2018-19	2019-20	2020-21	2022-23	
114	Tehsil Council Mian Channu	-	-	-	4	PAC meeting was not convened
115	Tehsil Council Minchinabad	-	-	-	4	PAC meeting was not convened
116	Tehsil Council Multan Saddar	-	-	-	3	PAC meeting was not convened
117	Tehsil Council Muzaffargarh	-	-	-	8	PAC meeting was not convened
118	Tehsil Council Pakpattan	-	-	-	2	PAC meeting was not convened
119	Tehsil Council Pir Mahal	-	-	-	11	PAC meeting was not convened
120	Tehsil Council Rahim Yar Khan	-	-	-	4	PAC meeting was not convened
121	Tehsil Council Rajanpur	-	-	-	8	PAC meeting was not convened
122	Tehsil Council Rojhan	-	-	-	4	PAC meeting was not convened
123	Tehsil Council Sadiqabad	-	-	-	5	PAC meeting was not convened
124	Tehsil Council Sahiwal	-	-	-	15	PAC meeting was not convened
125	Tehsil Council Sammundri	-	-	-	8	PAC meeting was not convened
126	Tehsil Council Shorkot	-	-	-	6	PAC meeting was not convened
127	Tehsil Council Shujabad	-	-	-	4	PAC meeting was not convened
128	Tehsil Council Tandlianwala	-	-	-	11	PAC meeting was not convened
129	Tehsil Council Taunsa	-	-	-	5	PAC meeting was not convened
130	Tehsil Council Toba Tek Singh	-	-	-	12	PAC meeting was not convened
131	Tehsil Council Vehari	-	-	-	4	PAC meeting was not convened
132	Tehsil Council Yazman	-	-	-	4	PAC meeting was not convened
	Total	405	895	418	890	

Annexure-1**[Para: 2.4.2]****Irregular and unauthentic expenditure on hiring of vehicles & machinery –
Rs 57.324 million****(Rupees in million)**

Sr. No.	Voucher No.	Bill Date	Location	Rental Item Name	Amount	Observations
1	115 of Aug, 2022	15.06.2022	Sasta Ramzan Bazar, Kaleem Shaheed Park	Excavator	0.302	Neither location / point wise details nor fine ticks were forthcoming from the record
2	161 of Aug, 2022	05.06.2022	Sasta Ramzan Bazar Iron Market	Excavator	0.378	
3	835 of Jan, 2023	Nil	G.M. Abad, Raza Abad, Tariqabad	Tractor, Trolley, Excavator	4.738	
4	538 of Jan, 2023	Nil	Sidhu Pura, Small estate, Sargodha road	Tractor, Trolley, Excavator	4.431	Old pictures were placed with voucher of baker mandi nazim Abad for which separate bill of Rs 22.085 million was drawn.
5	539 of Jan, 2023	Nil	Jhal bridge Bakar Mandi Road, Al-Masoom Town	Tractor, Trolley, Excavator	1.848	Neither location / point wise details nor fine ticks were forthcoming from the record
6	155 of Aug, 2022	20.07.2022	Different Illegal Animal Sale Points	Mazda	0.470	Hiring of Mazda despite availability of own vehicles. Fine tickets were not forthcoming from the record.
7	460 of Jan, 2023	Nil	Different places in	Tractor, Trolley, Excavator	3.785	Picture attached showed leftover malba after construction of

Sr. No.	Voucher No.	Bill Date	Location	Rental Item Name	Amount	Observations
			jurisdiction of MCF			road which was required to be removed by the contractor concerned.
8	394 of Nov, 2022	15.11.2022	Long march roots and jalsa gah narwala chowk.	Tractor, Trolley, Excavator	3.435	Old pictures were placed with voucher of baker mandi nazim Abad for which separate bill of Rs 22.085 million was drawn.
9	395 of Nov, 2022	15.11.2022	Rasala Road, Samundri road	Tractor, Trolley, Excavator	3.257	
10	595 of Dec, 2022	NA	Rajbah road bridge Jhal Khano Ana	Bill not available	3.202	Bill / invoice and supporting record not attached
11	110 of Oct, 2022	04.10.2022	Removal of malba at different places Jaranwala road, Satiana road, te zab mill road	Tractor, Trolley, Excavator	2.988	Picture attached showed leftover malba after construction of road which was required to be removed by the contractor concerned.
12	876 of Dec, 2022	27.12.2022	Christmas 2022	Tractor, Trolley, Excavator	1.459	Picture attached showed leftover malba after construction of road which was required to be removed by the contractor concerned. Moreover, same picture used with voucher No.89 of December, 2022
13	89 of Dec, 2022	15.11.2022	Sheikhupura road, Sargodha road, Daewoo Road	Tractor, Trolley, Excavator	2.576	Same picture used with voucher No.89 of December, 2022

Sr. No.	Voucher No.	Bill Date	Location	Rental Item Name	Amount	Observations
14	247 of Sep, 2022	08.09.2022	Rajba Road near railway line	Tractor, Trolley, Excavator	2.370	Old pictures were placed with voucher of baker mandi nazim Abad for which separate bill of Rs 22.085 million was drawn.
Total					35.239	
Expenditure on hiring of machinery					22.085	
Grand Total					57.324	

Annexure-2**[Para: 2.4.3]****Non-transparent expenditure on sports activities – Rs 20.545 million****(Rupees in million)**

Sr. No.	Voucher No.	Bill Date	Remarks / Description	Amount
1	98 of Dec, 2022	21.11.2022	a) Expenditure amounting to Rs 9.861 million was incurred by declaring urgency without approval of Provincial Cabinet. b) Funds drawn for 21 days claim against 14 scheduled days. c) Each refreshment was charged @ Rs 760 without mentioning details of items included in refreshment package.	11.769
2	100 of Dec, 2022	21.11.2022	a) Funds drawn for five different dates (26 & 27.09.22; 13, 15 & 17.10.2022) falling within the same tenure for which payment of Rs 11.769 million was already made vide voucher No. 98. b) Each refreshment was charged @ Rs 760 without mentioning details of items included in refreshment package.	0.334
3	101 of Dec, 2022	21.11.2022		0.334
4	102 of Dec, 2022	21.11.2022		0.641
5	103 of Dec, 2022	21.11.2022		0.346
7	461 of Jan, 2023	NA	No supporting record justifying genuineness of claim was found enclosed with voucher No.461 amounting to Rs 4.982 million of January, 2023	4.982
6	683 of June, 2023	01.03.2023	a) Sports event was conducted during the period from 28.09.2022 to 11.10.2022 and 24.10.2022 to 06.11.2022 (as per letter issued by DC, Faisalabad) but bill dates were 21.11.2022 & 01.03.2023 and stock entries were managed on 26.11.2022 & 07.03.2023 i.e. long after occurrence of event. Further, led pencil was used while recording stock entry dated 07.03.2023 and that too without signatures of store keeper. b) Each refreshment was charged @ Rs 760 without mentioning details of items included in refreshment package.	2.139
Total				20.545

Annexure-3**[Para: 2.4.5]****Non-recovery of conversion fees – Rs 150.368 million****(Rupees in million)**

Sr. No.	Ref No.	Dated	Description	Area	Amount
1	CUD49	23.05.2023	Commercial Market, Daewoo Road, Fsd	23 K, 2 M	78.586
2	CUD147	26.07.2022	Commercial Shops, Main Bazar Nashatabad	1 M, 6 S	0.169
3	CUD48	23.05.2023	Shop Hall, Canal Road	2 K	8.100
4	CUD12	24.01.2023	Shop, Main Jhang Road	5 M, 5S	1.313
5	CUD40	12.05.2023	Shop Hall, Canal Road	14 M, 204SFT	3.400
6	CUD198	23.11.2022	Shop, Sani Road	2.5 M	0.337
7	CUD195	18.11.2022	Shop, Main Satiana Road	5.5S	0.099
8	CUD159	31.08.2022	Shop, Naimatabad Road	1 M, 7 S	0.217
9	CUD157	26.08.2022	Shop, Sheikpura Road	10 M	3.375
10	CUD151	05.08.2022	Shops, Jaranwala Road	10 M	2.332
11	CUD70	20.06.2023	Shops, Sheikpura Road	2 K	7.128
12	CUD69	19.06.2023	Shops, main susain road	9 M, 15SFT	5.433
13	CUD41	12.05.2023	Shop, lower canal road	6 M, 4S	0.780
14	CUD36	08.05.2023	Middle School, 204 Chak road	4K, 13 M	7.547
15	CUD61	12.06.2023	Commercial Shop, 207 Canal road	13 M, 2 S	3.096
16	CUD62	12.06.2023	Shop Hall, Sheikupura Road	5 M, 2 S	1.058
17	CUD23	24.02.2023	Shops, Jaranwala Road	9M, 3 S	1.131
18	CUD65	14.06.2023	Shop, Kachari Bazar	2M, 255Ft	3.977
19	CUD56	06.06.2023	Shop, Main bazar Nazar Colony	8M	1.080
20	CUD64	14.06.2023	Shop, Susain Road	3M, 174 sft	0.615
21	CUD72	23.06.2023	Shop, Rajba Road	1 M, 144sft	0.186
22	CUD68	16.06.2023	Shop, Rasool Park Road	6K, 17M	14.849
23	CUD63	13.06.2023	School, Rachana Town	2K, 17M, 7S	5.212
24	CUD26	14.03.2023	Shop, Main Katavali road	5M, 42sft	0.348
Total					150.368

Annexure-4

[Para: 2.5.2]

Loss due to payment against sub-standard work – Rs 7.095 million

(Rupees in million)

Adv. Sr. No.	Name of schemes	Estimated cost	Name of contractor	A.A date	TS date	Amount
1	Rehabilitation of Tuff Tiles, Patch Work, Carpeting, Flooring, Sullage Carrier, Drain, Iron Cross, Manhole Covers, etc. Muharrum Rout Imam Bargah Allah Bux Wala, Aiman Abad, Pul Sutri Wat, Farid Abad	1.130	Zulfiqar Bhutta 03006381887	30.06.2022	28-06-2022	0.927
6	Rehabilitation of flooring, tuff tiles, drain, iron cross, manhole covers, etc. Muharrum rout imam bargah eza khana hussini raza colony mukhtar town,abu turab,	0.480	Bhutta Construction 03085792475	30.06.2022	28-06-2022	0.434
8	Rehabilitation of Tuff Tiles, Drain, Iron Cross, Manhole Cover, etc. Imam Bargah Lal Shah Qadeer Abad, Tibi Sher Khan	0.650	Zulfiqar Bhutta 03006381887	30.06.2022	28-06-2022	0.362
14	Rehabilitation of carpeting (Asphalt), patch	1.480	Faisal Arbi 03007301064	30.06.2022	28-06-2022	1.232

Adv. Sr. No.	Name of schemes	Estimated cost	Name of contractor	A.A date	TS date	Amount
	work, flooring, tuff tile, drain & iron cross, etc., Muharrum Route Astana Fiaz Shah Babu Chaki Wali Gali Piran Ghaib Road.					
19	Rehabilitation of carpeting (asphalt), patch work, flooring, tuff tile, etc., Muharrum rout imam barghah azza khana al hussain t block new Multan.	0.315	Muhammad Shafique 03003865069	30.06.2022	28-06-2022	0.300
22	Rehabilitation of Carpeting (Asphalt), Patch Work, Flooring & Tuff Tile, etc., Muharrum Rout Imam Barghah Az Shezada Ali Asghar J Block Sra Colony.	1.170	Abdul Rehman Construction 03008736899	30.06.2022	28-06-2022	0.882
26	Rehabilitation of carpeting (asphalt), patch work, slab, flooring, tuff tile, drain, iron cross, etc., Muharrum rout imam barghah hussain abad, kashi gharain, qazi naseem mohallah	0.800	Abdul Qayyum Enterprises 03156066808	30.06.2022	28-06-2022	0.699

Adv. Sr. No.	Name of schemes	Estimated cost	Name of contractor	A.A date	TS date	Amount
	khokhrain, dolat gate.					
27	Rehabilitation of carpeting (asphalt), patch work, flooring, tuff tile, drain, iron cross, etc. Muharrum rout imam barghah khalasi line.	0.500	Abdul Qayyum Enterprises 03156066808	30.06.2022	28-06-2022	0.076
29	Rehabilitation of carpeting (asphalt), patch work, flooring, tuff tile, etc. Muharrum rout imam barghah, qasr e sakeena, gulshan e zhara, qazeeain sajjadain, betul hazzan, jan mohammad colony.	0.700	Bilal & Friends 03007631701	30.06.2022	28-06-2022	0.661
32	Rehabilitation of carpeting (asphalt), patch work, flooring, tuff tile, drain, iron cross, etc., Muharrum rout imam bargh qasr-e-sajadeya chah mayyer wala.	0.600	Faisal Arbi 03007301064	30.06.2022	28-06-2022	0.525
33	Rehabilitation of carpeting (asphalt), patch work, flooring, tuff tile, drain, iron cross, etc., Muharrum Route	0.400	Muhammad Kamran 03087332714	30.06.2022	28-06-2022	0.311

Adv. Sr. No.	Name of schemes	Estimated cost	Name of contractor	A.A date	TS date	Amount
	Mahar Shamshair Juhly Laal Colony Perain Ghaib Road.					
51	Rehabilitation of Tuff Tiles, Patch Work, Carpeting, Flooring, Sullage Carrier, Drain, Iron Cross, Manhole Covers, etc. Muharrum Route Imam Bargah Total Pura, Pak Mai & Chah Morat Wal, Bibi Pak Damin, Peer Bakhsh Wala, Thalla Ghazi Abbas, Jageer Ali Akbar Al-Jilan Road	0.800	Abdul Rehman Construction 03008736899	30.06.2022	28-06-2022	0.686
Total						7.095

Annexure-5

[Para: 2.11.2]

Inadmissible payment of integrated allowance to sanitary workers - Rs 1.890 million

(Rupees in million)

Sr. No.	Month	Amount
1	July, 2022	0.152
2	August, 2022	0.152
3	September, 2022	0.152
4	October, 2022	0.152
5	November, 2022	0.152
6	December, 2022	0.152
7	January, 2023	0.166
8	February, 2023	0.166
9	March, 2023	0.166
10	April, 2023	0.164
11	May, 2023	0.161
12	June, 2023	0.156
Total		1.890

Annexure-6**[Para: 2.81.1]****Unauthorized execution of works without technically sanctioned estimates –
Rs 148.432 million****(Rupees in million)**

Sr. No.	Name of work	Work Order No.	Date	Total Cost	Work order Amount
1	Construction of Drain, Soling, Nallah, Culverts. PCC Slabs etc. Mouza Kot Nijabat and Thatha Lona Colony Tehsil Bhowana District Chiniot	277	02.12.22	5.000	5.000
2	Construction/Improvement Widening and repair of Roads Tehsil Lalian	240	02.12.22	24.701	24.701
3	Construction of Boundary wall etc. Graveyard Mouza Walla	222	02.12.22	4.995	4.995
4	Improvement of Road Abadi Basra to Jakko Wala Tehsil Lalian District Chiniot	285	09.12.22	3.283	3.283
5	Improvement of Road Lalian Jhang Road Adda Muhammad Wala to Colony Muhammad Wala Tee Tehsil Lalian District Chiniot	247	02.12.22	6.000	6.000
6	Improvement /Widening of Carpet Road from Bhowana Kalari Road via link Abadi Duper KI Rahmoka Thatta to Taja Bair wala	284	09.12.22	44.476	44.476
7	Construction of Drain, Soling, PCC Slab, Nalla and Culverts etc Mouza Dharangar Tehsil Lalian	244	02.12.22	0.997	0.997
8	Construction of Drain, Soling, PCC Slab, Nalla and Culverts etc at Mouza Norangay wala abadi Awan day Jhugay Tehsil Lalian	268	02.12.22	0.997	0.997
9	Construction of Drain, Soling, PCC Slabs, Nalla and Culverts etc Mouza Kalas Tehsil Lalian	213	16.11.22	4.000	4.000
10	Construction of Drain, Soling, PCC Slabs, Nalla and Culverts etc Abadi Jhaglan Wala Tehsil Lalian	264	02.12.22	0.998	0.998
11	Construction of Drain, Soling, PCC Slabs, Nalla and Culverts etc Mouza Tarkhana wala Abadi Kharian Tehsil Lalian	263	02.12.22	1.000	1.000

12	Construction of Drain, Soling, PCC Slabs, Nalla and Culverts etc Mouza Madad Ali (Abid Ali Qasai) Tehsil Lalian	262	02.12.22	1.500	1.500
13	Construction of Drain, Soling, PCC Slabs, Nalla and Culverts etc Abadi Joyian Tehsil Lalian	243	02.12.22	1.499	1.499
14	Construction of Drain, Soling, PCC Slabs, Nalla and Culverts etc Thathi Bala Raja Tehsil Lalian	273	02.12.22	4.997	4.997
15	Construction of Drain, Soling, PCC Slabs, Nalla and Culverts etc chak no.186, chak no.225 and chak no.222 Tehsil Bhowana District Chiniot	276	02.12.22	4.99	4.990
16	Construction of Drain, Soling, PCC Slabs, Nalla and Culverts etc chak no.241 and chak no.211 Tehsil Bhowana District Chiniot	275	02.12.22	6.000	6.000
17	Construction of Drain, Soling, Nallah, Culverts, PCC Slabs, etc chak no.202 and chak no.203 Tehsil Bhowana District Chiniot	274	02.12.22	5.000	5.000
18	Construction of Drain, Soling, PCC Slabs, Nalla and Culverts etc Mouza Kalri and Muhammad Wala Tehsil Lalian District Chiniot	279	02.12.22	6.000	6.000
19	Construction of Drain, Soling, PCC Slabs, Nalla and Culverts etc Mouza Bonga. Tahli Rang Shah and Mangeni Tehsil Bhowana District Chiniot	291	02.12.22	6.000	6.000
20	Construction of Drain, Soling, PCC Slabs, Nalla and Culverts etc Kachri, Dorata, Bhaloka, Sardaray Wala Tehsil Lalian District Chiniot	280	02.12.22	5.000	5.000
21	Construction of Drains, Soling, Nallah, Culverts, PCC Slabs etc Mouza Haji Usman Dalial Wala and Wadhay Shah Tehsil Lalian District Chiniot	231	02.12.22	6.000	6.000
22	Construction of Drain, Soling, PCC Slab, Nalla and Culverts etc Mouza Walia Tehsil Lalian	245	02.12.22	4.999	4.999
Total					148.432

Annexure-7

[Para: 2.83.2]

Non-recovery of conversion and map fees – Rs 39.364 million

(Rupees in million)

Name	Type of Building	Address	Total Area (K-M)	Covered Area (Sft)	Rate/ Marla (Rs)	Total Value	Conversion Fees @ 10%	Map Fees @ Rs 20/ Sft	Scrutiny Fees @ 5% of Map Fees	Total dues
Ghulam Murtaza S/o M. Ishaq	Godown	146 RB, canal road Chak Jhumra	15-17	-	336,048	106.648	10.665	0	0	10.665
Walayat Khan S/o M. Humayun	Commercial Market	215/RB Tehsil Faisalabad Saddar	12-May	-	607,500	149.373	14.937	0	0	14.937
M. Aslam S/o Alam Din	Petrol Pump		02-Apr	-	362,000	15.988	1.599	0	0	1.599
Shahnawaz S/o Shah Muhammad	Private University	200/RB Lower Canal Rak Branch Jaranwala	79-09	-	57,750	91.765	9.176	0	0	9.176
Rameez Haider S/o Ghulam Haider	Marriage Hall	Chak No.192/GB Tehsil Samundri	06-00	18,462	115,500	13.86	1.386	0.369	0.018	1.773
Atiq-ur-Rehman S/o Muhammad Rafi	Petrol Pump	396/GB Tehsil Tandlianwala	02-Nov	-	66,000	5.89	0.59	0	0	0.590
Shokat Ali - Allied Petroleum	Petrol Pump	595/GB Tehsil Tandlianwala	Feb-14	-	66,000	6.237	0.624	0	0	0.624
Total							38.977	369.240	18.462	39.364

Annexure-8

[Para: 2.83.5]

Non-forfeiture of bid security due to non-commencement of works – Rs 2.150 million

(Rupees in million)

Sr. No.	Name of Scheme	Estimated Cost	Agreement Cost	Work Order No. / Date	Time Limit	Status	Amount of Bid Security @ 5 % of T.S.
1	Improvement / rehabilitation / M&R / construction etc. of rural drainage & PCC schemes at Chak No. 217/RB Achkera	2.000	1.995	4 / 20.12.22	up to 31.03.23	Not Started	0.100
2	Construction of rural drainage scheme & PCC Chak No.199/RB Abadi Gatt Wala and Abadi Fakhar Abad	3.000	2.999	5 / 20.12.22	up to 31.03.23	Not Started	0.150
3	Construction of road Jaranwala Faisalabad road Ashfaq Mills to Chak No.113/GB	26.000	25.9780	6 / 20.12.22	up to 20.06.23	Not Started	1.300
4	Construction of soling / drainage at Chak No. 231/GB	3.000	2.997	16 / 20.12.22	up to 31.03.23	Not Started	0.150
5	Construction of soling / drainage at Chak No.229/GB	5.000	5.000	18 / 20.12.22	up to 30.04.23	Not Started	0.250
6	Construction of soling / drainage at Chak No.38/ GB	4.000	3.996	23 / 20.12.22	up to 31.03.23	Not Started	0.200
Total		43.000	42.965				2.150

Annexure-9**[Para: 2.84.4]****Non-obtaining of additional performance security – Rs 4.925 million****(Rupees in million)**

Sr. No.	Name of Scheme	Estimated Cost	% age below TSE	Agreement Cost	APS Amount
1	Construction of link road Chak No 3/3 L Kundal Khokharan to Abadi Imran Bosan	9.050	24.00%	6.878	0.905
2	Construction of soling, resoling, drain, sullage carrier, culverts etc Chak No. 215 JB.216 JB,218 JB and adjoining abadis	1.200	27.00%	0.876	0.120
3	Construction of soling, drain, sullage carrier, culverts, PCC slab etc. Mouza Peer Court Sadhana and Adjoining Abadis	1.500	24.00%	1.14	0.150
4	Construction of soling, drain, sullage carrier, culverts, PCC slab etc Mouza Malhoana and adjoining Abadis	1.500	27.07%	1.094	0.150
5	Rehabilitation of road from Khui adda to Nalka morr	14.990	32.21%	10.162	1.499
6	Rehabilitation of road from Nalka morr to Chak No 462 JB towards pul Dholar Canal	10.020	32.18%	6.796	1.002
7	Construction/ Rehabilitation of pull Rajbah Mouza Jalalpur, Mouza abadi Khadal wala. Mouza Malla	4.350	25.91%	3.223	0.435
8	Construction of road from Dera Nawaz Chaddar to Mouza Samandoana	6.637	28.30%	4.759	0.664
Total		49.247		34.928	4.925

Annexure-10**[Para: 2.85.1]****Misappropriation of copy fees – Rs 1.020 million****(Rupees in million)**

Particulars	2022-23	2021-22	2021-22	2021-22	Total
Period	01.07.22- 30.06.23	28.01.22- 08.06.22	18.10.21- 27.01.22	01.07.21- 17.10.21	2021-23
Total NADRA Share paid as per annual accounts	0.019	0.293	0.005	0.273	0.590
Rate of NADRA share per certificate	75	75	75	75	75
Total certificates issued as per Annual Accounts	0.0003	0.0039	0.00006	0.004	0.008
Rate of copy fees per certificate	200	200	200	200	200
Amount Collected @ Rs 200 each	0.052	0.782	0.012	0.727	1.573
Amount deposited (as per books of accounts)	0.003	0.174	0.002	0.374	0.553
Balance not deposited / Misappropriated	0.048	0.609	0.010	0.353	1.020

Non-provision of water supply in different areas

According to Rule 5 (1), Schedule-I of Punjab Local Governments (Conduct of Business) Rules, 2017 read with Section 30 & 31 (1) (p)(i) of Punjab Local Government Act 2022, “Metropolitan Officer Infrastructure is responsible to provide, manage, operate, maintain and improve the municipal infrastructure including water supply and control and development of water sources.”

During thematic audit of MC Bahawalpur for the FY 2022-23, it was observed that Chief Officer failed to supply clean drinking water through piped water supply schemes and has downfall during Financial Year 2022-23. Out of total connections, 2,049 (37%) connections were dead and 1,031 (18%) connections were discontinued due to non-payment or personal request of residents at the end of Financial Year 2022-23. Further, out of 21 UCs under jurisdiction of MC Bahawalpur, water supply was provided in just 7 UCs (partially). Detail is as under:

Sr. No.	Name of Water Supply Scheme	UC No.	Water Storage capacity of Tanki	Motor for Tanki filling during	Staff deployed on motor of Tanki	Staff deployed on motor of Tanki	No. of Connections during 2022-23			Dead Connections	Disconnected connections
							Domestic	Commercial	Total		
1	Tibba Badar Sher	7	2 No. GST 0.525 MG	8 Nos.	5 Nos.	494,541	700	2	702	800	
2	Chak No. 09/BC	8					830	9	839	1,149	
3	Rehmat colony	18	Direct Pumping	4 Nos.	2 Nos.	620,031	180	2	182		270
4	Model Town "C"	16	Old/repared	1 No. OHR 40000 Glns	2 Nos.	763,372	240	1	241		235
5	Bahawal Colony	4	1 No. OHR 10000 Glns	2 Nos.	2 Nos.		125	0	125		240
6	Islam Purah	14	Direct Pumping	1 Nos.	2 Nos.	130,530	100	2	102		120
7	Satellite Town	9	2 No. GST 0.525 MG	12 Nos.	4 Nos.	397,597	50	2	52	100	
8	Maqbool Colony	8	1 No. OHR 50000 Glns	1 Nos.	3 Nos.	997,779	250	2	252		166
Total							2,475	20	2,495	2,049	1,031

Due to weak administrative controls and poor service delivery, connections of water supply were reduced which resulted in depriving the community from provision of clean drinking water through piped supply.

The matter was reported to PAO in October, 2023. CO replied that water supply was being supplied according to the available resources. Due to insufficient funds and manpower this issue was persistent. Further, schemes were handed over by different departments. Reply was not tenable as water supply was not provided in all UCs. Further, record was not produced for verification.

DAC in its meeting held on 11.12.2023 directed the Chief Officer to produce the relevant record besides initiating action against the responsible (s). No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC directives.

[AIR 2022-23 Para No.37]

Non-provision of clean drinking water through water filtration plants

According to Rule 5 (1), Schedule-I of Punjab Local Governments (Conduct of Business) Rules, 2017 read with Section 30 & 31 (1) (p)(i) of Punjab Local Government Act 2022, “Metropolitan Officer Infrastructure is responsible to provide, manage, operate, maintain and improve the municipal infrastructure including water supply and control and development of water sources.”

During thematic audit of MC Bahawalpur for the FY 2022-23, it was observed that Chief Officer provided facility of clean drinking water through filtration plants partially in UCs on need assessment basis under jurisdiction of MC Bahawalpur. Further, analysis revealed that in six UCs (UC No. 3,6,10,15,20 & 21), no water filtration plant was installed whereas only 25 filtration plants have been installed in 15 UCs out of 21 UCs under the jurisdiction of MC Bahawalpur. Moreover, out of 25 filtration plants, 02 filtration plants remained non-functional during Financial Year 2022-23. Furthermore, no frequent water testing was conducted to ensure the continuity of supply of quality drinking water to the general public. CO was least concerned with the quality service delivery and paying lip service to the general public at large. The detail of the installed water filtration plants is given below:

Sr. No.	UCs under the jurisdiction of MC	List of Water Filtration Plant Metropolitan Corporation Bahawalpur 2022-23							
		Locality of WFP	Category	Status	Time schedule	No. of official deployed	What type of duty of official	Filters change period	Expenditure during the year
1	4	Model Bazar	RO	Functional	6am to 10pm	2 Nos	As Operator	Every Month	
2	16	Model Town C	RO	Functional	6am to 10pm	2 Nos	As Operator	Every Month	
3	11	Islami Colony	RO	Functional	6am to 10pm	2 Nos	As Operator	Every Month	
4	9	Satellite Town	RO	Functional	6am to 10pm	2 Nos	As Operator	Every Month	
5	4	Model Bazar 2	UF	Functional	6am to 10pm	1 Nos	As Operator	N/A	
6	16	Model Town C 2	UF	Functional	6am to 10pm	1 Nos	As Operator	N/A	196,960
7	14	Islam Pura	UF	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	

Sr. No.	UCs under the jurisdiction of MC	List of Water Filtration Plant Metropolitan Corporation Bahawalpur 2022-23							
		Locality of WFP	Category	Status	Time schedule	No. of official deployed	What type of duty of official	Filters change period	Expenditure during the year
8	17	Well Come chowk	UF	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	
9	1	Goth Gani	UF	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	174,930
10	15	Bohor Gate	UF	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	
11	2	Bindra Puli	UF	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	
12	5	Diwan Wali Puli	UF	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	
13	8	Muhajir Colony	UF	Non-Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	Theft of Motors and FIR lodged
14	8	Maqbool Colony	UF	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	
15	11	Islami Colony	UF	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	
16	4	University Chock	UF	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	43,013
17	19	Bhatta jaat	UF	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	186,689
18	9	Satellite Town 2	UF	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	
19	11	Thana Bagdad	UF	Non-Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	Theft of Motors and FIR lodged
20	13	Dar ul Kabab	UF	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	40,535
21	18	Habib Colony	UF	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	N/A	620,031
22	7	Tibba bader sher	RO	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	Every Month	
23	17	Shadhra	RO	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	Every Month	
24	14	Bazar Phatay wali gali	RO	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	Every Month	
25	19	Bhatta No.1	RO	Functional	8am to 12pm & 4pm to 8pm	1 Nos	As Operator	Every Month	60,890

Due to weak administrative controls, filtration plants were established irrationally in selected areas for provision of clean drinking water which resulted in depriving the community from provision of clean drinking water.

The matter was reported to PAO in October, 2023. DDO replied that 25 filtration plants were installed under its direct purview. These filtration plants were

established by the Local Government and Public Health Engineering Department Bahawalpur. MC Bahawalpur did not possess unilateral authority to independently install water filtration plants. The installation of such facilities necessitates government approval and authorization. Decisions regarding establishment of water filtration plants were contingent upon government protocols, regulations, and requisite approvals of governing body. Further, repair and maintenance was continuously done as per requirement. Moreover, water testing was also carried out after specific intervals. Reply was not tenable as rational / basis for establishment as well as non establishment of water filtration plants was not provided. Further, water testing reports were also not produced during record verification.

DAC in its meeting held on 11.12.2023 directed the Chief Officer to produce the relevant record besides initiating action against the responsible (s). No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC directives.

[AIR 2022-23 Para No.38]

Non-testing of Drinking Water at the household level

According to Rule 5 (1), Schedule-I of Punjab Local Governments (Conduct of Business) Rules, 2017 read with Section 30 & 31 (1) (p)(i) of Punjab Local Government Act 2022, “Metropolitan Officer Infrastructure is responsible to provide, manage, operate, maintain and improve the municipal infrastructure including water supply and control and development of water sources.”

During thematic audit of MC Bahawalpur for the FY 2022-23, it was observed that Chief Officer failed to prepare and implement the comprehensive program for the periodic testing of drinking water quality at household level. Furthermore, during discussion, the in-charge water supply scheme informed that they conducted periodic test of water at water works but quality test reports at water works level were not produced. This lack of regular testing of drinking water at the household level as well as water works levels means that the quality and safety of drinking water supplied were not consistently monitored or assessed and without regular testing, potential contaminants or water quality issues might go undetected, posing health risks to end users.

Due to weak internal controls and poor service delivery, quality and safety of drinking water supplied to individual households was not consistently monitored and assessed which could result in posing serious health risks to the general public.

The matter was reported to PAO in October, 2023. DDO replied that household-level testing was not conducted due to consistent quality assured by our provider and broader community-level testing. The department admitted the irregularity. Water tests of water supply schemes were got conducted from Water Testing Laboratory Bahawalpur by the Audit randomly. Results of the tests depicted that water was chemically and bacteriologically unfit for drinking.

DAC in its meeting held on 11.12.2023 directed the Chief Officer to produce the relevant record besides initiating action against the responsible (s). No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC directives.

[AIR 2022-23 Para No.39]

Lack of planning for improvement in infrastructure and provision of municipal services

According to Rule 5 (1), Schedule-I of Punjab Local Governments (Conduct of Business) Rules, 2017 read with Section 30 & 31 (1) (p)(i) of Punjab Local Government Act 2022, “Metropolitan Officer Infrastructure is responsible to provide, manage, operate, maintain and improve the municipal infrastructure including water supply and control and development of water sources.”

During thematic audit of MC Bahawalpur for the FY 2022-23, it was observed that no mega project was launched for provision of clean drinking water facility to the public under jurisdiction of MC Bahawalpur. Further, Metropolitan Officer (Services) did not set targets and KPIs regarding water supply to the residents of MC Bahawalpur.

Due to weak internal controls, plans for better infrastructure, targets and KPIs for provision of clean drinking water to the general public were not formulated which resulted in non-provision of facility of clean drinking water to all the residents of Bahawalpur City.

The matter was reported to PAO in October, 2023. CO replied that MC could not initiated mega project on its own behalf. Mega projects could be started on the directions of the Government. However, water supply schemes were functional and majority of general public was utilizing drinking water facility. Reply was not tenable as number of water supply connections were reducing gradually which depicted poor quality service.

DAC in its meeting held on 11.12.2023 directed the Chief Officer to produce the relevant record besides initiating action against the responsible (s). No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC directives.

[AIR 2022-23 Para No.40]

Non-maintenance of historical record – Rs 10.713 million

According to Rule 27(3) of Punjab Local Governments (Accounts) Rules 2017, “In incurring and authorizing expenditure, the principals of financial propriety as prescribed in Rule 2.10 of Punjab Financial Rules shall be observed and the sanctioning authority shall exercise the same vigilance in the expenditure from the local fund as a person of ordinary prudence may exercise in respect of his own money.”

During thematic audit of MC Bahawalpur for the FY 2022-23, it was observed that Chief Officer incurred expenditure of Rs 10.713 million on purchase of filters & chlorination, repair of filtration plants and repair of water supply lines. Expenditure was incurred without maintaining history sheets, reports containing mandatory information such as dates, descriptions of work performed, associated costs and condition of infrastructure before and after maintenance. The detail is as under:

(Rupees in million)		
Sr. No.	Description	Amount
1	Purchase of filters and chlorination	0.568
2	Repair of Water Filtration Plants	1.556
3	Repair of Water Supply Lines	8.589
Total		10.713

Due to weak internal controls, historical data regarding repair and maintenance of water filtration plants and water supply lines was not maintained which resulted in unauthentic expenditure.

The matter was reported to PAO in October, 2023. CO replied that filters were changed and repair and maintenance was carried out on need basis after observing all codal formalities and maintaining proper record. Reply was not tenable as no record was produced for verification.

DAC in its meeting held on 11.12.2023 directed the Chief Officer to produce the relevant record besides initiating action against the responsible (s). No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC directives.

[AIR 2022-23 Para No.41, 43]

Loss due to theft of electricity and motors of filtration plants – Rs 625,159

According to Rule 24 (1) of Punjab Local Governments (Conduct of Business) Rules 2017, “In case of any financial loss duly verified by the Audit Authority, the concerned mayor or chairman or employee of the local government shall reimburse the amount of loss within such time as the government may, by order, prescribe.” Further, according to Rule 48(4) of Punjab Local Governments (Accounts) Rules, 2017, “Any loss to public exchequer shall be recovered from the person responsible or be written off or waived in accordance with law.”

During thematic audit of MC Bahawalpur for the FY 2022-23, it was observed that CO did not take action regarding theft of electricity of water filtration plant Thana Baghdad which was used by an employee of corporation but payment of Rs 93,868 was made by MC for the period July, 2022 to March, 2023. Afterwards, electricity bill for the month of May, 2023 was paid by the concerned official. Further, bill amounting to Rs 137,171 was pending for payment. Moreover, motors of filtration plant of Thana Baghdad and Muhajir Colony amounting to Rs 394,120 were theft but no FIRs were lodged by the management. Metropolitan Officer (Finance) conducted inquiry and fixed responsibility but no action was taken against the responsible.

Due to weak internal controls, electricity and motors of filtration plants were theft which resulted in loss.

The matter was reported to PAO in October, 2023. CO replied that due to shortage of manpower, staff was performing extra duties in double shifts. Theft of motor was reported to police and FIRs were also lodged. However, in order to ensure provision of water to the general public, new motors were installed at relevant water works. Reply was tenable as electricity was misused and motors were theft but loss was not recovered from the concerned.

DAC in its meeting held on 11.12.2023 directed the Deputy Director (LG&CD) Bahawalpur to inquire the matter and submit report within a month. No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC directives.

[AIR 2022-23 Para No.42]

Non-recovery of water rates – Rs 9.634 million

According to Rule 47 of Punjab Local Governments (Budget) Rules 2017, “The collection officer shall ensure that all revenue due is claimed, realized and credited immediately in Local Government Account and entered in the proper receipt head.” Further, according to Rule 7 (d) of Punjab Local Governments (Budget) Rules 2017, “The collecting officer is responsible to ensure timely recoveries against each demand.”

During thematic audit of MC Bahawalpur for the FY 2022-23, it was observed that Chief Officer failed to recover an amount of Rs 9.634 million on account of water rates. Against targeted receipts of Rs 12.589 million only Rs 2.955 million was recovered (23%) depicting poor performance of collection staff.

Due to weak internal and monitoring controls, water rates were less recovered which resulted in loss.

The matter was reported to PAO in October, 2023. CO replied that facility of free water filtration plants was provided by the Government throughout the city, therefore, general public was least interested to take connections of water supply from MC Bahawalpur. Reply was not tenable being irrelevant.

DAC in its meeting held on 11.12.2023 directed the Chief Officer to produce the relevant record besides initiating action against the responsible (s). No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC directives.

[AIR 2022-23 Para No.44]

Poor service delivery due to non-utilization of funds – Rs 2.900 million

According to Rules 3(e) of Punjab Local Governments (Budget) Rules 2017, “The Mayor or Chairman is responsible to recommend strategies, programs and services to address prioritized needs and determine the best to implement those strategies, programs and services for the maximum benefit of the local community.” Further, according to Rule 4(f) of Punjab Local Governments (Budget) Rules 2017, “The chief officer shall monitor the receipts and expenditure of the local government to be carried out in accordance with the approved budget and the rules.”

During thematic audit of MC Bahawalpur for the FY 2022-23, it was observed that funds amounting to Rs 31.150 million were allocated for repair of water filtration plants and machinery & equipment. Out of which Rs 28.250 million was utilized leaving a balance of Rs 2.900 million. Point of concern was that two filtration plants remained non-functional despite availability of sufficient funds in the subject heads of accounts.

Due to weak internal and financial control, funds allocated were not utilized properly resulting in deprivation of general public from facility of clean drinking water through water filtration plants.

The matter was reported to PAO in October, 2023. CO replied that unutilized funds were earmarked for repair and maintenance and recognized the importance of allocating funds. Water Filtration Plants were repaired through frame work. Reply was not tenable as two filtration plants remained non-functional during financial year due to theft of motors.

DAC in its meeting held on 11.12.2023 directed the Chief Officer to produce the relevant record besides initiating action against the responsible (s). No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC directives.

[AIR 2022-23 Para No.45]

Non-conduction of fresh survey of water connections

According to Section 203 of Punjab Local Government Act 2022, Sixth Schedule Sr. No. 69 of general powers of the local governments, “The concerned local government shall provide or cause to be provided to its local area a supply of wholesome water sufficient for public and private purposes and where a piped water supply is provided, the concerned local government shall supply water to private and public premises in such manner and on payment of such charges as the bye laws may provide.”

During thematic audit of MC Bahawalpur for the FY 2022-23, it was observed that fresh survey according to revised notification of taxes / fees was not conducted. Area wise survey was required to be conducted to assess the water rates of residential and commercial connections. Fresh survey would result in boosting revenue of the MC as population of the city has increased manifold. Failure to verify and disconnect fake or unauthorized connections might result in substantial loss. Further, E-billing system for collection of water rates was also not introduced and the same was being collected manually which might result in misappropriation.

Due to weak internal controls, fresh survey regarding water connections was not conducted which resulted in substantial loss to MC.

The matter was reported to PAO in October, 2023. CO replied that facility of free water filtration plants was provided by the Government throughout the city, therefore, general public was least interested to take connections of water supply from MC Bahawalpur. Further, computerized Billing was started and collection was made through Bank and fresh survey was under process. Reply was not tenable being irrelevant. Further, proof of e-billing was also not produced during record verification.

DAC in its meeting held on 11.12.2023 directed the Chief Officer to produce the relevant record besides initiating action against the responsible (s). No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC directives.

[AIR 2022-23 Para No.46]

Contamination of drinking water with sewerage water

According to Section 30 & 31 (1) (p) (i) (ii) (Chapter VII) of Punjab Local Government Act, 2022, “Metropolitan Corporation, Municipal Corporation and Municipal Committee is responsible to provide, manage, operate, maintain and improve the municipal infrastructure including water supply and control and development of water sources, sewage and sewage treatment and disposal.”

During thematic audit of MC Bahawalpur for the FY 2022-23, it was observed from study report of MC Bahawalpur that more than 451,712 Rft water lines were non-functional in city. All pipes were of UPVC material, which have high risk of damage during road construction, increased live loads and repair/maintenance damages. Most of the water supply pipelines have completed their life cycle and need to be replaced. The authority had been neglecting the core area of its function despite huge expenditures incurred on repair and maintenance of infrastructure / machinery every year. Further, audit arranged water from houses of each water supply scheme and get it checked from laboratory. The water reports depicted that water is chemically and bacteriological unfit for drinking.

Due to weak internal controls and poor service delivery, contaminated water was provided to the residents through water supply lines which resulted in provision of chemically and bacteriological unfit drinking water to the general public of Bahawalpur City.

The matter was reported to PAO in October, 2023. CO replied that department was very conscious to provide healthy drinking water to the General Public. In case any complaint received regarding mixing of sewerage water in drinking water immediately action was taken to rectify and repair the water supply line. Reply was not tenable as steps for replacement of non- functional / damaged water supply lines for provision of clean drinking water to the general public were not taken.

DAC in its meeting held on 11.12.2023 directed the Chief Officer to produce the relevant record besides initiating action against the responsible (s). No progress was intimated till finalization of this Report.

Audit recommends early compliance of DAC directives.

[AIR 2022-23 Para No.47]

Non-testing of drinking water at the household level

According to Rule 5 (1), Schedule-I of Punjab Local Governments (Conduct of Business) Rules, 2017 read with Section 30 & 31 (1) (p)(i) of Punjab Local Government Act 2022, “Metropolitan Officer Infrastructure is responsible to provide, manage, operate, maintain and improve the municipal infrastructure including water supply and control and development of water sources.”

During thematic audit of MC DG Khan for the FY 2022-23, it was observed that CO did not prepare and implement the comprehensive program for the periodic testing of drinking water quality at household level. Furthermore, during discussion, the in-charges water supply schemes informed that they conducted the periodic test of water at water works but no any quality test report at water works level was produced. This lack of regular testing of drinking water at the household level as well as water works levels means that the quality of drinking water supplied to individual households (18,676 houses) and population 130,732 (18,676x7) were not consistently monitored or assessed.

Due to weak internal controls, the quality of drinking water supplied to individual households were not consistently monitored and assessed which resulted in potentially endangering public health with waterborne disease outbreaks.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened despite requests made by Audit vide letters No. RDA/DGK/CD-1184 dated 13.10.2023, followed by subsequent reminders No.1285 dated 17.11.2023 and No.1353 dated 22.12.2023.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides developing clear testing protocols and standards for monitoring key parameters such as microbiological, chemical and physical characteristics of drinking water.

[AIR 2022-23 Para No.1]

Obsolete infrastructure causing contamination of drinking water with sewerage water

According to Chapter VII, Section 21 (1), (f) of Punjab Local Government Act 2022, “Metropolitan Corporation develop integrated system of water reservoirs, water sources, water supply and treatment plants, drainage including storm water drainage, liquid and solid waste collection, disposal and treatment including landfill site and recycling plants, sanitation and other municipal services.”

During thematic audit of MC DG Khan for the FY 2022-23, it was observed that the water pump operators and supervisors of water supply reported that most of the water supply pipelines, near about 17,500 Rft (7,500'+10,000') were out of order. Further, audit conducted a survey by developing a questionnaire for the end user of water supply and the questionnaire was given to 76 randomly selected blocks / areas to record their feedback. The end users informed that the quality of water supply by Metropolitan Corporation was very low and not useable for drinking. Some users informed that the Water supplied through Pipelines was being contaminated with the sewerage water. Furthermore, in some area the supply of water remained discontinued due to obsolete / non-repairable infrastructure.

Due to weak internal controls and negligence of the management, the infrastructures were not replaced and improve which resulted in putting the public health at risk.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides to conduct a comprehensive assessment of the existing infrastructure to identify areas of weakness and develop a capital improvement plan for replacements of infrastructure components.

[AIR 2022-23 Para No.9]

Unassured continuity of water supply without alternative power back-up

According to Chapter VII, Section 21(1), (f) and third schedule (s) of Punjab Local Govt. Act 2022, “A Metropolitan Corporation, and a District Council shall develop integrated system of water reservoirs, water sources, water supply and treatment plants, drainage including storm water drainage, liquid and solid waste collection, disposal and treatment including landfill site and recycling plants, sanitation and other municipal services.”

During thematic audit of MC DG Khan for the FY 2022-23, it was observed total 33 number (Tube well) water supply schemes were providing pipe line water supply with a daily capacity of 115 lac gallon. But only 05 No. (Functional) of water supply tube wells provided the alternative power facility i.e. generator. However, the same were also not in functional position. Non-provision of alternate power facility to all 33 No. of water supply schemes having capacity of 115 lac gallons were unable to provide uninterrupted water supply to the community or service area.

The lack of continuous water supply due to the absence of a backup power source had affected the daily lives of the public and deprived from essential services.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit till finalization of this Report.

Audit recommends inquiry and fixing of responsibility against the person(s) at fault besides allocating the necessary resources to procure, install, and maintain the backup power source.

[AIR 2022-23 Para No.3]

Non-conduction of fresh survey of water connections

According to Section 69 (1) & (2) of Punjab Local Govt. Act 2022, “The concerned local government shall provide or cause to be provided to its local area a supply of wholesome water sufficient for public and private purposes and where a piped water supply is provided, the concerned local government shall supply water to private and public premises in such manner and on payment of such charges as the byelaws may provide.”

During thematic audit of MC DG Khan for the FY 2022-23, it was observed from a survey conducted for selected commercial water connections that out of 137 water connections, 55 connections entered in demand & collection register were not actually available at site. It showed that Metropolitan Corporation lacked accurate data regarding the number of actual water connections. Furthermore, sabzi Mondi of near bridge Piaray wali was shifted to Multan Road and actual water connections were not available at sit but in the demand and collection register the said connection was still mentioned as functional. The integrity and reliability of the Metropolitan Corporation water connection data was not authentic.

Due to weak internal controls, no any survey / verification was conducted to ascertain the accurate /actual water rates connection and the connection not found at site was not disconnected on the report of water rates staff

Non-disconnection of fake or unauthorized connections could suggest a lack of internal controls and accountability within the organization.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides maintenance of authentic record of water connections.

[AIR 2022-23 Para No.6]

Non-enhancement of water supply facility for MC community

According to Section 69 (1) & (2) of Punjab Local Govt. Act 2022, “The concerned local government shall provide or cause to be provided to its local area a supply of wholesome water sufficient for public and private purposes and where a piped water supply is provided, the concerned local government shall supply water to private and public premises in such manner and on payment of such charges as the byelaws may provide.”

During thematic audit of MC DG Khan for the FY 2022-23, it was observed that 18,676 household water connections were provided. As per Censes 2017, total population of the Metropolitan area DG Khan was 397,362 with 52,872 housing units i.e 7.516 persons per house. The remaining 34,196 (52,872-18,676) households with a population of 257,002 were deprived off the fundamental necessity of clean drinking water.

Due to negligence of the MC authorities, the clean drinking water was not provided to major population i.e. 64.677% of the city.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit till finalization of this Report.

Audit recommends to take immediate steps to cope with the essential water need of the neglected population.

[AIR 2022-23 Para No.7]

Non-establishment of complaints and resolution cell for water supply scheme

According to Section 69 (1) & (2) of Punjab Local Govt. Act 2022, “The concerned local government shall provide or cause to be provided to its local area a supply of wholesome water sufficient for public and private purposes and where a piped water supply is provided, the concerned local government shall supply water to private and public premises in such manner and on payment of such charges as the byelaws may provide.”

During thematic audit of MC DG Khan for the FY 2022-23, it was observed that 1,731 complaints were received during 2022-23 for leakage of pipelines, mixing of sewerage water and non-supply of water. The same were entered in simple complaint register but no further status or measure taken against said complaint for resolving the said complaints was available. It showed that there was no dedicated complaints cell or structured process in place to receive, document, investigate, and resolve complaints related to the organization's operations, in this case, likely water supply.

Without a systematic complaint cell, the MC management could not evaluate its efforts to resolve the issues reported by the end users.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit till finalization of this Report.

Audit recommends inquiry and fixing the responsibility against the person(s) at fault besides establishing a dedicated complaints cell responsible for receiving, documenting, develop clear and transparent procedures for handling complaints.

[AIR 2022-23 Para No.8]

Loss due to less recovery of water rates – Rs 789.196 million

According to Part-XI of Receipts Management Rule-47 of Punjab Local Governments (Budget) Rules 2017, “The collection officer shall ensure that all revenue due is claimed, realized and credited immediately in Local Government Account and entered in the proper receipt head.”

During thematic audit of MC DG Khan for the FY 2022-23, it was observed that water rates income amounting to Rs 789.196 million remained uncollected. The financial mismanagement was a major component for providing un-sufficient resources for the operation of water supply schemes.

Due to weak financial management, huge amount of water rates remained un-recovered which affected the stability of the water supply services.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides implementing an effective billing and recovery system.

[AIR 2022-23 Para No.4]

Lack of historical documentation for water supply schemes against maintenance expenditure - Rs 3.577 million

According to Rule 13(2) of the Punjab Local Government (Accounts) Rules 2017, “The head of office shall be responsible for quality, quantity, rates and specifications and standards of the goods, services and works procured.”

During thematic audit of MC DG Khan for the FY 2022-23, it was observed that despite a wide network of 26 water supply (Functional) schemes in the city area of DG Khan and a substantial amount of Rs 3.577 million was spent for repair and maintenance activities, but history sheet, records reports, include information such as dates, descriptions of work performed, associated costs and the condition of infrastructure before and after maintenance, were not available to track or validate the utilization of these funds.

This lack of historical documentation raises significant concerns about the transparency, accountability, and accuracy of expenditures related to repair and maintenance.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit till finalization of this Report.

Audit recommend fixing the responsibility against the person(s) at fault besides maintenance necessary record.

[AIR 2022-23 Para No.2]

**Non-utilization of repair & maintenance funds of water supply schemes-
Rs 1.423 million**

According to Section 69 (1) & (2) of Punjab Local Govt. Act 2022, “The concerned local government shall provide or cause to be provided to its local area a supply of wholesome water sufficient for public and private purposes and where a piped water supply is provided, the concerned local government shall supply water to private and public premises in such manner and on payment of such charges as the byelaws may provide.”

During thematic audit of MC DG Khan for the FY 2022-23, it was observed that allocated funds amounting to Rs 1.423 million were not utilized for their intended purpose, which was likely the repair and maintenance of water supply pipelines. The non-utilization of funds for pipeline repair implies that essential infrastructure maintenance was being neglected and 09 tube wells (non-functional) linked feeding area was missing the said drinking water essential facility after lapse of 6 months to 10 years.

Due to weak internal and financial controls, the funds allocated for repair and maintenance of water supply scheme remain unutilized which resulted in hardships to the end users.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit till finalization of this Report.

Audit recommends inquiry and fixing responsibility against the person(s) at fault besides utilization of funds in the needed areas without further negligence.

[AIR 2022-23 Para No.5]

Non-provision of filtration plants

According to Rule 5 (1), Schedule-I of Punjab Local Governments (Conduct of Business) Rules, 2017 read with Section 30 & 31 (1) (p)(i) of Punjab Local Government Act 2022, “Metropolitan Officer Infrastructure is responsible to provide, manage, operate, maintain and improve the municipal infrastructure including water supply and control and development of water sources.”

During thematic audit of MC DG Khan for the FY 2022-23, it was observed that MC DG Khan did not install water filtration plants to provide drinking water facility in municipality area. The residents of the city area were depending on 34 water filtrations plants managed by the private sector for provision of clean water to general public on free of cost basis. The MC did not conduct regular inspections or oversight of private water sources to ensure compliance with safety and quality standards.

The MC DG Khan did not provide the water through water filtration plants, as well as the quality of water provided by the private sector was also not regulated.

The matter was reported to PAO in October, 2023 but management did not reply.

DAC meeting was not convened despite repeated requests made by Audit till finalization of this Report.

Audit recommends to establish water filtrations plants at the needy areas as well as inspection and regulating the private sectors’ water filtration plants.

[AIR 2022-23 Para No.10]