



**AUDIT REPORT
ON
THE ACCOUNTS OF
MUNICIPAL COMMITTEES
OF PUNJAB (SOUTH)**

AUDIT YEAR 2019-20

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

AA	Administrative Approval
ACL	Audit Command Language
ADP	Annual Development Programme
AIR	Audit and Inspection Report
APS	Additional Performance Security
APS	Ahmad Pur Sial
B&R	Building and Road
BWN	Bhowana
C&W	Communication and Works
CCTV	Close Circuit Television
CDGF	City District Government Faisalabad
CDR	Call Deposit Receipt
CEO	Chief Executive Officer
Cft	Cubic Feet
CNR	Chenab Nagar
CJH	Chak Jhumra
CO	Chief Officer
CSR	Composite Schedule Rates
DAC	Departmental Accounts Committee
DDO	Drawing and Disbursing Officer
DGA	Director General Audit
DJKT	Dijkot
DO	District Officer
DO (I&S)	District Officer (Infrastructure & Services)
DO (P)	District Officer (Planning)
FWMC	Faisalabad Waste Management Company
GCU	Government College University
GMR	Garh Maharaja
GST	General Sales Tax
HQ	Headquarters
INTOSAI	International Organization of Supreme Auditing Institutions
IPSAS	International Public Sector Accounting Standard
JMF	Job Mix Formula
JHG	Jhang

JWL	Jaranwala
KAM	Kamalia
KRW	Khurrianwala
LED	Light Emitting Diodes
LG&CD	Local Government & Community Development
L-Section	Longitude Section
MB	Measurement Book
MCF	Municipal Corporation Faisalabad
MFDAC	Memorandum for Departmental Accounts
MKJ	Mamukanjan
MO	Municipal Officer
MO (I&S)	Municipal Officer (Infrastructure & Services)
MO (P)	Municipal Officer (Planning)
MoU	Memorandum of Understanding
MRS	Market Rate System
NAM	New Accounting Model
NIT	Notice Inviting Tenders
NSL	Natural Surface Level
OGRA	Oil and Gas Regulatory Authority
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PCC	Plain Cement Concrete
PEC	Pakistan Engineering Council
PED	Pakistan Engineering Department
PEEDA	Punjab Employees Efficiency and Disciplinary Act
PFR	Punjab Financial Rules
PLG	Punjab Local Government
PLGA	Punjab Local Government Act
PLGB	Punjab Local Government Board
POL	Petroleum, Oil and Lubricants
PML	Pir Mahal
PPRA	Punjab Procurement Regulatory Authority
PSI	Pounds Per Square Inch
PST	Punjab Sales Tax
RDA	Regional Director Audit

Rft	Running Feet
RR&MTI	Road Research and Material Testing Institute
S&GAD	Services and General Administration Department
Sft	Square Feet
SHKT	Shorkot
SMD	Speed Monitoring Display
SMDR	Sammundari
SNGPL	Sui Northern Gas Pipelines Limited
TMA	Tehsil/Town Municipal Administration
TMO	Tehsil/Town Municipal Officer
TSE	Technically Sanctioned Estimate
TST	Triple Surface Treatment
TTIP	Tax on Transfer of Immovable Property
TTS	Toba Tek Singh
TWL	Tnadianwala
WASA	Water and Sanitation Agency
WAPDA	Water and Power Development Authority
WIP	Work-in-Progress
X-Section	Cross Section
18-HZR	18 Hazari

PREFACE

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 and Section 108 of the Punjab Local Government Act, 2013 require the Auditor General of Pakistan to conduct audit of Receipts and Expenditure of the Local Fund and Public Accounts of Local Governments.

The report is based on audit of the accounts of Municipal Committees, for the financial year 2016-19. The Directorate General of Audit District Governments Punjab (South), Multan conducted audit during 2019-20 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs1 million or more. Relatively less significant issues are listed in the Annexure-A of the Audit Report. The Audit observations listed in the Annexure-A shall be pursued with the Principal Accounting Officers at the DAC level and in case the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

The observations included in this report have been finalized in the light of written responses of the management wherever conveyed. However, in many cases no reply was given by the management concerned.

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

Islamabad
Dated:

(Javaid Jehangir)
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Directorate General of Audit, District Governments, Punjab (South), Multan is responsible for carrying out the audit of Local Governments comprising, Municipal Corporations, Municipal Committees, District Councils, Union Councils, District Health and Education Authorities of 17 Districts of Punjab (South) namely Bahawalnagar, Bahawalpur, Chiniot, Dera Ghazi Khan, Faisalabad, Jhang, Khanewal, Layyah, Lodhran, Multan, Muzaffargarh, Pakpattan, Rahim Yar Khan, Rajanpur, Sahiwal, Toba Tek Singh & Vehari, Daanish Schools and Center of Excellence and eight companies of the Department of Local Government and Community Development i.e. 05 Cattle Market Management Companies and 03 Waste Management Companies.

The Directorate General of Audit has a human resource of 87 officers and staff, constituting 25,404 mandays and annual budget of Rs 143.421 million for the Financial Year 2019-20. The Director General Audit, District Governments Punjab (South) carried out audit of the accounts of 76 Municipal Committees for the Financial Year 2016-19.

The Municipal Committees (MCs) conduct their operations under the Punjab Local Government Act, 2013. The Chief Officer is the Principal Accounting Officer (PAO) of respective Municipal Committee (MC) and carries out functions of the Municipal Committees through offices as notified in PLGA, 2013. According to the Act, the Municipal Committees Fund comprises Local Fund and Public Account.

Audit objectives

Audit was conducted to ensure that:

1. Money shown as expenditure in the accounts was authorized for the purpose for which it was spent.
2. Expenditure incurred was in conformity with the laws, rules and regulations framed to regulate the expending of public money.
3. Every item of expenditure was incurred with the sanction of the competent authority.

4. Public money was not wasted.
5. The assessment and collection of revenue was made in accordance with the prescribed laws, rules and regulations and accounted for in the books of accounts of the Municipal Committee.

a) Scope of Audit

This office is mandated to conduct audit of 76 Municipal Committees. Total expenditure and receipt of Municipal Committees were Rs 28,433.685 million and Rs 25,324.311 million respectively for the Financial Years 2016-19.

Audit coverage relating to expenditure for the current audit year of comprises 76 Municipal Committees having the total expenditure of Rs 12,395.598 million for the Financial Years 2016-19. In terms of percentage, the audit coverage for expenditure is 43.594% of auditable expenditure.

Audit coverage relating to receipt for the current audit year comprises 76 Municipal Committees having total receipt of Rs 11,317.876 million for the Financial Years 2016-19. In terms of percentage, the audit coverage for receipt is 44.690% of auditable receipt.

In addition to this compliance audit report, The Director General Audit District Governments Punjab (South) Multan conducted 34 Financial Attest Audits, 06 Compliance Audits, 04 Performance Audit, 03 Special Studies and 01 Special Audit Report. Reports of these audits are being published separately.

b) Recoveries at the Instance of Audit

As a result of audit, a recovery of Rs 15,492.143 million was pointed out in this report. Recovery amounting to Rs 0.036 million was effected and verified till finalization of this report.

c) Audit Methodology

Audit was carried out against the standards of financial governance provided under various provisions of the Punjab Local Government Act, 2013, PFR Vol-I, II, Delegation of Financial Powers and other relevant laws, which govern the propriety of utilization of the financial resources of the Local Government in accordance with the

regularity framework provided by the relevant laws. On the spot examination and verification of record was also carried out in accordance with the applicable laws / rules and according to the INTOSAI auditing standards.

The selection of the audit formations was made keeping in view the 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 authority concerned; however, audit impact in shape of change in rules is not be materialized as the provincial Public Accounts Committee has not discussed any Audit Report.

e) Comments on Internal Control and Internal Audit Department

Internal control mechanism of the 76 Municipal Committees were not found satisfactory during audit. Many instances of weak Internal Controls have been highlighted during the course of audit which includes some serious lapses like unauthorized withdrawal of public funds against the entitlement of the employees, non-maintenance of assets register etc. Negligence on the part of Municipal Committees may be captioned as one of the important reasons for weak Internal Controls.

f) The Key Audit Findings of the Report

- i. Non-Production of Record worth Rs 6,929.381 million were reported in 33 cases¹.
- ii. Fraud and Misappropriations worth Rs 22.894 million were reported in 07 cases².

¹ Para No. 1.3.1, 2.3.1, 3.3.1, 4.3.1, 5.3.1, 6.3.1, 8.3.1, 9.3.1, 11.3.1, 12.3.1, 13.3.1, 14.3.1, 15.3.1, 16.3.1, 17.3.1 & 18.3.1, 19.3.1, 21.3.1, 24.3.1, 25.3.1, 26.3.1, 28.3.1, 31.3.1, 32.3.1, 34.3.1, 35.3.1, 36.3.1, 38.3.1, 39.3.1, 42.3.1, 72.3.1, 73.3.1, 76.3.1

² Para No. 7.3.1, 19.4.1, 27.3.1, 38.3.1, 58.3.1, 62.3.1, 73.4.1

- iii. Irregularities amounting to Rs 6,597.071 million were noticed in 356 cases³.
- iv. Value for Money and service delivery issues amounting to Rs 16,793.882 million were noticed in 271 cases⁴.
- v. Other Issues involving an amount of Rs 7,607.397 million were noticed in 203 cases⁵.

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

g) Recommendations

³ Para No. 1.4.1 to 1.4.4, 4.4.1 to 4.4.3, 5.4.1, 6.4.1 to 6.4.2, 7.4.1 to 7.4.5, 8.4.1 to 8.4.4, 9.4.1, 10.3.1 to 10.3.2, 11.4.1 to 11.4.5, 12.4.1, 13.4.1, 14.4.1, 16.4.1, 17.4.1 to 17.4.2 & 18.4.1, 19.5.1 to 19.5.8, 20.3.1 to 20.4.2, 21.3.1 to 21.4.6, 22.3.1 to 22.3.7, 23.3.1 to 23.3.8, 24.3.1 to 24.3.9, 25.3.1 to 25.4.6, 26.3.1 to 26.4.18, 27.3.1 to 27.4.4, 28.3.1 to 28.4.8, 29.3.1 to 29.3.5, 30.3.1 to 30.3.8, 31.3.1 to 31.4.9, 32.3.1 to 32.4.5, 33.3.1 to 33.3.8, 34.3.1 to 34.4.9, 35.3.1 to 35.4.11, 36.3.1 to 36.4.9, 37.3.1 to 37.3.13, 38.3.1 to 38.5.6, 39.4.1 to 39.4.7, 41.3.1, 42.4.1, 43.3.1, 44.3.1 to 44.3.4, 45.3.1 to 45.3.3, 46.3.1 to 46.3.3, 47.3.1 to 47.3.2, 48.3.1 to 48.3.8, 49.3.1 to 49.3.4, 50.3.1 to 50.3.2, 51.3.1.1 to 51.3.4, 52.3.1, 53.3.1, 54.3.1, 55.3.1 to 55.3.3, 56.3.1 to 56.3.2, 57.3.1 to 57.3.3, 58.4.1 to 58.4.5, 59.3.1 to 59.3.7, 60.3.1 to 60.3.5, 61.3.1 to 61.3.2, 62.4.1 to 62.4.8, 63.3.1 to 63.3.3, 64.3.1 to 64.3.2, 65.3.1 to 65.3.8, 66.3.1 to 66.3.12, 67.3.1 to 67.3.8, 68.3.1 to 68.3.4, 69.3.1 to 69.3.5, 70.3.1 to 70.3.7, 71.3.1 to 71.3.5, 72.4.1 to 72.4.5, 73.5.1 to 73.5.3, 74.3.1 to 74.3.10, 75.3.1, 76.4.1 to 76.4.4

⁴ Para No. 1.5.1 to 1.5.9, 2.4.1 to 2.4.7, 3.4.1 to 3.4.3, 4.5.1 to 4.5.4, 5.5.1 to 5.5.5, 6.5.1 to 6.5.5, 7.5.1 to 7.5.8, 8.5.1 to 8.5.9, 9.5.1 to 9.5.5, 10.4.1 to 10.4.5, 11.5.1 to 11.5.8, 12.5.1 to 12.5.9, 13.5.1, 14.5.1 to 14.5.8, 15.4.1 to 15.4.9, 16.5.1 to 16.5.12, 17.5.1 to 17.5.3 & 18.5.1 to 18.5.7, 43.4.1, 44.4.1 to 44.4.6, 45.4.1 to 45.4.3, 46.4.1 to 46.4.5, 47.4.1, 48.4.1 to 48.4.5, 49.4.1 to 49.4.3, 50.4.1 to 50.4.3, 54.4.1, 56.4.1 to 56.4.5, 57.4.1 to 57.4.2, 58.5.1 to 58.5.4, 59.4.1 to 59.4.5, 60.4.1 to 60.4.6, 61.4.1 to 61.4.5, 62.5.1 to 62.5.10, 63.4.1 to 63.4.8, 64.4.1 to 64.4.3, 65.4.1 to 65.4.6, 66.4.1 to 66.4.5, 67.4.1 to 67.4.6, 68.4.1 to 68.4.9, 69.4.1 to 69.4.3, 70.4.1 to 70.4.7, 71.4.1 to 71.4.7, 72.5.1 to 72.5.13, 73.6.1, 74.4.1 to 74.4.3, 75.4.1 to 75.4.6, 76.5.1 to 76.5.12

⁵ Para No. 1.6.1 to 1.6.5, 2.5.1, 3.5.1, 4.6.1, 6.6.1, 7.6.1 to 7.6.3, 8.6.1 to 8.6.3, 9.6.1 to 9.6.6, 10.5.1, 11.6.1 to 11.6.4, 12.6.1 to 12.6.9, 13.6.1, 14.6.1 to 14.6.6, 15.5.1 to 15.5.8, 16.6.1 to 16.6.12, 17.6.1 to 17.6.2 & 18.6.1 to 18.6.4, 20.4.1 to 20.4.2, 40.3.1 to 40.3.5, 41.4.1 to 41.4.4, 42.5.1 to 42.5.8, 43.5.1 to 43.5.6, 44.5.1 to 44.5.4, 45.5.1 to 45.5.3, 46.5.1 to 46.5.6, 47.5.1 to 47.5.4, 48.5.1 to 48.5.4, 49.5.1 to 49.5.3, 50.5.1 to 50.5.5, 51.4.1, 52.4.1 to 52.4.2, 53.4.1 to 53.4.3, 54.5.1 to 54.5.11, 55.4.1 to 55.4.10, 56.5.1 to 56.5.7, 57.5.1 to 57.5.3, 58.6.1 to 58.6.3, 59.5.1 to 59.5.5, 62.6.1, 64.5.1, 65.5.1 to 65.5.4, 66.5.1 to 66.5.3, 67.5.1 to 67.5.7, 68.5.1 to 68.5.4, 69.5.1, 71.5.1 to 71.5.2, 72.6.1 to 72.6.2, 73.7.1, 74.5.1 to 74.5.4, 76.6.1 to 76.6.5

PAO of Municipal Committees is required to:

- i. Produce auditable record and take action against the persons responsible for non-production of record.
- ii. Hold Inquiries and fixing responsibility for fraud, misappropriation, losses and wasteful expenditure.
- iii. Maintain necessary auditable record and take action against the persons responsible for non-maintenance of record.
- iv. Comply with the Punjab Procurement Rules for economical and rational purchases of goods and services.
- v. Make efforts for expediting the realization of various Government receipts.
- vi. Ensure establishment of internal control system and proper implementation of the monitoring system.
- vii. Rationalize budget with respect to utilization.

INTRODUCTION

Municipal Committees in Punjab were established on 01.01.2017 under Punjab Local Government Act, 2013. A Municipal Committee is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name. Municipal Committee consists of the directly and indirectly elected members.

In 17 districts falling within in the audit jurisdiction of Director General Audit, District Governments Punjab (South) 76 municipal committees manage following administrative offices:

Description	No. of Offices / DDOs
Chairman / Vice Chairman	76
Chief Officers	76
Municipal Officers (Finance)	76
Municipal Officers (Regulation)	76
Municipal Officers (Infrastructure)	76
Municipal Officers (Planning)	76

The Chief Officer acts as Principal Accounting Officer of a Municipal Committee and facilitates the performance of functions assigned to the Municipal Committee under the supervision of the Chairman / Administrator. He/she is responsible for coordination, human resource management, public relations, legal affairs, municipal services, emergency services etc. He/she manages following functions of the Municipal Committee through its offices:

The functions of Municipal Committees as described in the Punjab Local Government Act, 2013 are to: execute and manage development plans to provide, improve and maintain public open spaces, graveyards, public gardens and playgrounds. Establish and maintain libraries and reading rooms. Provide, manage, operate, maintain and develop municipal infrastructure and services, including water supply, water sources, sewage, water drainage & sanitation and solid waste collection and management. Enforce all municipal laws, rules and by-laws regulating its functioning. Regulate dangerous and offensive articles and trades. Prepare budget, revised budget and annual and long-term municipal development programs/plans. Collect approved taxes, fees, rates, rents, tolls, charges, fines and

penalties. Organize sports, cultural, recreational events, fairs and shows. Organize cattle fairs and cattle markets and regulate sale of animals. Manage properties, assets and funds vested in the local government. Prepare and approve spatial plans for the local government including plans for land use and zoning. Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including for agriculture, industry, commerce and commercial. Manage traffic signaling systems, signs on roads, street markings, parking places, transport stations, stops, stands and terminals, street lighting, firefighting, parks, playgrounds, open spaces and arboriculture, slaughter houses. Establish cattle pounds, prevent and remove encroachments. Arrange registration of births, deaths, marriages and divorces. Assist in the provision of relief in the event of any fire, flood, hailstorm, earthquake, epidemic or other natural calamity.

Sectoral Analysis of Municipal Committees

Analysis of Financial Resources

To achieve the targets as assigned to the PAOs by the Government of Punjab, financial resources as given below were made available to Chief Officers of 76 Municipal Committees during 2016-19:

(Rupees in million)

Particulars	Budget	Actual	Excess / (Savings)	(Savings) %
Non-Development (Salary + Non-Salary)	32,054.484	23,196.216	(8,858.268)	-28%
Development	11,031.639	5,237.469	(5,794.170)	-52%
Total	43,086.123	28,433.685	(15,130.357)	-35%

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 5,237.469 million against an allocation of Rs 11,031.639 million for the development schemes of construction/improvement of roads / streets, drains, PCC in streets, provision of street lighting, clean drinking water etc. The said development schemes could not be completed and an amount of Rs 5,794.170 million could not be utilized during the financial years which in terms of per centage was 52%. The non-development funds were also not optimally utilized for provision of municipal services to local populace.

Financial data shows that funds were not utilized to achieve the targets and funds amounting to Rs 15,130.357 million were lapsed cumulatively due to inefficient management.

Analysis of Targets and Achievements

Municipal Committees could not achieve revenue collection targets against license fee, fine for encroachments / enforcement, sale of slaughter house waste, water rate, sewerage charges, rent of municipal properties, building plan approval fee, parking fees, etc. Furthermore, internal controls and monitoring mechanism regarding revenue collection especially from licensing and enforcement were very weak and even periodical surveys were not conducted / demand & collection registers were not maintained which led to vulnerability to leakage of revenue.

Status regarding revenue collection targets and their achievements

(Rupees in million)

Factors/Indicators	No. of MCs	Target 20 18-19	Achievement 2018-19	% age of Shortfall	Remarks
Advertisement fee on billboards/ hoardings	34	102.286	80.947	21%	Targets not achieved
Building map fee	42	146.949	117.845	20%	Targets not achieved
Conversion fee	48	666.376	404.452	39%	Targets not achieved
Fine for encroachments	36	14.426	5.921	59%	Targets not achieved
License fee	71	199.137	171.648	14%	Targets not achieved
Others miscellaneous fee	28	334.026	132.408	60%	Targets not achieved
Parking/ stand fee	57	289.813	256.359	12%	Targets not achieved
Rent of municipal property (others)	16	58.885	49.388	16%	Targets not achieved
Rent of shops	38	1036.148	436.878	58%	Targets not achieved
Road cutting charges	10	40.016	35.227	12%	Targets not achieved
Sanitation fee / safai tax	28	41.261	18.269	56%	Targets not achieved
Water rates	76	419.062	194.665	54%	Targets not achieved

(Source: Annual Accounts of MCs)

Analysis regarding improvement of Municipal Infrastructure

Data analysis of Municipal Committees depicted that the management of MCs could not ensure optimal utilization of funds for purchase of plant, machinery, equipment, transport, IT equipment including software, infrastructure development such as construction / improvement / repair of roads, streets, transport, street lighting etc. which resulted in non-provision of requisite municipal infrastructure and non-achievement of envisaged benefits.

Analysis regarding provision of Municipal Services

Administration of Municipal Committees failed to set targets/key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration, scrutiny of financial record and a report it was observed that the performance of Municipal Committees in respect of service delivery was very poor.

Analysis regarding Asset Management

Assets management by the administration of MCs was very weak due to which a number of properties, under the administrative control of MCs worth billions of rupees, were illegally occupied / encroached by culprit. Maximum possible rent at market rent rate was not being collected from the leased properties. There is dire need to implement automated maintenance management system as well as computerized maintenance management system to establish a dynamic asset inventory.

Analysis regarding Spatial Planning

Spatial plans for the Local Government including plans for land use and zoning, after due process of dissemination and public enquiry and incorporating modifications on the basis of such inquiry were not either prepared or produced to Audit.

Other Service Delivery Issues

The MCs also did little for regulating markets and services for issuance of licenses and imposing penalties for violations; organizing cattle fairs and promotion of sports. No action was taken by the management of MCs against the illegal housing schemes.

1. Municipal Committee, Bahawalnagar

CHAPTER 1.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAOs by Government of the Punjab, following financial resources were provided to CO (MC) during financial years 2016-19.

(Rupees in million)

Sr. No	Description	Detail	Budget	Expenditure	Excess (+) / Lapse (-)	% Excess/ Lapse
1	Non-Development	Salary	505.55	484.707	20.843	4%
		Non-Salary	409.022	323.084	85.938	21%
		Total	914.572	807.791	106.781	12.5%
2	Development	-	83.064	17.886	65.178	78%
Grand Total			997.636	825.677	171.959	17.24%
Receipts			982.358	872.534	109.824	11.18%

(Source: Annual Accounts 2016-19)

- An amount of Rs 505.550 million was provided for pay and allowance out of which Rs 484.707 million was utilized resulting in lapse of Rs 20.843 million (4.00%).
- An amount of Rs 409.022 million was provided for non-salary component out of which Rs 323.084 million was utilized resulting in lapse of Rs 85.938 million (21%).
- An amount of Rs 83.064 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 17.886 million was utilized resulting in non-utilization of funds of Rs 65.178 million (78.00%).

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee, Bahawalnagar was made on the basis of achievement of targets of various revenue sources and development works for the period 2016-19. These targets were monitored throughout the year by the Administrator. Achievement/implementation status of the objectives/ targets is given below:

(Amount in Rupees)

Sr. No	Income Head	Budgeted 2016-19	Actual 2016-19	Excess + /Less () Achievement	%age
1	TTIP / Tax on Transfer of Immovable Property	54,000,000	46,662,324	7,337,676	14%
2	Receipts on account of sale of water - residential	54,324,950	25,012,780	29,312,170	54%
3	Receipts on account of sale of water - commercial	4,826,640	2,818,000	2,008,640	42%
4	General Bus Stand fee	25,881,950	25,336,119	600,984	2%
5	Advertisement Fee on billboards/ hoardings	7,652,275	7,859,896	71,000	1%
6	Parking Fee	2,990,137	2,494,685	545,637	18%
7	Fee for slaughtering of animals	2,500,000	2,541,483	115,800	5%
8	Sale of sludge / waste-water	1,160,000	1,109,800	58,200	5%
9	Sale of Forms and Registers	45,000	37,490	9,240	21%
10	Rent of municipal Property - Shops	45,851,919	29,636,536	16,215,383	35%
11	Rent of Property (Rent of 04 Shops Near Gate MC Office)	1,392,570	312,950	1,079,620	78%
12	Rent of Municipal Property(Rent of Karmanwala Petrol Pump)	1,067,220	1,681,260	508,200	48%
13	Rent of municipal Property - Plots	12,340,803	5,832,862	6,507,941	53%
14	License fee (Profession Vacation & Trade)	450,000	208,500	247,000	55%
15	License fee Tire Venders	203,900	73,000	130,900	64%
16	License fee Junk Yard	133,800	55,800	78,000	58%
17	License fee Trade of Animal Fat	11,000	-	11,000	100%
18	Fine for Encroachments	200,000	32,426	167,574	84%
19	Road cutting charges	600,000	737,764	50,094	8%
20	Other Fees Misc. Receipt (NOC Fee for Advertisement Boards)	320,000	114,000	206,000	64%
21	Registration of Death Birth	1,450,000	1,450,170	158,170	11%
22	Fee for Change of Building and Land Use/Conversion Fee	23,000,000	14,242,692	11,187,529	49%
23	Fee for approval of Housing Colony	1,000,000	712,839	287,161	29%
24	Fee for approval of Building/ Construction Plan	6,000,000	4,529,009	1,470,991	25%
25	Fee for Approval of Poultry Farm/Dairy Farm/Sheep & Goat Farm	2,000	-	2,000	100%
26	NOC Fee Petrol Pumps, CNG Stations, BTS Towers etc.	2,197,500	20,000	2,177,500	99%
27	Fines levied by TO(P&C)	155,000	45,729	109,271	70%
28	Registration/Enlistment Fee of Contractors etc.	650,000	284,000	366,000	56%
29	Tender Fee	300,000	78,975	221,025	74%
30	Water connection/ disconnection/ re-connection fee	880,000	701,605	215,545	24%
31	Receipts on account of sale of water - through tankers	330,000	250,600	79,400	24%
32	Sale of trees and plants	205,000	-	205,000	100%
33	Sale of stocks and stores	205,000	-	205,000	100%
34	Copying fee	8,000	3,700	4,300	54%
35	Others Miscellaneous Fee	1,701,000	1,344,081	356,919	21%
36	Arrears of Shop	21,349,693	8,655,785	12,693,908	59%
37	Arrears of Plots	9,795,219	2,693,642	7,101,577	73%
38	Arrears of Water Rate Individuals	76,810,400	8,659,870	68,150,530	89%

Sr. No	Income Head	Budgeted 2016-19	Actual 2016-19	Excess + /Less () Achievement	%age
39	Arrears of Water Rate Commercials/ Departmental	13,111,310	1,507,300	11,604,010	89%
40	Arrears of License Fee (Dangerous & Offensive Trades)	312,576	4,750	307,826	98%
41	Tafreh Tax	30,000	8,000	22,000	73%
Total		375,444,862	197,750,422	182,186,721	
Development		83.064	17.886	65.178	78%

Source: Data received from CO (MC)

From the analysis of targets and achievements of Municipal Committee it was observed that MC failed to develop strong internal control system, could not devise any policy for achievement of targets. Its administrative and financial management was weak and could not develop any mechanism for assessment of performance in the shape of key performance indicators. Further, Municipal Committee failed to achieve targets, to actualize the potential revenue and carrying out of development works.

iii. Service Delivery Issues

The above table of receipts heads shows that an amount of Rs 375.445 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 197.750 million was realized resulting in less receipt of Rs 182.187 million (49%). Similarly, an amount of Rs 83.064 million was provided for development projects (civil works) out of which Rs 17.886 million was utilized resulting in non-utilization of funds of Rs 65.178 million (78.00%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the Administrator.

From the data analysis of Municipal Committee, Bahawalnagar it could be noticed that the management did little for regulating markets and services for issuance of licenses and imposes penalties for violations. Prevention and removal of encroachments were not conducted as per desired level. Moreover, the Committee Authorities neglected the areas of environment control, regulating the dangerous and offensive articles, organizing cattle fairs. No action was taken against the illegal housing schemes during the year.

Shortage of staff of sanitation, water supply schemes, planning, finance, regulation and infrastructure wings, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Non-Production of Record worth Rs 42.330 million was reported in one case.
- ii. Irregularities amounting to Rs 46.844 million were noticed in 04 cases.
- iii. Value for Money and service delivery issues amounting to Rs 1,629.059 million were noticed in 09 cases.
- iv. Other issues involving an amount of Rs 75.127 million were noticed in 05 cases.

v. Expectation Analysis and Remedial Measures

Keeping in view the poor state of targets, achievements and service delivery, it is difficult to make any comment on expectation analysis and remedial measures.

Chief Officer Municipal Committee, Bahawalnagar failed to prepare authentic budget. Funds were not optimally utilized as particularly development funds remained less utilized and receipts were also less realized due to inefficiency of the management in the area of financial planning.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, and infrastructure) of Municipal Committees for discharge of their duties at maximum level as desired in the Rules.
- Strengthening the regulatory framework, following the rules e.g. PPRA rules for purchasing, adhering to the rules of propriety and probity in use of development and non-development funds.

- The persons held responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization of non-development funds for provision of better citizen services along with holding the responsible for non/ delayed utilization of the same.

CHAPTER 1.2

Municipal Committee Bahawalnagar

1.2.1 Introduction

As per the Punjab Local Government Act, 2013, the Municipal Committee established under the Act shall function within the Provincial framework and adhere to the Federal and Provincial Laws. The Municipal Committee carried out the functions devolved by the Provincial Government.

The Municipal Committee shall approve bye-laws and taxes, approve annual budget including supplementary budgetary proposals. Preparation of long term & short term development plans. Promotion of social counseling and motivate the general public for compliance with municipal laws, rules and bye-laws.

The Municipal Committee is headed by Chairman/ Administrator. Being a Principal Accounting Officer Chief Officer of the Municipal Committee is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is being carried out in accordance with the applicable laws. Further, he coordinates the activities of the groups of offices for coherent planning, development, effective and efficient functioning of Municipal Committee. Further, functions of the Municipal Committee were managed through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited formation of the Municipal Committee Bahawalnagar:

(Rupees in million)					
Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	444.373	523.520
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

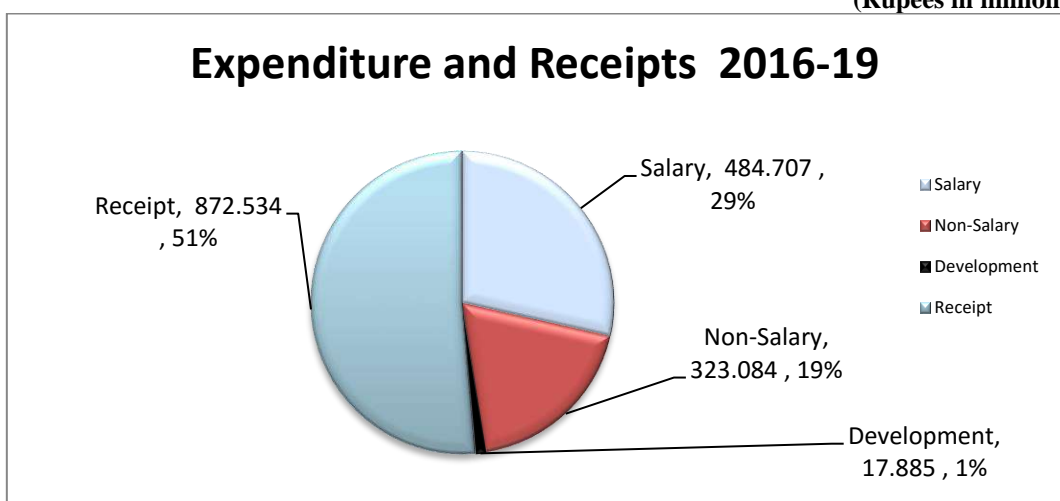
1.2.2 Comments on Budget and Accounts

The detail of budget, expenditure and receipt for the financial year 2016-19 is given below in tabulated form:

(Rupees in million)

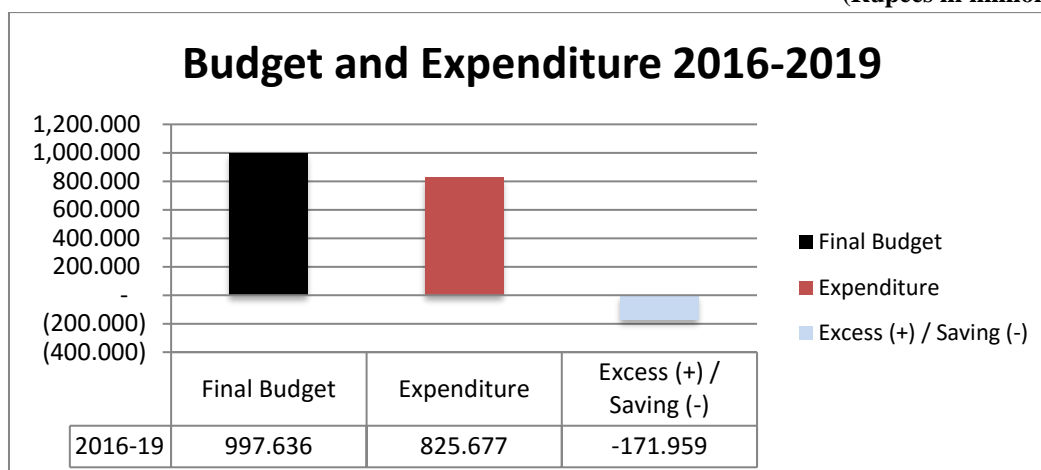
Sr. No	Description	Detail	Budget	Expenditure	Excess (+) / Lapse (-)	% Excess/ Lapse
1	Non - Development	Salary	505.55	484.707	20.843	4%
		Non-Salary	409.022	323.084	85.938	21%
		Total	914.572	807.791	106.781	12.5%
2	Development	-	83.064	17.886	65.178	78%
Grand Total			997.636	825.677	171.959	17.24%
Receipts			982.358	872.534	109.824	11.18%

(Rupees in million)



As per the Annual Accounts 2016-19 of the Municipal Committee, Bahawalnagar, total original budget (Development and Non-Development) was Rs 997.636 million. Against the budget, total expenditure of Rs 825.677 million was incurred by the Municipal Committee during 2016-19. Lapse of funds amounting to Rs 171.959 million came to the notice of Audit due to inefficient financial management and weedy efforts towards achievement of settled targets as well. No plausible explanation was provided by PAO and management of the Municipal Committee, Bahawalnagar. **(Annexure-B)**

(Rupees in million)



1.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 1,793.360 million were raised as a result of this audit. This amount also includes recoverable of Rs 1,520.335 million as pointed out by audit. Summary of audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	42.330
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	41.122
B	Procurement related irregularities	5.722
C	Management of Accounts with Commercial Banks	
4	Value for money and service delivery issues	1629.059
5	Others	75.127

1.2.4 Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on the accounts of Municipal Committee, Bahawalnagar established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

AUDIT PARAS

1.3 Non Production of Record

1.3.1 Non-production / maintenance of record – Rs 42.330 million

As per clause 14(2) of the Auditor General's (Functions, Powers and Terms & Conditions of Service) Ordinance, 2001, the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

Chief Officer Municipal Committee, Bahawalnagar willfully did not produce record of maps and conversion & commercialization fee for audit verification. DDOs were not maintained record of expenditure and receipts working under the jurisdiction of CO in the entity. Further, CO also failed to obtain record of auctioned contracts from the contractors. **Annexure-1/ Bahawalnagar**

Due to weak internal controls and willful evasion from audit, record was neither properly maintained nor produced for audit verification.

Non-production/ non-maintenance of record resulted in non-authentication of expenditure and receipts.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests to the PAO, DAC meeting was not convened till finalization of this Report.

Audit recommends that auditable record be produced for verification at the earliest and necessary action be initiated against the concerned.

[AIR Para: 22, 32, 46 & 52]

1.4 Irregularities

1.4.1 Unauthorized expenditure on daily wages / contingent paid staff – Rs 35.758 million

According to Government of the Punjab, Local Government & Community Development Department letter No. SO.Admn-III(LG)Misc./2015 (P-I) dated 19.04.17 and subsequent, it was directed that no sanitary worker would be recruited on daily wages, contract, regular, leave vacancy and under any mode or pretext by the Local Governments except under Rule 17-A. The expenses incurred on such recruitments / appointment would be illegal and not a valid charge on funds of LGs and termed as misconduct and could be recovered from DDOs or appointing authorities. Further, according to the Austerity Measures for the years 2016-17 and 2017-18, issued by the Finance Department, Government of the Punjab, no contingent paid staff shall be appointed without obtaining prior approval from the Austerity Committee.

Chief Officer Municipal Committee, Bahawalnagar appointed contingent paid staff in violation of instructions issued by LG&CD department. Further, payment of salaries of Rs 35.758 million was made without approval from austerity committee of the finance department.

Contingent paid staff was appointed in violation of instructions issued by LG&CD department and without prior approval of austerity committee.

Payment of salaries to contingent paid staff without approval of austerity committee resulted into irregular expenditure of Rs 35.758 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends regularization of expenditure besides taking disciplinary action against the person(s) at fault.

[AIR Para: 33]

1.4.2 Loss due to excess expenditure on holiday allowance – Rs 5.364 million

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

Chief Officer Municipal Committee, Bahawalnagar incurred excess expenditure of Rs 5.364 million on holiday allowance to employees who were not deputed on provision of essential services. Further, instructions regarding rotation of duties were not followed and services of employees remained continue without allowing weekly rest.

Due to weak internal and administrative controls, duties were taken without observing instructions of rotation basis.

Non-rotation of duties of staff resulted in excess expenditure on holiday allowance of Rs 5.364 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 43]

1.4.3 Irregular purchase of winching machine loader rickshaws – Rs 3.149 million

According to Rule 10 (1) and 38 (2) (a) of PPRA, Rules 2014, A procuring agency shall determine specifications in a manner to allow the widest possible competition which shall not favor any single contractor nor put others at a disadvantage. Single stage two envelopes bidding procedure shall be used for procurement of such goods where the bids are to be evaluated on technical and financial grounds and the procedure for single stage two envelopes shall be (i) the bid shall be a single package consisting of two separate envelopes, containing separately the financial and the technical proposals.

Chief Officer Municipal Committee, Bahawalnagar purchased loader rickshaws & winching machines for Rs 3.149 million without constituting technical committee and without obtaining technical bids. Further, purchase committee was not established to evaluate the financial bids. Furthermore, purchases were made through calling quotations instead of tendering process in violation of PPRA rules. Detail is given below:

(Rupees in million)

Sr. No.	Description	Bill/ Cheque No.	Date	Amount
1	Winching Machine	1312635278	02.05.2018	1.499
2	loader rickshaws (150 CC)	Nil	08.06.2017	1.650
Total				3.149

Due to weak financial management, purchases were made without observing the PPRA rules.

Non observance of the Punjab Procurement Rules resulted in irregular expenditure of Rs 3.149 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 16 & 49]

1.4.4 Irregular expenditure due to splitting – Rs 2.573 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 Rs 100,000 and up to Rs 2,000,000 shall be advertised on the PPRA's website in the manner and format specified by the PPRA from time to time.

Chief Officer Municipal Committee, Bahawalnagar incurred expenditure of Rs 2.573 million during 2016-19 by splitting the works and purchases. Works and purchases were splitted due to sanction from competent authority and advertising in electronic & print media. **Annexure-2/Bahawalnagar**

(Rupees in million)

Sr. No.	Description	Detail	Amount
1	Works	Same work was splitted into two portion	1.185
2	Purchases	Furniture, Electric items and I.T. Equipment	1.388
Total			2.573

Due to financial indiscipline, purchases were made without observing the PPRA rules.

Non-observance of the Punjab Procurement Rules resulted in irregular expenditure of Rs 2.573 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 35 & 44]

1.5 Value for Money and Service Delivery Issues

1.5.1 Loss due to non-transfer of property in the name of MC – Rs 1,429.752 million

According to Section 17 (e) & (f) and Section 42 (h) of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall submit a transfer deed, in accordance with Form B, for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority. (i) The area reserved for roads, open space, park and solid waste management, (ii) One percent of the area under land sub-division for public buildings, excluding the area of mosque.

Chief Officer Municipal Committee, Bahawalnagar failed to get transfer requisite area valuing of Rs 1429.752 million in the name of MC from ten (10) land sub divisions/ housing schemes. The sale of plots was continued by the owners/ developers despite that required area was not transferred in the name of MC. Detail is given below:

(Rupees in million)						
Sr. No.	Name of Housing Scheme / Land Sub Division	Name of Developer / Owner	Total Area	Required Area	Per Marla Rate	Amount of Land not Transferred
1	Green City	Zia-ul-Rahman Khan etc.	158K	790	0.121	95.590
2	Rehman Garden	Mudassar Nazar etc.	280K	400	0.033	13.200
3	Land Sub Division Garden Town	Muhammad Yamin etc.	26K-01M	26	0.010	0.268
4	New Adan Valley Housing Scheme	Yasir Rasool etc.	287K-5M	1435	0.150	215.250
5	Land Sub Division ZaitoonGardan	Abdul Rauf etc.	98K-15M	138	0.015	2.070
6	Land Sub Division Ahmad Garden	Sajid Irshad etc.	84K-8M	420	0.220	92.400
7	Land Sub Division Dilshad Garden	Dilshad Ali etc.	41 K- 10 M	55.8	0.030	1.674
8	New City Phase (i)	M. Rizwan Khan etc.	160K	800	0.030	240.000
9	New City Gold	M.Ashraf Bhatti etc.	507K	2535	0.300	760.500
10	Land Sub Division Kashmir Town	Rao M.Ayoub etc.	29K-17M-5S	40	0.220	8.800
Total						1,429.752

Due to weak internal controls, required area of land could not be transferred in the name of MC.

Non transfer of land/ property in the name of MC resulted in loss of Rs 1429.752 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests, DAC meeting was not convened till finalization of this Report

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides transfer of property in the name of MC.

[AIR Para: 10]

1.5.2 Loss due to unfair lease agreement - Rs 112.129 millions

According to Rule 16 (a) and (e) of the Punjab Local Government (Property) Rules, 2018, shops or commercial property shall be leased out through competitive bidding and the lease may be extended subject to the revised rent assessed by the District Rent Assessment Committee.

Chief Officer Municipal Committee, Bahawalnagar realized less revenue of Rs 112.129 million due to non-re-auctioning of petrol pumps and shops at normal market rates despite lapse of agreed time of lease agreements. Rent was received comparatively at much lesser rates than the market rates due to non-cancelling and renewal of lease agreements. The management neither made concrete efforts for re-auctioning of above places nor cancelled the agreements to fetch maximum revenue. Detail is given below:

(Rupees in million)

Sr. No.	Description	Year of first lease	Per Month Rent till 2005 (Rs)	Amount Received	Amount to be received as per Market Rate	Less
1	Shops					18.216
2	United Petroleum Service (PSO)	1967	200.00	3.238	24.742	21.504
3	Tahir Petroleum Service	1977	2,200.00	6.103	59.776	53.673
4	Caltex Co.	1962	200.00	3.945	22.680	18.736
Total						112.129

Due to weak internal controls, petrol pumps and shops were not re-auctioned at competitive rates.

Non re-auctioning of petrol pumps at competitive rates resulted in loss of Rs 112.129 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests, DAC meeting was not convened till finalization of this Report

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

[AIR Para: 9 &11]

1.5.3 Loss due to less realization of revenue – Rs 31.585 million

According to Rule 47(1) of Local Government 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.

Chief Officer Municipal Committee, Bahawalnagar did not collect water rates of Rs 31.585 million for the financial year 2016-19. The management despite making action plan and doing efforts for collection of blocked/ outstanding amounts created arrears year by year. Detail is given below:

(Rupees in million)

Sr. No.	Year	Total Amount Receivable	Total Amount Collected	Balance
1	2016-17	21.932	11.779	10.153
2	2017-18	21.767	11.068	10.699
3	2018-19	21.941	11.208	10.733
Total				31.585

Due to weak internal controls, less revenue was collected from the connection holders.

Non-collection of water charges resulted in less realization of revenue Rs 31.585 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests, DAC meeting was not convened till finalization of this Report

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

[AIR Para: 21]

1.5.4 Loss due to non-recovery of fee from non-approved land subdivisions/ housing schemes – Rs 24.927 million

As per Chapter VII Section 37 of the Punjab Private housing Schemes and Land Sub division Rules 2010, a developer shall deposit a preliminary planning permission fee along with application at the rate of (a) rupees five thousand for scheme having area up to two thousand kanal and (b) rupees ten thousand for scheme having area above two thousand kanal (2) A developer shall deposit a fee for (a) sanction of a scheme at the rate of rupees one thousand per kanal (b) approval of design and specifications for water supply, sewerage and drainage at the rate of rupees five hundred per kanal (c) approval of design and specifications for road, bridge and footpath of a scheme at the rate of rupees five hundred per kanal (d) approval of design and specifications for electricity and street light at the rate fixed by WAPDA or other agency responsible for electricity supply.

Chief Officer Municipal Committee, Bahawalnagar did not collect the requisite fee of Rs 24.927 million from the owners/ developers of various land subdivisions/ housing schemes. Despite non-approval and non-collection of fee by the management, sale of plots to general public remained continuous in following land subdivisions/ housing schemes. Detail is given on next page:

(Rupees in million)

Sr. #	Scheme name	Location	Date of Application	Total Area	Total Fee	Recovered Fee	Remaining Fee
1	Green City	Mouza Chughata Arain Bahawalnagar	04/04/2009	158K	1,861,560	16,120	1.845
2	New Adan Valley Housing Scheme	Mouza Muhammad Nawaz Pura, Chishtian Road, Bahawalnagar	09/06/2012	287K-5M	3,743,500	5,000	3.739
3	Land Sub Division Ahmad Garden	Mouza Shera Baghban Uttar Bahawalnagar	2016	84K-8M	1,582,000	NIL	1.582
4	New City Phase (i)	Mouza Muhammad Nawaz Pura, Chishtian Road, Bahawalnagar	09/02/2019	160K	4,005,000	5,000	4.000
5	New City Gold	Mouza Muhammad Nawaz Pura, Chishtian Road, Bahawalnagar	23-04-2019	507K	13,187,000	5,000	13.182
6	Land Sub Division Kashmir Town	Mouza Hussain abad Sharqi New Kashmir road, Jalwala road Bahawalnagar	21-02-2020	29K-17M-5S	580,000	1,000	0.579
Total							24.927

Due to weak internal and administrative controls, requisite fee could not be collected from the owners/ developers.

Non-recovery of prescribed fee from the developers of land subdivisions/ housing schemes resulted in loss of Rs 24.927 million

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests, DAC meeting was not convened till finalization of this Report

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

[AIR Para: 15]

1.5.5 Non mortgage of land from land subdivisions/ housing schemes – Rs 15.146 million

According to section 17 (f) (i) of The Punjab Private Housing Schemes and Land Subdivision Rules 2010, a mortgage deed, in accordance with Form C,

twenty percent for housing scheme and ten percent for farm housing scheme of saleable area.

Chief Officer Municipal Committee, Bahawalnagar failed to get mortgage the required area having value of Rs 15.146 million in the name of MC from ten (10) land subdivisions/ housing schemes, whereas sale of plots continued illogically. Detail is given below:

(Rupees in million)						
Sr. No.	Name of Housing Scheme / Land Sub Division	Name of Developer / Owner	Area (kanals)	Land to be Mortgaged	Per Marla Rate	Amount
1	Green City	Zia-ul-Rahman Khan S/O Muhammad Ajmal Khan (Chief Executive), , etc.	158	7.9	0.121	0.956
2	Rehman Garden	Mudassar Nazar S/O Muhammad Illyas (Owner), , etc.	280	14	0.033	0.462
3	New Adan Valley Housing Scheme	Yasir Rasool S/O Ghulam Rasool, , etc.	287	14.35	0.150	2.153
4	Land Sub Division Zaitoon Gardan	Abdul Rauf, Binyameen, , etc.	99	4.95	0.015	0.742
5	Land Sub Division Ahmad Garden	Sajid Irshad S/O Irshad Ali, , etc.	84	4.2	0.220	0.924
6	Land Sub Division Dilshad Garden	Dilshad Ali S/O Ferzand Ali (Owner), Fiaz Ali Alvi S/O Ferzand Ali Alvi (Late)	42	2.1	0.030	0.063
7	Land Sub Division Khalida Town,	Muhammad Faisal, Kashif Raza Sons of Muhammad Rafi	37	1.85	0.097	0.179
8	New City Phase (i)	Muhammad Rizwan Khan S/o Muhammad Zaman Khan, etc.	160	8	0.300	2.400
9	New City Gold	Muhammad Ashraf Bhatti S/O Khushi Muhammad , etc	507	25.35	0.300	7.605
10	Land Sub Division Kashmir Town	Rao Muhammad Ayoub S/o Sajjad Hussain, etc.	30	1.5	0.220	0.330
Total						15.146

Due to weak internal controls, required property was not mortgaged in the name of MC.

Non mortgaging of property in the name of MC resulted in violation of rules.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides mortgaging of property in the name of MC.

[AIR Para: 13]

1.5.6 Loss due to non-recovery of rent of shops/ plots – Rs 6.303 million

According to Rule 47(1) of Local Government 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.

Chief Officer Municipal Committee, Bahawalnagar did not collect rent of Rs 6.303 million from tenants of shops/ plots whereas renters were doing business. The management neither collected the rent nor got vacated the shops/ plots from the occupants. Detail is given below:

(Rupees in million)				
Sr. No.	Year	Receivable	Received	Balance
1	Rent of Shops 2018-19	18.374	15.456	2.917
2	Rent of Plots 2018-19	4.370	2.975	1.395
Sub Total		22.744	18.431	4.312
Arrears upto for the year 2018-19 Shops		7.185	5.718	1.468
Arrears upto for the year 2018-19 Plots		2.033	1.510	0.523
Total				6.303

Due to weak internal controls, outstanding amounts were not recovered.

Non-recovery of rent of shops/ plots resulted in loss of Rs 6.303 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 07]

1.5.7 Non auctioning/ less self-collection than reserve price – Rs 4.460 million

According to Rule 10 (1) (2) of Punjab Local Governments (Auction of Collection Rights) Rules 2016, the reserve price for an income shall be determined by average actual income of the respective local government received for preceding three years. If an income introduced by a local government for first time, the assessed and expected income as provided in the budget from the source shall be the reserve price for the income from that source.

Chief Officer Municipal Committee, Bahawalnagar neither auctioned the income sources nor self-collection was made of Rs 4.460 million. The management determined the reserve price on the basis of previous collection and surveys. Thus, collection was made less than the reserve price. Detail is given below:

(Rupees in million)

Sr. No.	Income Head	Reserve Price 2016-17	Actual Collection	Reserve Price 2017-18	Actual Collection	Reserve Price 2018-19	Actual Collection	Balance Amount
1	Fee Slaughter House	0.716	-	0.727	-	1.000	-	2.443
2	Disposal No.1 Madina Town	0.309	-	0.325	-	0.459	-	1.093
3	Dead Animal Bones	0.400	-	0.400	-	-	-	0.800
4	Entertainment Tax	0.031	-	0.030	-	0.010	-	0.071
5	Sludge Water Disposal Mehar Abad	0.016	-	0.018	-	0.020	-	0.054
Total								4.460

Due to weak internal and administrative controls, neither auction of income sources was made nor self-collection was carried out as per reserve price.

Less self-collection than reserve price was due to non-auctioning of income sources.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 03]

1.5.8 Non taking action against illegal private housing schemes and recovery of Rs 3.427 million

According to Rule 56 of the Punjab Private Housing Schemes and Land Subdivision Rules 2010, A Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall take action against illegal housing schemes and against deviations done in sanctioned housing schemes as per law for the time being enforced.

Chief Officer Municipal Committee, Bahawalnagar did not collect requisite fee of Rs 3.427 million from the owners/ developers of illegal land subdivisions/ housing schemes during 2016-19. The management neither collected outstanding fee nor sealed illegal land subdivisions/ housing schemes. Detail is given below:

(Rupees in million)						
Sr. No.	Name of Scheme / Land Sub Division	Name of Developer / Owner	Total Area	Total Fee	Recovered Fee	Remaining
1	Green City	Zia-ul-Rahman Khan etc.	158K	1.862	0.16	1.845
2	Land Sub Division Ahmad Garden	Sajid Irshad etc.	84K-8M	1.582	NIL	1.582
Total						3.427

Due to weak internal controls, neither fee was recovered from owners/ developers of illegal land subdivisions/ housing schemes nor action was taken against concerned.

Non recovery of fee from illegal land subdivisions/ housing schemes and non-taking action against those resulted in loss of Rs 3.427 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 36]

1.5.9 Non recovery of contract amount and taxes – Rs 1.330 million

According to Rule, 47 of the Punjab Local Governments (Budget) Rules, 2017 (1) 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.

Chief Officer Municipal Committee, Bahawalnagar failed to recover Rs 1.330 million on account of contract amount, income tax and pay of deputed staff from the contractor. Detail is given below:

(Rupees in million)						
Sr. No.	Year	Contractor	Total Amount	Total Received	Balance Recovery	Interest Amount @ 8.75 /annum
1	2016-17	Mr. Attique Abbasi	1.884	0.627	1.257	0.073
Total						1.330

Due to weak internal and administrative controls, outstanding amount (contract amount, income tax and pay) was not recovered from concerned.

Non-collection of (contract amount, income tax and pay) resulted in loss of Rs 1.330 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 01]

1.6 Others

1.6.1 Opening of tenders by incomplete committee – Rs 38.200 million

According to Rule 9, Government of the Punjab Works Rules, 2017 section (5) 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 following committee:

Bid opening committee should be comprises on:

- | | | |
|----|---|----------|
| 1. | Chief Officer | Convener |
| 2. | Representative of Deputy Commissioner | Member |
| 3. | Assistant Engineer, concerned Local Government | -do- |
| 4. | District Officer Finance, Municipal Officer (Finance) | -do- |
| 5. | District Officer/Municipal Officer (Infrastructure) | Member |

Chief Officer Municipal Committee, Bahawalnagar allotted work of thirty four (34) development schemes valuing Rs 38.200 million on the recommendations of incomplete committee. Committee was not competent to allot the work due to incomplete quorum as representatives of Deputy Commissioner and Engineer LG&CD were not present at the time of opening of tenders. Detail is given below:

(Rupees in million)

Sr. No	No. of Scheme	Tender Opening Date	Tender Opening Committee					Amount
			CO (Concerned)	Rep. of D.C	Assistant Engineer	DO (Finance)	DO (I&S)	
1	15	08.06.17	Y	N	N	Y	Y	15.950
2	6	11.12.17	Y	N	N	Y	Y	9.500
3	13	10.04.18	Y	Y	N	Y	Y	12.750
Total								38.200

Due to non-observing applicable rules, tenders were opened without completing the quorum.

Opening of tenders by incomplete tender committee quorum resulted in non-transparent tendering process of Rs 38.200 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends regularization of the expenditure besides appropriate action against the concerned.

[AIR Para: 26]

1.6.2 Doubtful expenditure on POL – Rs 23.334 million

According to Rule 49 of Punjab Financial Rules Vol-I&II, the consumption of fuel, lubricants and spare parts should be maintained separately for each vehicle. Full particulars of journey and distances between two places should be correctly and completely recorded in the Log Books. Only the use of the term “official” is not sufficient. iv. The Officers using the Government vehicles should sign the relevant entries in the Log Book and the matters of the vehicles should always be kept in order.

Chief Officer Municipal Committee, Bahawalnagar incurred expenditure of Rs 23.334 million on POL of vehicles and machinery and consumption was made on estimation and without maintaining log books on prescribed format during 2016-19. Mandatory columns of log books were kept blank i.e. time and meter reading at departure and arrival of vehicle. Meter reading and purpose of journey was not mentioned even in a single tour, only kilometers and running hours were mentioned on estimation basis. Further, reading of speedometer was not recorded as speedometers of all vehicles were kept closed.

Due to weak internal controls, consumption of POL was made on estimation and without maintaining log books on prescribed format.

Consumption of POL without maintaining log books on prescribed format and recording of speedometers reading resulted into irregular expenditure of Rs 23.334 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends inquiry and recovery of over payment besides fixing responsibility on the person(s) at fault.

[AIR Para: 41]

1.6.3 Non Loss due to non-obtaining of BOQ/ GST invoices and CPRs – Rs 7.525 million

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

Chief Officer Municipal Committee, Bahawalnagar made payment to contractors of Rs 44.267 million without production of BOQ/ GST invoices of material purchased. Management made payment to contractors without ensuring deduction/ payment of GST of Rs 7.525 million. Moreover, CPRs from contractors/ suppliers were not obtained to ensure payment of taxes to FBR.

Due to weak financial controls, payment was made without deduction of GST or production of BOQ/ GST invoices and CPRs from contractors.

Payment without deduction of GST or production of BOQ/ GST invoices and CPRs of Rs 7.525 million resulted in violation of the Government instructions.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends provision of BOQ/ GST invoices or recovery from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para: 47]

1.6.4 Non imposing of penalty for late completion of development work – Rs 3.405 million

According to Clause 39 of tender form, “1% per day upto maximum 10% of the estimated cost of work shall be imposed as penalty if the contractor fails to complete the work within due period. Further, as per clause No.7 of the General Directions for Guidance of the tenderers, “The tenderer shall, at his own expense, inspect and examine the site and surroundings and obtain for himself, on his own responsibility, all information that may be necessary for preparing tender.

Chief Officer Municipal Committee, Bahawalnagar did not impose penalty of Rs 3.405 million @ 10% during 2016-19 to various contractors for late completion of works. Development works were not completed within stipulated time as per work orders. Applications of time extensions were also not on record to ascertain reasons of late completion.

Due to weak administrative controls, penalties were not imposed on the contractors for late completion of works.

Non-imposing of penalty for late completion of works resulted in loss of Rs 3.405 million as well as violation of rules.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends for actualizing the recovery besides fixing responsibility against the concerned(s).

[AIR Para: 08]

1.6.5 Doubtful payment of arrear bills of POL – Rs 2.663 million

According to Rule 9 (b) of Punjab District Authorities (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.

Chief Officer Municipal Committee, Bahawalnagar made payment of Rs 2.663 million vide cheque No.0807678298 dated 30.05.18 in favor of Karmanwal Petroleum Service Bahawalnagar, during financial year 2017-18. Payment was made on POL arrears pertaining to financial year 2013-14. Log books of vehicles were not on record to compare consumption of POL with actual journey of each vehicle. Management did not report the expenditure as pending liability in the relevant period of erstwhile government (TMA) till 31.12.2016. Liability was created instantly after establishment of Municipal Committee i.e. 01.01.2017. The same official signed the bills as POL incharge and chief sanitary inspector as well and most of the bills were passed without signature of POL incharge, TO (I&S) and TMO.

Due to weak internal controls, payment of arrears of POL was made without ensuring authenticity of the bills.

Payment of unauthentic bills of POL resulted in doubtful expenditure of Rs 2.663 million

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends inquiry of the matter and in case of misappropriation recovery of due amount be ensured from the concerned besides fixing responsibility on the person at fault.

[AIR Para: 04]

2. Municipal Committee, Chishtian

CHAPTER 2.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAOs by Government of the Punjab, following financial resources were provided to CO (MC) during financial year 2016-19.

(Rupees in million)

Sr. No	Description	Detail	Budget	Expenditure	Excess (+) / Lapse (-)	% Excess/ Lapse
1	Non - Development	Salary	380.910	346.345	34.565	9%
		Non-Salary	335.116	239.742	95.374	28%
		Total	716.026	586.087	129.939	18.5%
2	Development	-	798.676	37.246	761.43	95%
Grand Total			1,514.70	623.33	891.37	58.85%
Receipts			747.865	630.397	117.468	15.71%

(Source: Annual Accounts 2016-19)

- An amount of Rs 380.910 million was provided for pay and allowance out of which Rs 346.345 million was utilized resulting in lapse of Rs 34.565 million (9.00%).
- An amount of Rs 335.116 million was provided for non-salary component out of which Rs 239.742 million was utilized resulting in lapse of Rs 95.374 million (28%).
- An amount of Rs 798.676 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 37.246 million was utilized resulting in non-utilization of funds of Rs 761.43 million (95.00%).

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee, Chishtian was made on the basis of achievement of targets of various revenue sources and development works for the period 2016-19. These targets were monitored throughout the year by the

Administrator. Achievement/implementation status of the objectives/ targets is given below:

(Amount in Rupees)

Sr. No	Income Head	Budgeted 2016-19	Actual 2016-19	Excess + /less () achievement	%age
1	B01302 - UIP Tax / Share of net proceeds assigned to Districts/TMAs etc.	18,000,000	14,222,790	3,777,210	21%
2	BO1313- Tax on transfer of Immoveable Property	26,000,000	23,305,333	2,694,667	10%
3	CO3701 - Sale of Land	1,300,000	286,012	1,013,988	78%
4	C0388042 - Fee for slaughtering of animals	315,000	172,872	142,128	45%
5	C0388047 - Receipts on account of sale of water - residential	12,000,000	6,288,216	5,711,784	48%
6	C0388054 - Sewerage Fee/ Charges/ Nali Tax	1,000,000	0	1,000,000	100%
7	C0388081 - Rent of municipal Property - Shops	28,000,000	18,913,296	9,086,704	32%
8	C0388091 - Others Miscellaneous Fee	2,000,000	820,205	1,179,795	59%
	Total	88,615,000	64,008,724	24,606,276	28%
	Development	798.676	37.246	761.43	95%

Source: Data received from CO (MC)

From the analysis of targets and achievements of Municipal Committee it was observed that MC failed to develop strong internal control system, could not devise any policy for achievement of targets. Its administrative and financial management was weak and could not develop any mechanism for assessment of performance in the shape of key performance indicators. Further, Municipal Committee failed to achieve targets, to actualize the potential revenue and carrying out of development works.

iii. Service Delivery Issues

The above table of receipts heads shows that an amount of Rs 88.615 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 64.009 million was realized resulting in less receipt of Rs 24.606 million (28%). Similarly, an amount of Rs 798.676 million was provided for development projects (civil works) out of which Rs 37.246 million was utilized resulting in non-utilization of funds of Rs 761.43 million (95.00%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the Administrator.

From the data analysis of Municipal Committee, Chishtian it could be noticed that management did nothing for easing the public transport and mass transit system in the city area. The management also did little for regulating

markets and services for issuance of licenses and imposes penalties for violations. Prevention and removal of encroachments was not conducted as per desired level. Moreover, the Committee Authorities neglected the areas of environment control, regulating the dangerous and offensive articles, organizing cattle fairs, promotion of sports & sports persons and provision of relief for the widows, orphans, poor and disable persons in setting the targets. No action was taken against the illegal housing schemes during the year.

Shortage of staff of sanitation, water supply schemes, planning, finance, and regulation and infrastructure wings as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Non-Production of Record worth Rs 94.857 million was reported in one case.
- ii. Value for Money and service delivery issues amounting to Rs 869.888 million were noticed in 07 cases.
- iii. Other issues involving an amount of Rs 34.089 million were noticed in 01 case.

v. Expectation Analysis and Remedial Measures

Keeping in view the poor state of targets, achievements and service delivery, it is difficult to make any comment on expectation analysis and remedial measures.

Chief Officer Municipal Committee, Chishtian failed to prepare authentic budget. Funds were not optimally utilized as particularly development funds remained less utilized and receipts were also less realized due to inefficiency of the management in the area of financial planning.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, and infrastructure) of Municipal Committees for discharge of their duties at maximum level as desired in the Rules.

- Strengthening the regulatory framework, following the rules e.g. PPRA rules for purchasing, adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons held responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization of non-development funds for provision of better citizen services alongwith holding the responsible for non/ delayed utilization of the same.

CHAPTER 2.1

Municipal Committee Chishtian

2.2.1 Introduction

As per the Punjab Local Government Act, 2013, the Municipal Committee established under the Act shall function within the Provincial framework and adhere to the Federal and Provincial Laws. The Municipal Committee carried out the functions devolved by the Provincial Government.

The Municipal Committee shall approve bye-laws and taxes, approve annual budget including supplementary budgetary proposals. Preparation of long term & short term development plans. Promotion of social counseling and motivate the general public for compliance with municipal laws, rules and bye-laws.

The Municipal Committee is headed by Chairman/ Administrator. Being a Principal Accounting Officer Chief Officer of the Municipal Committee is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is being carried out in accordance with the applicable laws. Further, he coordinates the activities of the groups of offices for coherent planning, development, effective and efficient functioning of Municipal Committee. Further, functions of the Municipal Committee were managed through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited formation of Municipal Committee Chishtian:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	69.246	378.238
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

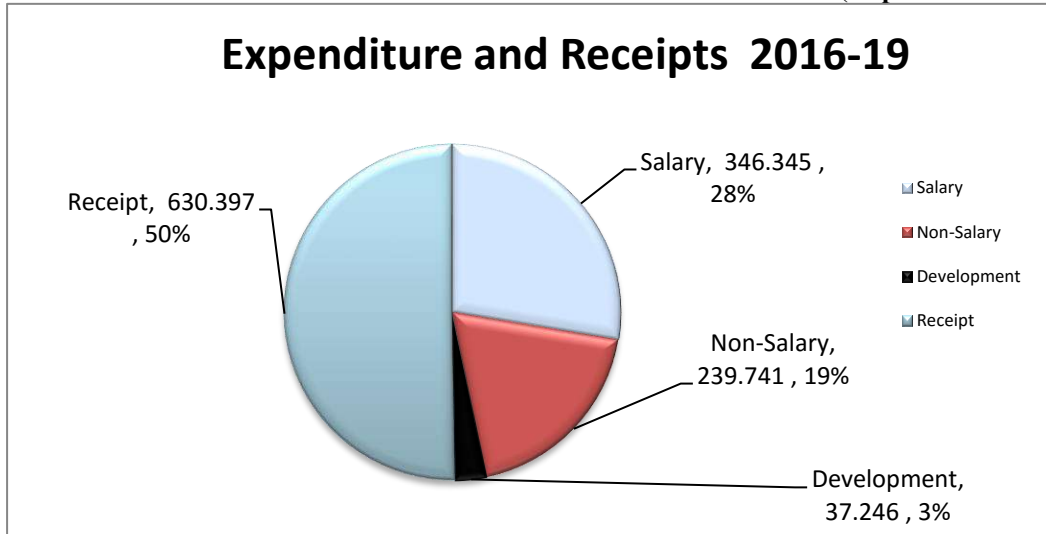
2.2.2 Comments on Budget and Accounts

The detail of budget, expenditure and receipts is given below in tabulated form for the financial years 2016-19:

(Rupees in million)

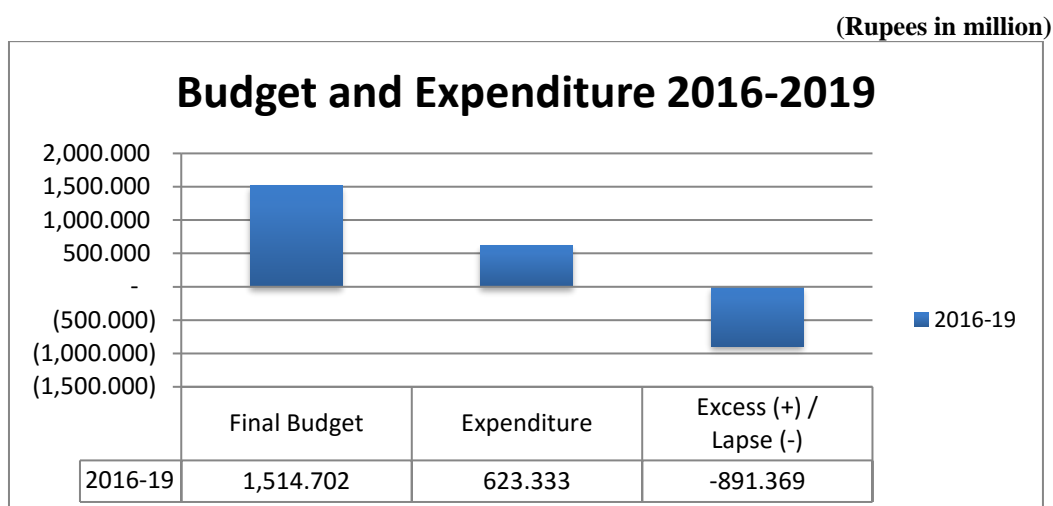
Sr. No	Description	Detail	Budget	Expenditure	Excess (+) / Lapse (-)	% Excess/ Lapse
1	Non - Development	Salary	380.910	346.345	34.565	9%
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Grand Total			1,514.70	623.33	891.37	58.85%
Receipts			747.865	630.397	117.468	15.71%

(Rupees in million)



As per the Annual Accounts 2016-19 of the Municipal Committee, Chishtian, total original budget (Development and Non-Development) was Rs 1,514.702 million. Against the budget, total expenditure of Rs 623.333 million was incurred by the Municipal Committee during 2016-19. Lapse of funds amounting to Rs 891.377 million came to the notice of Audit due to inefficient financial management and weedy efforts towards achievement of settled targets as

well. No plausible explanation was provided by PAO and management of the Municipal Committee, Chishtian. (Annexure-B)



2.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 903.977 million were raised as a result of this audit. This amount also includes recoverable of Rs 743.618 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	94.857
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	0
B	Procurement related irregularities	0
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	869.888
5	Others	34.089

2.2.4 Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on the accounts of Municipal Committee, Chishtian established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

AUDIT PARAS

2.3 Non Production of Record

2.3.1 Non production / non maintenance of record – Rs 94.857 million

As per clause 14(2) of the Auditor General's (Functions, Powers and Terms & Conditions of Service) Ordinance, 2001, the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

Chief Officer Municipal Committee, Chishtian did not maintain/ produce record of expenditure and revenue of Rs 94.857 million during 2016-19 under different objects/ codes of classification. Further the same were also not maintained at DDO level working in the entity.

Due to weak internal controls and willful evasion from audit, record was neither properly maintained nor produced for audit verification.

Non-maintenance/ Non-production of record resulted in non-authentication of expenditure and receipts.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests to the PAO, DAC meeting was not convened till finalization of this Report.

Audit recommends that auditable record be produced for verification at the earliest and necessary action be initiated against the concerned.

[AIR Para: 04, 09 & 35]

2.4 Value for Money and Service Delivery Issues

2.4.1 Non transfer of property in the name of municipal committee – Rs 633.519 million

According to Section 17 (e) & (f) and Section 42 (h) of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall submit a transfer deed, in accordance with Form B, for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority. (i) The area reserved for roads, open space, park and solid waste management, (ii) One percent of the area under land sub-division for public buildings, excluding the area of mosque.

Chief Officer Municipal Committee, Chishtian failed to get transfer requisite area valuing of Rs 633.519 million in the name of MC from twenty five (25) land sub divisions/ housing schemes. The sale of plots was continued by the owners/ developers despite that required area was not transferred in the name of MC. **Annexure-1/ Chishtian**

Due to weak internal controls, required land could not be transferred in the name of MC.

Non-transfer of land / property in the name of MC resulted in loss of Rs 633.519 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests, DAC meeting was not convened till finalization of this Report

Audit recommends inquiry at appropriate level and fixing responsibility on the person(s) at fault besides transferring the property in the name of MC.

[AIR Para: 01]

2.4.2 Loss due to non-vacation of encroached property – Rs 126.270 million

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

Chief Officer Municipal Committee, Chishtian failed to get the encroached property valuing Rs 126.270 million vacate from the illegal occupants. The value of land as per the valuation table is given below.

(Rupees in million)

Sr. #	Nature of Property	Location	Total Land	Value of Land	Total Value of Land
1	Open White Plot (Tibba)	Chak No.46/F near back side TV Boster (A-Catagory) Muraba # 62, Killa # 13 to 18, 23 to 25	72-Kanal	0.259	18.630
2	Open White Plot (Tibba)	Chak No.46/F near back side TV Boster (B-Catagory) Semi-Commercial.Muraba # 62, Killa # 13 to 18, 23 to 25	72-Kanal	0.259	18.630
3	Open White Plot	Chak No.46/F Muraba # 28, Killa # 5 complete Killa # 6-04 Kanal.	12 Kanal	0.259	3.105
4	Open White Plot	Chak No.46/F Muraba # 28, Killa # 5 complete Killa # 6-04 Kanal. Semi Commercial	12 Kanal	0.259	3.105
5	Open White Plot (Tibba)	Chak No.15/G Muraba # 37, killa # 25. Muraba # 44 Killa # 1,2,4,5 near Middle Girls School Chak No.15/G	40 Kanal	0.748	29.900
6	Open White Plot (Tibba)	Chak No.15/G Muraba # 37, killa # 25. Muraba # 44 Killa # 1,2,4,5 near Middle Girls School Chak No.15/G. Semi Commercial	40 Kanal	0.748	29.900
7	Open White Plot	Chak No.4/F.W near Janeju Quarters Muraba # 63, Killa # 19/8 Kanal, Killa # 20/2 Kanal	10 Kanal	2.300	23.000
Total					126.270

Due to weak administrative controls, encroached property was not got vacated from illegal occupants.

Non-vacation of encroached property resulted in loss of Rs 126.270 million to MC.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends vacation of encroached property besides fixing responsibility on the person(s) at fault.

[AIR Para: 02]

2.4.3 Non mortgage of land from land subdivisions/ housing schemes – Rs 49.300 million

According to section 17 (f) (i) of The Punjab Private Housing Schemes and Land Subdivision Rules 2010, a mortgage deed, in accordance with Form C, twenty percent for housing scheme and ten percent for farm housing scheme of saleable area.

Chief Officer Municipal Committee, Chishtian failed to get mortgage the required area valuing of Rs 49.300 million in the name of MC. The management neither mortgaged the required area from owners/ developers of four (04) land subdivisions/ housing schemes nor stopped the sale of plots. Detail is as follows:

(Rupees in million)

Sr. No.	Name of Colony	Total Area in Marla	Area under plots	Rate Per Marla	Total Amount
1	Zain City	750	447	0.105	9.393
2	Ahmed City	1252	787	0.088	13.851
3	Dubai Villas	910	447	0.180	16.102
4	Fazal Villas	1035	711	0.070	9.954
Total					49.300

Due to weak internal controls required property was not mortgaged in the name of MC.

Non mortgaging of required property in the name of MC resulted in violation of rules.

The matter was reported to the CO concerned in March 2020, but no reply was submitted.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides mortgaging of property in the name of MC.

[AIR Para: 05]

2.4.4 Loss due to non-auctioning of property at competitive rent rates – Rs 37.664 million

According to Rule 16 (a) and (e) of the PLG (Property) Rules, 2018, shops or commercial property shall be leased out through competitive bidding and the lease may be extended subject to the revised rent assessed by the District Rent Assessment Committee.

Chief Officer Municipal Committee, Chishtian did not re-auction the 726 shops, 115 plots and 04 flats despite expiry of lease agreements. All the tenants were running business on comparatively much lesser old rates. Management neither made concrete efforts to re-auction the property nor cancelled the expired agreements. It resulted in loss of Rs 37.664 million to the MC.

Due to weak financial controls, shops were not re-auctioned at normal market rates.

Non-auctioning of property resulted in loss to government.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends of the said property and re-fixation of rent at current market rates.

[AIR Para: 06]

2.4.5 Loss due to non-recovery of water rates and license fee – Rs 17.221 million

According to Rule 47(1) of Punjab Local Government (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.

Chief Officer Municipal Committee, Chishtian did not recover an amount of Rs 17.221 million during 2016-19 on account of water rates and license fee from the connection holders and business proprietors respectively. Detail is given below:

(Rupees in million)

Sr. No.	Financial Year	Domestic water supply connections	Commercial water supply connections	Target	Actual Income	Arrear
1	2016-17	7,433	93	7.000	5.621	1.379
2	2017-18	7,858	98	11.500	6.515	4.988
3	2018-19	8,246	103	12.000	6.355	5.645
Total Arrears of water rates						12.012
Rent of Shop Arrears as on 30.06.2019						1.377
License Fee						3.832
Total						17.221

Due to weak internal controls, outstanding receipts were not realized.

Non collection of receipts resulted in less realization of Rs 17.221 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends recovery of stated amount besides fixing responsibility on the person(s) at fault.

[AIR Para: 10, 11]

2.4.6 Non taking action against illegal private housing schemes and recovery of Rs 3.735 million

According to Rule 56 of the Punjab Private Housing Schemes and Land Subdivision Rules 2010, A Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall take action against illegal housing schemes and against deviations done in sanctioned housing schemes as per law for the time being enforced.

Chief Officer Municipal Committee, Chishtian did not collect requisite fee of Rs 3.735 million from the owners/ developers of illegal land subdivisions/ housing schemes during 2016-19. The management neither collected outstanding fee nor sealed illegal land subdivisions / housing schemes. Detail is given below:

(Rupees in million)

Sr. #	Name of Housing Colony/Society	Location	Name of Owners and Contact No.	Year of Established	Area of Land	Total Fee as per yardstick
1.	Al-bakhsh city	Chak o.13/g	Khalil ahmed 0300-6984214	2017	60 Kanals	0.825
2.	Ajmair city	Chak o.13/g	Malik ghulam nabi 0345-0173173	2019	45 Kanals	1.385
3.	Gulshan –e- fatima	Chak no.46/f	Mian shafique	2014	69 Kanals	0.485
4.	Green town	Chak o.4/f.w	Shaista khaliil	2012	60 Kanals	0.410
5.	Ali town	Chak o.4/f.w	Ahmed raza	2013	70 Kanals	0.630
Total						3.735

Due to weak internal controls, neither fee was recovered from owners/ developers of illegal land subdivisions/ housing schemes nor action was taken against concerned.

Non recovery of fee from illegal land subdivisions/ housing schemes and non-taking action against those resulted in loss of Rs 3.735 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 12]

2.4.7 Non-recovery of auctioned amount from contractor – Rs 2.179 million

According to Rule 47(1) of the Punjab Local Government (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.

Chief Officer Municipal Committee, Chishtian auctioned collection rights of advertisement tax and slaughter house during 2016-19 for Rs 3.051 million out of which Rs 872,152 were deposited by the contractor and remaining amount of Rs 2.179 million was not recovered. Detail is given below:

(Rupees in million)

Sr. No.	Auction Head	Financial Year	Contractor Name	Auctioned Amount	Amount Received	Amount not received
1	Advertisement Tax	2016-17	Muhammad Waris	2.450	0.638	1.812
2	Slaughter House	2017-18	Kashif Tauqeer	0.286	0.061	0.225
3	Slaughter House	2018-19	Imtiaz Sidiique	0.315	0.173	0.142
Total				3.051	0.872	2.179

Due to weak financial controls, auctioned amount was not recovered from the contractor.

Non-recovery of auctioned amount resulted in loss of Rs 2.179 million to MC.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends recovery from the concerned besides fixing responsibility on the person at fault.

[AIR Para: 15]

2.5 Others

2.5.1 Doubtful expenditure on account of POL – Rs 34.089 million

According to rule 49 of Punjab Financial Rules Vol-I&II, the consumption of fuel, lubricants and spare parts should be maintained separately for each vehicle. Full particulars of journey and distances between two places should be correctly and completely recorded in the Log Books. Only the use of the term “official” is not sufficient. iv. The Officers using the Government vehicles should sign the relevant entries in the Log Book and the matters of the vehicles should always be kept in order.

Chief Officer Municipal Committee, Chishtian incurred expenditure on POL during 2016-19 amounting to Rs 34.089 million whereas physical verification of vehicles and machinery revealed that meters were out of orders. Entries in log books were made on the basis of estimation illogically.

(Rupees in million)		
Sr. No.	Financial Year	POL Amount
1	2016-17	3.569
2	2017-18	14.956
3	2018-19	15.564
Total		34.089

Due to weak internal controls meters were not got repaired and entries in log books were made on estimation.

Non repair of meters and making entries in log books on estimation resulted into doubtful expenditure of Rs 34.089 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends fixing responsibility on the person(s) at fault and initiating disciplinary actions against concerned.

[AIR Para: 07]

3. Municipal Committee, Donga Bonga

CHAPTER 3.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAOs by Government of the Punjab, following financial resources were provided to CO (MC) during financial year 2016-19.

(Rupees in million)

Sr. No	Description	Detail	Budget	Expenditure	Excess (+) / Lapse (-)	% Excess/ Lapse
1	Non - Development	Salary	55.932	35.676	20.256	36%
		Non-Salary	116.728	54.216	62.512	54%
		Total	172.66	89.892	82.768	45%
2	Development	-	26.194	14.910	11.284	43%
Grand Total			198.854	104.802	94.052	47%
Receipts			165.107	116.410	48.697	29.49%

(Source: Annual Accounts 2016-19)

- An amount of Rs 55.932 million was provided for pay and allowances out of which Rs 35.676 million was utilized resulting in lapse of Rs 20.256 million (36%).
- An amount of Rs 116.728 million was provided for non-salary component out of which Rs 54.216 million was utilized resulting in lapse of Rs 62.512 million (54%).
- An amount of Rs 26.194 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 14.910 million was utilized resulting in non-utilization of funds of Rs 11.284 million (43%).

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee, Donga Bonga was made on the basis of achievement of targets of various revenue sources and development works for the period 2016-19. These targets were monitored throughout the year by the Administrator. Achievement/ implementation status of the objectives/ targets is given below:

(Amount in Rupees)

Sr. No.	Income Head	Budgeted 2016-19	Actual 2016-19	Excess + /less () achievement	%age
1	C03683 - Grant from Provincial Government (PFC Share)	117,320,643	85,178,919	32,141,724.000	27%
2	C0388008 - License and Permit Fee	100,000	63,400	36,600.000	37%
3	C0388026 - Fee for approval of Housing Colony	400,000	0	400,000.000	100%
4	C0388027 - Fee for approval of Building/ Construction Plan	3,500,000	1,356,782	2,143,218.000	61%
5	C0388028 - Fee for change in land use	600,000	0	600,000.000	100%
6	C0388042 - Fee for slaughtering of animals	85,000	71,480	13,520.000	16%
7	C0388046 - Water connection/ disconnection/ re-connection fee	20,000	20,000	-	0%
8	C0388059 -Sale of municipal waste	3,820,000	3,169,780	650,220.000	17%
9	C0388096 - NOC Fee	65,000	0	65,000.000	100%
Total		125,910,643	89,860,361	36,050,282	29%
Development		26.194	14.910	11.284	43%

Source: Data received from CO (MC)

From the analysis of targets and achievements of Municipal Committee it was observed that MC failed to develop strong internal control system, could not devise any policy for achievement of targets. Its administrative and financial management was weak and could not develop any mechanism for assessment of performance in the shape of key performance indicators. Further, Municipal Committee failed to achieve targets, to actualize the potential revenue and carrying out of development works.

iii. Service Delivery Issues

The above table of receipts heads shows that an amount of Rs 125.911 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 89.860 million was realized resulting in less receipt of Rs 36.050 million (29%). Similarly, an amount of Rs 26.194 million was provided for development projects (civil works) out of which Rs 14.910 million was utilized resulting in non-utilization of funds of Rs 11.284 million (43%). It was evident that

these targets were poorly monitored during the financial years 2016-19 by the Administrator.

From the data analysis of Municipal Committee, Donga Bonga it could be noticed that the management did little for regulating markets and services for issuance of licenses and imposes penalties for violations. Prevention and removal of encroachments were not conducted as per desired level. Moreover, the Committee Authorities neglected the areas of environment control, regulating the dangerous and offensive articles, organizing cattle fairs. No action was taken against the illegal housing schemes during the year.

Shortage of staff of sanitation, water supply schemes, planning, finance, and regulation and infrastructure wings, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

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Following serious irregularities were found during field audit execution during Audit Year 2019-20.

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- vi. Other issues involving an amount of Rs 2.466 million were noticed in 01 case.

v. Expectation Analysis and Remedial Measures

Keeping in view the poor state of targets, achievements and service delivery, it is difficult to make any comment on expectation analysis and remedial measures.

Chief Officer Municipal Committee, Donga Bonga failed to prepare authentic budget. Funds were not optimally utilized as particularly development funds remained less utilized and receipts were also less realized due to inefficiency of the management in the area of financial planning.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, and infrastructure) of Municipal Committees for discharge of their duties at maximum level as desired in the Rules.
- Strengthening the regulatory framework, following the rules e.g. PPRA rules for purchasing, adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons held responsible for irregularities should be held accountable for such irregularities at appropriate forums.
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- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization of non-development funds for provision of better citizen services alongwith holding the responsible for non/ delayed utilization of the same.

CHAPTER 3.1

Municipal Committee Donga Bonga

3.2.1 Introduction

As per the Punjab Local Government Act, 2013, the Municipal Committee established under the Act shall function within the Provincial framework and adhere to the Federal and Provincial Laws. The Municipal Committee carried out the functions devolved by the Provincial Government.

The Municipal Committee shall approve bye-laws and taxes, approve annual budget including supplementary budgetary proposals. Preparation of long term & short term development plans. Promotion of social counseling and motivate the general public for compliance with municipal laws, rules and bye-laws.

The Municipal Committee is headed by Chairman/ Administrator. Being a Principal Accounting Officer Chief Officer of the Municipal Committee is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is being carried out in accordance with the applicable laws. Further, he coordinates the activities of the groups of offices for coherent planning, development, effective and efficient functioning of Municipal Committee. Further, functions of the Municipal Committee were managed through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited formation of Municipal Committee Donga Bonga:

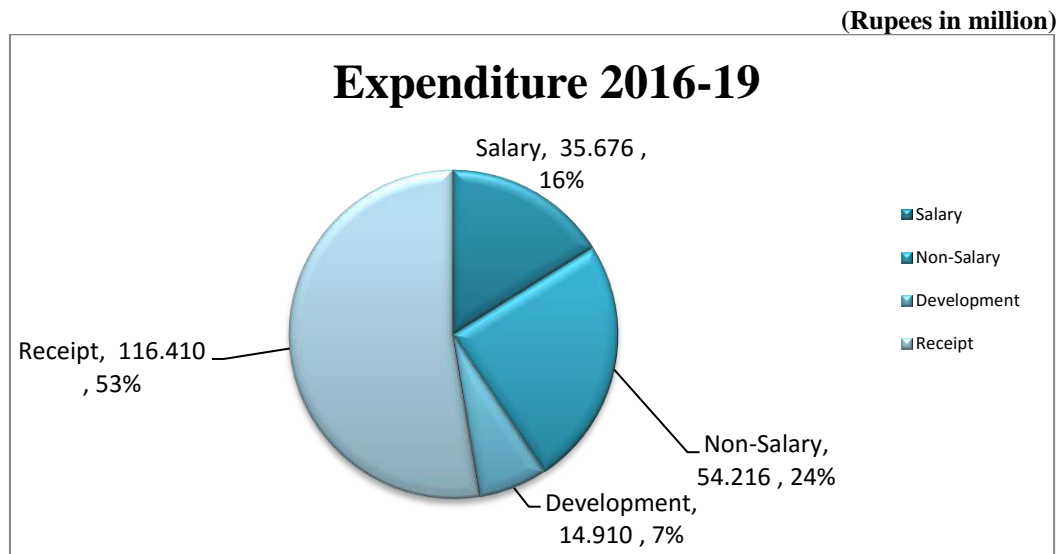
(Rupees in million)					
Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	61.370	98.948
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

3.2.2 Comments on Budget and Accounts

The detail of budget, expenditure and receipt is given below in tabulated form for the financial years 2016-19:

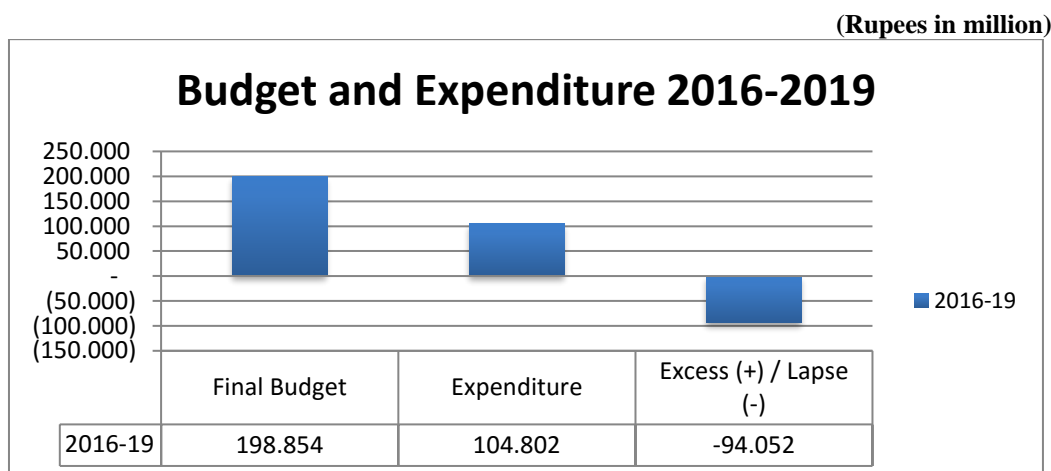
(Rupees in million)

Sr. No	Description	Detail	Budget	Expenditure	Excess (+) / Lapse (-)	% Excess/ Lapse
1	Non - Development	Salary	55.932	35.676	20.256	36%
		Non-Salary	116.728	54.216	62.512	54%
		Total	172.66	89.892	82.768	45%
2	Development	-	26.194	14.910	11.284	43%
Grand Total			198.854	104.802	94.052	47%
Receipts			165.107	116.410	48.697	29.49%



As per the Annual Accounts 2016-19 of the Municipal Committee, Donga Bonga total original budget (Development and Non-Development) was Rs 198.854 million. Against the budget, total expenditure of Rs 104.802 million was incurred by the Municipal Committee during 2016-19. Lapse of funds amounting to Rs 94.052 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was

provided by PAO and management of the Municipal Committee, Donga Bonga.
(Annexure-B)



3.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 162.531 million were raised as a result of this audit. This amount also includes recoverable of Rs 55.262 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	104.803
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	0
B	Procurement related irregularities	0
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	55.262
5	Others	2.466

3.2.4 Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on the accounts of Municipal Committee, Donga Bonga established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

AUDIT PARAS

3.3 Non Production of Record

3.3.1 Non production / non maintenance of record – Rs 104.803 million

As per clause 14(2) of the Auditor General's (Functions, Powers and Terms & Conditions of Service) Ordinance, 2001, the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

Chief Officer Municipal Committee, Donga Bonga did not maintain demand and collection registers of various receipts heads. Further, annual survey regarding collection of advertisement fee / tax and license fee was also not produced. Furthermore, DDOs working under the jurisdiction of CO did not maintain record of expenditure and receipts of Rs 104.803 million at their own level in the entity.

Due to weak internal controls and willful evasion from audit, record was neither properly maintained nor produced for audit verification.

Non production of record resulted in non-authentication of expenditure and receipts.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests to the PAO, DAC meeting was not convened till finalization of this Report.

Audit recommends that auditable record be produced for verification at the earliest and necessary action be initiated against the concerned.

[AIR Para: 07 & 10]

3.4 Value for Money and service delivery issues

3.4.1 Non transfer of property in the name of municipal committee – Rs 37.052 million

According to Section 17 (e) & (f) and Section 42 (h) of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall submit a transfer deed, in accordance with Form B, for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority. (i) The area reserved for roads, open space, park and solid waste management, (ii) One percent of the area under land sub-division for public buildings, excluding the area of mosque.

Chief Officer Municipal Committee, Donga Bonga failed to get transfer requisite area valuing of Rs 37.052 million in the name of MC from MC from land sub divisions/ housing schemes. The sale of plots was continued by the owners/ developers despite that required area was not transferred in the name of MC. Detail is given below: **Annexure-1/ Donga Bonga**

Due to weak internal controls, required land could not be transferred in the name of MC.

Non transfer of land / property in the name of MC resulted in loss of Rs 37.052 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests, DAC meeting was not convened till finalization of this Report

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides transfer of property in the name of MC.

[AIR Para: 22]

3.4.2 Non mortgage of land from land subdivisions/ housing schemes – Rs 15.723 million

According to section 17 (f) (i) of The Punjab Private Housing Schemes and Land Subdivision Rules 2010, a mortgage deed, in accordance with Form C, twenty percent for housing scheme and ten percent for farm housing scheme of saleable area.

Chief Officer Municipal Committee, Donga Bonga failed to get mortgage the required area having value of Rs 15.146 million in the name of MC from land subdivisions/ housing schemes, whereas sale of plots continued illogically. Detail is given below:

Due to weak internal controls required property was not mortgaged in the name of MC.

Non execution of mortgaging deed of property in the name of MC resulted in violation of rules.

The matter was reported to the CO concerned in March 2020, but no reply was submitted.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides execution of mortgaging deed in the name of MC.

[AIR Para: 23]

3.4.3 Loss due to less recovery of conversion fee – Rs 2.487 million

According to Rule 60 (1) (a) of the Punjab Land Use Rules, 2009 amended vide Notification No. SOR (LG) 38-18/2009 dated 06-06-2012, A city District Govt. or a Tehsil Municipal Administration shall levy fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be 5 % for less than one million rupees, 10 % from one million rupees to ten million rupees and 20 % for more than ten million rupees of cost as per valuation table.

Chief Officer Municipal Committee, Donga Bonga recovered less conversion fee of Rs 2.487 million from the owners during 2017-19. During approval of map, conversion fee was charged @ 5% instead @ 10% & 20% on value of land. Detail is given below:

(Rupees in million)

Sr. No.	Sr. No. at Map Fee Register	Name of Owner	Entity	Total Area	Area Converted as	Rate / Maria	Value of Property	Total Fees Due	Total Fee Recovered	Balance
1	27	M. Ashraf, M. Essa, M. Ilyas, M. Zakria	United Cotton & Oil Mills	787.25 M	787.25	0.006	4.330	0.481	0.260	0.221
2	60	Muzzamil Fareed, Mudassar Fareed and Mubasshar Fareed	Joyia Cotton Genning and Allied Industries	766 M	766	0.018	13.884	2.819	0.712	2.107
3	66	Rao Azhar Ali	Fauji Foundation School	95.46 M	95.46	0.015	1.432	0.328	0.170	0.158
Total							19.646	3.628	1.142	2.487

Due to weak administrative controls, the management neither recovered the required fee from the concerned nor made due efforts to stop the development work at site.

Non-recovery of fees from the owners / developers resulted in loss of Rs 2.486 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 26]

3.5 Others

3.5.1 Non Loss due to non-obtaining of BOQ/ GST invoices and CPRs – Rs 2.466 million

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

Chief Officer Municipal Committee, Donga Bonga made payment to contractors of Rs 16.973 million without production of BOQ/ GST invoices of material purchased. Management made payment to contractors without ensuring deduction/ payment of GST of Rs 2.466 million. Moreover, CPRs from contractors/ suppliers were not obtained to ensure payment of taxes to FBR. The detail is given below:

(Rupees in million)

Sr. No.	Name of scheme	Name of Contractor	Upto Date Payment	17% GST
1	Const. of pullian Ghulab Ali road	Saeed Ahmed	0.163	0.024
3	Const. of boundary wall janazgah	Khokhar Builders	0.096	0.140
4	Const. of pullian and drains	Rao M Akram	0.930	0.135
5	Const. of pullian and drains Islam Pura	Rao M Akram	0.686	0.100
6	Const. of Pullian and sewerage	Ch. Saeed Ahmed	0.100	0.015
7	Const. and renovation of office building	M. Bilal	4.827	0.701
8	Const. of soling and drains ward no 1 to 8	M. Bilal	4.000	0.581
9	Const. of drains, pullian , earth work	M. Bilal	1.663	0.242
10	Earth work, sewerage , tufile	M. Bilal	0.798	0.116
11	Const. of Nala ghulabali chowk	Rao M Akram	0.644	0.094
12	Const. of Shed janazgah	Shahzad	1.300	0.189
13	Const. of sewerage main hole cover	Sh. Yousaf	0.500	0.073
14	Repair of old office	M. Bilal	0.400	0.058
Total			16.973	2.466

Due to weak financial controls, payment was made without deduction of GST or production of BOQ/ GST invoices and CPRs from contractors.

Payment without deduction of GST or production of BOQ/ GST invoices and CPRs of Rs 2.466 million resulted in violation of the Government instructions.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends provision of BOQ/ GST invoices or recovery from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para: 30]

4. Municipal Committee, Fort Abbas

CHAPTER 4.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAOs by Government of the Punjab, following financial resources were provided to CO (MC) during financial year 2016-19.

(Rupees in million)

Sr. No	Description	Detail	Budget	Expenditure	Excess (+) / Lapse (-)	% Excess/ Lapse
1	Non - Development	Salary	211.606	156.082	55.524	26%
		Non-Salary	479.367	371.126	108.241	23%
		Total	690.973	527.208	163.765	44.5%
2	Development	-	61.493	47.482	14.011	23%
Grand Total			752.466	574.690	177.776	23.63%
Receipts			316.332	264.364	51.968	16.43%

(Source: Annual Accounts 2016-19)

- An amount of Rs 211.606 million was provided for pay and allowances out of which Rs 156.082 million was utilized resulting in lapse of Rs 55.524 million (26%).
- An amount of Rs 479.367 million was provided for non-salary component out of which Rs 371.126 million was utilized resulting in lapse of Rs 108.241 million (23%).
- An amount of Rs 61.493 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 47.482 million was utilized resulting in non-utilization of funds of Rs 14.011 million (23%).

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee, Fort Abbas was made on the basis of achievement of targets of various revenue sources and development works for the period 2016-19. These targets were monitored throughout the year by the

Administrator. Achievement / implementation status of the objectives/ targets is given below:

(Amount in Rupees)					
Sr. No.	Income Head	Budgeted 2016-19	Actual 2016-19	Excess + /less () Achievement	%age
1	Housing Scheme	6,000,000	3,117,019	2,882,981	48%
2	Arrear Water Rate	3,469,788	881,160	2,588,628	75%
3	Arrear Water Rate	3,645,869	1,076,792	2,569,077	70%
4	Arrear Agriculture Land	2,222,000	0	2,222,000	100%
5	Arrear Water Rate	3,665,869	1,735,611	1,930,258	53%
6	Water Rent	2,820,000	1,743,950	1,076,050	38%
7	Water Rent	2,700,000	1,649,417	1,050,583	39%
8	Arrear Sewerage Tax	698,600	20,000	678,600	97%
9	Arrear Agriculture land 60-61	675,000	0	675,000	100%
10	Water rate	3,510,000	2,890,900	619,100	18%
11	Rent of Shop	6,494,784	5,941,849	552,935	9%
12	Agriculture land 60-61	1,200,000	700,000	500,000	42%
13	Agriculture Land 60-61	1,175,000	700,000	475,000	40%
14	Arrear Sewerage Fee	407,900	3,800	404,100	99%
15	MAP Fee Building	2,500,000	2,117,311	382,689	15%
16	Arrear Contract	348,499	0	348,499	100%
17	Arrear Disposal No. 05	376,110	50,000	326,110	87%
18	Rent of Shops	6,080,314	5,764,439	315,875	5%
19	General Bus Stand	2,145,000	1,836,900	308,100	14%
20	Arrear Disposal No. 04	301,240	0	301,240	100%
21	Sewerage Fee	310,000	15,500	294,500	95%
22	Arrear Sign Board	285,500	13,000	272,500	95%
23	sewerage tax	310,000	45,000	265,000	85%
24	Sewerage Fee	310,000	68,800	241,200	78%
25	Disposal works No. 05	374,500	135,000	239,500	64%
26	Arrear Agriculture Land (2011-12)	222,200	0	222,200	100%
27	Arrear Agriculture land	222,200	0	222,200	100%
28	Agriculture Land Basti Phulra	400,000	210,000	190,000	48%
29	Disposal No. 4	360,000	175,000	185,000	51%
30	Land Rent Temporary and Permanent	200,000	38,227	161,773	81%
31	Disposal No. 5	490,000	338,890	151,110	31%
32	Agriculture Land 800 Kanal	480,000	350,000	130,000	27%
33	Agriculture Land 43/16 Basti Pholra	371,997	244,638	127,359	34%
34	Disposal No. 4	523,000	406,760	116,240	22%
35	Trade Tax	200,000	87,100	112,900	56%
36	Arrear Rent of Shops	1,172,308	1,085,310	86,998	7%
37	General Bus Stand	2,250,000	2,166,270	83,730	4%
38	Land Rent Permanent	350,000	269,368	80,632	23%
39	Disposal No. 2	286,000	222,000	64,000	22%
40	Rent of Shops	7,011,800	6,953,999	57,801	1%
41	disposal works No. 04	297,000	244,000	53,000	18%
42	disposal works No. 02	333,000	283,000	50,000	15%
43	Disposal No. 5	315,000	275,400	39,600	13%
44	Nikha Pert Fees	200,000	174,690	25,310	13%
Total		67,710,478	44,031,100	23,679,378	35%
Development		61,493	47,482	14,011	23%

Source: Data received from CO (MC)

From the analysis of targets and achievements of Municipal Committee it was observed that MC failed to develop strong internal control system, could not devise any policy for achievement of targets. Its administrative and financial management was weak and could not develop any mechanism for assessment of performance in the shape of key performance indicators. Further, Municipal Committee failed to achieve targets, to actualize the potential revenue and carrying out of development works.

iii. Service Delivery Issues

The above table of receipts heads shows that an amount of Rs 67.710 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 44.031 million was realized resulting in less receipt of Rs 23.679 million (35%). Similarly, an amount of Rs 61.493 million was provided for development projects (civil works) out of which Rs 47.482 million was utilized resulting in non-utilization of funds of Rs 14.011 million (23%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the Administrator.

From the data analysis of Municipal Committee, Bahawalnagar it could be noticed that the management did little for regulating markets and services for issuance of licenses and imposes penalties for violations. Prevention and removal of encroachments were not conducted as per desired level. Moreover, the Committee Authorities neglected the areas of environment control, regulating the dangerous and offensive articles, organizing cattle fairs. No action was taken against the illegal housing schemes during the year.

Shortage of staff of sanitation, water supply schemes, planning, finance, and regulation and infrastructure wings, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Non-Production of Record worth Rs 8.535 million was reported in one case.
- ii. Irregularities amounting to Rs 12.844 million were noticed in 03 cases.
- iii. Value for Money and service delivery issues amounting to Rs 445.559 million were noticed in 04 cases.
- iv. Other issues involving an amount of Rs 2.615 million were noticed in 01 case.

v. Expectation Analysis and Remedial Measures

Keeping in view the poor state of targets, achievements and service delivery, it is difficult to make any comment on expectation analysis and remedial measures.

Chief Officer Municipal Committee, Bahawalnagar failed to prepare authentic budget. Funds were not optimally utilized as particularly development funds remained less utilized and receipts were also less realized due to inefficiency of the management in the area of financial planning.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, and infrastructure) of Municipal Committees for discharge of their duties at maximum level as desired in the Rules.
- Strengthening the regulatory framework, following the rules e.g. PPRA rules for purchasing, adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons held responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization of non-development funds for provision of better citizen services alongwith holding the responsible for non/ delayed utilization of the same.

CHAPTER 4.1

Municipal Committee Fort Abbas

4.2.1 Introduction

As per the Punjab Local Government Act, 2013, the Municipal Committee established under the Act shall function within the Provincial framework and adhere to the Federal and Provincial Laws. The Municipal Committee carried out the functions devolved by the Provincial Government.

The Municipal Committee shall approve bye-laws and taxes, approve annual budget including supplementary budgetary proposals. Preparation of long term & short term development plans. Promotion of social counseling and motivate the general public for compliance with municipal laws, rules and bye-laws.

The Municipal Committee is headed by Chairman/ Administrator. Being a Principal Accounting Officer Chief Officer of the Municipal Committee is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is being carried out in accordance with the applicable laws. Further, he coordinates the activities of the groups of offices for coherent planning, development, effective and efficient functioning of Municipal Committee. Further, functions of the Municipal Committee were managed through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited formation of Municipal Committee Fort Abbas:

(Rupees in million)					
Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	98.640	189.799
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

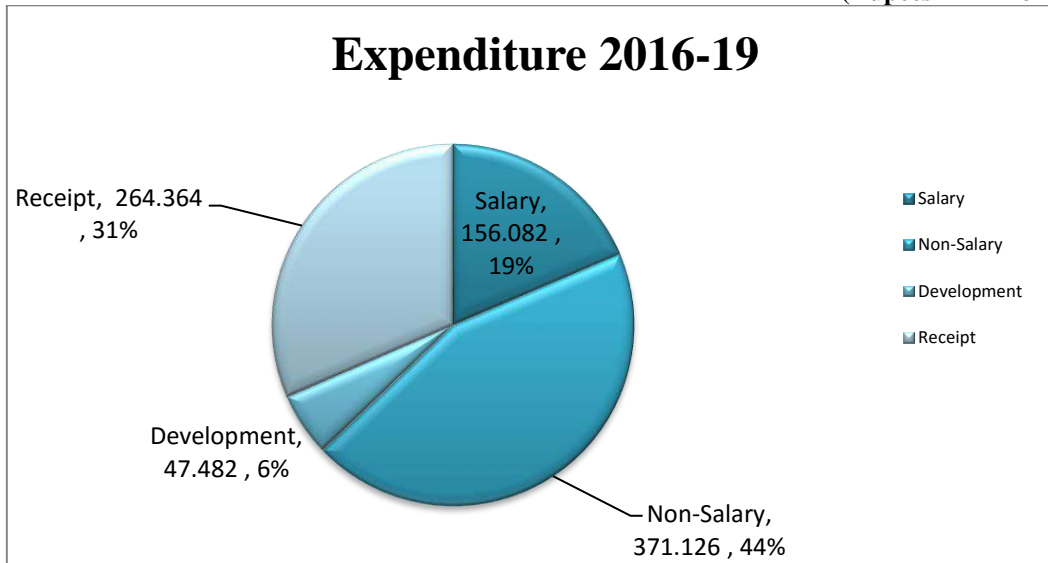
4.2.2 Comments on Budget and Accounts

The detail of budget, expenditure and receipts is given below in tabulated form for the financial years 2016-19:

(Rupees in million)

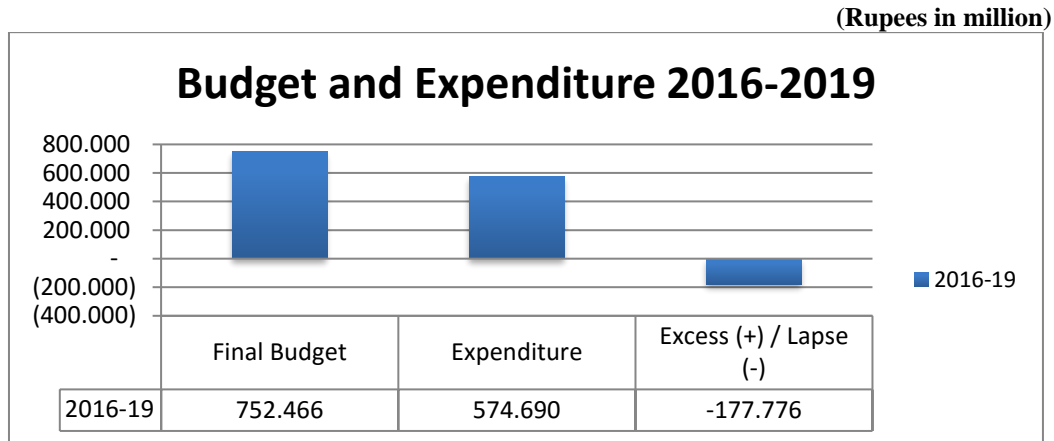
Sr. No	Description	Detail	Budget	Expenditure	Excess (+) / Lapse (-)	% Excess/ Lapse
1	Non - Development	Salary	211.606	156.082	55.524	26%
		Non-Salary	479.367	371.126	108.241	23%
		Total	690.973	527.208	163.765	44.5%
2	Development	-	61.493	47.482	14.011	23%
Grand Total			752.466	574.690	177.776	23.63%
Receipts			316.332	264.364	51.968	16.43%

(Rupees in million)



As per the Annual Accounts 2016-19 of the Municipal Committee, Fort Abbas, total original budget (Development and Non-Development) was Rs 752.466 million. Against the budget, total expenditure of Rs 574.690 million was incurred by the Municipal Committee during 2016-19. Lapse of funds amounting to Rs 177.776 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible

explanation was provided by PAO and management of the Municipal Committee, Fort Abbas. (Annexure-B)



4.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 469.553 million were raised as a result of this audit. This amount also includes recoverable of Rs 454.148 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	8.535
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	10.305
B	Procurement related irregularities	2.539
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	445.559
5	Others	2.615

4.2.4 Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on the accounts of Municipal Committee, Fort Abbas established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

AUDIT PARAS

4.3 Non Production of Record

4.3.1 Non-production/ maintenance of record – Rs 8.535 million

As per clause 14(2) of the Auditor General's (Functions, Powers and Terms & Conditions of Service) Ordinance, 2001, the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

Chief Officer Municipal Committee, Fort Abbas did not produce record of residences, bank statements, assets/ property files, survey reports, service books, demand & collection registers, map fee and log books. Further, allied record of Rs 8.535 million on account of POL was also not produced.

Due to weak internal controls and willful evasion from audit, record was neither properly maintained nor produced for audit verification.

Non-production of record resulted in non-authentication of expenditure and receipts.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests to the PAO, DAC meeting was not convened till finalization of this Report.

Audit recommends that auditable record be produced for verification at the earliest and necessary action be initiated against the concerned.

[AIR Para: 28]

4.4 Irregularities

4.4.1 Loss due to doubtful expenditure on holiday allowance – Rs 8.589 million

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

Chief Officer Municipal Committee, Fort Abbas incurred excess expenditure of Rs 8.589 million on holiday allowance to employees who were not deputed on provision of essential services. Further, instructions regarding rotation of duties were not followed and services of employees remained continue without allowing weekly rest.

Due to weak internal and administrative controls, duties were taken without observing rotation policy.

Non-rotation of duties of staff resulted in excess expenditure on holiday allowance of Rs 8.589 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 06]

4.4.2 Irregular expenditure due to non-compliance of PPRA rules – Rs 2.539 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.

Chief Officer Municipal Committee, Fort Abbas incurred expenditure of Rs 2.539 million on purchase without consolidating annual demands and placing those on PPRA's website. The expenditure was held irregular as the procurement opportunities were not advertised and purchases were made by calling quotations rather than adopting the tendering process. Detail is given below:

(Rupees in million)

Sr. No.	Year	V. No.	V. Date	Supplier Name	Item repaired	Gross Amount
1	2018-19	505	2/1/2019	Javed & Co.	Repair Firebrigade	0.895
2	2016-17	514	27-10-2016	New General Trade Bahawalpur	Purchase of Bench of Copey	0.334
3	2016-17	44	11/4/2017	Mika Enterprises	Purchase Anti Clerck For Fileration Plant No.02	0.289
4	2016-17	228	42653	OWT	Purchase of Chemical For Fileration Plant	0.283
5	2018-19	835-836	2/5/2019	Rajpoot Builders	Instalation Pipe Cons: Sewerline	0.199
6	2016-17	164	1/6/2017	Iles Land Com.	Repair of Manhole Repair of Manhole Cover	0.199
7	2018-19	837-838	2/5/2019	Allah Ditta	Installation Pipe Cons: Sewer line	0.186
8	2018-19	387-401	26-11-2018	Rajpoot Builders	Repair Sewer line	0.155
Total						2.539

Due to weak financial management, procurement was made without observing PPRA Rules.

Procurement without observing PPRA rules resulted in irregular expenditure of Rs 2.539 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para: 17]

4.4.3 Unauthorized expenditure on daily wages / contingent paid staff – Rs 1.716 million

According to Government of the Punjab, Local Government & Community Development Department letter No.SO.Admn-III(LG)Misc./2015 (P-I) dated 19.04.17 and subsequent, it was directed that no sanitary worker would be recruited on daily wages, contract, regular, leave vacancy and under any mode or pretext by the Local Governments except under Rule 17-A. The expenses incurred on such recruitments / appointment would be illegal and not a valid charge on funds of LGs and termed as misconduct and could be recovered from DDOs or appointing authorities. Further, according to the Austerity Measures for the years 2016-17 and 2017-18, issued by the Finance Department, Government of the Punjab, no contingent paid staff shall be appointed without obtaining prior approval from the Austerity Committee.

Chief Officer Municipal Committee, Fort Abbas appointed contingent paid staff in violation of instructions issued by LG&CD department. Further, payment of salaries of Rs 1.716 million was made without approval from austerity committee of the finance department.

Contingent paid staff was appointed in violation of instructions issued by LG&CD department and without prior approval of austerity committee.

Payment of salaries to contingent paid staff without approval of austerity committee resulted into irregular expenditure of Rs 1.716 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends regularization of expenditure besides taking disciplinary action against the person(s) at fault.

[AIR Para: 07]

4.5 Value for Money and Service Delivery Issues

4.5.1 Loss due to non-transfer of property in the name of MC – Rs 415.410 million

According to Section 17 (e) & (f) and Section 42 (h) of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall submit a transfer deed, in accordance with Form B, for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority. (i) The area reserved for roads, open space, park and solid waste management, (ii) One percent of the area under land sub-division for public buildings, excluding the area of mosque.

Chief Officer Municipal Committee, Fort Abbas failed to get transfer requisite area valuing of Rs 415.410 million in the name of MC from ten (10) land sub divisions/ housing schemes. The sale of plots was continued by the owners/ developers despite that required area was not transferred in the name of MC. Detail is given below:

(Rupees in million)

Sr. No.	Name of Business	Owner Name	Square feet (Area)	Pass / Not Pass	Total Area (Kanal)	Value of Land
1	Ahmad Gardan	Irshad Ul Haq S/o Muhammad Shafi	100K	Passed	40k 18M	80.982
2	Gulberg Valley	Shahid Anjum S/o Abdul Majeed	98K	Passed	28.57K	48.397
3	Umar Housing	Shahid Nadeem S/O Taj Muhammad	43K 4 M	Passed	208 M	18.73
4	Gulberg	Irfan Ahmad S/o Niaz Ahmad	96K	Passed	28.57 K	48.392
5	Suck Chain	Shahzad Ahmad S/o Irshad Hussain	79K 5M	Passed	17K 8 M	24.36
6	Park View	Muhammad Alam S/o sha Muhammad	14K 17M	Passed	14 K 17 M	14.85
7	Green City	Muhammad Zafar S/o Sardar Ahmad	100K	Passed	29 K	54.75
8	Abdullah Avenue	Abdullah S/o Muhammad Shafi	60K 10M	Passed	40.348 k	68.591
9	Ibrahim City	Muhammad Abbas S/o Noor Ahmad	32K	Passed	14.36 k	33.171
10	Nawab Colony II	Ijlal Haider S/o Muhammad Abdullah	48K	Passed	257 M	23.187
Total						415.410

Due to weak internal controls, required land could not be transferred in the name of MC.

Non-transferring land/ property in the name of MC resulted in loss of Rs 415.410 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests, DAC meeting was not convened till finalization of this Report

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides transferring of property in the name of MC.

[AIR Para: 15]

4.5.2 Loss due to non-auctioning of shops at competitive rates – Rs 16.866 million

According to Rule 16 (a) and (e) of the PLG (Property) Rules, 2018, shops or commercial property shall be leased out through competitive bidding and the lease may be extended subject to the revised rent assessed by the District Rent Assessment Committee.

Chief Officer Municipal Committee, Fort Abbas did not re-auction the shops despite expiry of lease agreements. All the tenants were running business on comparatively much lesser old rates. Management neither made concrete efforts to re-auction the property nor cancelled the expired agreements. It resulted in loss of Rs 16.866 million to the MC.

Due to weak financial management, shops were not re-auctioned at competitive rates.

Due to negligence of the department, shops were not auctioned at competitive rates to fetch maximum revenue of Rs 16.866 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Audit recommends fixing responsibility on the person(s) at fault besides re-auctioning of shops at competitive market rates.

[AIR Para: 08]

4.5.3 Loss due to non-collection of fee from unapproved housing schemes – Rs 8.362 million

According to Rule of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, A Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall take action against illegal housing schemes and against deviations done in sanctioned housing schemes as per law for the time being enforced.

Chief Officer Municipal Committee Fort Abbas did not collect fee of Rs 8.362 million during 2016-19 from the owners/ developers of illegal land subdivisions/ housing schemes, whereas sale of plots remained continuous. Detail of loss is given below:

(Rupees in million)

Sr. No.	Name of Business	Owner Name	Area (SF)	Status	Pending Fee
1	Al Aziz Town	Muzafar Ali S/o Abdul Latif	88.70 k	Not Pass	1.951
2	Shaheen Housing	Muhammad Ashiq S/o Muhammad Ramzan	76k 5 m	Not Pass	1.592
3	Garden Housing	Muhammad Naem S/o Muhammad Shafi	75.60 k	Not Pass	1.914
4	Wasaib City	Ijlal Haider S/o Muhammad Abdullah	81k 18m	Not Pass	1.693
5	Ahmad Gardan	Irshad Ul Haq S/o Muhammad Shafi	100K	Passed	0.590
6	Suck Chain	Shahzad Ahmad S/o Irshad Hussain	79K 5M	Passed	0.621
Total					8.362

Due to weak internal and administrative controls, neither fee was recovered from owners/ developers of illegal land subdivisions/ housing schemes nor any action was taken against the concerned.

Non-recovery of fee from illegal private housing schemes resulted in loss of Rs 8.362 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 14]

4.5.4 Non realization of revenue of rent of shops – Rs 4.921 million

According to Rule 47(1) of Local Government (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.

Chief Officer Municipal Committee, Fort Abbas did not make due efforts to recover/ realize revenue of Rs 4.921 million on account of rent of shops in violation of above rule. **Annexure-1/ Fort Abbas**

Due to poor efficiency of the collection staff, outstanding amounts were not recovered.

Non-recovery of rent of shops/ plots resulted in loss of Rs 4.921 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 04]

4.6 Others

4.6.1 Non Loss due to non-obtaining of BOQ/ GST invoices and CPRs – Rs 2.615 million

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

Chief Officer Municipal Committee, Fort Abbas made payment to contractors of Rs 15.385 million without production of BOQ/ GST invoices of material purchased. Management made payment to contractors without ensuring deduction/ payment of GST of Rs 2.615 million. Moreover, CPRs from contractors/ suppliers were not obtained to ensure payment of taxes to FBR. The detail is given below:

(Amount in million)

Sr. No.	Financial Year	Scheme Name	Name of Contractor	Agreement Cost	GST @ 17%
1	2016-2017	Construction of Basti Shekhan	Malik Aurangzaid	1.000	0.170
2	2016-2017	construction of RCC Ward No 1	Rana Engineering	0.999	0.170
3	2016-2017	Construction of Soling Basti Arian	Rajpoot Builders	1.000	0.170
4	2016-2017	Construction of Sewer line Ward No 3	Nadeem Akhtar Gill	1.200	0.204
5	2016-2017	Construction of Sewer line Ward No 4	Sheikh Yousaf	1.299	0.221
6	2016-2017	Construction of Sewer line Janaz Gha Ward No 5	Abdul Sattar	1.000	0.170
7	2016-2017	Construction of Soling Metaled Road Ward No 6	Ize Land Com.	1.000	0.170
8	2016-2017	Construction of sewer soling Quaid Azam Park	Rajpoot Builders	0.697	0.118
9	2016-2017	Construction of Sewer line Aqib Ward No 8	Hanan Builders	1.000	0.170
10	2016-2017	Construction Metaled Road Baby Park	Rajpoot Builders	0.799	0.136
11	2016-2017	Construction Metaled Road Masjid Noor	Ize Land Com.	1.000	0.170
12	2016-2017	Construction of PCC ward No 10	Rajpoot Builders	1.000	0.170
13	2016-2017	Construction of Metaled Road Ward No 12	Rajpoot Builders	0.995	0.169
14	2016-2017	Construction of Rohi Town	Malik Aurangzaid	1.000	0.170
15	2016-2017	Construction of PCC Falik Shair	Muhammad Khalid	0.499	0.085
16	2016-2017	Construction of Basti Esaiyan ward No 5	Rajpoot Builders	0.500	0.085
17	2016-2017	Construction of sewer line basti ikhlaq ward No 8	Malik Aurangzaid	0.400	0.068
Total				15.386	2.616

Due to weak financial controls, payment was made without deduction of GST or production of BOQ/ GST invoices and CPRs from contractors.

Payment without deduction of GST or production of BOQ / GST invoices and CPRs of Rs 2.615 million resulted in violation of the Government instructions.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends provision of BOQ/ GST invoices or recovery from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para: 10]

5. Municipal Committee, Haroonabad

CHAPTER 5.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAOs by Government of the Punjab, following financial resources were provided to CO (MC) during financial year 2016-19.

(Rupees in million)

Sr. No	Description	Detail	Budget	Expenditure	Excess (+) / Lapse (-)	% Excess/ Lapse
1	Non - Development	Salary	415.747	349.431	66.316	16%
		Non-Salary	808.234	513.663	294.571	36%
		Total	1223.981	863.094	360.887	26%
2	Development	-	35.857	30.862	4.995	14%
Grand Total			1,259.838	893.956	365.882	29.04%
Receipts			614.823	385.944	228.879	37.23%

(Source: Annual Accounts 2016-19)

- An amount of Rs 415.747 million was provided for pay and allowance out of which Rs 349.431 million was utilized resulting in lapse of Rs 66.316 million (16%).
- An amount of Rs 808.234 million was provided for non-salary component out of which Rs 513.663 million was utilized resulting in lapse of Rs 294.571 million (36%).
- An amount of Rs 35.857 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 30.862 million was utilized resulting in non-utilization of funds of Rs 4.995 million (14%).

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee, Haroonabad was made on the basis of achievement of targets of various revenue sources and development works

for the period 2016-19. These targets were monitored throughout the year by the Administrator. Achievement/ implementation status of the objectives/ targets is given below:

(Amount in Rupees)

Sr. No	Income Head	Budgeted 2016-19	Actual 2016-19	Excess + /less () achievement	%age
1	Bus Stand	7,200,000.00	6,901,610.00	298,390.00	4%
2	Map	18,000,000.00	16,800,687.00	1,199,313.00	7%
3	Housing Scheme	6,500,000.00	5,263,890.00	1,236,110.00	19%
4	Slaughter House	650,000.00	59,990.00	590,010.00	91%
5	Conversion Fee	5,500,000.00	4,609,024.00	890,976.00	16%
6	Permit Fee	150,000.00	133,700.00	16,300.00	11%
7	Copy Fee	400,000.00	337,800.00	62,200.00	16%
8	Rent of Shops	11,908,687.00	1,193,843.00	10,714,844.00	90%
9	Rent of Property	2,981,587.00	2,739,899.00	241,688.00	8%
10	Water Rate	8,800,000.00	8,236,270.00	563,730.00	6%
11	NOC Fee	30,000.00	3,000.00	27,000.00	90%
12	Map fee	4,000,000.00	2,784,198.00	1,215,802.00	30%
13	Misc.	300,000.00	289,452.00	10,548.00	4%
14	conversion Fee	7,000,000.00	6,087,767.00	912,233.00	13%
15	Permit Fee	386,000.00	277,930.00	108,070.00	28%
16	Copy Fee	700,000.00	582,600.00	117,400.00	17%
17	Rent of Shops	10,826,079.00	10,525,328.00	300,751.00	3%
18	Water Rate	8,800,000.00	6,600,525.00	2,199,475.00	25%
19	NOC Fee	100,000.00	48,700.00	51,300.00	51%
20	Sewerage Tax	4,000,000.00	3,282,350.00	717,650.00	18%
21	Rent of Shops	600,000.00	370,819.00	229,181.00	38%
22	Map fee	4,000,000.00	2,954,574.00	1,045,426.00	26%
23	Sanction of Housing Colony	5,000,000.00	1,948,500.00	3,051,500.00	61%
24	conversion Fee	7,000,000.00	2,338,373.00	4,661,627.00	67%
25	Permit Fee	400,000.00	325,000.00	75,000.00	19%
26	Copy Fee	2,000,000.00	278,300.00	1,721,700.00	86%
27	Rent of Shops	15,631,412.00	8,725,461.00	6,905,951.00	44%
28	Rent of Property	3,105,000.00	2,114,078.00	990,922.00	32%
29	Water Rate	8,800,000.00	6,477,015.00	2,322,985.00	26%
30	Renewal of Connection	4,000,000.00	356,350.00	3,643,650.00	91%
31	Sewerage Tax	5,000,000.00	1,667,375.00	3,332,625.00	67%
	Total	153,768,765.00	104,314,408.00	49,454,357.00	32%
		35.857	30.862	4.995	14%

Source: Data received from CO (MC)

From the analysis of targets and achievements of Municipal Committee it was observed that MC failed to develop strong internal control system, could not devise any policy for achievement of targets. Its administrative and financial management was weak and could not develop any mechanism for assessment of performance in the shape of key performance indicators. Further, Municipal Committee failed to

achieve targets, to actualize the potential revenue and carrying out of development works.

iii. Service Delivery Issues

The above table of receipts heads shows that an amount of Rs 153.769 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 104.314 million was realized resulting in less receipt of Rs 49.454 million (32%). Similarly, an amount of Rs 35.857 million was provided for development projects (civil works) out of which Rs 30.862 million was utilized resulting in non-utilization of funds of Rs 4.995 million (14%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the Administrator.

From the data analysis of Municipal Committee, Haroonabad it could be noticed that the management did little for regulating markets and services for issuance of licenses and imposes penalties for violations. Prevention and removal of encroachments were not conducted as per desired level. Moreover, the Committee Authorities neglected the areas of environment control, regulating the dangerous and offensive articles, organizing cattle fairs. No action was taken against the illegal housing schemes during the year.

Shortage of staff of sanitation, water supply schemes, planning, finance, and regulation and infrastructure wings, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Non-Production of Record worth Rs 4.961 million was reported in one case.
- ii. Irregularities amounting to Rs 4.899 million were noticed in one case.
- iii. Value for Money and service delivery issues amounting to Rs 258.873 million were noticed in 05 cases.

v. Expectation Analysis and Remedial Measures

Keeping in view the poor state of targets, achievements and service delivery, it is difficult to make any comment on expectation analysis and remedial measures.

Chief Officer Municipal Committee, Haroonabad failed to prepare authentic budget. Funds were not optimally utilized as particularly development funds remained less utilized and receipts were also less realized due to inefficiency of the management in the area of financial planning.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, and infrastructure) of Municipal Committees for discharge of their duties at maximum level as desired in the Rules.
- Strengthening the regulatory framework, following the rules e.g. PPRA rules for purchasing, adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons held responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization of non-development funds for provision of better citizen services alongwith holding the responsible for non/ delayed utilization of the same.

CHAPTER 5.1

Municipal Committee Haroonabad

5.2.1 Introduction

As per the Punjab Local Government Act, 2013, the Municipal Committee established under the Act shall function within the Provincial framework and adhere to the Federal and Provincial Laws. The Municipal Committee carried out the functions devolved by the Provincial Government.

The Municipal Committee shall approve bye-laws and taxes, approve annual budget including supplementary budgetary proposals. Preparation of long term & short term development plans. Promotion of social counseling and motivate the general public for compliance with municipal laws, rules and bye-laws.

The Municipal Committee is headed by Chairman/ Administrator. Being a Principal Accounting Officer Chief Officer of the Municipal Committee is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is being carried out in accordance with the applicable laws. Further, he coordinates the activities of the groups of offices for coherent planning, development, effective and efficient functioning of Municipal Committee. Further, functions of the Municipal Committee were managed through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited formation of Municipal Committee Haroonabad:

(Rupees in million)

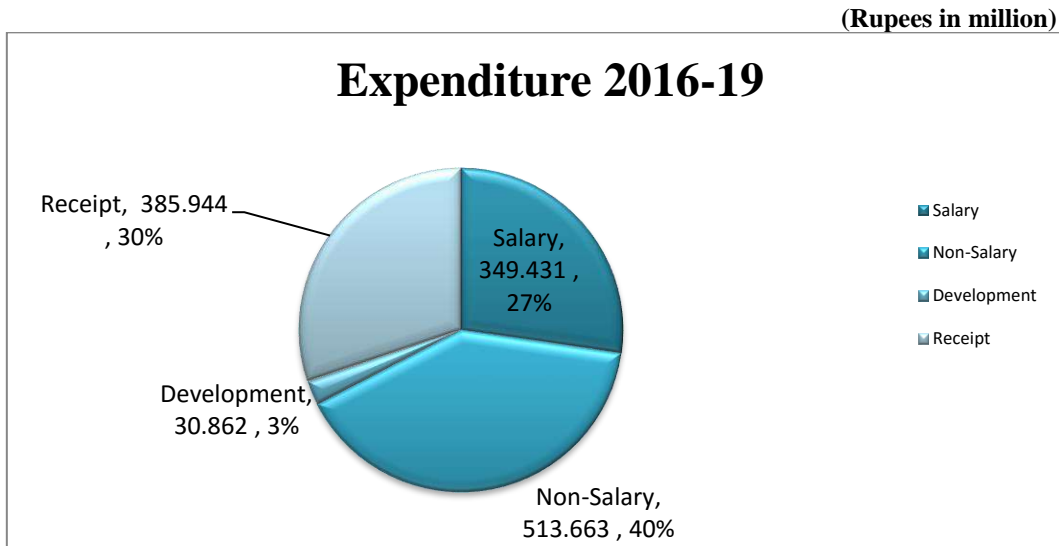
Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	164.999	368.894
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

5.2.2 Comments on Budget and Accounts

The detail of budget, expenditure and receipts is given below in tabulated form for the financial years 2016-19:

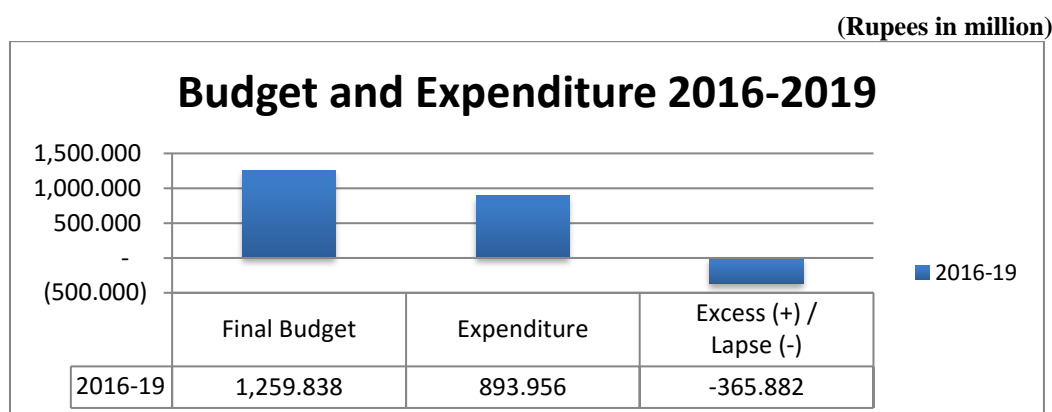
(Rupees in million)

Sr. No	Description	Detail	Budget	Expenditure	Excess (+) / Lapse (-)	% Excess/ Lapse
1	Non - Development	Salary	415.747	349.431	66.316	16%
		Non-Salary	808.234	513.663	294.571	36%
		Total	1223.981	863.094	360.887	26%
2	Development	-	35.857	30.862	4.995	14%
Grand Total			1,259.838	893.956	365.882	29.04%
Receipts			614.823	385.944	228.879	37.23%



As per the Annual Accounts 2016-19 of the Municipal Committee, Haroonabad total original budget (Development and Non-Development) was Rs 1,259.838 million. Against the budget, total expenditure of Rs 893.956 million was incurred by the Municipal Committee during 2016-19. Lapse of funds amounting to Rs 365.882 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible

explanation was provided by PAO and management of the Municipal Committee, Haroonabad. (Annexure-B)



5.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 268.833 million were raised as a result of this audit. This amount also includes recoverable of Rs 258.873 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	4.961
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	4.899
B	Procurement related irregularities	
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	258.873
5	Others	0

5.2.4 Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on the accounts of Municipal Committee, Haroonabad established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

AUDIT PARAS

5.3 Non Production of Record

5.3.1 Non production of record – Rs 4.961 million

As per clause 14(2) of the Auditor General's (Functions, Powers and Terms & Conditions of Service) Ordinance, 2001, the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

Chief Officer MC, Haroonabad did not produce record of Rs 4.961 million of various account's heads of expenditure and receipt for the financial year 2018-19. Non-provision of record was willful evasion from audit scrutiny despite repeated written and verbal requests.

Due to weak internal controls and willful evasion from audit, record was neither properly maintained nor produced for audit verification.

Non production of record resulted in non-authentication of expenditure and receipts.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests to the PAO, DAC meeting was not convened till finalization of this Report.

Audit recommends that auditable record be produced for verification at the earliest and necessary action be initiated against the concerned.

[AIR Para: 34 & 35]

5.4 Irregularities

5.4.1 Loss due to excess expenditure on holiday allowance – Rs 4.899 million

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

Chief Officer Municipal Committee, Haroonabad incurred excess expenditure of Rs 4.899 million on holiday allowance to employees who were not deputed on provision of essential services. Further, instructions regarding rotation of duties were not followed and services of employees remained continue without allowing weekly rest. Detail is given below:

(Rupees in million)		
Sr. No.	Year / Period of Accounts	Total Payment
1	2016-17	0.240
2	2017-18	1.750
3	2018-19	2.909
TOTAL		4.899

Due to weak internal and administrative controls, duties were taken without observing instructions of rotation basis.

Non-rotation of duties of staff resulted in excess expenditure on holiday allowance of Rs 4.899 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para:07]

5.5 Value for Money and Service Delivery Issues

5.5.1 Loss due to non-auctioning of shops at competitive rates – Rs 106.963 million

According to Rule 16 (a) and (e) of the PLG (Property) Rules, 2018, shops or commercial property shall be leased out through competitive bidding and the lease may be extended subject to the revised rent assessed by the District Rent Assessment Committee.

Chief Officer Municipal Committee, Haroonabad did not re-auction the shops despite expiry of lease agreements. All the tenants were running business on comparatively much lesser old rates. Management neither made concrete efforts to re-auction the property nor cancelled the expired agreements. It resulted in loss of Rs 106.963 million to the MC.

Due to weak financial management, shops were not re-auctioned at competitive rates.

Due to negligence of the department, shops were not auctioned at competitive rates to fetch maximum revenue of Rs 106.963 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Audit recommends fixing responsibility on the person(s) at fault besides re-auctioning of shops at competitive market rates.

[AIR Para: 09]

5.5.2 Loss due to non-transfer of land in the name of municipal committee – Rs 78.480 million.

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

waste management, (ii) One percent of the area under land sub-division for public buildings, excluding the area of mosque.

Chief Officer Municipal Committee, Haroonabad failed to get transfer requisite area valuing of Rs 78.480 million in the name of MC from four (04) land sub divisions/ housing schemes. The sale of plots was continued by the owners/ developers despite that required area was not transferred in the name of MC. Detail is given below:

(Rupees in million)						
Sr. No.	Name of Business	Owner Name	Square feet (Area)	Pass / Not Pass	Total Area (Kanal)	Value of Land
1	Pakistan City	Raiz Ahmad s/o Muhammad Ismaeel	48 K	Pass	6	26.400
2	Al Fathee Town	Rao Shoaib, wjahat Ali	32 K	Pass	4	17.600
3	Ittfaq Town	ForQleet s/o Muhammad Khalid	22 K 14 M	Pass	3	13.200
4	Raja Town	Raja Maqsood Ahamd s/o Raja Faroz Ahmad	71 K 18 M	Pass	7	21.280
Total					20	78.480

Due to weak internal controls, required land could not be transferred in the name of MC.

Non-transfer of land/ property in the name of MC resulted in loss of Rs 78.480 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides transfer of property in the name of MC.

[AIR Para: 26]

5.5.3 Non recovery of map fee from illegally constructed houses/shops – Rs 39.901 million

According to Rule 60 of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2009, the fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be 20 percent of the value of land if its value is more than Rs 10 million.

Chief Officer Municipal Committee, Haroonabad did not recover map fee of Rs 39.901 million regarding approval of map from the owners of ninety (90) illegal businesses/ houses and shops during 2016-19. Further management did not initiate action against the owners of illegally constructed houses and shops.

Annexure-1/ Haroonabad

Due to weak administrative controls, neither the management was collected required fee nor initiated necessary action against the owners of illegal constructions.

Non recovery of prescribed fee resulted in loss of Rs 39.901 million to government.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 15]

5.5.4 Non taking action against illegal private housing schemes and recovery of Rs 31.826 million

According to Rule 56 of the Punjab Private Housing Schemes and Land Subdivision Rules 2010, A Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall take action against illegal

housing schemes and against deviations done in sanctioned housing schemes as per law for the time being enforced.

Chief Officer Municipal Committee, Haroonabad did not collect requisite fee of Rs 31.826 million from the owners/ developers of illegal land subdivisions/ housing schemes during 2016-19. The management neither collected outstanding fee nor sealed illegal land subdivisions/ housing schemes. **Annexure-2/ Haroonabad**

Due to weak internal controls, neither fee was recovered from owners/ developers of illegal land subdivisions/ housing schemes nor action was taken against concerned.

Non recovery of fee from illegal land subdivisions/ housing schemes and non-taking action against those resulted in loss of Rs 31.826 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 24 & 25]

5.5.5 Non recovery of conversion fee – Rs 1.703 million

According to Rule 60 (1) (a) of the Punjab Land Use Rules, 2009 amended vide Notification No. SOR (LG) 38-18/2009 dated 06-06-2012, A city District government or a Tehsil Municipal Administration shall levy fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be 5 % for less than one million rupees, 10 % from one million rupees to ten million rupees and 20 % for more than ten million rupees of cost as per valuation table.

Chief Officer Municipal Committee, Haroonabad recovered less conversion fee of Rs 1.703 million from the owners during 2016-19. Conversion

fee was not collected on prescribed rates from the owners who converted their buildings into educational institutions and other commercial units. **Annexure-3/ Haroonabad**

Due to weak internal controls, conversion fee was not recovered from owners of the educational/ commercial buildings.

Non-recovery of fees from the owners / developers resulted in loss of Rs 1.703 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 12]

6. Municipal Committee Minchin Abad

CHAPTER 6.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAOs by Government of the Punjab, following financial resources were provided to CO (MC) during financial year 2016-19.

(Rupees in million)

Sr. No	Description	Detail	Budget	Expenditure	Excess (+) / Lapse (-)	% Excess/ Lapse
1	Non - Development	Salary	134.620	86.396	48.224	36%
		Non-Salary	109.135	60.516	48.619	45%
		Total	243.755	146.912	96.843	40.5%
2	Development	-	256.255	159.388	96.867	38%
Grand Total			500.010	306.300	193.710	38.74%
Receipts			189.756	149.730	40.026	21.09%

(Source: Annual Accounts 2016-19)

- An amount of Rs 134.620 million was provided for pay and allowance out of which Rs 86.396 million was utilized resulting in lapse of Rs 48.224 million (36%).
- An amount of Rs 109.135 million was provided for non-salary component out of which Rs 60.516 million was utilized resulting in lapse of Rs 48.619 million (45%).
- An amount of Rs 256.255 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 159.388 million was utilized resulting in non-utilization of funds of Rs 96.867 million (38%).

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee, Minchinabad was made on the basis of achievement of targets of various revenue sources and development works for the period 2016-19. These targets were monitored throughout the year by the

Administrator. Achievement/ implementation status of the objectives/ targets is given below:

(Amount in Rupees)

Sr. No	Income Head	Budgeted 2016-19	Actual 2016-19	Excess + /less () achievement	%age
1	C0388008 - License and permit fee	170,000	88,900	81,100	48%
2	C0388016 - General Bus Stand fee	2,500,000	0	2,500,000	100%
3	C0388020 - Rickshaw / motor cycle / Bicycle stand fee	365,000	166,680	198,320	54%
4	C0388027 - Fee for approval of Building/ Construction Plan	600,000	380,674	219,326	37%
5	C0388028 - Fee for change in land use	1,500,000	462,249	1,037,751	69%
6	C0388047 - Receipts on account of sale of water - residential	1,100,000	361,540	738,460	67%
7	C0388048 - Receipts on account of sale of water - commercial	15,000	0	15,000	100%
8	C0388058 - Sale of sludge/ waste-water	16,500	0	16,500	100%
9	C0388059 - Sale of municipal waste	30,000	10,000	20,000	67%
10	C0388071 - Registration / Enlistment of Contractors	1,000,000	20,500	979,500	98%
11	C0388072 - Renewal of registrations	800,000	0	800,000	100%
12	C0388077 - Advertisement Fee on sign boards of shops/ commercial places	525,000	150,250	374,750	71%
13	C0388081 - Rent of municipal Property - Shops	1,658,352	746,932	911,420	55%
14	C0388093 - Arrears of water rates	800,000	151,850	648,150	81%
Total		11,079,852	2,539,575	8,540,277	77%
Development		256.255	159.388	96.867	38%

Source: Data received from CO (MC)

From the analysis of targets and achievements of Municipal Committee it was observed that MC failed to develop strong internal control system, could not devise any policy for achievement of targets. Its administrative and financial management was weak and could not develop any mechanism for assessment of performance in the shape of key performance indicators. Further, Municipal Committee failed to achieve targets, to actualize the potential revenue and carrying out of development works.

iii. Service Delivery Issues

The above table of receipts heads shows that an amount of Rs 11.080 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 2.539 million was realized resulting in less receipt of Rs 8.540

million (77%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the Administrator.

The above table of receipts heads shows that an amount of Rs 375.445 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 197.750 million was realized resulting in less receipt of Rs 182.187 million (49%). Similarly, an amount of Rs 256.255 million was provided for development projects (civil works) out of which Rs 159.388 million was utilized resulting in non-utilization of funds of Rs 96.867 million (38%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the Administrator.

From the data analysis of Municipal Committee, Minchinabad it could be noticed that the management did little for regulating markets and services for issuance of licenses and imposes penalties for violations. Prevention and removal of encroachments were not conducted as per desired level. Moreover, the Committee Authorities neglected the areas of environment control, regulating the dangerous and offensive articles, organizing cattle fairs. No action was taken against the illegal housing schemes during the year.

Shortage of staff of sanitation, water supply schemes, planning, finance, and regulation and infrastructure wings, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Non-Production of Record worth Rs 17.767 million was reported in one case.
- ii. Irregularities amounting to Rs 13.533 million were noticed in two cases.
- iii. Value for Money and service delivery issues amounting to Rs 147.466 million were noticed in five cases.
- iv. Other issues involving an amount of Rs 5.239 million were noticed in one case.

v. Expectation Analysis and Remedial Measures

Keeping in view the poor state of targets, achievements and service delivery, it is difficult to make any comment on expectation analysis and remedial measures.

Chief Officer Municipal Committee, Minchinabad failed to prepare authentic budget. Funds were not optimally utilized as particularly development funds remained less utilized and receipts were also less realized due to inefficiency of the management in the area of financial planning.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, and infrastructure) of Municipal Committees for discharge of their duties at maximum level as desired in the Rules.
- Strengthening the regulatory framework, following the rules e.g. PPRA rules for purchasing, adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons held responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization of non-development funds for provision of better citizen services alongwith holding the responsible for non/ delayed utilization of the same.

CHAPTER 6.1

Municipal Committee Minchinabad

6.2.1 Introduction

As per the Punjab Local Government Act, 2013, the Municipal Committee established under the Act shall function within the Provincial framework and adhere to the Federal and Provincial Laws. The Municipal Committee carried out the functions devolved by the Provincial Government.

The Municipal Committee shall approve bye-laws and taxes, approve annual budget including supplementary budgetary proposals. Preparation of long term & short term development plans. Promotion of social counseling and motivate the general public for compliance with municipal laws, rules and bye-laws.

The Municipal Committee is headed by Chairman/ Administrator. Being a Principal Accounting Officer Chief Officer of the Municipal Committee is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is being carried out in accordance with the applicable laws. Further, he coordinates the activities of the groups of offices for coherent planning, development, effective and efficient functioning of Municipal Committee. Further, functions of the Municipal Committee were managed through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited formation of Municipal Committee Minchinabad.

(Rupees in million)					
Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	24.486	89.838
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

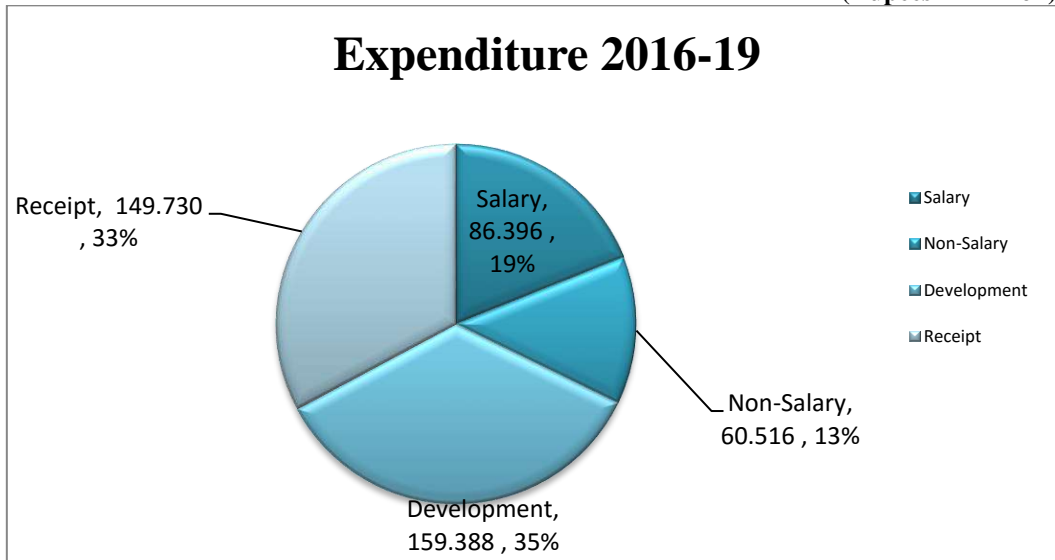
6.2.2 Comments on Budget and Accounts

The detail of budget expenditure and receipts is given below in tabulated form for the financial years 2016-19:

(Rupees in million)

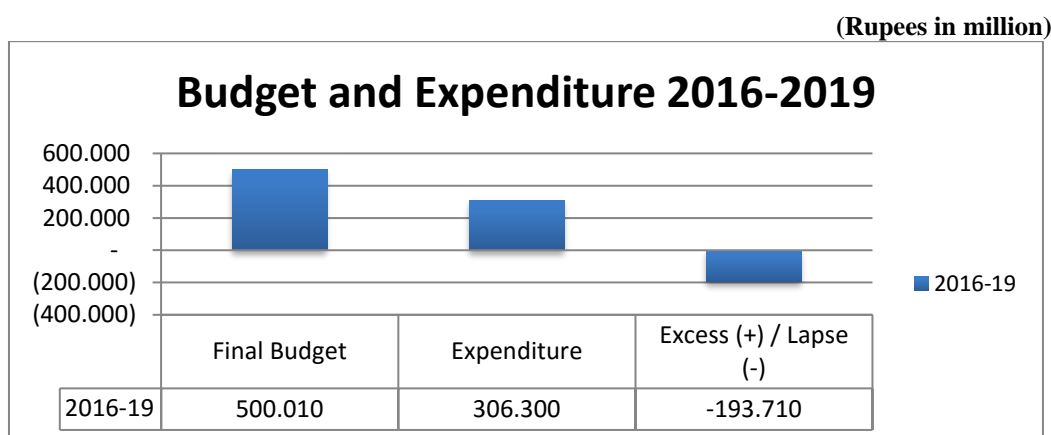
Sr. No	Description	Detail	Budget	Expenditure	Excess (+) / Lapse (-)	% Excess/ Lapse
1	Non - Development	Salary	134.620	86.396	48.224	36%
		Non-Salary	109.135	60.516	48.619	45%
		Total	243.755	146.912	96.843	40.5%
2	Development	-	256.255	159.388	96.867	38%
Grand Total			500.010	306.300	193.710	38.74%
Receipts			189.756	149.730	40.026	21.09%

(Rupees in million)



As per the Annual Accounts 2016-19 of the Municipal Committee, Minchinabad total original budget (Development and Non-Development) was Rs 500.010 million. Against the budget, total expenditure of Rs 306.300 million was incurred by the Municipal Committee during 2016-19. Lapse of funds amounting to Rs 193.710 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible

explanation was provided by PAO and management of the Municipal Committee, Minchinabad. (Annexure-B)



6.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 184.005 million were raised as a result of this audit. This amount also includes recoverable of Rs 47.720 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	17.767
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	13.533
B	Procurement related irregularities	0
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	147.466
5	Others	5.239

6.2.4 Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on the accounts of Municipal Committee, Minchinabad established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

AUDIT PARAS

6.3 Non Production of Record

6.3.1 Non-production / maintenance of record – Rs 17.767 million

As per clause 14(2) of the Auditor General's (Functions, Powers and Terms & Conditions of Service) Ordinance, 2001, the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

Chief Officer Municipal Committee, Minchinabad willfully did not maintain/ produce record of expenditure and revenue of Rs 17.767 million during 2016-19 under different objects/ codes of classification. DDOs working under the jurisdiction of CO failed to maintain record of expenditure and revenue at their own level.

Due to weak internal controls and willful evasion from audit, record was neither properly maintained nor produced for audit verification.

Non production of record resulted in non-authentication of expenditure and receipts.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests to the PAO, DAC meeting was not convened till finalization of this Report.

Audit recommends that auditable record be produced for verification at the earliest and necessary action be initiated against the concerned.

[AIR Para: 05, 09 & 13]

6.4 Irregularities

6.4.1 Unauthorized expenditure on daily wages / contingent paid staff – Rs 12.243 million

According to Government of the Punjab, Local Government & Community Development Department letter No.SO.Admn-III(LG)Misc./2015 (P-I) dated 19.04.17 and subsequent, it was directed that no sanitary worker would be recruited on daily wages, contract, regular, leave vacancy and under any mode or pretext by the Local Governments except under Rule 17-A. The expenses incurred on such recruitments / appointment would be illegal and not a valid charge on funds of LGs and termed as misconduct and could be recovered from DDOs or appointing authorities. Further, according to the Austerity Measures for the years 2016-17 and 2017-18, issued by the Finance Department, Government of the Punjab, no contingent paid staff shall be appointed without obtaining prior approval from the Austerity Committee.

Chief Officer Municipal Committee, Minchinabad appointed contingent paid staff in violation of instructions issued by LG&CD department. Further, payment of salaries of Rs 12.243 million was made without approval from austerity committee of the Finance Department. The detail is given below:

(Rupees in million)

Sr. No.	Financial Year	Expenditure
1	2016-17	4.348
2	2017-18	3.909
3	2018-19	3.986
Total		12.243

Contingent paid staff was appointed in violation of instructions issued by LG&CD department and without prior approval of austerity committee.

Payment of salaries to contingent paid staff without approval of austerity committee resulted into irregular expenditure of Rs 12.243 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends regularization of expenditure besides taking disciplinary action against the person(s) at fault.

[AIR Para: 04]

6.4.2 Loss due to excess expenditure on holiday allowance – Rs 1.290 million

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

Chief Officer Municipal Committee, Minchinabad incurred excess expenditure of Rs 1.290 million on holiday allowance to employees who were not deputed on provision of essential services. Further, instructions regarding rotation of duties were not followed and services of employees remained continue without allowing weekly rest. Detail is given below:

(Rupees in million)

Sr. No.	Financial Year	Holiday Allowance Paid	Name of Account Head shown in Annual Accounts
1	2016-17	1.290	Extra Duty Allowance
2	2017-18	0	Extra Duty Allowance
3	2018-19	0	Extra Duty Allowance
Total		1.290	

Due to weak internal and administrative controls, duties were taken without observing instructions of rotation basis.

Non-rotation of duties of staff resulted in excess expenditure on holiday allowance of Rs 1.290 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 17]

6.5 Value for Money and Service Delivery Issues

6.5.1 Loss due to non-vacation of encroached property – Rs 99.746 million

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

Chief Officer Municipal Committee, Minchinabad failed to get the encroached property valuing Rs 99.746 million vacate from the illegal occupants. The value of land as per the valuation table is given below:

(Rupees in million)						
Sr. #	Nature of Property	Location	Total Land (Marla)	Value of Land	Valuation table Sr. #	Total Value
1	Open Plot	Behind THQ Minchinabad	5	0.13	51	0.650
2	Open Plot	Behind THQ Minchinabad	5	0.130	51	0.650
3	Open Plot (Resident)	Behind THQ Minchinabad	5	0.130	51	0.650
4	Open Plot (Open Land)	Near Ismillabad Chowk Ronawa MND	460	0.213	226	97.795
Total						99.746

Due to weak administrative controls, encroached property was not got vacated from illegal occupants.

Non-vocation of encroached property resulted in loss of Rs 126.270 million to MC.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends vacation of encroached property besides fixing responsibility on the person(s) at fault.

[AIR Para: 01]

6.5.2 Illegal constructions in city without payment of conversion fee – Rs 20.746 million

According to Rule 60 (1) (a) of the Punjab Land Use Rules, 2009 amended vide Notification No. SOR (LG) 38-18/2009 dated 06-06-2012, A city District Govt. or a Tehsil Municipal Administration shall levy fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be 5 % for less than one million rupees, 10 % from one million rupees to ten million rupees and 20 % for more than ten million rupees of cost as per valuation table.

Chief Officer Municipal Committee, Minchinabad did not collect conversion fee of Rs 20.746 million from the owners of the buildings who had converted their buildings into educational institutions, banks and hospitals for commercial use.

Annexure-1/ Minchinabad

Due to weak administrative controls, the management neither recovered the required fee from concerned nor made due efforts to stop the development work at site.

Non-recovery of fees from the owners/ developers resulted in loss of Rs 20.746 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 03, 10 & 15]

6.5.3 Loss due to non-transfer of property in the name of MC – Rs 17.318 million

According to Section 17 (e) & (f) and Section 42 (h) of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall

submit a transfer deed, in accordance with Form B, for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority. (i) The area reserved for roads, open space, park and solid waste management, (ii) One percent of the area under land sub-division for public buildings, excluding the area of mosque.

Chief Officer Municipal Committee, Minchinabad failed to get transfer requisite area valuing of Rs 17.318 million in the name of MC from two (two) land sub divisions/ housing schemes. The sale of plots was continued by the owners/ developers despite that required area was not transferred in the name of MC. Detail is given below:

(Rupees in million)

Sr.#	Name of Colony	Total Area	Open Space 7%	Area of Roads	Public Building @ 2%	Solid Waste	Total Area to be transferred	Rate Per Marla	Total Value of Land
1	Model City Housing Colony Minchinabad	1600	112	395	32	10	549	27,000	14,823
2	Kamal Garden Minchinabad	1281.6	89.712	373.6	25.632	10	498.944	5,000	2,495
Total									17,318

Due to weak internal controls, required area of land could not be transferred in the name of MC.

Non transfer of land/ property in the name of MC resulted in loss of Rs 17.318 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests, DAC meeting was not convened till finalization of this Report

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides transfer of property in the name of MC.

[AIR Para: 02]

6.5.4 Non mortgage of land from land subdivisions/ housing schemes – Rs 6.458 million

According to section 17 (f) (i) of The Punjab Private Housing Schemes and Land Subdivision Rules 2010, a mortgage deed, in accordance with Form C, twenty percent for housing scheme and ten percent for farm housing scheme of saleable area.

Chief Officer Municipal Committee, Minchinabad failed to get mortgage the required area having value of Rs 6.458 million in the name of MC from ten (10) land subdivisions/ housing schemes, whereas sale of plots continued illogically. Detail is given below:

(Rupees in million)

Sr. No.	Name of Colony	Total Area in Marla	Area under plots	Rate Per Marla	Total Amount
1	Model City Housing Colony Minchinabad	1600	1,051.00	27,000	5.675
2	Kamal Garden Minchinabad	1281.6	782.66	5,000	0.783
Total					6.458

Due to weak internal controls, required property was not mortgaged in the name of MC.

Non mortgaging of property in the name of MC resulted in violation of rules.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides mortgaging of property in the name of MC.

[AIR Para:07]

6.5.5 Non-recovery of water rates - Rs 3.198 million

According to Rule 47 (1) of the Punjab Local Government (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.

Chief Officer Municipal Committee, Minchinabad did not recover water rates of Rs 3.198 million from the connection holders during 2016-19. Detail is given below:

(Rupees in million)

Sr. No.	Financial Year	Total units	Rate Charged	Water Rates demanded for the year	Total Amount Recovered during the year	Amount Receivable	
1		Arrears as 01.07.2016					1.262
2	2016-17	486	150	0.875	0.140	2.295	
		124	200	0.298			
3		610		1.172			
4	2017-18	434	150	0.781	0.649	2.688	
		109	200	0.262			
5		543		1.043			
6	2018-19	429	150	0.772	0.524	3.198	
		109	200	0.262			
7		538		1.034			
8				3.249	1.313		
Total							3.198

Due to weak internal controls, outstanding receipts were not realized.

Non-collection of receipts resulted in less realization of Rs 3.198 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 11]

6.6 Others

6.6.1 Doubtful expenditure on account of POL – Rs 5.239 million

According to Rule 2.10(a)(1) of the PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of expenditure of his own money. Further, there shall be maintained, in respect of every Government vehicle, a logbook in Form 'A' wherein shall be entered in the journeys performed by a Government vehicle. The logbook maintained under sub-rule (1) shall remain in the custody of the driver in-charge of the vehicle and shall be examined and signed by the Officer in charge every day at the time the driver is relieved from duty, according to Rule 9 (1) and (20) of the West Pakistan Government Staff Vehicles (Use and Maintenance) Rules, 1969.

Chief Officer Municipal Committee, Minchinabad incurred expenditure on POL during 2016-19 of Rs 5.239 million. Physical verification of vehicles and machinery revealed that meters of all tractors, sucker machine, jetting machine and generator were not functional. Entries in log books were made on the basis of estimation. Detail is given below:

(Rupees in million)		
Sr. No.	Financial Year	Expenditure
1	2016-17	0.925
2	2017-18	2.551
3	2018-19	1.763
Total		5.239

Due to weak internal controls, proper check and balance was not maintained on consumption of POL.

Non repair of meters and making entries in log books on estimation resulted into doubtful expenditure of Rs 5.239 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends fixing responsibility on the person(s) at fault besides disciplinary actions against the concerned.

[AIR Para:08]

7. Municipal Committee Ahmadpur East

Chapter 7.1

Sectoral Analysis

i. Analysis of Financial Resources

The following financial resources were given to Municipal Committee Ahmadpur East by the Government of Punjab to achieve the set targets during financial year 2016-19.

(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	655.093	411.451	(243.642)	(0.372)
		Non-Salary	153.413	447.427	294.014	1.916
		Total	808.506	858.878	50.372	0.062
2	Development	-	187.437	108.864	(78.573)	(0.419)
Grand Total			995.943	967.742	(28.201)	(0.028)
3	Receipts	-	693.011	517.925	(175.086)	(0.253)

Development includes an expenditure of Rs 108.864 million against an allocation of Rs 187.437 million. The said development works could not be completed within prescribed time and an amount of Rs 78.573 million lapsed during the years 2016-19.

An amount of Rs 655.093 million was provided for pay and allowances and an amount of Rs 243.642 million lapsed during the said period. Non salary includes an expenditure of Rs 447.427 million against an allocation of Rs 153.413 million resulting in excess expenditure amounting to Rs 294.014 million.

Receipts were collected amounting to Rs 517.925 million out of set target Rs 693.011 million resulting in non achievement of the target of Rs 175.086 million.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Ahmadpur East was made on the basis of various targets determined for the financial year 2016-19. These targets were not achieved completely. Lapse of budget and excess expenditure were

reflected poor financial management and inefficiency of the management. The main objective of fixing the targets was to improve financial reserves and to enhance the performance of staff.

Status regarding Targets and their achievements

(Amount in Rupees)

Sr. No.	FY	Factors/Indicators	Target	Achievement	Less achieved	% non achieved
1	2016-17	IPT Fee	39,600,000	22,285,648	17,314,352	44%
2		License permit fee	300,000	121,770	178,230	59%
3		General Bus Stand	2,000,000	1,943,494	56,506	3%
4		Building Map Fee	11,000,000	5,865,397	5,134,603	47%
5	2017-18	License Permit fee	400,000	293,000	107,000	27%
6		General Bus Stand	2,000,000	1,941,247	58,753	3%
7	2018-19	IPT Fee	8,000,000	7,399,107	600,893	8%
8		License permit fee	400,000	249,350	150,650	38%
9		General Bus Stand	2,000,000	1,974,106	25,894	1%
Total			65,700,000	42,073,119	23,626,881	36%

The Municipal Committee failed to meet their set targets i.e IPT fee, permit license fee, general bus stand and building map fee within prescribed time. Its administrative and financial management was weak and could not any mechanism for achievement of set targets.

iii. Service Delivery Issues

Status of fulfillment of its objectives or achievement of its targets can be clearly observed by the abovementioned details. The Municipal Committee failed to meet with their requirements. Further, its internal controls system was compromised. Its administrative and financial management was weak and any mechanism for assessment of performance in the shape of key performance indicators was not designed by the management.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution in Audit Year 2019-20.

- i. Fraud and misappropriation worth Rs 5.220 million was reported in one case.
- ii. Irregularities amounting to Rs 288.179 million were noticed in five cases.

- iii. Value for Money and Service Delivery issues amounting to Rs 183.203 million were noticed in eight cases.
- iv. Other issues involving an amount of Rs 25.406 million were noticed in four cases.
- v. **Expectation Analysis and Remedial Measures / Suggestions**

Keeping in view the poor state of targets, achievements and service delivery, it is difficult to make any comments on expectation analysis. However, by initiating following remedial measures, overall performance of the entity may improve.

- Mechanism should be made to reconcile immovable property tax with revenue department.
- Comprehensive survey for license permit and building map fee may be conducted and should be expedited.
- Continuous monitoring is required to enhance the recovery of General Bus Stand.
- Survey for rent of shops / plots may be conducted.
- Re-auctioning of shops / plots as per market competitive rate.
- Mechanism should be made to enhance the recovery in revenue heads.

CHAPTER 7.2

Municipal Committee Ahmadpur East

7.2.1 Introduction

Municipal Committee Ahmadpur East was established on 01.01.2017 under Punjab Local Government Act, 2013. A Municipal Committee is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name. Municipal Committee consists of the directly and indirectly elected members.

The Chief Officer acts as Principal Accounting Officer of a Municipal Committee and facilitates the performance of functions assigned to the Municipal Committee under the supervision of the Chairman / Administrator. He/she is responsible for coordination, human resource management, public relations, legal affairs, municipal services, emergency services etc. He/she manages functions of the Municipal Committee through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited expenditures / receipts of Municipal Committee Ahmadpur East:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	145.327	310.755
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

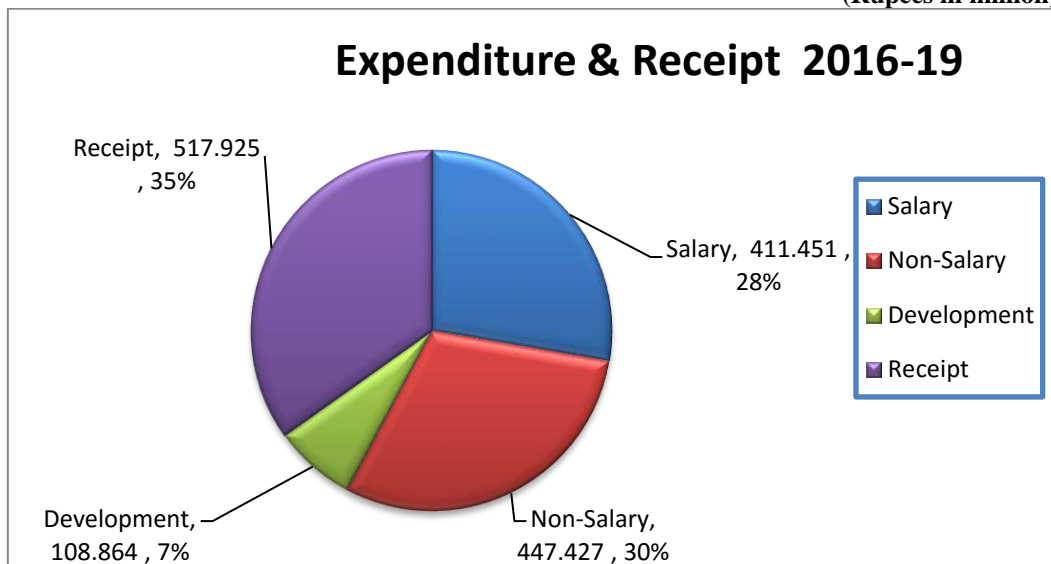
7.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to the Municipal Committee, Ahmadpur East during FY 2016-19.

(Rupees in million)

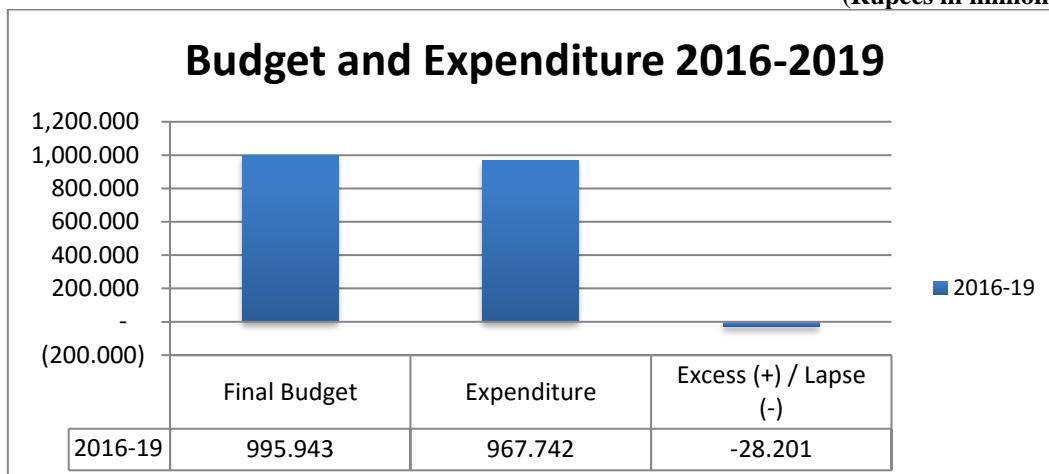
Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	655.093	411.451	(243.642)	(0.372)
		Non-Salary	153.413	447.427	294.014	1.916
		Total	808.506	858.878	50.372	0.062
2	Development	-	187.437	108.864	(78.573)	(0.419)
Grand Total			995.943	967.742	(28.201)	(0.028)
3	Receipts	-	693.011	517.925	(175.086)	(0.253)

(Rupees in million)



As per Accounts of the Municipal Committee Ahmadpur East, total final budget (Development & Non-Development) was Rs 995.943 million for the financial years 2016-19. Against the final budget, total expenditure of Rs 967.742 million was incurred. A lapse of Rs 28.201 million due to inefficient financial management came into the notice of Audit. No plausible explanation of the same was provided by the PAO and management of the Municipal Committee (**Annexure-B**).

(Rupees in million)



7.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 502.008 million were raised as a result of this audit. This amount also includes recoverables of Rs 150.676 million. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	5.220
3	Irregularities	
A	HR / Employees related irregularities	-
B	Procurement related irregularities	103.309
C	Management of Accounts with Commercial Banks	184.870
4	Value for money and service delivery issues	183.203
5	Others	25.406

7.2.4 Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on the accounts of Municipal Committee, Ahmadpur East established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

AUDIT PARAS

7.3 Fraud and Misappropriations

7.3.1 Loss due to non-recovery of embezzled amount – Rs 5.220 million

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

Chief Officer Municipal Committee, Ahmad Pur East failed to recover the embezzled receipt of Rs 5.220 million on account of “Transfer of Immovable Property Tax” despite lapse of three years. During audit it was found that embezzlement was made in the said receipt head by less credit of receipts in the concerned bank account and record showed that receipts deposited but the same was not reflected in the bank statement. A committee was constituted to probe the matter and committee pointed out that the amount from March 2015 to August 2016 was not credited in the bank account.

Due to negligence of the administration embezzlement was made and amount could not be recovered from the concerned.

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

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends initiating immediate and strict action for recovery of said amount and taking disciplinary action against the person(s) at fault.

[AIR Para:06]

7.4 Irregularities

7.4.1 Non / less execution of mortgage deed - Rs 160.45 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

Chief Officer, Municipal Committee Ahmadpur East, approved Housing Schemes / Land Sub Divisions during 2016-19, without ensuring mortgage deed @ 20% of saleable area. MC approved schemes by mortgaging less than required area valuing Rs 160.745 million. Detail is given below:

(Amount in rupees)

Sr. No.	Name of Housing Scheme	Total Area in Kanal	Area to be Mortgaged	Land Value as per Valuation Table (Per Marla)	Total
1	Gulshan-E-Rehman	23	14.95	79,860	23,878,140
2	Ameer Hamza Town	113	73.45	93,170	136,866,730
Total					160,744,870

Due to weak administrative controls, approval of Housing Schemes/ Land Sub Division was granted without ensuring mortgage deed of requisite area in the name of MC.

Execution of mortgage deed without ensuring requisite area of land valuing Rs 160.745 million resulted in irregular issuance of NOC to private housing schemes.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends regularization of the matter besides execution of mortgage deed as per rules and fixing responsibility on the person(s) at fault.

[AIR Para:08]

7.4.2 Opening of tenders by incomplete committee – Rs 98.482 million

According to rule No.9(5) of Punjab Local Government Works Rules, 2017 published into Punjab Gazette vide notification No. SOR (LG)38-3/2017 dated 30th June 2019, following committee was nominated for opening of tenders of works:

Sr. No	Composition	Designation
1	Chief Officer	Convener
2	Rep of Deputy Commissioner	Member
3	Assistant Engineer Concerned Local Government	Member
4	District Officer/ MO Finance	Member
5	District Officer/ MO Infrastructure	Member/ Secretary

Chief Officer Municipal Committee, Ahmadpur East opened bids and allotted various works costing Rs 98.482 million without ensuring complete committee. Scrutiny of the record revealed that bids of works were opened in various dates without complete committee. Detail is given below:

(Rupees in million)					
Sr. No.	Tender No / Date	No. of works	Member to be participants	Member participated	Cost of works
1	26-12-2016	23	5	4	20.576
2	3/12/2016	9	5	4	7.846
3	18-11-2016	13	5	3	15.072
4	25-10-2016	8	5	4	13.018
5	19-09-2016	1	5	3	8.5
6	30-09-2016	9	5	3	1.75
7	7/9/2016	24	5	3	22.685
8	2/8/2016	7	5	3	9.035
Total					98.482

Due to weak financial management, tenders were opened without complete committee.

Opening tenders without complete committee resulted in irregular tendering process of Rs 98.482 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends regularization from competent authority besides strict actions against the person(s) at fault.

[AIR Para: 13]

7.4.3 Irregular issuance of work orders - Rs 21.60 million

According to Punjab Local Government Works Rules, 2017 rule No.9 (9) published into official Gazette vide notification No. SOR (LG) 38-3/2017 dated 30th June, 2019 “The work order shall be issued by the engineer incharge to a person offering the lowest bid”

Chief Officer Municipal Committee, Ahmadpur East allotted work orders of Rs 21.960 million to various contractors himself rather than engineer incharge. Irregular issuance of all work orders by Chief Officer rather than Engineer incharge resulted in irregular issuance of work orders. Detail is given in **Annex-1/APE**

Due to financial indiscipline, work orders were issued by the Chief Officer rather than engineer incharge.

Issuance of work orders by incompetent authority resulted in irregular expenditure of Rs 21.690 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends regularization from competent authority besides strict actions against the person(s) at fault.

[AIR Para:14]

7.4.4 Irregular expenditure by splitting and non-observance of PPRA Rules – Rs 4.827 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.

Chief Officer Municipal Committee, Ahmadpur East incurred expenditure of Rs 4.827 million on construction of various works without consolidating annual demands and placing those on PPRA's website. The expenditure was held irregular as the procurement opportunities were not advertised and splitting was made through short tender notices rather than adopting the proper tendering process, in violation of PPRA Rules. Detail is given in **Annex-2/APE**

Due to poor financial management, procurement was made without observing PPRA Rules.

Procurement without observing PPRA rules resulted in irregular expenditure of Rs 4.827 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para: 18]

7.4.5 Irregular use of repair & maintenance budget for construction of new work – Rs 2.820 million

According to Clause No. 2.20 of B& R Code “the procedure to be followed in the case of repairs is as follows (a) The requisition will be made by the Civil Officer concerned (b) The Divisional Officer being satisfied himself as to the necessity for the work shall get the estimate sanctioned and having arranged for the appropriation of funds by competent authority, will then order the immediate execution of the work.

Chief Officer Municipal Committee, Ahmadpur East incurred expenditure of Rs 2.820 million for repair of mettle road but as per record mettle road was not existed at the site. All new works were done by charging expenditure out of repair work budget. Detail is given below:

(Rupees in million)

Sr. No.	Scheme	Contract or Name	Agreement Cost	Budget Charged
1	Repair of Metale Road from N-5(Z Block Settlite Town) to Shamas Colony Ahmad pur	Muhammad Ayoub Chohan	2.820	Repair work

Due to weak financial controls, expenditure on new schemes out of repair work budget was incurred.

Construction of new work out of repair work budget resulted in irregular expenditure of Rs 2.820 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends regularization of the matter from competent authority besides initiating appropriate action against the person (s) at fault.

[AIR Para:12]

7.5 Value for Money and Service Delivery Issues

7.5.1 Loss due to non auctioning of shops / plots at competitive rates – Rs 78.444 million

According to Govt. of the Punjab Local Government (Property) Rules, 2003, Rule No. 4 (d), the Manager shall ensure that the rented property fetches the maximum rent. According to Rule 16 (1) (a) and (b) of Local Government (Property) Rules 2003, the immovable property shall be given on lease through competitive bidding; the period of such lease shall be up to five years at a time.

Chief Officer Municipal Committee, Ahmadpur East realized less revenue of Rs 78.444 million due to non re-auction of shops / plots at prevailing market rates despite expiry of valid period of lease agreement. Lease agreements were made with lessees before a decade and no fresh agreements were made. Thus, rent was collected on old rates. The management neither made concrete efforts for re-auctioning nor cancelled the old agreements. Detail is given below:

(Rupees in million)			
Sr. No.	Detail of Shops	No.of Shops	Amount
1	Meat Market	24	9.216
2	Old Post Office Road	19	3.6
3	Eid Gah Road Market	14	1.008
4	Dar ul Saqafat Market	7	5.04
5	Allama Iqbal Market	12	8.64
6	Chowk Munir Shaheed	10	7.2
7	Inside Tehsil Bazar	9	1.944
8	Tehsil Bazar Khokhajat	4	0.864
9	Chabotra Bazar Market	4	0.504
10	General Bus Stand	9	2.484
11	Railway Road	14	2.052
12	Baldia Shopping Center	33	11.916
13	Old Committee Market	62	23.976
Total			78.444

Due to weak internal controls, shops/plots were not re-auctioned at competitive rates.

Non re-auctioning of shops/plots at competitive rates resulted in loss of Rs 78.444 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides re-auctioning of shops/plots at competitive market rates.

[AIR Para:23]

7.5.2 Loss due to non transfer of property in the name of MC – Rs 52.321 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 for transfer of area reserved for roads, open space, park, solid waste management and 01% of the area under land sub-divisions for public buildings to MC.

Chief Officer Municipal Committee, Ahmadpur East failed to get transfer the area valuing Rs 52.321 million i.e roads, parks, open space, solid waste management and public buildings. Housing schemes/ Land sub divisions were approved despite non transfer of public properties in the name of MC. Detail is given below:

(Rupees in million)

Sr. No.	Name of Housing Scheme	Developer	Total Area in Kanal	Total Open Area	Total Land Transferred	Value of Land	Value of Transferable Land
1	Gulshan-E-Rehman	Saad-Ullah , S/OAbdul Ghaffar	23	22%	0	0.080	8.066
2	Ameer Hamza Town	Muhammad Safdar S/O Sirraj Din	113	21%	0	0.093	44.256
Total							52.322

Due to weak internal controls approval of housing schemes/ land sub division was made without transfer of property in the name of MC.

Non transfer of property in the name of Municipal Committee resulted in loss of Rs 52.322 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends transfer of property in the name of Municipal Committee besides fixing responsibility on the person(s) at fault.

[AIR Para:07]

7.5.3 Non achievement of receipts targets – Rs 23.627 million

According to Rule 111 and 112 of PLG (Budget) Rules, each collecting officer may from time to time and with the approval of controlling officer and finance office of Local Government frame revenue collection programme setting up the targets for collection during specified period and the assistant collecting officers shall as far as possible follow the programme. He is required to ensure that all revenue targets are achieved.

Chief Officer Municipal Committee, Ahmadpur East collected receipts/revenues of Rs 42.073 million against set target of Rs 65.700 million which indicated less collection of Rs 23.627 million during FY 2016-19. It is also pertinent to mention that record of receipts was not reconciled with the concerned bank accounts and revenue department on monthly basis.

(Amount in Rupees)

Sr. No.	FY	Factors/Indicators	Target	Achievement	Less achieved	% non -achieved
1	2016-17	IPT Fee	39,600,000	22,285,648	17,314,352	56%
2		License permit fee	300,000	121,770	178,230	41%
3		General Bus Stand	2,000,000	1,943,494	56,506	97%
4		Building Map Fee	11,000,000	5,865,397	5,134,603	53%
5	2017-18	License Permit fee	400,000	293,000	107,000	73%
6		General Bus Stand	2,000,000	1,941,247	58,753	97%
7	2018-19	IPT Fee	8,000,000	7,399,107	600,893	92%
8		License permit fee	400,000	249,350	150,650	62%
9		General Bus Stand	2,000,000	1,974,106	25,894	99%
Total			65,700,000	42,073,119	23,626,881	64%

Due to poor financial management, targets were not achieved.

Non-achievement of targets resulted in loss of Rs 46.722 million to government.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inclusion of balances in next year budget, besides fixing responsibility on the person(s) at fault.

[AIR Para:01]

7.5.4 Irregular sub-letting of shops – Rs 8.900 million

According to Rule 4 of Punjab Local Government (Property) Rules, 2003, the manager shall (a) take as much care of the property entrusted to him as a man of ordinary prudence would, under similar circumstances, take of his own property of like nature (d) ensure that the rented Property fetches the maximum rent (f) prevent the use of property for any purpose and in any manner other than specified (k) be vigilant about 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. Moreover, as per agreement clause, “the allottee of the shop cannot transfer the allotment of the shops to any other person, if so the allotment will be cancelled”.

Chief Officer Municipal Committee, Ahmadpur East did not take any action against the allottee of shops who subletted shops to other persons at higher rates as compared to rent agreements. Scrutiny of record revealed that the allotted shops were subletted by the tenants in violation of agreement. CO neither canceled their agreements nor charged rent at current market rates amounting to Rs 8.900 million. Detail is given in **Annex-3/APE**

Due to weak internal controls, shops were subletted at higher rates as compare to rent paid to MC.

Irregular subletting of shops at higher rates resulted in loss of Rs 8.900 million to MC.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides re-auctioning of shops at competitive market rates

[AIR Para:21]

7.5.5 Loss due to non-realization of conversion fee from private educational institutions – Rs 8.005 million

According to Chapter VIII (60) (1) (e) of Punjab Land Use (Classification, Re-classification and Re-development) Rules 2009, “A City District Government or a Tehsil Municipal Administration shall levy the conversion fee for the conversion of land use to educational or healthcare institutional use @ ten percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available. Moreover, according to the judgment issued by the Honorable High Court in Writ Petition No. 2076-2015 and the decision made by the Secretary LG & CD Lahore on 30-06-15 in Para No. 5, TMA is directed to recover conversion fee from the educational and healthcare institutions.

Chief Officer Municipal Committee, Ahmadpur East did not collect conversion fee of Rs 8.005 million from the owners of 172 private schools located in their jurisdiction. The owners converted their residential buildings into educational institutions having area of 1,755 marlas without payment of prescribed fee at the scheduled rate. Detail is given in **Annex-4/APE**

Due to weak internal controls conversion fee was not recovered from owners of private educational institutions.

Non recovery of conversion fee from the owners of private educational institutions resulted in loss of Rs 8.005 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of due amount from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para:10]

7.5.6 Loss due to non collection of conversion / map fee from housing schemes – Rs 5.321 million

As per Chapter VII Section 37 & 38 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.

Chief Officer Municipal Committee, Ahmadpur East did not collect conversion / map fee of Rs 5.321 million from the owners / developers of Syedna Ameer Hamza Town situated at Ahmadpur East. The said scheme was not approved but 60% area was developed as construction of residential as well as commercial buildings. Similarly, construction was made in the Gulshan Rehman Housing Scheme and Al-Jannat Housing Scheme without approval of those schemes. Detail is given below:

(Rupees in million)

Sr. No.	Name of Scheme	Total Area of Scheme for residential	Constructed Area 60%	Mapping Fee (Rs.3 of covered area)	Total value of Area (area x per marla)	Conversion Fee @1% of total value	Total amount of loss (3+5)
		1	2	3	4	5	6
1	Syedna Ameer Hamza Town	Residential Area					
		616918.50 Sft =2264marla	370151.1 sft	37,0151.1x3= 11,10,453/-	2,264x180,0 00= 407520000/-	4.075	5.186

Sr. No.	Name of Scheme	Total Area of Scheme for residential	Constructed Area 60%	Mapping Fee (Rs.3 of covered area)	Total value of Area (area x per marla)	Conversion Fee @1% of total value	Total amount of loss (3+5)
		1	2	3	4	5	6
		Commercial Area					
		20 marla	20 marla	5450 sft x10= 54500	20x4,00,000 = 80,00,000/-	0.080	0.135
		Total		1.165		4.155	5.321

Due to weak internal controls, conversion fee was not recovered from the owners / developers.

Non recovery of conversion fee resulted in loss of Rs 5.321 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:25]

7.5.7 Loss due to less collection of fees from unapproved housing schemes – Rs 3.842 million

As per Chapter VII Section 37 & 38 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 and deposit sanction fee at the rate of rupees one thousand per kanal.

Chief Officer Municipal Committee, Ahmadpur East did not collect sanction / conversion fee from the owners / developers of the housing schemes. The management neither took solid steps to get those housing schemes approved nor collected fee which resulted in loss of Rs 3.842 million to MC. Detail is given on next page:

(Rupees in million)

Sr. No.	Name of Housing Scheme	Name of Developer	Total Area in Kanal	Land Value as per Valuation Table (Per Marla)	Sanction of Scheme Fee	Conversion Fee 1%	Total
1	Gulshan-E-Rehman	Saad-Ullah etc.	23	0.080	0.046	0.413	0.459
2	Ameer Hamza Town	Muhammad Safdar	113	0.093	0.226	2.332	2.558
3	Ali-Ul-Murtaza Town	Unknown	about 40 Kanals	0.093	0	0.825	0.825
Total							3.842

Due to weak internal controls, sanction / conversion fee was not recovered from the owners / developers.

Non recovery of sanction / conversion fee resulted in loss of Rs 3.842 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:09]

7.5.8 Loss due to non collection of fee from new constructions – Rs 2.744 million

As per Chapter VII Section 37 & 38 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 and deposit map fee as per valuation table.

Chief Officer Municipal Committee, Ahmadpur East did not collect map fee / conversion fee of Rs 2.744 million from the owners of new constructed buildings in their jurisdiction. The management neither took solid steps to recover

map / conversion fee from new constructions nor served any notices to them as per survey report submitted by the staff of MC.

Due to weak financial controls, admissible fees could not be collected from new constructions.

Non collection of fees from new constructions resulted in loss of Rs 2.744 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery from the concerned besides initiating disciplinary proceedings against the person(s) at fault.

[AIR Para: 30]

7.6 Others

7.6.1 Expenditure on works due to doubtful lab test reports – Rs 16.450 million

According to clause 28 of tender form “all materials and workmanship shall be of the respective kinds described in the contract and in accordance with the instructions of the Engineer in Charge and shall be subjected from time to time to such tests as the engineer in charge may direct at the place of manufacture or fabrication or on the site or at all or any of such places”.

Chief Officer Municipal Committee, Ahmadpur East made payment of regarding sixteen (16) development schemes without ensuring the authenticity of lab test reports amounting to Rs 16.450 million. Sampling for lab test was made without observing above rules. As per physical inspection report, the bricks monogram was different than that mentioned in the lab test report. It made lab test reports doubtful. Detail is as under:

(Amount in Rupees)			
Sr. No.	FY	Scheme Name	Amount of Scheme
1	2016-17	Repair of drain /iron cross /Gully Grating chamber ETC M.C Ahmadpur East.	500,000
2	2016-17	Construction soling drain tuff tile kochajaat shah wala bagh MC Ape	1,000,000
3	2016-17	Construction soling drain sodagr colony/mahala fatani MC Ape	500,000
4	2016-17	Laying tuff tile, sewerage near fazlaon Wali Darbar kocha tasadoq Hussian patwari mohala Noor shah Bukari porana bakerkana MC APE	500,000
5	2016-17	Laying sewerage soling drain kocha fida Husain Qari saf ul rahman basti patwarion MC ape	500,000
6	2016-17	Laying tuff tile sewerage kocha muhammadi masjid mohala serwer shah MC Ape	500,000
	2016-17	Laying tuff tile kochajaat hathi bazaar MC Ape	1,000,000
7	2016-17	Laying sewer line railway road to main kocha traklay shah MC Ape	1,000,000
8	2016-17	Laying tuff tile kocha tahir mamtaz mohalla noor shah bukhari MC Ape	250,000

Sr. No.	FY	Scheme Name	Amount of Scheme
9	2016-17	Repair of m/road from N-5 (Z-Block Satellite town)to shamascolony Ahmad pur East.	2,820,000
10	2016-17	P/Laying sewerline tuff tile & soling kucha jaat Siyal colony, Ahmadpur East	500,000
10	2016-17	P/laying sewer line, tuff tile & soling in kucha jaat masjid darugha Mohalla Shikari, APE	400,000
11	2016-17	P/Laying tuff tile / sewer line kucha Tahir Qaim Khani Rao Colony, Ahmedpur E.	1,500,000
12	2016-17	Construction of soling National Highway to Basti Javaid Warran U/c Dhoor Kot APE	1,180,000
	2017-18	Repair of Mohoram Roots city Ahmedpur East.	300,000
15	2017-18	Laying Tuff Tile/sewerage/ soling mohallah katra ahmed khan, ward No.38, MC, APE	1,000,000
	2017-18	Laying Tuff Tile from masjid buddan khan to fatani chowk, MC, APE	2,500,000
16	2018-19	Supply of Manhole Cover Frames, & Raising of Manholes Cover, MC Ahmedpur East.	500,000
Total			16,450,000

Due to weak internal controls, payment was made without ensure the use of standard material as per requirements.

Without ensuring quality of used material resulted in doubtful payment amounting to Rs 16.450 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry of the matter at an appropriate forum besides fixing responsibility on person(s) at fault.

[AIR Para:16]

7.6.2 Irregular payment of holiday allowance – Rs 6.956 million

According to Government of the Punjab S&GAD letter No. SOGIV(SA)MISC-4/94 dated 02.06.1994 read with letter No. SOW-I(S&GAD)1-3/2008 (P.I) dated 12.05.2010, the duty of the officials posted in public dealing

offices in nation building departments/sanitation and watering staff in local bodies, the staff of all offices which are required to remain open for 24 hours a day, 7 days a week, should be arranged in such a way that these services are continuously provided to the General public during all the seven days and weekly rest may be allowed to them on rotation basis.

Chief Officer Municipal Committee, Ahmadpur East incurred expenditure of Rs 6.956 million on “Holiday Allowance” for those employees who were not deputed on provision of essential services during holidays. It was observed that their services remained continuous for whole week without allowing them weekly rest on rotation basis. Detail is given below:

(Rupees in million)

Sr. No.	Year	Detail of payments in sub offices (Rs)							Total
		Disposal works	Sewerage Section	Sanitation Staff	Parking	Fire Brigade	Regulation Branch	Light Branch	
1	2016-17	0.362	0.134	0.322	0.019	0.331	-	-	1.168
2	2017-18	0.642	0.376	0.725	0.300	0.546	0.035	-	2.625
3	2018-19	0.574	0.431	0.849	0.797	0.454	-	0.057	3.163
Total		1.578	0.941	1.896	1.116	1.331	0.035	0.057	6.956

Due to weak financial and managerial controls, duties were taken from staff throughout week without observing rotation policy.

Improper scheduling and non-rotation of duties of staff resulted in excess expenditure on holiday allowance amounting to Rs 6.956 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 6.956 million from the concerned besides fixing responsibility on the person (s) at fault.

[AIR Para:17]

7.6.3 Unauthorized expenditure on account of development works in illegal housing scheme – Rs 2.00 million

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

Chief Officer Municipal Committee, Ahmadpur East made payment of Rs 2.00 million on account of development of civil works in that schemes which was not approved by the MC. Further, the erstwhile TMA declared said housing scheme as illegal hence expenditure in illegal housing schemes was unjustified. Detail is given below:

(Rupees in million)					
Sr. No.	Name of Scheme	Detail of works	Tender Notice Date	Tender Sr. No.	Estimated Cost
1	Hamza Town	Laying Tuff Tile/sewerage/Soling gulshan colony/Habib Colony, Ward No.24, MC, APE	29-11-17	24	1.500
2		Laying Tuff Tile Gulshan/Habib Colony, Ward No.24, MC, APE		24	0.500
Total					2.000

Due to malafied intention of the department, expenditure on account of development works in illegal housing scheme was made.

Unjustified payment of civil work in illegal housing schemes resulted in favoritism and loss of Rs 2.00 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry of the matter besides initiating action against the person (s) at fault.

[AIR Para:29]

8. Municipal Committee Hasilpur

CHAPTER 8.1

Sectoral Analysis

i. Analysis of Financial Resources

The following financial resources were given to Municipal Committee Hasilpur by the Government of Punjab to achieve the set targets during financial year 2016-19.

(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	352.110	306.336	-45.774	-0.130
		Non-Salary	202.312	9.883	-192.428	-0.951
		Total	554.422	316.219	-238.203	-0.430
2	Development	-	155.890	95.100	-60.790	-0.390
Grand Total			710.312	411.319	-298.993	-0.421
3	Receipts	-	668.334	456.829	-211.506	-0.316

Development includes an expenditure of Rs 95.100 million against an allocation of Rs 155.890 million. The said development works could not be completed within prescribed time and an amount of Rs 60.790 million lapsed during the years 2016-19.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 238.203 million lapsed during the said period. Receipts were collected amounting to Rs 456.829 million out of set target Rs 668.334 million resulting in non achievement of target of Rs 211.506 million.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Hasilpur was made on the basis of various targets determined for the financial year 2016-19. These targets were not achieved completely. Lapse of budget was reflected poor financial management and inefficiency of the management. The main objective of fixing the targets was to improve financial reserves and to enhance the performance of staff.

Status regarding Targets and their achievements

(Amount in Rupees)

Sr. No.	FY	Factors / Indicators	Target	Achievement	Less Achieved	% Not Achieved
1	2016-17	Car Parking	522,000	208,800	313,200	60%
2		General Bus Stand Fee	5,149,000	2,496,425	2,652,575	52%
3		Fee for approval of building / construction plan	1,500,000	1,425,983	74,017	5%
4		Water connection	250,000	249,060	940	0%
5		Receipts on account of sales of water	5,594,000	391,330	5,202,670	93%
6		Sewerage Fee	924,000	86,440	837,560	91%
7		Registration /Enlistment of Contractor	300,000	75,000	225,000	75%
8		Rent of Municipal Property/shops	19,327,000	16,069,318	3,257,682	17%
9		Misc.	19,948,329	13,207,954	6,740,375	34%
10	2017-18	Car Parking	1,229,000	208,800	1,020,200	83%
11		License Fee	500,000	231,000	269,000	54%
12		Collection of payment for services	350,000	323,238	26,762	8%
13		General Bus Stand Fee	11,000,000	10,789,570	210,430	2%
14		Fee for slaughtering of animals	200,000	191,980	8,020	4%
15		Receipts on account of sales of water	6,900,000	2,271,026	4,628,974	67%
16		Sewerage Fee	1,300,000	499,590	800,410	62%
17		Registration /Enlistment of Contractor	450,000	396,000	54,000	12%
18		Rent of Municipal Property/shops	38,689,500	36,201,353	2,488,147	6%
19		Machinery Charges	50,000	34,100	15,900	32%
20	2018-19	Car Parking	1,505,000	1,245,720	259,280	17%
21		License Fee	350,000	308,700	41,300	12%
22		Enforcement	1,420,000	1,600	1,418,400	100%
23		Fee for slaughtering of animals	200,000	194,540	5,460	3%
24		Water connection	900,000	834,210	65,790	7%
25		Receipts on account of sales of water	7,100,000	2,462,026	4,637,974	65%
26		Sewerage Fee	1,400,000	834,210	565,790	40%
27		Registration /Enlistment of Contractor	262,500	222,500	40,000	15%
28		Rent of Municipal Property/shops	46,158,404	42,550,833	3,607,571	8%
29		Misc.	9,715,678	369,469	9,346,209	96%
Total			183,194,411	134,380,775	48,813,636	27%

The Municipal Committee failed to meet their set targets i.e water rate, rent of shops, permit license fee, general bus stand, building map fee etc. within

prescribed time. Its administrative and financial management was weak and could not any mechanism for achievement of set targets.

iii. Service Delivery Issues

Status of fulfillment of its objectives or achievement of its targets can be clearly observed by the abovementioned details. The Municipal Committee failed to meet with their requirements. Further, its internal controls system was compromised. Its administrative and financial management was weak and any mechanism for assessment of performance in the shape of key performance indicators was not designed by the management.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution in Audit Year 2019-20.

- i. Non-Production of Record worth Rs 1920.606 million was reported in one case.
- ii. Irregularities amounting to Rs 212.634 million were noticed in four cases.
- iii. Value for Money and Service Delivery issues amounting to Rs 208.432 million were noticed in nine cases.
- iv. Other issues involving an amount of Rs 22.194 million were noticed in three cases.

v. Expectation Analysis and Remedial Measures / Suggestions

Keeping in view the poor state of targets, achievements and service delivery, it is difficult to make any comments on expectation analysis. However, by initiating following remedial measures, overall performance of the entity may improve:

- Continuous monitoring required to enhance the recovery of General Bus Stand and Car Parking fee.
- Comprehensive survey of all revenue heads may be conducted and published before making collections; i.e. for License Permit Fee, Sewerage Tax, Water Rates and other receipt heads of same nature

- Strengthening the internal controls, adopting and following strong regulatory framework and fair tendering.
- Efforts should be made for expediting the realization of outstanding amounts from the contractors.
- Continuous monitoring of sanitation staff according to allocated areas is needed to be implemented through community involvement and with the help of modern technology (CCTV etc).
- All old lease contracts of municipal committee's shops & plot may be revised as current market rates and same may not be leased out for a period more than five years.

CHAPTER 8.2

Municipal Committee Hasilpur

8.2.1 Introduction

Municipal Committee Hasilpur was established on 01.01.2017 under Punjab Local Government Act, 2013. A Municipal Committee is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name. Municipal Committee consists of the directly and indirectly elected members.

The Chief Officer acts as Principal Accounting Officer of a Municipal Committee and facilitates the performance of functions assigned to the Municipal Committee under the supervision of the Chairman / Administrator. He/she is responsible for coordination, human resource management, public relations, legal affairs, municipal services, emergency services etc. He/she manages functions of the Municipal Committee through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited expenditures / receipts of Municipal Committee Hasilpur:

(Rupees in million)					
Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	69.714	1930.895
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

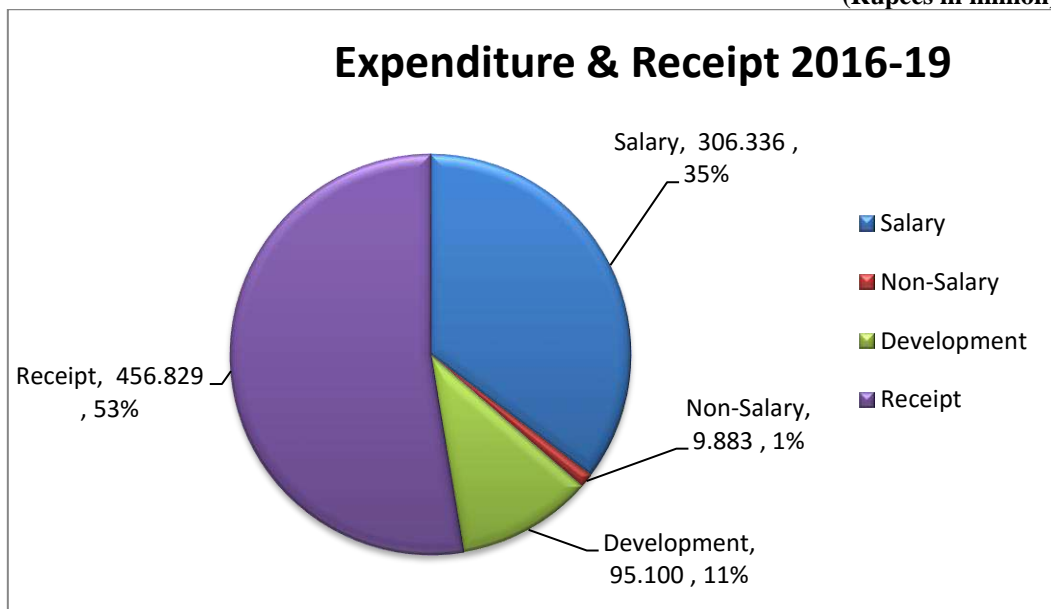
8.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to the Municipal Committee, Hasilpur during FY 2016-19.

(Rupees in million)

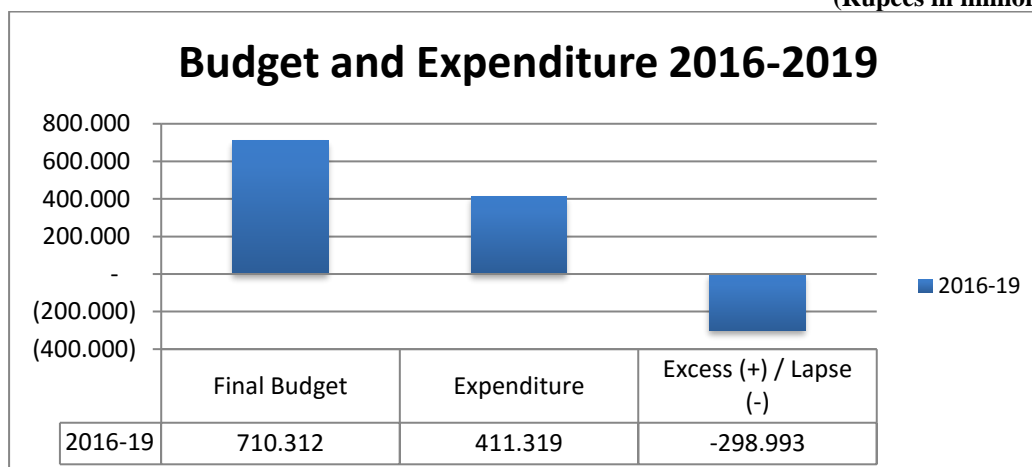
Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	352.110	306.336	-45.774	-0.130
		Non-Salary	202.312	9.883	-192.428	-0.951
		Total	554.422	316.219	-238.203	-0.430
2	Development	-	155.890	95.100	-60.790	-0.390
Grand Total			710.312	411.319	-298.993	-0.421
3	Receipts	-	668.334	456.829	-211.506	-0.316

(Rupees in million)



As per Accounts of the Municipal Committee Hasilpur, total final budget (Development & Non-Development) was Rs 710.312 million for the financial years 2016-19. Against the final budget, total expenditure of Rs 411.319 million was incurred. A lapse of Rs 298.993 million due to inefficient financial management came into the notice of Audit. No plausible explanation of the same was provided by the PAO and management of the Municipal Committee (**Annexure-B**).

(Rupees in million)



8.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 2,363.866 million were raised as a result of this audit. This amount also includes recoverables of Rs 210.075 million. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	1920.606
2	Reported cases of fraud, embezzlement and misappropriation	
3	Irregularities	
A	HR / Employees related irregularities	10.544
B	Procurement related irregularities	15.611
C	Management of Accounts with Commercial Banks	186.479
4	Value for money and service delivery issues	208.432
5	Others	22.194

8.2.4 Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on the accounts of Municipal Committee, Hasilpur established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

AUDIT PARAS

8.3 Non Production of Record

8.3.1 Non production of record – Rs 1,920.606 million

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

Chief Officer Municipal Committee, Hasilpur did not produce record of expenditure / revenue amounting to Rs 1,920.606 million during 2016-19 as detailed below.

(Rupees in million)

Sr. No.	Detail of Record	Amount
1	Schedule of Establishment, Detail of Outstanding Recovery, allotment of government residential, surveys conducted, MB and log etc.	2.760
2	Reconciled expenditure statements and receipts statements	1,232.864
3	DDO wise separate books of accounts i.e	638.445
4	Back up record of immovable property tax	46.537
Total		1,920.606

Due to irresponsible attitude on the part of management, record was not provided for scrutiny.

Legitimacy of expenditure / revenue could not be ensured due to non-production of record.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends getting the record verified besides fixing responsibility on person(s) at fault.

[AIR Para: 53, 41, 3 & 12]

8.4 Irregularities

8.4.1 Non / less execution of mortgage deed – Rs 183.217 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.

Chief Officer, Municipal Committee, Hasilpur, approved Housing Schemes/ Land Sub Divisions during 2018-19, without ensuring mortgage deed @ 20% of saleable area. MC approved schemes by mortgaging lesser than required area valuing Rs 183.217 million.

Due to weak administrative controls, approval of Housing Schemes/ Land Sub Division was granted without ensuring mortgage deed of requisite area in the name of MC.

Execution of mortgage deed without ensuring requisite area of land valuing Rs 160.745 million resulted in irregular issuance of NOC to private housing schemes.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends regularization of the matter besides execution of mortgage deed as per rules and fixing responsibility on the person(s) at fault.

[AIR Para: 50]

8.4.2 Irregular expenditure by splitting and non observance of PPRA rules – Rs 15.611 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.

Chief Officer Municipal Committee, Hasilpur incurred expenditure of Rs 15.611 million of on account of purchase of stationery, furniture and plant & machinery etc without consolidating annual demands and placing those on PPRA's website. The expenditure was held irregular as the procurement opportunities were not advertised and splitting through quotation basis rather than adopting the tendering process, in violation of PPRA Rules.

(Rupees in million)

Sr. No.	Head	Particular	Period	Amount
1	A13101	Machinery & Equipment	2018-19	6.603
			2017-18	2.286
			2016-17	4.401
2	A09701	Purchase of Furniture and Fixture	2018-19	0.994
3	A13199	Purchase of Plant & Machinery	2018-19	1.084
4	A03901	Stationary	2016-17	0.243
Total				15.611

Due to poor financial management, procurement was made without observing PPRA Rules.

Procurement without observing PPRA rules resulted in irregular expenditure of Rs 15.611million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:34]

8.4.3 Irregular expenditure due to change of cadre – Rs 10.544 million

As per letter No. SO (TIBB) 14 – 14 / 1992 (DGHS) dated 01.10.1992 and No. SOR – III 1 – 14 / 75 dated 17.10.1993 issued by Government of the Punjab Finance Department Cadre of employees could not be changed without prior approval of Chief Minister.

Seven (07) employees of Municipal Committee, Hasilpur drew salaries of Rs 10.544 million against the actual posts of appointment. The management changed their cadres without prior approval of the competent authority. Detail is given below:

Sr. No.	Name Of Employee	Appointed Designation	BPS	Date of Appointment	Oder No.	Date of Cadre Change	Current Designation	Current BPS
1	Bashir Ahmad Qaisar	Record Keeper	7	3.10.1982	882	17.06.1997	Land Officer	16
2	Shafqat Ali	Oil Man	1	11.3.1991	Nil	28.1.1993	Water Rent Inspector	7
3	M. Afzal	Oil Man	1	23.1.1993	185	31.12.2002	Junior Clerk	11
4	M. Anwar Arshad	Niab Qasid	1	1.12.2002	Nil	4.7.2005	Junior Clerk	5
5	M. Yaseen	Chowkidar	1	31.01.1993	219	1.10.2002	Naib Qasid	2
6	Tariq Mehmood	Junior Clerk	5	21.07.1988	3690	1.12.1993	Accounts Clerk	9
7	Sohail Akhtar	Recovery Clerk	5	4.09.2003	584	24.09.2007	Electrician	5

Cadres of officials were changed without observing prevailing rules and prior approval of the competent authority.

Change of cadres and payment of salaries without prior approval of the competent authority resulted in irregular expenditure of Rs 10.544 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends rectification of cadres besides re-fixation of pay and initiating actions against the concerned.

[AIR Para:45]

8.4.4 Irregular payment to contractors/ suppliers without obtaining Bill of Quantities – Rs 3.262 million

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

Municipal Officer (Infrastructure) of Municipal Committee, Hasilpur made payment of Rs 19.192 million to contractors without production of BOQ / GST invoices in violation of above instructions. Management made payment to contractors without ensuring deduction/ payment of GST Rs 3.262 million.

Due to weak financial controls, payment was made without deduction of GST or production of BOQ/GST invoices from contractors.

Payment without deduction of GST or production of BOQ/GST invoices of Rs 3.262 million resulted in violation of the Government instructions.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends provision of BOQ / GST invoices or recovery from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para:22]

8.5 Value for Money and Service Delivery Issues

8.5.1 Loss due to non-recovery of arrears – Rs 106.097 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.

Chief Officer Municipal Committee, Hasilpur failed to recover arrears from contractors on account of contract of rent of shops, contract of property and water rates etc during 2016-19. Management neither make due efforts for recovery of arrears. Detail is given in **Annex-1/HSP**.

Due to weak internal controls, arrears of revenue were not recovered by the management.

Non recovery of arrears resulted into non realization of revenue of Rs 106.097 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:04]

8.5.2 Non achievement of receipts targets– Rs 48.814 million

According to Rule 111 and 112 of PLG (Budget) Rules, each collecting officer may from time to time and with the approval of controlling officer and finance office of Local Government frame revenue collection programme setting up the targets for collection during specified period and the assistant collecting officers shall as far as possible follow the programme. He is required to ensure that all revenue targets are achieved.

Chief Officer Municipal Committee, Hasilpur collected receipts / revenues of Rs 134.380 million against set target of Rs 183.194 million which indicated less collection of Rs 48.814 million during FY 2016-19. It is also pertinent to mention here that record of receipts was not reconciled with the concerned bank accounts and revenue department on monthly basis. Detail is given in **Annex-2/HSP**

Due to inefficiency of management, targets were not achieved.

Non - achievement of targets resulted in loss of Rs 48.814 million to government.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inclusion of balances in next year budget, besides fixing responsibility on the person(s) at fault.

[AIR Para:08]

8.5.3 Loss due to non-realization of conversion fee – Rs 18.600 million

According to Chapter VIII (60) (1) (e) of Punjab Land Use (Classification, Re-classification and Re-development) Rules 2009, “A City District Government or a Tehsil Municipal Administration shall levy the conversion fee for the conversion of land use to educational or healthcare institutional use @ ten percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available. Moreover, according to the judgment issued by the Honorable High Court in Writ Petition No. 2076-2015 and the decision made by the Secretary LG & CD Lahore on 30-06-15 in Para No. 5, TMA is directed to recover conversion fee from the educational and healthcare institutions.

Chief Officer Municipal Committee, Hasilpur did not collect conversion fee of Rs 18.600 million from the owners of 186 private schools located in their jurisdiction. The owners converted their residential buildings into educational institutions having area of 1,860 marlas without payment of prescribed fee at the scheduled rate. Detail is given below:

(Rupees in million)

Area of institute	Rate / Marla	Total Value of Land	Conversion Fee (10%)	No. of Institute	Total Value
10 Marlas	0.100	1.000	0.100	186	18.600

Due to weak internal controls conversion fee was not recovered from owners of private educational institutions.

Non recovery of conversion fee from the owners of private educational institutions resulted in loss of Rs 18.600 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of due amount from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para:17]

8.5.4 Loss due to non auctioning of shops / plots at competitive rates – Rs 12.313 million

According to Govt. of the Punjab Local Government (Property) Rules, 2003, Rule No. 4 (d), the Manager shall ensure that the rented property fetches the maximum rent. According to Rule 16 (1) (a) and (b) of Local Government (Property) Rules 2003, the immovable property shall be given on lease through competitive bidding; the period of such lease shall be up to five years at a time.

Chief Officer Municipal Committee, Hasilpur realized less revenue of Rs 12.313 million due to non re-auction of shops / plots at prevailing market rates despite expiry of valid period of lease agreement. Lease agreements were made

with lessees before a decade and no fresh agreements were made. Thus rent was collected on old rates. The management neither made concrete efforts for re-auctioning nor cancelled the old agreements. Detail is given in **Annex-3/HSP**

Due to weak internal controls, shops/plots were not re-auctioned at competitive rates.

Non re-auctioning of shops/plots at competitive rates resulted in loss of Rs 12.313 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides re-auctioning of shops/plots at competitive market rates.

[AIR Para:09]

8.5.5 Loss due to non collection of fees from housing schemes – Rs 7.972 million

As per Chapter VII Section 37 & 38 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 and deposit sanction fee at the rate of rupees one thousand per kanal.

Chief Officer Municipal Committee, Hasilpur did not collect all due fees of Rs 7.972 million from the owners / developers of the housing schemes. The management neither take solid steps to get approved housing schemes nor collected fee which resulted in loss to MC, as detail given on next page:

(Rupees in million)

Particular of Azan City Land Sub Division	Amount
Total Area 26 Kanal, 5 Marlas	
Security Fee	0.001
Land Sub division Fee (Rs300 per marla)	0.158
Map Fee (Rs1000 per Kanal)	0.026
Sewerage Fee (Rs1000 per kanal)	0.026
Conversion Fee (Rs145000 as per schedule rate)	7.761
	7.972

Due to weak internal controls, all due fees was not recovered from the owners / developers.

Non recovery of all due fees resulted in loss of Rs 7.972 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:54]

8.5.6 Loss due to non recovery of rent of shops / plots – Rs 6.865 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.

Chief Officer Municipal Committee, Hasilpur failed to recover the rent of (1213) numbers of shops / cabins amounting to Rs 6.865 million from tenants / lessee against budget target amounting Rs 65.485 million during 2016-19. The management neither possession was taken over from the defaulters nor any legal action taken against them. The detail is given on next page:

(Rupees in million)

Sr. No.	Financial Year	Budget	Actual Receipt Collection	Difference
1	2016-17	19.327	16.069	-3.258
2	2018-19	46.158	42.551	-3.608
Total		65.485	58.620	-6.865

Due to poor management, amount of rented shops were not recovered from default tenants / lessee.

Non-recovery of rent of shops resulted in loss of Rs 6.865 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixation of responsibility on person(s) at fault besides recovery of stated amount from the concerned.

[AIR Para:11]

8.5.7 Loss due to non auctioning of collection rights – Rs 3.925 million

According to Rule 5(b) of the Punjab Local Governments (Auction of Collection Rights) Rules 2016, “the local government shall issue a public notice, in at least two national daily newspapers one in Urdu and one in English, through the office of the Director General, Public Relations, Punjab minimum seven days prior to date of auction”. Moreover, according to Rule 13 of the Punjab Local Governments (Auction of Collection Rights) Rules 2016, “If the bid is not received equal to or above the reserve price in three attempts, the Mayor or the Chairman shall place the matter before the House to:(a) examine the reasonability of the bids; and (b) decide acceptance or rejection of the bid after recording reasons of its rejection or acceptance”.

Chief Officer, Municipal Committee, Hasilpur did not make efforts to enhance the potential revenue by auctioning various collection rights. These

collection rights were not advertised in violation of PPRA rules. Management neither make tireless efforts for auctioning the recovery points nor make self collections at spot which resulted loss of Rs 3.925 million. The detail is as under:

(Amount in Rupees)

Sr. No.	Particulars	Reserve Price			
		2018-19	2017-18	2016-17	Total
1	Bones of Dead Animal	100,000	-	80,000	0.180
2	Sludge Water Disposal Works Zone "A" HSP old	50,000	51,000	50,000	0.151
3	Sludge Water Disposal Works Zone "C" Near Stadium	50,000	51,000	50,000	0.151
4	Sludge Water Disposal Works Zone D HSP Mandi	55,000	125,000	50,000	0.230
5	Sludge Water Disposal Work Chak 18/F	50,000	50,000	50,000	0.150
6	Sludge Water Disposal Work Bhatta Beri Wala	50,000	50,000	50,000	0.150
7	Sludge Water Disposal Work Chak 63/F	-	110,834	95,000	0.206
8	Agri Land 16 Kanal Chak 62/F	75,000	100,000	-	0.175
9	Agri Land 24 Kanal Chak 63	75,000	100,000	-	0.175
10	Parking Fee	-	-	1,100,000	1.100
11	Advertising Fee	-	-	1,112,000	1.112
12	Slaughter House Fee	-	-	130,000	0.130
13	Agri land old disposal HSP	-	-	15,000	0.015
Total		505,000	637,834	2,782,000	3.925

Due to weak internal control, collection rights could not be auctioned nor did self collect.

Non auctioning of collection rights resulted in loss amounting to Rs 3.925 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the concerned along with taking remedial measure for recovering the loss amount from the concerned.

[AIR Para:01]

8.5.8 Non recovery of map fee – Rs 2.202 million

According to Gazette Notification, map fee @ Rs 5 and Rs 40 per sq.ft shall be recovered for approval of maps of residential and commercial buildings respectively.

Chief Officer Municipal Committee, Hasilpur did not collect map fee of Rs 2.202 million from the owners of new constructed buildings in their jurisdiction. The management neither take solid steps to recover map / conversion fee from illegal constructions nor serving any notices as per survey report submitted by the staff of MC.

(Rupees in million)					
Sr. No.	Name of Business/ Owner	Notice No.	Date of Notice	Pass / Not Pass	Total Fee Due as per record
1	Hope Academy	2900	22.02.2020	Not Pass	0.345
2	Abdul Jabbar	2776	25.10.2019	Not Pass	0.231
3	Umeer Akram	2878	10.02.2020	Not Pass	0.023
4	M. Nadeem	2879	10.02.2020	Not Pass	0.917
5	Johar Rising School	2902	22.02.2020	Not Pass	0.375
6	Arqam School Chona Wala	2903	22.02.2020	Not Pass	0.031
	Total				2.202

Due to weak financial controls, admissible fees could not be collected from new constructions.

Non collection of fees from new constructions resulted in loss of Rs 2.202 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s) at fault.

[AIR Para:55]

8.5.9 Loss due to non recovery of fee from approved housing scheme – Rs 1.644 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.

Chief Officer Municipal Committee, Hasilpur did not take any action against the owner / developer of land sub division / housing scheme who failed to deposit different fees amounting to Rs 1.644 million of total land value was Rs 194.625 million as per schedule. Detail is given below:

(Rupees in million)

Name of Scheme	Location	Area (in Marlas)	Survey Fee	Sanction Fee	Conversion Fee @ 1% of total amount	Land Sub Division Fee (Rate Rs. 200 /Marla)	Map Fee	Sewerage Fee	Total Due	Fee Collected	Recoverable Amount
Toheed Garden	Chownawala Road Hasilpur	864.43	1,000	50,000	1,946,250	259,500	43,200	43,200	2,343,150	698,750	1.644

Due to weak financial and administrative controls, required fees / revenue could not be collected.

Non recovery of required fees / revenue resulted in loss of Rs1.644 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixation of responsibility on person(s) at fault besides recovery of amount from the concerned(s).

[AIR Para:16]

8.6 Others

8.6.1 Irregular payment of holiday allowance – Rs 13.464 million

According to Government of the Punjab S&GAD letter No. SOGIV(SA)MISC-4/94 dated 02.06.1994 read with letter No. SOW-I(S&GAD)1-3/2008 (P.I) dated 12.05.2010, the duty of the officials posted in public dealing offices in nation building departments/sanitation and watering staff in local bodies, the staff of all offices which are required to remain open for 24 hours a day, 7 days a week, should be arranged in such a way that these services are continuously provided to the General public during all the seven days and weekly rest may be allowed to them on rotation basis.

Chief Officer Municipal Committee, Hasilpur incurred expenditure of Rs 13.464 million on “Holiday Allowance” for those employees who were not deputed on provision of essential services during holidays. Further, it was observed that their services were remained continue for whole week without allowing them weekly rest on rotation basis.

Due to weak financial and managerial controls, duties were taken from staff throughout week without observing rotation policy.

Improper scheduling and non-rotation of duties of staff resulted in excess expenditure on holiday allowance amounting to Rs 13.464 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 13.464 million from the concerned besides fixing responsibility on the person (s) at fault.

[AIR Para:07]

8.6.2 Unauthorized payment against tuff tiles pavers - Rs 7.086 million

According to rate analysis of tuff tile, 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.

Chief Officer Municipal Committee, Hasilpur made payment of Rs 7.086 million on “Providing and Laying Tuff Tiles Paver 80/60mm” (7000PSI) as per Izhar & Co. Texila but tuff tile was purchased from local manufacturer without quality test was not conducted to prove the required strength.

Due to weak internal controls, payment was made to contractor without quality test of tuff tile pavers.

Payment of tuff tile without quality test resulted in unauthorized expenditure of Rs 7.086 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault besides recovery of overpaid amount and lab test from recognized laboratory.

[AIR Para:29]

8.6.3 Loss due to misuse of fire brigade – Rs 1.644 million

As per Gazette Notification of TMA dated 18.05.2006, the fire brigade should not be used for any purpose other than to defuse fire.

Chief Officer Municipal Committee, Hasilpur incurred expenditure on account of POL and repair of fire brigade amounting to Rs 1.644 million which were used for sprinkling and watering the houses, marriage events, etc. during 2018-19. The management did not take solid action to stop such water spriniiking. The detail is given on next page:

(Rupees in million)			
Sr. No.	Fire Brigade No.	POL consumed (Liters)	POL Consumed
1	BRH-8936	2592	0.301
2	BRC-291	7258	0.844
Repair of fire brigade			0.499
Total			1.644

Due to ineffective financial and managerial controls, misuse of resources was made.

Misuse of resources resulted in loss of Rs 1.644 million to the MC.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that the irregularity be got condoned from competent authority besides taking disciplinary action against the person(s) at fault.

[AIR Para:10]

9. Municipal Committee Khairpur Tamewali

CHAPTER 9.1

Sectoral Analysis

i. Analysis of Financial Resources

The following financial resources were given to Municipal Committee by the Government of Punjab to achieve the set targets during financial year 2016-19.

(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	204.174	111.056	-93.118	-0.456
		Non-Salary	76.835	143.538	66.703	0.868
		Total	281.009	254.594	-26.415	-0.094
2	Development	-	172.712	156.726	-15.986	-0.093
Grand Total			453.720	411.319	-42.401	-0.093
3	Receipts	-	292.798	263.782	-29.016	-0.099

Development includes an expenditure of Rs 156.726 million against an allocation of Rs 172.712million. The said development works could not be completed within prescribed time and an amount of Rs 15.986 million lapsed during the years 2016-19.

An amount of Rs 204.174 million was provided for pay and allowances and an amount of Rs 93.118 million lapsed during the said period. Non salary includes an expenditure of Rs 143.538 million against an allocation of Rs 76.835 million resulting in excess expenditure amounting to Rs 66.703 million.

Receipts were collected amounting to Rs 263.782 million out of set target Rs 292.798 million resulting in non achievement of the target of Rs 29.016 million.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Khairpur Tamewali was made on the basis of various targets determined for the financial year 2016-19. These targets were not achieved completely. Lapse of budget and excess expenditure were reflected poor financial management and inefficiency of the management.

The main objective of fixing the targets was to improve financial reserves and to enhance the performance of staff.

Status regarding Targets and their achievements

(Amount in Rupees)						
Sr. No.	FY	Factors / Indicators	Target	Achievement	Less Achieved	% Not Achieved
1	2016-17	License and permit fee	150,000	141,500	8,500	6%
2		General Bus Stand Fee	900,000	864,505	35,495	4%
3		Riksha/ Motor Cycle stand fee	90,000	73,110	16,890	19%
4		Building Construction Fee	500,000	237,519	262,481	52%
5		Fee for slaughtering of animals	75,000	59,580	15,420	21%
6		Receipts on account of sales of water	968,540	304,445	664,095	69%
7		Sewerage Fee	157,725	128,660	29,065	18%
8		Sanitation Fee	85,000	80,970	4,030	5%
9		Sale of Sullage water	350,000	276,583	73,417	21%
10		Registration / Enlistment of contractor	200,000	155,000	45,000	23%
11		Advertisement Fee	150,000	128,805	21,195	14%
12		Rent of municipal property	3,565,801	941,073	2,624,728	74%
13		Copy fee	10,000	7,400	2,600	26%
14		Other Misc. fee	5,176,690	1,703,222	3,473,468	67%
15	2017-18	Development Charges of Housing Schemes	150,000	47,958	102,042	68%
16		License and Permit fee	450,000	189,070	260,930	58%
17		General Bus Stand Fee	1,921,012	1,780,892	140,120	7%
18		Building Construction Fee	4,000,000	3,369,208	630,792	16%
19		Receipts on account of sales of water	1,189,300	666,035	523,265	44%
20		Sewerage Fee	405,500	97,523	307,977	76%
21		Sanitation Fee	143,550	49,960	93,590	65%
22		Sale of Sullage water	573,785	384,710	189,075	33%
23		Fee for fire brigade	50,000	35,250	14,750	30%
24		Advertisement Fee	384,836	223,770	161,066	42%
25		Copy fee	348,500	93,700	254,800	73%
26		Registration /Enlistment of Contractor	200,000	60,525	139,475	70%
27	2018-19	License and Permit fee	375,000	112,950	262,050	70%
28		General Bus Stand Fee	1,921,012	1,683,435	237,577	12%
29		Receipts on account of sales of water	1,160,000	589,480	570,520	49%
30		Sewerage Fee	350,000	84,475	265,525	76%
31		Sanitation Fee	143,550	49,960	93,590	65%
32		Sale of Sullage water	573,785	318,630	255,155	44%
33		Advertisement Fee	330,000	159,320	170,680	52%
34		Copy fee	348,500	116,000	232,500	67%
35		Other Misc. fee	3,440,540	11,000	3,429,540	100%
36		Registration /Enlistment of Contractor	200,000	65,000	135,000	68%
Total			31,037,626	15,291,223	15,746,403	51%

The Municipal Committee failed to meet their set targets i.e. sewerage fee, permit license fee, general bus stand, advertisement fee etc. within prescribed time. Its administrative and financial management was weak and could not any mechanism for achievement of set targets.

iii. Service Delivery Issues

Status of fulfillment of its objectives or achievement of its targets can be clearly observed by the abovementioned details. The Municipal Committee failed to meet with their requirements. Further, its internal controls system was compromised. Its administrative and financial management was weak and any mechanism for assessment of performance in the shape of key performance indicators was not designed by the management.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution in Audit Year 2019-20.

- i. Non-Production of Record worth Rs 696.221 million was reported in one case.
- ii. Irregularities amounting to Rs 5.746 million were noticed in one case.
- iii. Value for Money and Service Delivery issues amounting to Rs 482.359 million were noticed in five cases.
- iv. Other issues involving an amount of Rs 23.754 million were noticed in six cases.

v. Expectation Analysis and Remedial Measures / Suggestions

Keeping in view the poor state of targets, achievements and service delivery, it is difficult to make any comments on expectation analysis. However, by initiating following remedial measures, overall performance of the entity may improve:

- Comprehensive survey of all revenue heads may be conducted and published before making collections; i.e. for License Permit Fee, Sewerage Tax, Water Rates and other receipt heads of same nature.

- Grand operation is needed to be carried out to get vacate encroached properties / lands of MC.
- Strengthening the internal controls, adopting and following strong regulatory framework and fair tendering.
- Efforts should be made for expediting the realization of outstanding amounts from the contractors.
- All old lease contracts of municipal committee's shops & plot may be revised as current market rates and same may not be leased out for a period more than five years.

CHAPTER 9.2

Municipal Committee Khairpur Tamewali

9.2.1 Introduction

Municipal Committee Khairpur Tamewali was established on 01.01.2017 under Punjab Local Government Act, 2013. A Municipal Committee is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name. Municipal Committee consists of the directly and indirectly elected members.

The Chief Officer acts as Principal Accounting Officer of a Municipal Committee and facilitates the performance of functions assigned to the Municipal Committee under the supervision of the Chairman / Administrator. He/she is responsible for coordination, human resource management, public relations, legal affairs, municipal services, emergency services etc. He/she manages functions of the Municipal Committee through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited expenditures / receipts of Municipal Committee Khairpur Tamewali:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	116.902	65.945
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

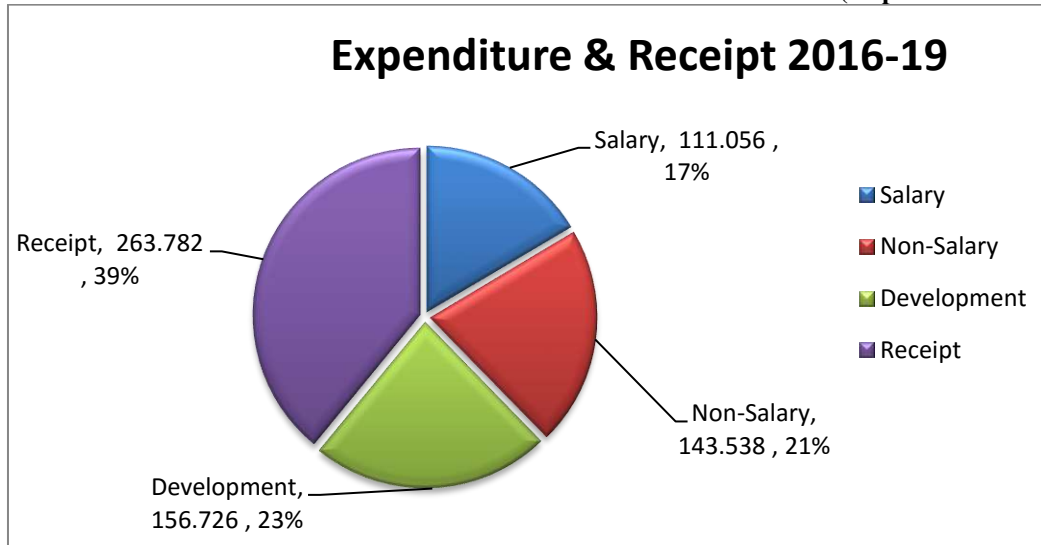
9.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to the Municipal Committee, Khairpur Tamewali during FY 2016-19.

(Rupees in million)

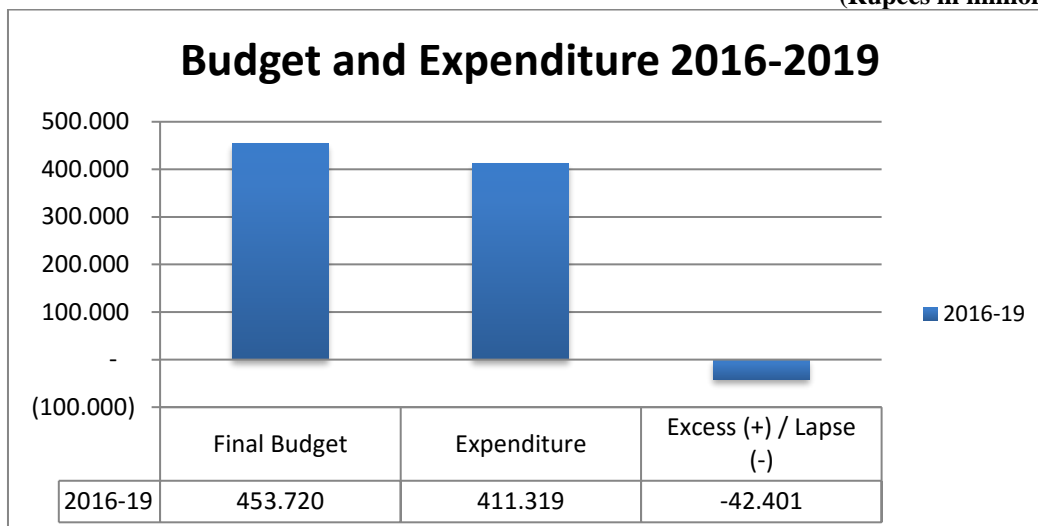
Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	204.174	111.056	-93.118	-0.456
		Non-Salary	76.835	143.538	66.703	0.868
		Total	281.009	254.594	-26.415	-0.094
2	Development	-	172.712	156.726	-15.986	-0.093
Grand Total			453.720	411.319	-42.401	-0.093
3	Receipts	-	292.798	263.782	-29.016	-0.099

(Rupees in million)



As per Accounts of the Municipal Committee Khairpur Tamewali, total final budget (Development & Non-Development) was Rs 453.720 million for the financial years 2016-19. Against the final budget, total expenditure of Rs 411.319 million was incurred. A lapse of Rs 42.401 million due to inefficient financial management came into the notice of Audit. No plausible explanation of the same was provided by the PAO and management of the Municipal Committee (**Annexure-B**).

(Rupees in million)



9.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 1,208.080 million were raised as a result of this audit. This amount also includes recoverables of Rs 71.687 million. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	696.221
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR / Employees related irregularities	
B	Procurement related irregularities	5.746
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	482.359
5	Others	23.754

9.2.4 Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on the accounts of Municipal Committee, Khairpur Tamewali established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

AUDIT PARAS

9.3 Non Production of Record

9.3.1 Non production of record – Rs 696.221million

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

Chief Officer Municipal Committee, Khairpur Tamewali did not produce following record amounting to Rs 696.221 million during 2016-19.

(Rupees in million)		
Sr. No.	Detail of Record	Amount
1	Allotment of government residences, log book of vehicles, survey reports etc	13.916
2	Reconciled expenditure statements and receipts statements	431.434
3	DDO wise separate books of accounts	243.370
4	Back up record of immovable property tax	7.501
Total		696.221

Due to irresponsible attitude on the part of management, required record was not provided for scrutiny.

Non-production of record resulted in creating doubts regarding legitimacy of expenditure amounting to Rs 696.221million

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends getting the record verified besides fixing responsibility on person(s) at fault.

[AIR Para: 38, 23, 2&13]

9.4 Irregularities

9.4.1 Irregular expenditure by splitting and non-observance of PPRA Rules – Rs 5.746 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.

Chief Officer Municipal Committee, Khairpur Tamewali incurred expenditure of Rs 5.746 million on purchase of stationery, machinery & equipment etc without consolidating annual demands and placing those on PPRA's website. The expenditure was held irregular as the procurement opportunities were not advertised and splitting through quotation basis rather than adopting the tendering process, in violation of PPRA Rules. Detail is given below:

(Rupees in million)			
Sr. No.	Particular	Period	Amount
1	Stationary	2018-19	0.131
		2017-18	0.197
2	Machinery & Equipment	2018-19	1.511
		2017-18	2.509
Sub Total			4.348
3	Purchase of lighting and Pena flex banner, national flags	2017-19	1.398
Total			5.746

Due to weak financial controls, PPRA Rules were violated.

Violation of PPRA Rules resulted in irregular expenditure Rs 5.746 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends regularization of expenditure from competent authority besides fixing responsibility on person(s) at fault.

[AIR Para: 20&29]

9.5 Value for Money and Service Delivery Issues

9.5.1 Encroachment of valuable property – Rs 425.175 million

According to Rule 4(1)(1) of the Punjab Local Govt. (Property) Rules 2018, the manager shall be vigilant about the encroachments on, or wrongful occupation of the property and in case of encroachment or wrongful occupation, take necessary steps for the removal thereof.

Chief Officer Municipal Corporation Bahawalpur failed to vacate the encroached property of forty two (42) kanals land valuing of Rs 425.175 million from the illegal occupants. Management did not take actions to get the land vacated or recover the due amount from encroachers. Detail is given below:

(Rupees in million)

Sr. No.	Location	Total Area (Acre)	Encroached Area (Acre /Kanal)	Encroached Area (Marlas)	Value of area as per Tehsil Schedule rate 2018-19 per Marlas	Value of encroached property
1	Grid station MEPCO(WAPDA) KPT	9	40 Kanal	1280	322,102	412.291
2	Agriculture Office KPT	2	2 Kanal	40	322,102	12.884
		Total	42 Kanal			425.175

Due to weak administrative controls, encroached property was not got vacated from illegal occupants.

Non-vacation of encroached property resulted in loss of Rs 425.175 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends vacation of encroached property besides making the loss good and fixing responsibility on the person(s) at fault.

[AIR Para:31]

9.5.2 Non collection of revenue arrears – Rs 26.872 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.

Chief Officer Municipal Committee, Khairpur Tamewali failed to recover arrears of Rs 26.872 from contractors on account of contract of agricultural land, water rate and arrears during 2016-19. Management neither make due efforts for recovery of arrears nor accounted for in the annual accounts 2016-19. Detail is given below:

(Rupees in million)

Sr. No.	Financial Year	Major / Minor Receipt Heads	Budget 2016-17	Actual Recovery till 30th June	Arrear Due
1	2016-17	Water Supply Fee	4,916,794	310,821	4.606
2		Income Agriculture Land	1,421,211	554,615	0.867
3		Arrears under process for land revenue	2,899,766	0	2.900
4	2017-18	Water Supply Fee	5,420,638	353,334	5.067
5		Income Agriculture Land	3,733,543	153,961	3.580
6		Arrears under process for land revenue	2,600,000	0	2.600
7	2018-19	Water Supply Fee	5,000,000	348,025	4.652
8		Arrears under process for land revenue	2,600,000	0	2.600
Total			29,091,952	3,126,600	26.872

Due to weak internal controls, arrears of revenue were not recovered by the management.

Non recovery of arrears resulted into non realization of revenue of Rs 26.872 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:04]

9.5.3 Non achievement of receipts targets – Rs 15.746 million

According to Rule 111 and 112 of PLG (Budget) Rules, each collecting officer may from time to time and with the approval of controlling officer and finance office of Local Government frame revenue collection programme setting up the targets for collection during specified period and the assistant collecting officers shall as far as possible follow the programme. He is required to ensure that all revenue targets are achieved.

Chief Officer Municipal Committee, Kahirpur Tamewali collected receipts/revenues of Rs 15.291 million against set target of Rs 31.037 million which indicated less collection of Rs 15.746 million during FY 2016-19. It is also pertinent to mention here that record of receipts was not reconciled with the concerned bank accounts and revenue department on monthly basis. Detail is given in **Annexure-1/KPT**

Due to inefficiency of management, targets were not achieved.

Non - achievement of targets resulted in loss of Rs 46.722 million to government.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inclusion of balances in next year budget, besides fixing responsibility on the person(s) at fault.

[AIR Para:03]

9.5.4 Loss due to non auctioning of contract of collection rights – Rs 7.654 million

According to Rule 5(b) of the Punjab Local Governments (Auction of Collection Rights) Rules 2016, “the local government shall issue a public notice, in at least two national daily newspapers one in Urdu and one in English, through the office of the Director General, Public Relations, Punjab minimum seven days

prior to date of auction”. Moreover, according to Rule 13 of the Punjab Local Governments (Auction of Collection Rights) Rules 2016, “If the bid is not received equal to or above the reserve price in three attempts, the Mayor or the Chairman shall place the matter before the House to:(a) examine the reasonability of the bids; and (b) decide acceptance or rejection of the bid after recording reasons of its rejection or acceptance”.

Chief Officer Municipal Committee, Khairpur Tamewali did not make efforts to enhance the potential revenue by auctioning various collection rights. These collection rights were not advertised in violation of PPRA rules. Management neither make tireless efforts for auctioning the recovery points nor make self collections at spot which resulted loss of Rs 7.654 million. The detail is as under:

(Rupees in million)

Sr. No.	Particulars	Reserve Price		
		FY 2018-19	FY 2016-17	Total
1	Adda Fee General Bus Stand	1,921,012	1,864,000	3,785
2	Advertisement Fee	384,836	763,000	1,148
3	Canteen TMA Park	12,000	7,000	0.019
4	Sludge Water Disposal work (New)	132,700	330,000	0.463
5	Sludge Water Disposal work (old)	441,085	1,090,000	1,531
6	Waste /bone of dead animals slaughter house	0	98,000	0.098
7	Parking fee Motor Rickshaw, Motor cycle stand	194300	168,301	0.363
8	Slaughter House Fee	123,073	125000	0.248
	Total	3,209,006	4,445,301	7.654

Due to weak internal controls, neither auction nor self collection of collection rights was made.

Non auctioning of collection rights or self-collection resulted in loss of Rs 7.654 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry of the matter at appropriate level and recovery of loss besides fixing responsibility on the person(s) at fault.

[AIR Para: 30]

9.5.5 Loss due to non recovery of agriculture land from lessee – Rs 6.912 million

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.

Chief Officer Municipal Committee, Khairpur Tamewali did not made effort for recovery of lease amount of agriculture land from the lessee since 2013-14 amounting to Rs 6.912 million.

(Rupees in million)

Sr. No.	Name Lessee	Father Name	Agri-land Area	Period	Recovery Amount
1	Muneeb ur Rehman	M. Salman	Lot No.4 Chak No.24 Sharf Shah KPT	2015-16	0.326
2	Muhammad Anwar	Khushi Muhammad	Lot No.4 Near Water Supply KPT	2013-14	0.325
3	Rana Aash Muhammad	Rana M. Aslam	Lot No.4 Chak No.24 Sharf Shah KPT	2018-19	1.602
	Rana Aash Muhammad	Rana M. Aslam	Lot No.3 Chak No.23 KPT	2018-19	0.288
4	Hub Dar Hussain	Allah Diwaya	Lot No.1 Chak No.24 Sharf Shah KPT	2017-18	0.373
	Abdul Islam	Muhammad Afzal	Lot No.3 Chak No.24 KPT	2018-19	0.932
5	Syed Alamdar Hussain	M. Ahsan Zaidi	Lot No.2 Chak No.23 KPT	2018-19	0.550
6	Akhtar Hussain	Sher Muhammad	Lot No.1 Chak No.24 Sharf Shah KPT	2018-19	2.516
Total					6.913

Due to weak financial and administrative controls, non recovery from lessee of agricultural land.

Non recovery from lessee of agricultural land resulted in loss of Rs 6.912 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixation of responsibility on person(s) at fault besides recovery of amount from the concerned(s).

[AIR Para:34]

9.6 Others

9.6.1 Non-recovery of penal rent from unauthorized occupants and non vacation of property – Rs 11.183 million

According to para 33(b), 35(a)(i) and 36(a)(e) of letter No. EO (S&GAD) Policy/2009/345 dated 19.01.2009 issued by S&GAD Department, Government of the Punjab, Government residence can be retained for a maximum period of two months after date of dismissal, removal, resignation, retirement from service or transfer. Government servants or their families retaining government accommodation beyond permissible period comes under definition of unauthorized occupants and penal rent @ 60 % of basic pay shall be charged from unauthorized occupants.

Designated residence of Chief Officer Municipal Committee, Khairpur Tamewali was illegally occupied by Ex Chief Officer since 1997. Management of MC failed to take any legal action nor collected penal rent of Rs 11.183 million (Rs 70,601 pay per month x 60% x 22 years x 12 months).

Due to weak administrative controls, neither government residence was got vacated nor penal rent was recovered from illegal occupants.

Non-recovery of penal rent resulted in loss of Rs 11.183 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery from the concerned(s) and vacation of residences from illegal occupants besides appropriate actions against the person(s) at fault.

[AIR Para:35]

9.6.2 Irregular payment of holiday allowance – Rs 3.921 million

According to Govt. of the Punjab S&GAD letter No. SOGIV(SA)MISC-4/94 dated 02-06-1994 read with letter No. SOW-I(S&GAD)1-3/2008 (P.I) dated 12-05-10, the duty of the officials posted in public dealing offices in nation building departments/sanitation and watering staff in local bodies, the staff of all offices which are required to remain open for 24 hours a day/ 7 days a week, should be arranged in such a way that these services are continuously provided to the General public during all the seven day and weekly rest may be allowed to them on rotation basis.

Chief Officer Municipal Committee, Khairpur Tamewali incurred expenditure of Rs 3.921 million on the account of “Holiday Allowance” for those employees who were not deputed on provision of essential services during holidays. Further, it was observed that their services were remained continue for whole week without allowing them weekly rest on rotation basis. Detail is given below:

(Rupees in million)

Sr. No.	Branch / Section	2016-17	2017-18	2018-19	Total
1	Chairman Branch	-	18,765	48,050	0.067
2	Chief Officer	67,910	80,612	46,771	0.195
3	MO(Finance)	43,435	106,641	74,869	0.225
4	MO(Regulation)	69,150	147,193	58,977	0.275
5	MO(Planning)	-	20,768	8,536	0.029
6	MO(I)	870,647	1,399,245	860,249	3.130
	Total	1,051,142	1,773,224	1,097,452	3.921

Due to weak financial and managerial controls, duties were taken from staff throughout week without observing rotation policy.

Improper scheduling and non-rotation of duties of staff resulted in excess expenditure on holiday allowance amounting to Rs 3.921 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 3.921 million from the concerned besides fixing responsibility on the person (s) at fault.

[AIR Para:12]

9.6.3 Unauthorized payment against tuff tiles pavers - Rs 3.776 million

According to rate analysis of tuff tile, 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.

Chief Officer Municipal Committee, Khairpur Tamewali made payment of Rs 3.776 million on “Providing and Laying Tuff Tiles Paver 80/60mm” (7000PSI) as per Izhar & Co. Texila but it was purchased from local manufacturer without quality test was not conducted to prove the required strength.

Due to weak internal controls, payment was made to contractor without quality test of tuff tile pavers.

Payment of tuff tile without quality test resulted in unauthorized expenditure of Rs 3.776 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault besides recovery of overpaid amount and lab test from recognized laboratory.

[AIR Para: 44]

9.6.4 Loss due to non deduction of shrinkage charges – Rs 2.085 million

As per Schedule of rates, the deduction of shrinkage shall be made at the following rates: -

1. Earth work done manually 10%

2. Earth work done by machines 06%

Chief Officer Municipal Committee, Khairpur Tamewali did not deduct shrinkage charges @ 6% amounting to Rs 2.085 million as the earth work was not done in (69) Nos. of schemes on construction of mettle road and tuff tile amounting to Rs 24.178 million. No documents were on record to ensure that compaction test reports of the earth work were obtained from authorized laboratory. The absence of report shows that earth work of that development schemes were not done.

Due to non observance of prevailing rules, shirinkage charges were not deducted.

Non deduction of shirinkage charges resulted loss of Rs 2.085 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the concerned along with recovering amount of shrinkage.

[AIR Para: 41]

9.6.5 Irregular payment to work charged employees – Rs 1.554 million

According to Sr. No.2 of Schedule of Wage Rates, 2017, appointment to a post included in this schedule may be made by the competent authority under delegation of financial powers rules 2016 subject to the following conditions: -

- a) The post(s) shall be advertised properly in the leading newspapers.
- b) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S & GAD
- c) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR, Vol-III.
- e) The appointment may be made up to the end of the financial year or the duration of the project, which is earlier.

Chief Officer Municipal Committee, Khairpur Tamewali made payment of salaries to the work charged employees amounting to Rs 1.554 million during 2017-18 without observing recruitment process i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc. Detail is given below:

(Rupees in million)		
Sr. No.	Month	Amount
1	7/2017	0.193
2	8/2017	0.208
3	9/2017	0.203
4	10/2017	0.288
5	11/2017	0.235
6	12/2017	0.428
	Total	1.555

Due to weak internal controls, salaries were paid to work charged employee without observing codal formalities.

Non observance of codal formalities resulted in irregular expenditure of Rs 1.554 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para: 52]

9.6.6 Loss due to non-deductions / utilization of dismantled material in sub base – Rs 1.235 million

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

Chief Officer Municipal Committee, Khairpur Tamewali made full payment to the contractors of development schemes without making deductions of dismantled material. Dismantled material was not got reused / utilized in sub base and allowed provision of new material of sub base which resulted in excess expenditure amounting to Rs 1.235 million.

Due to weak managerial controls, dismantled material was not got reused in sub base.

Non utilization of dismantled material in sub base resulted in loss of Rs 1.235 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery from concerned besides initiating disciplinary proceedings against the person(s) at fault.

[AIR Para:42]

10. Municipal Committee Uch Sharif

CHAPTER 10.1

Sectoral Analysis

i. Analysis of Financial Resources

The following financial resources were given to Municipal Committee Uch Sharif by the Government of Punjab to achieve the set targets during financial year 2016-19.

(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	106.973	89.835	-17.138	-0.160
		Non-Salary	254.456	210.373	-44.083	-0.173
		Total	361.429	300.208	-61.221	-0.169
2	Development	-	51.185	40.865	-10.320	-0.202
Grand Total			412.614	341.073	-71.541	-0.173
3	Receipts	-	201.526	181.950	-19.576	-0.097

Development includes an expenditure of Rs 40.865 million against an allocation of Rs 51.185 million. The said development works could not be completed within prescribed time and an amount of Rs 10.320 million lapsed during the years 2016-19.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 61.221 million lapsed during the said period.

Receipts were collected amounting to Rs 181.950 million out of set target Rs 201.526 million resulting in non achievement of the target of Rs 19.576 million.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Uch Sharif was made on the basis of various targets determined for the financial year 2016-19. These targets were not achieved completely. Lapse of budget was reflected poor financial management and inefficiency of the management. The main objective of fixing the targets was to improve financial reserves and to enhance the performance of staff.

Status regarding Targets and their achievements

(Amount in Rupees)

Sr. No.	FY	Factors / Indicators	Target	Achievement	Less Achieved	% Not Achieved
1	2016-17	Permit License fee	20,000	15,210	4,790	24%
2		Encroachment Fine	20,000	11,550	8,450	42%
3		Sewerage tax	20,000	15,790	4,210	21%
4	2017-18	Permit License fee	300,000	186,350	113,650	38%
5		General Bus Stand	300,000	267,770	32,230	11%
7		Fee Construction	1,500,000	754,303	745,697	50%
8		Arrears (Land Revenue Declare) (Rent of Shops)	1,800,000	1,570,942	229,058	13%
10	2018-19	Fee Construction	1,700,000	1,298,147	401,853	24%
11		Arrears (Land Revenue Declare) (Rent of Shops)	1,800,000	1,688,075	111,925	6%
Total			7,625,000	5,808,137	1,816,863	24%

The Municipal Committee failed to meet their set targets i.e permit license fee, encroachment fine and general bus stand etc. within prescribed time. Its administrative and financial management was weak and could not any mechanism for achievement of set targets.

iii. Service Delivery Issues

Status of fulfillment of its objectives or achievement of its targets can be clearly observed by the abovementioned details. The Municipal Committee failed to meet with their requirements. Further, its internal controls system was compromised. Its administrative and financial management was weak and any mechanism for assessment of performance in the shape of key performance indicators was not designed by the management.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution in Audit Year 2019-20.

- i. Irregularities amounting to Rs 12.300 million were noticed in two cases.
- ii. Value for Money and Service Delivery issues amounting to Rs 14.390 million were noticed in five cases.
- iii. Other issues involving an amount of Rs 27.500 million were noticed in one case.

v. Expectation Analysis and Remedial Measures / Suggestions

Keeping in view the poor state of targets, achievements and service delivery, it is difficult to make any comments on expectation analysis. However, by initiating following remedial measures, overall performance of the entity may improve:

- Comprehensive survey of all revenue heads may be conducted and published before making collections; i.e. for License Permit Fee, Sewerage Tax and other receipt heads of same nature.
- Grand operation is needed to be carried out to get vacate encroached properties / lands of MC.
- Strengthening the internal controls, adopting and following strong regulatory framework and fair tendering.

CHAPTER 10.2

Municipal Committee Uch Sharif

10.2.1 Introduction

Municipal Committee Uch Sharif was established on 01.01.2017 under Punjab Local Government Act, 2013. A Municipal Committee is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name. Municipal Committee consists of the directly and indirectly elected members.

The Chief Officer acts as Principal Accounting Officer of a Municipal Committee and facilitates the performance of functions assigned to the Municipal Committee under the supervision of the Chairman / Administrator. He/she is responsible for coordination, human resource management, public relations, legal affairs, municipal services, emergency services etc. He/she manages functions of the Municipal Committee through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited expenditures / receipts of Municipal Committee Uch Sharif:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	229.613	109.170
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

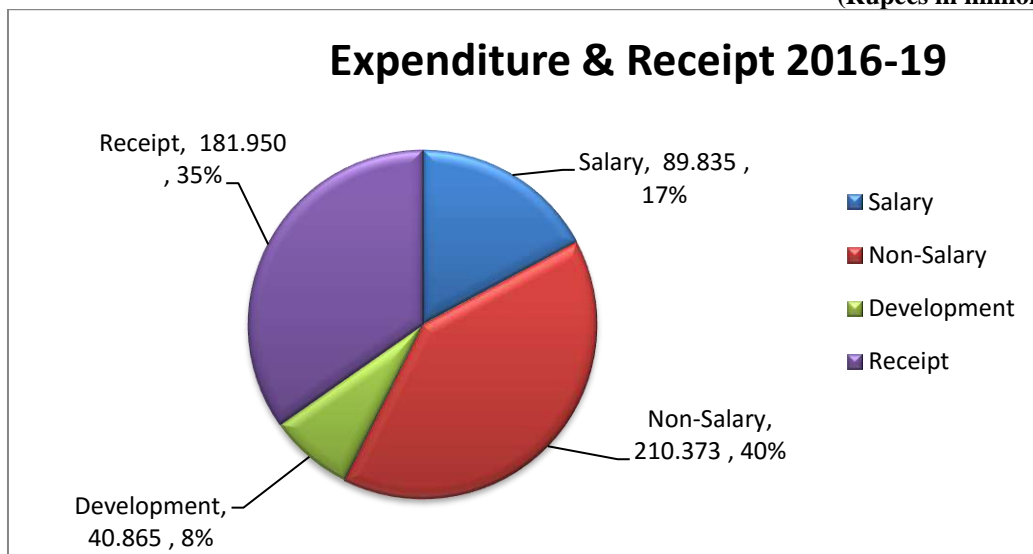
10.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to the Municipal Committee, Uch Sharif during FY 2016-19.

(Rupees in million)

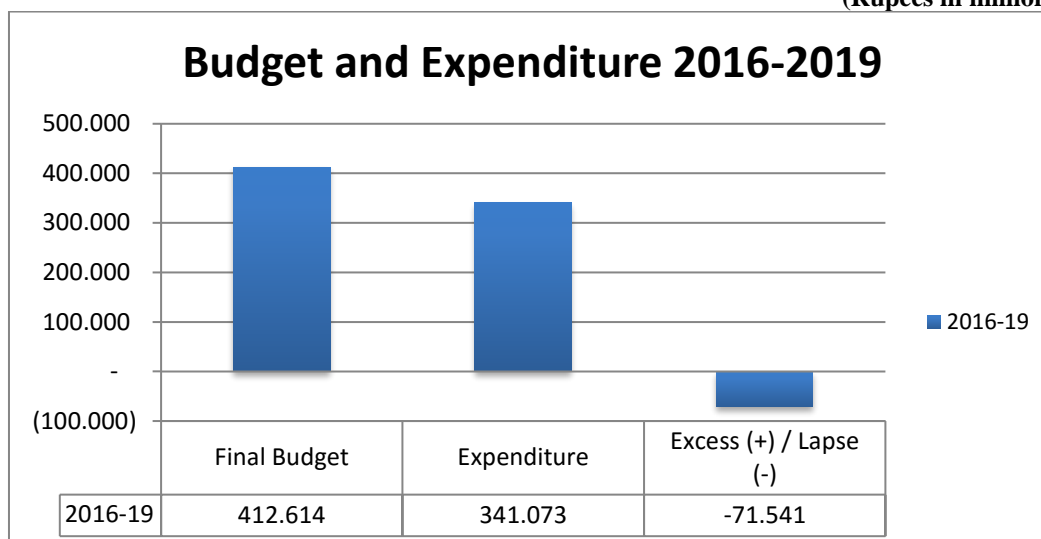
Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	106.973	89.835	-17.138	-0.160
		Non-Salary	254.456	210.373	-44.083	-0.173
		Total	361.429	300.208	-61.221	-0.169
2	Development	-	51.185	40.865	-10.320	-0.202
Grand Total			412.614	341.073	-71.541	-0.173
3	Receipts	-	201.526	181.950	-19.576	-0.097

(Rupees in million)



As per Accounts of the Municipal Committee Uch Sharif, total final budget (Development & Non-Development) was Rs 412.614 million for the financial years 2016-19. Against the final budget, total expenditure of Rs 341.073 million was incurred. A lapse of Rs 71.541 million due to inefficient financial management came into the notice of Audit. No plausible explanation of the same was provided by the PAO and management of the Municipal Committee. **(Annexure-B)**

(Rupees in million)



10.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 54.190 million were raised as a result of this audit. This amount also includes recoverables of Rs 14.389 million. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	-
B	Procurement related irregularities	4.392
C	Management of Accounts with Commercial Banks	7.908
4	Value for money and service delivery issues	14.390
5	Others	27.500

10.2.4 Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on the accounts of Municipal Committee, Uch Sharif established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

AUDIT PARAS

10.3 Irregularities

10.3.1 Irregular payment to contractors/ suppliers without obtaining Bill of Quantities – Rs 7.908 million

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

Municipal Officer (Infrastructure) of Municipal Committee, Uch Sharif made payment of Rs 47.812 million to contractors without production of BOQ / GST invoices in violation of above instructions. Management made payment to contractors without ensuring deduction/ payment of GST Rs 7.908 million.

Due to weak financial controls, payment was made without deduction of GST or production of BOQ/GST invoices from contractors.

Payment without deduction of GST or production of BOQ/GST invoices of Rs 7.908 million resulted in violation of the Government instructions.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends provision of BOQ / GST invoices or recovery from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para:23]

10.3.2 Irregular expenditure by splitting and non-observance of PPRA Rules – Rs 4.392 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.

Chief Officer Municipal Committee, Uch Sharif incurred expenditure of Rs 2.190 million on accounts of purchase of tent, disposal items, furniture, plantation and electric materials without consolidating annual demands and placing those on PPRA's website. The expenditure was held irregular as the procurement opportunities were not advertised and splitting through quotation basis rather than adopting the tendering process, in violation of PPRA Rules. Detail is given in **Annex-1/Uch**

Due to poor financial management, procurement was made without observing PPRA Rules.

Procurement without observing PPRA rules resulted in irregular expenditure of Rs 2.190 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:17&19]

10.4 Value for Money and Service Delivery Issues

10.4.1 Loss due to non-auctioning of shops at competitive market rates – Rs 8.686 million

According to Govt. of the Punjab Local Government (Property) Rules, 2003, Rule No. 4 (d), the Manager shall ensure that the rented property fetches the maximum rent. According to Rule 16 (1) (a) and (b) of Local Government (Property) Rules 2003, the immovable property shall be given on lease through competitive bidding; the period of such lease shall be up to five years at a time.

Chief Officer Municipal Committee, Uch Sharif realized less revenue of Rs 8.686 million due to non re-auction of shops at prevailing market rates despite expiry of valid period of lease agreement. Lease agreements were made with lessees before a decade and no fresh agreements were made. Thus, rent was collected on old rates. The management neither made concrete efforts for re-auctioning nor cancelled the old agreements. Detail is given in **Annex-2/Uch**

Due to weak internal controls, shops/plots were not re-auctioned at competitive rates.

Non re-auctioning of shops/plots at competitive rates resulted in loss of Rs 8.686 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides re-auctioning of shops/plots at competitive market rates.

[AIR Para: 06]

10.4.2 Non achievement of receipts targets – Rs 1.817 million

According to Rule 111 and 112 of PLG (Budget) Rules, each collecting officer may from time to time and with the approval of controlling officer and

finance office of Local Government frame revenue collection programme setting up the targets for collection during specified period and the assistant collecting officers shall as far as possible follow the programme. He is required to ensure that all revenue targets are achieved.

Chief Officer Municipal Committee, Uch Sharif collected receipts / revenues of Rs 5.808 million against set target of Rs 7.625 million which indicated less collection of Rs 1.817 million during FY 2016-19. It is also pertinent to mention here that record of receipts was not reconciled with the concerned bank accounts and revenue department on monthly basis. The detail is given below:

(Rupees in million)					
Sr. No.	FY	Detail Object Head (Income)	Target fixed	Recovery made	Less recovery than targets
1	2016-17	Permit License fee	20,000	15,210	0.005
2		Encroachment Fine	20,000	11,550	0.008
3		Sewerage tax	20,000	15,790	0.004
Total			60,000	42,550	0.017
1	2017-18	Permit License fee	300,000	186,350	0.114
2		General Bus Stand	300,000	267,770	0.032
3		Sewerage tax	65,000	0	0.065
4		Fee Construction	1,500,000	754,303	0.746
5		Arrears (Land Revenue Declare) (Rent of Shops)	1,800,000	1,570,942	0.229
Total			3,965,000	2,779,365	1.186
1	2018-19	Advertisement Tax	100,000	0	0.100
2		Fee Construction	1,700,000	1,298,147	0.402
3		Arrears (Land Revenue Declare) (Rent of Shops)	1,800,000	1,688,075	0.112
Total			3,600,000	2,986,222	0.614
Grand Total			7,625,000	5,808,137	1.817

Due to inefficiency of management, targets were not achieved.

Non-achievement of targets resulted in loss of Rs 1.817 million to government.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inclusion of balances in next year budget, besides fixing responsibility on the person(s) at fault.

[AIR Para:22]

10.4.3 Loss due to non recovery of map fee – Rs 1.766 million

According to Gazette Notification, map fee @ Rs 5 and Rs 40 per sq.ft shall be recovered for approval of maps of residential and commercial buildings respectively.

Chief Officer Municipal Committee, Uch Sharif did not collect map fee of Rs 1.766 million from the owners of new constructed buildings in their jurisdiction. The management neither take solid steps to recover map / conversion fee from illegal constructions nor serving any notices as per survey report submitted by the staff of MC. Detail is given in **Annex-3/Uch**

Due to weak financial controls, admissible fees could not be collected from new constructions.

Non collection of fees from new constructions resulted in loss of Rs 1.766 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s) at fault.

[AIR Para:13]

10.4.4 Loss due to non-realization of conversion fee – Rs 1.063 million

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

according to the judgment issued by the Honorable High Court in Writ Petition No. 2076-2015 and the decision made by the Secretary LG & CD Lahore on 30-06-15 in Para No. 5, TMA is directed to recover conversion fee from the educational and healthcare institutions.

Chief Officer Municipal Committee, Uch Sharif did not collect conversion fee of Rs 1.063 million from the owners of 02 (Two) private institutions located in their jurisdiction. The owners converted their residential buildings into commercial institutions having area of 90 marlas without payment of prescribed fee at the scheduled rate. Detail is given below:

(Rupees in million)

Sr. #	Name of Business	Owner Name	Category Commercial/ Residential	Area in Marla	Total Fee	Paid	Balance	Remarks
1	The Smart School	M. Ajmal	Commercial	50	1,050,000	60,000	0.990	Notice No. 236 dated 11.01.2018
2	Khushhali Bank	Ubaid ur Rehman	Commercial	40	85,000	11,850	0.073	Notice No. 286 dated 07.03.2018 & No. 306 dated 15.03.2018
Total					1,135,000	71,850	1.063	

Due to weak internal controls conversion fee was not recovered from owners of commercial institutions.

Non recovery of conversion fee from the owners of commercial institutions resulted in loss of Rs 1.063 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of due amount from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para:09]

10.4.5 Loss due to non / less collection of license permit fee – Rs 1.058 million

According to Rule 76 of the PDG & TMA (Budget) Rules, 2003, collecting officers should see that all revenue due is claimed, realized and checked against demands and that they are deposited into relevant head of account.

Chief Officer Municipal Committee, Uch Sharif did not recover revenue of Rs 1.058 million on account of license permit fee of different types of businesses for the period of 01/17 to 06/19 under jurisdiction of MC as per survey conducted on 15.01.2020.

Due to weak internal controls, revenue remained uncollected from different businesses.

Non-collection of revenue of license permit fee resulted in loss of Rs 1.058 million

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 1.058 million besides taking disciplinary action against the person(s) at fault.

[AIR Para:11]

10.5 Others

10.5.1 Unjustified awarding of development projects to desired employee / contractor through conflict of interest – Rs 27.500 million

According to 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.

Chief Officer Municipal Committee, Uch Sharif awarded 71% development schemes of Rs 27.50 million to Mr. Shehzad Riaz despite the fact that his father Mr. Riaz Hussain Shahid was Head Clerk / Accountant in the same office. During his service mostly contracts were awarded to his son and this nepotism remained continued after his retirement also which resulted in undue favour to concerned contractor. Detail of schemes is as follows:

(Rupees in million)

Period	Name of Contractor	Total No. of Schemes	Total No. of Schemes awarded	Total Development Budget (in million)	Total Development Payment according to contractor wise (in Million)	% age of Schemes	% age of Budget
01/2017 to 06/2019	Shehzad Riaz	152	108	47.812	27.50	71%	58%
	Haji Ashiq Hussain		8		2.24	5%	5%
	Ghulam Shabbir		7		2.72	5%	6%
	Hassan Ali		1		0.30	1%	1%
	M. Akbar		4		2.60	3%	5%
	Mian & Khan		3		1.60	2%	3%
	Saddam Iqbal		4		4.58	3%	10%
	Sajid Hussain		7		2.31	5%	5%
	Shafiq ur Rehman		7		3.30	5%	7%
	Shehzad Shikrani		3		0.63	1%	1%

Due to intention of extending undue favour, development projects were awarded to desired contractor.

Extending undue favour to desired employee / contractor resulted in conflict of interest.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends detailed enquiry into the matter besides initiating disciplinary proceedings against the person(s) at fault.

[AIR Para:01]

11. Municipal Committee Yazman

CHAPTER 11.1

Sectoral Analysis

i. Analysis of Financial Resources

The following financial resources were given to Municipal Committee Yazman by the Government of Punjab to achieve the set targets during financial year 2016-19.

(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	260.971	175.068	-85.903	-0.329
		Non-Salary	297.964	152.131	-145.833	-0.489
		Total	558.935	327.199	-231.736	-0.415
2	Development	-	85.736	56.885	-28.851	-0.337
Grand Total			644.671	384.084	-260.587	-0.404
3	Receipts	-	342.700	286.289	-56.411	-0.165

Development includes an expenditure of Rs 56.885 million against an allocation of Rs 85.736 million. The said development works could not be completed within prescribed time and an amount of Rs 28.851 million lapsed during the years 2016-19.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 231.736 million lapsed during the said period.

Receipts were collected amounting to Rs 286.289 million out of set target Rs 342.700 million resulting in non achievement of the target of Rs 56.411 million.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Yazman was made on the basis of various targets determined for the financial year 2016-19. These targets were not achieved completely. Lapse of budget was reflected poor financial management and inefficiency of the management. The main objective of fixing of the targets was to improve financial reserves and to enhance the performance of staff.

Status regarding Targets and their achievements

(Amount in Rupees)

Sr. No.	FY	Factors/Indicators	Target	Achievement	Less Achieved	% Not Achieved
1	2016-17	Share of UIP Tax	6,000,000	2,753,901	3,246,099	54%
2		Tax on transfer of immoveable property	36,000,000	15,121,154	20,878,846	58%
3		Licenses/permits fee	1,693,500	308,500	1,385,000	82%
4		Building Map	1,250,000	1,101,268	148,732	12%
5		Fee for Slaughtering of Animals	120,000	48,160	71,840	60%
6		Sale of Bones of Animals	41,850	27,950	13,900	33%
7		Water rate	27,095,200	1,962,525	25,132,675	93%
8		Sewerage Tax	2,734,500	816,300	1,918,200	70%
9		Public Latrine	67,230	37,340	29,890	44%
10		Sale of Sullage Water	591,300	328,500	262,800	44%
11		Parking Fee	1,760,000	888,180	871,820	50%
12		Fee for enlistment of contractor	1,000,000	580,400	419,600	42%
13		Advertisement fee	498,150	274,840	223,310	45%
14		Rent of Shop	25,025,965	14,171,835	10,854,130	43%
15		(Other fee Misc Fee)	2,000,000	1,710,087	289,913	14%
16		General Bus Stand	880,000.0	837,930.0	42,070	5%
17	2017-18	Share of UIP Tax	5,000,000	3,549,944	1,450,056	29%
18		Tax on transfer of immoveable property	5,500,000	3,791,837	1,708,163	31%
19		License fee	600,000	473,000	127,000	21%
20		General Bus Stand	2,000,000	1,654,770	345,230	17%
21		Slaughtering of Animals	175,000	103,580	71,420	41%
22		Water rate	4,360,000	2,829,520	1,530,480	35%
23		Sewerage Tax	1,789,500	893,700	895,800	50%
24		Enlistment of contractor	300,000	199,000	101,000	34%
25		Advertisement fee	256,000	174,445	81,555	32%
26		Rent of Shop	16,939,123	13,896,206	3,042,917	18%
27	2018-19	Share of UIP Tax	3,000,000	2,497,394	502,606	17%
28		License fee	700,000	410,100	289,900	41%
29		Building Map	5,500,000	5,135,853	364,147	7%
30		Fee for Slaughtering of Animals	120,000	97,600	22,400	19%
31		Water rate	4,400,000	3,346,094	1,053,906	24%
32		Sewerage Tax	1,939,500	830,550	1,108,950	57%
33		Others Miscellaneous Fee	2,510,000	1,336,741	1,173,259	47%
Total			161,846,818	82,189,204	79,657,614	49%

The Municipal Committee failed to meet their set targets i.e permit license fee, general bus stand, rent of shops, advertisement fee etc. within prescribed time. Its administrative and financial management was weak and could not any mechanism for achievement of set targets.

iii. Service Delivery Issues

Status of fulfillment of its objectives or achievement of its targets can be clearly observed by the abovementioned details. The Municipal Committee failed to meet with their requirements. Further, its internal controls system was compromised. Its administrative and financial management was weak and any mechanism for assessment of performance in the shape of key performance indicators was not designed by the management.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution in Audit Year 2019-20.

- i. Non-Production of Record worth Rs 26.083 million was reported in one case.
- ii. Irregularities amounting to Rs 1,454.978 million were noticed in six cases.
- iii. Value for Money and Service Delivery issues amounting to Rs 999.925 million were noticed in eight cases.
- iv. Other issues involving an amount of Rs 153.054 million were noticed in four cases.

v. Expectation Analysis and Remedial Measures / Suggestions

Keeping in view the poor state of targets, achievements and service delivery, it is difficult to make any comments on expectation analysis. However, by initiating following remedial measures, overall performance of the entity may improve:

- Mechanism should be made to reconcile immovable property tax and UIP tax.
- Comprehensive survey for license permit fee, water rate, sewerage tax, building map fee and other revenue heads may be conducted and expedite the recovery.
- Continuous monitoring is required to enhance the recovery of General Bus Stand.
- Comprehensive survey of revenue units may be conducted and publicized before making collections; i.e. for License Permit Fee, Sewerage Tax, Water Rates and other receipt heads of same nature.

CHAPTER 11.2

Municipal Committee Yazman

11.2.1 Introduction

Municipal Committee Yazman was established on 01.01.2017 under Punjab Local Government Act, 2013. A Municipal Committee is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name. Municipal Committee consists of the directly and indirectly elected members.

The Chief Officer acts as Principal Accounting Officer of a Municipal Committee and facilitates the performance of functions assigned to the Municipal Committee under the supervision of the Chairman / Administrator. He/she is responsible for coordination, human resource management, public relations, legal affairs, municipal services, emergency services etc. He/she manages functions of the Municipal Committee through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited expenditures / receipts of Municipal Committee Yazman:

(Rupees in million)

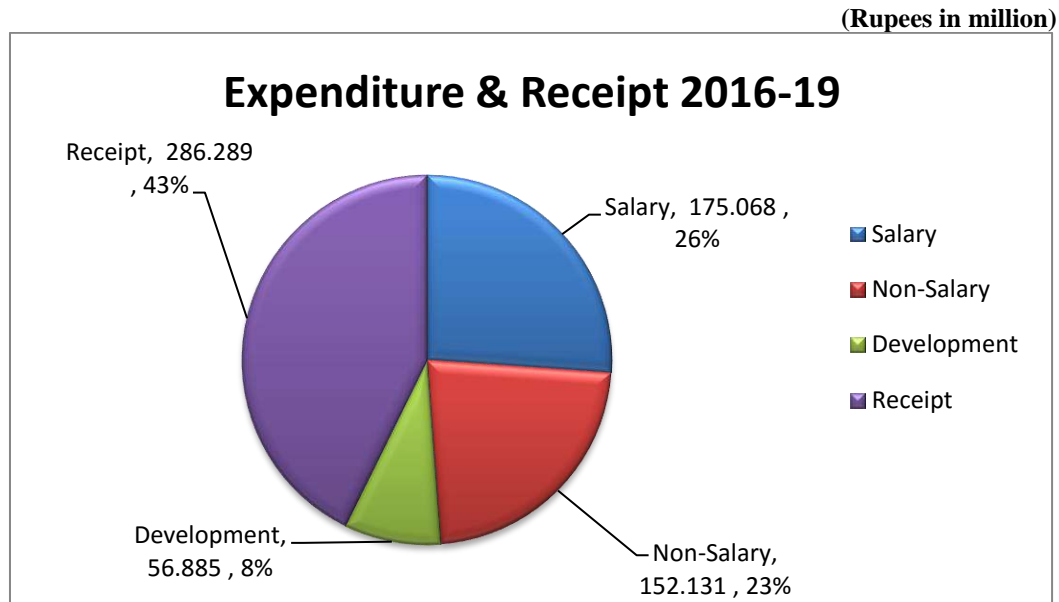
Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	103.614	171.773
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

11.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to the Municipal Committee, Yazman during FY 2016-19.

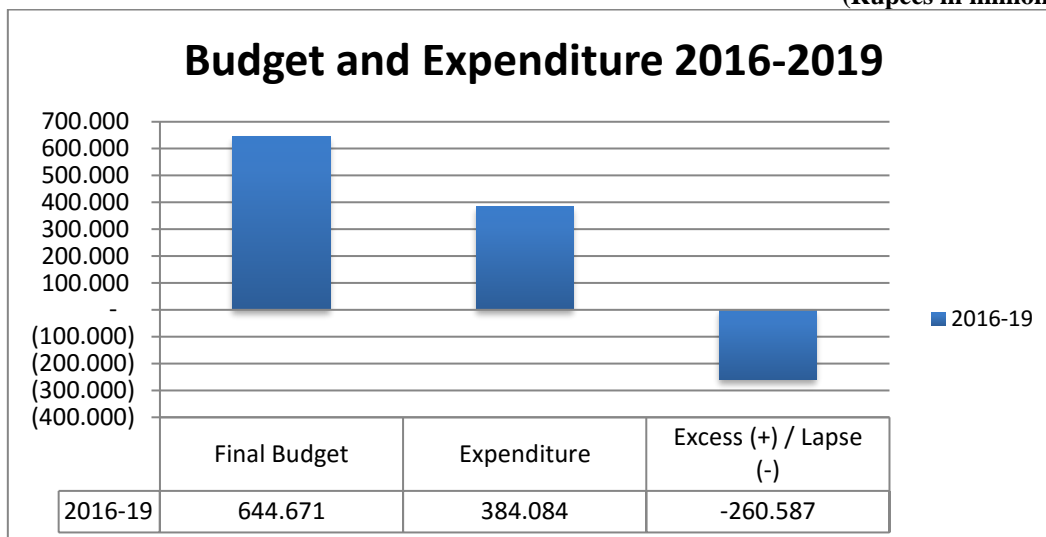
(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	260.971	175.068	-85.903	-0.329
		Non-Salary	297.964	152.131	-145.833	-0.489
		Total	558.935	327.199	-231.736	-0.415
2	Development	-	85.736	56.885	-28.851	-0.337
Grand Total			644.671	384.084	-260.587	-0.404
3	Receipts	-	342.700	286.289	-56.411	-0.165



As per Accounts of the Municipal Committee Yazman, total final budget (Development & Non-Development) was Rs 644.671 million for the financial years 2016-19. Against the final budget, total expenditure of Rs 384.084 million was incurred. A lapse of Rs 260.587 million due to inefficient financial management came into the notice of Audit. No plausible explanation of the same was provided by the PAO and management of the Municipal Committee (**Annexure-B**)

(Rupees in million)



11.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 2,634,044 million were raised as a result of this audit. This amount also includes recoverables of Rs 918.464 million. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	26.083
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	-
B	Procurement related irregularities	6.055
C	Management of Accounts with Commercial Banks	1448.923
4	Value for money and service delivery issues	999.929
5	Others	153.054

11.2.4 Comments on the Status of Compliance with PAC Directives

This is the first Audit Report on the accounts of Municipal Committee, Yazman established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the legislature.

AUDIT PARAS

11.3 Non Production of Record

11.3.1 Non-productions / maintenance of back up record of tax on immovable property – Rs 26.083 million

According to Section 14 (2, 3) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, the officer in charge of any office shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition Furthermore, according to Section 115(6) of Punjab Local Government Ordinance 2001, “All officials shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.”

Chief Officer Municipal Committee, Yazman collected a sum of Rs 26.083 million on account of tax on immovable property during 2016-19 but no back up record was available / maintained to ensure that all collection was made as per mutation registered which prepared in tehsil office.

Due to poor financial controls, relevant record was not maintained.

Non maintenance of relevant record resulted in violation of rules and misappropriation or misuse of public resources.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that responsibility may be fixed for not production of record and non-compliance of the rules and appropriate action taken against the persons held responsible besides ensuring submission of record to Audit.

[AIR Para: 15]

11.4 Irregularities

11.4.1 Irregular auction of shops / plots valuing Rs - 485.953 million

According to Govt. of the Punjab Local Govt (Property) Rules, 2003, Rule No. 4 (d) Committee for auction of Property consisting on following members:

Sr. No.	Designation	Status
1	Mayor/ Chairman	Convener
2	Two member nominated by the House	Members
3	The Chief Officer	Member
4	A representative of District Collector	Member
5	Deputy Director of the Local Government of the District concerned	Member
6	Municipal Officer (Planning)	Member
7	Municipal Officer (Infrastructure)	Member
8	Municipal Officer (Regulation)	Member

Chief Officer Municipal Committee, Yazman auctioned 229 shops without having prescribed committee. Scrutiny of the record revealed that 229 shops valuing Rs 485.953 million were auctioned without complete quorum/ prescribed committee members. Only the Vice Chairman and Councilors of the house participated in the auctioning process instead of complete quorum. It is also pertinent to mention here that not only auction of shops was irregular but the dues of Rs 485.953 against the concerned were also not recovered from allottee. Detail is given below:

(Rupees in million)

Sr. No.	Detail of market and plot	No. of Shops / Size	Marlas	Valuation as per DC rate	Total Value of Land
1	Timber market open Plot (1 st Part)	12	800 Sft	1997	19.171
2	Timber market plot (2nd Part)	23	300 Sft	1997	13.779
3	General Bus Stand Yazman plot	79	275 Sft	1997	43.385
4	General Bus Stand shops	6	1200 Sft	1997	2.396
5	Water supply near hospital	10	681.25 Sft	1997	13.605
6	Shara-e Rashid	01	504 Sft	1997	1.006
7	Tail Wala road Bakar Mandi	29	481.28 Sft	1997	27.872
8	Water Supply Scheme	69	2647 Sft	1997	364.738
Total		229			485.953

Due to non observing property rules, auction of shops / plots was made without prescribed committee.

Auctioning of shops without prescribed committee resulted in favoritism and loss of Rs 485.953 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends cancelation of auction procedure besides recovery of pending dues amounting to Rs 485.953 million and fixation of responsibility on person(s) at fault.

[AIR Para:04]

11.4.2 Non / less execution of mortgage deed – Rs 450.378 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

Chief Officer, Municipal Committee, Yazman approved Housing Schemes/ Land Sub Divisions during 2016-19, without ensuring mortgage deed @ 20% of saleable area. Similarly, four (04) schemes were neither approved nor were their 20% portion of residential area mortgaged valuing Rs 450.378 million.

Due to weak administrative controls, approval of Housing Schemes/ Land Sub Division was granted without ensuring mortgage deed of requisite area in the name of MC.

Execution of mortgage deed without ensuring requisite area of land valuing Rs 160.745 million resulted in irregular issuance of NOC to private housing schemes.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends regularization of the matter besides execution of mortgage deed as per rules and fixing responsibility on the person(s) at fault.

[AIR Para:11]

11.4.3 Irregular approval of housing schemes - 356.654 million

As per Clause No. 80 of Chapter No. VIII of Punjab Private Housing Schemes and Land Sub Division Rules 2010“Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall, after verification of ownership documents, entertain an application for sub-division of a plot subject to following requirements (a) A developer shall be owner of the plot (b) A plot shall not be less than one kanal; Moreover, as per Clause 43 (h) No Objection Certificate should be taken from the Environmental Protection Department for land forty kanal and above.”

Chief Officer Municipal Committee, Yazman approved three (03) Housing Schemes / Land Sub Divisions of Rs 356.654 million without observing the requirement during 2016-19. No any evidence was provided regarding ownership of developer of Housing Schemes/ Land Sub Divisions. NOC from Environmental Protection Department was not taken. Detail is given below:

Sr. No.	Name of Housing Scheme	Date of Application	Location	Developer	Total Area in Kanal
1	Land Sub Division Rawal Town	25/4/2003	Chak No. 57/DB Road Yazman	Qazi Maqsood Ahmed	99 k 3 M
2	Land Sub Division Makka Town	26/3/2010	Chak No. 57/DB Road Yazman	Tahir Pervaiz S/O Ghulam Mustafa	99 K 4 M
3	Land Sub Division Lala Zar	22/8/2015	Chak No. 56/DB B	Hamid Maqsood S/O Maqsood Ahmed	91

Due to weak internal controls, approval was granted without observing requirements of Punjab Private Housing Schemes and Land Sub Division Rules.

Approval of Schemes without observing Punjab Private Housing Schemes and Land Sub Division Rules resulted in irregular approvals.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends for regularization of the matter from the competent authority besides initiating action against the person (s) at fault.

[AIR Para: 13]

11.4.4 Irregular payment to contractors / suppliers without obtaining Bill of Quantities – Rs 145.626 million

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

Municipal Officer (Infrastructure) of Municipal Committee, Yazman made payment of Rs 145.626 million to contractors without production of BOQ / GST invoices in violation of above instructions. Management made payment to contractors without ensuring deduction/ payment of GST.

Due to weak financial controls, payment was made without deduction of GST or production of BOQ/GST invoices from contractors.

Payment without deduction of GST or production of BOQ/GST invoices of Rs 145.626 million resulted in violation of the Government instructions.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends provision of BOQ / GST invoices or recovery from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para:16]

11.4.5 Irregular expenditure by splitting and non-observance of PPRA Rules – Rs 6.055 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.

Chief Officer Municipal Committee, Yazman incurred expenditure of Rs 6.055 million on accounts of repair of machinery & equipment without consolidating annual demands and placing those on PPRA's website. The expenditure was held irregular as the procurement opportunities were not advertised and splitting through quotation basis rather than adopting the tendering process, in violation of PPRA Rules. Detail is given in **Annex-1/YZM**

Due to poor financial management, procurement was made without observing PPRA Rules.

Procurement without observing PPRA rules resulted in irregular expenditure of Rs 6.055 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:19]

11.5 Value for Money and Service Delivery Issues

11.5.1 Non / less transfer of property in the name of Municipal Committee – Rs 871.379 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 for transfer of area reserved for roads, open space, park, solid waste management and 01% of the area under land sub-division for public buildings to Mmunicipal Corporation.

Chief Officer Municipal Corporation failed to get transfer the area valuing Rs 871.379 million i.e roads, parks, open space, solid waste management and public buildings. Housing schemes/ Land sub division were approved despite non transfer of public properties in the name of MC. Detail is given below:

(Rupees in million)

Sr. No.	Name of Housing Scheme	Total Area in Kanals	Area of Road	Area of Masjid	Area of Parks	Area of Solid Wastage	Total	Land Rate as per Valuation Table	Total Value
1	Land Sub Division Rawal Town	99 k 3 M	357	0	118	0	475	186,340	88.512
2	Rehman City Housing Scheme	250 K 0 M	963	0	351	0	1,314	186,340	244.851
3	Al-Madina Housing Scheme	264 K	110	0	264	0	374	173,030	64.713
4	Land Sub Division Makka Town	99 K 4 M	430	15	98	0	543	186,340	101.183
5	Land Sub Division Lala Zar	91 K	526	233	127	10	896	186,340	166.961
6	Land Sub Division Al-Ghafoor town	93 k 16 M	558	0	131	10	699	186,340	130.252
7	Land Sub Division Shuk Chain / Bashir Town	48 K 0 M	294	20	79	9	402	186,340	74.909
Total									871.380

Due to weak internal controls approval of housing schemes/ land sub division was made without transfer of property in the name of MC.

Non / less transfer of property in the name of Municipal Corporation resulted in loss of Rs 871.380 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends transfer of property in the name of Municipal Corporation besides fixing responsibility on the person(s) at fault.

[AIR Para:12]

11.5.2 Non achievement of receipt targets – Rs 79.658 million

According to Rule 111 and 112 of PLG (Budget) Rules, each collecting officer may from time to time and with the approval of controlling officer and finance office of Local Government frame revenue collection programme setting up the targets for collection during specified period and the assistant collecting officers shall as far as possible follow the programme. He is required to ensure that all revenue targets are achieved.

Chief Officer Municipal Committee, Yazman collected receipts / revenues of Rs 82.189 million against set target of Rs 161.847 million which indicated less collection of Rs 79.658 million during FY 2016-19. It is also pertinent to mention here that record of receipts was not reconciled with the concerned bank accounts and revenue department on monthly basis.

(Rupees in million)						
Sr. No .	FY	Factors/Indicators	Target	Achievement	Less achieved	% non achieved
1	2016-17	Share of UIP Tax	6,000,000	2,753,901	3,246,099	54%
2		Tax on transfer of immoveable property	36,000,000	15,121,154	20,878,846	58%
3		Fee for licences/permits for professional trades	1,693,500	308,500	1,385,000	82%
4		Building Map	1,250,000	1,101,268	148,732	12%
5		Fee for Slaughtering of Animals	120,000	48,160	71,840	60%
6		Sale of Bones of Animals	41,850	27,950	13,900	33%
7		Water rate	27,095,200	1,962,525	25,132,675	93%
8		Sewerage Tax	2,734,500	816,300	1,918,200	70%
9		Public Latrine	67,230	37,340	29,890	44%
10		Sale of Sullage Water	591,300	328,500	262,800	44%
11		Parking Fee	1,760,000	888,180	871,820	50%
12		Fee for enlistment of contractor	1,000,000	580,400	419,600	42%
13		Advertisement fee	498,150	274,840	223,310	45%
14		Rent of Shop	25,025,965	14,171,835	10,854,130	43%
15		(Other fee Misc Fee)	2,000,000	1,710,087	289,913	14%
16		General Bus Stand	880,000.0	837,930.0	42,070	5%
17	2017-18	Share of UIP Tax	5,000,000	3,549,944	1,450,056	29%
18		Tax on transfer of immoveable property	5,500,000	3,791,837	1,708,163	31%
19		License fee	600,000	473,000	127,000	21%
20		C0388016 - General Bus Stand fee	2,000,000	1,654,770	345,230	17%
21		Fee for Slaughtering of Animals	175,000	103,580	71,420	41%

Sr. No .	FY	Factors/Indicators	Target	Achievement	Less achieved	% non achieved
22	2018-19	Water rate	4,360,000	2,829,520	1,530,480	35%
23		Sewerage Tax	1,789,500	893,700	895,800	50%
24		Fee for enlistment of contractor	300,000	199,000	101,000	34%
25		Advertisement fee	256,000	174,445	81,555	32%
26		Rent of Shop	16,939,123	13,896,206	3,042,917	18%
27		Share of UIP Tax	3,000,000	2,497,394	502,606	17%
28		License fee	700,000	410,100	289,900	41%
29		Building Map	5,500,000	5,135,853	364,147	7%
30		Fee for Slaughtering of Animals	120,000	97,600	22,400	19%
31		Water rate	4,400,000	3,346,094	1,053,906	24%
32		Sewerage Tax	1,939,500	830,550	1,108,950	57%
33		Others Miscellaneous Fee	2,510,000	1,336,741	1,173,259	47%
Total			161,846,818	82,189,204	79,657,614	49%

Due to inefficiency of management, targets were not achieved.

Non - achievement of targets resulted in loss of Rs 79.658 million to government.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inclusion of balances in next year budget, besides fixing responsibility on the person(s) at fault.

[AIR Para:01]

11.5.3 Loss due to non auctioning of shops / plots at competitive rates – Rs 13.776 million

According to Govt. of the Punjab Local Government (Property) Rules, 2003, Rule No. 4 (d), the Manager shall ensure that the rented property fetches the maximum rent. According to Rule 16 (1) (a) and (b) of Local Government (Property) Rules 2003, the immovable property shall be given on lease through competitive bidding; the period of such lease shall be up to five years at a time.

Chief Officer Municipal Committee, Yazman realized less revenue of Rs 13.776 million due to non re-auction of (245) shops / plots at prevailing market rates despite expiry of valid period of lease agreement. Lease agreements were made with lessees before a decade and no fresh agreements were made. Thus rent

was collected on old rates. The management neither made concrete efforts for re-auctioning nor cancelled the old agreements. Detail is given in **Annex-2/YZM**

Due to weak internal controls, shops/plots were not re-auctioned at competitive rates.

Non re-auctioning of shops/plots at competitive rates resulted in loss of Rs 13.776 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides re-auctioning of shops/plots at competitive market rates.

[AIR Para:09]

11.5.4 Non recovery of cost of land and development charges from occupants of katchi abadies – Rs 12.711 million

According to Directorate General of Kachi Abadies Colonies Department, Board of Revenue, Punjab, Lahore vide letter No. DG(KA) BOR/1-2002/2013 dated 9th September, 2013 Clause “C“ (ii), the price of land will be @ 2% of the current valuation table in and around abadi in vogue at the time of grant of Proprietary Rights for area under occupation upto 5- Marlas”

Chief Officer Municipal Committee, Yazman did not recover of Rs 12.711 million on account of cost of land and development charges from Kachi Abadies during 2016-19. Detail is given below:

(Rupees in million)						
Sr. No.	Total Units	Total Marlas	Description of recovery	Per Marla Rate as Per DC Value	Current evaluation Table 2%	Pending Arrears
1	601 Units (5 Marla)	3,005	Cost of Land	186,500 per marla	3,730	11.209
2		3,005	Development charges	500 per marla	-	1.503
Total						12.711

Due to weak financial management, cost of land from occupants of kachi abadies was not recovered.

Non recovery of cost of land resulted in loss of Rs 12.711 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 12.711million from the concerned besides fixing responsibility on person(s) at fault.

[AIR Para:03]

11.5.5 Loss due to non recovery of conversion fee – Rs 9.78 million

According to clause No. 60 pf Punjab Private Housing Scheme “the conversion fee for the conversion of peri-urban or intercity service area to residential use shall be one percent of the value of the land vicinity”. Moreover, as per letter No. MC/YZ/GB/342-45 dated 11.04.2018 issued by MC to Board of Revenue Punjab Lahore “Four No. of Kachi Abadies in Yazman Town and its extension, Ghareeb Abad and Ismail Abad has been converted into Commercial units”.

Chief Officer Municipal Committee, Yazman did not recover map and conversion fee amounting to Rs 7.107 million from the owners of new constructed buildings in the area of MC. Scrutiny of the record revealed that four units of kachi abadi residential buildings were converted into commercial buildings. Municipal Officer (Planning) neither recover map fee nor conversion fee from the owners. Moreover, MC staff did not recover conversion fee from the private education institutes amounting to Rs 2.674 million. Detail is given in **Annex-3/YZM**

Due to weak internal controls, map fee / conversion fee was not recovered.

Non recovery of conversion fee / Map fee resulted in loss of Rs 9.78 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 9.78 million besides fixing responsibility on person(s) at fault.

[AIR Para:06]

11.5.6 Loss due to non realization of revenue and arrears – Rs 9.471 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.

Chief Officer Municipal Committee, Yazman failed to recover arrears of Rs 9.471 million from contractors on account of contract of shops during 2018-19. Management neither make due efforts for recovery of arrears nor rented shops were got vacated. Detail is given in **Annexure-4/YZM**

Due to weak internal controls, arrears of revenue were not recovered by the management.

Non recovery of arrears resulted into non realization of revenue of Rs 9.471 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:05]

11.5.7 Loss due to non collection of fee from illegal constructions – Rs 1.807 million

As per Chapter VII Section 37 & 38 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 and deposit map fee as per valuation table.

Chief Officer Municipal Committee, Yazman did not collect map fee / conversion fee of Rs 1.807 million from the owners of new constructed buildings in their jurisdiction. The management neither take solid steps to recover map / conversion fee form illegal constructions nor serving any notices.

Due to weak financial controls, admissible fees could not be collected from new constructions.

Non collection of fees from new constructions resulted in loss of Rs 1.807 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s) at fault.

[AIR Para:29]

11.5.8 Loss due to non-auctioning of contract of collection rights – Rs 1.350 million

According to Rule 5(b) of the Punjab Local Governments (Auction of Collection Rights) Rules 2016, “the Local Government shall issue a public notice, in at least two national daily newspapers one in Urdu and one in English, through

the office of the Director General, Public Relations, Punjab minimum seven days prior to date of auction”. Moreover, according to Rule 13 of the Punjab Local Governments (Auction of Collection Rights) Rules 2016, “If the bid is not received equal to or above the reserve price in three attempts, the Mayor or the Chairman shall place the matter before the House to:(a) examine the reasonability of the bids; and (b) decide acceptance or rejection of the bid after recording reasons of its rejection or acceptance”.

Chief Officer Municipal Committee, Yazman did not make efforts to enhance the potential revenue by auctioning various collection rights. These collection rights were not advertised in violation of PPRA rules. Management neither make tireless efforts for auctioning the recovery points nor make self collections at spot which resulted loss of Rs 1.350 million. The detail is as under:

(Rupees in million)

Sr. No	Description of Contract	Average income	Period of non recovery	Total
1	Disposal works 56/DB	150,000	2016-19	0.450
2	Disposal works 56/DB (Alif)	150,000	2016-19	0.450
3	Disposal works Cristen colony	150,000	2016-19	0.450
Total				1.350

Due to weak internal controls, neither auction nor self collection of collection rights was made.

Non auctioning of collection rights or self-collection resulted in loss of Rs 1.350 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry of the matter at appropriate level and recovery of loss besides fixing responsibility on the person(s) at fault.

[AIR Para:07]

11.6 Others

11.6.1 Expenditure on works due to doubtful lab test reports – Rs 135.623 million

According to clause 28 of tender form “all materials and workmanship shall be of the respective kinds described in the contract and in accordance with the instructions of the Engineer in Charge and shall be subjected from time to time to such tests as the engineer in charge may direct at the place of manufacture or fabrication or on the site or at all or any of such places”.

Chief Officer Municipal Committee, Ahmadpur East made payment of sixteen (16) development schemes amounting to Rs 135.623 million without ensuring the authenticity of lab tests reports. Sampling for lab test was made without observing above rules. As per physical inspection report the bricks monogram was different as mentioned in the lab test report which was evident that relevant samples were not got tested. Detail is given in **Annexure-5/YZM**

Due to weak internal controls, laboratory test reports were not obtained to ensure the use of standard material as per requirements.

Non-obtaining of laboratory test reports as an evidence of use of standard material in violation of rules resulted in doubts regarding quality of material of Rs 135.623 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry of the matter at an appropriate forum and obtaining laboratory test reports of samples taken from all the schemes to ensure quality of the works besides fixing responsibility on person(s) at fault.

[AIR Para:17]

11.6.2 Irregular payment of holiday allowance – Rs 6.569 million

According to Government of the Punjab S&GAD letter No. SOGIV(SA)MISC-4/94 dated 02.06.1994 read with letter No. SOW-I(S&GAD)1-3/2008 (P.I) dated 12.05.2010, the duty of the officials posted in public dealing offices in nation building departments/sanitation and watering staff in local bodies, the staff of all offices which are required to remain open for 24 hours a day, 7 days a week, should be arranged in such a way that these services are continuously provided to the General public during all the seven days and weekly rest may be allowed to them on rotation basis.

Chief Officer Municipal Committee, Yazman incurred expenditure of Rs 6.569 million on “Holiday Allowance” for the employees of water supply and fire brigade. It was observed that their services were remained continue for whole week without allowing them weekly rest on rotation basis. Detail is given below:

(Rupees in million)			
Sr. No.	Name of LG	Period	Actual Expenditure
1	TMA Yazman	Jul-16 to Dec-16	1.243
2	Municipal Committee Yazman	Jan-17 to Jun-17	0.995
3	Municipal Committee Yazman	Jul-17 to Jun-18	1.993
4	Municipal Committee Yazman	Jul-18 to Jun-19	2.339
Total			6.569

Due to weak internal controls, payment was made to all employees rather than only those who performed duty on rotation basis.

Payment made to all employees rather than only those who performed duties on rotational basis resulted in irregular payment of Rs 6.569 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 6.569 million from concerned and stoppage payment of such allowance in future besides fixing responsibility on person(s) at fault.

[AIR Para:02]

11.6.3 Excess consumption of POL than approved load shedding schedule of MEPCO – Rs 5.594 million

According to Rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part. Further, according to Rule 32 of the PLGO, 2001, read with Rule 2.10(a)(1) of the PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of expenditure of his own money.

Chief Officer used excess POL amounting to Rs 5.594 million during 2016-19 as compare to local load shedding schedule issued by the MEPCO. Detail is given in **Annexure-6/YZM**

Due to weak internal controls, proper check was not maintained on consumption of POL.

Keeping improper checks on POL consumption resulted in excess POL consumption of Rs 5.594 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on person(s) at fault besides recovery of excess consumption of POL than approved schedule.

[AIR Para:18]

11.6.4 Unjustified allotment of works – Rs 5.268 million

According to Rule 2.31 of Punjab Financial Rules Vol-1, “a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, fraud and misappropriations. He should therefore make himself

thoroughly acquainted with the meaning of various financial checks which he expected to exercise”.

Chief Officer Municipal Committee, Yazman executed two (2) development schemes at the bid rate of 0.5% below amounting to Rs 5.268 million during 2011-12. On that schemes the bid documents submitted by M/S Ammad Construction & M/S Hamid Mehmood were forged from 3% below to 3% above. Detail is given below:

Sr. No.	Name of Scheme	Name of Contractor allotted
1	Construction of Soling inside Colony Chak No. 148/DB Yazman	M/S Ghulam Abbas Khan
2	Construction of Soling from main Soling to Masjid Chak No.148/DB (Alif)	Khalid Mehmood & Co

Due to intention of extending undue favour to desired contractors, work was awarded against forged bidding documents.

Awarding work against forged bidding documents to desired contractor resulted irregular of Rs 5.268 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that the stated amount be recovered from concerned(s) besides fixing responsibility on the person at fault.

[AIR Para:25]

12. Municipal Committee Khanpur

CHAPTER 12.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2016-19.

(Rupees in million)

Sr. No	Description	Detail	Budget	Expenditure	Excess (+) / Lapse (-)	% Excess/ Lapse
1	Non - Development	Salary	847.180	565.910	-281.270	-33.20%
		Non-Salary	195.118	175.827	-19.291	-9.89%
		Total	1042.298	741.737	-300.561	-43.09%
2	Development	-	303.341	97.028	-206.313	-68.01%
Grand Total			1,345.639	838.765	-506.874	-37.67%
Receipts			1,202.627	875.986	-326.641	-27.16%

(Source: Annual Accounts 2016-19)

Development includes an expenditure of Rs 97.028 million against an allocation of Rs 303.341 million for the development schemes of providing and laying of tuff tiles, RCC pipe line, construction of drains and soloing, repair and sanitation works. The said development schemes could not be completed and an amount of Rs 206.313 million lapsed during the period under audit.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 506.873 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive

trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding indicators and their achievements

(Rupees in million)

Sr. No.	Financial Year	Factors / Indicators	Target	Achievement	Less Achieved	% Less Achieved
1	2016-17	B01313 - Tax on Transfer of Immovable Property	15.200	10.618	4.582	0.3015
2	2016-17	C0388002 - License fee (Dangerous and Offensive Trade)	0.150	0.130	0.020	0.1333
3	2016-17	C0388016 - General Bus Stand fee	0.545	0.543	0.002	0.0028
4	2016-17	C0388026 - Fee for approval of Housing Colony	0.100	0	0.100	1.0000
5	2016-17	C0388028 - Fee for change in land use	4.200	2.969	1.231	0.2932
6	2016-17	C0388076 - Advertisement Fee on billboards/ hoardings	0.369	0.186	0.183	0.4960
7	2016-17	C0388082 - Rent of municipal Property – offices	0.363	0	0.363	1.0000
8	2016-17	C0388091 - Others Miscellaneous Fee	73.833	9.710	64.123	0.8685
9	2017-18	C0388002 - License fee (Dangerous and Offensive Trade)	0.300	0.188	0.112	0.3723
10	2017-18	C0388020 - Riksha/Motorcycle/ Bicycle Stand fee	0.200	0.143	0.057	0.2860
11	2017-18	C0388028 - Fee for change in land use	110.927	2.311	108.616	0.9792
12	2017-18	C0388042 - Fee for slaughtering of animals	0.900	0.886	0.014	0.0151
13	2017-18	C0388054 - Sewerage Fee/ Charges/ Nali Tax	1.000	0.844	0.156	0.1563
14	2017-18	C0388076 - Advertisement Fee on billboards/ hoardings	0.400	0.338	0.062	0.1561
15	2017-18	C0388081 - Rent of municipal Property – Shops	11.402	8.938	2.464	0.2161
16	2018-19	B01313 - Tax on Transfer of Immovable Property	30.000	25.789	4.211	0.1404
17	2018-19	C0388002 - License fee (Dangerous and Offensive Trade)	1.000	0.565	0.435	0.4349
18	2018-19	C0388016 - General Bus Stand fee	2.500	2.348	0.152	0.0607
19	2018-19	C0388054 - Sewerage Fee/ Charges/ Nali Tax	1.000	0.854	0.146	0.1464
20	2018-19	C0388057 - Sanitation Fee/ Safai Tax	0.700	0.406	0.294	0.4200
21	2018-19	C0388076 - Advertisement Fee on billboards/ hoardings	1.000	0.805	0.195	0.1947
22	2018-19	C0388081 - Rent of municipal Property – Shops	12.723	10.744	1.979	0.1556

The Municipal Committee failed to meet their set targets; i.e. approval of housing colonies & Rent of municipal Property etc. within prescribed time. Its

administrative and financial management was weak and could not any mechanism for achievement of set targets.

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that the management did little for regulating markets and services for issuance of licenses and impose penalties for violations. Prevention and removal of encroachments were not conducted as per desired level. Moreover, the Committee Authorities neglected the areas of regulating the dangerous and offensive articles, organizing cattle fairs and cattle markets, promotion of sports & sports persons. No action was taken against the illegal housing schemes during the year. No comprehensive planning was made to execute and manage development plans, exercise control over land-use, land-subdivision, land development and zoning.

Lack of due diligence of staff of sanitation, water supply schemes, planning, finance, regulation and infrastructure wings as indicated in above table and lack of required check and balance are main reasons for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Non-Production of Record worth Rs 46.730 million was reported in one case.
- ii. Irregularities amounting to Rs 23.896 million were noticed in one case.
- iii. Value for Money and service delivery issues amounting to Rs 4,436.663 million were noticed in nine cases.
- iv. Other issues involving an amount of Rs 150.432 million were noticed in nine cases.

v. Expectation Analysis and Remedial Measures / Suggestions

Municipal Committee

Chief Officer Municipal Committee Khanpur, did not achieve overall targets of action against encroachment and illegal housing schemes. Cattle fairs, cattle markets and sports were not promoted upto desired level. No comprehensive planning was made to execute and manage development plans, exercise control over land-use, land-subdivision, land development and zoning.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets. Suggestions / Remedial Measures are as under:

- Strengthening the internal control, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- Strengthen internal control for non-recurrence of irregularities.
- Following of all applicable rules and regulations of the Government of Punjab as well.
- Ensuring completion of development works in order to take benefits of already incurred funds.
- Ensuring utilization of funds of non-development for provision of better atmosphere to youth through sports activities.
- Taking concrete actions to recruit all the staff against sanctioned posts
- Ensuring vacation of encroached property / land / assets of municipal committees at provincial level at a time.
- Comprehensive survey of revenue units may be conducted and publicized before making collections of all type of fee.

CHAPTER 12.2

Municipal Committee Khanpur

12.2.1 Introduction

Municipal Committee Khanpur was established on 01.01.2017 under Punjab Local Government Act, 2013. A Municipal Committee is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name. Municipal Committee consists of the directly and indirectly elected members.

The Chief Officer acts as Principal Accounting Officer of a Municipal Committee and facilitates the performance of functions assigned to the Municipal Committee under the supervision of the Chairman / Administrator. He/she is responsible for coordination, human resource management, public relations, legal affairs, municipal services, emergency services etc. He/she manages functions of the Municipal Committee through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited expenditures / receipts of Municipal Committee Khanpur:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	180.882	35.697
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

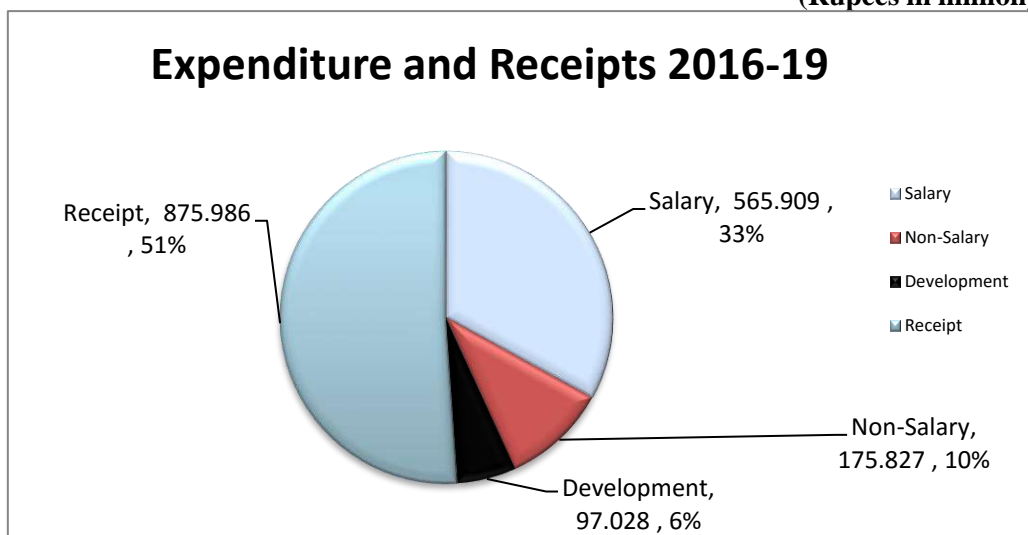
12.2.2 Comments on Budget and Accounts

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

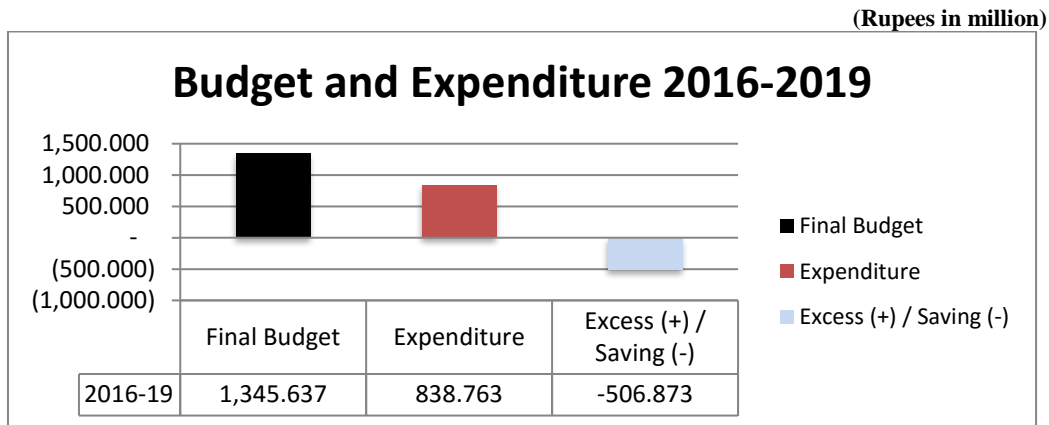
(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	847.180	565.910	-281.270	-33.20%
		Non-Salary	195.118	175.827	-19.291	-9.89%
		Total	1,042.298	741.737	-300.561	-28.84%
2	Development	-	303.341	97.028	-206.313	-68.01%
Grand Total			1,345.639	838.765	-506.874	-37.67%
3	Receipts	-	1,202.627	875.986	-326.641	-27.16%

(Rupees in million)



As per the Annual Accounts 2016-19 of the Municipal Committee, Khanpur, total original budget (Development and Non-Development) was Rs 1,345.639 million. Against the budget, total expenditure of Rs 838.763 million was incurred by the Municipal Committee during 2016-19. Lapse of funds amounting to Rs 506.873 million came to the notice of audit due to inefficient financial management by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Khanpur. **(Annexure-B)**



12.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 4,657.721 million were raised as a result of this audit. This amount also includes recoverable of Rs 4,587.095 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	46.730
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedral Irregularities	
A	HR / Employees related irregularities	-
B	Procurement related irregularities	23.896
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	4,436.663
5	Others	150.432

12.2.4 Comments on the Status of Compliance with PAC Directives

It was first audit for Municipal Committee period; so no previous report in this regard was submitted to the Governor of the Punjab for further presentation to the Public Accounts Committee.

AUDIT PARAS

12.3 Non Production of Record

12.3.1 Non production / maintenance of record – Rs 46.730 million

As per clause 14(2) of the Auditor General's (Functions, Powers and Terms & Conditions of Service) Ordinance, 2001, the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

Management of Municipal Committee, Khanpur did not produce record of expenditure and revenue amounting to Rs 46.730 million during 2018-19, under different objects / codes of classification, in violation of above rule. The detail is as under:

(Rupees in million)			
Sr. No.	Description	Period	Amount (million)
1	Complete record of Sanctioned and Filled posts, Record of conversion fee, DDOs-wise separate books of accounts i.e. Cash Book, Contingent Register and Budget Control Register, History sheet registers of Vehicles and Machinery etc	2018-19	37.530
2	Bill of Quantity/ GST invoices	2018-19	9.200
Total			46.730

Due to weak internal controls and willful evasion from audit, record was neither properly maintained nor produced to audit for verification.

Non production of record resulted into unauthentic legitimacy of expenditure for Rs 46.730 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that auditable record be produced for verification at the earliest and necessary action be initiated against the person at fault.

[AIR Para: 29,30 &10]

12.4 Procedural Irregularities

12.4.1 Irregular expenditure due to non-compliance of the Punjab Procurement Rules – Rs 23.896 million.

According to Rules 9 and 12(1) of the Punjab Procurement Rules 2009 and 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 100,000 and up to Rs 2,000,000 shall be advertised on the PPRA's website in the manner and format specified by the PPRA from time to time.

Chief Officer, Municipal Committee, Khanpur incurred expenditure of Rs 23.896 million on purchase of different items without consolidating annual demands and placing on PPRA's website. The expenditure was held irregular as the procurement opportunities were not advertised and purchases were made by calling simple quotations rather than adopting the tendering process, in violation of PPRA Rules. Detail is given below:

(Rupees in million)

Sr. No.	Head of Account	2016-17	2017-18	2018-19	Total Expenditure 2016-19
1	Purchase of Stationery	0.126	0.232	0.220	0.577
2	Purchase of Books	-	-	0.125	0.125
3	Fair & Exhibition	0.116	4.167	2.616	6.900
4	Purchase of Medicines	0.198	0.499	0.199	0.895
5	Photocopy Expenses	0.118	0.210	0.176	0.505
6	Purchase of Machinery	0.584	2.773	3.185	6.542
7	Purchase of Furniture	-	1.220	-	1.220
8	Printing	-	0.280	-	0.280
9	Uniforms and protective clothing	-	0.918	-	0.918
10	Purchase of Sports Items	-	0.449	-	0.449
11	Purchase of Hardware Items	-	0.203	0.174	0.378
12	Purchase of Bamboos	-	0.193	0.310	0.502
13	Purchase of Street Light Items	-	1.999	2.605	4.604
	Total	1.142	13.142	9.612	23.896

Due to financial indiscipline, procurement was made without observing PPRA Rules.

Procurement without observing PPRA rules resulted in irregular expenditure of Rs 23.896 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para: 16]

12.5 Value for Money and Service Delivery Issues

12.5.1 Loss due to misuse of municipal committee's property – Rs 3,606.348 million

According to Chapter-II, Rule No. 4 of the Punjab Local Govt (Property) Rules 2003, The Manager shall (a) take as much care of the Property entrusted to him as a man of ordinary prudence would, under similar circumstances, take of his own property of like nature. (k) be vigilant about and to check encroachments or wrongful occupations on Property and in case there is any encroachment or wrongful occupation take necessary steps for the removal thereof.

Chief Officer Municipal Committee, Khanpur did not get vacate valuable land of municipal committee from illegal occupants of Rs 3606.348 million. The management leased out the property and official residences to desired employees at nominal rent rates instead allotting at merit against deduction of house rent allowance and 05% repair & maintenance charges. Detail is as follows:

(Rupees in million)

Sr. No.	Location of MC Khan Pur's Property / Land	Approx. Area (marlas)	Status	Rate / marla as per Yard Stick of 2019-20	Value
01	Mohalla Sher Muhammad	40	200	0.288	57.600
02	Razi Chowk	02	10	0.345	3.450
03	Model Town "B"	01	10	0.633	6.330
Sub Total					67.380
1	Sonehri Bank and nearbys, Model Town "A"	30	Commercial	2.500	75.000
2	Disposal Model Town "A"	320	Commercial	2.500	800.000
3	South Side Paradise Cinema, Model Town "A"	120	Commercial	2.500	300.000
4	UBL Link Road Model Town "A"	20	Commercial	2.500	50.000
5	Paradise Cinema, Model Town "A"	240	Commercial	2.500	600.000
6	Disposal Tufail Colony	560	Residential	0.350	196.000
7	Mondi Minor / Old Canal (main canal to Dowaba Pul via KPR Central Public School)	320	Residential	0.350	112.000
8	Govt. Employees Quarters and Park near AC Office	1600	Residential	0.550	880.000
9	Buildings & Quarters of Chungis	80	Commercial	1.500	120.000
10	Green Belt (04 marlas per kanal plot) Haji Taaj Mosque Model Town "A" to Chughtai Hotel (North Side) Model Town "B".	320	Residential	0.550	176.000
	Green Belt (04 marlas per kanal plot) MCB Model Town "B" to Chughtai Hotel (south side) Model Town "B".				

Sr. No.	Location of MC Khan Pur's Property / Land	Approx. Area (marlas)	Status	Rate / marla as per Yard Stick of 2019-20	Value
	Green Belt (04 marlas per kanal plot) East / Back Side Jatoi Market Model Town "B" to End of Street Model Town "B".				
11	Clinic Dr. Muhammad Akbar, 4.5 kanals commercial land in Model town 'A'	90	Commercial	2.500	225.000
12	Rent of Land occupied by Dr. Muhammad Akbar (4.5 kanals commercial land in Model town 'A')				4.968
Sub Total					3,538.968
Aggregate Total					3606.348

Due to weak managerial control, due efforts were not made to get vacate the valuable land.

Non vacation of valuable land resulted in loss of Rs 3,606.348 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends that the matter may be enquired at appropriate level besides initiating action against the responsible and recovery of due amount from the concerned.

[AIR Para: 09]

12.5.2 Loss due to non / less collection of fees from un-approved housing schemes – Rs 363.909 million.

As per 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.

Chief Officer Municipal Committee, Khanpur did not recover different fee of Rs 363.909 million from private housing schemes/ land sub division, which

carried out development and marketing activities along with saling plots without registration. Further the management did not take appropriate action to stop unauthorized business of illegal housing schemes/ land sub dvision. Detail is as **Annexure-1/KPR**.

Due to weak financial controls, due feewas not collected from the owners of private housing schemes.

Non collection of fees from private housing schemes resulted in loss of Rs 363.909 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends registration of private housing schemes besides action against person(s) at fault.

[AIR Para: 04]

12.5.3 Loss due to non achievement of revenue targets – Rs 280.423 million

According to Rule 47(1) of the PLG 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.

Chief Officer Muncipal Committee, Khan Pur fixed revenue targets on account of rent of shops, local rates, license & permit fee, advertisement, publicity charges and sewerage tax during 2016-19. Relevant staff did not make due efforts to recover / realize revenues. As a result, revenue targets of 77.95 % amounting to Rs 280.423 million could not be achieved. **Annexure-2/KPR**

Due to weak internal controls, and poor performance of relevant staff, revenue targets were not achieved.

Non achievement of revenue targets resulted into loss of Rs 280.423 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

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

[AIR Para: 07]

12.5.4 Loss due to non transfer of land of housing schemes in the name of municipal committee – Rs 68.701 million

As per 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.

Chief Officer Municipal Committee Khanpur approved Housing schemes/ Land sub division but failed to get transfer land valuing Rs 127.498 million in its name; i.e roads, parks, open space, solid waste management and public buildings. Detail is given in **Annex-3/KPR**.

Due to weak financial controls, admissible land area was not transferred in the name of M.C.

Non / less transfer of property in the name of Municipal Committee resulted in loss of Rs 68.701 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends transfer of property in the name of Municipal Corporation besides fixing responsibility on the person(s) at fault.

[AIR Para: 05]

12.5.5 Loss due to non-realization / non-collection of conversion / commercialization fees – Rs 67.103 million

According to Chapter VIII (60) (1) (e) (Conversion and Betterment Fee) of Govt. of the Punjab, Local Government and Community Development Department notification No. SOR (LG)38-18/2009 Dated 27-06-2009, “A City District Government or a Tehsil Municipal Administration shall levy the conversion fee for the conversion of land use to educational or healthcare institutional use @ ten percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available. Moreover, according to the judgment issued by the Honorable High Court in Writ Petition No. 2076-2015 and the decision made by the Secretary LG and CD Lahore on 30-06-15 in Para No. 5, TMA is directed to recover conversion fee from the educational and healthcare institutions.

Chief Officer Municipal Committee, Khanpur either got collected conversion / commercialization fees through collection staff for misappropriation or even did not collect to extend undue favour to desired owners because no proof was available regarding such an important source of income.

Audit collected information from education and health departments regarding private health institutions, private educational institutions, beauty parlors and private & government offices working in residential buildings for which (apparently) no such charging was made. Detail is given on next page:

(Rupees in million)

Sr. No.	Types of Institutions / Offices working in Residential Buildings	No. of Institutions / Offices working in Residential Buildings	Average Area of School / Institution (marlas)	Total Approx. Area (marlas)	Approx. Per marla Rate	Approx. Total Value	Amount
1	Private Schools	107	15	1605	0.100	160.500	16.050
2	Beauty Parlors	92	10	920	0.100	92.000	9.200
3	Beauty Parlors	3	11.66	35	0.550	19.250	1.925
4	Private College	1	28	28	0.350	9.800	0.980
5	Private Hospitals	14	12.29	172	0.502	86.307	8.631
6	Hotel	1	20	20	0.550	11.000	1.100
7	Laboratory	3	10	30	0.550	16.500	1.650
8	Net Café	1	7	7	0.550	3.850	0.385
9	Palaza / Shopping Center	1	10	10	0.550	5.500	0.550
10	Private Businesses	15	10	150	0.512	76.750	7.675
11	Private Schools	31	14	434	0.411	178.570	17.857
12	Whole Sale Business	1	20	20	0.550	11.000	1.100
	Total	270		3431		671.027	67.103

Due to weak internal controls, due efforts were not made to recover commercialization / conversion fee.

Non recovery of commercialization / conversion fee resulted in loss of Rs 67.103 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery of due amount from the concerned after actual calculation at departmental level besides fixing responsibility on the person(s) at fault.

[AIR Para: 03]

12.5.6 Loss due to illegal establishment of new private housing schemes – Rs 31.726 million

According to Rule 41 (1)(a) and 42(e) of Punjab Private Housing Schemes and Land Sub Division Rules 2010, A TMA or Development Authority

shall, after verification of ownership documents, shall entertain application of sub division of a plot, subject to the condition that the developer is the owner of the plot and he does not own additional land in continuation of the land proposed for sub division.

Chief Officer Municipal Committee, Khanpur allowed establishment of 05 private housing schemes / land sub division during 2016-19 which was subject to following observations:

1. Planning branch approved / processed maps of such schemes illegally as land was not owned developers.
2. Partnership deeds, NTN certificates of Association of Persons and copy of bank statement of firms were not on record which clearly indicated that the persons having land were not partners / developers. Situation indicated that the developers just entered into sale / purchase agreements (satha) with other persons having land there.
3. Government revenue was lost on account of stamp duty (05 %), tax on transfer of immovable property (01 %), withholding tax (filer 02 % Non filer 04 %), capital gain etc.

Detail of loss as follows:

(Rupees in million)								
Sr. No.	Name of Housing Scheme / Land Sub-Division	Name of Owner / Developer	Total Area in Kanals	Land Value / kanal as per concerned Yard Stick	Area / Land Transferred in the Name of Developer (Kanals)	Area Not Owned by Developer (kanal)	Value of Land Not Owned by Developer	Amount of stamp duty, TTIMP, I.Tax etc @ 10%
1	Riaz Gardens	M. Riaz	52.5	0.924	35	17.30	15.985	1.599
2	Taaj Gardens	M. Naseem	89.5	0.924	26	63.50	58.674	5.867
3	Karam Town	Karam Akhtar	95	3.800	95	-	-	-
4	Haider Town	Umer Javed	94	3.800	47	47.00	178.600	17.860
5	Al-Kareem Town	Inam ul Haq	32	4.000	16	16.00	64.000	6.400
Total			363		219	144	317.259	31.726

Due to intention of extending undue favor to desired developers, due fees were not collected.

Non collection of due fees resulted in loss of Rs 31.726 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

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

[AIR Para: 06]

12.5.7 Loss due to non re-auctioning of shops / plots after expiry of agreements – Rs 12.829 million

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

Chief Officer, Municipal Committee, Khanpur did not re-auction shops / plots despite the expiry of valid period of lease agreement. The lessees were running businesses on outdated rates. The Chairman neither made concrete efforts to re-auction nor cancelled the expired agreements; hence, less rent was realized during 2016-19.

Due to weak administrative controls and willful negligence of the management, shops / plots were not re-auctioned at competitive rates.

Non-auction of shops / plots at competitive rates to fetch maximum revenue resulted in loss of Rs 12.829 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry at appropriate level and fixing responsibility on person(s) at fault besides re-auctioning of shops / plots at competitive market rates.

[AIR Para: 08]

12.5.8 Loss due to non auction of shops / plots – Rs 2.907 million

According to Rule 4 (d) of Government of the Punjab Local Government (Property) Rules, 2003, ‘the manager shall ensure that the rented Property fetches the maximum rent.

Chief Officer Municipal Committee, Khanpur did not make concrete efforts to auction 25 shops / plots during 2016-19 and keep them empty due to which sizable revenue of Rs 2.907 million could not be realized. Audit calculated loss on the basis of rent rate being charged by the municipal committee on its other shops situated in relevant markets. **Annexure-4/KPR**

Due to weak administrative controls, due efforts were not made to auction shops / plots.

Non-auction of shops / plots resulted in loss of Rs 2.907 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry and fixing responsibility on person(s) at fault besides auctioning of shops / plots at the earliest to fetch maximum revenue.

[AIR Para: 26]

12.5.9 Loss due to non-conducting survey of shops for license permit fee – Rs 2.717 million

According to Rule 47(1) of the PLG 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.

Chief Officer Municipal Committee, Khanpur did not conduct survey of shops under his jurisdiction purposefully. This tactful strategy resulted in loss for treasury. Detail is as follows.

1. Fee was shown collected from total 312 different shops only during 2018-19 despite having 246 own shops of the municipal committee.
2. Fee was shown collected from 312 different shops during 2018-19 while same was collected from 126 & 278 shops during 2017-18 and 2016-17 respectively.
3. No such fee was shown collected from beauty parlors and barber shops while there were 344 such shops (92 + 252).
4. Fee was shown collected from 19 hotels & restaurants during 2016-17 while no such collection was made during 2017-19.
5. Advertisement / Publicity tax of all aforementioned business units was not recovered which needs to be made at departmental level according to space and scheduled rates along with recovery of License Permit Fee.

Furthermore, under this grey area the municipal committee did not include 25 different other businesses in schedule as per gazzete notification.

Due to intention of misappropriation, survey of shops was not conducted purposefully.

Non conducting of survey of shops deliberately resulted in minimum loss of Rs 2.717 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry at appropriate level, conducting fresh surveys and recovery from the concerned besides initiating strict disciplinary action against the person(s) at fault.

[AIR Para: 19]

12.6 Others

12.6.1 Loss due to unjustified / doubtful appointments of sanitation staff on contract basis – Rs 81.067 million.

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

Chief Officer Municipal Committee, Khanpur appointed unjustified, doubtful or ghost employees on contract basis for sanitation during 2016-19 without approval of the Finance Department. An amount of Rs 81.067 million was paid on account of pay and allowances to such employees which is open to following observations:

- i. Duty roster of such sanitation staff members along with area / place of duty and job descriptions were not available that is why physical attendance of such employees could not be verified.
- ii. Appointments were to be made purely on need basis but no such requirements were on the record.
- iii. It was noticed through verbal statements of locals that youngsters of rich families were appointed as sanitation staff illogically to extend favor for political purposes who were drawing salaries without performing their duties even a single day.

Due to weak internal controls, unjustified / doubtful appointments were made on political basis.

Appointment of contract staff on political basis resulted in loss.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

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

[AIR Para: 25]

12.6.2 Loss due to doubtful billing – Rs 25.758 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.

Chief Officer Municipal Committee, Khanpur draw a sizeable amount through doubtful / fictitious billing because there was contradiction between serial numbers and dates of bills of same supplier. For example;

Bill No.	Bill Date
200	10.04.2018
308	07.12.2017
309	08.06.2018

Furthermore, it was also observed that many bills were drawn without serial numbers and dates. This situation made the drawls more doubtful.

It shows that all such purchases / repairs of back dates during present dates and their consumption for the past were doubtful / fake. At the same time following further observations were also noticed:

1. 150 KGs (3.75 monds) Sohan Halwa of fine quality @ Rs 450 / KG was shown purchased through 02 different bills for killing dogs surprisingly, amounting to Rs 78,975.
2. Hand writing was same in bills of different suppliers.
3. Different signatures were made on bills of same supplier. Similarly, cheques were issued to two different persons against bills of one supplier.

This situation indicated that bills were arranged from desired ones, so chances of conflict of interest can not be ruled out. Detail is attached.

Due to intention of misappropriation, doubtful bills were drawn.

Drawls of fictitious / doubtful bills resulted in loss of Rs 25.758 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para: 18]

12.6.3 Unjustified expenditure on holiday allowance – Rs 20.953 million

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

Chief Officer Municipal Committee, Khanpur paid holiday allowance of Rs 0.569 million to those persons who were not deputed on provision of essential services like water and sanitation; i.e. clerks, naib qasids, watchmen, drivers, supervisors, reader ijlas, store keeper, electrician etc. Moreover, total payment of Rs 20.953 during 2016-19 was unjustified as duties of such staff members were not rotated. Detail is as follows:

(Rupees in million)							
Sr. No.	Name of Employee	Actual Designation	Holiday Allownce 2016-17	Holiday Allownce 2017-18	Holiday Allownce 2018-19	Total	Observations
1	Haji Muhammad Ashraf	Octrai Clerk	0.009	0.012	0.016	0.037	Inadmissible for the post
2	Aslam Waqar	Octrai Clerk	0.021	-	-	0.021	
3	Jameel Ahmed	Naib Qasid	0.029	0.025	-	0.054	
4	Bilal Hussain Khan	Senior Clerk	0.042	0.070	0.005	0.117	
5	Allah Baksh	Junior Clerk	0.021	0.036	0.049	0.107	

Sr. No.	Name of Employee	Actual Designation	Holiday Allowance 2016-17	Holiday Allowance 2017-18	Holiday Allowance 2018-19	Total	Observations
6	Umar Mateen	Naib Qasid	0.017	0.022	-	0.039	
7	Sajjad Ahmed	Chowkidar	0.022	0.022	-	0.045	
8	Malik Ilyass	Junior Clerk	0.014	0.026	-	0.040	
9	M.Akram	Sanitary Worker	0.016	0.021	0.018	0.055	Not working in water or sanitation branch
10	M.Ameen	Sanitary Worker	0.016	0.021	0.018	0.055	
Total			0.207	0.255	0.107	0.569	

Due to weak internal controls, holiday allowance was paid to unauthorized persons on regular basis.

Making payment of holiday allowance to unauthorized persons and on regular basis resulted in loss of Rs 20.953 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry and fixing responsibility on person(s) at fault besides recovery.

[AIR Para: 20]

12.6.4 Loss due to unjustified / illogical expenditure of “fair & exhibition” – Rs 7.162 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.

Chief Officer Municipal Committee, Khanpur shown consumed a sizeable amount under the head of “fair & exhibition” on the eve of Independence Day, Eid ul Fiter, Eid ul Azha, Moharram, Quaid e Azam Day, Kashmir Day & Eid Millad ul Nabbi (PBUH) which was open to following observations:

1. Different lighting, catering and tentage items were shown acquired on rent rather than purchasing the same which could also be used in future / next years.
2. No proof in shape of pictures / movy was on the record for verification of such expenses.
3. Unjustified / unneeded expenses were shown made without approval of austerity committee.
4. Attendance sheets were not available in the record for justification of refreshment expenditure.
5. A huge amount was claimed regarding penaflexes but neither any proof in shape of pictures was available nor any slogan / statement was mentioned in bill / noting / work order.

Detail is given below:

(Rupees in million)				
Sr. No.	Event / Tehwaar	2016-17	2017-18	2018-19
1	Eid-ul-Fitter	0.055	0.121	0.173
2	Eid-ul-Azha	0.093	0.731	0.845
3	14-Aug	0.275	0.490	0.550
4	Moharram	0.145	0.836	0.577
5	Easter Day	0.006	0.046	-
6	Kashmir Day	-	0.024	0.037
7	Eid Milad Ul Nabbi PBUH	-	0.769	0.336
8	Chehlam	-	0.228	0.143
9	23rd March	-	0.048	-
10	Deewali	-	0.065	-
11	Birth Of Qaid e Azam	-	0.387	-
12	Christmas	-	0.019	0.086
13	Mela Kh. Fareed R.A	-	-	0.077
Total		0.574	3.763	2.825

The situation clearly indicates that misappropriation of funds was made through fictitious billing. Detail is attached.

Due to intention of misappropriation, unjustified billing was made.

Making unjustified / doubtful billing resulted in loss of Rs 7.162 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para: 22]

12.6.5 Loss due to doubtful repair of vehicles and machinery - Rs 6.492 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.

Chief Officer Municipal Committee, Khanpur claimed doubtful / fake repair of vehicle bills. The expenditure was doubtful / fake due to following observations:

1. Log Book showed that the vehicle was on the road (and consuming POL for running) on the day of heavy repair.
2. Discarded items were not entered into unserviceable stock register.
3. History Sheet registers were not maintained.
4. Electricity Consumption was not reduced accordingly during out of order days for repair of electric motors and transformers.
5. The situation clearly showed that either ROT bills or POL consumption (on particular days of repair or during out of order period) were fake. Similarly, either repair of machinery bills or electricity consumption (on particular days of repair or during out of order period) was fake.

Due to intention of misappropriation unjustified bills were drawn.

Drawl of unjustified bills resulted in loss of Rs 6.492 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

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

[AIR Para: 17]

12.6.6 Loss due to drawl of POL against doubtful / fictitious assignment – Rs 4.031 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.

Chief Officer Municipal Committee, Khanpur claimed 23,310 liters diesel of Rs 2,537,605 for FIAT-640 tractor against a fictitious assignmnet of opening disposal drain (from one mainhole to next one; 40 feet only) on daily basis through dewatering pump in “Jinnah Town” continuously for 28 months (from April 2015 to July 2017) surprisingly. The POL expenditure is unjustified and open to following observations:

1. The disposal line was not tried to open illogically during vast period of 02 years and 04 months despite having tools, machinery, enough manpower and enough development budget.
2. After misappropriating a huge quantity of POL, the said problem was resolved without any effort unscientifically.
3. The said tractor remained devoted to this assignment exclusively from April 2015 to July 2017 but the matter of consideration is that it's monthly POL consumption was not decreased after July 2017 when it was started to be used for other tasks without disturbing POL consumption of remaining 09 tractors. This trend of running not only

put question mark on entire POL & machinery of municipal committee but objected entire 46,540 liters POL consumption (of Rs 4,030,924) of this tractor.

Due to intention of misappropriation unjustified POL expenditure was claimed.

Claiming unjustified POL expenditure resulted in loss.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para: 01]

12.6.7 Loss due to doubtful / fake consumption of POL – Rs 2.992 million

According to Government of Punjab Finance Department Letter No. FD.SO (GOOD) 44-4/2011 dated 23-07-11, “For curtailing POL related expenditure, Department shall ensure economical use of official vehicles with the ceiling fixed for the purpose”.

Chief Officer Municipal Committee, Khanpur claimed extraordinary POL expenditure of Rs 173,158 for its generator by showing excess running than the nearby generator of THQ Hospital Khanpur (situated in front of this office) despite the fact that both offices used power supply from same grid / line and faced same loadshedding hours during 2016-19. Detail is as follows:

(Rupees in million)

Sr. No.	Year	Month	M.C Generator Running (Hours)	THQ Hospital Generator Running (Hours)	Excess Running (Hours)	POL of Excess Running @6L/Hour (Liters)	Diesel Rate	Loss (million)
1	2017	August	87	81	6	36	82.30	0.003
2	2017	September	87	38	49	294	79.80	0.023
3	2017	October	90	66	24	144	81.80	0.012

Sr. No.	Year	Month	M.C Generator Running (Hours)	THQ Hospital Generator Running (Hours)	Excess Running (Hours)	POL of Excess Running @6L/Hour (Liters)	Diesel Rate	Loss (million)
4	2018	April	86	73	13	78	99.00	0.008
5	2018	May	86	61	25	150	109.20	0.016
6	2018	July	83	71	12	72	107.90	0.008
7	2018	August	73	38	35	210	115.60	0.024
8	2018	September	86	45	41	246	109.20	0.027
9	2018	October	86	66	20	120	109.20	0.013
10	2018	November	86	82	4	24	115.60	0.003
11	2019	March	86	69	17	102	112.91	0.012
12	2019	June	81	49	32	192	127.86	0.025
Total			1,017	739	278	1,668		0.173

Some other observations are as follows:

1. POL consumption of disposals with electricity connections (facility) was greater than those ones who only had fuel engines (without electricity connections).
2. Excess loadshedding hours were claimed for 03 disposals despite the fact that they were situated in nearby area of THQ Hospital.
3. Hand writing showed that most of log book entries of any particular disposal engine were recorded at a time.
4. Load shedding schedule was not on the record.

Signed statement of POL expenditure and copies of log books are attached.

This situation clearly indicates that extraordinary POL was claimed for misappropriation.

Due to intention of misappropriation, extraordinary POL expense was claimed.

Claiming unjustified POL expenses resulted in loss of Rs 2.992 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s) after investigating the matter in detail.

[AIR Para: 28]

12.6.8 Loss due to doubtful / fictitious drawl of POL and R&M bills for closed disposals – Rs 1.977 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.

Chief Officer Municipal Committee, Khanpur claimed 14,705 liters diesel of Rs 1.226 million for 03 closed disposals (i.e. Tufail Colony (Main Disposal), Ghareeb Abad, Ghalla Mandi & Manzoor Colony) from May 2017 to June 2019 after functioning of newly constructed sewerage mega project. Further it was also observed that Rs 0.751 million were drawn for repair & maintenance of such closed disposals after May 2017. **Annexure-5/KPR**

Due to intention of misappropriation unjustified POL and R&M expenditure was claimed.

Claiming unjustified and illogical POL and R&M expenditure against closed disposal stations resulted in loss of Rs 1.977 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para: 02]

12.6.9 Unauthorized drawl of pay & allowances due to change of cadres

As per of Govt.of Punjab health deptt. Vide his No.SO(TIBB)14-14/92 (DGHS) dated 7-10-1992, “the Chief minister is the competent authority to change the cadre.

Chief Officer Muncipal Committee, Khanpur changed cadres of different employees who were initially appointed as Sanitary Worker or Tractor Cleaner but after that their cadres were changed as Naib Qasid or Clerck respectively without approval of the chief minister. Further, academic degrees of some employees were not got verified from concerned institution (boards & universities). The management showed a survey list (already conducted at departmental level) regarding change of cadre cases but after that that report and service books were concealed purposefully and were not provided for scrutiny despite repeated requests.

Due to intention of extending undue favor to desired employees, their cadres were changed without approval of competent authority.

Unauthorized change of cadres of employees resulted in loss.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry and fixing responsibility on person(s) at fault besides recovery of excess drawls.

[AIR Para: 21]

13. Municipal Committee Kotsamaba

CHAPTER 13.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2016-19.

(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	70.140	41.080	-29.060	-41.43%
		Non-Salary	51.745	22.293	-29.452	-56.92%
		Total	121.885	63.373	-58.512	-48.01%
2	Development	-	114.470	48.710	-65.760	-57.45%
Grand Total			236.355	112.083	-124.272	-52.58%
3	Receipts	-	172.538	152.626	-19.912	-11.54%

(Source: Annual Accounts 2016-19)

Development includes an expenditure of Rs 48.710 million against an allocation of Rs 114.470 million for the development schemes of providing and laying of tuff tiles, RCC pipe line, construction of drains and soloing, repair and sanitation works. The said development schemes could not be completed and an amount of Rs 65.760 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 124.266 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The

authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding indicators and their achievements

(Amount in Rupees)

Sr. No.	Year	Head of receipt	2016-2017	2017-18	Remarks
1	2016-17	TTIP	3,000,000	1,717,370	Target not achieved
2		Map Fees	400,000	793,881	Target not achieved
3		Sewerage Fees	100,000	80,156	Target not achieved
4		Water Rate	600,000	242,264	Target not achieved
5		Licence Permit	37,500	51,600	Target not achieved
6		Fees Slougher House	-	-	Target not achieved
7		Fine Enchroachment	300,000	334,600	Target not achieved
8		Rent Of Shops	254,720	193,151	Target not achieved
9		Copy Fee	20,000	39,095	Target not achieved
10	2017-18	TTIP	2,500,000	3,760,830	Target not achieved
11		Map Fees	400,000	1,204,479	Target not achieved
12		Sewerage Fees	500,000	939,000	Target not achieved
13		Water Rate	200,000	159,116	Target not achieved
14		Licence Permit	200,000	133,200	Target not achieved
15		Fees Slougher House	100,000	128,250	Target not achieved
16		Fine Enchroachment	500,000	508,100	Target not achieved
17		Rent Of Shops	350,000	352,077	Target not achieved
18		Copy Fee	200,000	148,150	Target not achieved
19	2018-19	TTIP	4,500,000	4,068,727	Target not achieved
20		Map Fees	3,500,000	2,953,351	Target not achieved
21		Sewerage Fees	980,000	960,300	Target not achieved
22		Water Rate	130,000	127,360	Target not achieved
23		Licence Permit	130,000	95,200	Target not achieved
24		Fees Slougher House	120,000	128,500	Target not achieved
25		Fine Enchroachment	515,000	391,700	Target not achieved
26		Rent Of Shops	350,000	348,843	Target not achieved
27		Copy Fee	130,000	94,290	Target not achieved

The Municipal Committee failed to meet their set targets; i.e. permit license fee, Water rates, rent of shops, advertisement fee & Sewerage tax etc. within prescribed time. Its administrative and financial management was weak and could not any mechanism for achievement of set targets.

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that the management did little for regulating markets and services for issuance of licenses and impose penalties for violations. Prevention and removal of encroachments

were not conducted as per desired level. Moreover, the Committee Authorities neglected the areas of regulating the dangerous and offensive articles, organizing cattle fairs and cattle markets, promotion of sports & sports persons. No action was taken against the illegal housing schemes during the year. No comprehensive planning was made to execute and manage development plans, exercise control over land-use, land-subdivision, land development and zoning.

Lack of due diligence of staff of sanitation, water supply schemes, planning, finance, regulation and infrastructure wings as indicated in above table and lack of required check and balance are main reasons for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Non production of record amounting to Rs 119.579 million were noticed in one case.
- ii. Irregularities amounting to Rs 8.008 million were noticed in two cases.
- iii. Value for Money and service delivery issues amounting to Rs 4.803 million were noticed in one case.
- iv. Other issues involving an amount of Rs 36.586 million were noticed in one case.

v. Expectation Analysis and Remedial Measures / Suggestions

CO (MC) did not achieve overall targets of action against encroachment and illegal housing schemes. Cattle fairs, cattle markets and sports were not promoted upto desired level. No comprehensive planning was made to execute and manage development plans, exercise control over land-use, land-subdivision, land development and zoning.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets. Suggestions / Remedial Measures are as under:

- Grand Operation is needed to be carried out to get vacate encroached property / land / assets of municipal committees at provincial level at a time.
- Comprehensive survey of revenue units may be conducted and publicized before making collections; i.e. for License Permit Fee, Sewerage Tax, Water Rates and other receipt heads of same nature.
- All old lease contracts of municipal committee's shops & plot may be revised as current market rates and same may not be leased out for a period more than 05 years.
- Mechanism may be developed to stop purchase & transfer of plots in housing schemes / land sub division schemes before completion of registration process.
- Solid and continuous monitoring of assets is much needed requirement for existence of municipal committee.
- Strict out lines are required to be framed for expenditure regarding celebration of repeated nature event throughout the year.
- Continuous monitoring of sanitation staff according to allocated areas is needed to be implemented through community involvement and with the help of modern technology (CCTV etc).
- Rationalized finalization of annual demand may be publicized before start of financial year under all possible heads and purchases may be bounded to central rate contracts with the help of I.T technology.
- Field related repair & maintenance expenses / claims may be bounded with verification of concerned community.
- Data base of entire bills / claims is required to be maintained through I.T.
- POL consumption criteria and monitoring mechanism needs to be improved through use of modern technology.
- Strengthening the internal control, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- Taking concrete steps for recovery of receipt arrear of previous years as per prevailing rules.
- Strengthen internal control for non-recurrence of irregularities.
- Strengthen system to ensure following of all applicable rules and regulations of the Government of Punjab as well.
- There is lack of all sanctioned staff which needs government's attention.
- Ensuring completion of development works in order to take benefits of already incurred funds.

- Ensuring utilization of funds of non-development for provision of better atmosphere along with holding the responsible for non/timely utilization of the same.
- Taking actions for recruitment of all deficient staff including technical and non-technical for improvement in relevant task.
- Taking concrete actions to recruit all the staff against sanctioned posts.

CHAPTER 13.2

Municipal Committee Kotsamaba

13.2.1 Introduction

Municipal Committee Kotsamaba was established on 01.01.2017 under Punjab Local Government Act, 2013. A Municipal Committee is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name. Municipal Committee consists of the directly and indirectly elected members.

The Chief Officer acts as Principal Accounting Officer of a Municipal Committee and facilitates the performance of functions assigned to the Municipal Committee under the supervision of the Chairman / Administrator. He/she is responsible for coordination, human resource management, public relations, legal affairs, municipal services, emergency services etc. He/she manages functions of the Municipal Committee through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited expenditures / receipts of Municipal Committee Kotsamaba:

(Rupees in million)

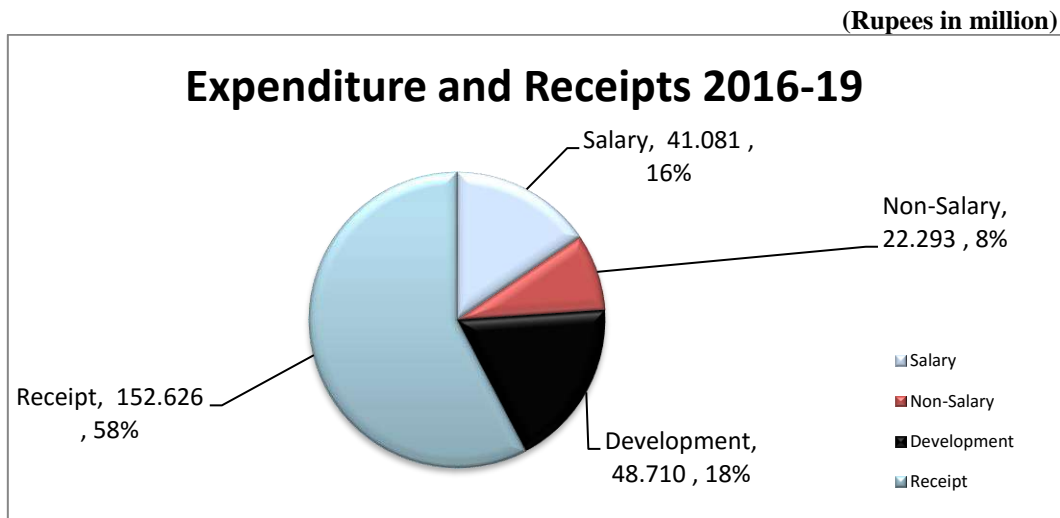
Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	30.972	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

13.2.2 Comments on Budget and Accounts

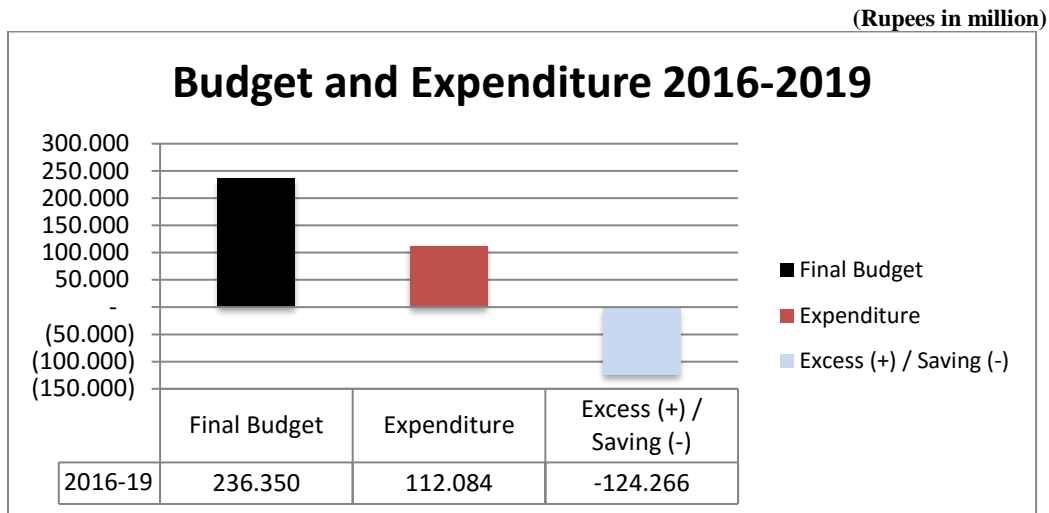
The detail of budget and expenditure is given below in tabulated form:

(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	70.140	41.080	-29.060	-41.43%
		Non-Salary	51.745	22.293	-29.452	-56.92%
		Total	121.885	63.373	-58.512	-48.01%
2	Development	-	114.470	48.710	-65.760	-57.45%
Grand Total			236.355	112.083	-124.272	-52.58%
3	Receipts	-	172.538	152.626	-19.912	-11.54%



As per the Annual Accounts 2016-19 of the Municipal Committee, Kot Samaba, total original budget (Development and Non-Development) was Rs236.350 million. Against the budget, total expenditure of Rs 112.084 million was incurred by the Municipal Committee during 2016-19. Lapse of funds amounting to Rs 124.266 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Kot Samaba. **(Annexure-B)**



13.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 168.975 million were raised as a result of this audit. This amount also includes recoverable of Rs 4.803 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	119.579
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedral Irregularities	
A	HR / Employees related irregularities	-
B	Procurement related irregularities	8.008
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	4.803
5	Others	36.586

13.2.4 Comments on the Status of Compliance with PAC Directives

It was first audit for Municipal Committee period; so no previous report in this regard was submitted to the Governor of the Punjab for further presentation to the Public Accounts Committee.

AUDIT PARAS

13.3 Non Production of Record

13.3.1 Non-maintenance of separate books of accounts and classified accounts of expenditure – Rs 119.579 million

According to Rule 8 (B&C) of PLG (Budget) Rules, 2017 each DDO shall incur expenditure strictly against the budgetary allocations under the relevant object code and in accordance with the rules and keep in safe custody the departmental expenditure record and maintain the budget control register. Furthermore, according to Rule 37 of PLG Budget Rules 2017 vide Para 37(2)(a) (d), DDO shall be responsible for controlling and managing expenditure from the Grants placed at their disposal and each DDO shall be responsible for the expenditure actually incurred against the funds allotted to him. The expenditure shall be sanctioned in accordance with the delegation of Financial Power Rules.

Scrutiny of record of MC Kotsamaba revealed that DDOs working under control of Chief Officer (CO) incurred expenditure of Rs 119.579 million during January, 2017 to June, 2019 but separate books of accounts were not maintained. Separate DDO wise budget was prepared and got approved but separate books of accounts were not maintained by each DDO; i.e. cash book, contingent register, budget control register etc. Expenditure statements were not prepared DDO wise but entire expenditure was clubbed in one statement. There were no separate bank accounts of each DDO and all payments were drawn from one general bank account being operated by the Chief Officer. Detail is given below:

(Rupees in million)			
Sr. No	Description	Period	Amount
1	Non maintenance of DDO wise books of expenditure	January, 2017 to June, 2019	112.084
2	Non provision of backup record of TTIP	January, 2017 to June, 2019	7.495
Total			119.579

Due to weak financial controls, separate books of accounts were not maintained by the DDOs.

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

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends maintenance of separate books of accounts besides fixing responsibility on person(s) at fault.

[AIR Para: 06 &07]

13.4 Procedural Irregularities

13.4.1 Opening tenders without complete committee – Rs 6.940 million

According to rule No. 9(5) of Punjab Local Government Works Rules, 2017 published into Punjab Gazette vide notification No.SOR (LG)38-3/2017 dated 30th June 2019, following committee nominated for opening of tenders of works:

Sr. No	Composition	Designation
1	Chief Officer	Convener
2	Rep of Deputy Commissioner	Member
3	Assistant Engineer Concerned Local Govt	Member
4	District Officer/ MO Finance	Member
5	District Officer/ MO Infrastructure	Member/ Secretary

Chief Officer Municipal Committee, Kotsamaba allotted work of twelve (12) development schemes valuing Rs 6.940 million on the recommendations of incomplete committee. Committee was not competent to allot the work due to incomplete quorum as not a single member was present at the time of opening of tenders. Detail is given below:

(Rupees in million)					
Sr. No.	Tender No/Date	No. of works	Member to be participants	Member participated	Cost of works (million)
1	29.05.2017	12	5	0	6.94
Total					6.94

Due to non-observing applicable rules, tenders were opened without completing the quorum.

Opening of tenders by incomplete tender committee quorum resulted in non-transparent tendering process of Rs 6.940 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends regularization of the expenditure besides appropriate action against the concerned.

[AIR Para: 10]

13.5 Value for Money and Service Delivery Issues

13.5.1 Non taking action against unapproved land subdivision/housing schemes and recovery of – Rs 4.803 million

As per Chapter VII Section 37 & 38 of the Punjab Private housing Schemes and Land Subdivision Rules,(1) A developer shall deposit a preliminary planning permission fee along with application at the rate of(a) rupees five thousand for scheme having area up to two thousand kanal;and (b) rupees ten thousand for scheme having area above two thousand kanal (2) A developer shall deposit a fee for:(a) sanction of a scheme at the rate of rupees one thousand per kanal;(b) approval of design and specifications for water supply, sewerage and drainage at the rate of rupees five hundred per kanal;(c) approval of design and specifications for road, bridge and footpath of a scheme at the rate of rupees five hundred per kanal;(d) approval of design and specifications for electricity and street light at the rate fixed by WAPDA or other agency responsible for electricity supply. And 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.

Chief Officer MC Kotsamaba did not collect requisite fee of Rs 4.803 million from unapproved land subdivisions/ housing schemes during 2016-19. Sale of plots remained continue without getting approval from authority. Detail is given below:

(Rupees in million)						
Sr. No.	Name of Scheme	Location	Area (Kanal)	Approval of design and specifications for water supply, sewerage	Approval of design and specifications for road, bridge and footpath	Amount
1	Model Town	BaghoBahar Road Kotsamaba	79	39,500	39,500	0.079
2	Zain City	BaghoBahar Road Kotsamaba	180	90,000	90,000	0.180
3	Muzammil City	Mahalla Seikhan	39	19,500	19,500	0.039
	Zain City	Different fee i.e Conversion fee, santion fee, map fee and subdivision fee				4.505
Total						4.803

Due to weak internal controls, neither fee was recovered from owners/ developers of illegal land subdivisions/ housing schemes nor action was taken against concerned.

Non recovery of fee from illegal land subdivisions/ housing schemes and non-taking action against those resulted in loss of Rs 4.803 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para: 03]

13.6 Others

13.6.1 Execution of works without production of GST invoices & CPRs – Rs 36.586 million

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

The Chief Officer Municipal Committee Kotsamab made payment of Rs 36.586 million to various construction works of ongoing schemes, M&R Schemes and Deposit work from Local Government for the year 2018-19. Payments were made to contractors without obtaining / production of GST invoices in violation of letter ibid, resulting loss to Government on account of GST. Moreover, department did not produce CPRs for payment of GST. Purchase of material became doubtful for construction of schemes in absence of GST invoices & CPRs for payment of GST. **Annexure - 1/Kotsamaba**

Due to weak managerial controls, payment was made to contractors without production of GST invoices & CPRs in violation of rule.

Making payment to contractors without production of GST invoices& CPRs resulted in irregular expenditure of Rs 36.586 million

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from concerned besides initiating disciplinary proceedings against the person(s) at fault.

[AIR Para: 14]

14. Municipal Committee Liaqatpur

CHAPTER 14.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2016-19.

(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	439.347	308.927	-130.420	-29.68%
		Non-Salary	223.763	111.793	-111.970	-50.04%
		Total	663.110	420.720	-242.390	-36.55%
2	Development	-	349.556	119.927	-229.629	-65.69%
Grand Total			1,012.666	540.647	-472.019	-46.61%
3	Receipts	-	737.866	570.095	-167.771	-22.74%

(Source: Annual Accounts 2016-19)

Development includes an expenditure of Rs 119.927 million against an allocation of Rs 349.556 million for the development schemes of providing and laying of tuff tiles, RCC pipe line, construction of drains and soloing, repair and sanitation works. The said development schemes could not be completed and an amount of Rs 229.629 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 472.019 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive

trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding indicators and their achievements

(Amount in Rupees)

Sr. No.	Financial Year	Factors / Indicators	Revenue Target	Achievement	Remarks
1	2016-17	C0388002 - License fee (Dangerous and Offensive Trade)	60,000	40,750	Targets not achieved
2	2016-17	C0388016 - General Bus Stand fee	750,000	625,385	Targets not achieved
3	2016-17	C0388028 - Fee for change in land use	1,000,000	-	Targets not achieved
4	2016-17	C0388047 - Receipts on account of sale of water - residential	3,029,320	977,890	Targets not achieved
5	2016-17	C0388093 - Arrears of Water Rate	952,966	-	Targets not achieved
6	2016-17	C0388054 - Sewerage Fee/ Charges/ Nali Tax	685,000	29,100	Targets not achieved
7	2016-17	C0388082 - Rent of municipal Property - Shops	16,735,263	10,726,694	Targets not achieved
8	2016-17	C0388085 - Other rents	200,000	-	Targets not achieved
9	2017-18	C03555 - Car parking fee	1,000,000	699,260	Targets not achieved
10	2017-18	C0388008 - License and Permit Fee	1,500,000	279,200	Targets not achieved
11	2017-18	C0388016 - General Bus Stand fee	1,500,000	1,399,470	Targets not achieved
12	2017-18	C0388028 - Fee for change in land use	4,500,000	-	Targets not achieved
13	2017-18	C0388031 - Fine for building violations (irregular land use/ building use)	500,000	-	Targets not achieved
14	2017-18	C0388047 - Receipts on account of sale of water - residential	7,620,000	2,381,255	Targets not achieved
15	2017-18	C0388048 - Receipts on account of sale of water - commercial	300,000	-	Targets not achieved
16	2017-18	C0388051 - Receipts on account of sale of water - through tankers	100,000	2,000	Targets not achieved
17	2017-18	C0388054 - Sewerage Fee/ Charges/ Nali Tax	1,620,000	156,950	Targets not achieved
18	2017-18	C0388055 - Fee for cleaning of soak pits/gharki	200,000	-	Targets not achieved
19	2017-18	C0388059 - Sale of municipal waste	11,500	-	Targets not achieved
20	2017-18	C0388076 - Advertisement Fee on billboards/ hoardings	1,028,580	556,430	Targets not achieved
21	2017-18	C0388081 - Rent of municipal Property - Shops	21,108,789	12,890,144	Targets not achieved
22	2017-18	C0388084 - Rent of municipal Property - agricultural land	52,950	-	Targets not achieved
23	2017-18	C0388085 - Other rents	2,500,000	-	Targets not achieved
24	2017-18	C0388093 - Arrears of Water Rate	952,966	-	Targets not achieved
25	2017-18	C0388094 - Miscellaneous (disposal)	500,000	52,950	Targets not achieved
26	2018-19	B01313 - Tax on Transfer of Immovable Property	6,000,000	3,984,490	Targets not achieved
27	2018-19	C0388002 - License fee (Dangerous and Offensive Trade)	2,000,000	421,100	Targets not achieved
28	2018-19	C03555 - Car parking fee	10,000	-	Targets not achieved
29	2018-19	C0388016 - General Bus Stand fee	1,800,000	1,364,800	Targets not achieved
30	2018-19	C0388022 - Fee from other Transport Stands	1,200,000	534,795	Targets not achieved
31	2018-19	C0388028 - Fee for change in land use	7,500,000	3,025,406	Targets not achieved
32	2018-19	C0388029 - Conversion Fee for change in building use	1,000,000	-	Targets not achieved
33	2018-19	C0388031 - Fine for building violations (irregular land use/ building use)	500,000	205,000	Targets not achieved
34	2018-19	C0388047 - Receipts on account of sale of water - residential	8,624,400	2,901,734	Targets not achieved
35	2018-19	C0388048 - Receipts on account of sale of water - commercial	300,000	-	Targets not achieved

Sr. No.	Financial Year	Factors / Indicators	Revenue Target	Achievement	Remarks
36	2018-19	C0388050 - Receipts on account of sale of water - bulk consumers	50,000	-	Targets not achieved
37	2018-19	C0388051 - Receipts on account of sale of water - through tankers	50,000	-	Targets not achieved
38	2018-19	C0388054 - Sewerage Fee/ Charges/ Nali Tax	1,464,700	190,675	Targets not achieved
39	2018-19	C0388056 - Receipts from public latrines	12,500	1,000	Targets not achieved
40	2018-19	C0388059 - Sale of municipal waste	12,500	-	Targets not achieved
41	2018-19	C0388076 - Advertisement Fee on billboards/ hoardings	50,000	20,000	Targets not achieved
42	2018-19	C0388077 - Advertisement Fee on sign boards of commercial places	763,000	250,160	Targets not achieved
43	2018-19	C0388081 - Rent of municipal Property - Shops	24,831,082	17,219,685	Targets not achieved
44	2018-19	C0388082 - Rent of municipal Property - offices	15,000	-	Targets not achieved
45	2018-19	C0388084 - Rent of municipal Property - agricultural land	52,950	-	Targets not achieved
46	2018-19	C0388085 - Other rents	4,000,000	-	Targets not achieved
47	2018-19	C0388090 - Sale of stocks and stores	1,000,000	-	Targets not achieved
48	2018-19	C0388092 - Magistrial Fee (Fine and Penalties by Judicial Magistrate)	2,005,000	-	Targets not achieved
49	2018-19	C0388093 - Arrears of Water Rate	952,966	-	Targets not achieved
50	2018-19	C0388094 - Miscellaneous	500,000	73,010	Targets not achieved

The Municipal Committee failed to meet their set targets; i.e. license permit fee, rent of properties, water rates, advertisement fee etc. within prescribed time. Its administrative and financial management was weak and could not any mechanism for achievement of set targets.

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that the management did little for regulating markets and services for issuance of licenses and impose penalties for violations. Prevention and removal of encroachments were not conducted as per desired level. Moreover, the Committee Authorities neglected the areas of regulating the dangerous and offensive articles, organizing cattle fairs and cattle markets, promotion of sports & sports persons. No action was taken against the illegal housing schemes during the year. No comprehensive planning was made to execute and manage development plans, exercise control over land-use, land-subdivision, land development and zoning.

Lack of due diligence of staff of sanitation, water supply schemes, planning, finance, regulation and infrastructure wings as indicated in above table and lack of required check and balance are main reasons for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Non-Production of Record worth Rs 36.795 million was reported in one case.
- ii. Irregularities amounting to Rs 18.837 million were noticed in one case.
- iii. Value for Money and service delivery issues amounting to Rs 287.630 million were noticed in eight cases.
- iv. Other issues involving an amount of Rs 24.206 million were noticed in six cases.

v. Expectation Analysis and Remedial Measures / Suggestions

CO (MC) did not achieve overall targets of action against encroachment and illegal housing schemes. Cattle fairs, cattle markets and sports were not promoted upto desired level. No comprehensive planning was made to execute and manage development plans, exercise control over land-use, land-subdivision, land development and zoning.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets. Suggestions / Remedial Measures are as under:

- Grand Operation is needed to be carried out to get vacate encroached property / land / assets of municipal committees at provincial level at a time.
- Comprehensive survey of revenue units may be conducted and publicized before making collections; i.e. for License Permit Fee, Sewerage Tax, Water Rates and other receipt heads of same nature.
- All old lease contracts of municipal committee's shops & plot may be revised as current market rates and same may not be leased out for a period more than 05 years.
- Mechanism may be developed to stop purchase & transfer of plots in housing schemes / land sub division schemes before completion of registration process.
- Solid and continuous monitoring of assets is much needed requirement for existence of municipal committee.

- Strict out lines are required to be framed for expenditure regarding celebration of repeated nature event throughout the year.
- Continuous monitoring of sanitation staff according to allocated areas is needed to be implemented through community involvement and with the help of modern technology (CCTV etc).
- Rationalized finalization of annual demand may be publicized before start of financial year under all possible heads and purchases may be bounded to central rate contracts with the help of I.T technology.
- Field related repair & maintenance expenses / claims may be bounded with verification of concerned community.
- Data base of entire bills / claims is required to be maintained through I.T.
- POL consumption criteria and monitoring mechanism needs to be improved through use of modern technology.
- Strengthening the internal control, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- Taking concrete steps for recovery of receipt arrear of previous years as per prevailing rules.
- Strengthen internal control for non-recurrence of irregularities.
- Strengthen system to ensure following of all applicable rules and regulations of the Government of Punjab as well.
- Ensuring completion of development works in order to take benefits of already incurred funds.
- Ensuring utilization of funds of non-development for provision of better atmosphere along with holding the responsible for non / timely utilization of the same.
- Taking actions for recruitment of all deficient staff including technical and non-technical for improvement in relevant task.

CHAPTER 14.2

Municipal Committee Liaqatpur

14.2.1 Introduction

Municipal Committee Liaqatpur was established on 01.01.2017 under Punjab Local Government Act, 2013. A Municipal Committee is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name. Municipal Committee consists of the directly and indirectly elected members.

The Chief Officer acts as Principal Accounting Officer of a Municipal Committee and facilitates the performance of functions assigned to the Municipal Committee under the supervision of the Chairman / Administrator. He/she is responsible for coordination, human resource management, public relations, legal affairs, municipal services, emergency services etc. He/she manages functions of the Municipal Committee through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited expenditures / receipts of Municipal Committee Liaqatpur:

(Rupees in million)

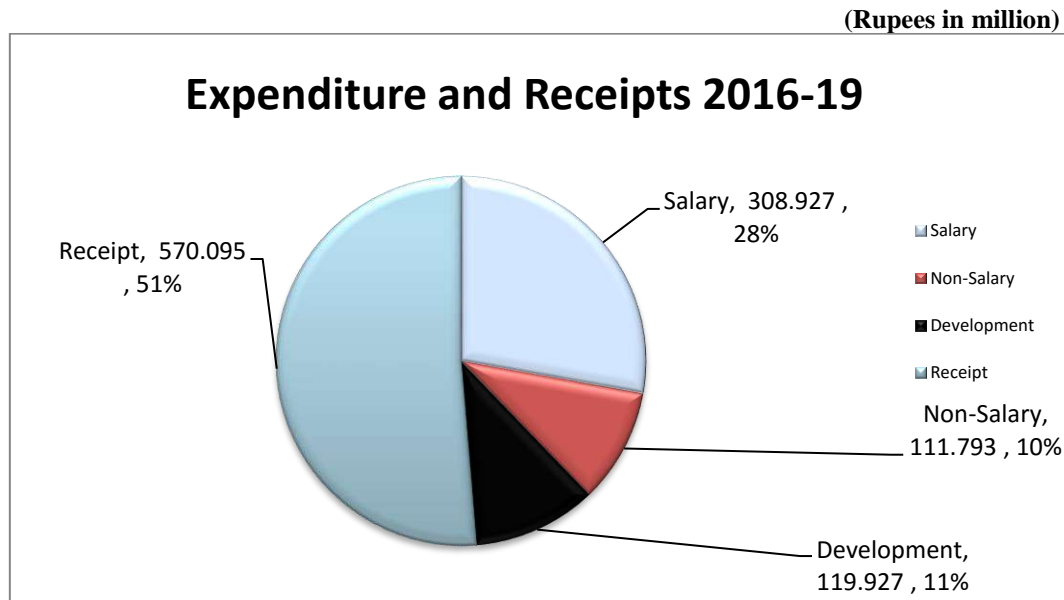
Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	121.718	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

14.2.2 Comments on Budget and Accounts

The detail of budget and expenditure is given on next page in tabulated form:

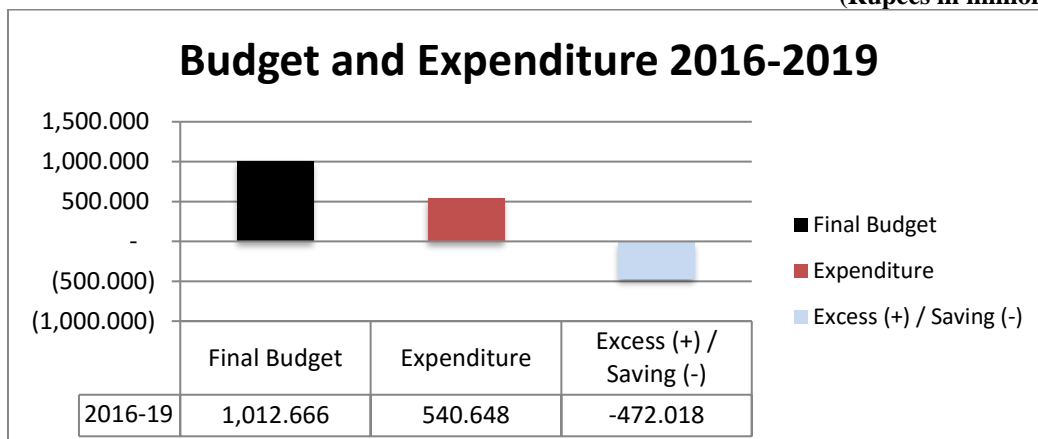
(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	439.347	308.927	-130.420	-29.68%
		Non-Salary	223.763	111.793	-111.970	-50.04%
		Total	663.110	420.720	-242.390	-36.55%
2	Development	-	349.556	119.927	-229.629	-65.69%
Grand Total			1,012.666	540.647	-472.019	-46.61%
3	Receipts	-	737.866	570.095	-167.771	-22.74%



As per the Annual Accounts 2016-19 of the Municipal Committee, Liaquatpur, total original budget (Development and Non-Development) was Rs1,012.666 million. Against the budget, total expenditure of Rs 540.648 million was incurred by the Municipal Committee during 2016-19. Lapse of funds amounting to Rs 472.018 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Liaquatpur. **(Annexure-B)**

(Rupees in million)



14.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 367.468 million were raised as a result of this audit. This amount also includes recoverable of Rs 311.836 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	36.795
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedral Irregularities	
A	HR / Employees related irregularities	-
B	Procurement related irregularities	18.837
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	287.630
5	Others	24.206

14.2.4 Comments on the Status of Compliance with PAC Directives

It was first audit for Municipal Committee period; so no previous report in this regard was submitted to the Governor of the Punjab for further presentation to the Public Accounts Committee.

AUDIT PARAS

14.3 Non Production of Record

14.3.1 Non production of record – Rs 36.795 million

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

Management of Municipal Committee, Liaqetpur did not produce record of expenditure and revenue amounting to Rs 36.795 million during 2018-19, under different objects / codes of classification, in violation of above rule. The detail is as under:

(Rupees in million)			
Sr. No.	Description	Period	Amount
2	Development / Civil Works	2018-19	23.404
3	Bill of Quantity/ GST invoices	01/2017 to 06/2019	13.391
Total			36.795

Due to willful evasion from audit, record was not produced which created doubts regarding legitimacy of expenditure.

Non production of record for scrutiny created doubts regarding legitimacy of expenditure.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends that the relevant record be got verified and disciplinary action must be initiated against the persons responsible for concealment.

[AIR Para: 23,24 & 10]

14.4 Procedural Irregularities

14.4.1 Irregular expenditure due to non-compliance of PPRARules – Rs 18.837 million

According to Rules 9 and 12(1) of the Punjab Procurement Rules 2009 and 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 100,000 and up to Rs 2,000,000 shall be advertised on the PPRA's website in the manner and format specified by the PPRA from time to time.

Chief Officer Municipal Committee, Liaqat Pur incurred expenditure of Rs 18.837 million on purchase of stationery, printing, I.T equipments, etc. management neither determine annual requirement nor planned procurements were advertised on PPRA's website. Moreover, the indents were split-up to avoid fair tendering process. Detail is as follows:

(Rupees in million)

Sr. No.	Head of Account	Actual Expenditure 7/16 to 12/16	Actual Expenditure 1/17 to 6/17	Actual Expenditure 2017-18	Actual Expenditure 2018-19	Total Expenditure 2016-19
1	Purchase of Stationery	0.224	0.115	0.234		0.573
2	Fair & Exhibition	1.329	0.345	0.139	2.184	3.998
3	Purchase of Medicines		0.500	0.149	0.354	1.004
4	Purchase of I.T Equipments				0.124	0.124
5	Purchase of Transport	0.206				0.206
6	Purchase of Machinery	0.360	0.596		0.658	1.614
7	Purchase of Furniture	1.895		0.109		2.005
8	Purchase of Other Assets		0.147	0.318	0.492	0.956
9	Printing	0.433	0.301	0.547	0.631	1.911
10	Uniforms and protective clothing			0.144		0.144
11	Repair of Machinery & Equipments	2.036	1.072	0.335	1.990	5.433
12	Repair of Transport		0.344	0.106	0.420	0.870
	Totals	6.484	3.419	2.081	6.853	18.837

Due to financial indiscipline, purchases were made without observing PPRA Rules.

Purchases without observing PPRA rules resulted in irregular expenditure of Rs 18.837 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

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

[AIR Para: 16]

14.5 Value for Money and Service Delivery Issues

14.5.1 Loss due to non-realization / non-collection of conversion / commercialization fees – Rs 113.129 million

According to Chapter VIII (60) (1) (e) (Conversion and Betterment Fee) of Govt. of the Punjab, Local Government and Community Development Department notification No. SOR (LG)38-18/2009 Dated 27-06-2009, “A City District Government or a Tehsil Municipal Administration shall levy the conversion fee for the conversion of land use to educational or healthcare institutional use @ ten percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available. Moreover, according to the judgment issued by the Honorable High Court in Writ Petition No. 2076-2015 and the decision made by the Secretary LG and CD Lahore on 30-06-15 in Para No. 5, TMA is directed to recover conversion fee from the educational and healthcare institutions.

Chief Officer Municipal Committee, Liaqat Pur either got collected conversion / commercialization fees through collection staff for misappropriation or even did not collect to extend undue favour to desired owners because no proof was available regarding such an important source of income.

Audit collected information from education and health departments regarding private health institutions, private educational institutions, beauty parlors and private & government offices working in residential buildings for which (apparently) no such charging was made. Detail is as follows:

(Rupees in million)

Sr. No.	Types of Institutions / Offices working in Residential Buildings	No. of Institutions / Offices working in Residential Buildings	Average Area of School / Institution (marlas)	Total Area (marlas)	Per marla Land Rate (Rs.)	Total Land Value (Rs.)	Conversion Fee (million)	Commercialization	Source of Information
1	Higher Secondary Schools	5	20	100	0.815	81.479	8.148		Dy. DEO-W LQP
2	High Schools	10	20	100	0.815	81.479	8.148		Dy. DEO-W LQP
3	Middle Schools	44	15	660	0.815	537.763	53.776		Dy. DEO-W LQP

Sr. No.	Types of Institutions / Offices working in Residential Buildings	No. of Institutions / Offices working in Residential Buildings	Average Area of School / Institution (marlas)	Total Area (marlas)	Per marla Land Rate (Rs.)	Total Land Value (Rs.)	Commercialization Conversion Fee (million)	Source of Information
4	Private Clinics & Hospital	12	33.5	402	0.688	276.543	27.654	Physical Inspection
5	Government Offices	5	9.9	49.5	0.580	28.710	2.871	Physical Inspection
6	Micro Finance Banks	2	12	24	0.473	11.340	1.134	Physical Inspection
7	Beauty Parlors	8	7.62	60.96	0.444	27.080	2.708	Dy. DO (H) LQP
8	Beauty Parlors	13	7.62	99.06	0.444	44.006	4.401	Physical Inspection
9	Auto Mobile Parts, Garments, Insurance & Real Estate etc.	4	9.5	38	1.129	42.893	4.289	Physical Inspection
		103		1533.52		1,131.292	113.129	

Due to weak internal controls, due efforts were not made to recover commercialization fee.

Non recovery of commercialization fee resulted in loss of Rs 113.129 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends detailed enquiry and recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para: 03]

14.5.2 Loss due to non achievement of revenue targets – Rs 72.092 million

According to Rule 47(1) of the PLG 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.

Chief Officer Municipal Committee, Liaquat Purfixed revenue targets on account of rent of shops, water rates, license & permit fee, advertisement and

publicity charges, sewerage tax etc during 2016-19. Relevant staff did not make due efforts to recover / realize revenues. As a result, 54.16 % revenue targets of Rs 72.092 million could not be achieved. **Annexure - 1/LQP**

Due to weak internal controls, and poor performance of relevant staff, revenue targets were not achieved.

Poor performance of the staff deputed for recovery resulted into loss of Rs 72.092 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para: 07]

14.5.3 Loss due to extending undue favor to desired rentee / leases through less annual increment – Rs 29.934 million

According to Rule 47(1) of the PLG 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.

Chief Officer Municipal Committee, Liaqat Pur awarded 02 kanals land situated at North West corner of “Milad Chowk Liaqat Pur” to Mr. Abdul Qayyoom on rent / lease on 05.03.1981 @ Rs 450 per month with annual increase of 20% for establishing petrol pump after fulfilling complete bidding procedure. After that, undue favour was extended to the rentee / lease by curtailing annual rent increment to 10% only by than chairman which resulted in loss of Rs 29.934 million. Some further observations are as follows:

1. Second and third bidders were not offered this lesser increment rate after finalization of bidding process.

2. Annual rent increments were reassessed to Rs 32,000 per month with annual increase of 20% by DRAC (Distt. Rent Assesment Committee) on 15.12.2014 after conducted current market survey for this property but such rates were not adopted / implemented purposefully to benefit desired leasee. **Annexure - 2/LQP**

Due to intention of extending undue favor to desired lease / rentee, annual rent increment was curtailed.

Curtailement of annual increment rate of property resulted in loss to treasury of Rs 29.934 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para: 01]

14.5.4 Loss due to non re-auctioning of shops / plots after expiry of agreements – Rs 22.283 million

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

Chief Officer Municipal Committee, Liaqat Pur did not re-auction shops / plots despite the expiry of valid period of lease agreement. The lessees were running businesses on outdated rates. The Chairman neither made concrete efforts

to re-auction nor cancelled the expired agreements; hence, less rent was realized during 2016-19.

In most of the cases shops / plots were awarded to same persons since 1990, 1980 and even 1976 at nominal rates despite the fact that current market rates were 10 times greater than these ones. Audit calculated loss on the basis of atleast same rent rate of all shops situated in any particular market. List of shops is attached.

Due to weak internal controls, shops / plots were not re-auctioned at competitive rates.

Non-auction of shops / plots at competitive rates to fetch maximum revenue resulted in loss of Rs 22.283 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry and fixing responsibility on person(s) at fault besides re-auctioning of shops / plots at competitive market rates.

[AIR Para: 08]

14.5.5 Loss due to illegal establishment of private housing schemes – Rs 21.776 million

According to Rule 41 (1)(a) and 42(e) of Punjab Private Housing Schemes and Land Sub Division Rules 2010, A TMA or Development Authority shall, after verification of ownership documents, shall entertain application of sub division of a plot, subject to the condition that the developer is the owner of the plot and he does not own additional land in continuation of the land proposed for sub division.

Chief Officer Municipal Committee, Liaqat Pur allowed establishment of 04 private housing schemes / land sub division during 2016-19 which was subject to following observations:

1. Planning branch approved / processed maps of such schemes illegally as land was not owned developers.
2. Partnership deeds, NTN certificates of Association of Persons and copy of bank statement of firms were not on record which clearly indicated that the persons having land were not partners / developers. Situation indicated that the developers just entered into sale / purchase agreements (satha) with other persons having land there.
3. Government revenue was lost on account of stamp duty (05 %), tax on transfer of immovable property (01 %), withholding tax (filer 02 % Non filer 04 %), capital gain etc.

Detail of loss as follows:

(Rupees in million)

Sr. No.	Name of Housing Scheme	Location	Name of Owner / Developer	Total Area in Kanal	Land Value per kanal (Rs)	Value of Land (Rs)	Amount of stamp duty, TTIMP, I.Tax etc @ 10%
1	Ghulam Ali Gardens Ext. 01	Chak 19/A No.	M. Tayyub etc.	27.5	1.033	28.404	2.840
2	Raja Model City	Chak 19/A No.	Raja M. Saleem	28	1.425	39.900	3.990
3	Khayaban Rasheed	Chak 19/A No.	Jahangir Rasheed	69	1.425	98.325	9.833
Total				174		217.755	21.776

Due to intention of extending undue favor to desired developers, due fees were not collected.

Non collection of due fees resulted in loss of Rs 21.776 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para:06]

14.5.6 Loss due to non transfer of land in the name of municipal committee – Rs 12.494 million

As per 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.

Chief Officer Municipal Committee, Liaquat Pur did not get transfer admissible 11 kanals land / area in its name from such private housing schemes in shape of open space, hospital / school / mosque / madrissa, solid waste and internal road areas while construction of houses and shops was started without fulfillment of such an important compulsion. Furthermore, it was also observed that 20% land (21 kanals) was not mortgaged with the TMA / M.C as a security. Detail is given below:

(Rupees in million)

Sr. No.	Name of Housing Scheme	Total Area in Kanal	Land Value / kanal (Rs.)	Status	Open Space (kanals)	Public Buildings (School / Masjid / Madrissa / Hospital)	Solid Waste Plot	Internal Roads	Total Area (kanals)	Value of Land (million)	Mortgage Area (kanals)
					7% (kanals)	2% (kanals)	10 marlas or 0.5 kanals	Veriable (kanals)			
1	Ghulam Ali Gardens	49.5	1,032,860	Un-Approved	3.5	1.0	0.5		5.0	5.118	9.9
2	Ghulam Ali Gardens Ext. 01	27.5	1,032,860	Un-Approved	1.9	0.6	0.5		3.0	3.073	5.5
3	Raja Model City	28	1,425,000	Un-Approved	2.0	0.6	0.5		3.0	4,304	5.6
Totals		105			7.4	2.1	1.5	-	11.0	12,494	21.0

Due to weak financial controls, admissible land area could not be got transferred in the name of TMA / M.C.

Non transfer of admissible land area in the name of TMA / M.C resulted in loss.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends that admissible land area of housing schemes be got transferred in the name of TMA / M.C besides initiating disciplinary proceedings against the person(s).

[AIR Para: 05]

14.5.7 Loss due to discrimination of the management – Rs 11.442 million

According to Rule 47(1) of the PLG 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.

Chief Officer Municipal Committee, Liaquat Pur did not charge a single penny as map fee to the chairman of this municipal committee for constructing 102 marla marriage hall, named Royal Palace at Green Town, College Road Liaquat Pur. This discrimination of the management not only caused loss for treasury but created question marks on the performance and credibility of government departments. Detail is as follows:

(Rupees in million)						
Name of Commercial Unit	Area (marlas)	Residential Value per Marla	Land Value as Per Yard Stick of 2016-17	Conversion Fee @ 20%	Map Fee @ Rs 08 per sqf	Total Dues
Royal Palace Marque Green Town, College Road Liaquat Pur	102	0.550	56.100	11.220	0.222	11.442

Due to intention of extending undue favor, admissible fees were not charged / collected.

Non collection of admissible from the chairman resulted in loss of Rs 11.442 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para: 02]

14.5.8 Loss due to non-conducting survey of shops for license permit fee – Rs 4.480 million

According to Rule 47(1) of the PLG 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.

Chief Officer Municipal Committee, Liaqat Pur did not conduct survey of shops under his jurisdiction purposefully. This tactful strategy resulted in loss for treasury. Detail is as follows:

1. Schedule rates of 99 different businesses were approved but 407 units of only 54 businesses were considered.
2. Fee was shown collected from total 407 different shops during 2018-19 suprizingly while there were 689 own shops of this municipal committee in this area.
3. Fee of Rs 3.410 million remained uncollected during 2016-19.
4. License Permit Fee was shown collected from 25 barber shops while there were 34 such shops.
5. No Fee was shown collected from 22 Beauty Parlors.

6. No fee was shown collected from 90 Pesticide (Agri) Shops.
7. License Permit Fee was shown collected from 19 fertilizer shops while there were 85 such shops.

Furthermore, under this grey area the municipal committee was suffering from heavy losses on annual basis. Different 25 types of important businesses were not scheduled in the notification.

Neither record was produced nor was any survey registers available which denotes that the collection officials were probably misappropriating the receipts.

Due to financial indiscipline, government receipts could not be maximized in the way of license permit fee and probable receipts were misappropriated.

Non conducting of survey of shops deliberately resulted in loss of Rs 4.480 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides after conducting thorough survey of all taxable units and initiating disciplinary proceedings against the person(s) at fault.

[AIR Para: 09]

14.6 Others

14.6.1 Loss due to doubtful billing – Rs 10.953 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.

Chief Officer Municipal Committee, Liaqat Pur draw a sizeable amount through doubtful / fictitious billing because there was contradiction between serial numbers and dates of bills of same supplier. For example;

Bill No.	Bill Date
101	18.05.2017
102	06.02.2017
103	31.05.2017
105	06.04.2017

Furthermore, it was also observed that many bills were drawn without serial numbers and dates. This situation made the draws more doubtful.

(Rupees in million)

No. of Bills without Bill Number & Date	Amount of Bills without Bill Number & Date	No. of Bills without Bill Numbers	Amount of Bills without Bill Numbers	No. of Bills without Date	Amount of Bills without Date	No. of Bills with Contradicted Serial Numbers	Amount of Bills with Contradicted Serial Number
63	2.310	273	6.897	02	0.226	45	1.520
Total Number of Doubtful Bills = 383							
Total Amount of Doubtful Bills = 10.953							

It shows that all such purchases / repairs of back dates during present dates and their consumption for the past were doubtful / fake. Detail is attached.

Due to intention of misappropriation, doubtful bills were drawn.

Drawls of fictitious / doubtful bills resulted in loss of Rs 10.953 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para:18]

14.6.2 Loss due to unjustified / illogical expenditure of “fair & exhibition” – Rs 3.998 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.

Chief Officer Municipal Committee, Liaqat Pur shown consumed a sizeable amount under the head of “fair & exhibition” on the eve of Independence Day, 23rd March, Eid ul Fiter, Eid ul Azha, Moharram, Chehlum, Qaid e Azam day & Eid Millad ul Nabbi (PBUH) which was open to following observations:

1. Different lighting, catering and tentage items were shown acquired on rent rather than purchasing the same which could also be used in future/ next years.
2. No proof in shape of pictures / movy was on the record for verification of such expenses.
3. Unjustified / unneeded expenses were shown made without approval of austerity committee.
4. Attendance sheets were not available in the record for justification of refreshment expenditure.
5. Expenditure comparison of chairman and administrator period showd that 09-time excess excess expenditure was made chairman’s tenure.
6. Bills of Rs 169,538 were not provided for scrutiny.

The situation clearly indicates that misappropriation of funds was made through fictitious billing.

Due to intention of misappropriation, unjustified billing was made.

Making unjustified / doubtful billing resulted in loss of Rs 3.998 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para: 22]

14.6.3 Loss due to doubtful / fake “repair of vehicles and machinery” - Rs 3.784 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.

Chief Officer Municipal Committee, Liaqat Pur claimed doubtful / fake repair of vehicle bills. The expenditure was doubtful / fake due to following observations:

1. Log Book showed that the vehicle did not go to workshop for repair.
2. Log Book showed that the vehicle was on the road (and consuming POL for running) on the day of heavy repair.
3. Discarded items were not entered into unserviceable stock register.
4. History Sheet registers were not maintained.
5. Electricity Consumption was not reduced accordingly during out of order days for repair of electric motors and transformers.

6. The situation clearly showed that either ROT bills or POL consumption (on particular days of repair or during out of order period) were fake. Similarly, either repair of machinery bills or electricity consumption (on particular days of repair or during out of order period) was fake.

Due to intention of misappropriation unjustified bills were drawn.

Drawal of unjustified bills resulted in loss of Rs 3.784 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

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

[AIR Para: 17]

14.6.4 Non imposition of penalty for late completion of development work – Rs 3.369 million

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

Chief Officer Municipal Committee, Liaqat Pur did not impose penalty of Rs 3,369,250 during 2016-19 on twenty eight (28) contractors who did not complete development works within specific time period. **Annexure - 3/LQP**

Due to weak internal controls, penalty was not imposed for late completion of works.

Non imposition of penalty resulted in loss of Rs 3.369 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry and fixing responsibility on person(s) at fault besides recovery of Rs 3.369 million.

[AIR Para: 14]

14.6.5 Unjustified expenditure on holiday allowance – Rs 2.102 million

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

Chief Officer Municipal Committee, Liaqat Pur paid holiday allowance to those persons who were not deputed on provision of essential services like water and sanitation; i.e. clerks, naib qasids, watchmen, drivers, supervisors, reader ijlas, store keeper, electrician etc. Moreover, their duties were not rotated in violation of Government's instructions. Detail is as follows:

(Rupees in million)		
Sr. No.	Financial Year	Holiday Allowance Paid
1	2016-17	1.571
2	2017-18	0.298
3	2018-19	0.233
Total		2.102

Due to weak internal controls, holiday allowance was paid to unauthorized persons.

Payment of holiday allowance to unauthorized persons resulted in loss.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry and fixing responsibility on person(s) at fault besides recovery of Rs 2.102 million.

[AIR Para: 20]

14.6.6 Unauthorized drawl of pay & allowances due to change of cadres

As per of Government of the Punjab, Health Department Vide his No. SO(TIBB)14-14/92(DGHS) dated 07.10.1992, the Chief minister is the competent authority to change the cadre.

Chief Officer Muncipal Committee, Liaqat Pur changed cadres of different employees who were initially appointed as Sanitary Worker or Tractor Cleaner but after that their cadres were changed as Naib Qasid or Clerck respectively without approval of the chief minister. Further, academic degrees of some employees were not got verified from concerned institution (boards & universities).

Due to intention of extending undue favor to desired employees, their cadres were changed without approval of competent authority.

Unauthorized change of cadres of employees resulted in loss.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry and fixing responsibility on person(s) at fault besides recovery of excess drawls.

[AIR Para: 21]

15. Municipal Committee Rahim Yar Khan

CHAPTER 15.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2016-19.

(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	720.852	561.228	-159.624	-22.14%
		Non-Salary	842.794	563.902	-278.892	-33.09%
		Total	1,563.646	1,125.130	-438.516	-28.04%
2	Development	-	439.378	320.923	-118.455	-26.96%
Grand Total			2,003.024	1,446.053	-556.971	-27.81%
3	Receipts	-	797.000	626.165	-170.835	-21.43%

(Source: Annual Accounts 2016-19)

Development includes an expenditure of Rs 320.923 million against an allocation of Rs 439.378 million for the development schemes of providing and laying of tuff tiles, RCC pipe line, construction of drains and soloing, repair and sanitation works. The said development schemes could not be completed and an amount of Rs 118.455 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 556.971 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for

saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding indicators and their achievements

Chief Officer MC Rahim Yar Khan fixed receipt targets as per available sources of rent of shops, local rates, license & permit fee, advertisement and publicity charges, sewerage tax etc. during 2016-19 but relevant staff did not make due efforts to recover / realize revenues as a result receipts of Rs 428.126 could not be recovered.

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that the management did little for regulating markets and services for issuance of licenses and impose penalties for violations. Prevention and removal of encroachments were not conducted as per desired level. Moreover, the Committee Authorities neglected the areas of regulating the dangerous and offensive articles, organizing cattle fairs and cattle markets, promotion of sports & sports persons. No action was taken against the illegal housing schemes during the year. No comprehensive planning was made to execute and manage development plans, exercise control over land-use, land-subdivision, land development and zoning.

Lack of due diligence of staff of sanitation, water supply schemes, planning, finance, regulation and infrastructure wings as indicated in above table and lack of required check and balance are main reasons for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Non production of record amounting to Rs 791.803 million was noticed in one case.

- ii. Value for Money and service delivery issues amounting to Rs 2,490.690 million were noticed in nine cases.
- iii. Other issues involving an amount of Rs 124.483 million were noticed in eight cases.

v. Expectation Analysis and Remedial Measures / Suggestions

CO (MC) did not achieve overall targets of action against encroachment and illegal housing schemes. Cattle fairs, cattle markets and sports were not promoted upto desired level. No comprehensive planning was made to execute and manage development plans, exercise control over land-use, land-subdivision, land development and zoning.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets. Suggestions / Remedial Measures are as under:

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the rules e.g. PPRA rules for purchasing, adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons held responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization of non-development funds for provision of better citizen services along with holding the responsible for non / delayed utilization of the same.
- Taking concrete actions to recruit all the staff against sanctioned posts.

CHAPTER 15.2

Municipal Committee Rahim Yar Khan

15.2.1 Introduction

Municipal Committee Rahim Yar Khan was established on 01.01.2017 under Punjab Local Government Act, 2013. A Municipal Committee is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name. Municipal Committee consists of the directly and indirectly elected members.

The Chief Officer acts as Principal Accounting Officer of a Municipal Committee and facilitates the performance of functions assigned to the Municipal Committee under the supervision of the Chairman / Administrator. He/she is responsible for coordination, human resource management, public relations, legal affairs, municipal services, emergency services etc. He/she manages functions of the Municipal Committee through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited expenditures / receipts of Municipal Committee Rahim Yar Khan:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	1,008.349	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

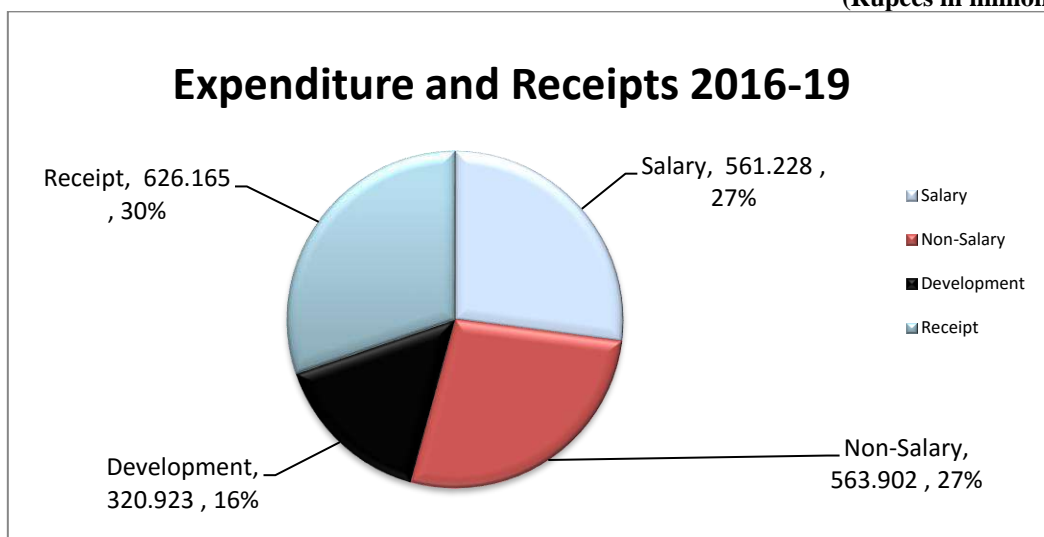
15.2.2 Comments on Budget and Accounts

The detail of budget and expenditure is given on next page in tabulated form:

(Rupees in million)

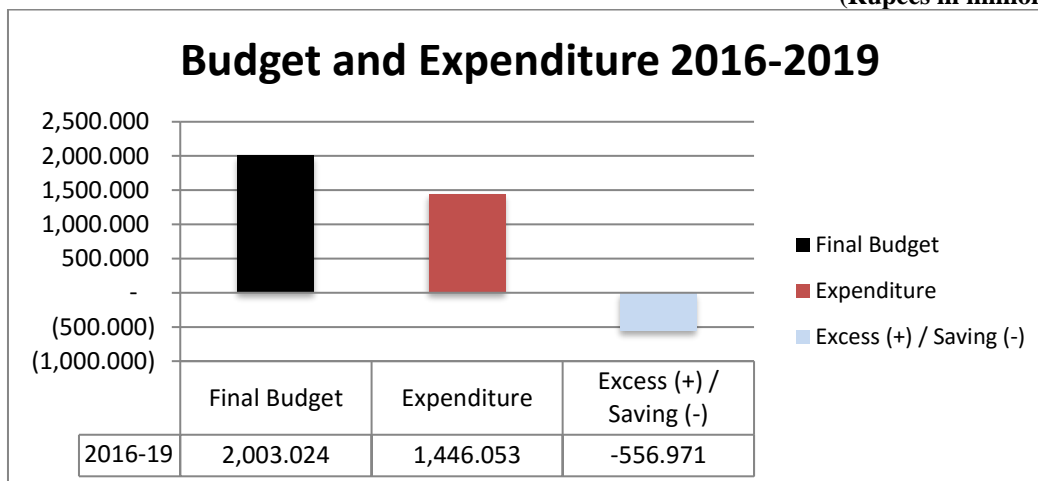
Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	720.852	561.228	-159.624	-22.14%
		Non-Salary	842.794	563.902	-278.892	-33.09%
		Total	1,563.646	1,125.130	-438.516	-28.04%
2	Development	-	439.378	320.923	-118.455	-26.96%
Grand Total			2,003.024	1,446.053	-556.971	-27.81%
3	Receipts	-	797.000	626.165	-170.835	-21.43%

(Rupees in million)



As per the Annual Accounts 2016-19 of the Municipal Committee, Rahim Yar Khan, total original budget (Development and Non-Development) was Rs 2,003.024 million. Against the budget, total expenditure of Rs 1,446.053 million was incurred by the Municipal Committee during 2016-19. Lapse of funds amounting to Rs 556.971 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Rahim Yar Khan. **(Annexure-B)**

(Rupees in million)



15.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 3,406.994 million were raised as a result of this audit. This amount also includes recoverable of Rs 2,525.651 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	791.803
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural Irregularities	
A	HR / Employees related irregularities	-
B	Procurement related irregularities	-
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	2,490.690
5	Others	124.483

15.2.4 Comments on the Status of Compliance with PAC Directives

It was first audit for Municipal Committee period; so no previous report in this regard was submitted to the Governor of the Punjab for further presentation to the Public Accounts Committee.

AUDIT PARAS

15.3 Non Production of Record

15.3.1 Non-maintenance of DDO wise annual accounts and books of accounts – Rs 791.803 million

According to Rule 13 (4) of the Punjab Local Government Act 2013, the heads of offices shall be responsible for maintenance of departmental accounts of receipts and expenditure, custody of record and books of accounts and reconciliation of the same with accounts of the accounts officer and of the bank concerned. 1 (a) the head of the offices shall ensure that object-wise expenditure is kept within authorized appropriation.

Management of Municipal Committee, Rahim Yar Khan did not produce record of expenditure and revenue amounting to Rs 791.803 million during 2018-19, under different objects / codes of classification, in violation of above rule. The detail is as under:

(Rupees in million)

Sr. No.	Description	Period	Amount
1	DDO wise books of accounts	01/2017 to 06/2019	737.246
3	Bill of Quantity/ GST invoices	01/2017 to 06/2019	54.557
Total			791.803

Due to weak financial management, separate books of accounts were not maintained by DDOs.

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

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends that irregularity be got condoned from competent authority besides fixing responsibility on person(s) at fault.

[AIR Paras: 05, 04 & 56]

15.4 Value for Money and Service Delivery Issues

15.4.1 Non realization of revenue of rent of shops - Rs 1,484.314 million

According to Rule 47(1) of Local Government (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.

Chief Officer Municipal Committee, Rahim Yar Khan did not make due efforts to recover/ realize revenue of Rs 1,484.314 million on account of rent of shops in violation of above rule. Detail is as follows:

(Rupees in million)		
Total Demand	Total Recovery as per Annual Account	Total Balance
1,531.060	46.746	1,484.314

Note: Record of shops from 01.07.2016 to 31.10.2017 was not provided to audit.

Due to poor efficiency of the collection staff, outstanding amounts were not recovered.

Non-recovery of rent of shops/ plots resulted in loss of Rs 1,484.314 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para:29]

15.4.2 Loss due to non-transfer of property in the name of MC – Rs 585.975 million

According to Section 17 (e) & (f) and Section 42 (h) of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall

submit a transfer deed, in accordance with Form B, for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority. (i) The area reserved for roads, open space, park and solid waste management, (ii) One percent of the area under land sub-division for public buildings, excluding the area of mosque.

Chief Officer Municipal Committee, Rahim Yar Khan failed to get transfer requisite area valuing of Rs 585.975 million in the name of MC from six (06) land sub divisions/ housing schemes. The sale of plots was continued by the owners/ developers despite that required area was not transferred in the name of MC. Detail is given below:

(Rupees in million)

Sr. No.	Name of Housing Scheme / Land Sub Division	Name of Developer / Owner	Total Area	Required Area to be Transferred (marla)	Per Marla Rate	Amount of Land not Transferred
1	Fahad Garden	M. Touqeer Ul Hassan etc	108.82 K	794.4	220,000	174.768
2	Pearl City	Gulzar Dhillon etc	94.9 K	565	69,000	38.985
3	Faisal Town	Abdul Jabbar etc	44 K	318.6	110,000	35.046
4	Township	M. Tanveer	46.5 K	371.6	200,000	74.320
5	Al-Manan	Iftikhar Ahmad etc	101 K	779.8	220,000	171.556
6	Kayaban-E-Iqbal	Amir Shahbaz	112 K	830	110,000	91.300
Total						585.975

Due to weak internal controls, required area of land could not be transferred in the name of MC.

Non transfer of land/ property in the name of MC resulted in loss of Rs 585.975 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests, DAC meeting was not convened till finalization of this Report

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides transfer of property in the name of MC.

[AIR Para:20]

15.4.3 Non-recovery of arrears of receipts – Rs 334.044 million

According to Rule 47(1) of LG 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.

Chief Officer Municipal Committee, Rahim Yar Khan did not recover Rs 334.044 million on account of arrears of water rates, sewerage tax and license permit fee during 2016-19. Due efforts were not made for recovery of outstanding amounts from the beneficiaries of these facilities. Detail is as follows:

(Rupees in million)				
Sr. No.	Head	Receivable	Received	Balance Amount
1	Sewerage Tax	250.441	0.511	249.930
2	Water Rate	85.791	1.677	84.114
3	License Fee	3.383	0.025	3.358
Total				334.044

Due to weak financial management, less recovery was made.

Making less recovery on account of water rates resulted in loss of Rs 334.044 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery of Rs 334.044 million on account of water rates.

[AIR Para:37]

15.4.4 Non auctioning/ less self-collection than reserve price – Rs 33.448 million

According to Rule 10 (1)(2) of Punjab Local Governments (Auction of Collection Rights) Rules 2016, the reserve price for an income shall be determined by average actual income of the respective local government received for preceding three years. If an income introduced by a local government for first time,

the assessed and expected income as provided in the budget from the source shall be the reserve price for the income from that source.

Chief Officer Municipal Committee, Rahim Yar Khan neither auctioned the income sources nor self-collection was made of Rs 33.448 million. The management determined the reserve price on the basis of previous collection and surveys. Thus, collection was made less than the reserve price. Detail is given below:

(Rupees in million)

Sr. No.	Name of Income Head	Year	Reserve Price	Recovery	Year	Reserve Price	Recovery	Balance Amount
1	Fee Dead Animals	2016-17	167,000	-	2018-19	250,000	-	0.417
2	Phaatak Animals RYK	2016-17	26,143	-	2018-19	-	-	0.026
3	Phaatak Animals Kot Samaba	2016-17	1,866	-	2018-19	-	-	0.002
4	Sewerage Water Disposal Works Kot Samaba	2016-17	5,000	-	2018-19	-	-	0.005
5	Sewerage Water Disposal Works Taranda Saway Khan	2016-17	5,000	-	2018-19	-	-	0.005
6	Fee Wagon Stand Taranda Saway Khan	2016-17	6,455	-	2018-19	-	-	0.006
7	Sewerage Water Treatment Plant Patan Minara(Lump Sum)	2016-17	12,546,000	-	2018-19	10,453,500	-	23.000
8	Sewerage Water Treatment Plant Mou Mubarak(Lump Sum)	2016-17	5,447,000	-	2018-19	4,540,000	-	9.987
Total								33.448

Due to weak internal and administrative controls, neither auction of income sources was made nor self-collection was carried out as per reserve price.

Less self-collection than reserve price was due to non-auctioning of income sources.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para:27]

15.4.5 Non recovery of auctioned amount and taxes from contractors – Rs 14.354 million

According to Rule, 47 of the Punjab Local Governments (Budget) Rules, 2017 (1) 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.

Chief Officer, MC Rahim Yar Khan awarded contracts of advertisement, parking fee and general bus stand fee to different contractors for the year 2017-18 and 2018-19 but did not recover Rs 14.354 million on account of installments, income tax, pay of deputed staff and interest (@ 8.75 per annum) as detailed below:

(Rupees in million)

Sr. No.	Contract	Year	Auctioned Amount	Pay of Staff	Tax Amount	Total Recoverables	Actual Recovery	Balance Recovery	Interest Amount @ 8.75 /annum	Total Balance + Interest
1	General Bus Stand	2017-18	5.200	0.256	0.780	6.236	3.130	3.106	0.405	3.511
2	Advertisement	2017-18	22.000	0.553	2.200	24.753	22.343	2.409	0.565	2.974
3	Advertisement	2018-19	23.700	0.660	2.370	26.730	20.848	5.882	0.768	6.650
4	Parking Fee	2018-19	3.020	0.278	0.453	3.751	2.583	1.168	0.051	1.219
			53.92	1.747	5.803	61.47	48.904	12.565	1.789	14.354

Due to weak internal and financial controls, outstanding amount was not recovered from contractors.

Non realization of outstanding amount resulted in loss of Rs 14.354 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from concerneds besides fixing responsibility on person(s) at fault.

[AIR Para: 01, 12 & 54]

15.4.6 Loss due to non-recovery of fees from private housing schemes – Rs 12.876 million

According to Rule 56 of the Punjab Private Housing Schemes and Land Subdivision Rules 2010, A Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall take action against illegal housing schemes and against deviations done in sanctioned housing schemes as per law for the time being enforced.

Chief Officer Municipal Committee, Rahim Yar Khan did not collect requisite fee of Rs 12.876 million from the owners/ developers of illegal land subdivisions/ housing schemes during 2016-19.

Due to weak internal and administrative controls, admissible fees could not be collected from housing schemes.

Non recovery of admissible / prescribed fees resulted in loss of Rs 12.876 million

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery of Rs 12.876 million from the concerned besides fixing responsibility on person(s) at fault.

[AIR Para:52]

15.4.7 Loss due to non auctioning of shops – Rs 12.010 million

According to Rule 16 (a) and (e) of the PLG (Property) Rules, 2018, shops or commercial property shall be leased out through competitive bidding and the lease may be extended subject to the revised rent assessed by the District Rent Assessment Committee.

Chief Officer, MC Rahim Yar Khan did not auction shops and plots located at various commercial markets deleberately during 2016-19. All such shops

and plots were of commercial nature so there was no reason of keeping them vacant. Non auctioning of shops and plots resulted in revenue loss of Rs 12.010 million since 2016. **Annexure - 1/RYK**

Due to weak internal controls, shops were not auctioned purposefully.

Non auctioning of shops resulted in loss of Rs 12.010 million

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery of loss and auctioning of shops at the earliest.

[AIR Para: 33]

15.4.8 Loss due to non-auctioning of shops at competitive rates – Rs 7.581 million

According to Rule 16 (a) and (e) of the PLG (Property) Rules, 2018, shops or commercial property shall be leased out through competitive bidding and the lease may be extended subject to the revised rent assessed by the District Rent Assessment Committee.

Chief Officer Municipal Committee, Rahim Yar Khan did not re-auction the shops despite expiry of lease agreements. All the tenants were running business on comparatively much lesser old rates. Management neither made concrete efforts to re-auction the property nor cancelled the expired agreements. It resulted in loss of Rs 7.581 million to the MC.

Due to weak financial management, shops were not re-auctioned at competitive rates.

Due to negligence of the department, shops were not auctioned at competitive rates to fetch maximum revenue of Rs 7.581 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Audit recommends fixing responsibility on the person(s) at fault besides re-auctioning of shops at competitive market rates.

[AIR Para:36]

15.4.9 Non-collection of cost of land & development charges from dwelling units of kachi abadies – Rs 5.989 million

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

Chief Officer, MC Rahim Yar Khan did not recover amount of Rs 5.989 million on account of cost of land and development charges from the dwelling units of 22 Kachi Abadies during 2016-19. Further complete record of other Kachi Abadaies was not provided to audit. **Annexure - 2/RYK**

Due to weak internal controls, outstanding dues of kachi abadies were not recovered.

Non recovery of cost of land and development charges from Katchi Abadies resulted in loss of Rs 5.989 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery of Rs 5.989 million besides fixing responsibility on person(s) at fault.

[AIR Para:51]

15.5 Others

15.5.1 Opening of tenders by incomplete committee – Rs 63.556 million

According to Rule 9, Government of the Punjab Works Rules, 2017 section (5) 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 following committee:

Bid opening committee should be comprises on:

- | | | |
|----|---|----------|
| 1. | Chief Officer | Convener |
| 2. | Representative of Deputy Commissioner | Member |
| 3. | Assistant Engineer, concerned Local Government | -do- |
| 4. | District Officer Finance, Municipal Officer (Finance) | -do- |
| 5. | District Officer/Municipal Officer (Infrastructure) | Member |

Chief Officer Municipal Committee, Rahim Yar Khan allotted work of thirty one (31) development schemes of Rs 63.56 million on the recommendations of incomplete committee. Committee was not competent to allot the work due to incomplete quorum as representatives of Deputy Commissioner and Engineer LG&CD were not present at the time of opening of tenders. Detail is given below:

(Rupees in million)

Sr. No	No. of Scheme	Amount	Tender Opening Date	Tender Opening Committee				
				CO (Concerned)	Rep. of D.C	Assistant Engineer	DO (Finance)	DO (I&S)
1	31	63.556	13.04.2017	Y	Y	Y	N	Y

Due to non observing applicable rules, tenders were opened without completing the quorum.

Opening of tenders by incomplete tender committee quorum resulted in non-transparent tendering process of Rs 63.556 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends regularization of the expenditure besides appropriate action against the concerned.

[AIR Para:11]

15.5.2 Doubtful and unjustified consumption of POL – Rs 26.444 million

According to Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall be responsible 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.

Chief Officer, MC Rahim Yar Khan incurred unjustified POL expenditure of Rs 26.444 million for generators as generators of different disposals showed same running hours in log books despite having electricity connections from different feeders. Further, it was noticed that online system was declined purposefully to misappropriate POL which was installed at each disposal to monitor / note On & Off timing of generators.

Due to weak internal controls, POL was used in doubtful manner.

Consuming POL in doubtful manner resulted in unjustified expenditure of Rs 26.444 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

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

[AIR Para:09]

15.5.3 Unjustified payment of salaries without assuring attendance – Rs 14.732 million

According to Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall be responsible 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.

Chief Officer, MC Rahim Yar Khan paid salaries of Rs 14.732 million to sanitary supervisors and sanitary workers in the month of June 2019 without ensuring attendance and absent reports. The management neither provide manual reports nor through biometric system, despite the fact that huge expenditure was incurred on installation of this system only for this specific purpose.

Due to weak internal controls salaries were paid to employees without ensuring their attendance.

Payment of salaries without verification of attendances resulted in irregular payment of Rs 14.732 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends strict action against person (s) at fault.

[AIR Para:14]

15.5.4 Non imposing of penalty for late completion of development work – Rs 8.291 million

According to Clause 39 of tender form, “1% per day upto maximum 10% of the estimated cost of work shall be imposed as penalty if the contractor fails to complete the work within due period. Further, as per clause No.7 of the General Directions for Guidance of the tenderers, “The tenderer shall, at his own

expense, inspect and examine the site and surroundings and obtain for himself, on his own responsibility, all information that may be necessary for preparing tender.

Chief Officer Municipal Committee, Rahim Yar Khan did not impose penalty of Rs 8.291 million @ 10% during 2016-19 to various contractors for late completion of works. Development works were not completed within stipulated time as per work orders. Applications of time extensions were also not on record to ascertain reasons of late completion.

Note: complete record was not provided for scrutiny, so actual amount may be calculated at department level.

Due to weak administrative controls, penalties were not imposed on the contractors for late completion of works.

Non-imposing of penalty for late completion of works resulted in loss of Rs 8.291 million as well as violation of rules.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends for actualizing the recovery besides fixing responsibility against the concerned(s).

[AIR Para:21]

15.5.5 Irregular payment of SSB to employees appointed under 17-A – Rs 6.710 million

As per clarification issued by the Government of the Punjab, Services & General Administration Department (Regulations Wing) letter No. SOR.III(S&GAD)2-8/2018 dated 29.10.19, para (3) “ to regularize the services of all the employees who were appointed granting the benefit of Rule 17-A of the Punjab Civil Servants (Appointment & Conditions of Services) Rules, 1974,

forthwith irrespective, whether they have completed three / four year's service or not as their contract employment after 2009 was unlawful obviously, they had to be appointed on regular basis. It is also directed that in future, all the appointments under Rule 17-A ibid shall be made on regular basis”.

Chief Officer, MC Rahim Yar Khan incurred expenditure of Rs 6.710 million on account of Social Security Benefit to employees recruited under rule 17-A on contract basis rather than making appointments on regular basis.

Payment on account of social security benefit was made to employees appointed under 17-A without observing service rules.

Making appointment on contract basis under 17-A without observing service rules resulted in excessive payment of Rs 6.710 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) along with re-fixation of pay besides fixing responsibility on person(s) at fault.

[AIR Para:44]

15.5.6 Loss due to excess expenditure on holiday allowance – Rs 1.807 million

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

Chief Officer Municipal Committee, Rahim Yar Khan incurred excess expenditure of Rs 1.807 million on holiday allowance to employees who were not

deputed on provision of essential services. Further, duties were not rotated and services of employees remained continue without allowing weekly rest.

Due to weak internal and administrative controls, duties were taken without observing instructions of rotation basis.

Non-rotation of duties of staff resulted in excess expenditure on holiday allowance of Rs 1.807 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para:10]

15.5.7 Wasteful expenditure on biometric attendance system – Rs 1.709 million

According to Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall be responsible 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.

Chief Officer, MC Rahim Yar Khan incurred expenditure of Rs 1.709 million on installation of biometric attendance system. Despite installation of biometric system attendance of employees was not ensured through the system, so wasteful expenditure was made. Biometric system was remained in working only for two months from July to August 2018, and then kept out of order to protect habitual absconders.

Due to weak internal controls, wasteful expenditure was made on installation of biometric system.

Incurring expenditure of Rs 1.709 million was wasteful as payment of salaries to employees was made without ensuring attendance through the system.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

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

[AIR Para:45]

15.5.8 Wasteful expenditure on installation of vehicle tracking system – Rs 1.234 million

According to Rule 9 (b) of Punjab District Authorities (Accounts) Rules 2017, the drawing and disbursing officer shall be responsible 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.

Chief Officer, MC Rahim Yar Khan incurred expenditure of Rs 1.234 million on installation of vehicle tracking system. Despite installation of the system no any single report was generated regarding POL taken, average consumption and fuel theft monitoring, so wasteful expenditure was made.

Further the company provided warranty for two years but system was destroyed at early stage but no claim was made.

Due to weak internal controls, wasteful expenditure was made on installation of vehicle tracking system.

Incurring expenditure on installation of vehicle tracking system resulted in wasteful expenditure of Rs 1.234 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

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

[AIR Para:35]

16. Municipal Committee Sadiq Abad

CHAPTER 16.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2016-19.

(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	625.840	438.639	-187.201	-29.91%
		Non-Salary	60.241	404.391	344.150	571.29%
		Total	686.081	843.030	156.949	22.88%
2	Development	-	446.645	283.921	-162.724	-36.43%
Grand Total			1,132.726	1,126.951	-5.775	-0.51%
3	Receipts	-	1,934.345	863.870	-1,070.475	-55.34%

(Source: Annual Accounts 2016-19)

Development includes an expenditure of Rs 283.921 million against an allocation of Rs 446.645 million for the development schemes of providing and laying of tuff tiles, RCC pipe line, construction of drains and soloing, repair and sanitation works. The said development schemes could not be completed and an amount of Rs 162.724 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 547.941 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive

trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding indicators and their achievements

Sr. No.	Particular	Target	Achievement	Remarks
2016-17				
1	C0388002 - License fee (Dangerous and Offensive Trade)	720,500	226,750	Target Not Achieved
2	C0388016 - General Bus Stand fee	8,000,000	6,427,120	Target Not Achieved
3	C0388026 - Fee for approval of Housing Colony	6,500,000	4,214,637	Target Not Achieved
4	C0388027 - Fee for approval of Building/ Construction Plan	5,000,000	4,547,750	Target Not Achieved
5	C0388042 - Fee for slaughtering of animals	368,000	226,860	Target Not Achieved
6	C0388047 - Receipts on account of sale of water - residential	5,191,650	3,246,945	Target Not Achieved
7	C0388054 - Sewerage Fee/ Charges/ Nali Tax	1,682,500	510,550	Target Not Achieved
8	C0388073 - Tender Fee	50,000	-	Target Not Achieved
9	C0388077 - Advertisement Fee on sign boards of shops/ commercial places	2,502,500	2,018,330	Target Not Achieved
10	C0388081 - Rent of municipal Property - Shops	23,412,015	6,844,946	Target Not Achieved
11	C0388086 - Road cutting charges	650,000	464,093	Target Not Achieved
12	C0388093 - Arrears of Water Rate	40,571,961	3,571,617	Target Not Achieved
13	Profit Bank	1,000,000	462,574	Target Not Achieved
14	Misc Income	34,867,459	12,244,873	Target Not Achieved
15	Arrears of Shop	277,936,572	425,084	Target Not Achieved
16	Arrears of Leases	6,601,881	-	Target Not Achieved
2017-18				
1	B01313 - Tax on Transfer of Immovable Property	36,500,000	34,104,419	Target Not Achieved
2	C0388002 - License fee (Dangerous and Offensive Trade)	2,000,000	1,285,100	Target Not Achieved
3	C0388026 - Fee for approval of Housing Colony	9,500,000	3,126,547	Target Not Achieved
4	C0388027 - Fee for approval of Building/ Construction Plan	8,000,000	6,480,789	Target Not Achieved
5	C0388032 - Khokha fee	5,083,788	4,853,823	Target Not Achieved
6	C0388047 - Receipts on account of sale of water - residential	21,255,600	7,123,200	Target Not Achieved
7	C0388054 - Sewerage Fee/ Charges/ Nali Tax	4,025,120	1,320,430	Target Not Achieved
8	C0388073 - Tender Fee	500,000	308,500	Target Not Achieved
9	C0388081 - Rent of municipal Property - Shops	52,099,303	14,381,939	Target Not Achieved
10	C0388086 - Road cutting charges	500,000	382,072	Target Not Achieved
11	C0388093 - Arrears of Water Rate	56,451,167	6,896,520	Target Not Achieved
12	C0388098 - Arrears of Shop	311,461,503	1,259,012	Target Not Achieved
14	Profit Bank	5,000,000	4,691,267	Target Not Achieved
15	Misc Income	33,714,073	3,879,593	Target Not Achieved
16	Arrears of Leases	6,601,881	-	Target Not Achieved
2018-19				
1	C02742 - Fire Services	35,000	-	Target Not Achieved
2	C03683 - Grant from Provincial Government (PFC Share)	183,786,100	180,219,844	Target Not Achieved
3	C0388002 - License fee (Dangerous and Offensive Trade)	2,000,000	1,230,800	Target Not Achieved
4	C0388026 - Fee for approval of Housing Colony	9,500,000	5,028,330	Target Not Achieved
5	C0388034 - Fine for Encroachments	300,000	87,200	Target Not Achieved
6	C0388047 - Receipts on account of sale of water – residential	21,255,600	-	Target Not Achieved
7	C0388054 - Sewerage Fee/ Charges/ Nali Tax	4,025,120	1,208,600	Target Not Achieved
8	C0388058 - Sale of sullage/ waste-water	35,000	-	Target Not Achieved
9	C0388072 - Renewal of Registration	1,100,000	410,000	Target Not Achieved
10	C0388073 - Tender Fee	500,000	27,500	Target Not Achieved
11	C0388081 - Rent of municipal Property - Shops	52,099,303	15,530,411	Target Not Achieved
12	C0388086 - Road cutting charges	500,000	296,345	Target Not Achieved
13	C0388087 - Copying fee	50,000	22,100	Target Not Achieved
14	C0388093 - Arrears of Water Rate	56,451,167	6,453,466	Target Not Achieved
15	C0388098 - Arrears of Shop	311,461,503	630,498	Target Not Achieved

Sr. No.	Particular	Target	Achievement	Remarks
16	C03683 - Grant from Provincial Government (PFC Development Share)	22,000,000	-	Target Not Achieved
17	Misc Income	33,714,073	-	Target Not Achieved
18	Arrears of Leases	6,601,881	-	Target Not Achieved

The Municipal Committee failed to meet their set targets; i.e license permit fee, fine encroachment, rent of properties, advertisement fee etc. within prescribed time. Its administrative and financial management was weak and could not any mechanism for achievement of set targets.

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that the management did little for regulating markets and services for issuance of licenses and impose penalties for violations. Prevention and removal of encroachments were not conducted as per desired level. Moreover, the Committee Authorities neglected the areas of regulating the dangerous and offensive articles, organizing cattle fairs and cattle markets, promotion of sports & sports persons. No action was taken against the illegal housing schemes during the year. No comprehensive planning was made to execute and manage development plans, exercise control over land-use, land-subdivision, land development and zoning.

Lack of due diligence of staff of sanitation, water supply schemes, planning, finance, regulation and infrastructure wings as indicated in above table and lack of required check and balance are main reasons for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Non-Production of Record amounting to Rs 116.898 million was reported in one case.
- ii. Irregularities amounting to Rs 7.186 million were noticed in one case.
- iii. Value for Money and Service Delivery Issues amounting to Rs 1,118.982 million were noticed in 12 cases.

iv. Other issues involving an amount of Rs 119.405 million were noticed in 12 cases.

v. Expectation Analysis and Remedial Measures / Suggestions

CO (MC) did not achieve overall targets of action against encroachment and illegal housing schemes. Cattle fairs, cattle markets and sports were not promoted upto desired level. No comprehensive planning was made to execute and manage development plans, exercise control over land-use, land-subdivision, land development and zoning.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets. Suggestions / Remedial Measures are as under:

- Activating all the units (Planning, finance, regulation, and infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the rules e.g. PPRA rules for purchasing, adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons held responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization of non-development funds for provision of better citizen services along with holding the responsible for non / delayed utilization of the same.
- Taking concrete actions to recruit all the staff against sanctioned posts.

CHAPTER 16.2

Municipal Committee Sadiq Abad

16.2.1 Introduction

Municipal Committee Sadiq Abad was established on 01.01.2017 under Punjab Local Government Act, 2013. A Municipal Committee is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name. Municipal Committee consists of the directly and indirectly elected members.

The Chief Officer acts as Principal Accounting Officer of a Municipal Committee and facilitates the performance of functions assigned to the Municipal Committee under the supervision of the Chairman / Administrator. He/she is responsible for coordination, human resource management, public relations, legal affairs, municipal services, emergency services etc. He/she manages functions of the Municipal Committee through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited expenditures / receipts of Municipal Committee Sadiq Abad:

(Rupees in million)

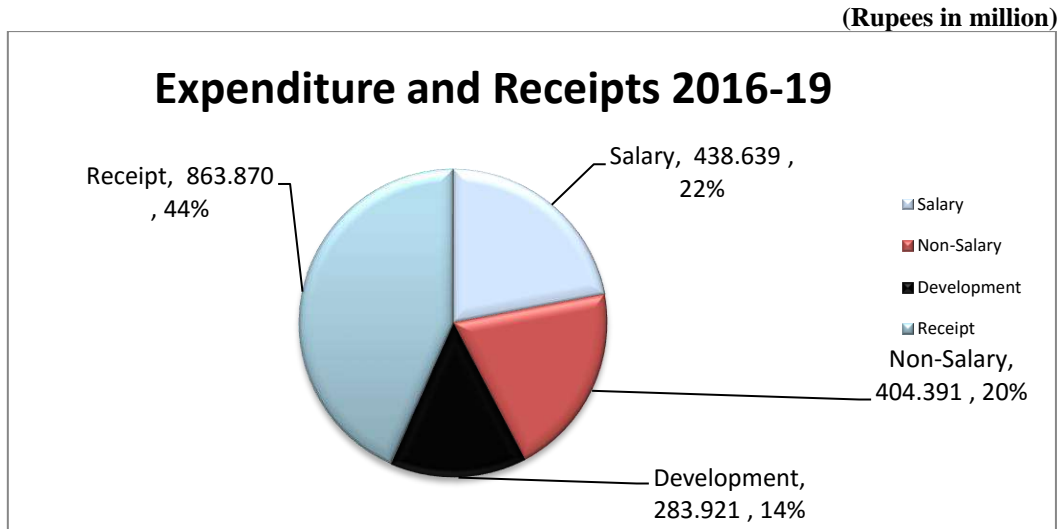
Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	784.128	-
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

16.2.2 Comments on Budget and Accounts

The detail of budget and expenditure is given on next page in tabulated form:

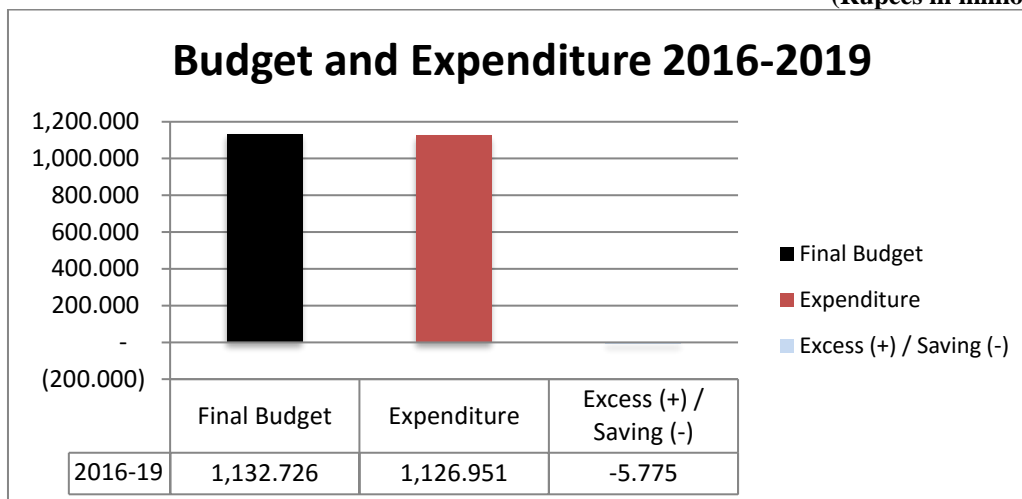
(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	625.840	438.639	-187.201	-29.91%
		Non-Salary	60.241	404.391	344.150	571.29%
		Total	686.081	843.030	156.949	22.88%
2	Development	-	446.645	283.921	-162.724	-36.43%
Grand Total			1,132.726	1,126.951	-5.775	-0.51%
3	Receipts	-	1,934.345	863.870	-1,070.475	-55.34%



As per the Annual Accounts 2016-19 of the Municipal Committee, Sadiqabad, total original budget (Development and Non-Development) was Rs1,132.726 million. Against the budget, total expenditure of Rs 1,126.951 million was incurred by the Municipal Committee during 2016-19. Lapse of funds amounting to Rs 5.775 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Sadiqabad. **(Annexure-B)**

(Rupees in million)



16.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 1,362.471 million were raised as a result of this audit. This amount also includes recoverable of Rs 953.678 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	116.898
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural Irregularities	
A	HR / Employees related irregularities	7.186
B	Procurement related irregularities	-
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	1,118.982
5	Others	119.405

16.2.4 Comments on the Status of Compliance with PAC Directives

It was first audit for Municipal Committee period; so no previous report in this regard was submitted to the Governor of the Punjab for further presentation to the Public Accounts Committee.

AUDIT PARAS

16.3 Non Production of Record

16.3.1 Non maintenance of accounts and official record – Rs 116.898 million

According to Rule 13 (4) of the Punjab Local Government Act 2013, the heads of offices shall be responsible for maintenance of departmental accounts of receipts and expenditure, custody of record and books of accounts and reconciliation of the same with accounts of the accounts officer and of the bank concerned. 1 (a) the head of the offices shall ensure that object-wise expenditure is kept within authorized appropriation.

Management of Municipal Committee, Sadiq Abad did not produce record of expenditure and revenue amounting to Rs 116.898 million during 2018-19, under different objects / codes of classification, in violation of above rule. The detail is as under:

(Rupees in million)			
Sr. No.	Description	Period	Amount
1	Non maintenance of income record	01/2017 to 06/2019	76.152
3	Bill of Quantity/ GST invoices	01/2017 to 06/2019	40.746
Total			116.898

Due to weak financial management, separate books of accounts were not maintained by DDOs.

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

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends that irregularity be got condoned from competent authority besides fixing responsibility on person(s) at fault.

[AIR Para: 20,06 & 59]

16.4 Procedural Irregularities

16.4.1 Loss due to agreement contrary to rules – Rs 7.186 million

As per Auctioning and Collection Rights 2016, chapter IV section 20 (2) The contractor shall be responsible for deposit of salaries, pension contribution, premium of group insurance, leave salary, all allowances and other fringe benefits permissible to the employees of a local government attached with him for administration and collection of respective income before the start of each month in advance. Section 25 (e) the contractor shall not appoint his personal staff for collection of income and all collections shall be carried out by him through the staff of local government concerned assigned to him for this purpose.

Chief Officer MC Sadiqabad auctioned different incomes but did not attach MC staff for administration and collection of respective income. Contractors made collections through own staff in the absence of MC representatives which resulted in loss of Rs 7.186 million in shape of of pay, allowance and other fringe benefits. Detail is as follows:

(Rupees in million)						
Sr. No.	Year	Contractor	Auction Head	Auctioned Amount	Pay of Staff	Interest Amount @ 8.75 /annum
1	2016-17	Mr. Rana Muhammad Riaz	General Bus Stand	16.000	1.198	0.105
2	2017-18	Mr. Rana Muhammad Riaz	General Bus Stand	18.803	1.198	0.105
3	2018-19	Mr. Rana Muhammad Riaz	General Bus Stand	18.830	1.198	0.105
4	2016-17	MR. Abdul Jabbar	Advertisement	5.005	1.198	0.105
5	2017-18	Mr. Mohsan Zia	Advertisement	5.778	1.198	0.105
6	2018-19	Mr. Muhammad Arshad	Advertisement	7.400	1.198	0.105
Total				71.815	7.186	0.629

Due to non observance of rules, agreement was made contrary to rules.

Making agreement contrary to rules resulted in loss of Rs 7.186 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends that amount may be recovered from the concerned(s) along with interest besides fixing responsibility on person(s) at fault.

[AIR Para:03]

16.5 Value for Money and Service Delivery Issues

16.5.1 Non realization of revenue of rent of shops / plots – Rs 389.293 million

According to Rule 47(1) of Local Government (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.

Chief Officer MC Sadiqabad did not make due efforts to recover/realize revenue of Rs 389.293 million on account of rent of shops in violation of above rule. Detail is as follows:

(Rupees in million)

Current Demand 2018-19	Received	Balance	Arrears upto for the year 2018-19	Received	Balance
57.481	15.450	42.031	347.956	0.694	347.262
Total Balance					389.293

Due to poor efficiency of the collection staff, outstanding amounts were not recovered.

Non-recovery of rent of shops/ plots resulted in loss of Rs 389.293 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para:24]

16.5.2 Loss due to non-transfer of property in the name of MC – Rs 286.400 million

According to Section 17 (e) & (f) and Section 42 (h) of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall submit a transfer deed, in accordance with Form B, for free of cost transfer to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority. (i) The area reserved for roads, open space, park and solid waste management, (ii) One percent of the area under land sub-division for public buildings, excluding the area of mosque.

Chief Officer MC Sadiqabad failed to get transfer requisite area valuing of Rs 286.400 million in the name of MC from one (01) housing scheme. The sale of plots was continued by the owners/ developers despite that required area was not transferred in the name of MC. Detail is given below:

Chief Residencia Housing Scheme Mouza Chandrami Sadiqabad	
Total Area of Scheme (in Kanal)	331.5K
Description	Total Actual Area (in Marla)
Open Space/ Parks	464
Area under roads	2111
Public buildings	66.2
Plot for Solid Waste Management	10.00
Area under Parking	88
Area under graveyard	133.4
Total	2872.6
Area Transfer in the Name of M.C	1440
Remained Area	1432
Rate per Marla	0.200 million
Value of Land Not Transferred to MC	286.400 million

Due to weak internal controls, required area of land could not be transferred in the name of MC.

Non transfer of land/ property in the name of MC resulted in loss of Rs 286.400 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Despite repeated requests, DAC meeting was not convened till finalization of this Report

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides transfer of property in the name of MC.

[AIR Para:54]

16.5.3 Loss due to non mortgaged properties to MC Rs - 202.329 million

According to section 17 (f) (i) of The Punjab Private Housing Schemes and Land Subdivision Rules 2010, a mortgage deed, in accordance with Form C, twenty percent for housing scheme and ten percent for farm housing scheme of saleable area.

Chief Officer Municipal Committee Sadiq Abad did not mortgage required area valuing of Rs 202.329 million in the name of MC against 03 housing schemes in violation of said rule while sale of plots were continued by concerned developers / owners illogically. Detail is as follows:

(Rupees in million)

Name	Location	Total area in kanals	Total Sale Able Area in Kanal (Commercial + Residential)	20 % of total Sale Able Area in Kanals	Area in Marlas	Rate per marla as per valuation table	Amount
Azan City	Chak No.166/P	76.83	49.68	9.94	198.8	200000	39.760
Canal Park	Mouza Goth Joura	29.86	18.66	3.73	74.646	200,000	14.929
Chief Residencia	Mouza Chandrami	331.5	184.53	36.91	738.2	200000	147.640
							202.329

Due to weak internal controls, land was not mortgage in the name of MC.

Non mortgage of land in the name of MC resulted in violation of rules.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry and fixing responsibility on person(s) at fault besides mortgaging property in the name of MC.

[AIR Para:35]

16.5.4 Non-recovery of arrears of receipts – Rs 194.640 million

According to Rule 47(1) of LG 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.

Chief Officer MC Sadiqabad did not recover Rs 194.640 million on account of arrears of water rates and sewerage tax during 2016-19. Due efforts were not made for recovery of outstanding amounts from the beneficiaries of these facilities. Detail is as follows:

(Rupees in million)					
Sr. No.	Head	Year	Receivable	Received	Balance Amount
1	Sewerage Tax	2018-19	3.345	0.760	2.585
		2017-18	56.451	6.895	49.555
		Jan 2017 to June 2017	2.153	0.349	1.804
		July 2016 to Dec. 2016	2.153	0.289	1.864
			64.102	8.295	55.807
2	Water Rate	2018-19	61.439	6.453	54.986
		2017-18	56.451	6.895	49.555
		Jan 2017 to June 2017	20.286	3.589	16.697
		July 2016 to Dec. 2016	20.286	2.691	17.595
			158.462	19.629	138.833
Total					194.640

Due to weak financial management, less recovery was made.

Making less recovery on account of water rates resulted in loss of Rs 194.640 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery of Rs 334.044 million on account of water rates.

[AIR Para:43]

16.5.5 Non-collection of cost of land & development charges from dwelling units of kachi abadies – Rs 19.287 million

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

Chief Officer MC Sadiqabad did not recover amount of Rs 19.287 million on account of cost of land and development charges from the dwelling units of 16 Kachi Abadies during 2016-19. Further complete record of other Kachi Abadaies was not provided to audit. **Annexure - 1/SDQ**

Due to weak internal controls, outstanding dues of kachi abadies were not recovered.

Non recovery of cost of land and development charges from Katchi Abadies resulted in loss of Rs 19.287 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery of Rs 19.287 million besides fixing responsibility on person(s) at fault.

[AIR Para:02]

16.5.6 Loss due to non auctioning of shops – Rs 10.802 million

According to Rule 16 (a) and (e) of the PLG (Property) Rules, 2018, shops or commercial property shall be leased out through competitive bidding and the lease may be extended subject to the revised rent assessed by the District Rent Assessment Committee.

Chief Officer, MC Sadiq Abad did not auction shops and plots located at various commercial markets deliberately during 2016-19. All such shops and plots were of commercial nature so there was no reason of keeping them vacant. Non auctioning of shops and plots resulted in revenue loss of Rs 10.802 million since 2016. Detail is as follows:

(Rupees in million)

Sr. No	Name of property	Location	No. of Shops	Vacant from	Remarks	Nearby per Month Rent	Amount
1	plot No.4	Near Under pass	1	01/03/2016	Rent Assessment case is pending before RAC,RyK.	4,000	0.144
2	Ex.octroy post no.10	Madol taon chok	1	Fresh action		4,000	0.144
3	Ex.octroy post no.11	Gosiya chok	1	01/06/2017		10,000	0.250
4	Ex.octroy post no.02	Near railway asstion	1	Fresh action		4,000	0.144
5	Thra jat	Gosht market	93	Fresh action		2,000	6.696
6	18 shops	New Genrel B.S.	18	Fresh action		4,000	2.592
7	Shrif park with canten	Near Under pass	1	Fresh action		4,000	0.144
8	2 Serwas astaiaion 2 workshops	New Genrel B.S.	4	Fresh action		4,000	0.576
9	Shop no. 9-10	Ex, Generl B.S.	2	01/04/2018		4,000	0.112
Total							10.802

Due to weak internal controls, shops were not auctioned purposefully.

Non auctioning of shops resulted in loss of Rs 10.802 million

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery of loss and auctioning of shops at the earliest.

[AIR Para:39]

16.5.7 Loss due to non-auctioning of shops at competitive rates – Rs 3.898 million

According to Rule 16 (a) and (e) of the PLG (Property) Rules, 2018, shops or commercial property shall be leased out through competitive bidding and the lease may be extended subject to the revised rent assessed by the District Rent Assessment Committee.

Chief Officer Municipal Committee Sadiq Abad did not re-auction the shops despite expiry of lease agreements. All the tenants were running business on comparatively much lesser old rates. Management neither made concrete efforts to re-auction the property nor cancelled the expired agreements. It resulted in loss of Rs 3.898 million to the MC.

Due to weak financial management, shops were not re-auctioned at competitive rates.

Due to negligence of the department, shops were not auctioned at competitive rates to fetch maximum revenue of Rs 3.898 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

Audit recommends fixing responsibility on the person(s) at fault besides re-auctioning of shops at competitive market rates.

[AIR Para:41]

16.5.8 Loss due to non-recovery of fees from private housing schemes – Rs 3.883 million

According to Rule 56 of the Punjab Private Housing Schemes and Land Subdivision Rules 2010, A Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall take action against illegal housing schemes and against deviations done in sanctioned housing schemes as per law for the time being enforced.

Chief Officer MC Sadiqabad did not collect requisite fee of Rs 3.883 million from the owners/ developers of illegal land subdivisions/ housing schemes during 2016-19.

Due to weak internal and administrative controls, admissible fees could not be collected from housing schemes.

Non recovery of admissible / prescribed fees resulted in loss of Rs 3.883 million

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery of Rs 3.883 million from the concerned besides fixing responsibility on person(s) at fault.

[AIR Para:28]

16.5.9 Non recovery of taxes on auctioned amount from contractors – Rs 3.864 million

According to Rule, 47 of the Punjab Local Governments (Budget) Rules, 2017 (1) 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.

Chief Officer MC Sadiqabad awarded contracts of different incomes to different contractors for the year 2016-19 but did not recover Rs 3.864 million on account of income tax as detailed below:

(Rupees in million)

Sr. No.	Year	Contractor	Auction Head	Auctioned Amount	Tax	Recovery	Balance Amount of Tax
1	2016-17	Mr. Rana Muhammad Riaz	General Bus Stand	16.000	1.600	1.600	-
2	2017-18	Mr. Rana Muhammad Riaz	General Bus Stand	18.803	1.880	-	1.880
3	2018-19	Mr. Rana Muhammad Riaz	General Bus Stand	18.830	1.883	-	1.883
4	2016-17	MR. Abdul Jabbar	Advertisement	5.005	0.501	0.400	0.101
5	2017-18	Mr. Mohsan Zia	Advertisement	5.778	0.578	0.578	-
6	2018-19	Mr. Muhammad Arshad	Advertisement	7.400	0.740	0.740	-
7	2016-17	Mr. Kafiet Allah	Slaughter House	0.691	0.069	0.069	-

Sr. No.	Year	Contractor	Auction Head	Auctioned Amount	Tax	Recovery	Balance Amount of Tax
8	2017-18	Mr. Kafiet Allah	Slaughter House	0.773	0.077	0.077	-
9	2018-19	Mr. Muhammad Akbar	Slaughter House	0.774	0.077	0.077	-
10	2016-17	Self Recovery	Latrin General Bus Stand				-
11	2017-18	Mr. Rana Muhammad Riaz	Latrin General Bus Stand	0.700	0.070	0.070	-
12	2018-19	Mr. Muhammad Akbar	Latrin General Bus Stand	1.021	0.102	0.102	-
13	2016-17	Mr. Allah Dad	Dead Animal Bones	0.046	0.005	0.005	-
14	2017-18	Mr. Allah Dad	Dead Animal Bones	0.050	0.005	0.005	-
15	2018-19	Mr. Allah Dad	Dead Animal Bones	0.251	0.025	0.025	-
16	2017-18	Mr. Mohsan Zia	Disposal Chandrami	0.015	0.002	0.002	-
17	2017-18	Mr. Mohsan Zia	Disposal Kareem Town	0.016	0.002	0.002	-
Total				76.152	7.615	3.751	3.864

Due to weak internal and financial controls, outstanding amount was not recovered from concerned.

Non realization of outstanding amount resulted in loss of 3.864 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends that amount should be recovered from the concerned along with interest besides fixing responsibility on person(s) at fault.

[AIR Para:01]

16.5.10 Loss due to non-recovery of map and conversion fee - Rs 2.113 million

According to Rule 8 (7) of the Punjab Private Site Development Schemes (Regulations) Rules 2005 and Chapter IV Section 20 (1) of Punjab Private Housing Schemes and Land Sub Division Rules 2010, No scheme shall be advertised or publicized in any forum, media or press nor plots or houses shall be offered for sale in any scheme prior to its sanction.

Chief Officer MC Sadiqabad did not recover prescribed map and conversion fee amounting to Rs 2.113 million during 2016-19 from the management of commercial centres and schools. Further record of commercialization fee was not provided to audit despite the fact that private school and hospital business was existed at large scale within jurisdiction area of MC.

Due to weak internal and administrative controls, prescribed fees were not recovered.

Non recovery of prescribed fees resulted in loss of Rs 2.113 million

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery of Rs 2.113 million from the concerned besides fixing responsibility on person(s) at fault.

[AIR Para:33]

16.5.11 Non auctioning/ less self-collection than reserve price – Rs 1.423 million

According to Rule 10 (1)(2) of Punjab Local Governments (Auction of Collection Rights) Rules 2016, the reserve price for an income shall be determined by average actual income of the respective local government received for preceding three years. If an income introduced by a local government for first time, the assessed and expected income as provided in the budget from the source shall be the reserve price for the income from that source.

Chief Officer Municipal Committee Sadiq Abad neither auctioned the income sources nor was self-collection made of Rs 1.423 million. The management determined the reserve price on the basis of previous collection and surveys. Thus, collection was made less than the reserve price. Detail is given below:

Sr. No.	Name of Income Head	(Rupees in million)						Balance Amount
		2016-17		2017-18		2018-19		
		Reserve Price	Recovery	Reserve Price	Recovery	Reserve Price	Recovery	
1	Sludge Water Disposal Taj Garh	198,450	-	220,500	-	245,000	-	0.664
2	Sludge Water Disposal Chak No.166/P	16,200	-	18,000	-	20,000	-	0.054
3	Sludge Water Disposal Kareem Town	16,200	-	18,000	-	20,000	-	0.054
4	Sludge Water Disposal Municipal Town	16,200	-	18,000	-	20,000	-	0.054

Sr. No.	Name of Income Head	2016-17		2017-18		2018-19		Balance Amount
		Reserve Price	Recovery	Reserve Price	Recovery	Reserve Price	Recovery	
5	Sludge Water Disposal Mehar Abad	16,200	-	18,000	-	20,000	-	0.054
6	Sludge Water Disposal Setlite Town	16,200	-	18,000	-	20,000	-	0.054
7	Sludge Water Disposal Disposal Basti Mawati	32,400	-	36,000	-	40,000	-	0.108
8	Sludge Water Disposal Disposal Tibba Zahir Pir	16,200	-	18,000	-	20,000	-	0.054
9	Sludge Water Disposal Disposal Model Town	16,200	-	18,000	-	20,000	-	0.054
10	Sludge Water Disposal Disposal Tibba Qadir Abad	16,200	-	18,000	-	20,000	-	0.054
11	Sludge Water Disposal Disposal Tibbi Waghwar	16,200	-	18,000	-	20,000	-	0.054
12	Sludge Water Disposal Disposal Basti Ghulam Muhammad Abad	16,200	-	18,000	-	20,000	-	0.054
13	Sludge Water Disposal Disposal Chandrami Road	32,400	-	36,000	-	40,000	-	0.108
Total								1.423

Due to weak internal and administrative controls, neither auction of income sources was made nor self-collection was carried out as per reserve price.

Less self-collection than reserve price was due to non-auctioning of income sources.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para:10]

16.5.12 Loss due to concealment of NOC fee of advertising boards – Rs 1.050 million

According to gazette notification of taxes item No.3 (ii) new NOC fee is as under:

Sr. No.	Size of Advertising Board	Per annum Rate
1	4x6	500
2	4x8	700
3	10x20	1000
4	10x30	1500
5	15x45	2500
6	20x60	10000

Chief Officer MC Sadiqabad did not show income of Rs 1.050 million collected from registration & renewal of advertising boards since obtaining the status of tehsil. Audit collected pictorial evidences regarding such advertising boards but concerned staff members did not incorporate such income in books of accounts. Audit made calculation for three years while actual amount be calculated at department level. Detail is as follows:

(Rupees in million)

Sr. No.	App. Size	Nos.	Rate	Amount of NOC	Renewal	Total
1	10x20	101	1000	101,000	303,000	0.404
2	20x60	13	10000	130,000	390,000	0.520
3	15x40	2	1500	3,000	9,000	0.012
4	6x10	10	1000	10,000	30,000	0.040
5	6x30	13	1000	13,000	39,000	0.052
6	10x40	2	1500	3,000	9,000	0.012
7	8x16	1	1000	1,000	3,000	0.004
8	8x30	1	1500	1,500	4,500	0.006
Total						1.050

Due to malafide intension, income was not incorporated in books of accounts.

Concealing income on account of registration of advertising boards resulted in loss of Rs 1.050 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends detailed investigation and recovery from the concerned(s) besides fixing responsibility on person(s) at fault.

[AIR Para:12]

16.6 Others

16.6.1 Opening of tenders by incomplete committee – Rs 73.556 million

According to Rule 9, Government of the Punjab Works Rules, 2017 section (5) 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 following committee:

Bid opening committee should be comprises on:

- | | | |
|----|---|----------|
| 1. | Chief Officer | Convener |
| 2. | Representative of Deputy Commissioner | Member |
| 3. | Assistant Engineer, concerned Local Government | -do- |
| 4. | District Officer Finance, Municipal Officer (Finance) | -do- |
| 5. | District Officer/Municipal Officer (Infrastructure) | Member |

Chief Officer Municipal Committee Sadiq Abad allotted work of seventy nine (79) development schemes of Rs 73.556 million on the recommendations of incomplete committee. Committee was not competent to allot the work due to incomplete quorum as representatives of Deputy Commissioner and Engineer LG&CD were not present at the time of opening of tenders. Detail is given below:

Sr. No	No. of Scheme	Amount (million)	Tender Opening Date	(Rupees in million)				
				Tender Opening Committee				
				CO (Concerned)	Rep. of D.C	Assistant Engineer	DO (Finance)	DO (I&S)
1	20	28.100	23.08.17	Y	N	Y	Y	Y
2	1	0.500	11.11.17	Y	Y	N	Y	N
3	52	32.000	11.12.17	Y	N	Y	Y	Y
4	1	2.000	02.02.18	Y	N	N	Y	Y
5	1	2.000	27.08.18	Y	N	N	Y	Y
6	3	6.956	25.02.19	Y	N	N	Y	Y
7	1	2.000	23.05.18	Y	N	N	Y	Y
	79	73.556						

Due to non observing applicable rules, tenders were opened without completing the quorum.

Opening of tenders by incomplete tender committee quorum resulted in non-transparent tendering process of Rs 73.556 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends regularization of the expenditure besides appropriate action against the concerned.

[AIR Para: 29]

16.6.2 Loss due to excess expenditure on holiday allowance – Rs 14.993 million

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

Chief Officer Municipal Committee Sadiq Abad incurred excess expenditure of Rs 14.993 million on holiday allowance to employees who were not deputed on provision of essential services. Further, duties were not rotated and services of employees remained continue without allowing weekly rest. Detail is as follows:

(Rupees in million)			
Sr. No.	DDO	Period	Amount
1	MOR	2016-17	0.289
2	MOR	2017-18	0.409
3	MOR	2018-19	0.241
4	M(I&S)	2016-17	6.970
5	M(I&S)	2017-18	4.843
6	M(I&S)	2018-19	1.508
7	Admn Branch		0.390
8	MOF		0.342
Total			14.994

Due to weak internal and administrative controls, duties were taken without observing instructions of rotation basis.

Non-rotation of duties of staff resulted in excess expenditure on holiday allowance of Rs 14.993 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

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

[AIR Para: 31]

16.6.3 Non imposing of penalty for late completion of development work - Rs 5.198 million

According to Clause 39 of tender form, “1% per day upto maximum 10% of the estimated cost of work shall be imposed as penalty if the contractor fails to complete the work within due period. Further, as per clause No.7 of the General Directions for Guidance of the tenderers, “The tenderer shall, at his own expense, inspect and examine the site and surroundings and obtain for himself, on his own responsibility, all information that may be necessary for preparing tender.

Chief Officer Municipal Committee Sadiq Abad did not impose penalty of Rs 5.198 million @ 10% during 2016-19 to various contractors for late completion of works. Development works were not completed within stipulated time as per work orders. Applications of time extensions were also not on record to ascertain reasons of late completion.

Note: complete record was not provided for scrutiny, so actual amount may be calculated at department level.

Due to weak administrative controls, penalties were not imposed on the contractors for late completion of works.

Non-imposing of penalty for late completion of works resulted in loss of Rs 5.198 million as well as violation of rules.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends for actualizing the recovery besides fixing responsibility against the concerned(s).

[AIR Para:46]

16.6.4 Unjustified expenditure on de-silting of sewer lines – Rs 3.999 million

According to Rule 9 (b) of Punjab Local Governments (Accounts) Rules 2017, the drawing and disbursing officer shall be responsible 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.

Chief Officer MC Sadiqabad incurred expenditure of Rs 3.999 million on de-silting of sewer lines despite having own concerned staff, technicalities and machinery. Audit also observed that de-silting of sewer lines were made through contractor on illogical terms and conditions; i.e.

1. Winching machines was provided by MC Sadiqabad.
2. Sundries and debris was to be shifted by MC Sadiqqabad.
3. Diesel was also to be provided by MC Sadiqabad.

After these facilities, nothing was remaining to carry out the work. Further, no report was on the record about quantity of waste collected and dumped at site. Detail is given on next page.

(Rupees in million)

Sr. No.	Name of Scheme	Work Order No. & Date	Expenditure
1	Cleaning of main sewer line Mujahid Colony Chowk to Disposal Kareem town, Model Town chowk to Civil Hospital chowk for city Sadiqabad	15-695 dated 06.09.18	2.000
2	Winching & Desilting of Main Sewerage Pipe Line from Fire Brigade Chowk to Slaughter House, Model Town Chowk to Umer-e-Farooq Chowk and Chin Baker to DSP Office MC SDK	14-591 dated 25.05.18	1.999
Total			3.999

Due to malafied intension, schemes were selected and expenditure was shown made by entering into illogical agreement.

Entering into illogical agreement and selection of schemes resulted in doubtful expenditure of Rs 3.999 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends investigation and recovery of over payment besides fixing responsibility on person(s) at fault.

[AIR Para:13]

16.6.5 Unjustified expenditure on repair of fire brigade – Rs 3.630 million

According to Rule 9 (b) of Punjab Local Governments (Accounts) Rules 2017, the drawing and disbursing officer shall be responsible 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.

Chief Officer MC Sadiqabad incurred expenditure of Rs 3.630 million on repair of fire brigade (FG) which was subject to following observation:

1. The vehicle kept on consuming POL from the date of application of driver (i.e. 01.08.2017) till the date of repair (23.10.2017). L.D

charges of Rs 435,600 were also not deducted despite delay in completion of task.

2. Expenditure was made more than 50 % of book value in violation of delegation of financial powers rules.
3. Neither technical bids were not obtained nor were technical committee constituted to evaluate the technical bids.
4. Bid opening date was technically fixed on 13.08.2017 (on Sunday) without giving required response time of fifteen days.

Due to non observance of rules, doubtful expenditure was made on repair of fire brigade.

Incurring expenditure more than 50% of book value and in doubtful manner resulted in irregular expenditure of Rs 3.630 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends investigation and recovery of over payment besides fixing responsibility on person(s) at fault.

[AIR Para:09]

16.6.6 Doubtful expenditure on national days / events – Rs 3.605 million

According to Rule 2.10 (a) (1) of Punjab Financial Rules Vol-1, “same vigilance should be exercised in respect of expenditure incurred from government revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money”.

Chief Officer Municipal Committee Sadiq Abad incurred expenditure of Rs 3.605 million for celebration of national events by purchasing irrelevant refreshment items and high value rental items more than purchasing cost of such items. Some other observations are as follows:

1. Heavy expenditure was made in violation of instructions of austerity measures.
2. No detail was available regarding participants.
3. Purchased items were not taken back into stock.
4. Two different voucher numbers (76 & 77) were got passed with same date, same amount and same items. Further both bills had no serial numbers.

Detail is as follows:

(Rupees in million)						
Sr. No	Vouchers No.	Voucher Date	Bill Date	Supplier	Amount	Item Name With Description
1	10	03.12.18	14.11.18	Muhammad Hanif Contractor	0.050	Gate Cloth Celebration
2	76	07.12.18	20.11.18	Shaeen Tent House	0.047	Purchase Sweet Eid Melad ul Nabi
3	77	07.12.18	20.11.18	Shaeen Tent House	0.047	Purchase Sweet Eid Melad ul Nabi
4	170	15.10.18	15.09.18	Basharat Ali Contractor	0.070	Rent Generator Imam Bargah
5	172	15.10.18	28.09.18	Basharat Ali Contractor	0.210	Purchase Energy Saver Muharam-ul-Haram
6	175	17.09.18	11.08.18	Nadeem Book Depo	0.075	14th August 2918 Cristal Shailed
7	176	17.09.18	11.08.18	Shaheen Tent	0.054	Rent Chair 14th August
8	202	18.09.18	11.08.18	Basharat Ali Contractor	0.120	Decoration 14th August Office MC
9	90	17.05.17	04.02.17	New Sadiq Abad Digital Graphics	0.023	Printing Pena Flax
10	180	07.11.16	17.10.16	Souad Ahmed Govt. Contractor General Order Supplier	0.224	Purchase Wire, Bulb, Holder Imam Bargah
11	193	24.10.17	24.10.16	Ahmed Azan Builders	0.105	Bill Jashan Azadi Municipal Committee
12	120	15.01.18	02.01.16	MC	0.796	Bill Yakjehti Al Pakistan Tournament
13	91	12.05.18	08.05.18	Latif & Co	1.784	Bill LED Light Wire Etc
Total					3.605	

Due to weak internal controls, doubtful expenditure was made.

Incurring expenditure in doubtful manner resulted in loss of Rs 3.605 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery of stated amount from the concerned(s) besides taking disciplinary action against the person(s) at fault.

[AIR Para:16]

16.6.7 Doubtful expenditure on repair of machinery – Rs 3.324 million

According to Para 20 of West Pakistan Staff Vehicles (Use & Maintenance) Rules, 1969, Log Book, History Sheet and Petrol Account Register shall be maintained for each Govt. owned vehicle. Further 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.

Chief Officer Municipal Committee Sadiq Abad incurred expenditure of Rs 3.324 million on repair of machinery during 2016-19 which was unjustified due to following observations:

1. WAPDA report was not acquired regarding fault of transformer.
2. Burning / fusing of motors was illogical during out of order period of transformer and in presense of installed relay.
3. Sales proceed of replaced items were also not on the record.
4. In some cases, generators were found in running status during the repair.
5. Almost same electricity units were consumed during the time of repair and previous months.
6. Repair was carried out without taking back replaced parts in store.
7. No proof of using alternative sources was on the record during repair period of transformer or electric motors.

Due to weak financial and internal controls and intention of misappropriation, fictitious repair was shown in papers.

Claiming fictitious repair bills in papers resulted in loss of Rs 3.324 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends that the matter may be investigated at appropriate level and loss be made good.

[AIR Para:49]

16.6.8 Doubtful POL expenditure for fire brigade – Rs 3.234 million

According to Rule 9 (b) of Punjab Local Governments (Accounts) Rules 2017, the drawing and disbursing officer shall be responsible 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.

Chief Officer MC Sadiqabad showed used fire brigade for sprinkling houses of different officers, watering green belts, protocol duties of VIPs & some other purposes rather than defusing the fire despite the fact that this office had water bowsers also. The log books of Fire Brigades were not being maintained properly as important columns like time of departure and arrival, meter reading etc. were kept blank intentionally. Moreover, speedometers of all the three vehicles were not working.

Meter reading of tour was not noted in log books. In some cases, fire brigades were shown used for fire fighting but neither a single certificate was on the record nor was a single penny deposited as fire difusing fee.

Due to non observance of rules, doubtful expenditure was made on POL.

Incurring POL expenditure without mentioning meter reading, KMs covered, and purpose of journey resulted in unjustified expenditure of Rs 3.234 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends investigation and recovery of over payment besides fixing responsibility on person(s) at fault.

[AIR Para:22]

16.6.9 Doubtful expenditure on repair of vehicles – Rs 2.430 million

According to Para 20 of West Pakistan Staff Vehicles (Use & Maintenance) Rules, 1969, Log Book, History Sheet and Petrol Account Register shall be maintained for each Govt. owned vehicle. Further as per Rule 2.10 (a) (1) of PFR Vol-I lays down that same vigilance should be exercised in respect of expenditure incurred from Government Revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.” Furthermore, 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.

Chief Officer Municipal Committee Sadiq Abad incurred expenditure of Rs 2.430 million through different bills on repair of vehicles (Staff Cars, Fire Brigade vehicle, Jetting and Sucker Machines, Tractors etc.) during 2016-19 which was subject to following observations:

1. Vehicles were on road and consuming POL for the period under repair.
2. Almost all vehicles became out of order during same period of time surprisingly.
3. Repair was carried out without maintaining history sheet registers and without taking back replaced parts into stock. Further, sale proceeds of old / replaced items were not on the record.
4. Mostly bills did not have serial numbers and dates.
5. Repair charges were shown too high even equal to new ones.
6. Further the employees who were allotted government vehicles, were drawn conveyance allowance illogically; recovery of Rs 1.140 million

Due to weak financial controls and intention of misappropriation, fictitious repair works were shown in papers.

Claiming fictitious repair bills resulted in loss of Rs 2.430 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends that the matter may be investigated at appropriate level, loss be made good.

[AIR Para:55]

16.6.10 Irregular expenditure on civil work items – Rs 2.338 million

According to Rule 9 (b) of Punjab Local Governments (Accounts) Rules 2017, the drawing and disbursing officer shall be responsible 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.

Chief Officer MC Sadiqabad incurred expenditure of Rs 2.338 million on construction of tuff tiles, rooms, doors, soling, boundary wall and slab etc. during 2016-19 which was made through small quotations (below Rs 100,000) by splitting amount of works irregularly. All such works were of development nature but carried out by adopting process of contingencies illogically. Further the expenditure was not shown in annual accounts under development head. In some cases, same nature works were carried out through tendering process on behalf of councilors. Audit pointed out only few schemes due to shortage of time.

Due to weak financial controls, expenditure was incurred in irregular manner.

Incurring expenditure in irregular manner resulted in irregular expenditure of Rs 2.238 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends that the matter may be investigated at appropriate level and loss be made good.

[AIR Para:40]

16.6.11 Irregular payment of SSB to employees appointed under 17-A – Rs 2.044 million

As per clarification issued by the Government of the Punjab, Services & General Administration Department (Regulations Wing) letter No. SOR.III(S&GAD)2-8/2018 dated 29.10.19, para (3) “ to regularize the services of all the employees who were appointed granting the benefit of Rule 17-A of the Punjab Civil Servants (Appointment & Conditions of Services) Rules, 1974, forthwith irrespective, whether they have completed three / four year’s service or not as their contract employment after 2009 was unlawful obviously, they had to be appointed on regular basis. It is also directed that in future, all the appointments under Rule 17-A ibid shall be made on regular basis”.

Chief Officer, MC Sadiq Abad incurred expenditure of Rs 2.044 million on account of Social Security Benefit to employees recruited under rule 17-A on contract basis rather than making appointments on regular basis.

Payment on account of social security benefit was made to employees appointed under 17-A without observing service rules.

Making appointment on contract basis under 17-A without observing service rules resulted in excessive payment of Rs 2.044 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) along with re-fixation of pay besides fixing responsibility on person(s) at fault.

[AIR Para:47]

16.6.12 Unauthorized expenditure on daily wages / contingent paid staff - Rs 1.054 million

According to the Austerity Measures for the years 2016-17 and 2017-18, issued by the Finance Department, Government of the Punjab, no contingent paid staff shall be appointed without obtaining prior approval from the Austerity Committee.

Chief Officer Municipal Committee Sadiq Abad appointed contingent paid staff during 2016-19 without obtaining prior approval from the Finance Department and the Austerity Committee. Detail is as follows:

(Rupees in million)				
Sr. No.	Voucher No.	Date	No. Employees	Amount
1	73	07.06.17	4	0.048
2	74	07.06.17	18	0.217
3	40	02.05.17	17	0.148
4	41	02.05.17	17	0.193
5	43	02.05.17	18	0.217
6	43	02.05.17	18	0.168
7	45	02.05.17	4	0.048
8	46	02.05.17	1	0.016
Total				1.054

Due to non-compliance of government instructions, contingent paid staff was appointed / hired.

Appointing contingent paid staff resulted in unauthorized expenditure of Rs 1.054 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends the expenditure be got regularized from competent authority besides taking disciplinary action against the person(s) at fault.

[AIR Para:37]

17. Municipal Committee Taranda Sawey Khan

CHAPTER 17.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2016-19.

(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	41.394	27.162	-14.232	-34.38%
		Non-Salary	66.160	16.574	-49.586	-74.95%
		Total	107.554	43.736	-63.818	-59.34%
2	Development	-	119.825	15.329	-104.496	-87.21%
Grand Total			227.379	59.065	-168.314	-74.02%
3	Receipts	-	161.835	159.271	-2.564	-1.58%

(Source: Annual Accounts 2016-19)

Development includes an expenditure of Rs 15.329 million against an allocation of Rs 119.825 million for the development schemes of providing and laying of tuff tiles, RCC pipe line, construction of drains and soloing, repair and sanitation works. The said development schemes could not be completed and an amount of Rs 104.496 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 168.314 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive

trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding indicators and their achievements

(Amount in Rupees)

FY	Sr. No.	Account Head	Particular	Target	Achievement	Remarks
2016-17	1	C03825	Collection of payments for service rendered	5,000	-	Target Not Achievement
	2	C0388026	Fee for approval of Housing Colony	300,000	-	Target Not Achievement
	3	C0388030	Fine for construction without approval of building plan	10,000	-	Target Not Achievement
	4	C0388034	Fine for Encroachments	30,000	-	Target Not Achievement
	5	C0388042	Fee for slaughtering of animals	25,000	-	Target Not Achievement
	6	C0388077	Advertisement Fee on sign boards of shops/ commercial places	600,000	-	Target Not Achievement
	7	C0388086	Road cutting charges	10,000	-	Target Not Achievement
	8	E01305	Receipts from investment of Cash Balance by Local Govts (Bank Profit)	30,000	-	Target Not Achievement
2017-18	1	C03683	Grant from Provincial Government PFC (Non Development)	46,158,000	38,465,000	Target Not Achievement
	2	C03684	Grant from Provincial Government PFC (Development)	12,555,000	4,185,000	Target Not Achievement
	3	C03825	Collection of payments for service rendered	10,000	-	Target Not Achievement
	4	C0388026	Fee for approval of Housing Colony	600,000	-	Target Not Achievement
	5	C0388027	Fee for approval of Building/ Construction Plan	600,000	299,500	Target Not Achievement
	6	C0388028	Fee for change in land use	1,800,000	1,420,379	Target Not Achievement
	7	C0388030	Fine for construction without approval of building plan	25,000	-	Target Not Achievement
	8	C0388032	Khokha / Chapper Tax	816,000	692,000	Target Not Achievement
	9	C0388034	Fine for Encroachments	40,000	39,550	Target Not Achievement
	10	C0388047	Receipts on account of sale of water - residential	800,000	567,650	Target Not Achievement
	11	C0388054	Sewerage/Drainage Fee/ Charges/ Nali Tax	600,000	372,600	Target Not Achievement
	12	C0388071	Registration/ Enlistment of Contractors	100,000	-	Target Not Achievement
	13	C0388072	Renewal of Registration	56,000	24,000	Target Not Achievement
	14	C0388077	Advertisement Fee on sign boards of shops/ commercial places	600,000	151,700	Target Not Achievement
	15	C0388086	Road cutting charges	25,000	-	Target Not Achievement
	16	C0388087	Copying fee	200,000	157,575	Target Not Achievement

FY	Sr. No.	Account Head	Particular	Target	Achievement	Remarks
	17	C0388091	Others Miscellaneous Fee	25,000	16,686	Target Not Achievement
2018-19	1	C03684	Grant from Provincial Government PFC (Development)	12,555,000	-	Target Not Achievement
	2	C03825	Collection of payments for service rendered	5,000	-	Target Not Achievement
	3	C0388030	Fine for construction without approval of building plan	10,000	-	Target Not Achievement
	4	C0388071	Registration/ Enlistment of Contractors	15,000	-	Target Not Achievement
	5	C0388073	Tender Fee	150,000	61,000	Target Not Achievement
	6	C0388077	Advertisement Fee on sign boards of shops/ commercial places	200,000	105,250	Target Not Achievement
	7	C0388086	Road cutting charges	10,000	-	Target Not Achievement
	8	C0388091	Others Miscellaneous Fee	20,000	1,000	Target Not Achievement

The Municipal Committee failed to meet their set targets; i.e license permit fee, fine encroachment, rent of properties, advertisement fee etc. within prescribed time. Its administrative and financial management was weak and could not any mechanism for achievement of set targets.

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that the management did little for regulating markets and services for issuance of licenses and impose penalties for violations. Prevention and removal of encroachments were not conducted as per desired level. Moreover, the Committee Authorities neglected the areas of regulating the dangerous and offensive articles, organizing cattle fairs and cattle markets, promotion of sports & sports persons. No action was taken against the illegal housing schemes during the year. No comprehensive planning was made to execute and manage development plans, exercise control over land-use, land-subdivision, land development and zoning.

Lack of due diligence of staff of sanitation, water supply schemes, planning, finance, regulation and infrastructure wings as indicated in above table and lack of required check and balance are main reasons for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Non-Production of Record worth Rs 67.712 million was reported in one case.
- ii. Irregularities amounting to Rs 75.581 million were noticed in two cases.
- iii. Value for Money and service delivery issues amounting to Rs 35.775 million were noticed in three cases.
- iv. Other issues involving an amount of Rs 31.368 million were noticed in two cases.

v. Expectation Analysis and Remedial Measures / Suggestions

CO (MC) did not achieve overall targets of action against encroachment and illegal housing schemes. Cattle fairs, cattle markets and sports were not promoted upto desired level. No comprehensive planning was made to execute and manage development plans, exercise control over land-use, land-subdivision, land development and zoning.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets. Suggestions / Remedial Measures are as under:

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the rules e.g. PPRA rules for purchasing, adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons held responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.

- Ensuring utilization of non-development funds for provision of better citizen services along with holding the responsible for non / delayed utilization of the same.
- Taking concrete actions to recruit all the staff against sanctioned posts.

CHAPTER 17.2

Municipal Committee Taranda Sawey Khan

17.2.1 Introduction

Municipal Committee Taranda Sawey Khan was established on 01.01.2017 under Punjab Local Government Act, 2013. A Municipal Committee is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name. Municipal Committee consists of the directly and indirectly elected members.

The Chief Officer acts as Principal Accounting Officer of a Municipal Committee and facilitates the performance of functions assigned to the Municipal Committee under the supervision of the Chairman / Administrator. He/she is responsible for coordination, human resource management, public relations, legal affairs, municipal services, emergency services etc. He/she manages functions of the Municipal Committee through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited expenditures / receipts of Municipal Committee Taranda Sawey Khan:

(Rupees in million)

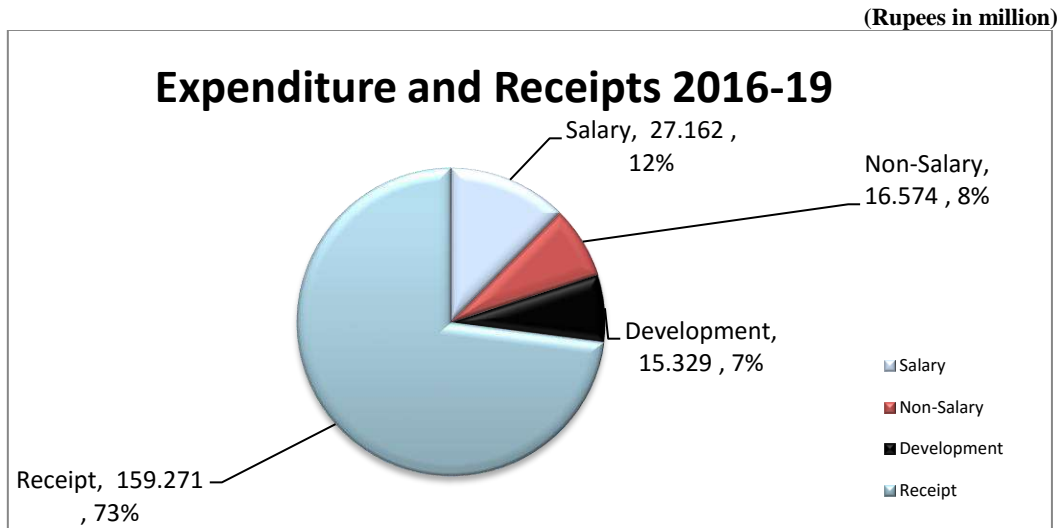
Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	32.622	143.344
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

17.2.2 Comments on Budget and Accounts

The detail of budget and expenditure is given on next page in tabulated form:

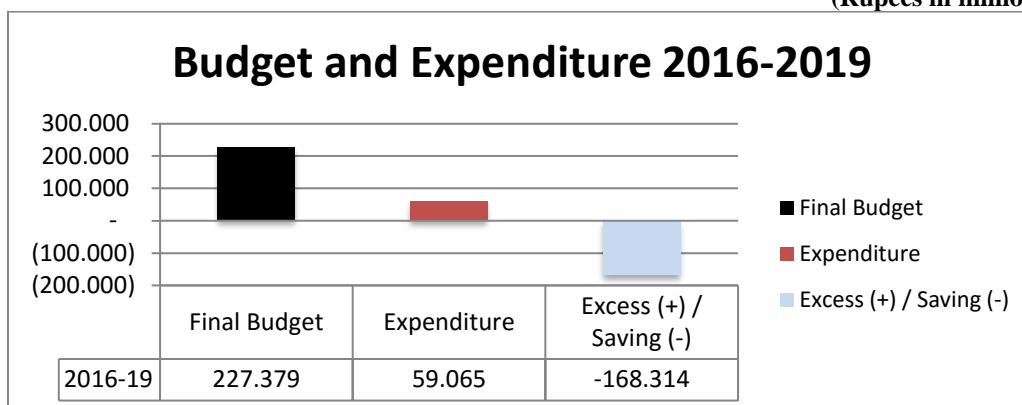
(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	41.394	27.162	-14.232	-34.38%
		Non-Salary	66.160	16.574	-49.586	-74.95%
		Total	107.554	43.736	-63.818	-59.34%
2	Development	-	119.825	15.329	-104.496	-87.21%
Grand Total			227.379	59.065	-168.314	-74.02%
3	Receipts	-	161.835	159.271	-2.564	-1.58%



As per the Annual Accounts 2016-19 of the Municipal Committee, Tranda Sawae Khan, total original budget (Development and Non-Development) was Rs227.379 million. Against the budget, total expenditure of Rs 59.065 million was incurred by the Municipal Committee during 2016-19. Lapse of funds amounting to Rs 168.314 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Tranda Sawae Khan. **(Annexure-B)**

(Rupees in million)



17.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 210.436 million were raised as a result of this audit. This amount also includes recoverable of Rs 35.775 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	67.712
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedral Irregularities	
A	HR / Employees related irregularities	-
B	Procurement related irregularities	-
C	Management of Accounts with Commercial Banks	75.581
4	Value for money and service delivery issues	35.775
5	Others	31.368

17.2.4 Comments on the Status of Compliance with PAC Directives

It was first audit for Municipal Committee period; so no previous report in this regard was submitted to the Governor of the Punjab for further presentation to the Public Accounts Committee.

AUDIT PARAS

17.3 Non Production of Record

17.3.1 Non-maintenance of separate books of accounts and classified accounts of expenditure – Rs 67.712 million

According to Rule 8 (B&C) of PLG (Budget) Rules, 2017 each DDO shall incur expenditure strictly against the budgetary allocations under the relevant object code and in accordance with the rules and keep in safe custody the departmental expenditure record and maintain the budget control register. Furthermore, according to Rule 37 of PLG Budget Rules 2017 vide Para 37(2)(a) (d), DDO shall be responsible for controlling and managing expenditure from the Grants placed at their disposal and each DDO shall be responsible for the expenditure actually incurred against the funds allotted to him. The expenditure shall be sanctioned in accordance with the delegation of Financial Power Rules.

Management of Municipal Committee, Taranda Saway Khan did not produce record of expenditure and revenue amounting to Rs 67.712 million during 2018-19, under different objects / codes of classification, in violation of above rule. The detail is as under:

(Rupees in million)			
Sr. No.	Description	Period	Amount
1	DDO wise books of accounts	01/2017 to 06/2019	59.055
3	Bill of Quantity/ GST invoices	01/2017 to 06/2019	8.657
Total			67.712

Due to weak financial management, separate books of accounts were not maintained by DDOs.

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

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends that irregularity be got condoned from competent authority besides fixing responsibility on person(s) at fault.

[AIR Para 07 &08]

17.4 Procedural Irregularities

17.4.1 Non accountal of property by the MC – Rs 52.363 million

According to 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:

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

Chief Officer MC Taranda Sawaye Khan did not record property valuing Rs 52.363 million into his books / records which was transferred by owners/ developers of two land sub division housing schemes during 2017-19. Detail is given below:

(Rupees in million)						
Sr. No.	Name of Scheme	Location	Total Area of Scheme (In Kanal)	Area Transferred in the Name of MC TSK	Rate / Marla	Amount
1	Canal View	Taranda Sawaye Khan	60	406.50	0.090	36.585
2	Green Acres	Chak No. 78/P, Khan Pur Road, TSK	31.59	225.40	0.070	15.778
Total						52.363

Due to weak administrative controls and negligence of the management, property was not recorded in the books of MC.

Non recording of property valuing Rs 52.363 million in the books / record of MC may result in encroachment.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends fixing responsibility on person(s) at fault besides recording property in the books of MC.

[AIR Para:05]

17.4.2 Non reconciliation of receipts – Rs 23.218 million

According to Rule 79 of the PDG and TMA Budget Rules, 2003 (1) The receipts for a month shall be the figures of the receipts credited during that particular month. (2) In case any money is realized in one month but not credited until the subsequent month except that relating to the last working day of a calendar month, the facts and circumstances shall be clearly stated in the monthly report in which the receipts were realized. (3) The sanction of the competent authority is necessary for the remission of, and abandonment of claims to revenue. Moreover, according to Rule 80 (1) In case any error in recording of receipts is discovered the return shall be corrected and intimation shall immediately be sent to the concerned Accounts Officer for rectification. (2) In the event of any error detected in the office of the Accounts Officer, such office shall forward the details to the Collecting Officers.

Chief Officer MC Taranda Sawaye Khan did not reconcile receipts with resident Audit & Accounts Officer during January, 2017 to June, 2019 due to which difference of Rs 23.218 million was noticed under different heads. As per classified income register Rs 68.518 million was deposited into MC's account whereas as per Final Accounts an amount of Rs 91.736 million was deposited into MC's account under the same heads. **Annexure - 1/TSK**

Due to weak internal controls and financial indiscipline, reconciliation was not carried out with the TAO which resulted in difference of receipts of Rs 1.142 million.

Non reconciliation with the TAO resulted in difference of receipts of Rs 1.142 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends reconciliation with TAO besides fixing responsibility on person(s) at fault.

[AIR Para:12]

17.5 Value for Money and Service Delivery Issues

17.5.1 Loss due to non / less achievement of targets – Rs 32.426 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.

Chief Officer and collection staff of MC Taranda Sawaye Khan failed to achieve the targets of receipts under various heads. Record showed that receipts of Rs 78.985 million was targeted out of which receipts of Rs 46.559 million was achieved under the different heads leaving a balance of Rs 32.426 million (41 %) unrealized during January, 2017 to June, 2019. **Annexure - 2/TSK**

Due to in efficiency of collection staff, receipt were not realized and targets were not achieved.

Non non achievement of targets resulted in loss of Rs 32.426 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery of receipts besides fixing responsibility on person(s) at fault.

[AIR Para:01]

17.5.2 Less transfer of property in the name of MC – Rs 2.025 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:

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

Chief Officer MC Taranda Sawaye Khan approved land sub division housing schemes during 2017-18 but area of roads, parks, open space, solid waste management and public buildings was less transferred in the name of MC valuing Rs 2.025 million. **Annexure - 3/TSK**

Due to weak administrative controls and negligence of the management, property was less transferred in the name of MC.

Less transfer of property in the name of MC valuing Rs 2.025 million resulted in irregular issuance of NOC to private housing schemes and violation of rules as well.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends that property be transferred in the name of Municipal Corporation besides fixing responsibility on person(s) at fault.

[AIR Para:04]

17.5.3 Loss due to non / less recovery of conversion and other fees – Rs 1.324 million

According to Rule 60 (1) (a) of the Punjab Land Use Rules, 2009 amended vide Notification No. SOR(LG)38-18/2009 dated 06.06.2012, A city District Govt. or a Tehsil Municipal Administration shall levy fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use, as given on next page:

Sr. No.	Value of Land as per Valuation Table	Conversion Fee
1	Less than one million rupees	5 %
2	From one million rupees to ten million rupees	10 %
3	More than ten million rupees	20 %

Chief Officer MC Taranda Sawaye Khan did not recover an amount of Rs 0.375 million on account of conversion fee from the owners of poultry control shed named HaiderProteen Form situated in mouzachanna. As agricultural land was used for commercial purpose, conversion was required to be charged as per valuation table but the same was not recovered while approving building plan. Similarly, an amount of Rs 0.949 million was less recovered on account of scrutiny fee for construction of commercial building. Detail is given below:

(Rupees in million)

Rate Per Marla as per Valuation Table (2018-19)	No. of Marla	Total Value of Land	Conversion Fee (10%)
Rs 9,375 (1,500,000/160)	400	3.750	0.375
Type of Fee	Due	Recovered	Difference
Scrutiny Fee (Ground floor) Rs 12 per Sft	0.281	0.023	0.257
Scrutiny Fee (1st floor) Rs 12 per Sft	0.281	0.023	0.257
Scrutiny fee for Office Building, Feed Room, Generator, Masjid etc. (Rs 12 per Sft)	0.042	0.007	0.035
Betterment Fee (Rs 1,000 per marla)	0.400	-	0.400
Sub Total	0.603	0.054	0.949
Grand Total			1.324

Due to weak administrative and financial controls, fees were less recovered.

Less recovery of fees resulted in loss of Rs 1.324 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery of said amount from the concerned besides fixing responsibility on person(s) at fault.

[AIR Para:06]

17.6 Others

17.6.1 Non deposit of receipts into MC's account / non reconciliation of receipts – Rs 23.208 million

According to Rule 80 (1) In case any error in recording of receipts is discovered the return shall be corrected and intimation shall immediately be sent to the concerned Accounts Officer for rectification. (2) In the event of any error detected in the office of the Accounts Officer, such office shall forward the details to the Collecting Officers.

Chief Officer MC Taranda Sawaye Khan either did not deposit an amount of Rs 23.208 million into MC's account during January, 2017 to June, 2019 or did not reconcile receipts with the resident Audit & Accounts Officer. as per classified income register an amount of Rs 30.068 million was recovered and deposited into MC's account whereas as per annual accounts only Rs 6.868 million was received and credited into MC's account in different income heads due to which chances of misappropriation could be ruled out. **Annexure - 4/TSK**

Due to weak internal controls and financial indiscipline, either amount was not deposited / credited into MC's account or reconciliation was not carried out.

Non reconciliation of receipts leads to the doubt of misappropriation of funds.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry of the matter at appropriate level besides fixing responsibility on person(s) at fault.

[AIR Para:11]

17.6.2 Opening of tenders by incomplete committee – Rs 8.160 million

According to Rule 9, Government of the Punjab Works Rules, 2017 section (5) 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 following committee:

Bid opening committee should be comprises on:

- | | | |
|----|---|----------|
| 1. | Chief Officer | Convener |
| 2. | Representative of Deputy Commissioner | Member |
| 3. | Assistant Engineer, concerned Local Government | -do- |
| 4. | District Officer Finance, Municipal Officer (Finance) | -do- |
| 5. | District Officer/Municipal Officer (Infrastructure) | Member |

Chief Officer Municipal Committee, Taranda Sawaye Khan allotted work of sixteen (16) development schemes of Rs 8.160 million on the recommendations of incomplete committee. Committee was not competent to allot the work due to incomplete quorum as representatives of Deputy Commissioner and Engineer LG&CD were not present at the time of opening of tenders. Detail is given below:

(Rupees in million)			
Sr. No	No. of Scheme	Tender Opening Date	Amount
1	13	27.09.2017	6.960
2	3	16.03.2019	1.200
Total	16		8.160

Due to non observing applicable rules, tenders were opened without completing the quorum.

Opening of tenders by incomplete tender committee quorum resulted in non-transparent tendering process of Rs 8.160 million.

The matter was reported to the CO concerned in March, 2020 but no reply was submitted.

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

Audit recommends regularization of the expenditure besides appropriate action against the concerned.

[AIR Para:22]

18. Municipal Committee Zahir Pir

CHAPTER 18.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2016-19.

(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	97.610	67.588	-30.022	-30.76%
		Non-Salary	63.929	28.348	-35.581	-55.66%
		Total	161.539	95.936	-65.603	-40.61%
2	Development	-	126.055	76.210	-49.845	-39.54%
Grand Total			287.594	172.146	-115.448	-40.14%
3	Receipts	-	24.321	18.484	-5.837	-24.00%

(Source: Annual Accounts 2016-19)

Development includes an expenditure of Rs 76.210 million against an allocation of Rs 126.055 million for the development schemes of providing and laying of tuff tiles, RCC pipe line, construction of drains and soloing, repair and sanitation works. The said development schemes could not be completed and an amount of Rs 49.845 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 115.448 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for

saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding indicators and their achievements

(Amount in Rupees)

Sr. No.	Financial Year	Head of Account	Parameter	Target	Achievement	Remarks
1	2016-17	License fee (Dangerous and Offensive Trade)	Receipts (Amount in Rs)	100,000	7,000	Targets not achieved
2	2016-17	Advertisement Fee on billboards/ hoardings		50,000	-	Targets not achieved
3	2017-18	License fee (Dangerous and Offensive Trade)		600,000	321,300	Targets not achieved
4	2017-18	Fee for slaughtering of animals		500,000	421,900	Targets not achieved
5	2017-18	Sewerage Fee/ Charges/ Nali Tax		190,000	36,500	Targets not achieved
6	2017-18	Advertisement Fee on billboards/ hoardings		300,000	209,140	Targets not achieved
7	2018-19	License fee (Dangerous and Offensive Trade)		1,000,000	572,750	Targets not achieved
8	2018-19	Fee for slaughtering of animals		500,000	448,400	Targets not achieved

The Municipal Committee failed to meet their set targets; i.e. Sewerage & advertisement fee etc. within prescribed time. Its administrative and financial management was weak and could not any mechanism for achievement of set targets.

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that the management did little for regulating markets and services for issuance of licenses and impose penalties for violations. Prevention and removal of encroachments were not conducted as per desired level. Moreover, the Committee Authorities neglected the areas of regulating the dangerous and offensive articles, organizing cattle fairs and cattle markets, promotion of sports & sports persons. No action was taken against the illegal housing schemes during the year. No comprehensive planning was made to execute and manage development plans, exercise control over land-use, land-subdivision, land development and zoning.

Lack of due diligence of staff of sanitation, water supply schemes, planning, finance, regulation and infrastructure wings as indicated in above table

and lack of required check and balance are main reasons for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Serious Financial Irregularities and Findings

Following serious irregularities were found during field audit execution during Audit Year 2019-20.

- i. Non-Production of Record amounting to Rs 15.067 million was reported in one case.
- ii. Irregularities amounting to Rs 2.186 million were noticed in one case.
- iii. Value for Money and service delivery issues amounting to Rs 624.903 million were noticed in seven cases.
- iv. Other issues involving an amount of Rs 5.361 million were noticed in four cases.

v. Expectation Analysis and Remedial Measures / Suggestions

CO (MC) did not achieve overall targets of action against encroachment and illegal housing schemes. Cattle fairs, cattle markets and sports were not promoted upto desired level. No comprehensive planning was made to execute and manage development plans, exercise control over land-use, land-subdivision, land development and zoning.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets. Suggestions / Remedial Measures are as under:

- Grand Operation is needed to be carried out to get vacate encroached property / land / assets of municipal committees at provincial level at a time.
- Comprehensive survey of revenue units may be conducted and publicized before making collections; i.e. for License Permit Fee, Sewerage Tax, Water Rates and other receipt heads of same nature.

- All old lease contracts of municipal committee's shops & plot may be revised as current market rates and same may not be leased out for a period more than 05 years.
- Mechanism may be developed to stop purchase & transfer of plots in housing schemes / land sub division schemes before completion of registration process.
- Solid and continuous monitoring of assets is much needed requirement for existence of municipal committee.
- Strict out lines are required to be framed for expenditure regarding celebration of repeated nature event throughout the year.
- Continuous monitoring of sanitation staff according to allocated areas is needed to be implemented through community involvement and with the help of modern technology (CCTV etc).
- Rationalized finalization of annual demand may be publicized before start of financial year under all possible heads and purchases may be bounded to central rate contracts with the help of I.T technology.
- Field related repair & maintenance expenses / claims may be bounded with verification of concerned community.
- Data base of entire bills / claims is required to be maintained through I.T.
- POL consumption criteria and monitoring mechanism needs to be improved through use of modern technology.
- Strengthening the internal control, adopting and following strong regulatory framework, fair tendering and judicious use of funds.
- Taking concrete steps for recovery of receipt arrear of previous years as per prevailing rules.
- Strengthen internal control for non-recurrence of irregularities.
- Strengthen system to ensure following of all applicable rules and regulations of the Government of Punjab as well.
- There is lack of all sanctioned staff which needs government's attention.
- Ensuring completion of development works in order to take benefits of already incurred funds.

- Ensuring utilization of funds of non-development for provision of better atmosphere along with holding the responsible for non / timely utilization of the same.
- Taking actions for recruitment of all deficient staff including technical and non-technical for improvement in relevant task.
- Taking concrete actions to recruit all the staff against sanctioned posts.

CHAPTER 18.2

Municipal Committee Zahir Pir

18.2.1 Introduction

Municipal Committee Zahir Pir was established on 01.01.2017 under Punjab Local Government Act, 2013. A Municipal Committee is a body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in its name. Municipal Committee consists of the directly and indirectly elected members.

The Chief Officer acts as Principal Accounting Officer of a Municipal Committee and facilitates the performance of functions assigned to the Municipal Committee under the supervision of the Chairman / Administrator. He/she is responsible for coordination, human resource management, public relations, legal affairs, municipal services, emergency services etc. He/she manages functions of the Municipal Committee through five offices i.e. Planning, Finance, Regulation, Infrastructure and Services.

The following table shows detail of total & audited expenditures / receipts of Municipal Committee Zahir Pir:

(Rupees in million)

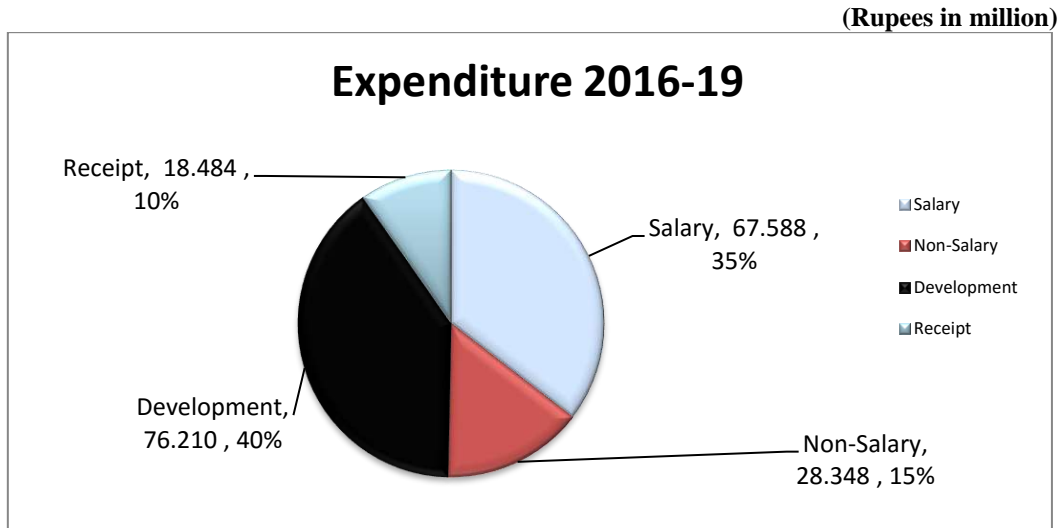
Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2016-19	Revenue / Receipts audited FY 2016-19
1	Formations	01	01	92.503	1.656
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

18.2.2 Comments on Budget and Accounts

The detail of budget and expenditure is given on next page in tabulated form:

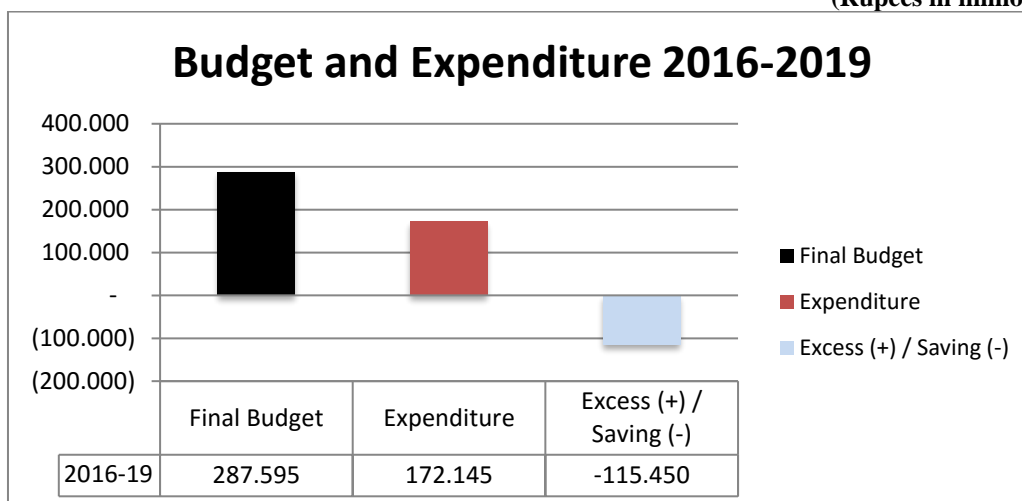
(Rupees in million)

Sr. No.	Description	Detail	Budget	Actual	Lapse	% (Lapse)
1	Non-Development	Salary	97.610	67.588	-30.022	-30.76%
		Non-Salary	63.929	28.348	-35.581	-55.66%
		Total	161.539	95.936	-65.603	-40.61%
2	Development	-	126.055	76.210	-49.845	-39.54%
Grand Total			287.594	172.146	-115.448	-40.14%
3	Receipts	-	24.321	18.484	-5.837	-24.00%



As per the Annual Accounts 2016-19 of the Municipal Committee, Zahirpir, total original budget (Development and Non-Development) was Rs287.595 million. Against the budget, total expenditure of Rs 172.145 million was incurred by the Municipal Committee during 2016-19. Lapse of funds amounting to Rs 115.450 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Zahirpir. **(Annexure-B)**

(Rupees in million)



18.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 647.517 million were raised as a result of this audit. This amount also includes recoverable of Rs 630.264 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	15.067
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural Irregularities	
A	HR / Employees related irregularities	-
B	Procurement related irregularities	2.186
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	624.903
5	Others	5.361

18.2.4 Comments on the Status of Compliance with PAC Directives

It was first audit for Municipal Committee period; so no previous report in this regard was submitted to the Governor of the Punjab for further presentation to the Public Accounts Committee.

AUDIT PARAS

18.3 Non Production of Record

18.3.1 Loss due to irregular payment of works without production of GST invoices – Rs 15.067 million

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

Management of Municipal Committee, Zahir Pir did not produce record of expenditure and revenue amounting to Rs 15.067 million during 2018-19, under different objects / codes of classification, in violation of above rule. The detail is as under:

(Rupees in million)			
Sr. No.	Description	Period	Amount
1	Detail of bank accounts, survey reports for auction, detail of assets, official residences, log books, Service Books and record of conversion fee, housing fee, map fee etc	01/2017 to 06/2019	13.161
3	Bill of Quantity/ GST invoices	01/2017 to 06/2019	1.906
Total			15.067

Due to weak financial management, separate books of accounts were not maintained by DDOs.

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

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends that irregularity be got condoned from competent authority besides fixing responsibility on person(s) at fault.

[AIR Para:10, 23&24]

18.4 Procedural Irregularities

18.4.1 Irregular expenditure due to non-compliance of PPRA rules – Rs 2.186 million

According to Rules 9 and 12(1) of the Punjab Procurement Rules 2009 and 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 100,000 and up to Rs 2,000,000 shall be advertised on the PPRA's website in the manner and format specified by the PPRA from time to time.

Chief Officer Municipal Committee Zahir Pir incurred expenditure of Rs 2.186 million for Stationery, printing, fair&exhibition, purchase of machinery and purchase of Strychnine Powder etc. Annual requirement of procurement opportunities was neither determined nor planned procurements were advertised on PPRA's website to achieve benefits of competitive bidding. Moreover, the indents were split-up to avoid fair tendering process. Detail is as follows:

(Rupees in million)

Sr. No.	Head of Account	Actual Expenditure 2016-17	Actual Expenditure 2017-18	Actual Expenditure 2018-19
1	Purchase of Stationery		0.101	
2	Fair & Exhibition		0.701	0.486
3	Purchase of Machinery			0.161
4	Printing	0.128		
5	Repair of Machinery			0.432
6	Strychnine Powder			0.176
	Total	0.128	0.802	1.256
	Grand Total			2.186

Due to weak financial management, Punjab Procurement Rules were not followed.

Non compliance of Punjab Procurement Rules resulted in irregular expenditure of Rs 2.186 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry and fixing responsibility on person(s) at fault besides regularization from competent authority.

[AIR Para:16]

18.5 Value for Money and Service Delivery Issues

18.5.1 Loss due to non / less collection of fees from unapproved housing schemes and other commercial units – Rs 539.503 million

As per Chapter VII Section 37 & 38 of the Punjab Private housing Schemes and Land Subdivision Rules,(1) A developer shall deposit a preliminary planning permission fee along with application at the rate of(a) rupees five thousand for scheme having area up to two thousand kanal;and (b) rupees ten thousand for scheme having area above two thousand kanal (2) A developer shall deposit a fee for:(a) sanction of a scheme at the rate of rupees one thousand per kanal;(b) approval of design and specifications for water supply, sewerage and drainage at the rate of rupees five hundred per kanal;(c) approval of design and specifications for road, bridge and footpath of a scheme at the rate of rupees five hundred per kanal;(d) approval of design and specifications for electricity and street light at the rate fixed by WAPDA or other agency responsible for electricity supply. And 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.

Chief Officer Municipal Committee Zahir Pir neither get approved 02 housing / land sub division schemes nor collected admissible fees while new houses and shops were constructed there illogically. This situation resulted in following losses:

1. Non collection of required fees.
2. Non transfer of required land in the name of MC.
3. Non collection of Map fee from constructed houses.
4. Non transfer of land in the names of concerned developers.

5. Similarly, no fee collection (Conversion fee & map fee) was made from newly built marriage halls and commercial units in the city (as per physical inspection report).
6. Advertisement / Publicity tax of all aforementioned business units was not recovered.

Due to weak financial controls, neither due fees could be collected from private housing schemes and commercial units nor required land could be transferred in the name of municipal committee.

Non collection of fees from private housing schemes and commercial units resulted in loss of Rs 539.503 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para:04]

18.5.2 Loss due to illegal establishment of new private housing schemes – Rs 40.315 million

According to Rule 41 (1)(a) and 42(e) of Punjab Private Housing Schemes and Land Sub Division Rules 2010, A TMA or Development Authority shall, after verification of ownership documents, shall entertain application of sub division of a plot, subject to the condition that the developer is the owner of the plot and he does not own additional land in continuation of the land proposed for sub division.

Chief Officer Municipal Committee Zahir Pir allowed establishment of 02 private housing schemes / land sub division during 2016-19 which was subject to following observations:

1. Planning branch approved / processed maps of such schemes illegally as land was not owned developers.
2. Partnership deeds, NTN certificates of Association of Persons and copy of bank statement of firms were not on record which clearly indicated that the persons having land were not partners / developers. Situation indicated that the developers just entered into sale / purchase agreements (satha) with other persons having land there.
3. Government revenue was lost on account of stamp duty (05 %), tax on transfer of immovable property (01 %), withholding tax (filer 02 % Non filer 04 %), capital gain etc.
4. Houses and shops were constructed in such schemes but record of map fee and conversion fee was on the record which resulted in further loss of Rs 0.132 million to treasury.

Due to intention of extending undue favor to desired developers aviation of government fees was made.

Aviation of government fees resulted in loss to treasury of Rs 40.447 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para:06]

18.5.3 Loss due to non-realization / non-collection of conversion / commercialization fees – Rs 27.322 million

According to Chapter VIII (60) (1) (e) (Conversion and Betterment Fee) of Govt. of the Punjab, Local Government and Community Development Department notification No. SOR (LG)38-18/2009 Dated 27-06-2009, “A City

District Government or a Tehsil Municipal Administration shall levy the conversion fee for the conversion of land use to educational or healthcare institutional use @ ten percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available. Moreover, according to the judgment issued by the Honorable High Court in Writ Petition No. 2076-2015 and the decision made by the Secretary LG and CD Lahore on 30-06-15 in Para No. 5, TMA is directed to recover conversion fee from the educational and healthcare institutions.

Chief Officer Municipal Committee Zahir Pir either got collected conversation / commercialization fees through collection staff for misappropriation or even did not collect to extend undue favour to desired owners because no proof was available regarding such an important source of income.

Audit collected information from education and health departments regarding private health institutions, private educational institutions, beauty parlors and private & government offices working in residential buildings for which (apparently) no such charging was made. Detail is as follows:

(Rupees in million)

Sr. No.	Types of Institutions / Offices working in Residential Buildings	No. of Institutions / Offices working in Residential Buildings	Average Area of School / Institution (marlas)	Total Area (marlas)	Per marla Land Rate	Total Land Value	Commercial ization / Conversion Fee	Source of Information
1	Higher Secondary / Colleges	31	53	1,638	0.157	266.071	26.607	CEO (Edu.) RYK & Physical Inspection / Survey
2	Beauty Parlors	09	05	45	0.159	7.150	0.715	Dy. DO (H) KPR & Physical Inspection / Survey
Total		40		1,683		273.221	27.322	

Advertisement / Publicity tax of all aforementioned business units was not recovered which needs to be made at departmental level according to space and scheduled rates.

Due to weak internal controls, due efforts were not made to recover commercialization fee.

Non recovery of commercialization fee resulted in loss of Rs 27.322 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends detailed enquiry and recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para:03]

18.5.4 Loss due to illegal occupation on municipal committee's property – Rs 14.152 million

According to Chapter-II, Rule No. 4 of the Punjab Local Govt (Property) Rules, 2003, the Manager shall (a) take as much care of the Property entrusted to him as a man of ordinary prudence would, under similar circumstances, take of his own property of like nature. (k) be vigilant about and to check encroachments or wrongful occupations on Property and in case there is any encroachment or wrongful occupation take necessary steps for the removal thereof.

Chief Officer Municipal Committee Zahir Pir did not take solid action to vacate valuable land of municipal committee from illegal occupants as detailed below.

(Rupees in million)

Sr. No.	Detail of Occupied Land / Property	Area of Plots / Land (marlas)	Current Commercial Land Rate / Marla As per Yard Stick 2019-20	Value of Land
01	Old Chungi No. 01 Building Occupied by Press Club	02	1.035	2.070
02	Land Occupied by Police Station	14	0.863	12.082
Total		16		14.152

Due to weak managerial controls, due efforts were not made to vacate valuable land.

Non vacation of valuable land resulted in loss of Rs 14.152 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends that the matter may be enquired at appropriate level and recovery / vacating costly land from the concerned besides initiating disciplinary proceedings against the person(s).

[AIR Para:09]

18.5.5 Loss due to non / less realization of revenue and arrears – Rs 1.394 million

According to Rule 47(1) of the PLG 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.

Chief Officer Municipal Committee Zahir Pir did not make due efforts during 2016-19 to recover / realize revenue of Rs 1.394 million on account of sewerage tax, license & permit fee and Publicity Tax in violation of above rule due to which a huge amount of arrears was created. Detail is as follows:

(Rupees in million)						
Sr. No.	Financial Year	Receipt Head	Target	Actual Receipt	Arrears	Mode / Detail
1	2017-18	Sewerage Tax	0.100	0.037	0.064	Self Collection
2	2018-19	Sewerage Tax	0.400	0.061	0.339	Self Collection
4	2016-17	License Permit Fee	0.100	0.007	0.093	Self Collection
5	2017-18	License Permit Fee	0.600	0.330	0.271	Self Collection
6	2018-19	License Permit Fee	1.000	0.573	0.427	Self Collection
13	2016-17	Publicity Tax	0.050	-	0.050	Self Collection
14	2017-18	Publicity Tax	0.300	0.209	0.091	Self Collection
15	2018-19	Publicity Tax	0.500	0.441	0.059	Self Collection
Total			3.050	1.656	1.394	

Due to weak administrative controls, revenue and arrears were not recovered.

Non recovery of revenue and arrears resulted in loss of Rs 1.394 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry and fixing responsibility on person(s) at fault besides recovery of Rs 6.883 million.

[AIR Para:12]

18.5.6 Loss due to payment of unnecessary development expenditure – Rs 1.194 million

Rule 2.10 (a) (1) of PFR Vol-I lays down that same vigilance should be exercised in respect of expenditure incurred from Government Revenues, as a person of ordinary prudence would exercise in respect of the expenditure of his own money.”

Chief Officer Municipal Committee Zahir Pir allowed payment of unnecessary development expenditure under some schemes in shape of “Informational Boards” which actually were “Inauguration Boards” and had no necessary information but flattery sentences in respect of politicians. The matter of consideration is that such boards were claimed in 71 schemes only out of total 163 schemes and in one case costly board of Rs 60,000 was installed surprizingly.

Due to weak administrative controls, payments of “Inauguration Boards” were allowed.

Making payments of “Inauguration Boards” resulted in loss of Rs 1.194 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para:01]

18.5.7 Loss due to non-conducting survey of shops for license permit fee – Rs 1.023 million

According to Rule 47(1) of the PLG 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. 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.

Chief Officer Municipal Committee Zahir Pir did not conduct survey of shops under his jurisdiction purposefully. This tactful strategy resulted in loss for treasury. Detail is as follows:

1. Fee was shown collected from 663 shops during 2018-19 while same was collected from 281 & 05 shops during 2017-18 and 2016-17 respectively.
2. Fee was shown collected from 06 beauty parlors and barber shops while there were 54 such shops.
3. Fee was shown collected from 19 fertilizer & pesticide shops while there were 41 such shops.

Furthermore, under this grey area the municipal committee was suffering from heavy losses on annual basis. Different 25 types of important businesses were not scheduled in the notification.

Neither record was produced nor was any survey registers available which denotes that the collection officials were probably misappropriating the receipts.

Due to intention of misappropriation, survey of shops was not conducted purposefully.

Non conducting of survey of shops deliberately resulted in loss of Rs 1.023 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides after conducting thorough survey of all taxable units and initiating disciplinary proceedings against the person(s) at fault.

[AIR Para:19]

18.6 Others

18.6.1 Loss due to doubtful billing – Rs 2.452 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.

Chief Officer Municipal Committee Zahir Pir draw a sizeable amount through doubtful / fictitious billing because there was contradiction between serial numbers and dates of bills of same supplier. For example;

Bill No.	Bill Date
2453	27.12.2017
2454	19.12.2017
2455	27.12.2017

Furthermore, it was also observed that many bills were drawn without serial numbers and dates. This situation made the drawls more doubtful.

(Rupees in million)			
No. of Bills without Bill Numbers	Amount of Bills without Bill Numbers	No. of Bills with Contradicted Serial Numbers	Amount of Bills with Contradicted Serial Numbers
65	0.770	31	1.682

It shows that all such purchases / repairs of back dates during present dates and their consumption for the past were doubtful / fake.

Due to intention of misappropriation, doubtful bills were drawn.

Drawls of fictitious / doubtful bills resulted in loss of Rs 2.452 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para:18]

18.6.2 Unjustified expenditure on holiday allowance – Rs 1.690 million

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

Chief Officer Municipal Committee Zahir Pir holiday allowance to those persons who were not deputed on provision of essential services like water and sanitation; i.e. clerks, naib qasids, watchmen, drivers, supervisors, reader ijlas, store keeper, electrician etc. Moreover, their duties were not rotated in violation of Government’s instructions. Detail is as follows:

(Rupees in million)

Sr. No.	Financial Year	Holiday Allowance Paid	Name of Account Head shown in Annual Accounts as
1	2016-17	0.114	Extra Duty Allowance
2	2017-18	0.674	Extra Duty Allowance
3	2018-19	0.903	Extra Duty Allowance
Total		1.690	

Detail of Holiday Allowance (Extra Duty Allowance) of Rs 0.389 million out of total expenditure of Rs 1.690 million was not provided which is evident that concealed amount was also paid to irrelevant posts. **Annexure - 1/ZPR**

Due to weak internal controls, holiday allowance was paid to unauthorized persons on regular basis.

Making payment of holiday allowance to unauthorized persons and on regular basis resulted in loss of Rs 1.690 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry and fixing responsibility on person(s) at fault besides recovery.

[AIR Para:20]

18.6.3 Loss due to unjustified / illogical expenditure of “fair & exhibition” – Rs 1.219 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.

Chief Officer Municipal Committee Zahir Pir shown consumed a sizeable amount under the head of “fair & exhibition” on the eve of Independence Day, Eid ul Azha, Moharram, Quaid e Azam Day & Eid Millad ul Nabbi (PBUH) which was open to following observations:

1. Different lighting, catering and tentage items were shown acquired on rent rather than purchasing the same.
2. No proof in shape of pictures, movy or attendance sheets was on the record for verification of such expenses.
3. Unjustified / unneeded expenses were shown made without approval of austerity committee.
4. Rental generator was shown acquired despite having own one.
5. Excess expenses were incurred for same events during 2018-19 as compare to 2017-18 illogically.

Year wise and event wise expenditure comparison is given below:

(Rupees in million)				
Sr. No.	Event / Tehwaar	2016-17	2017-18	2018-19
01	Eid-ul-Azha	-	0.031	0.189
02	14-Aug	-	0.025	0.099
03	Moharram	-	0.002	0.073
04	Eid Milad Ul Nabbi PBUH	-	0.075	0.183
05	23rd March	-	0.014	0.015
06	Birth Of Qaid e Azam	-	0.513	-
	Total	-	0.660	0.559

The situation clearly indicates that misappropriation of funds was made through fictitious billing. Detail is attached.

Due to intention of misappropriation, unjustified billing was made.

Making unjustified / doubtful billing resulted in loss of Rs 1.219 million.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends recovery from the concerned(s) besides initiating disciplinary proceedings against the person(s).

[AIR Para:22]

18.6.4 Unauthorized drawl of pay & allowances due to change of cadres

As per of Govt.of Punjab health deptt. Vide his No. SO (TIBB) 14-14/92 (DGHS) dated 7-10-1992, the Chief minister is the competent authority to change the cadre.

Chief Officer Muncipal Committee Zahir Pir changed cadars of different employees who were initially appointed as Sanitary Worker or Tractor Cleaner but after that their cadres were changed as Naib Qasid or Clerck respectively without approval of the chief minister. Further, academic degrees of some employees were not got verified from concerned institution (boards & universities). **Annexure - 2/ZPR**

Due to intention of extending undue favor to desired employees, their cadres were changed without approval of competent authority.

Unauthorized change of cadres of employees resulted in loss.

The matter was reported to the PAO in March, 2020 but no reply was submitted by the management.

Despite many efforts, DAC meeting was not convened till finalization of this report.

Audit recommends inquiry and fixing responsibility on person(s) at fault besides recovery of excess drawls.

[AIR Para: 21]

19. Municipal Committee Kot Chutta

CHAPTER 19.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	147.798	112.099	(35.699)	24
Development	62.065	32.655	(29.41)	47
Total	209.863	144.754	(65.109)	31

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 32.655 million against an allocation of Rs 62.065 million for the development schemes of Providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of rest house and repairing of office buildings. The said development schemes could not be completed and an amount of Rs 29.410 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 65.109 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive

trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against illegal housing schemes)	Number of schemes	18	0	Target not achieved
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Receipt (Rs in million)	0.030	0	-do-
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	0.100	0	-do-
4	Prevention and removal of encroachment	Receipts (Rs in million)	0.020	0	-do-
5	Regulation of dangerous and offensive articles	Surveyed numbers	0	0	-do-
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	1.500	1.092	-do-
7	Promotion of sports & sports persons		2.500	1.937	-do-
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	0	0	-do-
9	Staff Position				
i	Sanitation Staff	No. of posts	31	31	Target acheived
ii	Water supply scheme staff		23	16	Target not achieved
iii	Planning staff		8	7	-do-
iv	Finance Staff		7	5	-do-
v	Regulation Staff		8	7	-do-
vi	Infrastructure and Services Staff		5	3	-do-

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.

- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 19.2

Municipal Committee Kot Chutta

19.2.1 Introduction

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

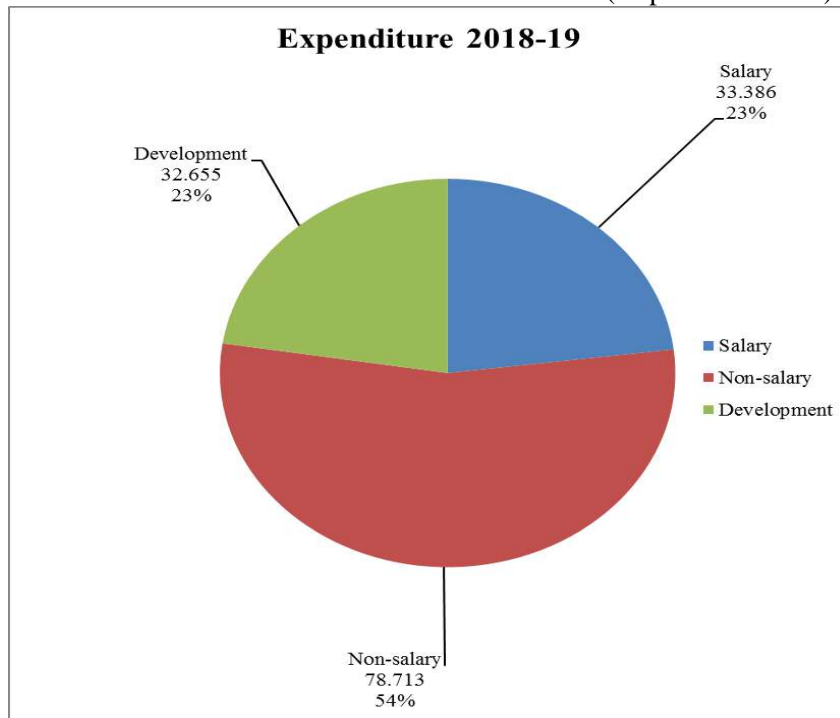
19.2.2 Comments on Budget and Accounts

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

(Rupees in million)

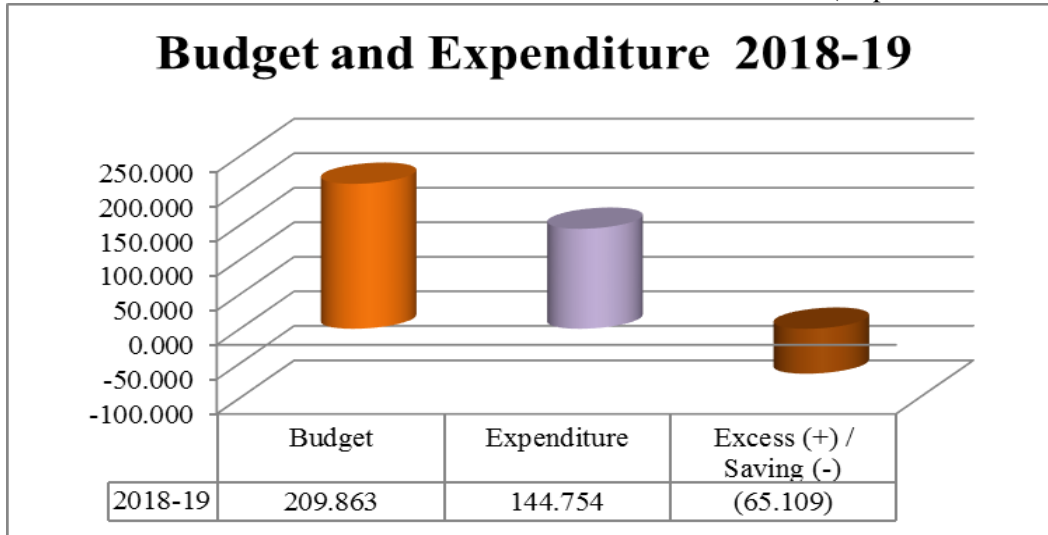
Municipal Committee Kot Chutta				
Particular	Budget	Actual	Excess / Savings	%
Salary	39.908	33.386	(6.522)	16.343
Non-Salary	107.890	78.713	(29.177)	27.043
Development	62.065	32.655	(29.410)	47.386
Total	209.863	144.754	(65.109)	31.025
Receipts	11.714	9.055	(2.659)	22.699

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Kot Chutta, total original budget (Development and Non-Development) was Rs 209.863 million. Against the budget, total expenditure of Rs 144.754 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 65.109 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Kot Chutta. **(Annexure-B)**

(Rupees in million)



19.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 133.431 million were raised as a result of this audit. This amount also includes recoverable of Rs 22.903 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	41.748
2	Reported cases of fraud, embezzlement and misappropriation	2.476
3	Irregularities	
A	HR / Employees related irregularities	4.535
B	Procurement related irregularities	84.672
C	Management of Accounts with Commercial Banks	
4	Value for money and service delivery issues	
5	Others	

19.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

19.3 Non-Production of Record

19.3.1 Non-production of record – Rs 41.748 million

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

Chief Officer Municipal Committee incurred an expenditure of Rs 41.748 million during 2016-18 but vouched accounts of development and contingent bill were not produced for audit scrutiny.

(Rupees in million)

Sr. No.	Nature of Expenditure	Nature of Record	Amount
1	Development Expenditure	MB,TS,Bills	40.00
2	Contingent Expenditure	Vouched Account	1.748
Total			41.748

Due to weak financial management, the record was not produced for audit verification.

Non production of record created doubt regarding legitimacy of the expenditure amounting to Rs 41.748 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to inquire the matter, fixing responsibility and strict disciplinary action against the person(s) at fault for non-production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Para:23]

19.4 Fraud and Misappropriation

19.4.1 Misappropriation of pension contribution fund – Rs 2.476 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.

Chief Officer Municipal Committee Kot Chutta, withdrew an amount of Rs 2.302 million from general fund for transfer to pension fund bank account No. 6580156796800011 at BOP Kot Chutta. Scrutiny of record revealed that no amounts were deposited in the account for pension contribution for the period Sep.2018 to June 2019. Moreover, figures in certain contingent vouchers amounting to Rs 0.173 million were tempered whereas the amounts in words remained unchanged. The suppliers' bills were not attached with the contingent voucher to verify the actual amounts, which depicted that amount was misappropriated. The detail is given below:

(Rupees in million)

Cheque No.	Cheque Date	Amount	Description
1314089651	02.05.2019	0.727	Pension contribution for Jan, Feb, Mar 2019
1314089659	30.05. 2019	0.517	Pension contribution for Apr, May 2019
1314081584	08.01.2019	0.265	Pension contribution of Altaf S.I for the month Jun.17 to Nov.18
1314081586	08.01.2019	0.615	Pension contribution of staff for the month Nov.17 to Oct.18, chowkidar, sanitary worker, line man
1314081586	08.01.2019	0.179	pension contribution of staff for the month Jan.17 to Apr.17, sanitary worker
1314081558	04.12.2018	0.081	Voucher for cricket tournament was tempered from Rs51,200 to Rs81,200
1314081560	04.12.2018	0.092	Voucher for purchase of flower was tempered from Rs72,000 to Rs92,000
Total		2.476	

Due to weak financial management, the amounts were misappropriated.

Misappropriation of funds for Rs2.476 million resulted in loss to the Local Government.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that matter may be investigated and responsibility may be fixed on the person(s) at fault besides recovery of Rs 2.476 million.

[AIR Paras: 2,22]

19.5 Procedural Irregularities

19.5.1 Doubtful and unauthorized drawl against M&R – Rs 38.302 million

According to Paragraph 4.5 of B & R Code, no payment should be made without detailed measurement in the measurement book. Further according to Rule 37(2)(e) of the Punjab Local Government (Accounts) Rules 2017, review the trend of excessive expenditure, if any, and take necessary measures to meet the excessive requirements either through re-appropriation or supplementary grant or both. Further according to B & R Code Paragraph 4.5& 4.7, Every measurement must be recorded in the measurement book at the time it is taken and nowhere else. No payment should be made without detail measurement in the measurement book.

Chief Officer Municipal Committee Kot Chutta withdrew an amount of Rs 38.302 million from Local Fund on account of construction/ repair of RCC lines, sewer line, drains, tuff tiles, earth work, boundary walls, roads and various purchases of various store items. Scrutiny of the record revealed that all the repair works were done on quotation basis. Quotations, comparative statements and bills were dateless and with same hand writing. The procurement was without tendering process, detailed measurement, splitting of expenditure and without stock entries. An exorbitant expenditure was incurred during the period. The detail is given below:

(Rupees in million)

Sr. No.	Month of drawl	Amount
1	Nov.2018	3.780
2	Dec.2018	6.765
3	Jan.2019	5.388
4	Feb.2019	9.238
5	Mar.2019	4.974
6	Apr.2019	7.013
7	May.2019	1.144
Total		38.302

Due to weak financial management, the expenditure was incurred without advertisement, detailed measurement and approval of the house.

Incurring of expenditure on quotation basis resulted in doubtful and unauthorized expenditure of Rs 38.302 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends probing the matter in detail and fixing responsibility, besides regularization of expenditure.

[AIR Para:20]

19.5.2 Non / less recovery of various fees/taxes – Rs 22.903 million

According to 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.

Chief Officer Municipal Committee failed to recover/less recovered various fees and taxes amounting to Rs 22.903 million under various heads during 2018-19. The detail is given below.

(Rupees in million)

Sr. No.	Nature of Receipt	Amount
1	Slaughter house fee	0.078
2	Rent of Shops	21.195
3	PST from contractor	0.392
4	Income Tax for Civil work	1.238
Total		22.903

Due to weak financial management, revenue was not recovered.

Non realization of receipt resulted in loss of Rs 22.903 million to the Local Government.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 22.903 million besides fixing responsibility against the concerned.

[AIR Paras:9,10,18,19]

19.5.3 Unauthorized execution of schemes without PC-1 – Rs 14.757 million

According to Rule 4(3) of the Punjab Local Government (Works) Rules 2017, the work costing Rs 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-1.

Chief Officer Municipal Committee Kot Chutta executed the following scheme having TS value 14.757 million without preparation of PC-1 and approval from the competent forum in violation of above quoted rule.

(Rupees in million)

Scheme	Tender Date	TS Value
P/S Dust bin for different wards MC Kot Chutta	29.9.18	1.500
Provision of 50 watts 300 yellow light with wire and box	3.10.17	1.500
Levelling dressing, of road sides earthwork from tractors blades and excavator at Main road, Choti Road, Jhoke Road etc.	15.8.17	2.000
Supplying of items for Ramzan Bazar arrangements	8.5.17	1.500
Supplying street lights with wiring arrangements for mc Kot Chutta	8.5.17	4.000
Supply of Furniture, fixture, and minor equipment for office	10.5.17	4.257
Total		14.757

Audit is of the view that due to weak financial management, the schemes were executed and payments were made without preparation and approval of PC-1.

Execution of schemes without PC-1 and approval resulted in unauthorized expenditure of Rs 14.757 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:13]

19.5.4 Unauthorized advance payment for purchase of machinery and equipment – Rs 5.143 million

According to Rule 31(f) of the Punjab Local Government (Accounts) Rules 2017, prior sanction of the Government for advance payment shall be required and must be accompanied by a certificate that payment in advance is necessary and unavoidable because of the nature or terms and conditions of the contract for supply of the goods or services.

Chief Officer Municipal Committee Kot Chutta incurred an expenditure of Rs 5.143 million on account of purchase of tractors and loader rickshaws without approval from the Finance Department. Furthermore, the invoices for tractors and rickshaws were without particular of buyer i.e blank and none of the said machinery was got registered. So the chances of misappropriating the precious machinery could not be over ruled. The detail is as below:

(Rupees in million)

Draft Date	Draft Number	Payee	Amount	Remarks
19.1.18	3595978	Millat Tractors Ltd	1.164	1 tractor MF-385
19.1.18	3595976	Millat Tractors Ltd	1.099	1 tractor MF-375

Draft Date	Draft Number	Payee	Amount	Remarks
19.1.18	3595977	Bilal	0.745	front blade, front loader
21.2.18	3595999	United Auto Industries Lahore	0.596	4 United loader rickshaws 150cc
9.5.18	3596046	Millat Tractors Ltd	1.360	2 tractor MF-240
17.10.18	3596161	Millat Tractors Ltd	0.116	Partial payment
22.10.18	3596163	Millat Tractors Ltd	0.063	Partial payment
Total			5.143	

Audit is of the view that due to weak financial management, amount was drawn without approval of Finance Department and observing necessary codal formalities.

Non observance of codal requirement and prior approval resulted in unauthorized advance payment of Rs 5.143 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that the irregularity in respect of advance payment should be got regularized and the machinery should be got registered with Excise Department to prove the ownership of MC Kot Chutta.

[AIR Para:5]

19.5.5 Non refund of Ramazan Bazar expenditure – Rs 2.625 million

According to minutes of meeting on Ramazan Package 2018 held under the Chairmanship of Chief Secretary Punjab on 14.9.2018 and circulated by the Director General of Industries, Prices, Weight & Measures, Punjab Lahore vide No.SO(R) 4/2/2018 dated 20.4.2018 and further endorsed by the Deputy commissioner Dera Ghazi Khan vide No DC/DGK/HC(G) 6811-19 dated 28.4.2018, total 309 Ramzan Bazar would be established by Government of the Punjab. Funds of Rs 142.17 million for tentage and Rs 475.475 million for revolving fund/subsidy will be directly released to each DCs for the purpose.

Chief Officer Municipal Committee Kot Chutta did not take any action for refund of Ramzan Bazar charges amounting to Rs 2.625 million from Deputy Commissioner Dera Ghazi Khan. Further expenditure was incurred without advertisement and the charges paid as rent was even more than the original cost of the tents, tables etc. The detail is given below:

(Amount in Rupees)

Token No.	Date	Description	Payee	Amount
31	13.07.2018	Ramzan Bazar 2018	Razaq Tent Service	1.245
41	08.06.2017	Ramzan Bazar 2017	M.Iqbal	0.921
16	05.08.2018			0.459
Total				2.625

Audit is of the view that due to weak financial management, the expenditure was incurred without observing the codal requirements and was not got refunded from the SDA of Deputy Commissioner.

Non observance of codal requirement resulted in unjustified expenditure of Rs 2.625 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person at fault besides getting refund of expenditure.

[AIR Para:4]

19.5.6 Unjustified payment of contractor profit and overhead charges – Rs 2.283 million

According to Government of the Punjab, Finance Department letter No.RO (TECH) FD.18-23/2004 dated 21-09-2004, all the store items required to be purchased as per rules laid in purchase manual and no contractor and overhead charges is allowed to the contractor.

Municipal Officer (Infrastructure) Municipal Committee Kot Chutta allotted the 13 development works but it was observed from the rate analysis that on store items contractors was allowed to pay 20% contractor profit and overhead charges despite of the fact that the Finance Department prohibited the approval of store items as non-schedule items. But the instructions were violated by the department and purchase of the store items were made irregularly, which resulted into the excess payment of Rs 2.283 million.

Due to weak financial management, unjustified contractor profit was paid on store items.

Unjustified payment of contractor profit resulted in loss to the local Government.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the persons responsible besides recovery of overpaid amount.

[AIR Para:24]

19.5.7 Unauthorized payment of office rent – Rs 1.926 million

According to note to the Sr.3, Part-1, Second Schedule of the Punjab Delegation of Financial Power Rules 2016, hiring of buildings on rent would be subject to the conditions that (a) the accommodation is according to the scale approved by the Government, (b) the rent does not exceed the tax assessed by the Excise, Taxation and Narcotics Department for the purpose of Urban Immovable Property Tax. In case the rent exceeds as assessed by the Excise, Taxation and Narcotics Department, the Administrative Department shall give rent reasonability certificate and, (c) non-availability certificate by the C&W Department that there is no official building available for housing a particular office.

Chief Officer Municipal Committee Kot Chutta paid an amount of Rs 1.926 million on account of rent of building. Scrutiny of record revealed that a building was hired for establishment of MC office without scale entitlement, rent assessment by Excise Department, Non availability certificate from C&W Department. Further the usage of existing union council building and plot was not on record. Furthermore, The Municipal Committee started office w.e.f 1.1.2017 whereas rent was paid w.e.f 01.12.2016, which was unjustified. The detail is given below:

(Rupees in million)

Period	Monthly Rent	Amount	Remarks
01.12.2016 to 30.06.2018	60,340	1.146	Two buildings (30,250+35,090)
01.07.2018 to 30.06.2019	65,000	0.780	(One building Rs 55,000+ land plot Rs 10,000)
Total		1.926	

Audit is of the view that due to weak financial management, the expenditure was incurred without observing the codal requirements.

Non observance of codal requirement resulted in unauthorized expenditure of Rs 1.926 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility on the person at fault besides regularization of expenditure from the competent authority.

[AIR Para:3]

19.5.8 Non allocation and deposit of Civil Defence and PHA share – Rs 1.268 million

According to the Government of Punjab LG&CD Department letter No.DO.DG-DEV(LG)4-1/2010 dated 09.01.2017, the head of local Government

may allocates 1% of development budget for uplift of functions in their civil defence respective in the term of the Paragraph 88 of Eight Schedule of PLGA, 2013 and further endorsement from the Commissioner D. G. Khan in the light of letter No.SO(UD)1-29/2011 dated 06.07.2017 received from Secretary (Tech) Government of the Punjab HUD & PHE Department, Lahore, the provision of 1% of the project cost may be ensured in all the PC-1 and subsequently transferred to the respective PHA at the initial stage in order to ensure the development of green areas.

Chief Officer Municipal Committee Kot Chutta did not allocated amounting to Rs 1.268 million during 2017-19 and transferred the 1% budget as share of Civil Defence and 1% PHA as per above quoted letter. The detail is given below:

(Rupees in million)

Financial Year	Development Expenditure	1% share of C.Deff (Rs)	1% share of PHA (Rs)	Total
2017-18	30.751	0.308	0.308	0.615
2018-19	32.655	0.327	0.327	0.653
Total		0.635	0.635	1.268

Due to weak financial management, the share of Civil Defence and PHA was not allocated in budget of development and nor the same was paid as per above quoted letter.

Non allocation of Civil Defence and PHA share deprived the concerned departments from their lawful dues of Rs 1.268 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends probing the matter in detail and fixing of responsibility, besides recovery and payment as per above quoted letter.

[AIR Para:20]

20. Municipal Committee Taunsa

CHAPTER 20.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	259.618	238.184	(21.434)	8
Development	23.427	17.600	(5.827)	25
Total	283.045	255.785	(27.261)	10

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 17.600 million against an allocation of Rs 23.427 million for the development schemes of providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of rest house and repairing of office buildings. The said development schemes could not be completed and an amount of Rs 5.827 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 27.261 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive

trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Number of schemes	8	Nil	Target not achieved
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Expenditure (Rs in million)	5.000 (M)	0.119 (M)	Target not achieved
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	0.800 (M)	Nil	Target not achieved
4	Prevention and removal of encroachment	Receipts (Rs in million)	Nil	Nil	-
5	Regulation of dangerous and offensive articles	Surveyed numbers	Nil	Nil	-
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	Nil	Nil	-
7	Promotion of sports & sports persons		2.934 (M)	2.933 (M)	Target achieved
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	Nil	Nil	-
9	Staff Position		358	358	Target achieved
i	Sanitation Staff	No. of Posts	173	173	Target achieved
ii	Water supply scheme staff		77	77	Target achieved
iii	Planning staff		10	10	Target achieved
iv	Finance Staff		28	28	Target achieved
V	Regulation Staff		19	19	Target achieved
Vi	Infrastructure and Services Staff		21	21	Target achieved

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.

- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 20.2

Municipal Committee Taunsa

20.2.1 Introduction

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

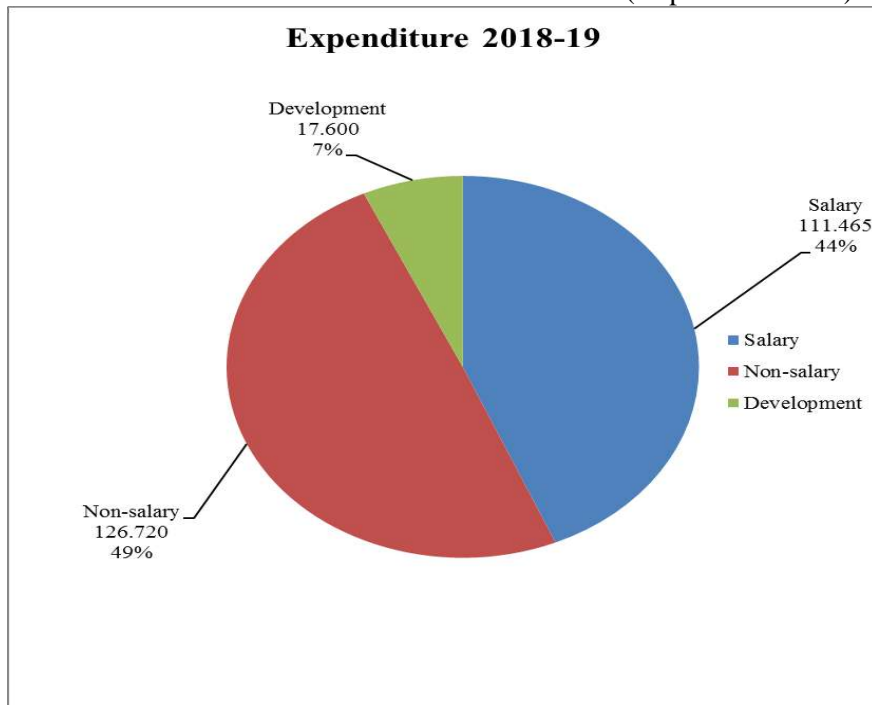
20.2.2 Comments on Budget and Accounts

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

(Rupees in million)

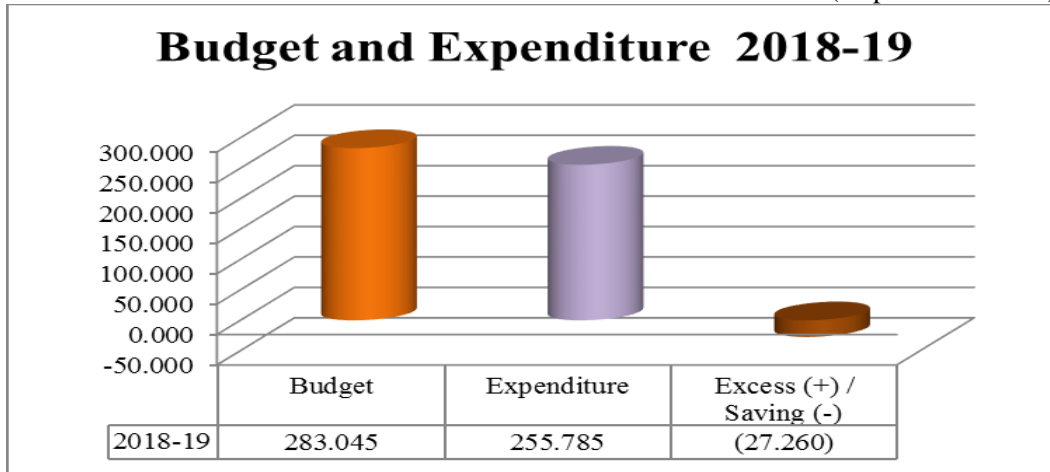
Municipal Committee Taunsa				
Particular	Budget	Actual	Excess / Savings	%
Salary	120.615	111.465	(9.150)	7.587
Non-Salary	139.003	126.720	(12.283)	8.836
Development	23.427	17.600	(5.827)	24.874
Total	283.045	255.785	(27.26)	9.631
Receipts	295.380	264.881	(30.499)	10.325

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Taunsa, total original budget (Development and Non-Development) was Rs 283.045 million. Against the budget, total expenditure of Rs 255.785 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 27.260 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Taunsa. **(Annexure-B)**

(Rupees in million)



20.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 190.606 million were raised as a result of this audit. This amount also includes recoverable of Rs 53.057 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	-
B	Procurement related irregularities	133.166
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	57.44

20.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

20.3 Procedural Irregularities

20.3.1 Unauthorized expenditure out of bailout package – Rs 31.851 million

According to the Government of Punjab, LG & CD Department letter No.SO.MC-DEV(LG)2-162/2017 dated 02.03.2109, the bailout package of Rs 50.000 million should be spent for the following purposes.

- a) 3.5 million for Sucker sucking unit Hino Truck mounted (celebrative)
- b) 3.5 million for Jetting suction unit Hino Truck mounted (celebrative)
- c) 6 million for Containers.
- d) 2.5 million for Container Carrier (Tractor mounted)
- e) 9 million for water bowser.
- f) 1.5 million for loader Rickshaw
- g) 3.5 million for mechanical sweeper.
- h) 3.5 million for hydraulic Loader.
- i) 3.5 million for tractor 385 & 375.
- j) 3.5 million for water supply motor complete in all respect with pump 30 HP.
- k) 7 million for support of other heads.
- l) 2 million for street light.
- m) 1 million for repair & maintenance offices.

Chief Officer incurred an expenditure of Rs 31.851 million during 2018-19 out of CM bailout package. The funds were not utilized for the purposes as specified in the release letter. Rather the funds were spent on general repair and maintenance expenditure. The detail is given on next page:

(Rupees in million)

Sr. No.	Date	Cheque No.	Name of Payee	Particulars of payment	Gross Amount
1	15.04.2019	2232971059	Shahid Manzoor & Amir Sohail	Repair of PVC pipe lines/Water supply/RCC pipes/Earth filling/ Sub base	1.352
2	15.04.2019	2232971060		Repair of PVC pipe lines/Water supply/RCC pipes/Earth filling/ Sub base	4.393
3	15.04.2019	2232971061		Repair of PVC pipe lines/Water supply/RCC pipes/Earth filling/ Sub base	2.859
4	06.05.2019	2232971069		Repair of PVC pipe lines/Water supply/RCC pipes/Earth filling/ Sub base	4.626
5	08.05.2019	2232971070		Repair of PVC pipe lines/Water supply/RCC pipes/Earth filling/ Sub base	5.939
6	28.05.2019	2232971072		Repair of PVC pipe lines/RCC pipes/Earth filling/ Sub base	7.391
7	13.06.2019	2232971078		Repair of PVC pipe lines/Water supply/RCC pipes/Earth filling/ Sub base	5.291
Total					31.851

Due to weak financial management, bailout package was not incurred against the specified purpose.

Spending of the Government funds other than specified purposes resulted in non-achievement of targets envisaged by the Government.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault besides inquired the matter for factual position as early as possible.

[AIR para:37]

20.3.2 Unauthorized payments to contractors without Pre-Audit – Rs 24.981 million

According to Rule 18(3) of the Punjab Local Government (Works) Rule 2017, any payment either for work done or procurement made for more than rupees fifty thousand shall be entered in the measurement book, the concerned local government engineer shall submit the bill of work done to the head of Finance Branch of the local government who shall check all the documents and may raise object or seek information. Head of Finance Branch of the local government, on his satisfaction, shall submit through Chief Officer, the bill for sanction by the Chairman. After sanction of the bill by the competent authority, the Audit Branch shall pre-audit and payment shall be made in the prescribed manner.

Chief Officer Municipal Committee Taunsa made a payment of Rs 24.981 million during 2017-19 to contractors against development schemes without pre audit. Scrutiny of the measurement books revealed that no pre audit checks were adopted/affixed in measurement books. The detail of payment is given below:

(Rupees in million)

Sr. No.	Scheme	Amount
1	Rehabilitation, Resoling Vehova Road, Taunsa	3.228
2	Cleaning of Sallage Drain, Vehova Road, Taunsa	1.371
3	Repair of Metteled Road, Vehova Road, Taunsa	6.541
4	Renovation of City Park, Taunsa	0.695
5	Cleaning of Sallage Drain, Mangrotha Road, Taunsa	1.139
6	Repair of sewerage, main hole covers/pipeline, etc	1.486
7	Construction Of Public Toilets 2 Blocks	0.992
8	Construction/Repair Mettelled Road, Multan Kitab Ghar to Mangrotha Road, Taunsa	0.735
9	Installation of Streets Lights, Vahova Road, Taunsa	2.179
10	Construction/Repair Mettelled Road, New College Road, Taunsa	5.917
11	Earth Filling, Sub Base at Khawja Town, Taunsa	0.698
Total		24.981

Due to weak financial management, expenditure was incurred without pre-audit

The payment of expenditure without pre-audit resulted in unauthorized expenditure of Rs 24.981 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:16]

20.3.3 Non-recovery of arrears of revenue – Rs 22.970 million

According to Rule 7 of the Punjab Local Governments (Budget) Rules 2017, The Collecting officer is responsible to ensure timely recovery against each demand.

Chief Officer Municipal Committee did not recover arrears of revenue amounting to Rs 22.970 million from the 49 contractors against various leases outstanding for the period 2001 to 2018. No serious efforts were made to recover the outstanding revenues.

Due to weak financial controls, attentions were not paid towards recovery of arrears.

Non recovery of pending arrears resulted in loss of revenue Rs 22.970 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the person(s) at fault besides recovery of Rs 22.970 million.

[AIR Para: 23]

20.3.4 Unauthorized expenditure without advertisement – Rs 15.735 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 in advance on the PPRA's website.

Chief Officer Municipal Committee incurred an expenditure of Rs 15.735 million for purchase of machinery and equipment without advertisement on PPRA website and two daily national newspapers i.e. one in English and one in Urdu. Performance guarantee and stock taking and receiving was not on record. Furthermore, bills were split up to avoid tender process. The detail is given below:

(Rupees in million)		
Sr. No.	Nature of Expenditure	Amount
1	Purchase of machinery	8.800
2	Purchase of Furniture	1.499
3	Expenditure on Ramzan Bazar	1.587
4	Mechanical sweeper	1.200
5	Expenditure on Moharram route	2.649
Total		15.735

Due to weak financial controls, procurement was made without advertisement on PPRA website.

Non-compliance of the procurement rules resulted in irregular expenses of Rs 15.735 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Paras:1,2,17,31,12]

20.3.5 Non/ less recovery of various fees/taxes – Rs 13.002 million

According to 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.

Chief Officer Municipal Committee failed to recover / less recovered rent of shops, various fees and taxes amounting to Rs 13.002 million under various heads during 2018-19. The detail is given below:

(Rupees in million)		
Sr. No.	Nature of Receipt	Amount
1	Advertisement fee, agriculture income etc	1.385
2	Advance income tax	0.265
3	Water rate charges	11.352
Total		13.002

Due to weak financial management, revenue of the Municipal Committee was not realized.

Non realization of revenue resulted in loss of Rs 13.002 million to the Local Government.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 13.002 million besides fixing responsibility against the person(s) at fault.

[AIR paras:13,19,22]

20.3.6 Non-recovery of building map fee and commercialization fee – Rs 12.330 million

According to Government of Punjab LG&CD Department Notification No.SOR(LG)38-18/2009 dated 6.6.2012, the conversion fee for the conversion of

a residential, industrial, peri urban area or intercity service area to commercial use shall be as under:

Value of land less than one million rupees	5%
Value of land from one million to ten million rupees	10%
Value of land more than ten million	20%

Municipal Officer (Planning) Municipal Committee Taunsa, did not take any action to recover an amount of Rs 12.330 million on account of map fee and commercialization fee of land value etc from the owner of 93 residential and 282 commercial buildings established under his jurisdiction.

Due to weak financial management, buildings owners were allowed to establish the building without the payment of conversion fee and map fee.

Non recovery of dues resulted in loss amounting Rs 12.330 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the persons at fault besides recovery of fee from the owner of residential, commercial and industrial buildings as early as possible.

[AIR Para:36]

20.3.7 Unjustified retention of Government Taxes - Rs 5.227million

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.

Chief officer MC Taunsa, withheld an amount of Rs 5.227 million on account of provincial sale tax from various contractors' bill from 01.3.2017 to 30.6.2018 but it was not promptly transferred to the Provincial Government account. The amount remained in DDO account and was transferred on 23.06.2019 vide cheque No. 2233007118.

Due to weak internal financial management, tax deducted on behalf of Government was not transferred promptly.

Delay in transfer of Government tax, deprived it from funds despite deducted from the contractors.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the persons at fault besides avoiding the recurrence of such situation.

[AIR Para:34]

20.3.8 Non-recovery of conversion and map approval fee from private housing societies - Rs 3.044 million

According to the Punjab Land Use Rules 2009 and Rule 60 (C) of the Punjab 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.

Municipal Officer (Planning) Municipal Committee Taunsa did not take any action to recover an amount of Rs 3.04 million on account of map fee, conversion fee from the owner of housing colonies established under his jurisdiction. The detail is below:

(Rupees in million)

Sr. No.	Description	Area (Marla)	Rate (per Marla)	Total Cost of Land	Recoverable Conversion Fee @ 1%	Plan/ Map approval Fee	Total Recovery
1	Khayban Rehmant Colony Taunsa	640	0.065	41.600	0.416	0.010	0.426
2	Kanal Gardan Taunsa	640	0.065	41.600	0.416	0.010	0.426
3	Shadab Colony Taunsa	960	0.065	62.400	0.624	0.010	0.634
4	Kanal View Taunsa	640	0.065	41.600	0.416	0.010	0.426
5	Bolan Town Taunsa	480	0.065	31.200	0.312	0.010	0.322

Sr. No.	Description	Area (Marla)	Rate (per Marla)	Total Cost of Land	Recoverable Conversion Fee @ 1%	Plan/ Map approval Fee	Total Recovery
6	Mustafa Town Taunsa	400	0.065	26.000	0.260	0.010	0.270
7	Taunsa Gardan Taunsa	400	0.065	26.000	0.260	0.010	0.270
8	Saeed Mirrani Vehova road New Sabz Mindi Taunsa	400	0.065	26.000	0.260	0.010	0.270
Total							3.044

Due to weak financial management, commercial activity is allowed to be carried out without the payment conversion fee and map fee.

Non recovery of dues resulted in loss amounting Rs 3.044 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends probing the matter in detail and take appropriate action against illegal constructions in public interest and recovery of Fee from the housing scheme.

[AIR Para:38]

20.3.9 Payment of non scheduled items without approval from competent authority – Rs 2.315 million

According to Government of Punjab Communication and Works Department letter No.P.A/SECY(C&W)/2008 dated 17.11.2008, the tendency of usage of non-schedule item is curbed and only such items are included without which an important component of building is likely to adversely suffer. Superintendent Engineer will prepare cost estimate of non-schedule items to reduce/eliminate the non schedule items as for as possible.

Municipal Officer (Infrastructure) Taunsa allotted the work “Installation of streets lights Vehova road Taunsa” was allotted to Dost Muhammad Buzdar vide acceptance letter No. 129 dated 25.11.17. But it was observed that expenditure to

the extent of Rs 2.315 million was incurred on P/L of 18 Nos. street pole at Vehova road Taunsa without approval from authority.

Due to weak financial management, expenditure was incurred without approval from competent authority.

Incurring of expenditure without approval resulted in unauthorized expenditure of Rs2.315 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the persons at fault besides regularization of expenditure with the sanction of competent authority.

[AIR Para:29]

20.3.10 Non-deduction of PST at source- Rs 1.711 million

According to clarification of the Government of Punjab, Finance Department letter No.RO(TECH) 2-11/2017 dated 28.09.2017

- i. PST is not included in MRS rates.
- ii. 1% PST is to deducted for construction services from the contingency of the estimates, approved and projects launched during financial year 2016-17 and paid to PRA.
- iii. 5% PST is to be deducted as per finance bill 2017-18 for the construction services and PC-I / Cost estimate should be got approved by adding 5% PST for the schemes being got approved / launched after june-2017and paid to PRA.

Furthermore, as per clarification of the Government of Punjab, Finance Department vide Letter No.PRA/HQ-02/HAC-04/15/4/G dated 4.11.2016, the person unregistered with PRA providing taxable services are liable to collection/deduction of Punjab Sales Tax from the gross payments made to them for such services. As for as incorporation of the Punjab Sales Tax in claim from

concerned, a registered person may add Punjab Sales Tax as applicable rates with gross amount of bill /tax invoice. In case the service provider is not a registered person as PRA, department/withholding agent shall deduct Punjab Sales tax from the payments due to the unregistered services provider/contractor.

Chief Officer Municipal Committee Taunsa, did not deduct at source an amount of Rs 1.718 million from the contractors' bills during 2017-19 on account of PST @ 5% on repair work. The detail is given below:

(Rupees in million)

Sr. No.	Date	Cheque No.	Name of Payee	Particulars of payment	Gross Amount	5% PST
1	01-01-2019	0807904180	Rana M.Zafar Iqbal	Repair of PVC pipe lines/Water supply	0.921	0.046
2	02-01-2019	0807904181	Rana M.Zafar Iqbal	Repair of PVC pipe lines/Water supply/RCC pipes	0.858	0.043
3	19-01-2019	21320050807904	Shahid Manzoor	Purchase of submersible pumps for water supply schemes	0.596	0.030
4	15-04-2019	2232971059	Shahid Manzoor & Amir Sohail	Repair of PVC pipe lines/Water supply/RCC pipes/Earth filling/ Sub base	1.352	0.068
5	15-04-2019	2232971060	Shahid Manzoor & Amir Sohail	Repair of PVC pipe lines/Water supply/RCC pipes/Earth filling/ Sub base	4.393	0.220
6	15-04-2019	2232971061	Shahid Manzoor & Amir Sohail	Repair of PVC pipe lines/Water supply/RCC pipes/Earth filling/ Sub base	2.859	0.143
7	06-05-2019	2232971069	Shahid Manzoor & Amir Sohail	Repair of PVC pipe lines/Water supply/RCC pipes/Earth filling/ Sub base	4.626	0.231
8	08-05-2019	2232971070	Shahid Manzoor & Amir Sohail	Repair of PVC pipe lines/Water supply/RCC pipes/Earth filling/ Sub base	5.939	0.297
9	28-05-2019	2232971072	Shahid Manzoor & Amir Sohail	Repair of PVC pipe lines/RCC pipes/Earth filling/ Sub base	7.391	0.370
10	13-06-2019	2232971078	Shahid Manzoor & Amir Sohail	Repair of PVC pipe lines/Water supply/RCC pipes/Earth filling/ Sub base	5.291	0.265
Total					34.226	1.713

Due to weak financial management, PST was not deducted at source from the contractors' bills.

Non-deduction of PST at source resulted in loss to Government

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the persons at fault besides transfer amount to Government account as early as possible.

[AIR Para:35]

20.4 Others

20.4.1 Unauthentic expenditure due to rush of expenditure – Rs 48.474 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.

Chief Officer Municipal Committee Taunsa, incurred huge expenditure of Rs.53.878 million on repair and maintenance of water supply schemes and disposal work on quotation basis at the end of financial year. While as compared to first six months the expenditure was Rs 5.403 million. So, increasing of expenditure Rs.48.474 million up to 897% was unjustified. The detail is as under:

(Rupees in million)

Sr. No.	Head of Expenditure	Expenditure from 01.07.18 to 31.12.18	Expenditure from 01.01.19 to 30.06.19	Difference
1	R & M of Water Works	3.991	22.685	18.694
2	R & M of Disposal Works	1.413	31.193	29.780
Total		5.404	53.878	48.474

Due to weak financial management, huge expenditure was incurred at end of financial year.

Incurring of extravagant payments at the end of financial year resulted in unauthentic expenditure.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the persons at fault besides investigation of matter for factual position.

[AIR Para:33]

20.4.2 Unauthorized retention of public money in DDO account – Rs 8.966 million

According to Rule-16(1), Punjab Local Governments (Account) Rules 2017, the Accounts Officer shall prepare monthly and annual statement of receipts and expenditure accounts of the Local Government and reconcile the monthly and annual account of the Local Government with bank, head of the finance officer, other head of offices, collecting officer and drawing and disbursing officer and point out the discrepancy.

Chief Officer retained public money of Rs 8.966 million in DDO bank account No.9510164975800059 as on 30.06.2019. retention of huge balance in the DDO account showed that amounts were drawn without immediate requirement.

Due to weak financial management, heavy amount was retained in the account and timely disbursement was not made.

The retention of public money in to the DDO account resulted in unauthorized retention of public money Rs 8.966 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides earliest disbursement of the said amount to the claimants.

[AIR Para:21]

21. Municipal Committee Chowbara

CHAPTER 21.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	117.537	96.831	(20.706)	17.617
Development	43.144	35.927	(7.217)	16.728
Total	160.681	132.758	(27.923)	17.378

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 35.927 million against an allocation of Rs 43.144 million for the development schemes of Providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of rest house and repairing of office buildings. The said development schemes could not be completed and an amount of Rs 7.217 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 27.923 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The

authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against illegal housing schemes)	Number of schemes	02	0	Target not achieved
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Expenditure (Rs in million)	0.400	0.011	-do-
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	0.100	0.104	Target achieved
4	Prevention and removal of encroachment	Receipts (Rs in million)	0	0	-
5	Regulation of dangerous and offensive articles	Surveyed numbers	0	0	-
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	0	0	-
7	Promotion of sports & sports persons		2.300	2.173	Target not achieved
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	0	0	-
9	Staff Position	No. of Posts			
i	Sanitation Staff				
ii	Water supply scheme staff				
iii	Planning staff				
iv	Finance Staff				
v	Regulation Staff				
vi	Infrastructure and Services Staff				

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.

- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 21.2

Municipal Committee Chowbara

21.2.1 Introduction

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

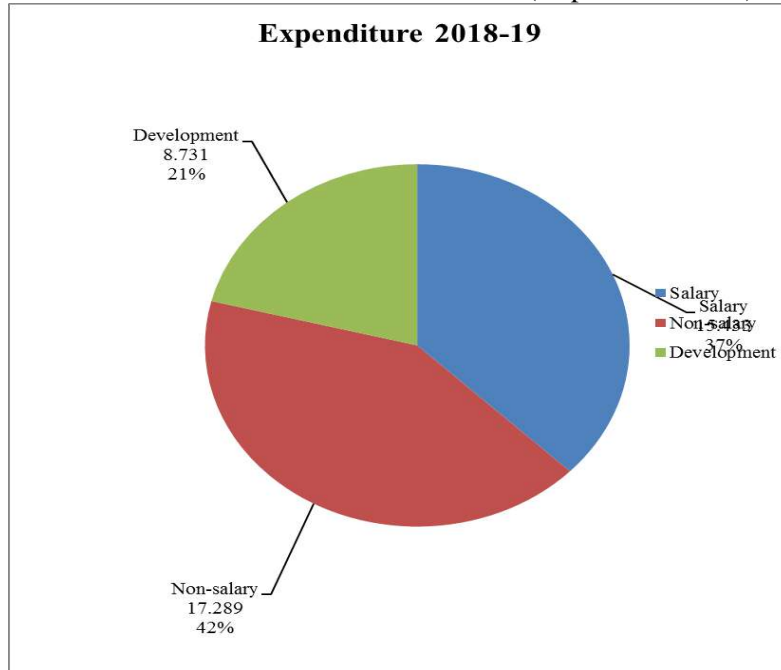
21.2.2 Comments on Budget and Accounts

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

(Rupees in million)

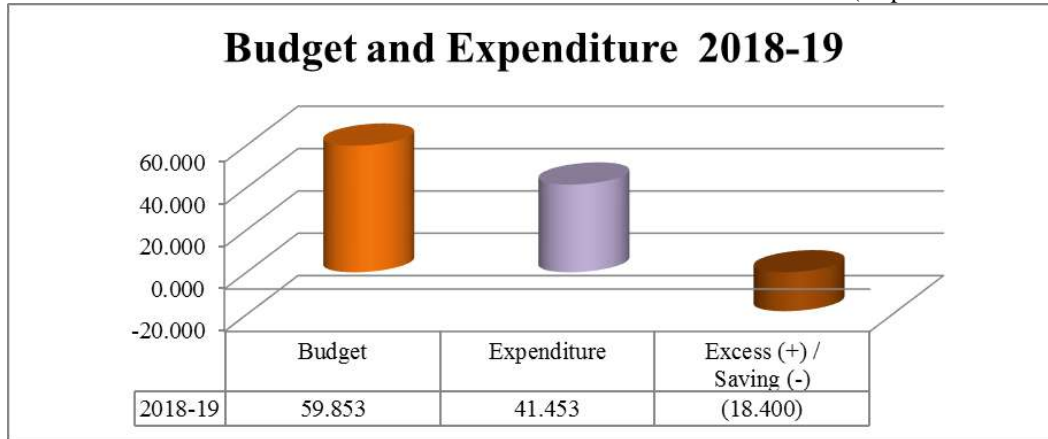
Municipal Committee Chowbara				
Particular	Budget	Actual	Excess / Savings	%
Salary	24.987	15.433	(9.554)	38.236
Non-Salary	24.404	17.289	(7.115)	29.155
Development	10.462	8.731	(1.731)	16.546
Total	59.853	41.453	(18.400)	30.742
Receipts	12.691	12.691	-	0.000

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Chowbara, total original budget (Development and Non-Development) was Rs 59.853 million. Against the budget, total expenditure of Rs 41.453 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 18.400 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Chowbara. **(Annexure-B)**

(Rupees in million)



21.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 78.602 million were raised as a result of this audit. This amount also includes recoverable of Rs 2.680 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	4.246
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	-
B	Procurement related irregularities	74.356
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

21.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

21.3 Non-Production of Record

21.3.1 Non-production of record - Rs 4.246 million

According to Clause 14 (1) (b) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, the Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts. Moreover, according to Rule 13(1)(e) of the Punjab Local Government Accounts (Rules) 2017, the head of offices shall ensure that in the office under his supervisory control such record or information or document to which Auditor General of Pakistan has a statutory right of access is not withheld and the auditors are afforded reasonable facility in discharge of their duty.

Chief Officer Municipal Committee Chowbara, incurred an expenditure of Rs 4.246 million on account of 31 development schemes construction culverts, RCC pipes and various repair work. But vouched account of expenditure, estimates, TS, MB etc. was not produced to audit for scrutiny. As a result, audit could not verify the authenticity of expenditure.

Audit is of the view that due to weak financial management, the record was not produced for audit verification.

Non production of record created doubt regarding legitimacy of the expenditure.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to inquire the matter, fix responsibility and strict disciplinary action against the person(s) at fault for non production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Para:12]

21.4 Procedural Irregularities

21.4.1 Unauthorized execution of schemes - Rs46.651 million

According to paragraph 4.5 of B&R 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. Furthermore, 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 one hundred thousand rupees to 2 million rupees.

Chief Officer Municipal Committee Chowbara, executed 553 schemes amounting to Rs 46.651 million on quotation basis during 2016-19. Scrutiny of records reveals that bills were splitted to avoid the tendering process as well as technical sanction from the competent authority. The works were not measured in the M.B. Without measurement the authenticity of the expenditure could not be proved. The repair work was started without previous history of work and demand from public/community. Furthermore, completion certificate was not available.

Due to weak internal controls, the expenditure was incurred without observing codal requirements.

Non observance of codal requirements resulted in unauthorized execution of schemes Rs 46.651 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the concerned besides regularization of the expenditure and to investigate the matters.

[AIR Para:22]

21.4.2 Irregular expenditure without advertisement on PPRA website – Rs 13.173 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 in advance on the PPRA's website.

Chief Officer Municipal Committee Chowbara, incurred an expenditure of Rs13.173 million for purchase of store items, repair and maintenance, furniture and electric items without advertisement on PPRA website and two daily national newspapers i.e. one in English and one in Urdu. Further stock receiving and consumption, quantity and quality certificate, completion certificate was not available. The detail is given below:

(Rupees in million)

Sr. No.	Description	Amount
1	Expenditure on Jeep rally	4.840
2	Expenditure on Muharram Routes	4.157
3	Purchase of Furniture	1.684
4	Purchase of electric items	1.443
5	Expenditure on Jashan e Azadi	1.049
Total		13.173

Due to weak financial controls, procurement was made without advertisement on PPRA.

Non compliance of procurements rules resulted in irregular expenses of Rs 13.173 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) concerned besides regularization of the expenditure.

[AIR Paras:5,19,8,6,7]

21.4.3 Loss to Government due to non-transfer of Government Revenue – Rs 6.214 million

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 (i) 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; an (ii) 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.

Chief Officer Municipal Committee Chowbara, deducted an amount of Rs 6.214 million on account of taxes but not transfer to FBR due to which Government has to sustain loss as detail is given below:

(Rupees in million)		
Sr. No.	Description	Amount
1	Income Tax	3.756
2	Provincial Sales Tax	1.778
3	withholding tax on services	0.680
Total		6.214

Due to weak financial control, taxes deducted at source were not transferred to FBR.

Non transferring of taxes to FBR resulted in loss of revenue to Government amounting to Rs 6.214 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides provision of Income tax deposit challan as early as possible.

[AIR Para: 24,25,26]

21.4.4 Un-authorized payment of work charged employee – Rs 5.638 million

According to Government of the Punjab Finance Department letter No. FD.SO(GOODS)44-4/2011 dated 07.07.2012 no contingent paid staff shall be appointed without obtaining the prior approval of Finance Department. According to Government of the Punjab, Finance Department, Notification NoRO(Tech)FD-2-2/2001 dated 03.11.2008, appointment of work charge /contingent labour staff 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. Further, according to the Rule 17 (Part-III) of the Punjab Civil Servants (Appointment and Conditions of Service) Rule 1974, initial appointment to all posts in grades 1 and above except those filled under rule 16, shall be made on the basis of the examination or test to be held by the appropriate committee or the board as the case may be, after advertisement of the vacancies in the newspapers or in the manner to be determined by the Government.

Chief Officer Municipal Committee Chowbara, recruited 13 work charged employees. An amount of Rs 5.638 million was paid on account of salaries to those employees during 2016-19. The recruitment process was conducted without prior approval of FD and observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc.

Due to weak financial control, work charged employees were recruited and salaries were paid without observing codal formalities.

Non observance of codal formalities resulted in irregular expenditure of Rs 5.638 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the concerned besides regularization of the expenditure and to investigate the matters.

[AIR Para:14]

21.4.5 Non-recovery of conversion fee – Rs 1.6 million

According to Rule 4.7 (1) PFR Vol-I, it is the duty of the departmental authorities to see that all Govt. dues/revenues which have to be brought to account are correctly and promptly assessed, realized and credited to Govt. account.

Municipal Officer (planning) Municipal Committee Chowbara, did not take any action to recover an amount of Rs 1.600 million on account of conversion fee from the owner of residential and commercial building established under his jurisdiction. The detail is below:

(Rupees in million)

Name of Housing Scheme	Location	Area (Marla)	Rate (Rs per marla)	Total Amount	1% conversion Fee
Haidar Town	Chowbara City	480	0.200	96.000	0.960
Liaquat Ali Housing scheme	Garh Mahraja Road	640	0.100	64.000	0.640
Total					1.600

Due to weak internal controls, commercial activity is allowed to be carried out without the payment conversion fee

Non recovery of dues resulted in loss amounting Rs 1.600 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault besides recovery of amount from the owners of schemes.

[AIR Para:1]

21.4.6 Less recovery of water rate charges – Rs 1.080 million

As per rule 76 of Punjab District Government and TMA (Budget) Rules 2003, the primary obligation of collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the Local Government fund under the proper receipt head. Further according to Rule 4.7 (1) PFR Vol-I to this “it is the duty of the departmental authorities to see that all Govt. dues/revenues which have to be brought to account are correctly and promptly assessed, realized and credited to Govt. account.

Chief Officer Municipal Committee Chowbara, failed to recover Rs 1.080 million on account of water rate charges from domestic and commercial water connections holders in the area of MC Chowbara. Neither the water rate charges were recovered nor any serious efforts were made to recover. The detail is given below:

(Rupees in million)

Period	No.of Domestic Connection	Rate	Amount	No.of Commercial Connection	Rate	Amount	T.Amount	Amount Recovered	Balance Amount
2016-17	591	55	390,060	36	175	0.076	0.466	0.182	0.284
2017-18	592	55	390,720	36	175	0.076	0.466	0.195	0.271
2018-19	535	100	642,000	36	250	0.108	0.750	0.225	0.525
Total							1.682	0.602	1.080

Due to weak internal control, water rate charges were not recovered.

Non recovery of water rate charges resulted in loss of Rs 1.080 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 1.080 million from concerned without further delay.

[AIR Para:2]

22. Municipal Committee Chowk Azam

CHAPTER 22.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	71.198	59.197	(12.000)	17
Development	2.000	1.505	(0.495)	25
Total	73.198	60.702	(12.495)	17

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 1.505 million against an allocation of Rs 2.000 million for the development schemes of Providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of rest house and repairing of office buildings. The said development schemes could not be completed and an amount of Rs 0.495 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 12.495 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The

authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against illegal housing schemes)	Number of schemes	0	0	-
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Receipt (Rs in million)	0.910	0.725	Target not achieved
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	0.300	0.171	-do-
4	Prevention and removal of encroachment	Receipts (Rs in million)	0	0	-
5	Regulation of dangerous and offensive articles	Surveyed numbers	0	0	-
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	0	0	-
7	Promotion of sports & sports persons		1.700	1.534	Target not achieved
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	0	0	-
9	Staff Position				
i	Sanitation Staff & Infrastructure and Services Staff	No. of Posts	65	65	Target achieved
ii	Water supply scheme staff		2	2	-do-
iii	Planning staff		0	0	-do-
iv	Finance Staff		9	9	-do-
v	Regulation Staff		7	7	-do-

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action

against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 22.2

Municipal Committee Chowk Azam

22.2.1 Introduction

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

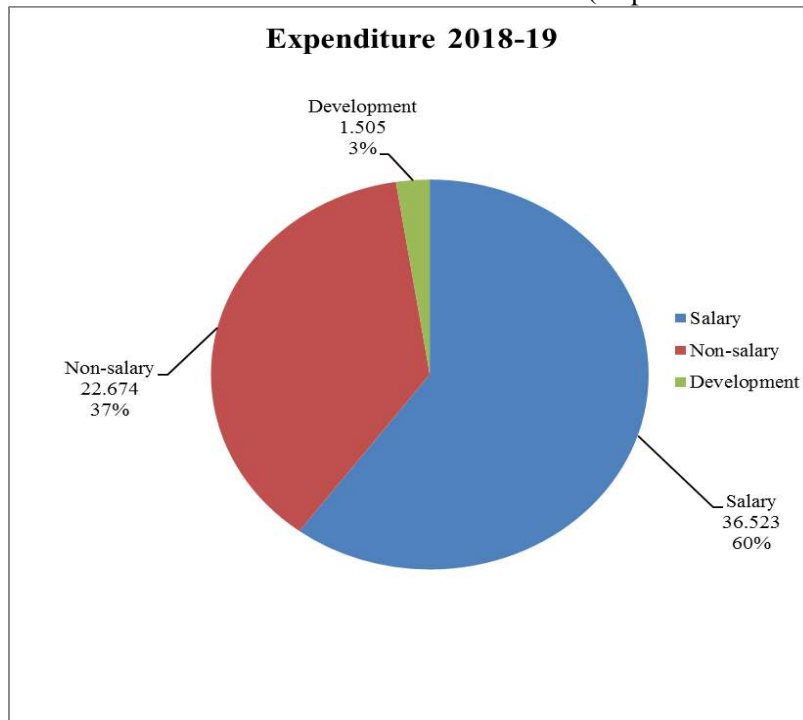
22.2.2 Comments on Budget and Accounts

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

(Rupees in million)

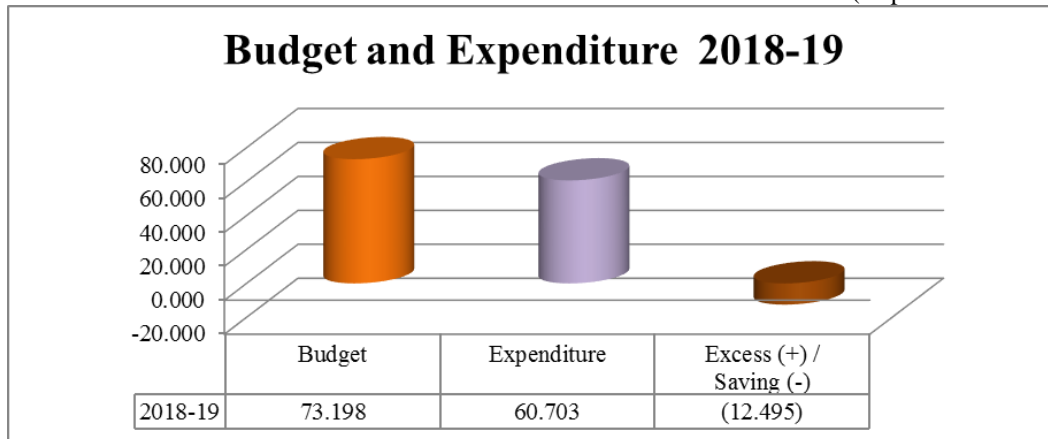
Municipal Committee Chowk Azam				
Particular	Budget	Actual	Excess / Savings	%
Salary	42.963	36.523	(6.440)	14.989
Non-Salary	28.235	22.674	(5.561)	19.694
Development	2.000	1.505	(0.495)	24.744
Total	73.198	60.702	(12.496)	17.071
Receipts	70.400	72.459	(2.059)	-2.925

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Chowk Azam, total original budget (Development and Non-Development) was Rs 73.198 million. Against the budget, total expenditure of Rs 60.703 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 12.495 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Chowk Azam. **(Annexure-B)**

(Rupees in million)



22.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 24.827 million were raised as a result of this audit. This amount also includes recoverable of Rs 3.795 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	3.487
B	Procurement related irregularities	21.340
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

22.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

22.3 Procedural Irregularities

22.3.1 Unauthorized technical sanction of estimates - Rs 7.00 million

According to Chief Engineer letter No.CE(HQ)PLGB-6/2008 dated 13.05.2008, the scheme beyond the competency of Tehsil Officer (I&S) was required to be forwarded to the Chief Engineer for technical sanction. Further as per LG&CD Department instruction, the Sub Engineer of BS-11 posted as TO(I&S) will have the power of Rs 1.00 lac for TS purpose. And as per rule 17 of TMA(Works) Rules 2003, unless otherwise Government decides, Local Government Engineer shall have the same power of technical sanction, approval of rates of non schedule items and all other power not specified in these rules as vest with the engineer of corresponding rank in the C& W, PHED, H&PPD and officer of District Government as delegated by the Government of Punjab. Further Sr.2(a) of Second Schedule (Special Powers to C&W department) of Delegation of Financial Power Rule 2006, the power for acceptance of tender rests with the SE and XEN equal to power of TS.

Chief Officer Municipal Committee Chowk Azam, got the technical sanctions of detailed below schemes valuing Rs 7.000 million during 2018-19 being beyond the authorized limit of Senior Sub Eng.(I&S) of posted at MC Chowk Azam from the engineers of higher scale pertaining to irrelevant office instead of Chief Engineer LG&CD Department as required in above quoted letter.

(Rupees in million)

Name of Scheme	TS Amount	Sanctioned By	T.S Authority
P/F of manhole cover with frame MC Chowk Azam	1.000	DO(I&S) District Council Layyah	Chief Engineer (LG&CD) Department
Construction of drain, PCC ward No.1,2,3,4,5 & 6 Muncipal Committee Chowk Azam	3.000		
Construction of drain, PCC ward No.7,8,9,10,11,&12 Muncipal Committee Chowk Azam	3.000		
Total	7.000		

Due to weak internal controls, the abuse of authority was committed.

Sanctioning of TS by the irrelevant authority resulted in unauthorized expenditure of Rs 7 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that the matter may be got regularized with the sanction of competent authority.

[AIR Para:25]

22.3.2 Irregular expenditure without advertisement – Rs 6.413 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 in advance on the PPRA's website.

Chief Officer Municipal Committee Chowk Azam, incurred an expenditure of Rs 6.413 million for purchase of various items without advertisement on PPRA website. The procurement was made on quotation basis. No comparative statement was prepared. Furthermore, no stock receiving entry was existed in stock register. The detail is given below:

(Rupees in million)

Sr. No.	Description	Amount
1	Repair of Vehicle	3.616
2	Expenditure against Jeep rally	0.942
3	Expenditure on cattle Market	0.589
4	Expenditure on Eid Millad	1.266
Total		6.413

Due to weak financial controls, procurement was made without advertisement on PPRA.

Non compliance of procurements rules resulted in irregular expenses of Rs 6.413 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) concerned besides regularization of the expenditure.

[AIR Para:16,18,19,21]

22.3.3 Unauthorized retention of taxes – Rs 2.929 million

As required under income Tax Ordinance 2001, the Government departments shall make purchase only from the firms registered with income tax department and ensure before making payments that the deduction on account of income tax has been made at source from the bill of the supplier.

Chief Officer Municipal Committee Chowk Azam, deducted an amount of Rs 2.929 million on account of income tax, sale tax and PST but in spite of lapse of considerable time the amount was remained the part of DDO account. Due to non-transferring of Government Taxes in time, Government has to sustained loss.

(Rupees in million)

Sr. No.	Description	Amount
1	Income Tax	0.943
2	Sale tax	1.220
3	PST	0.766
Total		2.929

Due to weak internal and financial controls, income tax deducted at source was not transfer to FBR.

Non transferring of Government tax to FBR resulted in unjustified retention of Rs 2.929 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that the all the amount of GST immediate deposit into Govt. treasury.

[AIR Para:6,7,8]

22.3.4 Misappropriation on account of conversion fee – Rs 2.399 million

According to Part-II Responsibilities in Relation to Budget Rule-7 of Punjab Local Governments (Budget) Rules 2017, The Collecting officer is responsible to (e) ensure timely recovers against each demand, (g) prepare statement of arrears, if any, the beginning of each financial year by carrying them forward from the previous financial year and include the same demand statement of the next financial year. Further, according to Rule-47, the collection Officer shall ensure that all revenue due is claimed, realized and credit immediately in Local Government Account and entered in the proper receipt head. Furthermore “It is the duty of the departmental authorities to see that all Govt. dues/revenues which have to be brought to account are correctly and promptly assessed, realized and credited to Govt. account. According to Rule 4.7 (1) PFR Vol-I.

Chief Officer Municipal Committee Chowk Azam, collected an amount of Rs 2.399 million on account of conversion fee from the owner of property but no any evidence for deposit was on record into MC account, which show that the NOC & conversion fee was misappropriated.

Due to weak financial control, NOC and conversion fee collected may not be deposited in MC account.

Non depositing of revenue in Government treasury resulted in loss of revenue and chances of misappropriation Rs 2.399 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault besides regularization of expenditure from competent authority.

. [AIR Para:28]

22.3.5 Irregular payment of salaries of work charge employees – Rs 2.291 million

According to Government of Punjab Finance Deptt. Letter No. FD (FR) II-2/89(P) dated 21st March 2009, conditions to be observed while sanctioning employment of work charged establishment.

- (a) Provision exists in the sanctioned estimates:
- (b) The power is exercised only when the order to commence the work has been received.

Further according to schedule of wage rates, 2017, Sr. No. 2 appointment to a post included in this schedule may be made by the competent authority under delegation of financial powers rules 2016 subject to the following conditions: -

- d) The post(s) shall be advertised properly in the leading newspapers.
- e) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S & GAD
- f) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR, Vol-III.
- e) The appointment may be made up to the end of the financial year or the duration of the project, which is earlier.

Chief Officer Municipal Committee Chowk Azam, paid an amount of Rs 2.291 million on account of salaries to work charge employees during 2017-19.

The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc.

Due to weak internal control, work charge employees were appointed without observing codal formalities.

The payment of salaries of work charge employees resulted in irregular expenditure of Rs 2.291 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends proceedings of disciplinary action against the Officer/ Official concerned beside regularization of expenditure with the sanction of competent authority.

[AIR Para:17]

22.3.6 Non recovery of arrears of license fee – Rs 2.275 million

According to Part-II Responsibilities in Relation to Budget Rule-7 of Punjab Local Governments (Budget) Rules 2017, The Collecting officer is responsible to (e) ensure timely recovers against each demand, (g) prepare statement of arrears, if any, the beginning of each financial year by carrying them forward from the previous financial year and include the same demand statement of the next financial year. Further, according to Rule-47, the collection Officer shall ensure that all revenue due is claimed, realized and credit immediately in Local Government Account and entered in the proper receipt head. Furthermore, according to Rule 4.7 (1) PFR Vol-I, it is the duty of the departmental authorities to see that all Govt. dues/revenues which have to be brought to account are correctly and promptly assessed, realized and credited to Govt. account.

Chief Officer Municipal Committee Chowk Azam, did not recover outstanding arrear of license fee amounting to Rs 2.275 million from various

contractor. No serious efforts were made to recover the outstanding revenues. The detail is as under:

(Rupees in million)

Description	Amount
Total Demand from 01.01.2017 to 30.06.2019	2.470
Total Recovery from 01.01.2017 to 30.06.2019 (Nil in 2016-17, Rs23400 FY 2017-18 & Rs171210 FY 2018-19)	0.195
Total Outstanding	2.275
Arrears/outstanding in Budget	0
Less Realization and out standing	2.275

Due to weak financial controls, attentions were not paid towards recovery of arrears.

Non recovery of pending arrears resulted in loss of revenue Rs 2.275 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends the investigation and action should be taken against the persons held responsible along with immediate recovery of loss.

[AIR Para:11]

22.3.7 Loss due to non-recovery of conversion fee – Rs 1.520 million

According to Government of Punjab LG&CD Department Notification No.SOR(LG)38-18/2009 dated 6.6.2012, the conversion fee for the conversion of a residential, industrial, Peri Urban area or intercity service are to commercial use shall be as under.

Less than one million rupees	5%
From one million to ten million rupees	10%
More than ten million	20%

Chief Officer Municipal Committee Chowk Azam, did not recover the commercialization fee amounting to Rs 1.520 million during 2015-19 from the owner of 57 commercial buildings under his jurisdiction.

Due to weak internal controls, commercial activity is allowed to be carried out without the payment of conversion fee.

Non recovery of dues resulted in loss of revenue amounting Rs 1.520 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault besides recovery of fee from the owner of commercial, industrial buildings as early as possible.

[AIR Para:29]

23. Municipal Committee Fatehpur

CHAPTER 23.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	62.437	62.437	0	0
Development	15.500	15.500	0	0
Total	77.937	77.937	0	0

(Source: Annual Accounts 2018-19)

Development funds amounting to Rs15.500 million were spent for schemes of providing and laying of tuff tiles, construction of drains and soloing, repair and repairing of office buildings. The said development schemes completed during the year.

ii. Analysis of Targets and Achievements

Sectorial analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee. authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Number of schemes	0	0	-
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Receipt (Rs in million)	0.100	0.117	Target not achieved
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	1.00	0.936	Target not achieved
4	Prevention and removal of encroachment	Receipts (Rs in million)	0	0	-
5	Regulation of dangerous and offensive articles	Surveyed numbers	0	0	-
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	0	0	-
7	Promotion of sports & sports persons		1.000	0.835	Target not achieved
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	0	0	
9	Staff Position				
I	Sanitation Staff & Infrastructure and Services Staff	No. of Posts	66	55	Target not achieved
Ii	Water supply scheme staff		2	2	Target Achieved
Iii	Planning staff		4	2	Target not achieved
Iv	Finance Staff		11	8	Target not achieved
V	Regulation Staff		7	6	Target not achieved

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action against illegal housing schemes). The targets for organizing cattle fairs and cattle

markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 23.2

Municipal Committee Fatehpur

23.2.1 Introduction

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

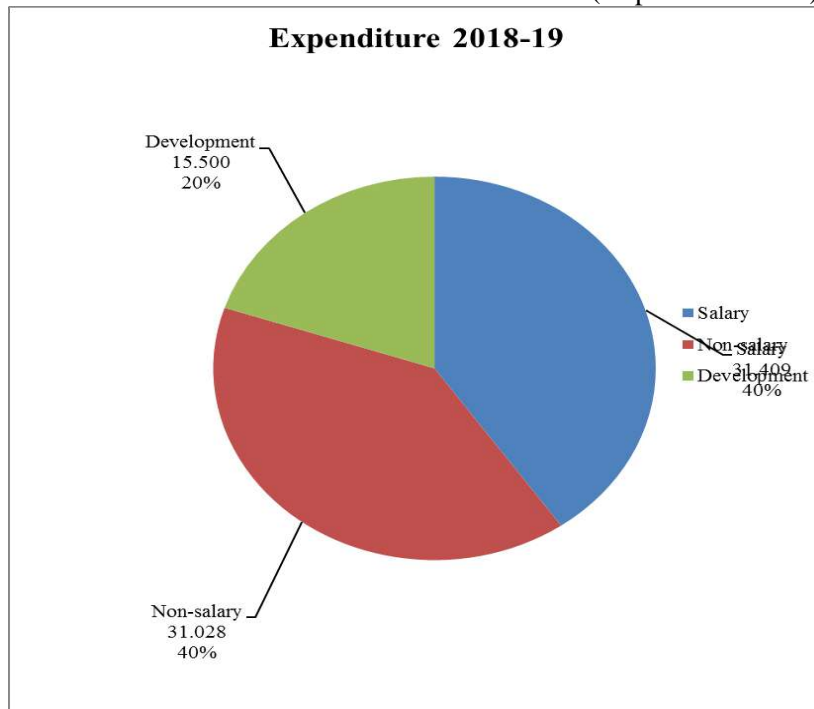
23.2.2 Comments on Budget and Accounts

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

(Rupees in million)

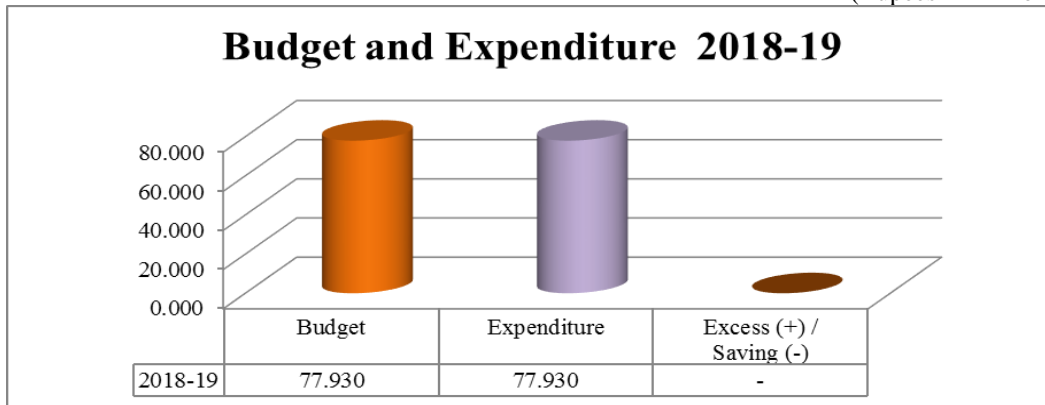
Municipal Committee Fatehpur				
Particular	Budget	Actual	Excess / Savings	%
Salary	31.409	31.409	-	0.000
Non-Salary	31.028	31.028	-	0.000
Development	15.500	15.500	-	0.000
Total	77.937	77.937	-	0.000
Receipts	85.188	85.188	-	0.000

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Fatehpur, total original budget (Development and Non-Development) was Rs 77.937 million. Against the budget, total expenditure of Rs 77.937 million was incurred by the Municipal Committee during 2018-19. **(Annexure-B)**

(Rupees in million)



23.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 48.343 million were raised as a result of this audit. This amount also includes recoverable of Rs 3.795 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	4.356
B	Procurement related irregularities	43.987
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

23.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

23.3 Procedural Irregularities

23.3.1 Non-auction of shops after the expiry period - Rs 24.622 million

According to Rule 16 (a), (b)) Of local Government property rules,2003 the immovable Property shall be given on lease through competitive bidding and the period of such lease shall be up to five years at a time.

Chief Officer Municipal Committee Fatehpur did not re-auction the shops after the expiry of previous lease period during 2016-19. Neither shops were re-auctioned nor were any effort made to auction the shop. Non auction of shops resulted loss of revenue amounting to Rs 24.622 million. The detail is given below:

(Rupees in million)

Name of Market	Nos. of Shops	Current Monthly Rent	Rate of Allied Shop PM	Difference	Months	Expected Loss
Ahmad Ali Market	161	1339	8000	6661	12	12.869
	20	843	7000	6157	12	1.478
	9	848	7000	6152	12	0.664
	1	425	5000	4575	12	0.055
	1	715	7000	6285	12	0.076
	1	717	7000	6283	12	0.075
	1	777	7000	6223	12	0.075
	1	715	7000	6285	12	0.075
	1	425	5000	4575	12	0.055
Gilani Market	1	843	7000	6157	12	0.074
Gilani Market	117	500	7000	6500	12	9.126
Total						24.622

Due to weak financial control, shops were not auctioned.

Non auctioning of shop resulted in loss of revenue of Rs 24.622 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that the matter may be investigated and responsibility may be fixed at person at fault.

[AIR Para:4]

23.3.2 Unjustified payment of electricity bills of rented shops – Rs 7.896 million

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

Chief Officer Municipal Committee Fatehpur, made payment of Rs 7.896 million during 2017-19 on account of electricity bills of shops which were rented out. The payment of electricity bills out of MC fund was unjustified.

Due to weak internal control, electricity bills of rented shops were paid.

The payment of electricity bills of rented shops resulted in unjustified expenditure of Rs 7.896 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility for incurrence of unjustified payment as well as the recovery from concern.

[AIR Para:15]

23.3.3 Non recovery of Government revenue – Rs 6.657 million

According to Rule 4.7 (1) PFR Vol-I, it is the duty of the departmental authorities to see that all Govt. dues/revenues which have to be brought to account are correctly and promptly assessed, realized and credited to Govt. account.

Chief Officer Municipal Committee Fatehpur, failed to recover an amount of Rs 6.657 million on account of commercialization charge, building map

fee, conversion fee and reduction of brick. Neither the government revenue was recovered nor any serious efforts were made to expedite recovery as detailed below:

(Rupees in million)

Sr. No.	Description	Amount
1	Commercialization charges & Building Map fee	3.413
2	Conversion Fee	1.700
3	Conversion fee from unapproved residential colonies	0.555
4	Non reduction of brick rate	0.989
Total		6.657

Due to weak financial controls, revenue was not recovered.

Non-recovery of conversion fee resulted in loss to Government Rs 6.657 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault besides recovery of amount from the owners of schemes.

[AIR Paras:1,3,7,27]

23.3.4 Unauthorized payment of salary of close day – Rs 2.842 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.

Chief Officer Municipal Committee Fatehpur, made payment of Rs 2.842 million on account of close day allowance during 206-19. Scrutiny of record reveals that the said allowance was paid regularly to employees for the whole year. Whereas the same allowance was allowed only for the special duty i.e eid holidays for sanitation staff.

Due to weak financial control, close day allowance was paid of the whole year.

The payment of close day allowance for whole year resulted in unauthorized payment of Rs 2.842 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that overpayment should be got recovered and deposited into government treasury.

[AIR Para:17]

23.3.5 Irregular procurement of machinery – Rs 2.453 million

The recovery of Income Tax on account of supply of goods , services rendered was required to be made @ 4.5% and 10% according to Section 153 of Income Tax Ordinance 2001 in light of Finance Act 2014. Further according 2015 read with clause 1(b) of Division III of Part III of the First Schedule, (i) in case of a company, 4% of the gross amount payable, if the company is a filer and 6% if the company is a non-filer; and (ii) in any other case, 4.5% of the gross amount payable, if the person is a filer and 6.5% if the person is a non-filer. Further, according to Rule 17.19 of PFR Voil-1, read with 2.10 (b)(5), It is also not permissible to draw advance from the treasury and no money is withdrawn from the treasury unless it is required for immediate disbursement or has already, been paid out of the permanent advance. Moreover, according to Rule 31(f) of Accounts Rules 2017, Prior sanction of the Government for advance payment shall be required and must be accompanied by a certificate that payment in advance is necessary and unavoidable because of the nature or terms and conditions of the contract for supply of the goods or services and in such cases, following additional procedures must be followed;(i) Claim voucher must be prominently stamped “PAID IN ADVANCE”;

Chief Officer Municipal Committee Fatehpur, made payment of Rs 2.453 million on account of purchase sucker machine tractor through single quotation from “Kisan Engineering, LAHORE” instead of tender advertisement. Neither 1/5th GST was deducted nor was Sales Tax invoice of 4/5th or exemption certificate produced.

Due to weak financial control, expenditure was incurred without observing codal requirement.

Non observance of codal requirement resulted in irregular expenditure of Rs 2.453 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility for procurement without observing the Procurement Rules besides regularization and recovery of taxes.

[AIR Para:10]

23.3.6 Irregular payment of salaries of work charge employees – Rs 1.514 million

According to Government of Punjab Finance Deptt. Letter No. FD(FR) II-2/89(P) dated 21st March 2009, conditions to be observed while sanctioning employment of work charged establishment.

- (a) Provision exists in the sanctioned estimates:
- (b) The power is exercised only when the order to commence the work has been received.

Further according to schedule of wage rates, 2017, Sr. No. 2 appointment to a post included in this schedule may be made by the competent authority under delegation of financial powers rules 2016 subject to the following conditions: -

- g) The post(s) shall be advertised properly in the leading newspapers.

- h) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S & GAD
- i) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR, Vol-III.
- e) The appointment may be made up to the end of the financial year or the duration of the project, which is earlier.

Chief Officer Municipal Committee Fatehpur, paid an amount of Rs 1.514 million on account of salaries to work charged employees during 2017-19. The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc. The detail is given below:

(Rupees in million)

Token No.	Date	Amount	Appointment
48	Not mentioned	0.010	The appointment order vide No.44/M.C/(RP) dated 11.02.2017 w.e.f 01.01.2017 and also drawn salary from 01.01.2017 but in 03..2017 was unjustified.
49		0.012	The appointment order vide No.47/M.C/(RP) dated 11.02.2017 w.e.f 01.02.2017 and also drawn salary from 01.02.2017 but in 03..2017 was unjustified.
50		0.010	The appointment order vide No.46/M.C/(RP) dated 11.02.2017 w.e.f 01.01.2017 and also drawn salary from 01.01.2017 but in 03..2017 was unjustified.
51		0.012	The appointment order vide No.45/M.C/(RP) dated 11.02.2017 w.e.f 01.02.2017 and also drawn salary from 01.02.2017 but in 03..2017 was unjustified.
22	09.10.2017	0.011	
23	09.10.2017	0.070	9.2017
16	03.04.2018	0.057	
14	03.05.2018	0.057	4.2018
14	01.06.2018	0.053	5.2018
91586828-32	05.06.2018	0.053	
22	07.08.2018	0.121	
11	16.08.2018	0.063	8.2018
15	03.10.2018	0.060	9.2018
A01158 - Work Charge	2018-19	0.925	
Total		1.514	

Due to weak financial control, work charged employees were recruited and salaries were paid without observing codal formalities.

Non observance of codal formalities resulted in irregular expenditure of Rs 1.513 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends proceedings of disciplinary action against the Officer/ Official concerned beside regularization of expenditure with the sanction of competent authority.

[AIR Para:18]

23.3.7 Loss due less recovery of license fee - Rs 1.219 million

As per Rule 76 of Punjab District Government and TMA (Budget) Rules 2003, The primary obligation of collecting officer shall be ensured that all revenue due is claimed realized and credited immediately into the Local Government Fund under the proper receipt head. Further according to Rule 4.7 (1) PFR Vol-I “it is the duty of the departmental authorities to see that all Government dues / revenues which have to be brought to account are correctly and promptly assessed, realized and credited to Govt. account.

Chief Officer Municipal Committee Fatehpur, failed to recover license fee amounting to Rs 1.219 million during 2016-19 from various business owners. Neither license fee was recovered nor any action was taken to recovered the same.

Due to weak financial control, license fee was not collected.

Non recovery of license fee resulted in loss of revenue Rs 1.219 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends investigation regarding procurements without specifications responsibility should be fixed on officers concerned.

[AIR Para:6]

23.3.8 Non-recovery of arrears and understated revenue in budget books – Rs 1.140 million

According to Part-II Responsibilities in Relation to Budget Rule-7 of Punjab Local Governments (Budget) Rules 2017, The Collecting officer is responsible to (e) ensure timely recovers against each demand, (g) prepare statement of arrears, if any, the beginning of each financial year by carrying them forward from the previous financial year and include the same demand statement of the next financial year. Further, according to Rule-47, the collection Officer shall ensure that all revenue due is claimed, realized and credit immediately in Local Government Account and entered in the proper receipt head. Furthermore, according to Rule 4.7 (1) PFR Vol-I, it is the duty of the departmental authorities to see that all Govt. dues/revenues which have to be brought to account are correctly and promptly assessed, realized and credited to Government account.

Chief Officer Municipal Committee Fatehpur, did not recovered outstanding arrear amounting to Rs 1.140 million on account of conversion fee, NOC Fee and Map fee from various contractor during 2017- 2019. Neither the amount was not recovered nor was any effort made to recover the outstanding arrear. Further the municipal authority shows nil outstanding arrear against the same head. The detail is given below:

(Rupees in million)

Detail	Rate as per Valuation Table (per Acre/160)	Area of each shop in marla	Value of each shop	Commercial charges/ Conversion Fee 5%	Building map fee and form Alif fee	Total	Total shops	Total Conversion Fee, Building map fee and /form Alif fee
Ward No-6 Shops	1.800	2	0.500	0.025	0.005	0.030	10	0.300

Detail	Rate as per Valuation Table (per Acre/160)	Area of each shop in marla	Value of each shop	Commercial charges/ Conversion Fee 5%	Building map fee and form Alif fee	Total	Total shops	Total Conversion Fee, Building map fee and /form Alif fee
Ward No-1 Shop	1.800	2	0.500	0.025	0.005	0.030	10	0.300
Karor Road Shops	4.000	2	0.500	0.025	0.005	0.030	14	0.420
Ward No-7 shops	3.000	2	0.200	0.010	0.005	0.015	8	0.120
Total								1.140

Due to weak internal control, outstanding revenue was not recovered.

Non recovery of revenue resulted in loss of revenue and chances of misappropriation Rs 1.140 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends the investigation and action should be taken against the persons held responsible along with immediate recovery of loss.

[AIR Para:02]

24. Municipal Committee Karor

CHAPTER 24.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	80.239	74.999	(5.240)	7
Development	32.510	5.219	(27.291)	84
Total	112.749	80.218	(32.531)	29

(Source: Annual Accounts 2018-19)

Development funds amounting to Rs 5.129 million were spent for schemes of providing and laying of tuff tiles, construction of drains and soloing, repair works. The said development schemes completed during the year.

ii. Analysis of Targets and Achievements

Sectorial analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against illegal housing schemes)	Number of schemes	Nil	Nil	-
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Receipt (Rs in million)	0.010	0.037	Target achieved
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	0.250	0.213	Target not achieved
4	Prevention and removal of encroachment	Receipts (Rs in million)	0.005	0.005	Target achieved
5	Regulation of dangerous and offensive articles	Surveyed numbers	0	0	-
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	0	0	-
7	Promotion of sports & sports persons		2.000	0	Target not achieved
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	0	0	-
9	Staff Position		158	152	
i	Sanitation Staff	No. of Posts	80	79	Target not achieved
ii	Water supply scheme staff		8	8	Target achieved
iii	Planning staff		5	4	Target not achieved
iv	Finance Staff		9	7	-do-
v	Regulation Staff		6	5	-do-
Vi	Infrastructure and Services Staff		50	49	-do-

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the

management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 24.2

Municipal Committee Karor

24.2.1 Introduction:

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

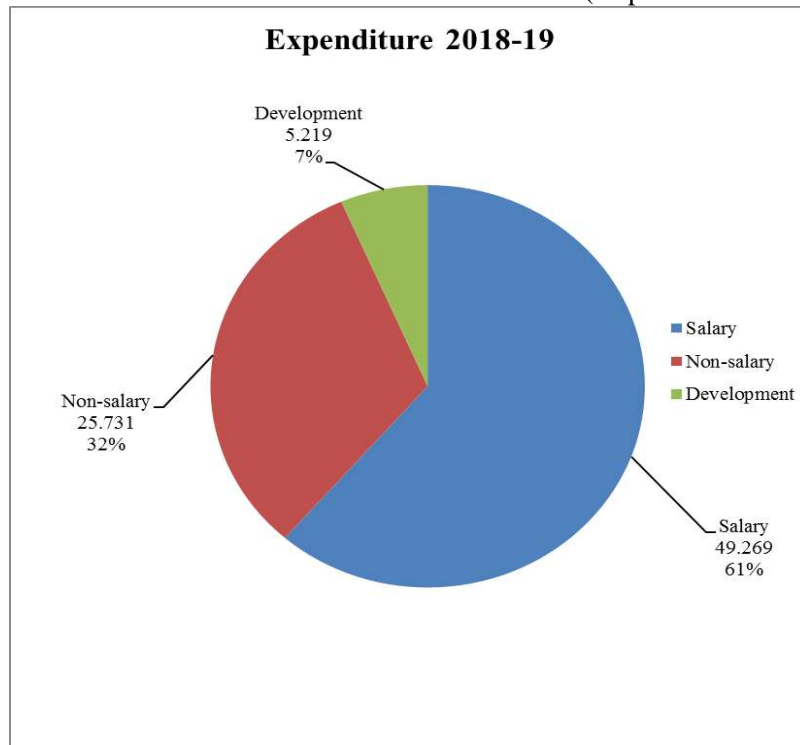
24.2.2 Comments on Budget and Accounts

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

(Rupees in million)

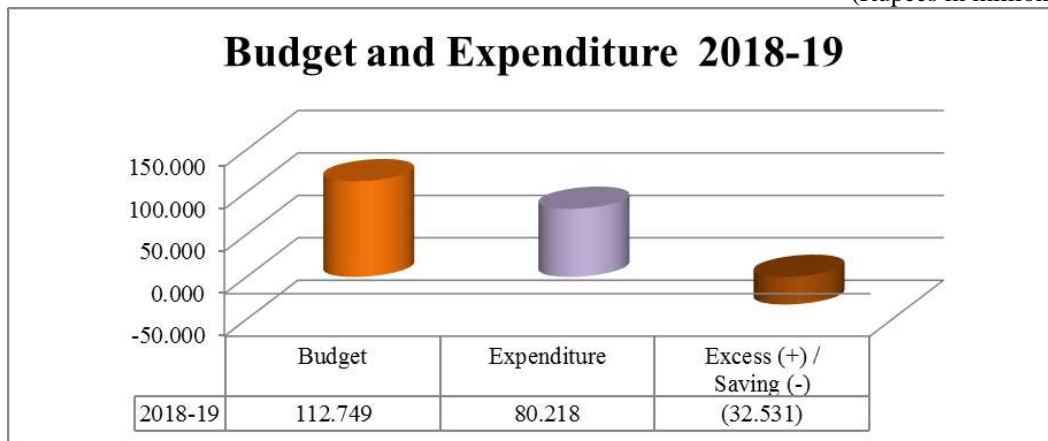
Municipal Committee Karor				
Particular	Budget	Actual	Excess / Savings	%
Salary	50.176	49.269	(0.908)	1.809
Non-Salary	30.063	25.731	(4.332)	14.409
Development	32.510	5.219	(27.291)	83.946
Total	112.749	80.219	(32.531)	28.852
Receipts	90.110	73.028	(17.082)	18.957

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Karor, total original budget (Development and Non-Development) was Rs 112.749 million. Against the budget, total expenditure of Rs 80.218 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 32.531 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Karor. **(Annexure-B)**

(Rupees in million)



24.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 98.404 million were raised as a result of this audit. This amount also includes recoverable of Rs 7.252 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	1.916
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	55.588
B	Procurement related irregularities	42.816
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

24.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

24.3 Non-Production of Record

24.3.1 Non production of vouched account of - Rs 1.916 million

According to Clause 14 (1) (b) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, "the Auditor General shall in connection with the performance of his duties under this ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts. Further, according to Section 115(6) of the Punjab Local Government Ordinance 2001 "All officials shall afford all facilities and provide record for audit inspection and comply with the requests for information in as complete a form as possible and with all reasonable expedition".

Chief Officer Municipal Committee Karor, paid an amount of Rs 1.916 million against POL and electricity charges but electricity bills and logbooks were not produced. The authenticity of the expenditure could not be proved without production of auditable record.

Audit is of the view that due to willful evasion from audit, record was not produced which created doubts regarding legitimacy of expenditure.

Non production of record for scrutiny created doubts regarding legitimacy of expenditure.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that the relevant record be got verified and disciplinary action must be initiated against the persons responsible for concealment.

[AIR Para:14]

24.4 Procedural Irregularities

24.4.1 Unjustified payment from the pension fund - Rs 46.949 million

According to Rule 15(d) read with Rule 35 of the Punjab Local Government (Accounts) Rules 2017, the drawing and disbursing officer shall maintain cash book and promptly record necessary entries in the cash book as soon as the monies withdrawn, disbursed, or credited to the local fund or public account of the Local Government. Further according to Rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that he would be held personally responsible for any loss sustained by the government through fraud or negligence on his part.

Chief Officer Municipal Committee Karor, made payment of Rs 46.949 million under pension fund to retired employees/family pension without living certificate, marriage certificate, cashbook and pension paper form duly signed by the pensioner were on record. The authenticity cannot be verified. The detail is given below:

(Rupees in million)

Date/Period	Detail	Amount
01.09.16	Cheq No.804570509	1.045
03.10.19	Cheq No.804570511	1.064
01.11.16	Cheq No.804570513	2.317
01.11.16	Voucher No.43-44	0.789
06.12.16	Cheq. No.68259469	0.830
06.12.16	Cheq No.804570514	0.351
30.12.16	Cheq. No.68259470	0.830
30.12.16	Cheq No.804570515	2.751
01.01.17 to 30.06.17	0273-PLS-006424-000-1 NBP	0.873
01.07.17 to 30.06.18		14.984
01.07.18 to 19.09.18		4.403
20.09.18 to 30.06.19	6510154256600021 BOP	16.712
	Total	46.949

Due to weak financial control, pension was paid without maintaining of record.

The payment of pension without maintaining record resulted in unjustified payment of Rs 46.949 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends probing the matter for fixing of responsibility against the officers/officials at fault besides recovery if any, or regularization and maintenance of record.

[AIR Para:16]

24.4.2 Irregular execution of development schemes without PC-I – Rs 23.100 million

According to PLGO works Rule 2017 (4 (2&3)), the work costing less than rupees 1.5 million shall be prepared and approved on the basis of detailed cost estimates and the work costing rupees 1.5 million or above shall be prepared on PC-I prescribed by the Government and approved in the manner prescribed for approval of PC-I.

Chief Officer Municipal Committee Karor, executed development schemes valuing Rs 23.100 million through simple cost estimates without preparation and approval of PC-I which resulted irregular execution of development works. The detail is given below:

(Rupees in million)

Work No.	Tender Date	FY	Name of Scheme	Cost
4	25-11-2017	2017-18	Construction of Janazagah and Boundary Wall at Karor Lal Eason Saehar Graveyard	15.000
5	30-12-2017	2017-18	Construction of boundary wall, drains etc ward No.1 to 7 Karor city	3.500
6	30-12-2017	2017-18	Construction of boundary wall, drains, soling re soling and PCC slab etc ward No. 8 to 13 Karor city	3.000

2	09.06.2017	2016-17	Construction and Repairing Sewer line drain PCC slab and Repairing different works in MC Karor part-ii	1.600
Total				23.100

Due to weak internal control, development schemes were executed without approval of PC-I.

Execution of schemes without approval of PC-I resulted in irregular expenditure of Rs 23.100 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault besides regularization and maintenance of record.

[AIR Para:18]

24.4.3 Non / less recovery of various fees/taxes – Rs 7.252 million

According to 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. Further to this “it is the duty of the departmental authorities to see that all Govt. dues/revenues which have to be brought to account are correctly and promptly assessed, realized and credited to Govt. account. Further 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.

Chief Officer Municipal Committee failed to recover / less recovered rent of shops, map fee, commercial charges and penalty amounting to Rs 7.252 million under various heads during 2017-19. The detail is given below:

(Rupees in million)		
Sr. No.	Nature of Receipt	Amount
1	Rent of Shop	1.593
2	Map Fee & Commercial Charges	1.513

Sr. No.	Nature of Receipt	Amount
3	Conversion fee	0.413
4	Non reducing of brick rate	1.319
5	Penalty	2.209
6	Commercialization fee	0.205
Total		7.252

Due to weak financial control, revenue was not realized.

Non realization of revenue resulted in loss of Rs7.252 million to the Local Government.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 7.252 million besides fixing responsibility against the person(s) at fault.

[AIR paras:1,4,5,19,24,27]

24.4.4 Procurement of substandard machinery without transparent manners – Rs 5.630 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. Further, according to Rules 4 of Punjab Procurement Rules 2014, “A procuring agency, while making any procurement, shall ensure that the procurement is made in a fair and transparent manner

Chief Officer Municipal Committee Karor, paid an amount of Rs 5.630 million to “Kisan Engineering, LAHORE” against procurement of machinery on quotation basis without tender advertisement. No comparison was made before procurement of heavy machinery with reference to price, quality and performance. Furthermore, defective machinery was provided by the firm and amount of Rs 1.745 million was withheld against Jetting Machine for removal of defect. Both

machines were defective which shows that either the second hand machinery was provided or collusion between managements The detail is given on next page:

(Rupees in million)

Token No.	DOD	Items	Amount	Total Amount
45	1.4.2016	Jetting Machine Tractor Mounted jetting unit	1.745	3.490
93	13.10.16		1.745	
46	1.4.2016	Sucker Machine	1.070	2.140
94	13.10.16		1.070	
Total				5.630

Due to weak financial control, machinery was procured without observing codal formalities.

Non observance of codal formalities resulted in irregular expenditure of Rs 5.630 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends enquire the matter for fixing of responsibility on the officer concerned besides regularization of the expenditure from the competent authority.

[AIR Para: 15]

24.4.5 Un-authorized Collection without Gazette Notification of levies – Rs 5.558 million

According to Rule 19 of PLG Accounts Rules 2017, No tax, fee, toll, cesses, charge, rate, or any other levy shall be given effect before the same is notified in the official Gazette. According to Rule 19 of PLG Accounts Rules 2017, Further, according to Rule 20 (2) of PLG Accounts Rules 2017, where a local government levies a tax, rate, fee or any other charge for periodical assessment is necessary, the demand shall be raised after the assessment is approved by the Mayor or Chairman. All receipts of the local government shall be collected through the bank.

Chief Officer Municipal Committee Karor, collected receipts of Rs 5.558 million was made against following levies, taxes, fees etc without any notification in official Gazette uptill now which resulted unauthorized collection of revenues from public. No any notification in official Gazette was on record since establishment of Municipal Committee. Further, mostly collections were made on cash basis instead of through bank which resulted collection as doubtful. The detail is as under:

(Rupees in million)

Detail Receipt Head	Financial Years			Total
	2016-17	2017-18	2018-19	
C03555 - Car parking fee	0.067	0.117	0.159	0.343
C0388007 - License fee – others	0.000	0.012	0.000	0.012
C0388008 - License and Permit Fee	0.092	0.246	0.213	0.550
C0388016 - General Bus Stand fee	0.688	1.432	1.410	3.530
C0388034 - Fine for Encroachments	0.000	0.001	0.005	0.006
C0388042 - Fee for slaughtering of animals	0.069	0.109	0.110	0.288
C0388063 - Fee for fairs, agriculture shows, industrial exhibitions, tournaments and other public events	0.000	0.193	0.254	0.447
C0388076 - Advertisement Fee on billboards/ hoardings	0.000	0.053	0.037	0.090
C0388087 - Copying fee	0.043	0.051	0.017	0.111
Nikah Fee	0.000	0.044	0.088	0.132
Other (Misc)	0.000	0.009	0.040	0.049
Total				5.558

Due to weak financial control, taxes were collected without notification in official gazette.

Collection of revenue without notification in official gazette resulted in unauthorized revenue of Rs 5.558 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault besides regularization and reconciliation.

[AIR Para: 3]

24.4.6 Unauthorized splitting of development scheme – Rs 5.450 million

According to Para 2.70 of B&R Code and vide Finance Deptt. Letter No.FD(D-11)10(3)90 Dated 27.06.1991, the splitting will have to be got approved from the Chief Engineer concerned. Further, according to Government of the Punjab C&W Department Memo No. 6964/PA/SC&W/74 dated 09.08.1974, practice of splitting up of works for execution into small groups shall be discontinued forthwith and no work will be divided up into small groups without prior and specific orders of the Chief Engineer. Moreover, according to Para 2.77 of PWD code, work cannot be split into groups, if urgency so demands then the sanction of the Chief Engineer is must and the acceptance of tender rest with the authority who is competent to accept the tender of the scheme as a whole in case of each group.

Chief Officer Municipal Committee Karor, split up single scheme into two or more schemes to avoid sanction from higher authority or to award the contractor of lower category without approval of Chief Engineer. Moreover, scheme and contractor was same. This tendency can be caused publicity of expenditure and chances of misappropriation cannot be over ruled. The detail is given below:

(Rupees in million)

Work No.	Tender Date	FY	Name of Scheme	Cost
1	09.06.17	2016-17	Construction and Repairing drain, Soling, PCC Slab in MC Karor part-I	0.750
2	09.06.17	2016-17	Construction and Repairing Sewer line drain PCC slab and Repairing different works in MC Karor part-II	1.600
Sub. Total				2.350
1	18-09-2017	2017-18	Earth filling P/F iron crosses, slab covers ,drain Muharam roots in Karor city	0.250
2	18-09-2017	2017-18	Construction and repairing PCC slab , drain, soling and different works Muharam roots in Karor city	0.250

Work No.	Tender Date	FY	Name of Scheme	Cost
3	18-09-2017	2017-18	Construction and repairing sewerage ,main holes covers, Hozian and Khardar tar Muharam roots in MC Karor city.	0.250
			Sub. Total	0.750
8	03-01-18	2017-18	Construction of PCC slab,drain,Soling re Soling,Tuf Tile sewerage slab covers iron crosses etc in MC Karor Part-I	1.000
9	03-01-18	2017-18	Construction of PCC slab,drain,Soling re Soling,Tuf Tile sewerage slab covers iron crosses etc. in MC Karor Part-II	1.000
			Sub. Total	2.000
1	09-05-18	2018-19	Earth filling for Muharam roots in Karor city	0.150
5	09-05-18	2018-19	Purchasing of Electric item (Cable , LED bulb, Holders etc for Muharam roots in Karor city	0.200
			Sub. Total	0.350
			G. Total	5.450

Due to weak internal control, schemes were split up to avoid technical sanction from competent authority.

Splitting of schemes resulted in unauthorized expenditure of Rs 5.450 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility on the officer concerned for non-complying with the standing rules and instructions besides regularization of the expenditure from competent authority.

[AIR Para: 20]

24.4.7 Unauthorized payment of salaries due to illegal promotions – Rs 2.319 million

According to Rule 9(b) of the 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.

Chief Officer paid an amount of Rs 2.319 million during 2016-17 to 2018-19 on account of salaries to Malik Mukhtiar Hussain Office Superintendent (BS-17). The said employee was illegally promoted from Octori Clerk (BS-5). The matter was taken up by the Director LG &CD D.G. Khan with the Secretary, LG&CD, Lahore vide letter No.DLG/DGK/1844 dated 29.12.2016 regarding Development Plan of TMAs of Dera Ghazi Khan Division in the wake of PLGA 2013 with request for appropriate action against the complaints of some officials who were illegal promoted and adjusted in higher scale. He placed Malik Mukhtiar Hussain at serial No. 8 who is also illegally promoted as superintendent in BS-17.

Due to weak financial management, salaries were paid on the basis of illegal promotion.

Drawl of salaries on the basis of illegal promotion resulted in illegal expenditure of Rs 2.319 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault besides regularization and recovery if any.

[AIR Para: 31]

24.4.8 Irregular award of works without performance guarantee – Rs 1.513million

According to Rule 25 (7(d) 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% of Contract cost (including CDR deposited at the time of tendering) within 15 days of issuance of notice. Moreover, according to Rule 27 of PPRA, 2014 of ibid states

that the procuring agency may require the bidders to furnish a bid security not exceeding five per cent of the bid price; and Rule 56 states that where needed and clearly expressed in the bidding documents, the procuring agency shall require the successful bidder to furnish a performance guarantee which shall not exceed ten percent of the contract amount.

Chief Officer Municipal Committee Karor, did not obtain additional performance security of Rs 1.513 million during 2017-18 from the 8 contractors because the contractors quoted below rate than TS value which resulted in undue financial aid/support to contractor. No performance security was received just to oblige the contractors.

Due to weak financial control, performance guarantee was not obtained from contractor.

Non obtaining of performance guarantee resulted in irregular expenditure of Rs 1.512 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para: 21]

24.4.9 Unjustified expenditure on account of earth work – Rs 1.335 million

According to para No.3 of Technically Sanctioned Estimate by Chief Engineer (HQ) Punjab Local Govt. Board Lahore, the quantity of each items of work taken in the estimate is for estimation purpose only. The exact quantity of earth work will be worked out after conducting levelling before executing of E/W in order to avoid possibility of any wrong payment besides preparation of lead chart

of earth work showing borrowing areas specifying exact khasra and khatoni numbers.

Chief Officer Municipal Committee incurred expenditure Rs 1.335 million on filling of earth in the 3 schemes by allowing lead up to 1 mile. But it was noted that locations from it was received, owner name and Khasra number was not on the record.

Due to weak internal financial controls, lead was allowed without supporting documents.

Non observance of rules resulted in unauthorized expenditure of Rs 1.335 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of excessive lead amount from contractors.

[AIR Para: 22]

25. Municipal Committee Layyah

CHAPTER 25.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	243.354	218.419	-24.935	-10
Development	16.836	6.012	-10.824	-64
Total	260.19	224.431	-35.759	-14

Development funds amounting to Rs 6.012 million were spent for schemes of providing and laying of tuff tiles, construction of drains and soloing, repair works. The said development schemes completed during the year.

ii. Analysis of Targets and Achievements

Sectorial analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee. Authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements (F.Y-2018-19)

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Number of schemes	24	0	Target not achieved
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Expenditure (Rs in million)	1.450	1.403	Target not achieved
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	0.500	0.507	Target achieved
4	Prevention and removal of encroachment	Receipts (Rs in million)	0	0	-
5	Regulation of dangerous and offensive articles	Surveyed numbers	0	0	-
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	0	0	-
7	Promotion of sports & sports persons		1.750	1.451	Target not achieved
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	0	0	-
9	Staff Position				
i	Sanitation Staff	No. of Posts	253	252	Target achieved
ii	Water supply scheme staff		15	15	-do-
iii	Planning staff		9	6	Target not achieved
iv	Finance Staff		15	14	-do-
v	Regulation Staff		13	12	-do-
vi	Infrastructure and Services Staff		39	39	Target achieved

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the

management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 25.2

Municipal Committee Layyah

25.2.1 Introduction:

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

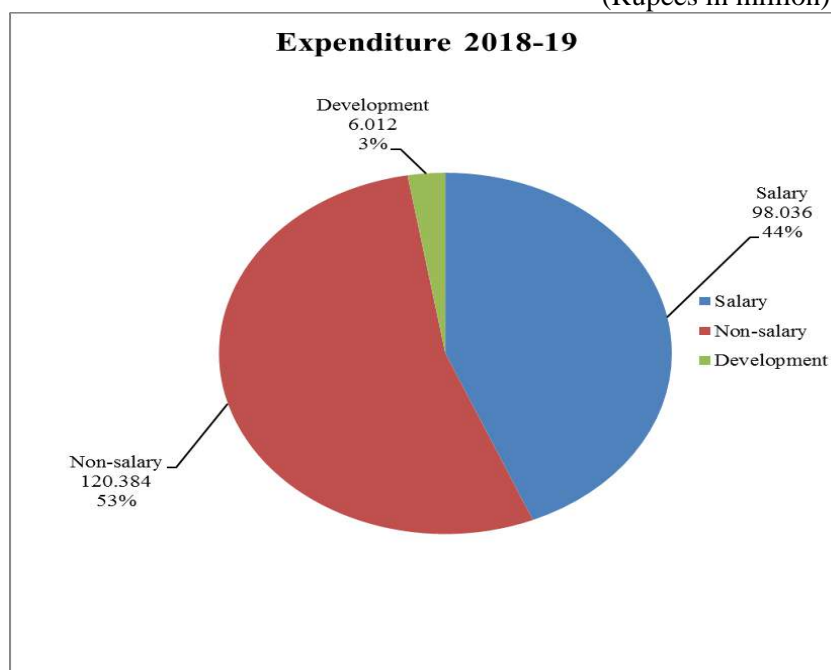
25.2.2 Comments on Budget and Accounts

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

(Rupees in million)

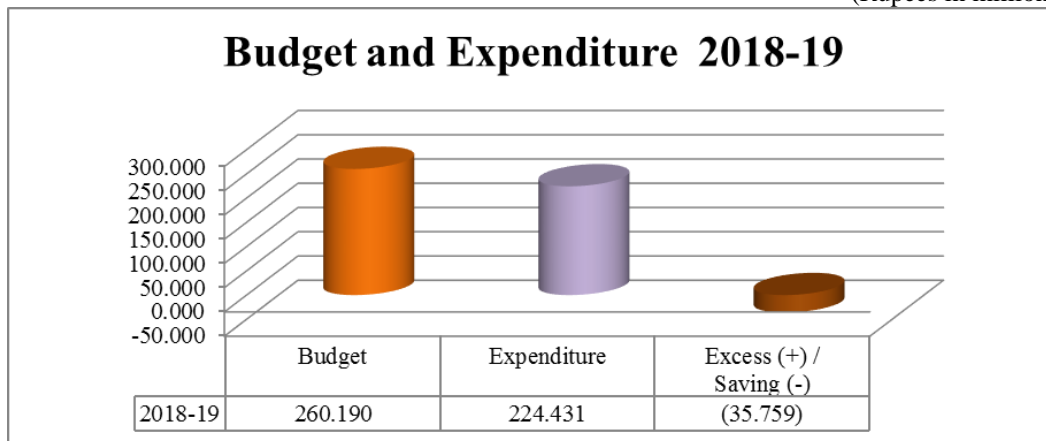
Municipal Committee Layyah				
Particular	Budget	Actual	Excess / Savings	%
Salary	107.279	98.036	(9.244)	8.617
Non-Salary	136.075	120.384	(15.691)	11.531
Development	16.836	6.012	(10.824)	64.291
Total	260.19	224.432	(35.759)	13.743
Receipts	263.212	226.325	(36.887)	14.014

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Layyah, total original budget (Development and Non-Development) was Rs 260.190 million. Against the budget, total expenditure of Rs 224.431 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 35.759 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Layyah. **(Annexure-B)**

(Rupees in million)



25.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 26.224 million were raised as a result of this audit. This amount also includes recoverable of Rs 10.717 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	1.021
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	-
B	Procurement related irregularities	26.224
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

25.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

25.3 Non-Production of Record

25.3.1 Non-production of record - Rs 1.021 million

According to Clause 14 (1) (b) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, the Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts. Moreover, according to Rule 13(1)(e) of the Punjab Local Government Accounts (Rules) 2017, the head of offices shall ensure that in the office under his supervisory control such record or information or document to which Auditor General of Pakistan has a statutory right of access is not withheld and the auditors are afforded reasonable facility in discharge of their duty.

Chief Officer Municipal Committee Layyah, collected an amount of Rs 1.021 million on account of license fee during 2016-19 but deposit challan was not produced to audit for scrutiny. As a result, audit could not verify the authenticity of receipt.

(Rupees in million)

Period	Amount
2016-17	0.021
2017-18	0.500
2018-19	0.500
Total	1.021

Audit is of the view that due to weak financial management, the record was not produced for audit verification.

Non production of record created doubt regarding legitimacy of the expenditure.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to inquire the matter, fix responsibility and strict disciplinary action against the person(s) at fault for non production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Para:35]

25.4 Procedural Irregularities

25.4.1 Irregular expenditure without advertisement – Rs 5.848 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 in advance on the PPRA's website.

Chief Officer Municipal Committee incurred an expenditure of Rs 5.848 million for purchase of various items without advertisement on PPRA website. The procurement was made on quotation basis. No comparative statement was prepared. Furthermore, no stock receiving entry was existed in stock register. The detail is given below.

(Rupees in million)

Sr. No.	Description	Amount
1	Ramzan Bazar	2.634
2	Street light	0.977
3	Purchase of Furniture	0.640
4	Purchase of Sports	0.568
5	Expenditure on Moharram	0.503
6	Stationery	0.526
Total		5.848

Due to weak financial controls, procurement was made without advertisement on PPRA.

Non compliance of procurements rules resulted in irregular expenses of Rs 5.848 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) concerned besides regularization of the expenditure.

[AIR Para:1,3,5,8,31,32]

25.4.2 Non-recovery of arrears – Rs 5.782 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 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.

Chief Officer Municipal Committee did not recover outstanding arrears amounting to Rs 5.782 million from the various contractors against various leases. No serious efforts were made to recover the outstanding revenues. The detail is given below:

(Rupees in million)

Sr. No.	Arrears	Amount
1	Rent of Shops	3.619
2	Arrear of fee taxes	2.163
	Total	5.782

Due to weak financial controls, attentions were not paid towards recovery of arrears.

Non recovery of pending arrears resulted in loss of revenue Rs 5.782 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the person(s) at fault besides recovery of Rs 5.782 million.

[AIR Paras: 20,28]

25.4.3 Unjustified expenditure on rural water supply schemes without collection of water charges – Rs 5.129 Million

According to Notification No. DC. DGK (DOF)02/2017 (Taxation) dated 30.01.2018 issued by the Zila Council Dera Ghazi Khan and circulated by The Punjab Gazette, the water rates charged from the rural water supply connection was as under:

Domestic ½” to ¾” dia	Rs150 to 1500 P. month
Office connection ¼” to ½” dia	1200 month
Commercial Connections ½” to ¾” dia	1200 to 5000 P. month

Chief Officer Municipal Committee Layyah, incurred an expenditure of Rs 5.129 million on account of Electricity Bills/ maintenance and salary payment to staff on urban water supply schemes. But water charges as specified above neither recovered nor deposited into Government account. Incurrence of huge expenditure without any recovery was loss to Government.

(Rupees in million)

Year	Electricity
2016-17	2.615
2017-18	1.664
2018-19	0.850
Total	5.129

Due to weak financial control, expenditure was incurred without recovering water charges.

Incurrence of expenditure on water supply schemes without recovery/ collection of water charges was unjustified.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault for non recovery/ collecting of water charges beside recovery of said amount.

[AIR Para:33]

25.4.4 Non-recovery of conversion fee - Rs 4.935 million

According to Government of Punjab LG&CD Department Notification No.SOR(LG)38-18/2009 dated 6.6.2012, the conversion fee for the conversion of a residential, industrial, Peri Urban area or intercity service are to commercial use shall be as under.

Less than one million rupees	5%
From one million to ten million rupees	10%
More than ten million	20%

Municipal Officer (planning) Municipal Committee Layyah, did not take any action to recover an amount of Rs 4.935 million during 2016-19 on account of map fee, conversion fee of land value from the owners of 457 residential and commercial buildings established under his jurisdiction.

Due to weak internal controls, commercial activity is allowed to be carried out without the payment conversion fee and map fee.

Non recovery of dues resulted in loss amounting Rs 4.935 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault besides recovery of fee from the owner of commercial, industrial buildings as early as possible.

[AIR Para:34]

25.4.5 Un-approved/illegal residential housing schemes – Rs 2.4 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 112 of Punjab Local

Government (Budget) Rules 2001, it shall be the duty of the Collecting Officer and Assistant Collecting Officer to see that: All income claimable is claimed, realized and credited to the Local Fund of the Local Government. And 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. According to Rule 76(1) of PDG and TMA (Budget) Rules, 2003 the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund. Further according to MC Fazilpur Tax/Fee rate schedule By-Laws vide notification No.607/MC/FP dated 12-06-2018.

Chief Officer Municipal Committee Layyah, failed to approved the 24 residential colonies which were under construction/development process in the area of MC Layyah during 2016-19. Neither the map/ building plan was got approved by the MC nor the requisite fee amounting to Rs 2.400 million was recovered from the owner of schemes.

Due to weak internal control, residential housing schemes were not approved by MC.

Non approval of residential housing schemes resulted in loss of revenue of Rs2.4 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends the investigation and action should be taken against the persons held responsible along with immediate recovery of loss.

[AIR Para:25]

25.4.6 Unauthorized and irregular purchase of machinery – Rs 2.130 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 one hundred thousand rupees to 2 million rupees.

Chief Officer Municipal Committee Layyah incurred an expenditure of Rs2.130 million on account of purchase of machinery by quotation at personal level instead of tender advertisement during 2017-18. Scrutiny of record reveals that due to non inviting of tender financial bid and performance guarantee was not obtained. Further machinery was purchased without mentioning the specification of machinery due to which rate at quotation was self assessed by supplier. Furthermore, stock receiving and issuance was not on record. The detail is given below.

(Rupees in million)

Token	Item	Rate	Qty.	Total	Supplier
01 dated 28.03.18	Loader trolley rickshaw	56500	17 Nos	0.961	Khan United Centre
	Motor cycle		17 Nos.	0.850	
13 dt. 01.06.18	Loader rickshaw for sanitation	106,500	3	0.319	Khan United Centre
Total				2.130	

Due to weak financial controls, machinery was purchased without observing codal requirements.

Non observance of codal requirement resulted in irregular and doubtful expenditure of Rs 2.130 million.

The matter was reported to the DDO concerned in March, 2020. DDO did not submit replies.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault besides inquiring the matter for genuineness of expenditure and regularization of expenditure from competent forum.

[AIR Para: 2]

26. Municipal Committee Alipur

CHAPTER 26.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	113.053	105.190	(7.863)	7
Development	23.646	12.736	(10.910)	46
Total	136.699	117.926	(18.773)	14

(Source: Annual Accounts 2018-19)

Development funds amounting to Rs 12.736 million were spent for schemes of providing and laying of tuff tiles, construction of drains and soloing, repair works and construction of shops. The said development schemes completed during the year.

ii. Analysis of Targets and Achievements

Sectorial analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against illegal housing schemes)	Number of schemes	0	0	-
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Receipt (Rs in million)	0.650	0.350	Target not achieved
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	0.100	0.042	Target not achieved
4	Prevention and removal of encroachment	Receipts (Rs in million)	0.040	0.051	Target achieved
5	Regulation of dangerous and offensive articles	Surveyed numbers	0	0	-
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	0	0	-
7	Promotion of sports & sports persons		1.000	0.249	Target not achieved
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	0	0	-
9	Staff Position		194	170	
i	Sanitation Staff	No. of Posts	145	126	Target not achieved
ii	Water supply scheme staff		7	6	
iii	Planning staff		4	1	
iv	Finance Staff		12	12	Target achieved
v	Regulation Staff		9	8	-do-
Vi	Infrastructure and Services Staff		17	17	Target achieved

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the

management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 26.2

Municipal Committee Alipur

26.2.1 Introduction

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

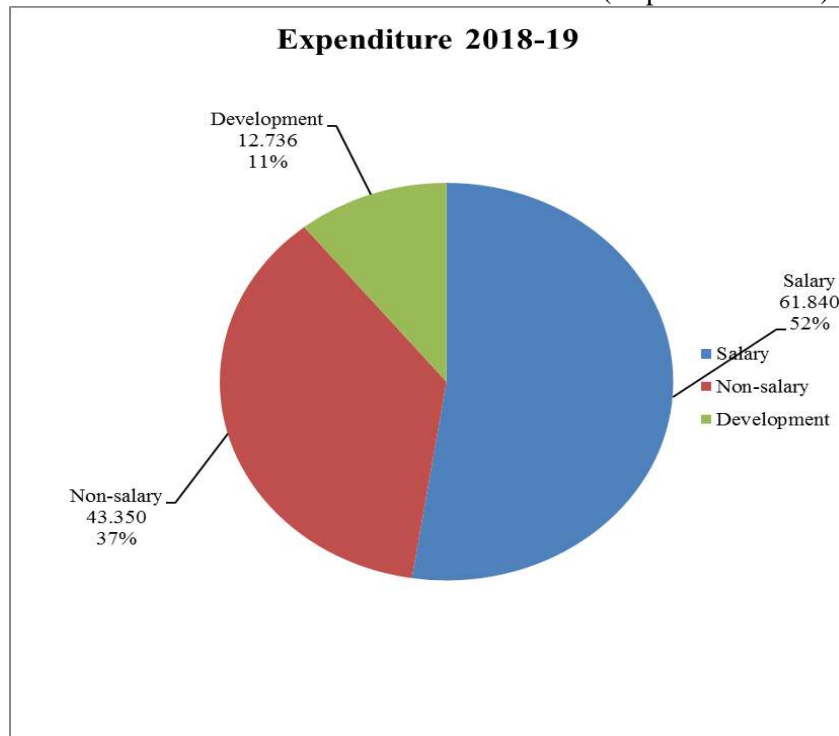
26.2.2 Comments on Budget and Accounts

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

(Rupees in million)

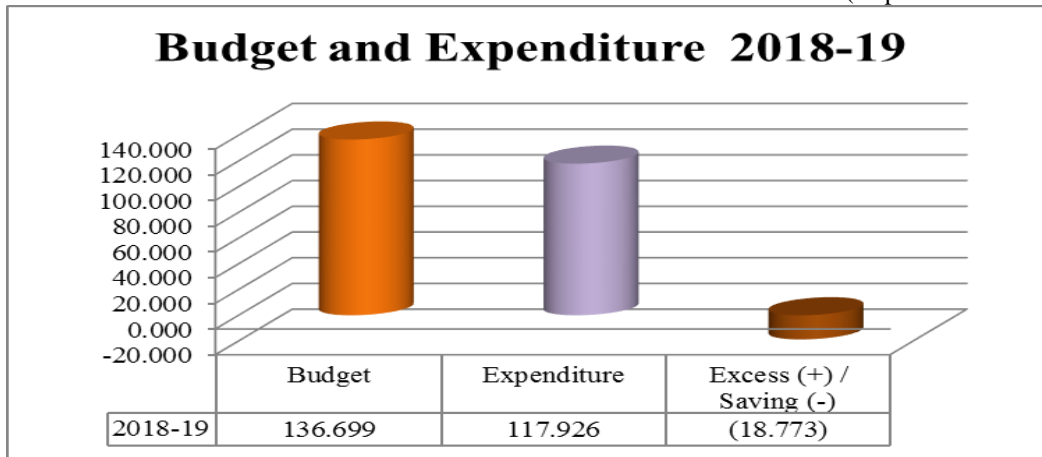
Municipal Committee Alipur				
Particular	Budget	Actual	Excess / Savings	%
Salary	63.658	61.840	(1.818)	2.86
Non-Salary	49.395	43.350	(6.044)	12.24
Development	23.646	12.736	(10.910)	46.14
Total	136.699	117.926	(18.772)	13.73
Receipts	33.240	20.180	(13.060)	39.29

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Alipur, total original budget (Development and Non-Development) was Rs 136.699 million. Against the budget, total expenditure of Rs 117.926 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 18.773 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Alipur. **(Annexure-B)**

(Rupees in million)



26.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 250.340 million were raised as a result of this audit. This amount also includes recoverable of Rs 13.434 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	3.988
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	132.824
B	Procurement related irregularities	113.528
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	

26.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

26.3 Non-Production of Record

26.3.1 Non-production of record – Rs 3.988 million

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

The Chief Officer, Municipal Committee, during 2016-19 incurred an expenditure of Rs 3.988 million on account of payment for pay and allowances and POL but vouchers and logbooks were not produced for audit scrutiny. The authenticity of the expenditure could not be verified without production of auditable record.

(Rupees in million)

Token No.	Token Date	Detail	Amount
647	23.06.16	POL Misc bills	0.182
646	23.06.16	POL Misc bills tractors, generators	0.163
641	14.06.16	Repair of tub well	0.017
102	25.08.16	POL logbooks jeep/Cultus	0.037
88	25.08.16	POL logbooks jeep/Cultus	0.047
59	25.08.16	POL logbooks Machinery	0.261
178	06.10.16	POL logbooks Machinery	0.320
179	06.10.16	POL logbooks jeep/Cultus	0.028
112	29.08.16	Electricity charges	0.585
115	29.12.16	POL logbooks of vehicles	0.305
116	29.12.16	POL logbooks of vehicles	0.268
60	04.02.17	POL Tractors Dec.2016	0.115
92	27.12.16	Electricity charges	0.262
219	29.12.16	POL vehicles	0.037
700A	30.04.19	Commutation payment Muhammad Aslam (service book and other record)	1.361
Total			3.988

Due to weak financial management, the record was not produced for audit verification.

Non-production of record created doubt regarding legitimacy of the expenditure amounting to Rs 3.988 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to inquire the matter, fix responsibility and strict disciplinary action against the person(s) at fault for non-production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Para:40]

26.4 Procedural Irregularities

26.4.1 Inauthentic payment of pension fund - Rs 97.270 million

According to Rule 37(3) of the Punjab Local Government (Accounts) Rules 2017, the DDO shall maintain the Establishment Check Register (ECR) and reconciled with the similar register maintained by the Accounts Officer. At the beginning of each year the entries in the ECR shall be scrutinized and verified by the DDO, and countersigned by the Head of Offices. Furthermore, according to LG&CD Department letter No. SO(MC-DEV)(New Local Government) LG/9-2/2015 dated 16.03.2017, the pension to the retired employees may be paid out of General Purpose Account only upto March 2017, where the Pension Fund Account has not been opened. The Pension Fund Account should be opened and become operational immediately.

The Chief Officer, Municipal Committee, paid an amount of Rs 97.270 million on account pension during 2016-19. All the pension payments were made out of General Purpose Fund. No life certificate/re-marriage certificates of the pensioners were on record from where the authenticity of the payment could be substantiated.

(Rupees in million)

Sr. No.	Account No.	Period	Amount
1	0219-PLS-901483-000-0 BOP	01.07.16 to 04.10.18	5.053
2	0219-PLS-0008639-000-1 BOP	16.03.17 to 19.09.18	22.496
3	6510152473100024 BOP	24.09.18 to 30.06.19	69.721
Total			97.270

Due to weak internal controls, pensions were paid without opening and maintaining ECR and Pension Fund Account.

Payment of pension out of General Fund Account resulted in inauthentic payment as well as violation of above quoted rule.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends investigating the matter, fixing responsibility on the person(s) at fault besides regularization of expenditure from the competent authority.

[AIR Para:37]

26.4.2 Irregular execution of development schemes without PC-I – Rs 38.427 million

According to PLGO works Rule 2017 (4 (2&3), the work costing less than rupees 1.5 million shall be prepared and approved on the basis of detailed cost estimates and the work costing rupees 1.5 million or above shall be prepared on PC-I prescribed by the Government and approved in the manner prescribed for approval of PC-I.

Contrary to above the Chief officer of Municipal Committee, executed 14 development schemes amounting to Rs 38.417 million through simple cost estimates without preparation and approval of PC-I during 2016-19.

Due to weak financial controls, development schemes were executed without PC-1.

Non observance of codal formalities resulted in irregular expenditure of Rs 38.417 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para: 23]

26.4.3 Irregular expenditure due to defective tendering process – Rs 38.176 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 be mentioned in the tender inviting notice.

The Chief Officers Municipal Committee, invited tenders for nineteen development schemes valuing Rs 38.176 million, during 2016-19, through advertisement in one Urdu Newspaper instead of one English and Urdu. No particulars of technical sanction i.e. TS number and date of orders of Technical Sanctions were laid down in the advertisement.

Due to weak financial controls, tenders were advertised without technical sanction number and date and were not monitored.

Non compliance of rules resulted in irregular expenditure of Rs 9.500 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para: 32]

26.4.4 Irregular appointment/regularization of services of employees and payment of salaries – Rs 31.375 million

According to clarification issued by the Government of Punjab Local Government and Community Development Department, Lahore vide letter No. SO(Admn-II(LG)Misc/2015 dated 30.9.2015 that the policy for regularization of work charge employees has been affirmed by the Honorable Supermen Court of Pakistan vide order dated 20.5.2011 passed in C.P No.1259-L of 2010 as below:

- a) Age of the employee at the time of initial recruitment.
- b) Whether the employee who continues to perform his duty on work charge has already not crossed the age of superannuation.
- c) How many of them have been employed for more than three years,
- d) How many employees have been hired against sanctioned post reserved for work charge?
- e) Whether these employees fulfill the criteria laid down for regular appointment.
- f) Whether the existing employees do not fulfill the prescribed requirements of the post presently, hire against.
- g) Whether the employees hired in this context were selected under any due process after due publicity of posts and determination of merit.

Chief officer Municipal Committee, regularized the services of work charge employees during 2016 and salary amounting to Rs 31.375 million(approx.) were paid accordingly. The services of the said employees were regularized without observing the criteria as quoted above. The services were regularized on the judgment of Labour Court where court/litigation clerk attended the cases instead of any senior officer. Furthermore, no open advertisement and merit determination was on record and regularization was made when the writ challenging the decision of Labour court was already under proceeding in Supreme Court of Pakistan. The detail of employees is as below:

(Rupees in million)

Order No.	Date	No. of Employees	Designation	BPS	Period	Monthly Rate	Amount
No.TMA/A P/354-6	08.06.16	8	Sanitary worker	1	July 2016 to June 2019	20,781	5.985
No.TMA/A P/408	13.07.16	11		1		18,116	7.174
No.TMA/A P/539	08.09.16	9		1		17,299	5.605
No.TMA/A P/615	19.10.16	20		1		16,681	12.010
No.MC/AP /634	19.09.17	1		1		16,681	0.601
Total							31.375

Due to weak financial controls, services were regularized without any criteria.

Appointments and further regularization without any criteria resulted in unauthorized expenditure of Rs 31.375 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:41]

26.4.5 Irregular splitting of schemes – Rs 9.407 million

According to Para 2.77 of PWD code, work cannot be split into groups, if urgency so demands then the sanction of the Chief Engineer is must and the acceptance of tender rest with the authority who is competent to accept the tender of the scheme as a whole in case of each group.

The Chief Officer, Municipal Committee, split the development schemes valuing Rs 9.407 million during 2016-19, without approval of the Chief Engineer. The detail is given below:

(Rupees in million)

Work No.	Tender Date	FY	Scheme Name	Contractor	Cost
1	05-07-19	2018-19	Repair and Const. of Khala earth filling Protection Wall Plants Part-1	Adeel Aslam	0.475
2	05-07-19	2018-19	Repair and Const. of Khala earth filling Protection Wall Plants Part-II	Adeel Aslam	0.750
Sub. Total					1.225
1	09-11-18	2018-19	Repair of Muharram Routs Iron Cross Slab Patch Work Nali Galli Pulli MC Alipur	Adeel Aslam	0.200
2	09-11-18	2018-19	P/F Street Light Accessories for Muharram Routs MC Alipur	Adeel Aslam	0.682
Sub.Total					0.882

Work No.	Tender Date	FY	Scheme Name	Contractor	Cost
1	12-12-17	2017-18	P/F Street Lights 16/20/30 LED Watt Bracket Auto Sensor	Raof Azam	3.000
2	12-12-17	2017-18	P/F Road Lights 50/100 Watt LED	Raof Azam	2.800
3	12-12-17	2017-18	P/F Electric Wire 7/52 double silver 7/29 double copper 3/29, 7/29 single copper	Raof Azam	1.500
Sub.Total					7.300
Grand Total					9.407

Due to weak financial management, schemes were split just to avoid approval from higher authority.

Splitting of schemes valuing Rs 9.407 million resulted in irregular expenditure.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:28]

26.4.6 Loss due to non-transfer of taxes to Government account – Rs 6.612 million

According to rule 9 (c) of the Punjab Local Government (Accounts) Rules 2017, the collector of tax, fee, rate, charges, surcharge of the local Government shall be personally responsible for any overcharge, fraud or misappropriation or delay for crediting the amounts so collected to the account of the government and shall be liable to make good the loss arising from his culpable negligence.

The Chief Officer, Municipal Committee, withheld an amount of Rs 6.612 million on account Income Tax, Sales Tax and Provincial sales tax

deducted from the suppliers bills during 2016-19, but same was not deposited into FBR account.

Due to weak financial management, taxes withheld from the contractors and suppliers were not deposited into FBR account.

Non deposit of taxes into FBR account resulted in loss of Rs6.612 million to the Federal Government exchequer.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides transfer of Rs 6.612 million to the FBR account.

[AIR Para:12]

26.4.7 Unauthorized payment of tuff tile pavers – Rs 4.080 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. Further according to Market Rate System issued from 2005-06 to 2017-18 by the Government of Punjab Finance Department, (i) The composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

The Chief Officer, Municipal Committee, made payment of Rs 4.080 million to the contractors on account of tuff tile used in 7 development schemes during 2016-19. 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. Texila, but the tuff tile was purchased of local built. Furthermore, lab test from approved laboratory for assessing the quality were not made.

Due to weak internal controls, payment was made without availability of gate pass of tuff tile and lab test.

Payment without supporting documents resulted in unauthorized expenditure of Rs 4.080 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Paras:26]

26.4.8 Unjustified execution of RCC work - Rs 3.348 million

According to additional clause 60,64,66 of contract agreement, samples of steel to be used in reinforcement cement concrete work shall be got tested. Testing of concrete to ensure that specified strength as per specification or as desired by engineer in charge is being achieved. Reinforcement steel should be of intermediate grade deformed bars with yield stress not less than 40000 LBS per square inch. This shall be supplied by MS PECO Lahore, M/S Abdul Qayum, Itifaq Industries. Receipt for the purchase from such supplier be enclosed with bill.

The Chief Officer Municipal Committee, paid an amount of Rs 3.348 million against the RCC work conducted during the construction of buildings during 2016-19. Neither the lab tests of Reinforcement, Cement Concrete neither were available on the record nor were bills supported with prescribed suppliers as mentioned in above rule.

Due to weak internal controls, payment was made without lab test and supporting documents.

Payment without lab test and supporting documents resulted in unauthorized expenditure of Rs 3.348 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:25]

26.4.9 Non-imposition of penalty for delay in completion of works – Rs 3.196 million

According to Clause 2 of the conditions of contract, the time limit for carrying out the work as entered in the tender shall be strictly observed by the contractor. The contractor shall pay as compensation an amount equal to one percent of the amount of contract subject a maximum of 10% or such smaller amount as Municipal Committee (whose decision in writing shall be final) may decide, for every day to that the work remains un-commenced or unfinished after the proper date.

The Chief Officer Municipal Committee Alipur, awarded 14 development schemes amounting to Rs 31.963 million for construction/repair work during 2016-19. However, contractor failed to complete the works within stipulated period provided in the agreement. Any request of contractor for extension of time period was not available in the record. An amount of Rs 3.196 million was not imposed as penalty for delay in completion of works.

Due to weak internal controls and poor monitoring mechanism penalty was not imposed for delay in completion of work.

Non-imposition of penalty resulted in loss of Rs 3.196 million to the Government exchequer.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to impose penalty and recovered from concerned contractor, besides fixing responsibility on person(s).

[AIR Para:27]

26.4.10 Irregular payment of work charged establishment – Rs 2.705 million

According to Sr. No. 2 of Schedule of Wage Rates, 2017, appointment to a post included in this schedule may be made by the competent authority under delegation of financial powers rules 2016 subject to the following conditions:

- j) The post(s) shall be advertised properly in the leading newspapers.
- k) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S&GAD
- l) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR, Vol-III.
- e) The appointment may be made up to the end of the financial year or the duration of the project, which is earlier.

The Chief Officer Municipal Committee, recruited 13 work charged employees. An amount of Rs 2.705 million was paid on account of salaries to those employees during 2016-19. The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc. The detail is given below:

(Rupees in million)

Order No.	Date	No. of Employees	Monthly Salary	Month	Period	Amount
MC/AP/14&124	08.01.18 & 02.04.18	13	12,047	6	Jan.18 to Jun.18	0.970
MC/AP/33,421, 543&136	02.07.18 & 05.10.18, 31.12.18 & 30.03.19	12	12,047	12	July.18 to Jun.19	1.735
Total						2.705

Due to weak financial controls, work charged employees were recruited and salaries were paid without observing codal formalities.

Non observance of codal formalities resulted in irregular expenditure of Rs 2.705 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para 22]

26.4.11 Loss due to delay in auction of leases of shops – Rs 2.123 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 years 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.

Chief Officer Municipal Committee, did not make any efforts to auction the leases of shops from July 2018 to January 2019. Scrutiny of the record revealed that leases of shops were advertised on 7th May 2018, for auction but the same was cancelled without any recorded reasons. The shops were leased out on 29.01.2019 with delay period of 7 months and had to bear financial loss of Rs 2.123 million due to negligence and delay in auction of shops. The detail is given on next page:

(Rupees in million)

Market	Serial of Shops	No. of Shops	Rent Rate	Months	Amount	Period
Seetpur Road	1 to 4	4	12,200	7	0.342	July.18 to Jan.19
Meat Market	1 to 18	18	4,200	7	0.529	July.18 to Jan.19
General Bus Stand Market	1 to 5	5	13,100	7	0.458	July.18 to Jan.19
General Bus Stand Market	6 to 18	13	4,200	7	0.382	July.18 to Jan.19
Junior Model School Market	1 to 14	14	4,200	7	0.412	July.18 to Jan.19
Total		54			2.123	

Due to weak internal controls, lease of shops was not auctioned in time.

Non auctioning of shops in time resulted in loss of Rs 2.123 million to the public exchequer.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that matter may be investigated and responsibility may be fixed on the person (s) at fault.

[AIR Para:4]

26.4.12 Loss due to non-recovery of conversion fee for commercialization – Rs 1.654 million

According to Government of the Punjab Local Government & Community Development Department Notification No.SOR(LG)38-18/2009 dated 06-06-2012 Sr. 4 (i) (a) the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Provided that in case of non-availability of Valuation Table, the value of the land shall be as per average price of the preceding twelve months of the land in the vicinity. According to Land use rules 2009 and Chapter VIII Rule 60 (a) of commercialization rules 2008 “The conversion fee for the conversion of residential, per-urban area or intercity service area to commercial use shall be twenty percent (20%) of the value of the commercial land as per valuation table. According to Tehsil Municipal Administration Notification No. DC/CO/MZG 1122/ 17.06.17 schedule By-Laws Fee, License, map, conversion fee shall be collected.

The Chief Officer Municipal Committee, failed to recover the conversion fee for use of declared commercialized roads from the owners of the 14 business centers amounting to Rs 1.654 million which was required to be recovered.

Due to weak Administration of MC, conversion fee for commercialization did not recover from the owner of the business.

Non-recovery of conversion/commercialization fee from the owner of business resulted in loss of corporation amounting to Rs 1.654 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to effect recovery amounting to Rs 1.654 million at the earliest besides fixing responsibility on person(s) at fault.

[AIR Para: 13]

26.4.13 Unauthorized grant of TS from irrelevant authority – Rs 1.500 million

According to LG & CD department letter No. SOR(LG)38-3/2017 dated 30.06.2017, an engineer in BS-11 working as independent engineer incharge in a Local Government shall have the powers to accord to technical sanction up to rupees one million. Furthermore, as per Chief Engineer letter No.CE(HQ)PLGB-6/2008 dated 13.05.2008, the scheme beyond the competency of Tehsil Officer (I&S) was required to be forwarded to the Chief Engineer for technical sanction.

The Chief Officer Municipal Committee, executed the scheme having value of Rs 1.500 million but the scheme was technically sanctioned by District Officer (I&S) District council Muzaffargarh instead of approval from the concerned Chief Engineer Local Government Lahore.

Due to weak financial controls, technical sanction was obtained from irrelevant authority.

Granting of TS by irrelevant authority resulted in irregular expenditure of Rs 1.500 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:33]

26.4.14 Loss due to non-recovery of salaries from contractors – Rs 1.474 million

According to Rule 20(2) of the Punjab Local Government (Auction of Collection Rights) Rules 2016, the contractor shall be responsible for deposit of salaries, pension contribution, premium of group insurance, leave salary, all

allowances and other fringe benefits permissible to the employees of a local government attached with him for administration and collection of respective income before the start of each month in advance. Furthermore, Rule 25(e) of ibid states that the contractor shall not appoint his personal staff for collection of income without the prior approval of local government and all collections shall be carried out by him through the staff of local government concerned assigned to him for this purpose.

The Chief Officer, Municipal Committee, leased out various rights of collections to the contractors during 2016-19. The services of the staff of the Municipal Committee were not availed by the contractors. Non-deployment of the Municipal Committee staff resulted in non-recovery of staff salaries from the contractors amounting to Rs 1.474 million (Approx).

(Rupees in million)

Design.	FY	Monthly Salary	Total
One Octroi Clerk	2016-17	0.036	0.428
	2017-18	0.041	0.495
	2018-19	0.046	0.551
Total			1.474

Due to weak financial management, the employees' salaries were not recovered from the lessee /contractors.

Non-recovery of salary from the lessee / contractor resulted in loss to the Local Government of Rs 1.474 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides amounts pointed out may be recovered from concerned.

[AIR Para:2]

**26.4.15 Recovery due to unjustified payment of contractor profit –
Rs 1.379 million**

As per Finance Department letter no. RO (TECH) FD.18-23/2004 dated 21-09-2004, all the store items are required to be purchased as per rules laid in purchase manual and no contractor profit and overhead charges are allowed to the contractor. Further, according to Rule 9(b) of the 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

Contrary to above Chief Officer Municipal Committee Alipur, paid an amount of Rs 1.379 million as contractor profit on purchase of store items during 2017-19.

(Rupees in million)

W.O No.	W.O. Date	Scheme	Detail	MB/ Page No.	Quantity	Rate	20 to 25 % Contractor Profit	Fixing Charges	Applied rate	Overpaid
84	13/12/2017	P/F Street Lights 16/20/30 LED Watt Bracket Auto Sensor	P/L street light 16 Watt. with sensor	141/97	139	4800	1200	500	6500	0.167
			P/L street light 16 Watt.	141/97	552	2360	590	500	3450	0.326
			P/L street light 20 Watt.	141/97	5	3040	760	500	4300	0.004
			P/L street light 30 Watt.	141/97	4	3800	950	500	5250	0.004
Sub. total										0.500
85	13/12/2017	P/F Road Lights 50/100 Watt LED	P/L Road light 50 Watt.	141/99	142	7200	1800	500	9500	0.256
			P/L Road light 100 Watt.	141/99	97	9600	2400	500	12500	0.233
Sub. total										0.488
31(I)	01.06.19	P/ LED Lights with other accessories	P/L street light 16 Watt. with sensor	SR/5	150	4800	1200	500	6500	0.180
			LED light 50 Watt.	141/99	100	7200	1800	0	9000	0.180
Sub. total										0.360

W.O No.	W.O. Date	Scheme	Detail	MB/ Page No.	Quantity	Rate	20 to 25 % Contractor Profit	Fixing Charges	Applied rate	Overpaid
72(I)	11.09.18	P/Fof street lights Muharram	P/L LED light 14.5 Watt.	140/6-9	100	2150	215	0	2365	0.022
			Change over		1	4500	450	0	4950	0.000
			P/L LED light 50 Watt. With bracket		10	8200	820	0	9020	0.008
Sub. total										0.030
G. total										1.379

Due to weak financial management, contractor profit was paid against the purchase of stores items.

Payment of contractor profit against the procumbent of store items resulted in loss of Rs 1.379 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides recovery of Rs 1.39 million from the concerned.

[AIR Para:17]

26.4.16 Less recovery of rent of shops – Rs 1.174 million

According to Rule 19 of the Punjab Local Government (Auction of Collection Rights) Rules 2016, after receipt of communication of acceptance of bid from the Local Government the contractor shall pay installments in advance by the 5th day of each month. The remaining amount of bid shall be paid by the contractor to the Local Government in equally monthly installments that the whole amount be recovered at least one month before completion of the contract. Moreover, Rule 27(4) of ibid states that in case of default of contractor, the Local Government shall be entitled to recover from the surety not only the amount due, but also the cost of proceeding initiated in this regard.

The Chief Officers, Municipal Committee, leased out shops of Municipal Committee to various shopkeepers during 2016-2019, as detailed below. However, the rents of shops were not recovered in full from the shopkeepers. The remaining amount of Rs 1.174 million as on 30.06.2019, has not been recovered from the shopkeepers nor has any serious effort been made by the department.

(Rupees in million)

Sr. No.	Location	No. of shops	Outstanding Dues on 30.06.2019
1	Al Murtza Market	24	0.201
2	Circular Road	4	0.012
3	Water Works Market No. 1	24	0.163
4	Junior Model School Market	14	0.065
5	Water Works Seetpur Road	4	0.074
6	Meat Market	18	0.163
7	G.Bus Stand	18	0.496
	Total	106	1.174

Due to weak financial management, the rent of shops was not recovered from the lessee.

Non-recovery of rent of shop from the lessee resulted in loss to the Local Government of Rs 1.174 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of Rs1.174 million.

[AIR Para:1]

26.4.17 Overpayment due to non-reduction of rates - Rs 1.292 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. Further according to Market Rate System issued from 2005-06 to 2017-18 by the Government of Punjab Finance Department, (i) The composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

The Chief Officer Municipal Committee, made an overpayment of Rs 1.292 million to the contractors on account of brick work used in 14 development schemes during 2017-19. The full rates of bricks were paid without having lab test from approved laboratory for assessing the 1st, 2nd or 3rd class.

Due to weak internal controls, payment was made without lab test of bricks and reduction of rate.

Non-reduction of rates resulted in overpayment of Rs 1.292 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:24]

26.4.18 Recovery due to less deduction of income tax – Rs 1.160 million

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.”

The Chief Officer Municipal Committee, less deducted an amount of Rs 1.160 million on account of Income Tax from the various contractors during

2016-19. The department did not provide any proof that the contractors were filer and income tax was deducted @ 7.5% instead of 10% as mentioned in the above quoted rule.

Due to weak financial management, income tax was less deducted without proof of having filer.

Less deduction of income tax resulted in loss to the committee amounting to Rs1.160 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides production of record regarding filer otherwise recovery from the concerned.

[AIR Para:29]

27. Municipal Committee Chowk Sarwar Shaheed

CHAPTER 27.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	68.940	46.205	(22.735)	33
Development	17.200	5.210	(11.99)	70
Total	86.14	51.415	(34.725)	40

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 5.210 million against an allocation of Rs 17.200 million for the development schemes of Providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of rest house and repairing of office buildings. The said development schemes could not be completed and an amount of Rs 15.415 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 34.725 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The

authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Number of schemes	Nil	Nil	-
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Expenditure (Rs in million)	-	-	-
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	10.930	9.620	Target not achieved
4	Prevention and removal of encroachment	Receipts (Rs in million)	0.050	0	-do-
5	Regulation of dangerous and offensive articles	Surveyed numbers	0	0	-
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	0	0	-
7	Promotion of sports & sports persons		0	0	-
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	10.930	9.620	Target not achieved
9	Staff Position	No. of Posts			
i	Sanitation Staff		50	49	-do-
ii	Water supply scheme staff		3	3	Target achieved
iii	Planning staff		5	2	Target not achieved
iv	Finance Staff		5	3	-do-
v	Regulation Staff		10	7	-do-
vi	Infrastructure and Services Staff		17	14	-do-

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action

against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 27.2

Municipal Committee Chowk Sarwar Shaheed

27.2.1 Introduction

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

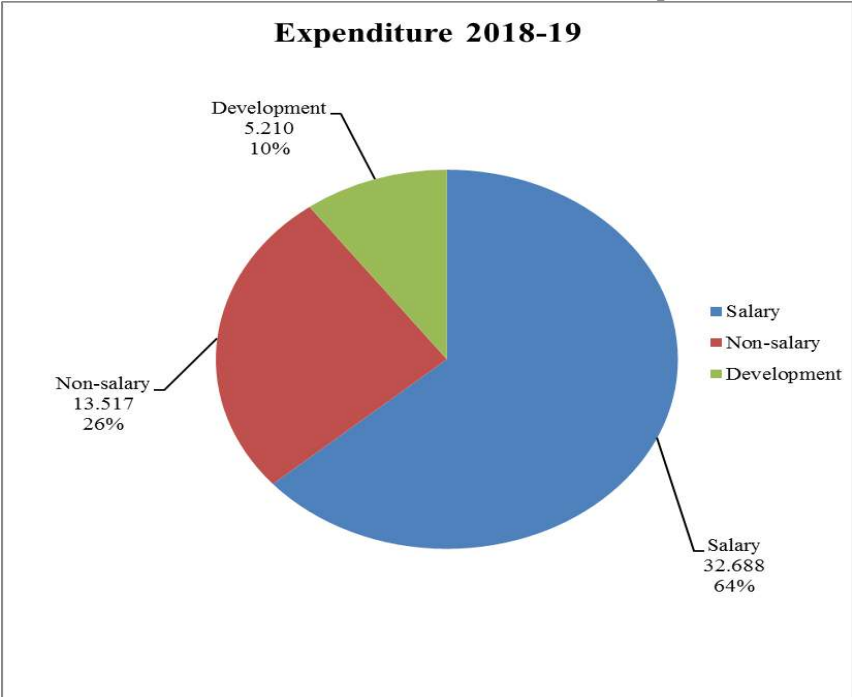
27.2.2 Comments on Budget and Accounts

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

(Rupees in million)

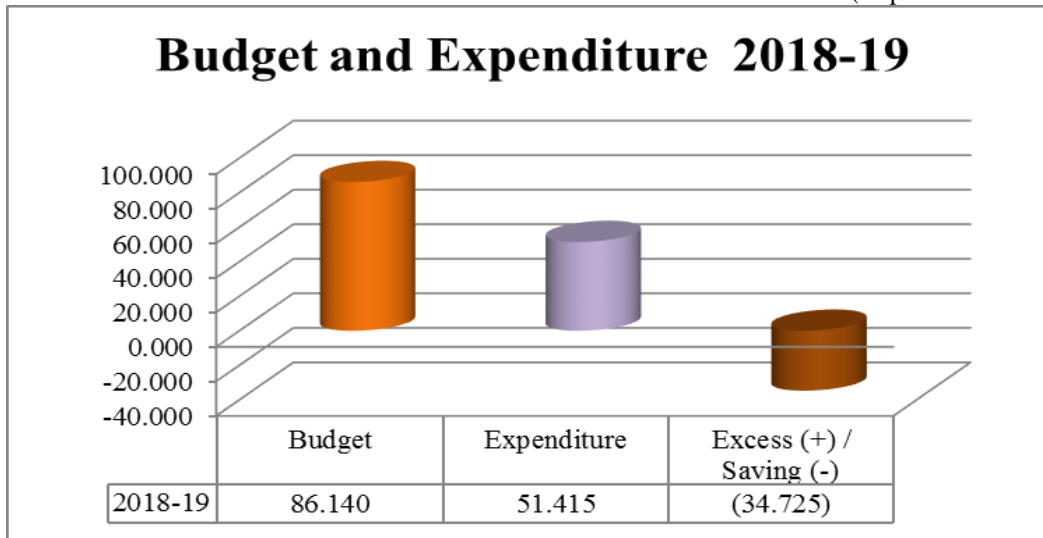
Municipal Committee Chowk Sarwar Shaheed				
Particular	Budget	Actual	Excess / Savings	%
Salary	36.602	32.688	(3.914)	10.69
Non-Salary	32.338	13.517	(18.821)	58.20
Development	17.200	5.21	(11.990)	69.71
Total	86.140	51.415	(34.725)	40.31
Receipts	86.940	55.987	(30.953)	35.60

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Chowk Sarwar Shaheed, total original budget (Development and Non-Development) was Rs 86.140 million. Against the budget, total expenditure of Rs 51.415 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 34.725 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Chowk Sarwar Shaheed. **(Annexure-B)**

(Rupees in million)



27.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 30.230 million were raised as a result of this audit. This amount also includes recoverable of Rs 1.019 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	8.112
3	Irregularities	
A	HR / Employees related irregularities	4.913
B	Procurement related irregularities	17.205
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

27.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

27.3 Frauds/Misappropriations

27.3.1 Misappropriation of Government money – Rs 8.112 million

According to Rule 9(b) of the 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.

The Chief Officer, Municipal Committee Chowk Sarwar Shaheed, misappropriated an amount of Rs 8.112 million during 2017-19. As per bank statement 80 cheques were withdrawn but neither entered in the cashbook nor any vouchers were available in the office.

Due to weak internal controls, money was drawn without actual utilization and was misappropriated.

Withdrawal of the Government money without actual expenditure resulted in misappropriation of Rs 8.112 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry of the matter, fixing responsibility and taking disciplinary action against the person(s) at fault besides recovery of Rs 8.112 million.

[AIR Paras: 3]

27.4 Procedural Irregularities

27.4.1 Irregular expenditure due to defective tendering process – Rs 12.073 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 be mentioned in the tender inviting notice.

The Chief Officer Municipal Committee, invited tenders for 20 development schemes amounting to Rs 12.073 million, during 2016-19. No particulars of technical sanction i.e. TS number and date of orders of Technical Sanctions were laid down in the advertisement. Furthermore, the schemes were splitted, tuff tiles rates were not reduced and lab tests were not made.

Due to weak financial controls, tenders were advertised without technical sanction number and date and were not monitored.

Non compliance of rules resulted in irregular expenditure of Rs 12.073 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Paras: 6,7]

27.4.2 Irregular payment of work charged establishment – Rs 4.913 million

According to Sr. No. 2 of Schedule of Wage Rates, 2017, appointment to a post included in this schedule may be made by the competent authority under delegation of financial powers rules 2016 subject to the following conditions:

- m) The post(s) shall be advertised properly in the leading newspapers.
- n) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S&GAD
- o) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR, Vol-III.
- e) The appointment may be made up to the end of the financial year or the duration of the project, which is earlier.

The Chief Officer Municipal Committee, recruited 19 work charged employees. An amount of Rs 4.913 million was paid on account of salaries to those employees during 2016-19. The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc. The detail is given below:

(Amount in million)

Month	No. of Persons	Amount
Jan-17	37	571,820
Feb-17	18	256,530
Mar-17	19	298,350
Apr-17	19	286,110
May-17	19	298,350
Jun-17	19	297,840
Jul-17	14	216,240
Aug-17	14	201,450
Sep2017 to June 2018	9	791,520
Jul18-Jun19	10	1,695,240
Total		4,913,450

Due to weak financial controls, work charged employees were recruited and salaries were paid without observing codal formalities.

Non observance of codal formalities resulted in irregular expenditure of Rs 4.913 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para: 11]

27.4.3 Mis-procurement of store items – Rs 4.113 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 on PPRA website in case of over one hundred thousand rupees.

The Chief Officer Municipal Committee, incurred expenditure of Rs 4.113 million during 01.01.2017 to 30.06.2019, on account of purchase of various items without advertisement on the website of the Authority and inviting tenders through newspapers. All the expenditure was incurred by calling quotations and splitting the bills to avoid tendering process.

(Rupees in million)

Sr. No.	Description	Amount
1	Purchase of motor cycle Loader	1.240
2	Various stores items	2.873
Total		4.113

Due to weak financial management, purchases were made without advertisement and fair competition.

Purchases without advertisement resulted in irregular expenditure of Rs 4.113 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Paras: 4,19]

27.4.4 Loss of revenue – Rs 1.019 million

According to Rule 19 of the Punjab Local Government (Auction of Collection Rights) Rules 2016, after receipt of communication of acceptance of bid from the Local Government the contractor shall pay installments in advance by the 5th day of each month. The remaining amount of bid shall be paid by the contractor to the Local Government in equally monthly installments that the whole amount be recovered at least one month before completion of the contract. Moreover, Rule 27(4) of ibid states that in case of default of contractor, the Local Government shall be entitled to recover from the surety not only the amount due, but also the cost of proceeding initiated in this regard.

The Chief Officer, Municipal Committee, auctioned the rights of collections to various contractors as detailed below. However, lease money was not recovered in full from the contractors. The remaining amount of Rs 1.019 million as on 30.06.2019, has not been recovered from the contractors nor has any serious effort been made by the department.

(Rupees in million)

Source of Revenue	Year	Amount Recoverable
Water Supply	2016-17	0.144
	2017-18	0.256
	2018-19	0.030
Water Rate		0.431
Bus Stand	1-12-18 to 30-6-19	0.240
Advertisement fee	1-12-18 to 30-6-19	0.099
License Fee	1-12-18 to 30-6-19	0.250
Total		1.019

Due to weak financial management, the lease money/rent of shop were not recovered from the lessee /contractors.

Non-recovery of lease money/rent of shop from the lessee / contractor resulted in loss to the Local Government of Rs 1.019 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends for fixing responsibility on the person(s) at fault besides amounts pointed out may be recovered from concerned without further delay.

[AIR Para:10]

28. Municipal Committee Daira Din Pannah

CHAPTER 28.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	138.496	114.835	(23.661)	17.084
Development	23.254	16.975	(6.279)	27
Total	161.75	131.81	(29.94)	18.51

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 16.975 million against an allocation of Rs 23.254 million for the development schemes of Providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of rest house and repairing of office buildings. The said development schemes could not be completed and an amount of Rs 6.279 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 29.940 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The

authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Number of schemes	Nil	Nil	Target achieved / not achieved
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Expenditure (Rs in million)	0.585	0.584	
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	0.330	0.267	
4	Prevention and removal of encroachment	Receipts (Rs in million)	0.020	0.014	
5	Regulation of dangerous and offensive articles	Surveyed numbers		0	
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)			
7	Promotion of sports & sports persons		0.855	0.841	
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved			
9	Staff Position				
i	Sanitation Staff	No. of Posts	36	28	
ii	Water supply scheme staff		5	5	
iii	Planning staff		5	4	
iv	Finance Staff		5	4	
v	Regulation Staff		12	12	
vi	Infrastructure and Services Staff		24	24	

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action

against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 28.2

Municipal Committee Daira Din Pannah

28.2.1 Introduction

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

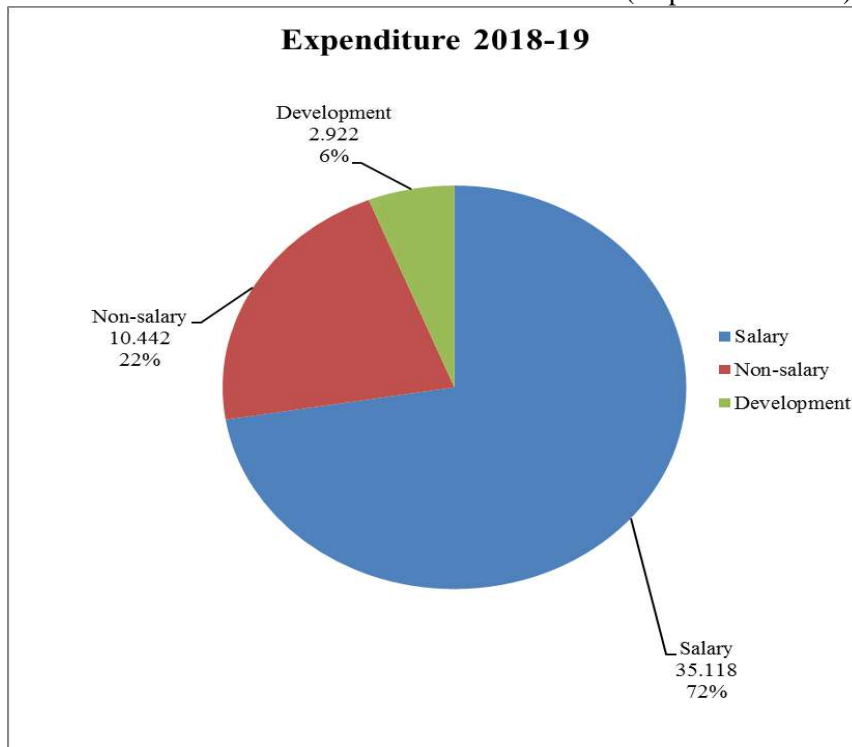
28.2.2 Comments on Budget and Accounts

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

(Rupees in million)

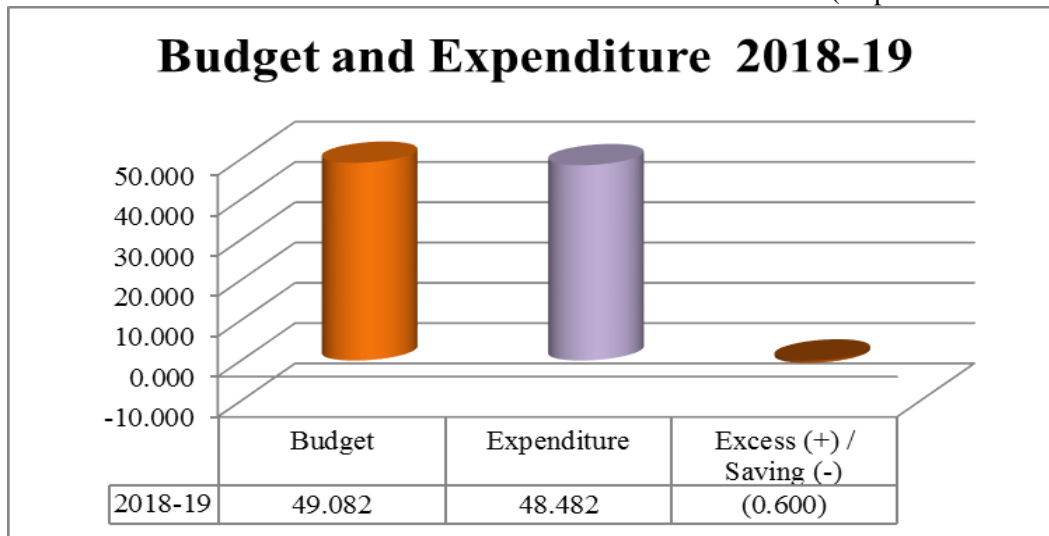
Municipal Committee Daira Din Pannah				
Particular	Budget	Actual	Excess / Savings	%
Salary	35.584	35.118	(0.466)	1.31
Non-Salary	10.568	10.442	(0.126)	1.19
Development	2.93	2.922	(0.008)	0.27
Total	49.082	48.482	(0.600)	1.22
Receipts	47.640	46.870	(0.770)	1.62

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Daira Din Panah, total original budget (Development and Non-Development) was Rs 49.082 million. Against the budget, total expenditure of Rs 48.482 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 0.600 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Daira Din Panah. **(Annexure-B)**

(Rupees in million)



28.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 44.433 million were raised as a result of this audit. This amount also includes recoverable of Rs 3.781 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	4.008
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	18.933
B	Procurement related irregularities	21.492
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	

28.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

28.3 Non-Production of Record

28.3.1 Non-production of record – Rs 4.008 million

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

The Chief Officer, Municipal Committee, incurred an expenditure of Rs 4.008 million during 2017-18 on account of payment for ongoing schemes and contingent expenditure, but necessary record such as TSE, Tender Form, MB, bills, vouchers and logbooks were not produced for audit scrutiny. The authenticity of the expenditure could not be verified without production of auditable record.

(Rupees in million)

Date	Description	Amount	Contractor
12.10.18	Construction of soling drain	0.076	M.Abid
12.10.18	Construction of soling drain basti kow	0.077	Riaz hussain
12.10.18	Earth filling behand office building	0.076	G.Shabir
12.10.18	Construction of soling drain near Haidar qarar	0.077	G.Shabir
8.4.17	Quotations bills	0.210	Sarwar Hussain
9.3.17	POL	0.323	Askar-1
25.8.17	Construction/repair nali soling C/O Malik Nawaz councilor	0.261	Riaz hussain
25.8.17	Construction/repair nali soling C/O Rana Javeed councilor	0.156	Abid
25.8.17	Construction/repair nali soling C/O Malik Tanveer Dona	0.142	Sarwar Hussain
9.11.17	Construction of slab culverts Halqa No.10	0.384	M.Sajjad
9.11.17	Construction of slab culverts Halqa No.10	0.285	Abid
21.2.18	Development schemes	0.785	Riaz hussain
4.5.18	Development schemes	0.531	Manshad Hussain
4.5.18	Development schemes	0.625	Riaz hussain
Total		4.008	

Due to weak financial management, the record was not produced for audit verification.

Non-production of record created doubt regarding legitimacy of the expenditure amounting to Rs 4.008 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to inquire the matter, fix responsibility and strict disciplinary action against the person(s) at fault for non-production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Para:18]

28.4 Procedural Irregularities

28.4.1 Irregular payment of work charged establishment – Rs 10.370 million

According to Sr. No. 2 of Schedule of Wage Rates, 2017, appointment to a post included in this schedule may be made by the competent authority under delegation of financial powers rules 2016 subject to the following conditions:

- p) The post(s) shall be advertised properly in the leading newspapers.
- q) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S&GAD
- r) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR, Vol-III.
- e) The appointment may be made up to the end of the financial year or the duration of the project, which is earlier.

The Chief Officers Municipal Committee, recruited 19 work charged employees. An amount of Rs 10.370 million was paid on account of salaries to those employees during 2016-19. The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc.

Due to weak financial controls, work charged employees were recruited and salaries were paid without observing codal formalities.

Non observance of codal formalities resulted in irregular expenditure of Rs 10.370 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para: 23]

28.4.2 Inauthentic payment of pension fund - Rs 8.563 million

According to Rule 37(3) of the Punjab Local Government (Accounts) Rules 2017, the DDO shall maintain the Establishment Check Register (ECR) and reconciled with the similar register maintained by the Accounts Officer. At the beginning of each year the entries in the ECR shall be scrutinized and verified by the DDO, and countersigned by the Head of Offices. Furthermore, according to LG&CD Department letter No. SO(MC-DEV)(New Local Government) LG/9-2/2015 dated 16.03.2017, the pension to the retired employees may be paid out of General Purpose Account only upto March 2017, where the Pension Fund Account has not been opened. The Pension Fund Account should be opened and become operational immediately.

The Chief Officer Municipal Committee, paid an amount of Rs 8.563 million on account pension during 2016-19. All the pension payments were made out of General Purpose Fund. No life certificate/re-marriage certificates of the pensioners were on record from where the authenticity of the payment could be substantiated.

(Rupees in million)

Period	Amount
2017-18	2.890
2018-19	5.673
Total	8.563

Due to weak internal controls, pensions were paid without opening and maintaining ECR and Pension Fund Account.

Payment of pension out of General Fund Account resulted in inauthentic payment as well as violation of above quoted rule.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends investigating the matter, fixing responsibility on the person(s) at fault and regularization of expenditure from the competent authority.

[AIR Para: 35]

28.4.3 Unauthorized opening of tenders and less response time for development schemes – Rs 4.962 million

According to PPRA Rule 30(1), the date for opening of bids and the last date for the submission of bids shall be the same; and, bids shall be opened at the time specified in the bidding documents which shall not be less than thirty minutes after the closing time for the submission of the bids. Furthermore according to PPRA Rule 14 (1), the procuring agency may decide the response time for receipt of bids or proposals (including proposals for prequalification) from the date of publication of an advertisement or notice keeping in view the complexity of the procurement, availability and urgency but, in no circumstances, the response time shall be less than fifteen days for national competitive bidding and thirty days for international competitive bidding from the date of publication of advertisement or notice.

Contrary to above Chief Officer Municipal Committee, advertised the 13 development schemes valuing Rs 4.962 million having response time less than fifteen days and furthermore the date of opening of bids and last date for submission of bids were not same. Scrutiny of the record revealed that tender notice for the development schemes was advertised in the daily Newspaper on 30 May 2017, in which last date for the submission of bids was 10.6.2017 and opening of bids was 12.06.2017 in contravention of above quoted rule.

Due to weak managerial controls, insufficient response time was provided to the bidders and date of opening and closing of bid were not same.

Tender opening with insufficient response time resulted in irregular expenditure of Rs 4.962 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Paras: 33,34]

28.4.4 Unauthorized award of contracts to defaulting contractor – Rs 4.790 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.

The Chief Officer Municipal Committee, awarded contracts and approved quotations to defaulting contractor Mr. Riaz Hussain amounting to Rs 4.790 million during 2017-19. Scrutiny of the record revealed that contract for the collection of bus stand fee of Rs 920,000 for the period from 01.07.2017 to 30.6.2018, was awarded to said contractor, but not a single penny was deposited in the MC account against the lease amount. On the other hand, CO and MO(F) give him undue favour and every contracts and quotations was awarded to the said contractors. Even security against the development schemes were also returned to the contractor but outstanding amount of lease amount was not recovered/deducted.

Due to non-compliance of guidelines the work was awarded irregularly to the defaulting contractor.

Award of work to defaulting contractor resulted in irregular execution of work amounting to Rs 4.790 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para: 29]

28.4.5 Irregular expenditure due to defective tendering process – Rs 4.652 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 be mentioned in the tender inviting notice.

The Chief Officers Municipal Committee, invited tenders for seven development schemes valuing Rs 4.652 million, during 2016-19, through advertisement in one Urdu Newspaper instead of one English and Urdu. No particulars of technical sanction i.e. TS number and date of orders of Technical Sanctions were laid down in the advertisement.

(Rupees in million)

Name of Scheme	Amount
Repair construction surface drain earth filling iron cross RCC Slab street Dr. Sidique wali Mohallah Sadique abad	0.400
Repair/construction surface drain earth filling iron cross slabs basti Mochi wali	0.350
Repair/construction surface drain earth filling iron cross slabs identified by Makhdoom Amjad Nawaz councilor	0.400
Repair/construction surface drain earth filling iron cross slabs identified by Malik Tanveer Dawana councilor	0.350
Repair/construction surface drain earth filling iron cross slabs identified by Malik Faisal Buha councilor	0.350
Repair/construction surface drain earth filling iron cross slabs identified by Malik Nawaz Chajra councilor	0.512
Repair/rehabilitation of Municipal office building	0.990
Providing and fixing of LED street lights/road lights	1.300
Total	4.652

Due to weak financial controls, tenders were advertised without technical sanction number and date and were not monitored.

Non compliance of rules resulted in irregular expenditure of Rs 4.652 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:10]

28.4.6 Unauthorized grant of TS from irrelevant authority – Rs 3.307 million

According to LG & CD department letter No. SOR(LG)38-3/2017 dated 30.06.2017, an engineer in BS-11 working as independent engineer incharge in a Local Government shall have the powers to accord technical sanction up to rupees one million. Furthermore, as per Chief Engineer letter No.CE(HQ)PLGB-6/2008 dated 13.05.2008, the scheme beyond the competency of Tehsil Officer (I&S) was required to be forwarded to the Chief Engineer for technical sanction.

The Chief Officer Municipal Committee executed the 17 schemes having value of Rs 3.307 million during 2016-19 but the scheme was technically sanctioned by District Officer (I&S) District council Muzaffargarh instead of approval from the concerned Chief Engineer Local Government Lahore.

Due to weak financial controls, technical sanction was obtained from irrelevant authority.

Granting of TS by irrelevant authority resulted in irregular expenditure of Rs 3.307 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:17]

28.4.7 Less recovery of rent of shops – Rs 2.403 million

According to Rule 19 of the Punjab Local Government (Auction of Collection Rights) Rules 2016, after receipt of communication of acceptance of bid from the Local Government the contractor shall pay installments in advance by the 5th day of each month. The remaining amount of bid shall be paid by the contractor to the Local Government in equally monthly installments that the whole amount be recovered at least one month before completion of the contract. Moreover, Rule 27(4) of ibid states that in case of default of contractor, the Local Government shall be entitled to recover from the surety not only the amount due, but also the cost of proceeding initiated in this regard.

The Chief Officers Municipal Committee, leased out shops of Municipal Committee to various shopkeepers during 2017-2019, as detailed below. However, the rents of shops were not recovered in full from the shopkeepers. The remaining amount of Rs 2.403 million as on 30.06.2019, has not been recovered from the shopkeepers nor has any serious effort been made by the department.

(Rupees in million)

Year	No. of shops	Monthly rent	P. Year Rent	Rent Deposited	Balance Amount
1.1.2017 to 30.6.17	119	188,949	1,133,694 (for Six Month)	0.912	0.222
2017-18	119	188,949	2,267,388	1.192	1.075
2018-19	119	188,949	2,267,388	1.162	1.106
Total					2.403

Due to weak financial management, the rent of shops was not recovered from the lessee.

Non-recovery of rent of shop from the lessee resulted in loss to the Local Government of Rs 2.403 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends for fixing responsibility on the person(s) at fault besides amounts pointed out may be recovered from concerned without further delay.

[AIR Para:6]

28.4.8 Loss of revenue – Rs 1.378 million

According to Rule 19 of the Punjab Local Government (Auction of Collection Rights) Rules 2016, after receipt of communication of acceptance of bid from the Local Government the contractor shall pay installments in advance by the 5th day of each month. The remaining amount of bid shall be paid by the contractor to the Local Government in equally monthly installments that the whole amount be recovered at least one month before completion of the contract. Moreover, Rule 27(4) of ibid states that in case of default of contractor, the Local Government shall be entitled to recover from the surety not only the amount due, but also the cost of proceeding initiated in this regard.

The Chief Officer Municipal Committee, auctioned the rights of collections /shops to various contractors/shopkeepers as detailed below. However, lease money/rent of shops were not recovered in full from the contractors. The remaining amount of Rs 4.013 million as on 30.06.2019 has not been recovered from the contractors/shopkeepers nor has any serious effort been made by the department.

(Rupees in million)

Sr. No.	Description	Outstanding amount
1	Rent of shops	0.458
2	Bus stand fee	0.920
Total		1.378

Due to weak financial management, the lease money/rent of shop were not recovered from the lessee /contractors.

Non-recovery of lease money/rent of shop from the lessee / contractor resulted in loss to the Local Government of Rs 1.378 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides amounts pointed out may be recovered from concerned.

[AIR Paras:2,5]

29. Municipal Committee Jatoi

CHAPTER 29.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	76.162	57.688	(18.474)	24
Development	15.863	4.640	(11.223)	71
Total	92.025	62.328	(29.697)	32

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 4.640 million against an allocation of Rs 15.863 million for the development schemes of Providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of office buildings. The said development schemes could not be completed and an amount of Rs 11.223 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 29.697 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The

authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Number of schemes	4	0	Target not achieved
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Expenditure (Rs)	0	0	Target not achieved
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs)	205,000	48,150	Target not achieved
4	Prevention and removal of encroachment	Receipts (Rs)	25,000	0	Target not achieved
5	Regulation of dangerous and offensive articles	Surveyed numbers	0	0	Target not achieved
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	0	0	Target not achieved
7	Promotion of sports & sports persons		0	0	Target not achieved
8	Solution of complaints about water supply, sewerage and sanitation	Complaint received and solved	0	0	Target not achieved
9	Staff Position				
I	Sanitation Staff	No. of Posts	71	32	Target not achieved
Ii	Water supply scheme staff		0	0	Target not achieved
Iii	Planning staff		3	1	Target not achieved
Iv	Finance Staff		8	6	Target not achieved
V	Regulation Staff		6	4	Target not achieved
Vi	Infrastructure and Services Staff		23	16	Target not achieved

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation

of dangerous and offensive articles trade and control over land-use (taking action against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.

- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 29.2

Municipal Committee Jatoi

29.2.1 Introduction

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

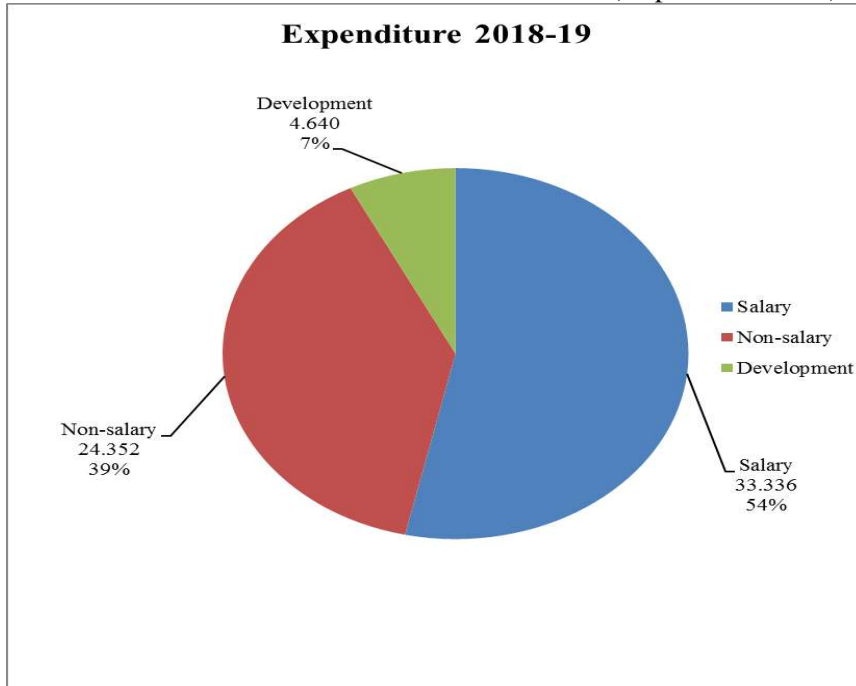
29.2.2 Comments on Budget and Accounts

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

(Rupees in million)

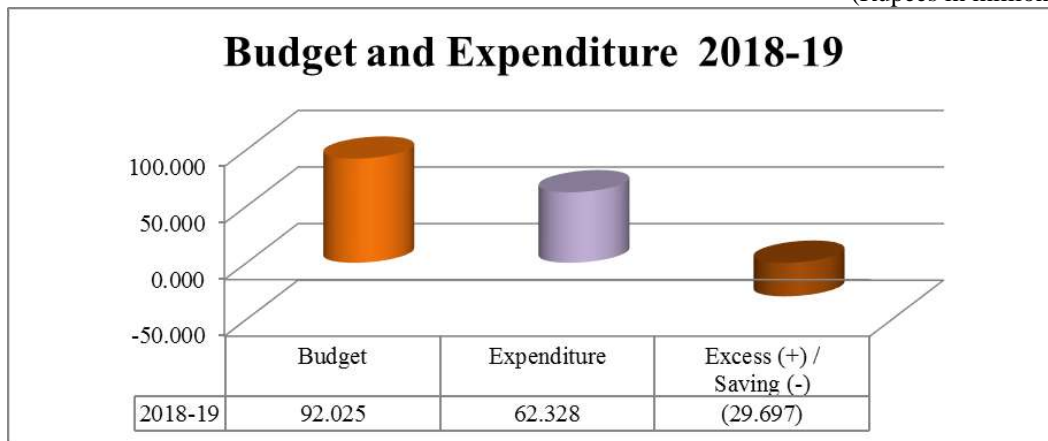
Municipal Committee Jatoi				
Particular	Budget	Actual	Excess / Savings	%
Salary	48.217	33.336	(14.881)	30.86
Non-Salary	27.945	24.352	(3.593)	12.86
Development	15.863	4.640	(11.223)	70.75
Total	92.025	62.328	(29.697)	32.27
Receipts	101.151	88.927	(12.224)	12.08

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Jatoi, total original budget (Development and Non-Development) was Rs 92.025 million. Against the budget, total expenditure of Rs 62.328 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 29.697 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Jatoi. **(Annexure-B)**

(Rupees in million)



29.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 56.810 million were raised as a result of this audit. This amount also includes recoverable of Rs 17.552 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	39.258
B	Procurement related irregularities	17.552
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

29.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

29.3 Procedural Irregularities

29.3.1 Irregular payment of work charged establishment – Rs 24.138 million

According to Sr. No. 2 of Schedule of Wage Rates, 2017, appointment to a post included in this schedule may be made by the competent authority under delegation of financial powers rules 2016 subject to the following conditions:

- s) The post(s) shall be advertised properly in the leading newspapers.
- t) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S&GAD
- u) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR, Vol-III.
- e) The appointment may be made up to the end of the financial year or the duration of the project, which is earlier.

The Chief Officer Municipal Committee, recruited 59 work charged employees. An amount of Rs 24.138 million was paid on account of salaries to those employees during 2016-19. The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc. The detail is given below:

(Rupees in million)

Office / CO Unit	No. of Employees	Period	Rate per Month	Total Amount
TMA Jatoi	59	1.7.16 to 31.12.16	12,000	4.248
Shaher Sultan	75	1.7.16 to 31.12.16	12,000	5.400
M.C. Jatoi	59	2017-18 (9 Months)	15,000	7.965
M.C. Jatoi	29	2017-18 (3 months)	15,000	1.305
M.C. Jatoi	29	2018-19 (12 months)	15,000	5.220
Total				24.138

Due to weak financial controls, work charged employees were recruited and salaries were paid without observing codal formalities.

Non observance of codal formalities resulted in irregular expenditure of Rs 24.138 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para 21]

29.3.2 Inauthentic payment of pension fund – Rs 15.120 million

According to Rule 37(3) of the Punjab Local Government (Accounts) Rules 2017, the DDO shall maintain the Establishment Check Register (ECR) and reconciled with the similar register maintained by the Accounts Officer. At the beginning of each year the entries in the ECR shall be scrutinized and verified by the DDO, and countersigned by the Head of Offices. Furthermore, according to LG&CD Department letter No.SO(MC-DEV)(New Local Government) LG/9-2/2015 dated 16.03.2017, the pension to the retired employees may be paid out of General Purpose Account only upto March 2017, where the Pension Fund Account has not been opened. The Pension Fund Account should be opened and become operational immediately.

The Chief Officers, Municipal Committee, paid an amount of Rs 15.120 million on account pension during 2016-19. All the pension payments were made out of General Purpose Fund. No life certificate/re-marriage certificates of the pensioners were on record from where the authenticity of the payment could be substantiated.

Due to weak internal controls, pensions were paid without opening and maintaining ECR and Pension Fund Account.

Payment of pension out of General Fund Account resulted in inauthentic payment as well as violation of above quoted rule.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends investigating the matter, fixing responsibility on the person(s) at fault and regularization of expenditure from the competent authority.

[AIR Para: 26]

29.3.3 Loss of revenue – Rs 11.095 million

According to Rule 19 of the Punjab Local Government (Auction of Collection Rights) Rules 2016, after receipt of communication of acceptance of bid from the Local Government the contractor shall pay installments in advance by the 5th day of each month. The remaining amount of bid shall be paid by the contractor to the Local Government in equally monthly installments that the whole amount be recovered at least one month before completion of the contract. Moreover, Rule 27(4) of ibid states that in case of default of contractor, the Local Government shall be entitled to recover from the surety not only the amount due, but also the cost of proceeding initiated in this regard.

The Chief Officer Municipal Committee, auctioned the rights of collections various contractors as detailed below. However, lease money was not recovered in full from the contractors. The remaining amount of Rs 11.095 million as on 30.06.2019 has not been recovered from the contractors nor has any serious effort been made by the department. The details are as under:

(Rupees in million)

Sr. No.	Description	Outstanding Amount
1	Certificate fee of registration	0.082
2	Marriage registration fee	0.342
3	Sale proceeds from old material	0.450
4	Bus stand fee	0.188

Sr. No.	Description	Outstanding Amount
5	Rent of shop shaher sultan	0.061
6	Rent of Plot Jatoi tanki	0.068
7	Rent of Plot Jatoi tanki	0.068
8	Slaughter House	0.030
9	Mandi Motor Cycle	0.010
10	Licence Fee	0.350
11	NOC fee	0.246
12	Advance Income Tax	0.635
13	Arrears	8.989
Total		11.095

Due to weak financial management, the lease money/rent of shop were not recovered from the lessee /contractors.

Non-recovery of lease money/rent of shop from the lessee / contractor resulted in loss to the Local Government of Rs 11.095 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides amounts pointed out may be recovered from concerned.

[AIR Paras:1,2,5,6,7,11,14,20]

29.3.4 Loss due to non-recovery of conversion fee for commercialization – Rs 4.463 million

According to Government of the Punjab Local Government & Community Development Department Notification No.SOR(LG)38-18/2009 dated 06-06-2012 Sr. 4 (i) (a) the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:-

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

Provided that in case of non-availability of Valuation Table, the value of the land shall be as per average price of the preceding twelve months of the land in the vicinity. According to Land use release 2009 and Chapter VIII Rule 60 (a) of commercialization rules 2008 “The conversion fee for the conversion of residential, per-urban area or intercity service area to commercial use shall be twenty percent (20%) of the value of the commercial land as per valuation table. According to Tehsil Municipal Administration Notification No. DC/CO/MZG 1122/ 17.06.17 schedule By-Laws Fee, License, map, conversion fee shall be collected.

The Chief Officer Municipal Committees, failed to recover the conversion fee for use of declared commercialized roads from the owner of the business amounting to Rs 4.463 million which was required to be recovered. The detail is as under:

(Rupees in million)

Sr. No.	Name of MC	No. of Business Point	Recoverable
1	MC Jatoi	31	1.789
2		11	1.343
3		29	1.128
4		29	0.203
Total			4.463

Due to weak Administration of MC, conversion fee for commercialization did not recover from the owner of the business.

Non-recovery of conversion/commercialization fee from the owner of business resulted in loss of corporation amounting to Rs 4.463 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to effect recovery amounting to Rs 142.341 million at the earliest besides fixing responsibility on person(s) at fault.

[AIR Paras:4,8,9,10]

29.3.5 Loss due to non-registration of private housing schemes – Rs 1.994 million

As per 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.

In jurisdiction of Municipal Committee, 04 private housing schemes / land sub divisions carried out development and marketing activities without registration, approval of schemes, map design and specifications. Owners of most of the schemes did not apply for the registration and therefore did not pay the fee on account of registration and other prescribed requirements amounting to Rs 1.994 million. Chief Officer did not take appropriate action to stop unauthorized and unapproved development and marketing activities and did not carry out survey for compliance of Building Byelaws for these housing schemes, in contravention to above referred rules of the government.

Due to weak managerial controls, illegal and unauthorized activities were not checked by the staff of Municipal Committee.

Non registration of housing schemes resulted in loss of Rs 1.994 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends registration of private housing schemes and action against persons involved in illegal establishment and marketing of unapproved housing schemes besides fixing responsibility on the person(s) at fault.

[AIR Para: 03]

30. Municipal Committee Khangarh

CHAPTER 30.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	46.51	45.29	(1.22)	2.62
Development	8.37	6.203	(2.167)	25.89
Total	54.88	51.493	(3.387)	6.17

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 6.203 million against an allocation of Rs 8.37 million for the development schemes of Providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of rest house and repairing of office buildings. The said development schemes could not be completed and an amount of Rs 2.167 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 3.387 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectorial analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The

authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Nil	Nil	Nil	Nil
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Receipt (Rs in million)	0.100	0	Target not achieved
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	0.500	0.065	Target not achieved
4	Prevention and removal of encroachment	Receipts (Rs in million)	0.050	nil	Target achieved
5	Regulation of dangerous and offensive articles	Surveyed numbers	Nil	Nil	Target not achieved
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	Nil	Nil	Target not achieved
7	Promotion of sports & sports persons		Nil	Nil	Target not achieved
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	Nil	Nil	Target not achieved
9	Staff Position				
I	Sanitation Staff	No. of Posts	52	51	Target not achieved
ii	Water supply scheme staff		Nil	nil	-do-
iii	Planning staff		6	5	-do-
Iv	Finance Staff		4	4	Target achieved
V	Regulation Staff		6	5	-do-
Vi	Infrastructure and Services Staff		1	1	Target achieved

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation

of dangerous and offensive articles trade and control over land-use (taking action against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.

- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 30.2

Municipal Committee Khangarh

30.2.1 Introduction

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

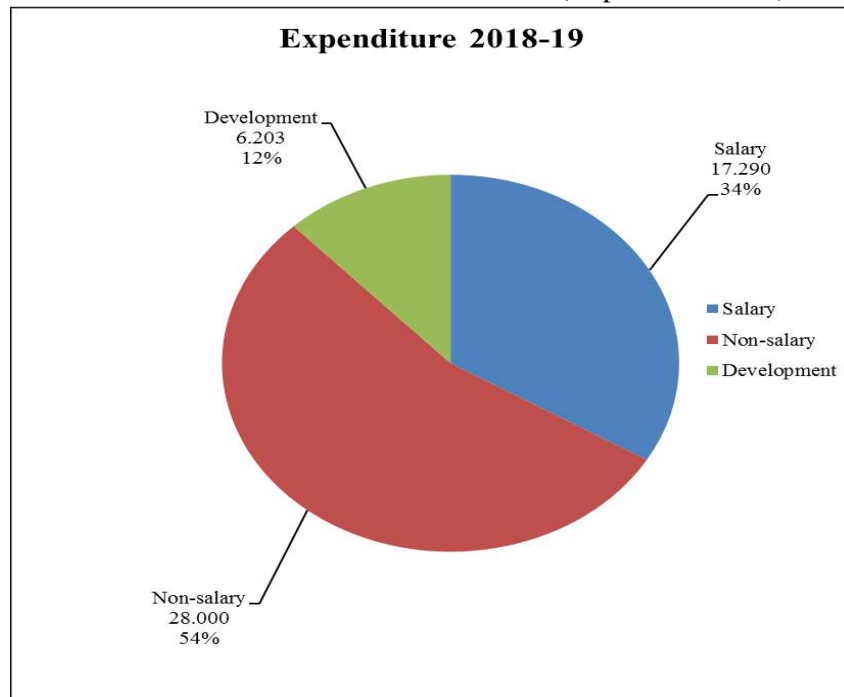
30.2.2 Comments on Budget and Accounts

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

(Rupees in million)

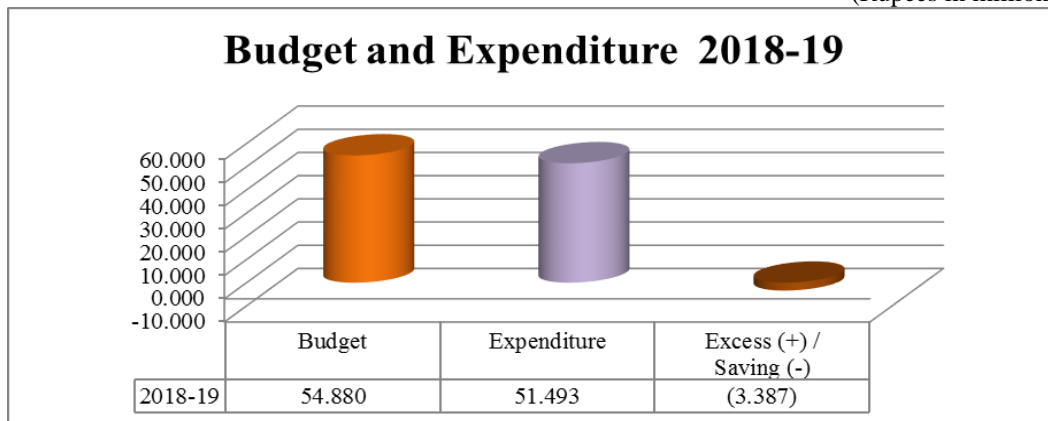
Municipal Committee Khangarh				
Particular	Budget	Actual	Excess / Savings	%
Salary	18.290	17.290	(1.000)	5.47
Non-Salary	28.220	28.000	(0.220)	0.78
Development	8.370	6.203	(2.167)	25.89
Total	54.880	51.493	(3.387)	6.17
Receipts	43.581	39.567	(4.014)	9.21

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Khangarh, total original budget (Development and Non-Development) was Rs 54.880 million. Against the budget, total expenditure of Rs 51.493 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 3.387 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Khangarh. **(Annexure-B)**

(Rupees in million)



30.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 49.511 million were raised as a result of this audit. This amount also includes recoverable of Rs 4.123 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	17.413
B	Procurement related irregularities	32.098
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

30.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

30.3 Procedural Irregularities

30.3.1 Mis-procurement of store items – Rs 16.057 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 on PPRA website in case of over one hundred thousand rupees.

The Chief Officer Municipal Committee, incurred expenditure of Rs 16.057 million during 01.01.2017 to 30.06.2019 on account of purchase/repair of various items without advertisement on the website of the Authority and inviting tenders through newspapers. All the expenditure was incurred by calling quotations and splitting the bills to avoid tendering process. The detail is given below:

(Rupees in million)

Sr. No.	Description	Amount
1	Purchase of various items	11.344
2	Purchase of Furniture	1.984
3	Purchase of motor cycle	1.324
4	Repair machinery and equipment	1.405
Total		16.057

Due to weak financial management, purchases were made without advertisement and fair competition.

Purchases without advertisement resulted in irregular expenditure of Rs 16.057 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Paras:9,10,16,26]

30.3.2 Inauthentic payment of pension fund – Rs 10.894 million

According to Rule 37(3) of the Punjab Local Government (Accounts) Rules 2017, the DDO shall maintain the Establishment Check Register (ECR) and reconciled with the similar register maintained by the Accounts Officer. At the beginning of each year the entries in the ECR shall be scrutinized and verified by the DDO, and countersigned by the Head of Offices. Furthermore, according to LG&CD Department letter No. SO(MC-DEV)(New Local Government) LG/9-2/2015 dated 16.03.2017, the pension to the retired employees may be paid out of General Purpose Account only upto March 2017, where the Pension Fund Account has not been opened. The Pension Fund Account should be opened and become operational immediately.

The Chief Officer Municipal Committee, paid an amount of Rs 10.894 million on account pension during 2017-19. All the pension payments were made out of General Purpose Fund. No life certificate/re-marriage certificates of the pensioners were on record from where the authenticity of the payment could be substantiated.

Due to weak internal controls, pensions were paid without opening and maintaining ECR and Pension Fund Account.

Payment of pension out of General Fund Account resulted in inauthentic payment as well as violation of above quoted rule.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends investigating the matter, fixing responsibility on the person(s) at fault and regularization of expenditure from the competent authority.

[AIR Para:34]

30.3.3 Irregular expenditure due to defective tendering process and without monitoring and evaluation – Rs 9.500 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 be mentioned in the tender inviting notice. Furthermore, according to rule 38 of Budget Rules 2017, monitoring of projects shall be made by the community and elected representatives using participatory monitoring and evaluation approach.

- (4) The targets and indicators duly segregated shall be indicated gender-wise
- (5) For the development projects under execution, the executing agency shall send monthly progress report to Chief officer by 10th of each succeeding month and, for the projects in distant areas, pictorial data shall also be provided.

The Chief Officer Municipal Committee, invited tenders for six development schemes valuing Rs 9.500 million, during 2016-19. No particulars of technical sanction i.e. TS number and date of orders of Technical Sanctions were laid down in the advertisement. Furthermore, monitoring of projects was not made by the community and elected representatives using participatory monitoring and evaluation approach. The detail is as under:

(Rupees in million)

Contractor	Work	Tender Date	TS Amount
M.Uzair	Const. of drain soling , tuff tile ward 1,2,3,4	05.01.18	2.000
M.Uzair	Const. of drain soling , tuff tile ward 5,6,7,8	05.01.18	2.000
M.Uzair	Const. of drain soling , tuff tile ward 09,10,11	05.01.18	1.500
Malik Altaf	Const / Repair of drain , soling ward 1,2,3,4	21.02.18	1.500
M.Uzair	Const / Repair of drain , soling ward 9,10,11	21.02.18	1.000
M.Uzair	Const / repair of drain soling , tuff tile ward 5,6,7,8	21.02.18	1.500
Total			9.500

Due to weak financial controls, tenders were advertised without technical sanction number and date and were not monitored.

Non compliance of rules resulted in irregular expenditure of Rs 9.500 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Paras: 14,15]

30.3.4 Unauthorized drawl of salaries without sanctioned posts – Rs 6.519 million

According to rule 37 (3,4,5) of PLGO Accounts Rules 2017, The drawing and disbursing officer shall maintain the establishment check register in Form AR-12 and reconcile with the similar register maintained by the accounts officer.4) at the beginning of each year, the entries in the establishment check register showing sanctioned strength of the establishment and remuneration for each post shall be scrutinized and verified by the drawing and disbursing officer and countersigned by the head of the offices in accordance with the schedule of establishment approved by the competent authority. (5) Any variation in the schedule of establishment, during the currency of the year, shall essentially require verification by the head of office and head of finance office.

The Chief Officer Municipal Committee, paid an amount of Rs 6.519 million to employees without sanctioned posts during 2017-19. The employees were working without sanctioned posts in the approved schedule of establishment by the LG&CD Department and also approved schedule by the DC vide order No.3679-87 dated 31.12.2016. The detail is given on next page:

(Rupees in million)

Sr. No.	Name	Designation as on 2017	Current Designation	Salaries Drawn (approx.)
1	Kamran Yousaf	Sanitary worker (1)	Computer Operator (11)	0.480
2	Riaz Ahmed	Sanitary worker (1)	Driver (7)	0.450
3	Abdul Ghaffar	Sanitary worker (1)	Senior Tax clerk (9)	0.400
4	Mehmood Ali	Sanitary worker (1)	Operator (4)	0.390
5	Baqir Hussain	Sanitary worker (1)	Driver (4)	0.449
6	Muhammad Ramzan	Sanitary worker (1)	Sanitary Inspector (8)	0.750
7	M. Abu bakar	Junior Clerk (07)	Head clerk (16)	1.050
8	M.Javaid	Tax Clerk (09)	Tax Supren.(15)	1.350
9	Nisar Ahmed	Tax Clerk (07)	Tax clerk (14)	1.200
Total				6.519

Due to weak internal controls, salaries were paid without sanctioned posts.

Payment of salaries without sanctioned posts resulted in unauthorized payment of Rs 6.519 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry of the matter besides fixing responsibility on the person(s) at fault.

[AIR Para: 32]

30.3.5 Unauthorized payment of tuff tile pavers – Rs 2.418 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. Further according to Market Rate System issued from 2005-06 to 2017-18 by the Government of Punjab Finance Department, (i) The composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

The Chief Officer, Municipal Committee, made payment of Rs 2.418 million to the contractors on account of tuff tile during 2016-19. 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. Texila, 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 given below:

(Rupees in million)

Work	Contractor	MB	Tuff tile	Rate/100cft	Final Bill
Const. of drain soling , tuff tile ward 1,2,3,4	M.Uzair	187	6280	92	0.578
Const. of drain soling , tuff tile ward 5,6,7,8	M.Uzair	187	5733	90	0.516
Const. of drain soling , tuff tile ward 09,10,11	M.Uzair	187	1170	90	0.105
Const / Repair of drain , soling ward 1,2,3,4	Malik Altaf	132	3528	94.7	0.334
Const / Repair of drain , soling ward 9,10,11	M.Uzair	131	4848	95.65	0.464
Const / repair of drain soling , tuff tile ward 5,6,7,8	M.Uzair	131	4406	95.65	0.421
Total					2.418

Due to weak internal controls, payment was made without availability of gate pass of tuff tile and lab test.

Payment without supporting documents resulted in unauthorized expenditure of Rs 2.418 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:13]

30.3.6 Loss due to non-recovery of conversion fee for commercialization – Rs 1.515 million

According to Government of the Punjab Local Government & Community Development Department Notification No.SOR(LG)38-18/2009 dated 06-06-2012 Sr. 4 (i) (a) the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Provided that in case of non-availability of Valuation Table, the value of the land shall be as per average price of the preceding twelve months of the land in the vicinity. According to Land Use Rules 2009 and Chapter VIII Rule 60 (a) of commercialization rules 2008 “The conversion fee for the conversion of residential, per-urban area or intercity service area to commercial use shall be twenty percent (20%) of the value of the commercial land as per valuation table. According to Tehsil Municipal Administration Notification No. DC/CO/MZG 1122/ 17.06.17 schedule By-Laws Fee, License, map, conversion fee shall be collected.

The Chief Officer Municipal Committee failed to recover the conversion fee for use of declared commercialized roads from the owners of the 12 commercial markets amounting to Rs 1.515 million which was required to be recovered.

Due to weak Administration of MC, conversion fee for commercialization did not recover from the owner of the business.

Non-recovery of conversion/commercialization fee from the owner of business resulted in loss of corporation amounting to Rs 1.515 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to effect recovery amounting to Rs 1.515 million at the earliest besides fixing responsibility on person(s) at fault.

[AIR Para: 1]

30.3.7 Loss due to less recovery of conversion fee of markets by showing less value of land – Rs 1.437 million

According to Government of the Punjab Local Government & Community Development Department Notification No.SOR(LG)38-18/2009 dated 06-06-2012 Sr. 4 (i) (a) the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Provided that in case of non-availability of Valuation Table, the value of the land shall be as per average price of the preceding twelve months of the land in the vicinity. According to Land use release 2009 and Chapter VIII Rule 60 (a) of commercialization rules 2008 “The conversion fee for the conversion of residential, per-urban area or intercity service area to commercial use shall be (as above) percent of the value of the land as per valuation table.

The Chief Officer, Municipal Committee Khangarh, recovered the conversion fee amounting to Rs 0.584 million from 14 markets and shops owners during 01.01.2017 to 30.06.2019 by applying the off road land rates. Whereas, actually as per Revenue Department land record the schemes were on the land on-road and conversion fee amounting to Rs 2.022 million was required to be charged. So an amount of Rs 1.437 million was less recovered by applying the irrelevant rates.

Due to weak financial management, conversion fee was less recovered.

Less recovery of conversion fee amounting to Rs 1.437 million resulted in loss of revenue.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of amount from the owners of the residential/commercial schemes.

[AIR Para: 4]

30.3.8 Less recovery of rent of shops – Rs 1.171 million

According to Rule 19 of the Punjab Local Government (Auction of Collection Rights) Rules 2016, after receipt of communication of acceptance of bid from the Local Government the contractor shall pay installments in advance by the 5th day of each month. The remaining amount of bid shall be paid by the contractor to the Local Government in equally monthly installments that the whole amount be recovered at least one month before completion of the contract. Moreover, Rule 27(4) of ibid states that in case of default of contractor, the Local Government shall be entitled to recover from the surety not only the amount due, but also the cost of proceeding initiated in this regard.

The Chief Officer, Municipal Committee, leased out shops of Municipal Committee to various shopkeepers during 2016-2019, as detailed below. However, the rents of shops were not recovered in full from the shopkeepers. The remaining amount of Rs 1.171 million as on 30.06.2019, has not been recovered from the shopkeepers nor has any serious effort been made by the department.

(Rupees in million)

Owner / under use of	Building / Shop	Amount
Mudassir Iqbal	Nazool 01	0.046
M.Ather	Nazool 02	0.096
Imran Shabir	Committee 2 North	0.103
Shahid Hussain	Committee 4	0.025
M.Asif	Committee 8	0.027

Owner / under use of	Building / Shop	Amount
Ali Mohammad	Committee 9	0.004
M. Ramzan	Mohaal Chungi	0.024
M.Amjad	Old Chungi 02	0.144
M. Irfan	Shopping Plaza 01	0.036
Matloob Hussain	Shopping Plaza 02	0.070
Mehboob Ali	Shopping Plaza 06	0.028
M. Tariq	Shopping Plaza 07	0.015
Mohsin Ali	Shopping Plaza 08	0.065
Abdul Qayum	Shopping Plaza 11	0.008
Nadra Office arrears	Nadra arrear	0.480
Total		1.171

Due to weak financial management, the rent of shops was not recovered from the lessee.

Non-recovery of rent of shop from the lessee resulted in loss to the Local Government of Rs 1.171 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides amounts pointed out may be recovered from concerned.

[AIR Para:8]

31. Municipal Committee Kot Addu

CHAPTER 31.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	246.521	244.607	(1.914)	0.78
Development	0	0	0	
Total	246.521	244.607	(1.914)	0.78

(Source: Annual Accounts 2018-19)

i. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Number of schemes	06	04	Target not achieved
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Expenditure (Rs in million)	0.195	0.145	-do-
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	0.582	0.518	-do-
4	Prevention and removal of encroachment	Receipts (Rs in million)	0.100	0.079	-do-
5	Regulation of dangerous and offensive articles	Surveyed numbers		0	
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	Nil	Nil	
7	Promotion of sports & sports persons		Nil	Nil	
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved			
9	Staff Position				
i	Sanitation Staff	No. of Posts	297	258	Target not achieved
ii	Water supply scheme staff		12	11	-do-
iii	Planning staff		3	3	Target achieved
iv	Finance Staff		40	34	Target not achieved
v	Regulation Staff		6	3	-do-
vi	Infrastructure and Services Staff		8	5	-do-

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action

against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 31.2

Municipal Committee Kot Addu

31.2.1 Introduction:

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

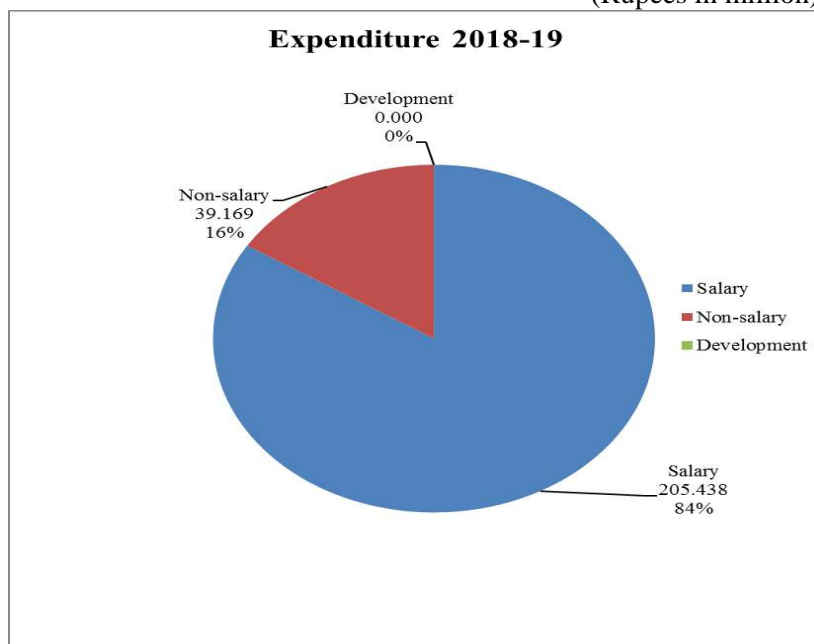
31.2.2 Comments on Budget and Accounts

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

(Rupees in million)

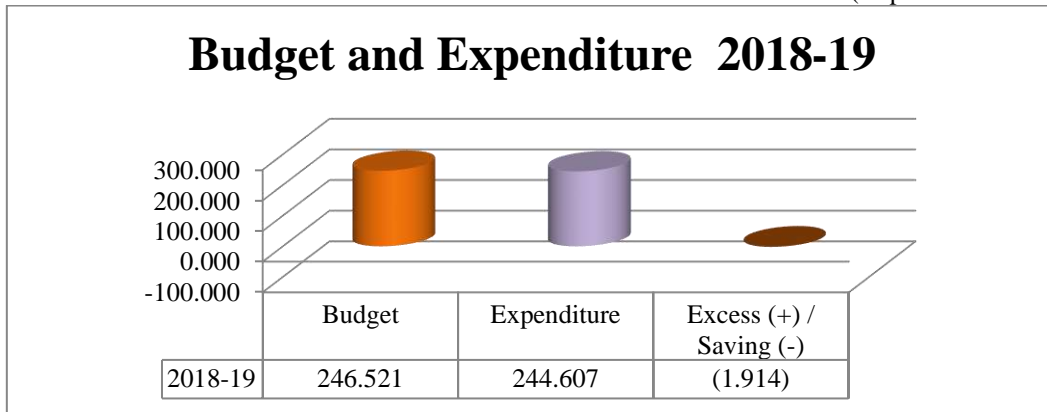
Municipal Committee Kot Addu				
Particular	Budget	Actual	Excess / Savings	%
Salary	206.61	205.438	(1.172)	0.57
Non-Salary	39.911	39.169	(0.742)	1.86
Development	0	0	0	0
Total	246.521	244.607	(1.914)	0.78
Receipts	259.868	259.868	0.000	-

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Kot Addu, total original budget (Development and Non-Development) was Rs 246.521 million. Against the budget, total expenditure of Rs 244.607 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 1.914 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Kot Addu. **(Annexure-B)**

(Rupees in million)



31.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 244.653 million were raised as a result of this audit. This amount also includes recoverable of Rs 21.502 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	186.588
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	22.806
B	Procurement related irregularities	33.259
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

31.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

31.3 Non-Production of Record

31.3.1 Non-production of record – Rs 186.588 million

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

The Chief Officer, Municipal Committee Kot Addu, during 2018-19 incurred an expenditure of Rs 186.588 million on account of payment for pending liabilities of previous and ongoing schemes, contingent expenditure and POL, but necessary record such as TSE, Tender Form, MB, bills, vouchers and logbooks were not produced for audit scrutiny. The authenticity of the expenditure could not be verified without production of auditable record. The details are as under:

(Rupees in million)

Sr. No.	Description	Amount
1	Special grant for pending salaries and pension	100.500
2	Pending payment of development schemes	4.541
3	Development schemes	3.186
4	Expenditure and receipt record for TMA period	76.878
5	POL, Logbooks	1.483
Total		186.588

Due to weak financial management, the record was not produced for audit verification.

Non-production of record created doubt regarding legitimacy of the expenditure amounting to Rs 186.588 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to inquire the matter, fix responsibility and strict disciplinary action against the person(s) at fault for non-production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Paras:9,18,20,24,29]

31.4 Procedural Irregularities

31.4.1 Inauthentic payment of pension fund - Rs 22.806 million

According to Rule 37(3) of the Punjab Local Government (Accounts) Rules 2017, the DDO shall maintain the Establishment Check Register (ECR) and reconciled with the similar register maintained by the Accounts Officer. At the beginning of each year the entries in the ECR shall be scrutinized and verified by the DDO, and countersigned by the Head of Offices. Furthermore, according to LG&CD Department letter No. SO(MC-DEV)(New Local Government) LG/9-2/2015 dated 16.03.2017, the pension to the retired employees may be paid out of General Purpose Account only upto March 2017, where the Pension Fund Account has not been opened. The Pension Fund Account should be opened and become operational immediately.

The Chief Officer Municipal Committee, paid an amount of Rs 22.806 million on account pension during 2018-19. All the pension payments were made out of General Purpose Fund. No life certificate/re-marriage certificates of the pensioners were on record from where the authenticity of the payment could be substantiated.

Due to weak internal controls, pensions were paid without opening and maintaining ECR and Pension Fund Account.

Payment of pension out of General Fund Account resulted in inauthentic payment as well as violation of above quoted rule.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends investigating the matter, fixing responsibility on the person(s) at fault and regularization of expenditure from the competent authority.

[AIR Para: 23]

31.4.2 Loss due to non-recovery of conversion fee for commercialization – Rs 8.732 million

According to Government of the Punjab Local Government & Community Development Department Notification No.SOR(LG)38-18/2009 dated 06-06-2012 Sr. 4 (i) (a) the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Provided that in case of non-availability of Valuation Table, the value of the land shall be as per average price of the preceding twelve months of the land in the vicinity. According to Land use rules 2009 and Chapter VIII Rule 60 (a) of commercialization rules 2008 “The conversion fee for the conversion of residential, per-urban area or intercity service area to commercial use shall be twenty percent (20%) of the value of the commercial land as per valuation table. According to Tehsil Municipal Administration Notification No. DC/CO/MZG 1122/ 17.06.17 schedule By-Laws Fee, License, map, conversion fee shall be collected.

The Chief Officer Municipal Committees, failed to recover the conversion fee for use of declared commercialized roads from the owner of the business amounting to Rs 8.732 million which was required to be recovered. The detail is as under:

(Rupees in million)

Sr. No.	Name	Owner/ Manager	Address/ on road location	Quantity of Land (Marlas)	Rate	Value of Land	Conversion Fee	Conversion Fee deposited	Balance Amount
1	Royal Marriage Hall	Rafique Ahmed	Main Road Kot Addu	95	0.336	31.920	6.384	0.500	5.884
2	Manahil Marriage Hall and party	Not Known	Noor shah Talai Road	80	0.178	14.240	2.848	0.000	2.848
Total						46.16	9.232	0.500	8.732

Due to weak Administration of MC, conversion fee for commercialization did not recover from the owner of the business.

Non-recovery of conversion/commercialization fee from the owner of business resulted in loss of corporation amounting to Rs 8.732 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to effect recovery amounting to Rs 8.732 million at the earliest besides fixing responsibility on person(s) at fault.

[AIR Para: 4]

31.4.3 Mis-procurement of store items - Rs 7.364 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 on PPRA website in case of over one hundred thousand rupees.

The Chief Officer Municipal Committee, incurred expenditure of Rs 7.364 million during 2018-19 on account of purchase/repair of various items without advertisement on the website of the Authority and inviting tenders through newspapers. All the expenditure was incurred by calling quotations and splitting the bills to avoid tendering process. The details are as under:

(Rupees in million)

Sr. No.	Description	Amount
1	Rent of machinery for disposal waste	2.575
2	Various stores items	1.685
3	Repair Machinery	3.104
Total		7.364

Due to weak financial management, purchases were made without advertisement and fair competition.

Purchases without advertisement resulted in irregular expenditure of Rs 7.364 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Paras:16,21,39]

31.4.4 Loss due to non-registration of private housing schemes – Rs 5.126 million

As per 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.

In jurisdiction of Municipal Committee, 02 private housing schemes / land sub divisions carried out development and marketing activities without registration, approval of schemes, map design and specifications. Owners of most of the schemes did not apply for the registration and therefore did not pay the fee on account of registration and other prescribed requirements amounting to Rs 5.126 million. Chief Officer did not take appropriate action to stop unauthorized and unapproved development and marketing activities and did not carry out survey for compliance of Building Byelaws for these housing schemes, in contravention to above referred rules of the government. The detail is given on next page:

(Rupees in million)

Name of Housing Scheme	Location	Area (Marla)	Rate (Rs per marla)	Total Amount	1% conversion Fee
Al Noor Housing Society	Mouza Pirhar	1,600 marlas	0.178	284.800	2.848
Khyaban –a- sikandar	Sharqi	1,280 marlas	0.178	227.840	2.278
Total					5.126

Due to weak managerial controls, illegal and unauthorized activities were not checked by the staff of Municipal Committee.

Non registration of housing schemes resulted in loss of Rs 5.126 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends registration of private housing schemes and action against persons involved in illegal establishment and marketing of unapproved housing schemes besides fixing responsibility on the person(s) at fault.

[AIR Para No. 1]

31.4.5 Less recovery of rent of shops – Rs 4.333 million

According to Rule 19 of the Punjab Local Government (Auction of Collection Rights) Rules 2016, after receipt of communication of acceptance of bid from the Local Government the contractor shall pay installments in advance by the 5th day of each month. The remaining amount of bid shall be paid by the contractor to the Local Government in equally monthly installments that the whole amount be recovered at least one month before completion of the contract. Moreover, Rule 27(4) of ibid states that in case of default of contractor, the Local Government shall be entitled to recover from the surety not only the amount due, but also the cost of proceeding initiated in this regard.

The Chief Officer Municipal Committee, leased out shops of Municipal Committee to various shopkeepers during 2018-2019, as detailed below. However,

the rents of shops were not recovered in full from the shopkeepers. The remaining amount of Rs 4.333 million as on 30.06.2019, has not been recovered from the shopkeepers nor has any serious effort been made by the department. The detail is as under:

(Rupees in million)

Sr. No.	No. of shops	Outstanding Amount
1	18	1.072
2	185	3.261
Total		4.333

Due to weak financial management, the rent of shops was not recovered from the lessee.

Non-recovery of rent of shop from the lessee resulted in loss to the Local Government of Rs 4.333 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of Rs4.333 million from the concerned.

[AIR Paras:3,35]

31.4.6 Unauthorized grant of TS from irrelevant authority – Rs 3.843 million

According to LG & CD department letter No. SOR(LG)38-3/2017 dated 30.06.2017, an engineer in BS-11 working as independent engineer incharge in a Local Government shall have the powers to accord to technical sanction up to rupees one million. Furthermore, as per Chief Engineer letter No.CE(HQ)PLGB-6/2008 dated 13.05.2008, the scheme beyond the competency of Tehsil Officer (I&S) was required to be forwarded to the Chief Engineer for technical sanction.

The Chief Officer Municipal Committee, executed the schemes having value of Rs 3.843 million but the scheme was technically sanctioned by District Officer (I&S) District council Muzaffargarh instead of approval from the concerned Chief Engineer Local Government Lahore. The details are as under:

(Rupees in million)

Name of Scheme	Amount	TS By
Construction/repair drain nala providing fixing PCC Pavers (50 MM) thick Near Kapco Basti Bhagan MC Kot Addu	0.643	District Officer (I&S) District Council M.Garh
Construction/Repair drain soling earth filling tuff tiles Halka No.19 MC Kot Addu	0.600	District Officer (I&S) District Council M.Garh
Construction of surface Drain Type 1 P/L dry brick Earth filling Halka No.25,30,31,32 MC Kot Addu	2.000	District Officer (I&S) District Council M.Garh
Construction/repair drain soling earth filling tuff tile halka no.32 MC Kot Addu	0.600	District Officer (I&S) District Council M.Garh
Total	3.843	

Due to weak financial controls, technical sanction was obtained from irrelevant authority.

Granting of TS by irrelevant authority resulted in irregular expenditure of Rs 3.843 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:17]

31.4.7 Unauthorized award of leases – Rs 2.550 million

According to Rule 5 of the Punjab Local Government (Auction of Collection Rights) Rules 2016, the local government, for award of a contract, shall issue a public notice, in at least two national daily newspapers one in Urdu and one in English. Rule 7 of ibid states that the local government shall notify an auction

committee for conducting the auction with the approval of the House. Rule 12 states that the highest bid, received in auction and recommended by the respective Mayor or Chairman, shall be placed before the House for approval. Rule 27 says that the successful bidder shall furnish a surety for the due performance of the contract to the satisfaction of the local government concerned.

The Chief Officer Municipal Committee, awarded various leases valuing Rs 2.550 million to the contractors during 2018-19. Scrutiny of record revealed the following shortcomings.

1. The notice for auction was published in one newspaper.
2. No auction committee was notified.
3. Successful bids were not approved by the house.

(Rupees in million)

Sr. No.	Lease	Contractor	Year	Auctioned Amount
1	Bus Stand	M.Amjad S/o Ghulam Muhammad	2018-19	0.525
2	Wagon Stand	Saad Muhammad Ali S/o Muhammad Ali	2018-19	1.610
3	Slaughter House Fee	M.Amjad S/o Ghulam Muhammad	2018-19	0.360
4	Public Latrine	M.Ramzan S/o Budhan	2018-19	0.055
Total				2.550

Due to weak internal controls, legal requirements were not observed before awarding the contracts.

Non-observance of legal requirements resulted in un-authorized award of contracts.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that matter may be investigated and responsibility may be fixed on the person (s) at fault, besides regularization of matter from the competent authority.

[AIR Para:33]

31.4.8 Loss due to non-transfer taxes to Government account – Rs 1.790 million

According to rule 9 (c) of the Punjab Local Government (Accounts) Rules 2017, the collector of tax, fee, rate, charges, surcharge of the local Government shall be personally responsible for any overcharge, fraud or misappropriation or delay for crediting the amounts so collected to the account of the government and shall be liable to make good the loss arising from his culpable negligence.

The Chief Officers Municipal Committee, withheld an amount of Rs 1.790 million on account Income Tax and Sales Tax deducted from the suppliers bills during 2018-19, but same was not deposited into FBR account.

Due to weak financial management, taxes withheld from the contractors and suppliers were not deposited into FBR account.

Non deposit of taxes into FBR account resulted in loss of Rs 1.790 million to the Federal Government exchequer.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides transfer of Rs 1.790 million to the FBR account.

[AIR Paras:8,11]

31.4.9 Less recovery of IP Tax due to applying of agriculture rate of land- Rs1.521million

According to rule 39 of the Punjab Private Housing Schemes and Land Sub Division 2010, circulated vide Government of Punjab, LG& CD department letter No. No.SOR(LG)38-2/2004-P dated 13.03.2010, 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”.

The Chief Officer Municipal Committee, less recovered an amount of Rs 1.521 million on account of immoveable property tax during 2018-19. Scrutiny of the record revealed that instead of applying of residential land rate from valuation table, agriculture land rate was applied for the sale of two kanal or more than two kanals. The area of Municipal committee mostly consists of residential land and applying rate of agriculture was unauthorized and loss to MC.

Due to weak managerial controls, agricultural land rate was applied instead of residential land rate by the staff of Municipal Committee.

Applying of agricultural land rate resulted in loss of Rs1.521 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends investigation and recovery of Rs1.521 million from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para: 2]

32. Municipal Committee Muzaffargarh

CHAPTER 32.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	286.000	284.910	(1.090)	0.38
Development	29.000	28.058	(0.942)	3.25
Total	315.000	312.968	(2.032)	0.65

(Source: Annual Accounts 2018-19)

Development funds amounting to Rs 28.058 million were spent for schemes of providing and laying of tuff tiles, construction of drains and soloing, repair works and construction of shops. The said development schemes completed during the year.

ii. Analysis of Targets and Achievements

Sectorial analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Record not Produced	Record not Produced	Record not Produced	Record not Produced
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	-do-	-do-	-do-	-do-
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	-do-	-do-	-do-	-do-
4	Prevention and removal of encroachment	-do-	-do-	-do-	-do-
5	Regulation of dangerous and offensive articles	-do-	-do-	-do-	-do-
6	Organize cattle fairs and cattle markets	-do-	-do-	-do-	-do-
7	Promotion of sports & sports persons		-do-	-do-	-do-
8	Solution of complaints about water supply, sewage and sanitation	-do-	-do-	-do-	-do-
9	Staff Position				
I	Sanitation Staff	No. of Posts	Record not Produced	Record not Produced	Record not Produced
ii	Water supply scheme staff		-do-	-do-	-do-
iii	Planning staff		-do-	-do-	-do-
iv	Finance Staff		-do-	-do-	-do-
V	Regulation Staff		-do-	-do-	-do-
Vi	Infrastructure and Services Staff		-do-	-do-	-do-

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal Committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the

management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 32.2

Municipal Committee Muzaffargarh

32.2.1 Introduction

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

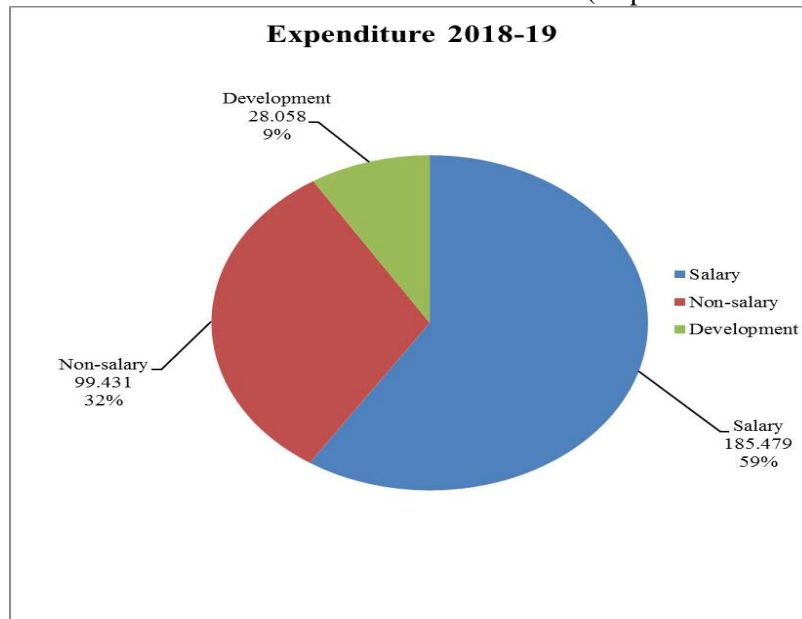
32.2.2 Comments on Budget and Accounts

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

(Rupees in million)

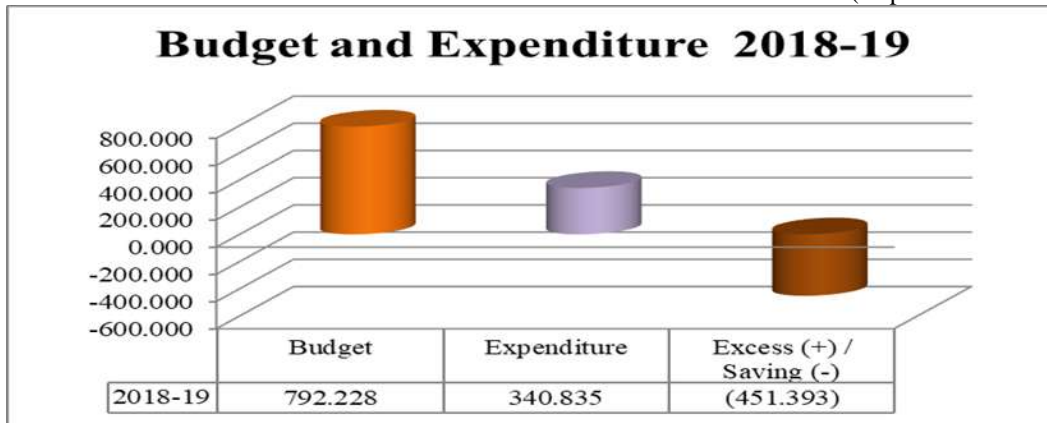
Municipal Committee Muzaffargarh				
Particular	Budget	Actual	Excess / Savings	%
Salary	186.000	185.479	(0.521)	0.28
Non-Salary	100.000	99.431	(0.569)	0.57
Development	29.000	28.058	(0.942)	3.25
Total	315.000	312.968	(2.032)	0.65
Receipts	318.000	317.381	(0.619)	0.19

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Muzaffargarh, total original budget (Development and Non-Development) was Rs 315.000 million. Against the budget, total expenditure of Rs 312.968 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 2.032 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Muzaffargarh. (**Annexure-B**)

(Rupees in million)



32.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 872.141 million were raised as a result of this audit. This amount also includes recoverable of Rs 14.258 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	768.506
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	
B	Procurement related irregularities	103.635
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

32.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

32.3 Non-Production of Record

32.3.1 Non-production of record – Rs 768.506 million

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

The Chief Officer, Municipal Committee, during 2016-19 incurred an expenditure of Rs 768.506 million on account of payment for development schemes, pay and allowances and contingent expenditure, but necessary record such as TSE, Tender Form, MB, bills, vouchers, sanctioned staff, staff posted newly recruited and promotion record, stock registers and logbooks were not produced for audit scrutiny. The matter was taken up by the Director General Audit (Distt.Govts.) Punjab (South) Multan with the Secretary LG&CD Department Lahore vide letter No.DGA-DGPS/Coord.CF-69-Vol-IV/CD-1241 dated 22.01.2020 and Director General LG&CD also taken upto the matter with Secretary PLGB, Lahore vide letter No.LG&CD/Audit/AO(Gen)/2020 dated 20.02.2020. However, no record was produced by the MC authorities. The authenticity of the expenditure could not be verified without production of auditable record. The details are as under:

(Rupees in million)

Year	Salary	Non Salary	Development	Total
2016-17	82.444	55.260	14.720	152.424
2017-18	167.453	106.181	29.481	303.114
2018-19	185.479	99.431	28.058	312.968
Total	435.376	260.872	72.259	768.506

Due to weak financial management, the record was not produced for audit verification.

Non-production of record created doubt regarding legitimacy of the expenditure amounting to Rs 768.506 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to inquire the matter, fix responsibility and strict disciplinary action against the person(s) at fault for non-production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Para:1]

32.4 Procedural Irregularities

32.4.1 Non-reconciliation of tax on transfer of immoveable property – Rs 72.941 million

According to Rule 11(2)(d) of the Punjab Local Government (Accounts) Rules 2017, the Chief Officer shall be responsible that the amount credited to the Local Fund, as reported by the Accounts Officer, are reconciled and verified with record on monthly and annual basis.

The Chief Officer Municipal Committee Muzaffargah during 2016-19, collected Rs 72.941 million under the head “Tax on Transfer of Immoveable Property”. The same was not reconciled with the Revenue Department for its accuracy and assessment verification. Furthermore, neither the entry of collecting income in cashbook was shown to audit nor was any reconciliation with bank statement on record, without which the accuracy of collection of income was not acceptable. The detail of immovable property tax is given below:

(Rupees in million)

Year	IP Tax
2016-17	8.649
2017-18	20.946
2018-19	43.346
Total	72.941

Due to weak financial controls, immovable property tax was not reconciled with Revenue Department and bank statement.

Accuracy of collection of income was not ascertained due to non-reconciliation of immovable property tax with the Revenue Department.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) concerned besides investigation of matter for factual position of income.

[AIR Para:12]

32.4.2 Non achievement of receipt targets – Rs 14.379 million

According to Rule 12(2)(a & d) of the Punjab Local Governments (Budget) Rules 2017, the Collection Officer shall prepare the estimates for receipts diligently and accurately keeping in view the key performance indicators. All material reasons and circumstances relied upon, while adopting the figures for the annual estimates of next financial year shall be recorded clearly.

The Chief Officers Municipal Committee Muzaffargarh, estimated various receipts during 2016-19 on the basis of last year collection under various heads. However, recovery remained short of Rs 14.379 million of the targets for the year. The detail is given below:

(Rupees in million)

Year	Description	Budget Estimates	Actual	Loss
2016-17	License fee (food items)	0.150	-	0.150
2016-17	Wagon stand fee	1.000	-	1.000
2016-17	Fee for slaughtering of animals	0.060	-	0.060
2016-17	Advertisement	1.800	-	1.800
2016-17	Rent of shops	1.500	-	1.500
2016-17	Other Misc. fee	1.000	-	1.000
2016-17	NOC Fee	0.100	-	0.100
2016-17	Share of MC from defunct TMA	0.070	-	0.070
2017-18	License fee (food items)	1.000	-	1.000
2017-18	Fee for slaughtering of animals	0.150	-	0.150
2017-18	Sale of sludge	0.020	-	0.020
2017-18	Advertisement	2.000	-	2.000
2017-18	Rent of shops	3.000	1.416	1.584
2017-18	NOC Fee	0.100	-	0.100
2018-19	License fee (food items)	1.000	-	1.000
2018-19	Fee for slaughtering of animals	0.150	-	0.150
2018-19	Sale of sludge	0.020	-	0.020
2018-19	Rent of shops	3.500	1.025	2.475
2018-19	NOC Fee	0.200	-	0.200
Total		16.820	2.441	14.379

Due to weak financial management, receipts targets were not achieved.

Non achievement of receipt target resulted in loss to MC amounting to Rs 14.379 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:2]

32.4.3 Loss due to non-registration of private housing schemes – Rs 11.718 million

As per 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.

In jurisdiction of Municipal Committee Muzaffargarh, twelve private housing schemes / land sub divisions carried out development and marketing activities without registration, approval of schemes, map design and specifications. Owners of most of the schemes did not apply for the registration and therefore did not pay the fee on account of registration and other prescribed requirements amounting to Rs 11.718 million. Chief Officer did not take appropriate action to stop unauthorized and unapproved development and marketing activities and did not carry out survey for compliance of Building Byelaws for these housing schemes, in contravention to above referred rules of the government.

Due to weak managerial controls, illegal and unauthorized activities were not checked by the staff of Municipal Committee.

Non registration of housing schemes resulted in loss of Rs 11.718 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends registration of private housing schemes and action against persons involved in illegal establishment and marketing of unapproved housing schemes besides fixing responsibility on the person(s) at fault.

[AIR Para: 4]

32.4.4 Loss due to non-recovery of conversion fee for commercialization – Rs 2.540 million

According to Government of the Punjab Local Government & Community Development Department Notification No.SOR(LG)38-18/2009 dated 06-06-2012 Sr. 4 (i) (a) the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Provided that in case of non-availability of Valuation Table, the value of the land shall be as per average price of the preceding twelve months of the land in the vicinity. According to Land use rules 2009 and Chapter VIII Rule 60 (a) of commercialization rules 2008 “The conversion fee for the conversion of residential, per-urban area or intercity service area to commercial use shall be twenty percent (20%) of the value of the commercial land as per valuation table. According to Tehsil Municipal Administration Notification No. DC/CO/MZG 1122/ 17.06.17 schedule By-Laws Fee, License, map, conversion fee shall be collected.

Administration of the Municipal Committees Muzaffargah, failed to recover the conversion fee for use of declared commercialized roads from the owner of the business amounting to Rs 2.540 million which was required to be recovered. The detail is given below:

(Rupees in million)

Sr. No.	Market/Shop	Owner/ Location	Marla	Rate per Marla	Value	Conversion Fee @ 20%
1	Commercial Market	Azra Parveen/ Multan road M.Garh	40	0.400	16.000	1.600
2	Commercial Market	M. Mazhar/ Multan Road M.Garh	20	0.200	4.000	0.400
3	Shop/Hall	Arslan Usman/ Jhan road	2	0.200	0.400	0.040
4	Commercial Market	M. Asif/ Alipur road	20	0.250	5.000	0.500
Total						2.540

Due to weak Administration of MC, conversion fee for commercialization did not recover from the owner of the business.

Non-recovery of conversion/commercialization fee from the owner of business resulted in loss of corporation amounting to Rs 2.540 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to effect recovery amounting to Rs 2.540 million at the earliest besides fixing responsibility on person(s) at fault.

[AIR Para: 6]

32.4.5 Unauthentic final accounts – Rs 2.057 million

According to Rule 4,37, of Budget rules 2017, the Chief Officer shall act as principal accounting officer and shall monitor the receipts and expenditure of the local government to be carried out in accordance with the

approved budget and the rules. The drawing and disbursing officer shall be responsible for:

Recommend the Mayor of the Chairman to get the budget revised from the House in accordance with the provisions of the rules; and

- (d) Ensure that no expenditure is incurred without budgetary provision and sanction of the competent authority.
- (5) The Mayor or Chairman may recommend the necessary reduction in case of lower than expected receipts in respect of any one or more heads of expenditure. The recommendations of the Mayor or Chairman shall be placed before the House for approval.

The Chief Officer Municipal Committee Muzaffargarh, did not pay any attention towards a huge difference of closing balance shown in final accounts Rs 2.057 million as compared to actual bank account. In the final accounts excess balance was shown in the bank as compared to actual balance. The detail is given below:

(Amount in Rupees)

Year	Closing Balance as per bank (shown in final accounts)	Closing Balance as per bank	Difference
2016-17	2.216	0.208	2.008
2018-19	3.150	3.102	0.049
Total	5.366	3.310	2.057

Due to weak financial management, amounts were drawn from the bank account but were not accounted for in the final accounts.

Withdrawal of amount without accounted for resulted in unauthentic annual accounts.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:9]

33. Municipal Committee Shehr Sultan

CHAPTER 33.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	41.670	27.095	(14.575)	35
Development	10.000	8.926	(1.074)	11
Total	51.670	36.021	(15.649)	30

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 8.926 million against an allocation of Rs 10.000 million for the development schemes of Providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of office buildings. The said development schemes could not be completed and an amount of Rs 1.074 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 15.649 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The

authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Number of schemes	5	0	Target not achieved
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Expenditure (Rs)	0	0	Target not achieved
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs)	300,000	234,000	Target not achieved
4	Prevention and removal of encroachment	Receipts (Rs)	25,000	10,000	Target not achieved
5	Regulation of dangerous and offensive articles	Surveyed numbers	0	0	Target not achieved
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	0	0	Target not achieved
7	Promotion of sports & sports persons		0	0	Target not achieved
8	Solution of complaints about water supply, sewerage and sanitation	Complaint received and solved	0	0	Target not achieved
9	Staff Position				
I	Sanitation Staff	No. of Posts	59	29	Target not achieved
Ii	Water supply scheme staff		0	0	Target not achieved
Iii	Planning staff		3	1	Target not achieved
Iv	Finance Staff		6	3	Target not achieved
V	Regulation Staff		6	4	Target not achieved
Vi	Infrastructure and Services Staff		10	7	Target not achieved

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.

- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 33.2

Municipal Committee Shehr Sultan

33.2.1 Introduction:

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

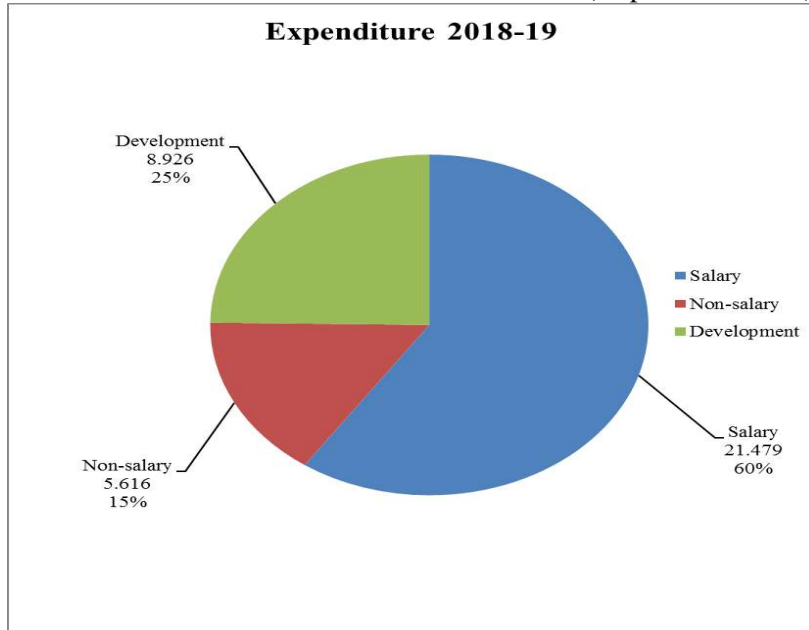
33.2.2 Comments on Budget and Accounts

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

(Rupees in million)

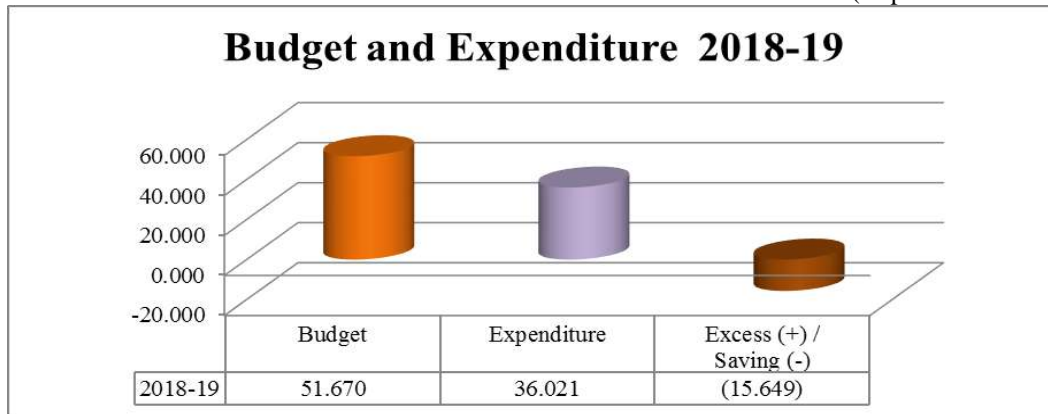
Municipal Committee Shehr Sultan				
Particular	Budget	Actual	Excess / Savings	%
Salary	32.045	21.479	(10.566)	32.97
Non-Salary	9.625	5.616	(4.009)	41.65
Development	10.000	8.926	(1.074)	10.74
Total	51.67	36.021	(15.649)	30.29
Receipts	56.061	37.238	(18.823)	33.58

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Shehr Sultan, total original budget (Development and Non-Development) was Rs 51.670 million. Against the budget, total expenditure of Rs 36.021 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 15.649 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Shehr Sultan. **(Annexure-B)**

(Rupees in million)



33.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 35.188 million were raised as a result of this audit. This amount also includes recoverable of Rs 12.608 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	16.600
B	Procurement related irregularities	18.588
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

33.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

33.3 Procedural Irregularities

33.3.1 Inauthentic payment of pension fund - Rs 9.040 million

According to Rule 37(3) of the Punjab Local Government (Accounts) Rules 2017, the DDO shall maintain the Establishment Check Register (ECR) and reconciled with the similar register maintained by the Accounts Officer. At the beginning of each year the entries in the ECR shall be scrutinized and verified by the DDO, and countersigned by the Head of Offices. Furthermore, according to LG&CD Department letter No. SO(MC-DEV)(New Local Government) LG/9-2/2015 dated 16.03.2017, the pension to the retired employees may be paid out of General Purpose Account only upto March 2017, where the Pension Fund Account has not been opened. The Pension Fund Account should be opened and become operational immediately.

The Chief Officer Municipal Committee, paid an amount of Rs 9.040 million on account pension during 2017-19. All the pension payments were made out of General Purpose Fund. No life certificate/re-marriage certificates of the pensioners were on record from where the authenticity of the payment could be substantiated.

Due to weak internal controls, pensions were paid without opening and maintaining ECR and Pension Fund Account.

Payment of pension out of General Fund Account resulted in inauthentic payment as well as violation of above quoted rule.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends investigating the matter, fixing responsibility on the person(s) at fault and regularization of expenditure from the competent authority.

[AIR Para: 23]

33.3.2 Loss due to non-recovery of conversion fee for commercialization – Rs 8.732 million

According to Government of the Punjab Local Government & Community Development Department Notification No.SOR(LG)38-18/2009 dated 06-06-2012 Sr. 4 (i) (a) the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:-

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

Provided that in case of non-availability of Valuation Table, the value of the land shall be as per average price of the preceding twelve months of the land in the vicinity. According to Land use rules 2009 and Chapter VIII Rule 60 (a) of commercialization rules 2008 “The conversion fee for the conversion of residential, per-urban area or intercity service area to commercial use shall be twenty percent (20%) of the value of the commercial land as per valuation table. According to Tehsil Municipal Administration Notification No. DC/CO/MZG 1122/ 17.06.17 schedule By-Laws Fee, License, map, conversion fee shall be collected.

The Chief Officer Municipal Committees, failed to recover the conversion fee for use of declared commercialized roads from the owner of the business amounting to Rs 8.732 million which was required to be recovered.

Due to weak Administration of MC, conversion fee for commercialization did not recover from the owner of the business.

Non-recovery of conversion/commercialization fee from the owner of business resulted in loss of corporation amounting to Rs 8.732 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to effect recovery amounting to Rs 8.732 million at the earliest besides fixing responsibility on person(s) at fault.

[AIR Paras: 4,7,8,9]

33.3.3 Irregular payment of work charged establishment – Rs 7.560 million

According to Sr. No. 2 of Schedule of Wage Rates, 2017, appointment to a post included in this schedule may be made by the competent authority under delegation of financial powers rules 2016 subject to the following conditions:

- v) The post(s) shall be advertised properly in the leading newspapers.
- w) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S&GAD
- x) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR, Vol-III.
- e) The appointment may be made up to the end of the financial year or the duration of the project, which is earlier.

The Chief Officer Municipal Committee, recruited 21 work charged employees. An amount of Rs 7.560 million was paid on account of salaries to those employees during 2017-19. The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc. The detail is given below:

(Rupees in million)

Office / CO Unit	No. of Employees	Period	Rate per Month	Total Amount
M.C. Shehr Sultan	21	2017-18	15,000	3.780
	21	2018-19	15,000	3.780
Total				7.560

Due to weak financial controls, work charged employees were recruited and salaries were paid without observing codal formalities.

Non observance of codal formalities resulted in irregular expenditure of Rs 7.560 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para 19]

33.3.4 Mis-procurement of store items – Rs 2.793 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 on PPRA website in case of over one hundred thousand rupees.

The Chief Officer Municipal Committee, incurred expenditure of Rs 2.793 million during 2017-19 on account of purchase/repair of various items without advertisement on the website of the Authority and inviting tenders through newspapers. All the expenditure was incurred by calling quotations and splitting the bills to avoid tendering process.

Due to weak financial management, purchases were made without advertisement and fair competition.

Purchases without advertisement resulted in irregular expenditure of Rs 2.793 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:25]

33.3.5 Loss due to non-registration of private housing schemes – Rs 2.775 million

As per 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.

In jurisdiction of Municipal Committee, 05 private housing schemes / land sub divisions carried out development and marketing activities without registration, approval of schemes, map design and specifications. Owners of most of the schemes did not apply for the registration and therefore did not pay the fee on account of registration and other prescribed requirements amounting to Rs 2.775 million during 2016-19. Chief Officer did not take appropriate action to stop unauthorized and unapproved development and marketing activities and did not carry out survey for compliance of Building Byelaws for these housing schemes, in contravention to above referred rules of the government.

Due to weak managerial controls, illegal and unauthorized activities were not checked by the staff of Municipal Committee.

Non registration of housing schemes resulted in loss of Rs 5.126 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends registration of private housing schemes and action against persons involved in illegal establishment and marketing of unapproved housing schemes besides fixing responsibility on the person(s) at fault.

[AIR Para: 3]

33.3.6 Unauthorized payment of tuff tile pavers – Rs 2.102 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. Further according to Market Rate System issued from 2005-06 to 2017-18 by the Government of Punjab Finance Department, (i) The composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

The Chief Officer, Municipal Committee, made payment of Rs 2.102 million to the contractors on account of tuff tile during 2017-19. 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. Texila, 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 given below:

(Rupees in million)

Scheme Name/ No.	Contractor	MB No./ pages	Tuff tile	Rate	Amount
R&M tuff tile iron cross drain kumharan wali abdulrehman saeed sial etc ward 1	M. Muzaffar	14193/ 32to35	6,613	103.00	0.681
R&M tuff tile iron cross soling tuff tile syed g.mustafa nadir shah	Ch. Khalil	14195/ 40 to 42	10,036	103.00	1.034
R&M drain tuff tile house Mukhtiar khan , to Haji M Bux Allah Bux ward 11	Ch. Khalil		3,761	103.00	0.387
Total					2.102

Due to weak internal controls, payment was made without availability of gate pass of tuff tile and lab test.

Payment without supporting documents resulted in unauthorized expenditure of Rs 2.102 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:31]

33.3.7 Loss of revenue – Rs 1.101 million

According to Rule 19 of the Punjab Local Government (Auction of Collection Rights) Rules 2016, after receipt of communication of acceptance of bid from the Local Government the contractor shall pay installments in advance by the 5th day of each month. The remaining amount of bid shall be paid by the contractor to the Local Government in equally monthly installments that the whole amount be recovered at least one month before completion of the contract. Moreover, Rule 27(4) of ibid states that in case of default of contractor, the Local Government shall be entitled to recover from the surety not only the amount due, but also the cost of proceeding initiated in this regard.

The Chief Officer Municipal Committee, auctioned the rights of collections /shops to various contractors/shopkeepers as detailed below. However, lease money/rent of shops were not recovered in full from the contractors. The remaining amount of Rs 1.101 million as on 30.06.2019 has not been recovered from the contractors/shopkeepers nor has any serious effort been made by the department.

(Rupees in million)

Sr. No.	Description	Outstanding Amount
1	Birth, death and marriage certificate	0.011
2	License renewal fee	0.037
3	Rent of shops	0.630

Sr. No.	Description	Outstanding Amount
4	NOC fee	0.210
5	Sales proceeds from old building material	0.100
6	Tender sale money	0.050
7	Professional tax	0.063
Total		1.101

Due to weak financial management, the lease money/rent of shop were not recovered from the lessee /contractors.

Non-recovery of lease money/rent of shop from the lessee / contractor resulted in loss to the Local Government of Rs 1.101 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of Rs1.101 million from the concerned.

[AIR Paras:1,2,5,10,11,34,35]

33.3.8 Non maintenance of security deposits register – Rs 1.085 million

According to Rule 100(3) of the Punjab Local Government Act, 2013, every local government shall maintain a Public Account to place all revenues received by the local government from the receipt accruing from trusts administered are managed by the local government, refundable deposits received by the local government and deferred liabilities.

The Chief Officer, Municipal Committee, deducted and paid Rs 1.085 million on account of security from contractors' bills. But the security deposit register in support of local public fund accounts containing information of receipt and return of securities to contractors was not maintained. So, there was no way to verify the receipt and return of the security deposits. The detail is given on next page:

(Rupees in million)

Cheque/ token No.	Date	Head	Paid to	Amount
702889603	1.09.18	Return of Security	M. Yasin	0.139
702889604	1.10.18		Mian Muzaffar	0.158
702889604	1.10.18		Mian Muzaffar	0.184
702889605	1.10.18		M. Ashraf	0.186
702889604	1.12.18	Refund Security	Mian Muzaffar	0.233
702889605	1.12.18		Ashraf	0.185
Total				1.085

Due to weak financial controls, security deposit register was not maintained by the department.

Non-maintenance of security deposit register resulted in doubtful deduction and payment of Rs 1.085 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that the responsibility may be fixed on the person responsible for non-maintaining the requisite record and making payment.

[AIR Para:20]

34. Municipal Committee Sinawan

CHAPTER 34.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	40.121	38.791	(1.321)	3.29
Development	9.100	9.069	(0.031)	0.34
Total	49.219	7.864	(1.355)	2.75

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 9.069 million against an allocation of Rs 9.100 million for the development schemes of Providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of rest house and repairing of office buildings. The said development schemes could not be completed and an amount of Rs 0.031 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 1.355 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Sinawan was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The

authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Number of schemes	04	0	Target not achieved
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Expenditure (Rs in million)	0.300	0	Target not achieved
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	0.500	0	Target not achieved
4	Prevention and removal of encroachment	Receipts (Rs in million)	0	0	No target established
5	Regulation of dangerous and offensive articles	Surveyed numbers	10	0	Target not achieved
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	0.200	.092	Target not achieved
7	Promotion of sports & sports persons		0.300	.203	Target not achieved
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	90	38	Target not achieved
9	Staff Position				
I	Sanitation Staff	No. of Posts	30	23	Target not achieved
ii	Water supply scheme staff		10	03	Target not achieved
iii	Planning staff		3	1	Target not achieved
iv	Finance Staff		2	2	Target not achieved
V	Regulation Staff		5	2	Target not achieved
vi	Infrastructure and Services Staff		2	2	Target not achieved

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal committee, sinawan it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.

- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 34.2

Municipal Committee Sinawan

34.2.1 Introduction:

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

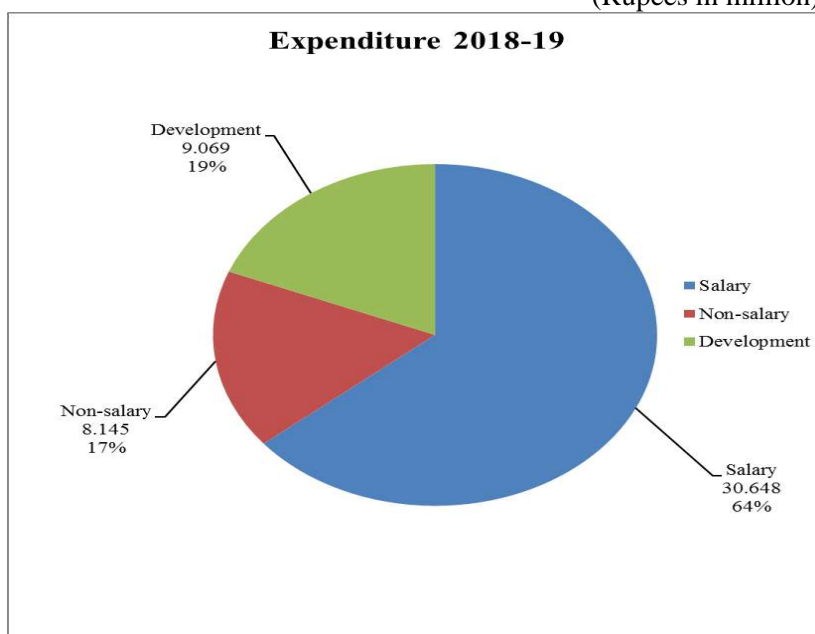
34.2.2 Comments on Budget and Accounts

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

(Rupees in million)

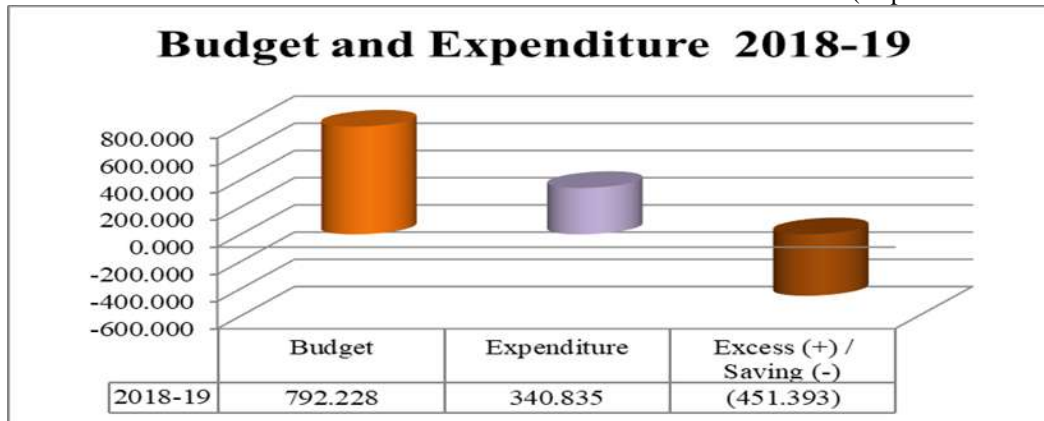
Municipal Committee Sinawan				
Particular	Budget	Actual	Excess / Savings	%
Salary	32.006	30.648	(1.358)	4.24
Non-Salary	8.114	8.145	(0.031)	0.38
Development	9.100	9.069	(0.031)	0.34
Total	49.220	47.862	(1.358)	2.75
Receipts	58.532	54.895	(3.637)	6.21

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Sinawan, total original budget (Development and Non-Development) was Rs 49.219 million. Against the budget, total expenditure of Rs 47.865 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 1.354 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Sinawan. **(Annexure-B)**

(Rupees in million)



34.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 77.542 million were raised as a result of this audit. This amount also includes recoverable of Rs 31.669 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	7.145
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	-
B	Procurement related irregularities	70.397
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

34.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

34.3 Non-Production of Record

34.3.1 Non-production of record – Rs 7.145 million

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

The Chief Officer, Municipal Committee, during 2017-19 incurred an expenditure of Rs 7.145 million on account of payment for pending liabilities of ongoing schemes and contingent expenditure, but necessary record such as TSE, Tender Form, MB, bills, vouchers and logbooks were not produced for audit scrutiny. The authenticity of the expenditure could not be verified without production of auditable record. The detail is given below:

Table A (Receipt Side):

(Rupees in million)

Date	Description	Amount	Contractor
2016-17	B01313 Tax on transfer of Immoveable	1.090	No IPT tax register was produced for audit scrutiny
2017-18	Property	2.015	
2018-19	C0388076 Advertisement Fee on Billboards	0.011	No record was produced.
Total Receipts		3.116	

Table B (Expenditure Side):

(Rupees in million)

Date	Description	Amount	Paid to
2/3/2019	Rent of Tent Service etc for open kachery	0.036	No bill of supplier
03.12.2018	misc.bills of tentage and pol for supports festival	0.473	No supplier bill with quantity etc, Only contingent bill
6.03.2019	Rent Catering Youm e yak Jahti kashmir	0.076	-do-
26.04.2017	purchase of computer printer etc	0.048	No bill of supplier
18.03.2019	POL for Tractor Massy 375	0.023	No coupon for POL demand
29.03.2019	Purchase of Trophy, Gift Pack etc Pak Day	0.057	Only contingent bill, no supplier bill with quantity etc

Date	Description	Amount	Paid to
07.12.2018	rent of tentage and gifts for support festival	0.099	-do-
29.03.2019	stationery for sanitation branch	0.019	No bill of supplier
2/6/2017	const of surface drain Basti Luck Wala ward No.2	1.427	Faiz Bux
19/6/2017	const drain thati hamza w.No.2	0.873	-do-
20/6/2017	Repair const of Nala Mehmoo Kot Rd	0.749	-do-
1/3/2018	PVC, Tough Tile MC Sinawan	0.098	Haji Faiz Bux
12/3/2018	Const of RCC Slab & Culverts	0.051	-do-
Total		4.029	

Due to weak financial management, the record was not produced for audit verification.

Non-production of record created doubt regarding legitimacy of the expenditure amounting to Rs 7.145 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to inquire the matter, fix responsibility and strict disciplinary action against the person(s) at fault for non-production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Paras:21]

34.4 Procedural Irregularities

34.4.1 Less recovery of rent of shops – Rs 17.941 million

According to Rule 19 of the Punjab Local Government (Auction of Collection Rights) Rules 2016, after receipt of communication of acceptance of bid from the Local Government the contractor shall pay installments in advance by the 5th day of each month. The remaining amount of bid shall be paid by the contractor to the Local Government in equally monthly installments that the whole amount be recovered at least one month before completion of the contract. Moreover, Rule 27(4) of ibid states that in case of default of contractor, the Local Government shall be entitled to recover from the surety not only the amount due, but also the cost of proceeding initiated in this regard.

The Chief Officer Municipal Committee, leased out shops of Municipal Committee to 259 shopkeepers during 2017-2019. However, the rents of shops were not recovered in full from the shopkeepers. The remaining amount of Rs 4.333 million as on 30.06.2019, has not been recovered from the shopkeepers nor has any serious effort been made by the department.

Due to weak financial management, the rent of shops was not recovered from the lessee.

Non-recovery of rent of shop from the lessee resulted in loss to the Local Government of Rs 17.941 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides amounts pointed out may be recovered from concerned without further delay.

[AIR Para:2]

34.4.2 Un-authorized collection from public without official gazette notification – Rs 17.115 million

According to Rule 19 of PLG Accounts Rules 2017, No tax, fee, toll, cesses, charge, rate, or any other levy shall be given effect before the same is notified in the official Gazette. According to Rule 19 of PLG Accounts Rules 2017, Further According to Rule 20 (2) of PLG Accounts Rules 2017, where a local government levies a tax, rate, fee or any other charge for periodical assessment is necessary, the demand shall be raised after the assessment is approved by the Mayor or Chairman. All receipts of the local government shall be collected through the bank.

The Chief Officer, MC Sinawan collected receipts of Rs. 17.115 Million for the financial year 2016-19 charged levies, taxes, fees etc on general public without any notification in official Gazette after establishment as MC. which resulted unauthorized collection of revenues from public and chances of over collection cannot be ruled out. Furthermore, mostly collections were made on cash basis instead of through bank. The detail is as under.

(Rupees in million)

Financial Year	Estimated Receipts Own Source	Actual Receipts Own Source
2017-18	15.788	10.468
2018-19	6.351	6.647
Total		17.115

Due to weak financial controls, collections were made without gazette notification.

Collection of rights without official notification resulted unauthorized collection of Rs17.115 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:23]

34.4.3 Unauthorized payments without pre-audit – Rs 14.027 million

According to rule 3(4) of PLG (Account) Rules, 2001 stipulates that all accounts shall be maintained up to date and every transaction shall be accounted for as soon as it is made. 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. According to section 16(3) OF PLGO 2001, every authorized government officer will be responsible to the people for improvement of governance and delivery of services within the ambit of authority decentralized to him.

The Chief Officer MC Sinawan drawn funds amounting to Rs 14.027 million during the period mentioned below on account of development schemes, salary, and contingent expenditure and paid to various contractors, supplier and staff without pre-audit. Chief Officer Municipal Corporation and Resident Audit Officer being co-signatories of cheques paid the amounts without pre-audit. The detail of withdrawal is as below:

(Rupees in million)

Month	Expenditure
Dec,18	4.315
Jan,19	1.566
Feb,19	3.578
Mar,19	4.568
Total	14.027

Due to weak internal financial controls, expenditure was incurred without observing codal formalities.

Non-observance of Government instructions resulted in un-authorized expenditure of Rs 14.027 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends strict disciplinary action against the officer who made the payment without pre audit and regularization of the expenditure from the Government of Punjab, Finance Department.

[AIR Para:27]

34.4.4 Loss due to non-registration of private housing schemes – Rs 7.400 million

As per 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.

In jurisdiction of Municipal Committee, 02 private housing schemes / land sub divisions carried out development and marketing activities without registration, approval of schemes, map design and specifications. Owners of most of the schemes did not apply for the registration and therefore did not pay the fee on account of registration and other prescribed requirements amounting to Rs 7.400 million. Chief Officer did not take appropriate action to stop unauthorized and unapproved development and marketing activities and did not carry out survey for compliance of Building Byelaws for these housing schemes, in contravention to above referred rules of the government. Detail is given below:

(Rupees in million)

Sr. No.	Name of Housing Scheme	Name of Owner	Area	Status	Area	Amount
1	Gulshan Iqbal (A)	Ch. Muhammad Iqbal	Bukhi Road Near Mashori Chowk	Illegal	29 Kanal	2.000
2	Gulshan Iqbal (B)	Ch. Muhammad Iqbal	Bukhi Road Near Sithar Chowk	Illegal	20 Kanal	1.400

Sr. No.	Name of Housing Scheme	Name of Owner	Area	Status	Area	Amount
3	Ghulan Saeed	Azhar Shahbaz	Bukhi Road Chah Raha Wala	Illegal	22 Kanal	2.000
4	Jugnoo Town	Rana Abdul Aziz	Thata Road Sinawan	Illegal	22 Kanal	2.000
Total						7.400

Due to weak managerial controls, illegal and unauthorized activities were not checked by the staff of Municipal Committee.

Non registration of housing schemes resulted in loss of Rs 7.400 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends registration of private housing schemes and action against persons involved in illegal establishment and marketing of unapproved housing schemes besides fixing responsibility on the person(s) at fault.

[AIR Para:3]

34.4.5 Irregular expenditure due to defective tendering process – Rs 5.500 million

According to Rule 15.2 (c) of Punjab Financial Rules, Vol-I, expenditure should not be split up so as to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders. 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 one hundred thousand rupees to 2 million rupees. As per Rule 11 of Punjab Procurement Rules 2009 (1) The Authority shall maintain a website for the procurement activities. (2) The Procuring Agency shall update the procurement activities on the website in the prescribed manner.

The Chief Officer Municipal Committee, executed the following development schemes and paid Rs 5.500 million without tender advertisement on PPRA website during 2017-19. The detail is given below:

(Rupees in million)

Sr. No.	Name of Scheme	Contactora	Estimate Cost in
1	Const. of surface Drain, P/L dry brick pavement, Earth Filling ward No.01,02,03,07	Haji Faiz	2.000
2	Const. of surface Drain, P/L dry brick pavement, Earth Filling ward No.04,05,06		1.500
3	Const. of surface Drain, P/L dry brick pavement, Earth Filling ward No.08,09,10,11		2.000
Total			5.500

Due to weak financial controls, tenders were advertised without technical sanction number and date and were not monitored.

Non compliance of rules resulted in irregular expenditure of Rs 5.500 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para: 15]

34.4.6 Loss due to non-recovery of conversion fee for commercialization – Rs 4.079 million

According to Government of the Punjab Local Government & Community Development Department Notification No.SOR(LG)38-18/2009 dated 06-06-2012 Sr. 4 (i) (a) the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Provided that in case of non-availability of Valuation Table, the value of the land shall be as per average price of the preceding twelve months of the land in the vicinity. According to Land use release 2009 and Chapter VIII Rule 60 (a) of commercialization rules 2008 “The conversion fee for the conversion of residential, per-urban area or intercity service area to commercial use shall be twenty percent (20%) of the value of the commercial land as per valuation table. According to Tehsil Municipal Administration Notification No. DC/CO/MZG 1122/ 17.06.17 schedule By-Laws Fee, License, map, conversion fee shall be collected.

The Chief Officer Municipal Committees, failed to recover the conversion fee for use of declared commercialized roads from the owner of the 34 business amounting to Rs 4.079 million during 2016-19, which was required to be recovered.

Due to weak Administration of MC, conversion fee for commercialization did not recover from the owner of the business.

Non-recovery of conversion/commercialization fee from the owner of business resulted in loss of corporation amounting to Rs 4.079 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to effect recovery amounting to Rs 8.732 million at the earliest besides fixing responsibility on person(s) at fault.

[AIR Para: 1]

34.6.7 Unauthorized payment of tuff tile pavers – Rs 2.086 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. Further according to Market Rate System issued from 2005-06 to 2017-18 by the Government of Punjab Finance Department, (i) The composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

The Chief Officer, Municipal Committee, made payment of Rs 2.086 million to the contractors on account of tuff tile during 2017-19. 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. Texila, 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 given below:

(Rupees in million)

Scheme	MB No.	Quantity of tuff used	Rate Charged	Amount
Const and repair of drain, tuff tile at st Qari Yousuf	164 page 31 to 39	12,922	92	1.189
Const and repair of drain and soling, earth filling and tuff tile, RCC etc MC Sinawan	Work order No.34 dated 06.02.18	9527	94.20	0.897
			Total	2.086

Due to weak internal controls, payment was made without availability of gate pass of tuff tile and lab test.

Payment without supporting documents resulted in unauthorized expenditure of Rs 2.086 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:18]

34.6.8 Loss due to non-transfer taxes to Government account – Rs 1.249 million

According to rule 9 (c) of the Punjab Local Government (Accounts) Rules 2017, the collector of tax, fee, rate, charges, surcharge of the local Government shall be personally responsible for any overcharge, fraud or misappropriation or delay for crediting the amounts so collected to the account of the government and shall be liable to make good the loss arising from his culpable negligence.

The Chief Officers Municipal Committee, withheld an amount of Rs 1.249 million on account Income Tax and Sales Tax deducted from the suppliers bills during 2017-19, but same was not deposited into FBR account.

Due to weak financial management, taxes withheld from the contractors and suppliers were not deposited into FBR account.

Non deposit of taxes into FBR account resulted in loss of Rs 1.249 million to the Federal Government exchequer.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides transfer of Rs 1.249 million to the FBR account.

[AIR Para:22]

34.6.9 Loss to MC due to non auction of bus stand fee – Rs 1 million

As per rule 76 of Punjab District Government and TMA (Budget) Rules 2003, the primary obligation of collecting officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the Local Government fund under the proper receipt head. Furthermore, according to Rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that

he would be held personally responsible for any loss sustained by the government through fraud or negligence on his part.

The Chief Officer Municipal committee, did not make any efforts to auction the collections rights of bus stand fee during 2017-19. Scrutiny of the record revealed that bus stand fee was demanded in many meetings but the same was never leased out to the contractor nor self collected was made, which resulted loss for Rs 1 million.

Due to apathy of department and weak internal controls, auction/self collection was not made.

Non auctioning of the bus stand fee resulted in loss to MC amounting to Rs 1 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends investigation and recovery of Rs 1 million from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para: 4]

35. Municipal Committee Fazilpur

CHAPTER 35.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	76.965	56.865	(20.100)	26.115
Development	32.012	6.568	(25.444)	79.481
Total	108.977	63.433	(45.543)	41.792

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 6.568 million against an allocation of Rs 32.012 million for the development schemes of Providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of rest house and repairing of office buildings. The said development schemes could not be completed and an amount of Rs 25.444 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 45.543 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The

authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Number of schemes	4	Nil	Target not achieved
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Expenditure (Rs in million)	0.234 million	0.234 million	Achieved
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	0.500 million	0.431 million	Target not achieved
4	Prevention and removal of encroachment	Receipts (Rs in million)	0.030 million	0.002 million	-do-
5	Regulation of dangerous and offensive articles	Surveyed numbers	-	-	-
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	-	-	-
7	Promotion of sports & sports persons		0.500 million	0.500 million	Achieved
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	-	-	
9	Staff Position	No. of Posts			
i	Sanitation Staff		73	73	Achieved
ii	Water supply scheme staff		-	-	-
iii	Planning staff		2	2	Achieved
iv	Finance Staff		9	9	-do-
v	Regulation Staff		9	9	-do-
vi	Infrastructure and Services Staff		7	7	-do-

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action

against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 35.2

Municipal Committee Fazilpur

35.2.1 Introduction

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

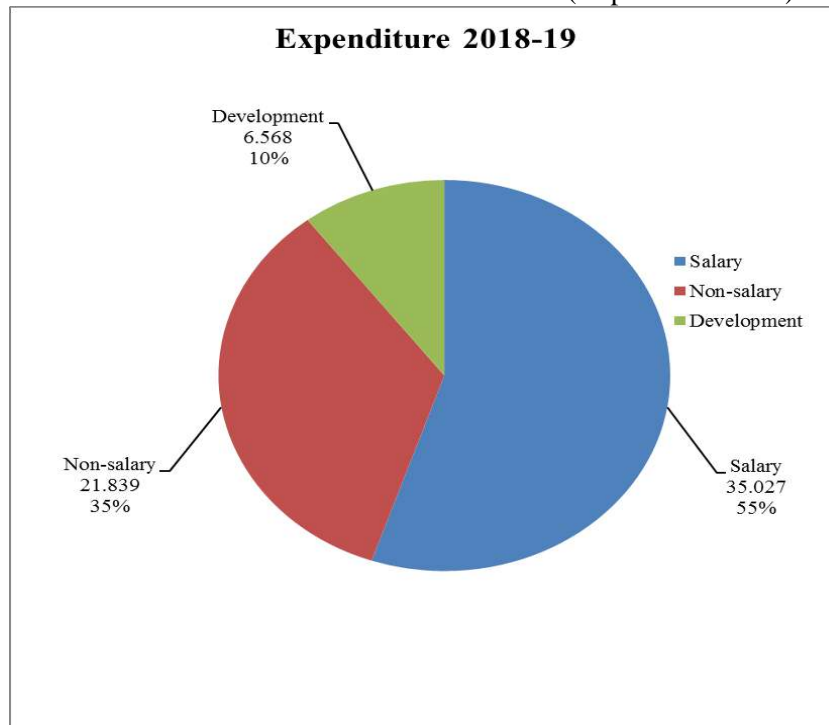
35.2.2 Comments on Budget and Accounts

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

(Rupees in million)

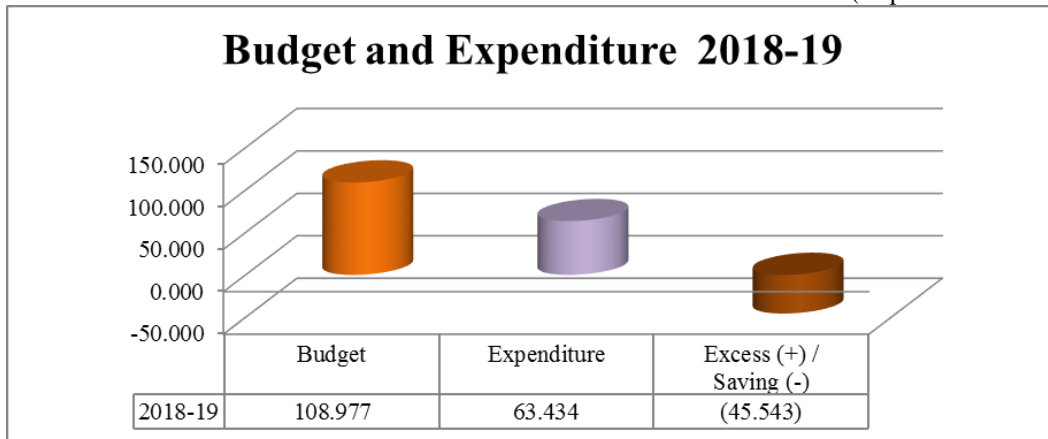
Municipal Committee Fazilpur				
Particular	Budget	Actual	Excess / Savings	%
Salary	38.212	35.027	(3.185)	8.336
Non-Salary	38.753	21.839	(16.914)	43.647
Development	32.012	6.568	(25.444)	79.481
Total	108.977	63.434	(45.543)	41.792
Receipts	77.193	74.919	(2.274)	2.946

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Fazilpur, total original budget (Development and Non-Development) was Rs 108.977 million. Against the budget, total expenditure of Rs 63.434 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 45.543 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Fazilpur. **(Annexure-B)**

(Rupees in million)



35.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 74.956 million were raised as a result of this audit. This amount also includes recoverable of Rs 19.361 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	1.567
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	45.394
B	Procurement related irregularities	29.564
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	

35.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

35.3 Non-Production of Record

35.3.1 Non-production of record – Rs 1.567 million

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

Chief Officer Municipal Committee incurred an expenditure of Rs 1.567 million during 2016-18 on POL for tractor but log book was not produced for audit scrutiny.

(Rupees in million)

Token No.	Date	Description	Paid To	Amount
1	20.03.2017	Tractors	Rehman	0.062
1	07.04.2017			0.069
3				0.030
1	06.06.2017			0.117
2				0.109
3				0.099
1	30.06.2017			0.095
6	09.08.2017			0.078
12	03.10.2017			0.125
6	20.11.2017			0.143
2				0.121
1	17.01.2018			0.120
2				0.096
1	14.03.2018			0.152
2				0.151
Total				1.567

Due to weak financial management, the record was not produced for audit verification.

Non production of record created doubt regarding legitimacy of the expenditure amounting to Rs 1.567 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to inquire the matter, fixing responsibility and strict disciplinary action against the person(s) at fault for non-production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Para: 25]

35.4 Procedural Irregularities

35.4.1 Unauthentic payments of civil pension – Rs 26.148 million

According to Rule 37 (4,5) of PLGO Accounts Rules 2017, at the beginning of each year, the entries in the establishment check register showing sanctioned strength of the establishment and remuneration for each post shall be scrutinized and verified by the drawing and disbursing officer and countersigned by the head of the offices in accordance with the schedule of establishment approved by the competent authority.

Chief Officer Municipal Committee Fazilpur, paid an amount of Rs 26.148 million on account of civil pension/family pension without obtaining and verification of “Life certificate” and “no marriage certificate” of the employees. The detail is as below:

(Rupees in million)

Period	Description	Amount
01.01.2017 to 30.06.2017	Pension	1.333
01.07.2017 to 30.06.2018		11.043
01.07.2018 to 30.06.2019		13.772
Total		26.148

Due to weak financial control, monthly/family pension was made without obtaining live or marriage certificate.

Payment of pension without live/marriage certificate resulted in unauthentic payment of Rs 26.148 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends checking the actual pensioners and stoppage of pension to the persons not providing life and no marriage certificates.

[AIR Para:36]

35.4.2 Unauthorized payment of work charged establishment – Rs 19.246 million

As per Wage Rate 2007 the appointment to a post included in the schedule shall be advertised properly in leading newspapers and recruitment to all posts in the schedule shall be made on the basis of merits specified for regular establishment vide Para 11 of the Recruitment Policy issued by the S&GAD vide No. SOR-IV(S&GAD)10-1/2003 dated 17.9.2004.

Chief Officer Municipal Committee, paid an amount of Rs 19.246 million was paid on account of salaries to work charge employees during 2017-19. The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc.

Due to weak internal controls, salaries were paid to work charged employee without observing codal formalities.

Non observance of codal formalities resulted in unauthorized expenditure of Rs 19.246 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:19]

35.4.3 Non / less recovery of various fees / taxes – Rs 8.848 million

According to 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.

Chief Officer Municipal Committee failed to recover/less recovered various fees and taxes amounting to Rs 8.848 million under various heads during 2018-19. The detail is given below:

(Rupees in million)

Sr. No.	Nature of Receipt	Amount
1	License Fee	7.142
2	Provisional sale tax from contractor	1.404
3	Rent of shops	0.237
4	Professional Tax	0.040
5	Tender Money	0.025
Total		8.848

Due to weak financial control, revenue was not recovered.

Non realization of receipt resulted in loss of Rs 8.848 million to the Local Government.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 8.848 million besides fixing responsibility against the concerned.

[AIR Paras:2,4,15,21,26]

35.4.4 Unjustified expenditure on POL – Rs 5.735 million

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

Chief Officer Municipal Committee incurred an expenditure of Rs 5.735 million on account of POL. Scrutiny of record revealed that tractors have been remained on working throughout the year without functioning of meter. The entries in the logbooks were recorded on assumption basis instead of actual readings. The

approved route by competent authority and movement register was not produced. The authenticity of expenditure could not be verified.

Due to weak internal controls, expenditure was incurred without functioning of meter.

Non functioning of meters resulted in unauthorized expenditure of Rs 5.735 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:17]

35.4.5 Non-auction of shops after the expiry period – Rs 4.337 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.

Chief Officer Municipal Committee Fazilpur, did not re-auction the shops after the expiry of previous lease period during 2017-19. Neither shops were re-auctioned nor any effort was made to auction the shop. Non auction of shops resulted loss of revenue amounting to Rs 4.337 million. The detail is given on next page:

(Rupees in million)

Period	Shop No	Area	Current Monthly Rent	Rate of Allied shops PM	Difference	Loss
01.01.2017 to 30.06.2019	1	Shopping Center	0.005	0.020	0.015	0.438
	2		0.005	0.020	0.015	0.438
	3		0.005	0.020	0.015	0.438
	4		0.005	0.020	0.015	0.438
	5,6		0.007	0.020	0.013	0.394
	7,8,9		0.016	0.060	0.044	1.315
	10	Sadar Bazar	0.005	0.020	0.015	0.438
	11	Baldia Office	0.005	0.020	0.015	0.438
Total						4.337

Due to weak financial control, shops were not auctioned.

Non auctioning of shop resulted in loss of revenue of Rs 4.337 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault for non-auctioning of shops in time.

[AIR Para:1]

35.4.6 Non-recovery of arrears – Rs 2.574 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 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.

Chief Officer Municipal Committee did not recover outstanding arrears amounting to Rs 2.574 million from the various contractors against various leases.

No serious efforts were made to recover the outstanding revenues. The details are given below:

(Rupees in million)

Period	Arrears	Recoverable	Recovered	Balance
2017-19	Rent of Shops	0.521	0.234	0.288
	Leases	2.286	0.000	2.286
Total		2.807	0.234	2.574

Due to weak financial controls, attentions were not paid towards recovery of arrears.

Non recovery of pending arrears resulted in loss of revenue Rs 2.574 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of Rs 2.574 million.

[AIR Para: 34]

35.4.7 Non transferring of taxes - Rs 2.452 million

As required under Sales Tax Ordinance 1990, the government departments shall make purchase only from the firms registered with sales tax department and ensure before making payments that the bill of the supplier is duly supported by the sales tax invoice. The sales tax @ 17% from the registered is required to be deposited. 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 (i) 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 (ii) 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. The income tax is required to be deposited.

Chief Officer Municipal Committee Fazilpur, failed to deduct an amount of Rs 2.452 million on account of sale tax, income tax and PST due to which Government has to sustain loss, as detailed below:

(Rupees in million)		
Sr. No	Nature of tax	Tax amount
1	Sale Tax on purchases of various items	0.801
2	Income Tax from supplier bills	1.121
3	PST on Civil work	0.530
Total		2.452

Due to weak financial control, taxes deducted at source was not transferred to FBR.

Non transferring of taxes to FBR resulted in loss of revenue to Government amounting to Rs 2.452 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault besides transfer amount to Government account as early as possible.

[AIR Paras:5,6,10]

35.4.8 Irregular expenditure without advertisement – Rs 2.229 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 in advance on the PPRA's website.

Chief Officer Municipal Committee incurred an expenditure of Rs 2.229 million for purchase of various items without advertisement on PPRA website. The procurement was made on quotation basis. No comparative statement was prepared. Furthermore, no stock receiving entry, was existed in stock register. The detail is given below:

(Rupees in million)

Sr. No.	Description	Amount
1	Purchase of various item on Muharram	0.667
2	Purchase of GS item	1.562
Total		2.229

Due to weak financial controls, procurement was made without advertisement on PPRA.

Non compliance of procurements rules resulted in irregular expenses of Rs 2.229 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) concerned besides regularization of the expenditure.

[AIR Para:3,18]

35.4.9 Overpayment due to extra utilization of MS bar in RCC work – Rs 1.197 million

According to Clause 11 of the condition of Agreement, the contractor shall execute the whole and every part of work in the most substantial and workman like manner and both as regards materials and otherwise in every respect in strict accordance with the specification. Further according to TS estimate 6.75 lbs fabrication of mild steel is to be used for 1cft RCC work.

Chief Officer Municipal Committee Fazilpur, awarded the scheme “Construction Municipal Committee Fazilpur office” to M/S Dasti Const. Company vide acceptance 228/SSE/MC/FP dated 25.8.2018. Scrutiny of the TSE and measurement book reveal that the ratio of mild steel was provided 6.75 lbs/cft RCC as per Total 536 cft RCC was executed and as per standard mix, a quantity 1474 kg was required to be used whereas at measurement book No. 171 page 25-30 a quantity of 1578 kg was shown as utilized. Hence an overpayment of Rs (1578-1474) @10765.55%kg} was made on account of Fabrication of Mild Steel.

Due to weak financial control, payment was made to contractor for extra quantity of fabrication of mild steel.

The payment of extra quantity of mild steel resulted in overpayment of Rs 1.197 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that matter may be enquired and action should be taken against the officer/official causing loss to Government besides recovery of overpayment.

[AIR Para:31]

35.4.10 Loss due to non-reduction of cost of bricks – Rs 1.150 million

According to Market Rate System issued by the Government of Punjab Finance Department, the composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

Chief Officer Municipal Committee awarded the work of nineteen schemes to contractors during 2017-19. Scrutiny of record reveal that neither the lab test of brick from prominent laboratory for assessing the 1st, 2nd or 3rd class

brick was available nor the rate of bricks amounting to Rs 1.150 million was reduced from contractor bills.

Due to weak financial control, payment was made without proof of 1st class brick.

Non reducing of brick rate resulted in loss of Rs 1.150 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that documentary proof of lab test may be provided to prove the utilization of 1st class bricks otherwise matter may please be investigated for fixing responsibility against the person(s) at fault.

[AIR Para:8]

35.4.11 Un-approved/illegal residential housing schemes – Rs 1.040 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 112 of Punjab Local Government (Budget) Rules 2001, it shall be the duty of the Collecting Officer and Assistant Collecting Officer to see that: All income claimable is claimed, realized and credited to the Local Fund of the Local Government. And 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. According to Rule 76(1) of PDG and TMA (Budget) Rules, 2003 the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund. Further according to MC Fazilpur Tax/Fee rate schedule By-Laws vide notification No.607/MC/FP dated 12-06-2018.

Chief Officer Municipal Committee Fazilpur, failed to approved the residential colonies which were under construction/development process in the area of MC Fazilpur. Neither the map/ building plan was got approved by the MC nor the requisite fee amounting to Rs 1.040 million was recovered from the owner of schemes. The details are given below:

(Rupees in million)

Name	Owner	Area Marla	Rate p Marla	Total Cost	Conversion fee @ 1%	Other Charges	Total
Noor Colony	Tariq	0.001	0.013	16.000	0.160	0.061	0.221
Gulshan Nasir	Sheraz	0.002	0.013	24.000	0.240	0.061	0.301
Ahmad Town	Anwar	0.003	0.012	32.640	0.326	0.061	0.387
Haroon Town		0.001	0.013	7.000	0.070	0.061	0.131
Total							1.040

Due to weak internal controls, residential housing schemes were not approved by MC.

Non approval of residential housing schemes resulted in loss of revenue of Rs 1.040 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends the investigation and action should be taken against the persons held responsible along with immediate recovery of loss.

[AIR Para:33]

36. Municipal Committee Jampur

CHAPTER 36.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	150.897	127.828	(23.069)	15.288
Development	14.106	5.853	(8.253)	58.507
Total	165.003	133.681	(31.322)	

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 5.853 million against an allocation of Rs 14.106 million for the development schemes of Providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of rest house and repairing of office buildings. The said development schemes could not be completed and an amount of Rs 8.253 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 31.322 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The

authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Number of schemes	4	Nil	Target not achieved
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Expenditure (Rs in million)	-	Nil	-do-
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	1.00 million	0.603 million	-do-
4	Prevention and removal of encroachment	Receipts (Rs in million)	0.030 million	0.002 million	-do-
5	Regulation of dangerous and offensive articles	Surveyed numbers	0	0	-do-
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	0	0	-do-
7	Promotion of sports & sports persons		0.200 million	Nil	-do-
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	-	-	
9	Staff Position	No. of Posts			
i	Sanitation Staff		149	135	-do-
ii	Water supply scheme staff		Nil	Nil	-do-
iii	Planning staff		2	2	achieved
iv	Finance Staff		3	3	-do-
v	Regulation Staff		3	3	-do-
vi	Infrastructure and Services Staff		5	5	-do-

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action

against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 36.2

Municipal Committee Jampur

36.2.1 Introduction

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

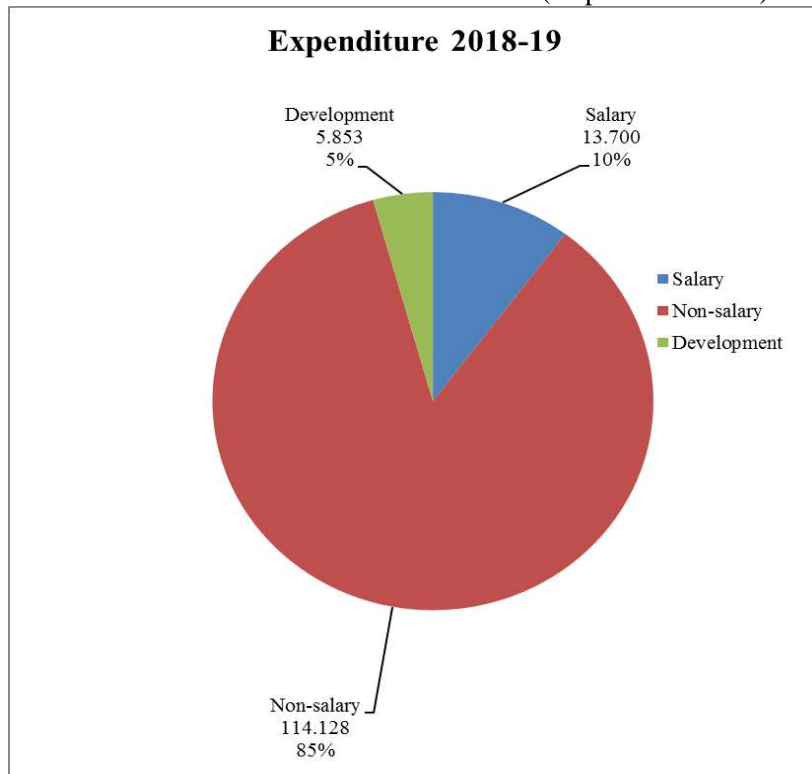
36.2.2 Comments on Budget and Accounts

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

(Rupees in million)

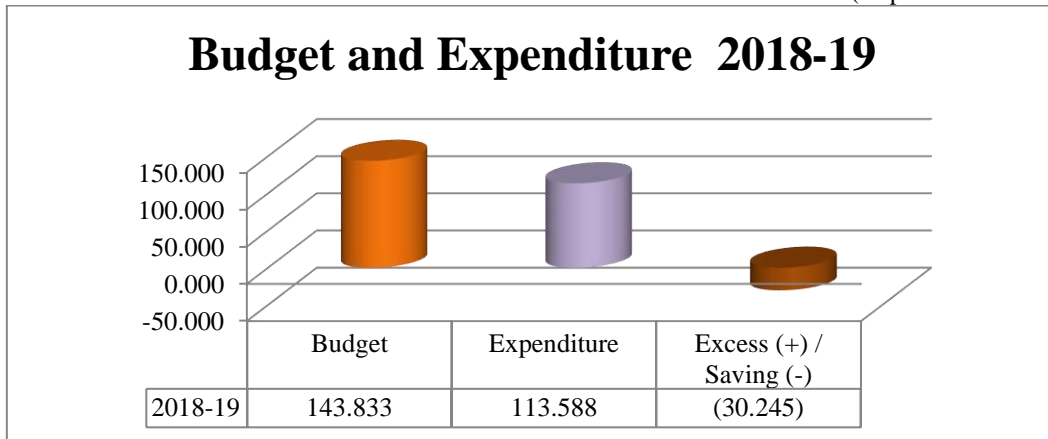
Municipal Committee Jampur				
Particular	Budget	Actual	Excess / Savings	%
Salary	16.925	13.700	(3.226)	19.059
Non-Salary	133.972	114.128	(19.843)	14.812
Development	14.106	5.853	(8.253)	58.507
Total	165.003	133.681	(31.322)	18.983
Receipts	67.561	30.45	(37.111)	54.930

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Jampur, total original budget (Development and Non-Development) was Rs 165.003 million. Against the budget, total expenditure of Rs 133.681 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 31.322 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Jampur. **(Annexure-B)**

(Rupees in million)



36.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 193.359 million were raised as a result of this audit. This amount also includes recoverable of Rs 80.980 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	19.165
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	89.410
B	Procurement related irregularities	84.784
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

36.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

36.3 Non-Production of Record

36.3.1 Non-production of record – Rs 19.165 million

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

Chief Officer Municipal Committee incurred an expenditure of Rs 19.165 million on electricity bill, POL for peter engine during 2016-19 but vouched account, logbook and receipt record was not produced for audit scrutiny. The details are given below:

(Rupees in million)

Sr. No.	Nature of Expenditure	Nature of Record	Amount
1	Electricity Bills	Vouched account	8.118
2	POL for peter engine	Logbook	3.115
3	Receipt record of leases	Receipt register	7.932
Total			19.165

Due to weak financial management, the record was not produced for audit verification.

Non production of record created doubt regarding legitimacy of the expenditure amounting to Rs 19.165 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to inquire the matter, fixing responsibility and strict disciplinary action against the person(s) at fault for non-production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Paras: 39,41,45]

36.4 Procedural Irregularities

36.4.1 Unauthentic payment of pension – Rs74.445 million

According to Rule 4(d) of the Punjab Local Government(Accounts) Rules 2017, the payment of pension shall be made through direct credit system (DCS) in the respective bank account. Furthermore, according to Government of Punjab Local Government and Community Development Department letter No. SO(MC-DEV)(New Local Government) LG/9-2/2015 dated 16.3.2017, the pension to the retired employees may be paid out of General Purpose Account only upto March 2017, where the Pension Fund Account has not been opened. The Pension Fund Account should be opened and become operational. The required amount of pension shall be calculated and transferred from General Purpose Account to the Pension Fund Account and pension shall be paid out of this amount, regularly, after fulfilling all codal and legal formalities.

Chief Officer Municipal Committee Jampur paid an amount of Rs 74.445 million on account of pension to the retired employees without maintaining pension fund account, the detail of pensioner i.e when retired, rate of pension etc. Further no life certificate/re-marriage certificates of the pensioners were on record from where the authenticity of the payment could substantiate. The details are as under:

(Rupees in million)

Period	Description	Amount
01.07.2016 to 31.12.2016	Pension	6.970
01.01.2017 to 30.06.2017		14.667
01.07.2017 to 30.06.2018		20.275
01.07.2018 to 30.06.2019		32.533
Total		74.445

Due to weak internal controls, pension was paid without opening and maintaining Pension Fund Account.

Payment of pension out of General Fund Account resulted in unauthentic payment of Rs 74.445 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends investigating the matter, fixing of responsibility on the person(s) at fault and regularization of expenditure from the competent authority.

[AIR Para:50]

36.4.2 Non / less recovery of various fees / taxes – Rs 60.071 million

According to 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. Further to this “it is the duty of the departmental authorities to see that all Govt. dues/revenues which have to be brought to account are correctly and promptly assessed, realized and credited to Govt. account. Further 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.

Chief Officer Municipal Committee failed to recover / less recovered rent of shops, license fee, conversion fee, various fees and taxes amounting to Rs60.071 million under various heads during 2017-19. The detail is given below:

(Rupees in million)

Sr. No.	DDO	Nature of Receipt	Amount
1	MC Jampur	Misc. Leases	0.565
2		License fee	0.915
3		Provisional sale tax from contractor	1.668
4		Withholding tax on services	0.567
5		Drainage tax	3.118
6		Ufone tower rent	0.866
7		Rent of shop	7.309
8		Building Map Fee	1.315
9		Rent of Govt. Offices	0.492

Sr. No.	DDO	Nature of Receipt	Amount
10		Professional Tax	0.060
11		GST & Income tax at source	0.151
12		Various Taxes	43.045
Total			60.071

Due to weak financial control, revenue was not realized.

Non realization of revenue resulted in loss of Rs 60.071 million to the Local Government.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs million besides fixing responsibility on the person(s) at fault.

[AIR Paras: 3,4,7,22,23,24,25,26,27,37,38,46]

36.4.3 Irregular payment of work charged establishment – Rs 14.965 million

According to Sr. No. 2 of Schedule of Wage Rates, 2017, appointment to a post included in this schedule may be made by the competent authority under delegation of financial powers rules 2016 subject to the following conditions:

- a) The post(s) shall be advertised properly in the leading newspapers.
- b) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S&GAD
- c) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR, Vol-III.
- e) The appointment may be made up to the end of the financial year or the duration of the project, which is earlier.

Chief Officer Municipal Committee Jampur paid an amount of Rs 14.965 million on account of salaries to work charged employees during 2017-19. The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc.

Due to weak financial controls, work charged employees were recruited and salaries were paid without observing codal formalities.

Non observance of codal formalities resulted in irregular expenditure of Rs 14.965 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:31]

36.4.4 Non-recovery of arrears – Rs 13.474 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 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.

Chief Officer Municipal Committee did not recover outstanding arrears amounting to Rs 13.474 million from the various contractors against various leases. No serious efforts were made to recover the outstanding revenues.

Due to weak financial controls, attentions were not paid towards recovery of arrears.

Non recovery of pending arrears resulted in loss of revenue Rs 13.474 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the person(s) at fault besides recovery of Rs 13.474 million.

[AIR Para: 48]

36.4.5 Non transferring of taxes - Rs 3.740 million

As required under Sales Tax Ordinance 1990, the government departments shall make purchase only from the firms registered with sales tax department and ensure before making payments that the bill of the supplier is duly supported by the sales tax invoice. The sales tax @ 17% from the registered is required to be deposited. 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 (i) 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 (ii) 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. The income tax is required to be deposited.

Chief Officer Municipal Committee Jampur, deducted an amount of Rs3.740 million on account of sale tax, income tax and PST but not transfer to FBR due to which Government has to sustain loss, as detailed below:

			(Rupees in million)
Sr. No.	DDO	Nature of Tax	Tax Amount
1	MC Jampur	Sale tax	0.980
		Income tax	2.760
Total			3.740

Due to weak financial control, taxes deducted at source were not transferred to FBR.

Non transferring of taxes to FBR resulted in loss of revenue to Government amounting to Rs 3.740 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault besides transfer amount to Government account as early as possible.

[AIR Paras:8,11]

36.4.6 Irregular expenditure without technical sanction – Rs 2.617 million

According to Chief Engineer LG&RD department Letter No CE(HQ) PLGB-6/2008 dated 13-05-2008 the scheme beyond the competency of TO(I&S) should be forwarded to the Chief Engineer for Technical Sanction. Further according to LG &CD Department instructions, the Sub Engineer of BS-11 posted as TO(I&S) will have the power of Rs 1.00 lac for technical sanction and TO(I&S) of BS-17, a qualified engineer will have the power of Rs1.00 million for Technical Sanction.

Chief Officer Municipal Committee Jampur, executed various schemes valuing 2.617 million without obtaining the technical sanction from competent authority i.e M. O. (I&S) posted at Jampur.

Due to weak internal controls, schemes were executed without technical sanction.

Execution of schemes without TS resulted in irregular expenditure of Rs 2.617 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility for incurring the expenditure out of local fund without observing the codal requirements beside regularization of the expenditure.

[AIR Para:40]

36.4.7 Non deposit of lapsed securities – Rs 2.590 million

As per Rule 12.7 of the Punjab Financial Rules Vol-I read with Section 399(1) of CPWA, all balances unclaimed for more than three complete account years will, at the close of June in each year, be credited to government by means of transfer entries as lapsed deposit,

Contrary to the above Chief Officer Municipal Officer Jampur, did not deposited lapsed securities amounting to Rs 2.590 million into government treasury during 2016-19 in violation of above rule.

Due to weak financial control, lapsed securities were not deposited in government account.

Non depositing of lapsed securities resulted in loss of revenue of Rs 2.590 million and chances of misappropriation.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides all balances unclaimed credited to government treasury.

[AIR Para: 32]

36.4.8 Un-approved/illegal residential housing schemes – Rs 1.187 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 112 of Punjab Local Government (Budget) Rules 2001, it shall be the duty of the Collecting Officer and Assistant Collecting Officer to see that: All income claimable is claimed, realized and credited to the Local Fund of the Local Government. And 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. According to Rule 76(1) of PDG and TMA (Budget) Rules, 2003 the Collecting Officers shall ensure that all revenue due is claimed, realized and credited immediately into the Local Government Fund. Further according to MC Fazilpur Tax/Fee rate schedule By-Laws vide notification No.607/MC/FP dated 12-06-2018.

Chief Officers of following Municipal Committees, failed to approved the residential colonies which were under construction/development process in the area of MC. Neither the map/ building plan was got approved by the MC nor the requisite fee amounting to Rs 1.187 million was recovered from the owner of schemes. The details are as under:

(Rupees in million)

Name	Owner	Area Marla	Rate p Marla	Total Cost	Conversion fee @ 1%	Map Fee	Total
Rehmat Town	Haqnawaz/ Jampur	700	0.013	8.750	0.088	0.010	0.097
Gulshan e Ahmdani	Jindan, Jampur	3,300	0.025	82.500	0.825	0.010	0.835
Bismillah Town	Asad Ullah Jampur	720	0.019	13.500	0.135	0.010	0.145
Farooq Town	M Farooq	800	0.013	10.000	0.100	0.010	0.110
Total							1.187

Due to weak internal controls, residential housing schemes were not approved by MC.

Non approval of residential housing schemes resulted in loss of revenue of Rs1.187 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends the investigation and action should be taken against the persons held responsible along with immediate recovery of loss.

[AIR Paras:33,47]

36.4.9 Non recovery of departmental charges – Rs 1.105 million

According to Rule (7)(3) of the Punjab Local Government (Works) Rule 2017, in case a work is executed by the local Government on behalf of the Government or another Local Government or body, the Government or the concerned local Government or, as the case may be, the concerned body shall pay to the local Government such departmental charges for the execution of works as may be fixed by the Government". Furthermore, as per provision of C.P.W codes Appendix-V, 17% departmental charges should be recovered from the agency for which work was to be carried out. It includes 14 ½ % establishment charges, 1 ½ % charges of tools and plants and 1 % audit and accounts charges.

Chief Officer Municipal Committee Jampur executed 13 development schemes but 17% departmental charges amounting to Rs 1.105 million were not recovered from the authorities.

Due to weak financial control, departmental charges could not be recovered from authority.

Non recovery of departmental charges resulted in loss of Rs 1.105 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of Rs 1.105 million.

[AIR Para:6]

37. Municipal Committee Kot Mithan

CHAPTER 37.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	94.837	78.617	(16.220)	17.103
Development	13.253	2.911	(10.341)	78.033
Total	108.09	81.528	(26.561)	24.573

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 2.911 million against an allocation of Rs 13.253 million for the development schemes of Providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of rest house and repairing of office buildings. The said development schemes could not be completed and an amount of Rs 10.341 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 26.561 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The

authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Number of schemes	-	-	-
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Receipt (Rs in million)	0.100 million	0.029 million	Target not achieved
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	0.500 million	0.260 million	Target not achieved
4	Prevention and removal of encroachment	Receipts (Rs in million)	0.010 million	0.007 million	-do-
5	Regulation of dangerous and offensive articles	Surveyed numbers	-	-	-
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	-	-	-
7	Promotion of sports & sports persons		0.0400 million	Nil	Target not achieved
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	-	-	-
9	Staff Position	No. of Posts			
i	Sanitation Staff		99	94	Target not achieved
ii	Water supply scheme staff		-	-	-
iii	Planning staff		5	5	Achieved
iv	Finance Staff		18	16	Target not achieved
v	Regulation Staff		-	-	-
vi	Infrastructure and Services Staff		3	3	Target achieved

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action

against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 37.2

Municipal Committee Kot Mithan

37.2.1 Introduction:

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

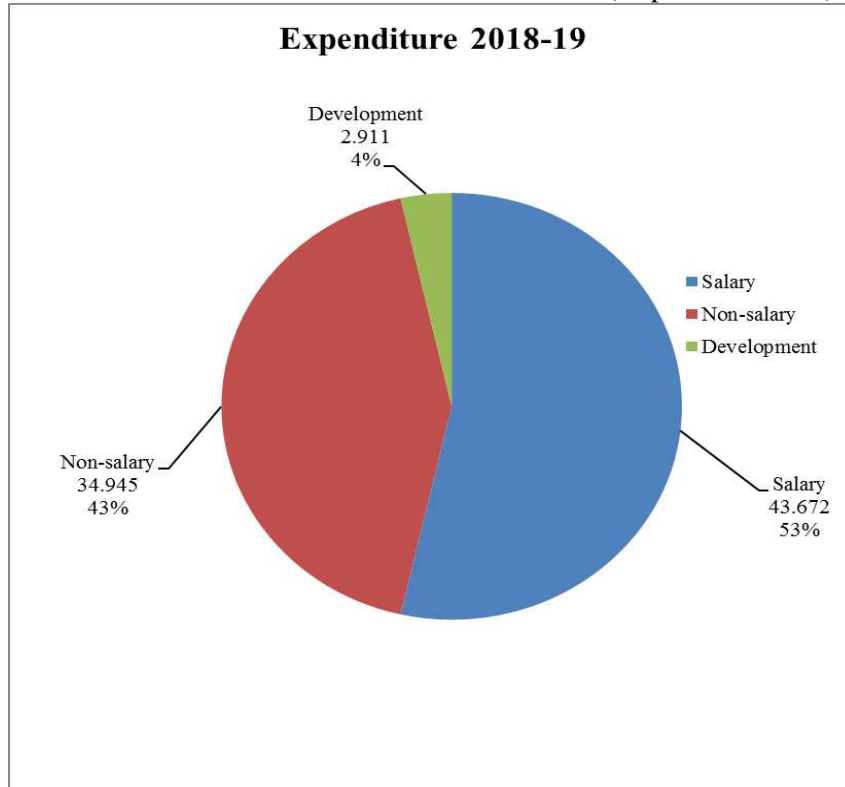
37.2.2 Comments on Budget and Accounts

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

(Rupees in million)

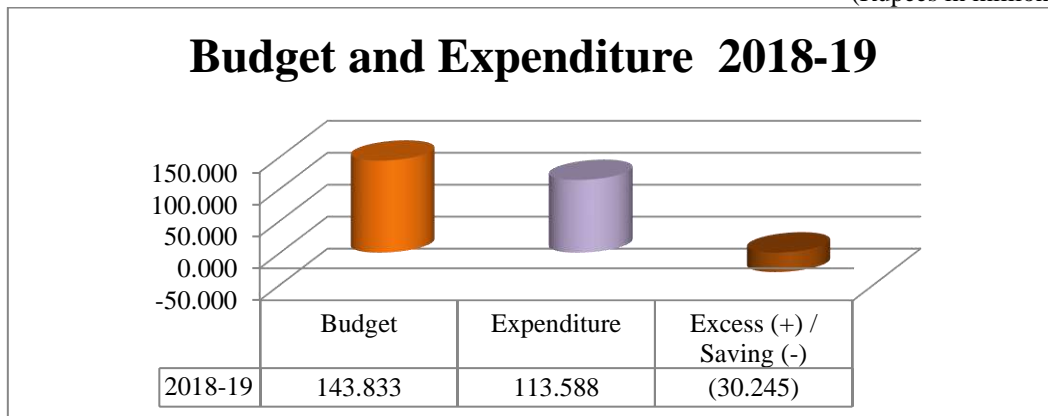
Municipal Committee Kot Mithan				
Particular	Budget	Actual	Excess / Savings	%
Salary	48.133	43.672	(4.462)	9.269
Non-Salary	46.703	34.945	(11.758)	25.176
Development	13.253	2.911	(10.341)	78.033
Total	108.089	81.528	(26.561)	24.573
Receipts	48.133	43.672	(4.462)	9.269

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Kot Mithan, total original budget (Development and Non-Development) was Rs 108.089 million. Against the budget, total expenditure of Rs 81.528 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 26.561 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Kot Mithan. **(Annexure-B)**

(Rupees in million)



37.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 175.701 million were raised as a result of this audit. This amount also includes recoverable of Rs 31.295 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	50.029
B	Procurement related irregularities	125.672
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

37.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

37.3 Procedural Irregularities

37.3.1 Non-auction of shops after the expiry period-Rs 59.539 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 years 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.

Chief Officer Municipal Committee did not re-auction the shops after the expiry of previous lease period during 2017-19. Neither shops were re-auctioned nor any effort was made to auction the shop. Non auction of shops resulted loss of revenue amounting to Rs 59.539 million. The detail is given below:

(Rupees in million)

Market	Quantity	Rent Received	Rent Allied shop	Difference	Month	Loss Estimated
G Bus Stand No 1	23	5,049	15,000	9,951	30	6.866
G Bus Stand No 2	10	4,021	14,000	9,979	30	2.994
Mithan market	13	4,086	14,000	9,914	30	3.866
Phatak Market	5	6,138	15,000	8,862	30	1.329
Old P station	3	6,302	15,000	8,698	30	0.783
Beroon Goal Market	18	2,773	10,000	7,227	30	3.903
Kashmir Market	27	3,429	12,000	8,571	30	6.943
Near Astana	15	2,501	9,000	6,499	30	2.925
old Chungiat Plat	10	1,648	8,000	6,352	30	1.905
Municipal Market	95	4,167	14,000	9,833	30	28.025
Total						59.539

Due to weak financial control, shops were not auctioned.

Non auctioning of shop resulted in loss of revenue of Rs 59.539 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault for non-auctioning of shops in time.

[AIR Para:1]

37.3.2 Unauthentic payment of pension – Rs 30.694 million

According to Rule 4(d) of the Punjab Local Government(Accounts) Rules 2017, the payment of pension shall be made through direct credit system (DCS) in the respective bank account. Furthermore, according to Government of Punjab Local Government and Community Development Department letter No. SO(MC-DEV)(New Local Government) LG/9-2/2015 dated 16.3.2017, the pension to the retired employees may be paid out of General Purpose Account only upto March 2017, where the Pension Fund Account has not been opened. The Pension Fund Account should be opened and become operational. The required amount of pension shall be calculated and transferred from General Purpose Account to the Pension Fund Account and pension shall be paid out of this amount, regularly, after fulfilling all codal and legal formalities.

Chief Officer Municipal Committee paid an amount of Rs30.694 million on account of pension to the retired employees without maintaining pension fund account, the detail of pensioner i.e when retired, rate of pension etc. Further no life certificate/re-marriage certificates of the pensioners were on record from where the authenticity of the payment could substantiate. The detail is as under:

(Rupees in million)

Period	Description	Amount
01.01.2017 to 30.06.2017	Pension	1.985
01.07.2017 to 30.06.2018		10.942
01.07.2018 to 30.06.2019		17.767
Total		30.694

Due to weak internal controls, pension was paid without opening and maintaining Pension Fund Account.

Payment of pension out of General Fund Account resulted in unauthentic payment of Rs30.694 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends investigating the matter, fixing of responsibility on the person(s) at fault and regularization of expenditure from the competent authority.

[AIR Para:34]

37.3.3 Non recovery of arrears – Rs 28.281 million

According to Rule 7 of Punjab Local Governments (Budget) Rules 2017, The Collecting officer is responsible to ensure timely recovery against each demand.

Chief Officer Municipal Committee did not recover outstanding amounts of Rs 28.281 million from various contractors. Neither the amount as noted above was recovered from contractor nor any serious efforts were made by the department to recover the arrears.

(Rupees in million)

Period	Arrears	Recoverable	Recovered	Balance
2017-19	Rent of Shops	27.349	2.143	25.206
2018-19	Leases	3.075	0.000	3.075
Total		30.424	2.143	28.281

Due to weak financial controls, attentions were not paid towards recovery of arrears.

Non recovery of pending arrears resulted in loss of revenue Rs 28.281 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of Rs 28.281 million.

[AIR Para: 32]

37.3.4 Irregular payment of work charged establishment – Rs 19.335 million

According to Sr. No. 2 of Schedule of Wage Rates, 2017, appointment to a post included in this schedule may be made by the competent authority under delegation of financial powers rules 2016 subject to the following conditions:

- a) The post(s) shall be advertised properly in the leading newspapers.
- b) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S&GAD
- c) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR, Vol-III.
- e) The appointment may be made up to the end of the financial year or the duration of the project, which is earlier.

Chief Officer Municipal Committee paid an amount of Rs 19.335 million on account of salaries to work charged employees during 2017-19. The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc. The detail is given below:

(Rupees in million)

Token No.	Date	Description	Amount
17	15.2.19	Work Charge	0.874
11	3.3.17	do	0.831
26	21.3.17	do	0.026
36	31.3.17	do	0.864
11	11.5.17	do	0.795
12	1.6.17	do	0.839

Token No.	Date	Description	Amount
36	19.6.17	do	0.842
37	do	do	0.013
30	8.8.17	do	0.839
62	26.8.17	do	0.853
9	3.10.17	do	0.745
26	10.11.17	do	0.931
50	28.11.17	do	0.938
9	1.1.18	do	0.847
9	1.2.18	do	0.902
10	1.3.18	do	0.306
17	4.4.18	do	0.308
11	4.5.18	do	2.483
47	3.5.18	do	0.308
10	3.7.18	do	0.336
26	9.8.18	do	0.300
43	17.8.18	do	0.336
28	4.10.18	do	0.328
19	8.11.18	do	0.303
0	6.12.18	do	0.324
0	3.1.19	do	0.336
0	6.2.19	do	0.329
0	4.3.19	do	0.326
0	1.4.19	do	0.336
0	2.5.19	do	0.336
0	do	do	0.871
0	31.5.19	do	0.330
Total			19.335

Due to weak financial control, work charged employees were recruited and salaries were paid without observing codal formalities.

Non observance of codal formalities resulted in irregular expenditure of Rs 19.335 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:22]

37.3.5 Irregular tendering of works – Rs 13.100 million

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. Further according to Rule 14 (3) of PPRA Rules 2014, response time of at least 15 days (w.e.f date of uploading on PPRA website or advertisement in press whichever is later) is essential.

Chief officer Municipal Committee advertise tenders of works valuing Rs 13.100 million through press and website of PPRA but technical sanction No, date and location of scheme were not mentioned in tender advertisement. Further proof of bidder/tender opening committee presence was available on record which resulted in defective tendering of work. The detail is given below:

(Rupees in million)

Scheme	Contractor	W O No Date	TS Amount
Cons of Nali sooling Culverts Ward No 2	M Farooq	2/2.12.17	1.000
Cons of Main Hole Jangla Jat Kot Mithan	Ayaz	30/14.5.19	0.100
Rep and Patch work Mohram Routes	M Farooq	154/14.9.18	0.500
Cons of nali Sooling T Tiles Ward No 7	M Farooq	7/2.1.17	1.000
Cons of Nali Sooling T tiles Ward No9	Tousil Akbar	9/2.12.17	1.000
Cons of Nali Sooling T Tiles Ward No 6	Tousil Akbar	6/2.12.17	1.000
Cons of Nali Sooling T tiles Ward No 8	Tousil Akbar	10/2.12.17	1.000
Cons of Public Latrines	Tousil Akbar	12/2.12.17	1.000
Cons of nali sooling T Tiles ward No 3	Tousil Akbar	3/2.12.17	1.000
Prov of Main Hole Covers	Tousil Akbar	11/2.12.17	0.500
Cons of Nali Sooling T tiles Ward No-10	Sadam	10/2.12.17	1.000
Cons of Nali Sooling T Tiles Ward No 4	Zahid	4/2.12.17	1.000
Cons of Culverts Ward No 1	Luqman	1/2.12.17	1.000
Cons of Nali sooling T tiles Ward No 5	Ahmad Ali	5/2.12.17	1.000
Cons and Rep of Office Building	Sadam	13/2.12.17	1.000
Total			13.100

Due to weak internal controls, schemes of work were advertised with observing codal requirements.

Non observance of codal requirements resulted in defective tendering of work Rs 13.100 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:15]

37.3.6 Unauthorized consumption of POL – Rs 7.399 million

As stated in Para 20 of West Pakistan Staff Vehicles (Use & Maintenance) Rules 1969, “Log Book, History Sheet and Petrol Account Register shall be maintained for each Government owned vehicle”.

Chief Officer Municipal Committee incurred an expenditure of Rs 7.399 million on account of purchase of POL for the tractor. Scrutiny of record reveals that the tractor remained on working throughout the year without functioning of meter. The logbook was maintained on assumption basis instead of actual reading. The approved route and movement registered was not produced. The details are as under:

(Rupees in million)

Token No.	Date	Description	Paid to	Amount
20	09.03.2017	Tractors	Madina	0.254
21				0.245
8	12.4.17			0.267
20	18.5.17			0.237
25	7.6.17			0.250
40	11.8.17			0.235
41				0.235
1	12.9.17			0.265

Token No.	Date	Description	Paid to	Amount
29	13.10.17			0.277
2	2.11.17			0.305
3	13.12.17			0.309
12	9.1.18			0.314
19	1.2.18			0.310
33	15.3.18			0.347
56	11.4.18			0.367
28	8.5.18			0.379
9	13.6.18			0.374
1	3.7.18			0.351
0	21.1.19			0.123
0	7.2.19			0.350
0	4.3.19			0.478
0	1.4.19			0.494
0	1.6.19			0.633
Total				7.399

Due to weak financial control, expenditure was incurred without maintaining log book.

Incurrence of expenditure without maintenance of logbook resulted in doubtful expenditure of Rs 7.399 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit requires that logbooks of above-mentioned Government vehicles may be produced for verification or cost POL may be recovered and deposited into Government treasury.

[AIR Para:20]

37.3.7 Execution of schemes without obtaining of NOC from other departments – Rs 6.500 million

According to Condition No 2 of letter No DD (Dev)/2017-18/RP/675 dated 29.11.17 issued by Deputy Commissioner Rajanpur that Executing agency

i.e MC Jampur shall obtain NOC from PHED Department, AE (LG&CD), District council Rajanpur and other departments if any doing similar nature of works/schemes and also submit a certificate that no duplication of work will be made. In case of duplication of scheme, the executing agency will be held responsible.

Chief Officer Municipal Committee, executed following schemes valuing 5.5 million vide admin approval No. 675 dated 29.11.2017 under LGDP 2017-18 without obtaining the NOC from Public Health Engineering Department, assistant Engineer Local Government and community Development, District Council and other relevant department in violation of above quoted condition. The detail is given below:

(Rupees in million)

Scheme	WO No./ Date	TS Amount
Cons of Drain Street Pavement Bilal masjid Ward No 8	12/4.18	0.500
Cons of drain street pavement Akram Dhola Ward No 5	9/4.1.18	0.500
Cons of Drain Street Pavement M Tufail Baba Ward No4	8/4.1.18	0.500
Cons of Drain Street Pavement Rao G akbar Ward No 6	10/4.1.18	0.500
Cons of Drain Sooling PCC Kotla Hussain Ward No 9	13/4.1.18	0.500
Cons of Drain Street Pavement Golai Mandi Ward No 7	11/4.1.18	0.500
Cons of Drain sooling Street Pavement Qurban Ali Ward No11	15/4.1.18	0.500
Cons of Drain PCC street Pavement Abas Gopang Ward No 10	14/4.1.18	0.500
Cons of Sooling Ganoo Khani Ward No 3	7/4.18	0.500
Cons of Sooling Ward No 1	6/4.1.18	0.500
Cons of Drain Street Pavement Basti Shakhan Ward No 2	5/4.18	0.500
Total		5.500

Due to weak financial control, schemes were executed without obtaining NOC from other departments.

Execution of schemes without obtaining NOC resulted in irregular expenditure of Rs 5.500 million and chances of Duplication of work.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility on the person concerned.

[AIR Para:16]

37.3.8 Non-reconciliation of immovable property tax – Rs 3.124 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).

Chief Officer Municipal Committee realized income of Rs 3.124 million on account of Tax on Transfer of Immoveable Property during 2017-19 but receipts were not got reconciled with Revenue Staff in violation of above directions. Due to weak internal and financial controls, tax on immovable property was not got reconciled with Revenue Staff.

Non-reconciliation of income of Rs 3.124 million with Revenue Staff resulted in violation of the Government instructions besides vulnerability to the leakage of resources.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry and fixing responsibility on the person(s) at fault besides reconciliation of tax on immovable income.

[AIR Para: 14]

37.3.9 Irregular expenditure without advertisement – Rs 2.360 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 in advance on the PPRA's website.

Chief Officer Municipal Committee, incurred an expenditure of Rs million for purchase of various items without advertisement on PPRA website. The procurement was made on quotation basis. No comparative statement was prepared. Furthermore, no stock receiving entry, was existed in stock register. The detail is given below:

(Rupees in million)

Sr. No.	Description	Amount
1	Purchase of various items for Muhaaram, Urse Khawaja Fareed	1.606
2	Purchase of GS item	0.754
Total		2.360

Due to weak financial controls, procurement was made without advertisement on PPRA.

Non compliance of procurements rules resulted in irregular expenses of Rs 2.360 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) concerned besides regularization of the expenditure.

[AIR Paras: 3,21]

37.3.10 Non transferring of taxes – Rs 1.921 million

As required under Sales Tax Ordinance 1990, the government departments shall make purchase only from the firms registered with sales tax department and ensure before making payments that the bill of the supplier is duly supported by the sales tax invoice. The sales tax @ 17% from the registered is required to be deposited. 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 (i) 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; an (ii) 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. The income tax is required to be deposited.

Chief Officer Municipal Committee deducted an amount of Rs 1.921 million on account of sale tax, income tax and PST but not transfer to FBR due to which Government has to sustain loss, as detailed below:

(Rupees in million)		
Sr. No.	Nature of tax	Tax amount
1	Sale tax	0.267
2	Income tax	0.373
3	Provencal sale tax	1.281
Total		1.921

Due to weak financial control, taxes deducted at source were not transferred to FBR.

Non transferring of taxes to FBR resulted in loss of revenue to Government amounting to Rs 1.921 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault besides transfer amount to Government account as early as possible.

[AIR Paras:3,6,10]

37.3.11 Non auction of various leases resulting loss for - Rs 1.300 million

According to Rule 9(b) of Punjab Local Government (Accounts) Rules 2017, the collector of tax, fee, rate, charge, surcharge of the local government shall be personally responsible for any overcharge, fraud, misappropriation or delay for crediting the amounts so collected to the account of the local government and shall be liable to make good the loss arising from his culpable negligence.

Chief Officer Municipal Committee failed to auction various leases which were provided in the byelaws framed by MC and schedule of rates notified by the MC resulting in loss of Rs 1.300 million. The detail is as below:

(Rupees in million)

Period	Lease	Expected Loss
2017-19	Slaughter House	0.800
	Disposal Fee	0.500
Total		1.300

Due to weak financial control, leases were not auction.

Non auction of leases resulted in loss to Municipal Committee of Rs 1.300 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends that matter may be investigated and responsibility may be fixed for non auctioning the sources of revenue.

[AIR Para:13]

37.3.12 Non/ less recovery of various fees/taxes – Rs 1.094 million

According to 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. Further to this “it is the duty of the departmental

authorities to see that all Govt. dues/revenues which have to be brought to account are correctly and promptly assessed, realized and credited to Govt. account. Further 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.

Chief Officer Municipal Committee failed to recover / less recovered rent of shops, license fee, conversion fee, various fees and taxes amounting to Rs 1.094 million under various heads during 2018-19. The detail is given below:

(Rupees in million)

Sr. No.	DDO	Nature of Receipt	Amount
1	MC Kot Mithan	License Fee	0.837
2		Rent of shops	0.217
3		Professional Tax	0.040
		Total	1.094

Due to weak financial control, revenue was not realized.

Non realization of revenue resulted in loss of Rs 1.094 million to the Local Government.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Paras: 2,18,23]

37.3.13 Unjustified payment due to non-approval of non-schedule items from authority – Rs 1.055 million

According to Govt. of Punjab Finance Department letter No RO(TECH) FD.18-23/2004, dated 21.09.2004 Sr. No. (ii) the rate analysis for the item rates (non standardized shall be prepared by the XEN clearly giving the specifications

of the material used and approved by the competent authority to accord technical sanction (not below the rank of S.E) before the work is undertaken.

Chief Officer Municipal Committee, incurred an expenditure of Rs 1.055 million of mild steel during 2017-19 without approval from competent authority as detail below:

(Rupees in million)

Scheme	Paid To	WO No./ Date	Steel Qty.	Rate	Amount
Cons of Nali sooling Culverts Ward No 2	M Farooq	2/2.12.17	113 kg	10766.65	0.012
Cons of Main Hole Jangla Jat Kot Mithan	Ayaz	30/14.5.19	650 kg	14716.55	0.096
Rep and Patch work Mohram Routes	M Farooq	154/14.9.18	1127 kg	14288	0.161
Cons of Public Latrines	T Akbar	12/2.12.17	113 kg	10766.65	0.012
			987 kg	12197.85	0.120
Prov of Main Hole Covers		11/2.12.17	3841kg	12197.85	0.469
Cons and Rep of Office Building	Sadam	13/2.12.17	746kg	12859.6	0.096
Cons of Drain PCC s/P Abas Ward No 10	Sadam	14/4.1.18	831 kg	10766.65	0.089
Total					1.055

Due to weak internal controls, expenditure was incurred without approval from competent authority.

Non approval of expenditure resulted in unjustified expenditure of Rs 1.055 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing of responsibility against the persons at fault beside recovery of overpaid amount.

[AIR Para:12]

38. Municipal Committee Rajanpur

CHAPTER 38.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	127.620	112.758	(14.862)	12
Development	16.07	0.736	(15.334)	95
Total	143.69	113.494	(30.196)	21

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 0.736 million against an allocation of Rs 16.070 million for the development schemes of Providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of rest house and repairing of office buildings. The said development schemes could not be completed and an amount of Rs 15.334 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 30.196 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous and offensive trade, development and manage schemes including site development. The

authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Number of schemes	25	Nil	Target not achieved
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Expenditure (Rs in million)	-	Nil	-do-
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	25.255 million	23.393 million	-do-
4	Prevention and removal of encroachment	Receipts (Rs in million)	.065 million	0.154 million	-do-
5	Regulation of dangerous and offensive articles	Surveyed numbers	0	0	-do-
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	0	0	-do-
7	Promotion of sports & sports persons		0.100 million	0.005 million	-do-
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	-	-	
9	Staff Position	No. of Posts			
i	Sanitation Staff		100	88	-do-
ii	Water supply scheme staff		12	11	-do-
iii	Planning staff		15	13	-do-
iv	Finance Staff		9	6	-do-
v	Regulation Staff		12	10	-do-
vi	Infrastructure and Services Staff		19	17	-do-

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal committee, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use (taking action

against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 38.2

Municipal Committee Rajanpur

38.2.1 Introduction:

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

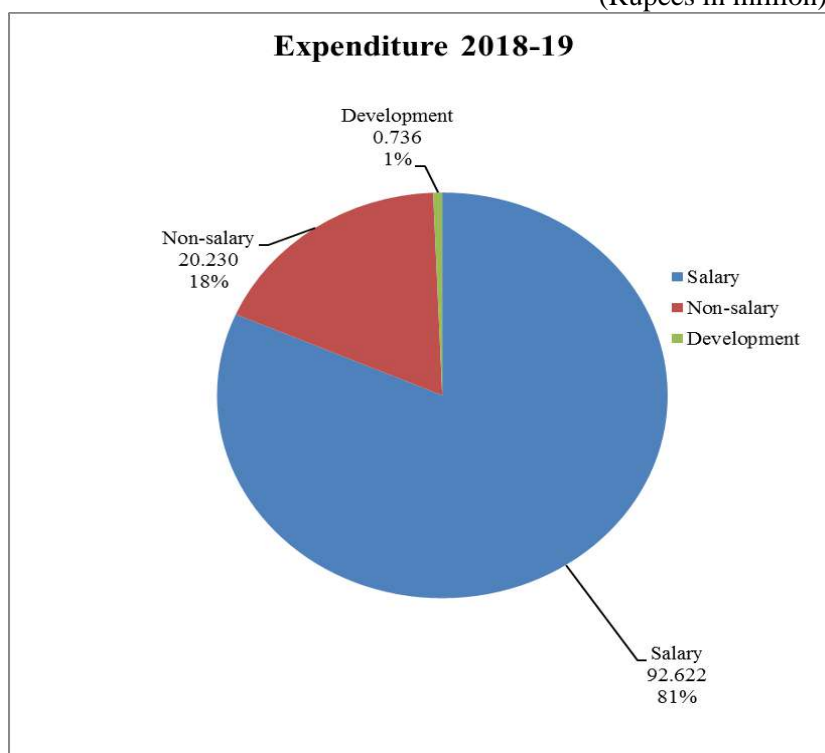
38.2.2 Comments on Budget and Accounts

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

(Rupees in million)

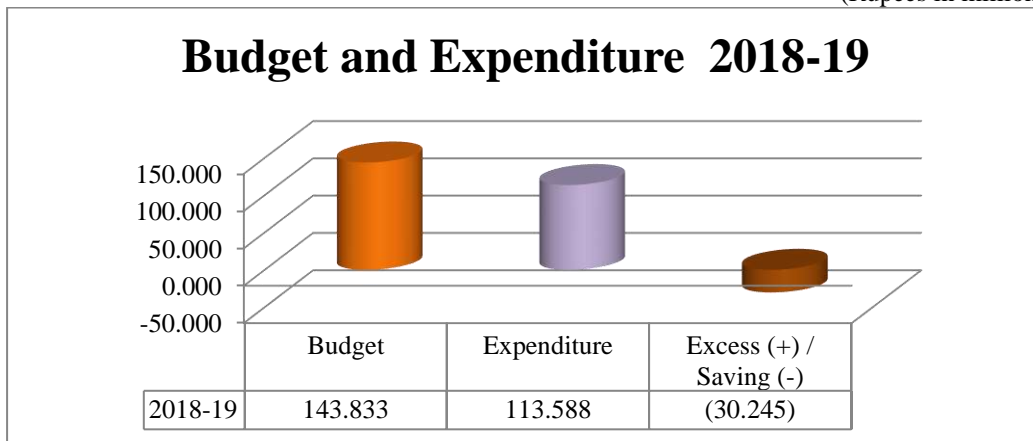
Municipal Committee Rajanpur				
Particular	Budget	Actual	Excess / Savings	%
Salary	103.631	92.622	(11.009)	10.623
Non-Salary	24.131	20.230	(3.901)	16.166
Development	16.071	0.736	(15.335)	95.420
Total	143.833	113.588	(30.245)	21.028
Receipts	149.06	116.473	(32.587)	21.862

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Rajanpur, total original budget (Development and Non-Development) was Rs 143.833 million. Against the budget, total expenditure of Rs 113.588 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 30.245 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Rajanpur. **(Annexure-B)**

(Rupees in million)



38.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 131.971 million were raised as a result of this audit. This amount also includes recoverable of Rs 32.903 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	2
2	Reported cases of fraud, embezzlement and misappropriation	1.436
3	Irregularities	
A	HR / Employees related irregularities	89.632
B	Procurement related irregularities	38.903
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

38.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

38.3 Frauds/Misappropriations

38.3.1 Misappropriation of Government money – Rs 1.436 million

According to Rule 9(b) of the 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.

The Chief Officer, Municipal Committee Rajanpur, misappropriated an amount of Rs 1.436 million during 2016-19. As per bank statement the following cheques were withdrawn but neither entered in the cash book nor any vouchers were available in the office. The detail is given below:

(Rupees in million)

Date	Cheque No.	Amount
2/6/2017	806154260	0.551
2/6/2017	806154226	0.048
14-6-18	807807715	0.391
25-7-16	804854538	0.345
26-7-16	803024288	0.101
Total		1.436

Due to weak internal controls, money was drawn without actual utilization and was misappropriated.

Withdrawal of the Government money without actual expenditure resulted in misappropriation of Rs 1.436 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends inquiry of the matter, fixing responsibility and taking disciplinary action against the person(s) at fault besides recovery of Rs 1.436 million.

[AIR Para: 1]

38.4 Non-Production of Record

38.4.1 Non-production of record – Rs 2 million

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

Chief Officer Municipal Committee Rajanpur incurred an expenditure of Rs 2 million during 2017-19 on development work but TS, MBs was not produced for audit scrutiny.

Due to weak financial management, the record was not produced for audit verification.

Non production of record created doubt regarding legitimacy of the expenditure amounting to Rs 2 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to inquire the matter, fixing responsibility and strict disciplinary action against the person(s) at fault for non-production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Para:7]

38.5 Procedural Irregularities

38.5.1 Unauthentic payment of pension – Rs 61.426 million

According to Rule 4(d) of the Punjab Local Government(Accounts) Rules 2017, the payment of pension shall be made through direct credit system (DCS) in the respective bank account. Furthermore, according to Government of Punjab Local Government and Community Development Department letter No. SO(MC-DEV)(New Local Government) LG/9-2/2015 dated 16.3.2017, the pension to the retired employees may be paid out of General Purpose Account only upto March 2017, where the Pension Fund Account has not been opened. The Pension Fund Account should be opened and become operational. The required amount of pension shall be calculated and transferred from General Purpose Account to the Pension Fund Account and pension shall be paid out of this amount, regularly, after fulfilling all codal and legal formalities.

Chief Officer Municipal Committee Rajanpur, paid an amount of Rs 61.426 million on account of pension to the retired employees without maintaining pension fund account, the detail of pensioner i.e when retired, rate of pension etc. Further no life certificate/re-marriage certificates of the pensioners were on record from where the authenticity of the payment could substantiate. The detail is as under:

(Rupees in million)

Sr. No.	Financial Year	Amount
1	2016-17	4.821
2	2017-18	30.355
3	2018-19	26.250
Total		61.426

Due to weak internal controls, pension was paid without opening and maintaining Pension Fund Account.

Payment of pension out of General Fund Account resulted in unauthentic payment of Rs 61.426 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends investigating the matter, fixing responsibility on the person(s) at fault and regularization of expenditure from the competent authority.

[AIR Para:10]

38.5.2 Irregular payment of work charged establishment – Rs 28.386 million

According to Sr. No. 2 of Schedule of Wage Rates, 2017, appointment to a post included in this schedule may be made by the competent authority under delegation of financial powers rules 2016 subject to the following conditions:

- y) The post(s) shall be advertised properly in the leading newspapers.
- z) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S&GAD
- aa) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR, Vol-III.
- e) The appointment may be made up to the end of the financial year or the duration of the project, which is earlier.

Chief Officer Municipal Committee paid an amount of Rs 28.386 million on account of salaries to work charged employees during 2017-19. The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc. The detail is given below:

(Rupees in million)

Financial Year	No. of Persons	Rate of June	Total
2016-17	87	13,000	13.572
2017-18	49	15,000	8.820
2018-19	37	13,500	5.994
Total	173		28.386

Due to weak financial controls, work charged employees were recruited and salaries were paid without observing codal formalities.

Non observance of codal formalities resulted in irregular expenditure of Rs 28.386 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:17]

38.5.3 Non/ less recovery of various fees/taxes – Rs 22.943 million

According to 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. Further to this “it is the duty of the departmental authorities to see that all Govt. dues/revenues which have to be brought to account are correctly and promptly assessed, realized and credited to Govt. account. Further 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.

Chief Officer Municipal Committee failed to recover / less recovered rent of shops, various fees and taxes amounting to Rs22.943 million under various heads during 2017-19. The detail is given below:

(Rupees in million)

Sr. No.	Nature of Receipt	Amount
1	Rent of Shop	4.705
2	License fee from business	2.897
3	Conversion fee	10.850
4	License fee	4.491
Total		22.943

Due to weak financial control, revenue was not realized.

Non realization of revenue resulted in loss of Rs 22.943 million to the Local Government.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends recovery of Rs 22.943 million besides fixing responsibility against the person(s) at fault.

[AIR paras:13,14,18,19]

38.5.4 Non recovery of arrears – Rs 6.960 million

According to Rule 7 of Punjab Local Governments (Budget) Rules 2017, The Collecting officer is responsible to ensure timely recovery against each demand.

Chief Officer Municipal Committee did not recover outstanding amounts of Rs6.960 million from the owner of bus stand. Neither the amount as noted above was recovered from contractor nor any serious efforts were made by the department to recover the arrears.

Due to weak financial controls, attentions were not paid towards recovery of arrears.

Non recovery of pending arrears resulted in loss of revenue Rs 6.960 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of Rs 6.960 million.

[AIR Para: 9]

38.5.5 Unauthorized splitting of schemes – Rs 6 million

According to Para 2.77 of PWD code, work cannot be split into groups, if urgency so demands then the sanction of the Chief Engineer is must and the acceptance of tender rest with the authority who is competent to accept the tender of the scheme as a whole in case of each group.

Chief Officer Municipal Committees split up the one development scheme into twelve scheme valuing Rs 6 million during 2017-19 to avoid sanction from higher authority and to oblige the contractor. The schemes were executed without tender advertisement.

Audit is of view that due to weak internal controls, schemes were split up to oblige the contractor.

Splitting of schemes resulted in unauthorized expenditure of Rs 6 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:4]

38.5.6 Non-recovery of commercialization fee - Rs 3 million

According to Government of Punjab LG&CD Department Notification No.SOR(LG)38-18/2009 dated 6.6.2012, the conversion fee for the conversion of a residential, industrial, Peri Urban area or intercity service are to commercial use shall be as under:

Less than one million rupees	5%
From one million to ten million rupees	10%
More than ten million	20%

Further Para 6 of same notification, area outside the following limits should be treated as agriculture area.

- (a) 2-3 Kilometres in case of CO Unit of the TMA
- (b) 3-4 Kilometres in case of Tehsil Headquarter
- (c) 4-6 Kilometres in case of the District Head quarters

Municipal Officer (Planning) Municipal Committee did not take any action to recover an amount of Rs 3 million on account of commercialization charges from the owner of commercial center established under his jurisdiction. The detail is given below:

(Rupees in million)

Commercial Center in Rajanpur	Area in Marlas	Amount
Pakistan commercial Center	80	1.200
City Plaza Indus Highway Road	90	1.000
Rafiq Commercial Center.	40	0.800
Total		3.000

Due to weak internal controls, commercial activity is allowed to be carried out without the payment of conversion fee and map fee.

Non recovery of dues resulted in loss amounting Rs 3 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends probing the matter in detail and takes appropriate action against the person (s) at fault besides.

[AIR Para: 20]

39. Municipal Committee Rojhan

CHAPTER 39.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to the PAO by the Government of Punjab, financial resources as given below were made available to CO (MC) during 2018-19.

(Rupees in million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary + Non-Salary)	80.790	56.348	(24.442)	30.25
Development	21.612	10.413	(11.199)	51.82
Total	102.403	66.760	(35.643)	34.81

(Source: Annual Accounts 2018-19)

Development includes an expenditure of Rs 21.612 million against an allocation of Rs 10.413 million for the development schemes of Providing and laying of tuff tiles, construction of drains and soloing, repair and renovation of office buildings. The said development schemes could not be completed and an amount of Rs 11.199 million lapsed during the year.

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 35.643 million lapsed due to inefficient management.

ii. Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Rojhan was made on the basis of functions of Municipal Committee as prescribed in the Local Government Act 2013. The objectives of prescribing the functions by the Local Government and Community Development for the Municipal Committee Rojhan, were to provide the basic services of supply of drinking water, sanitation, street cleanliness in the urban area of the Committee. The Municipal Committee authorities were responsible for saving the urban residents from encroachments, regulate dangerous

and offensive trade, development and manage schemes including site development. The authorities were responsible for providing the recreational activities, sports and fairs to the citizens.

Status regarding Indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Control over land-use (Action taken against Illegal Housing Schemes)	Number of schemes	0	0	No target established
2	Regulate affixing of sign-boards and advertisements except where this function is being performed by the Park and Horticulture Authority	Expenditure (Rs in million)	0	0	-do-
3	Regulate markets and services and issue licenses, permits, grant permissions and impose penalties for violation	Receipts (Rs in million)	0.250	0.132	Target not achieved
4	Prevention and removal of encroachment	Receipts (Rs in million)	0	0	No target established
5	Regulation of dangerous and offensive articles	Surveyed numbers	10	0	Target not achieved
6	Organize cattle fairs and cattle markets	Expenditure (Rs in million)	0.200	.122	-do-
7	Promotion of sports & sports persons		0.200	.194	-do-
8	Solution of complaints about water supply, sewage and sanitation	Complaint received and solved	130	44	-do-
9	Staff Position				
I	Sanitation Staff	No. of Posts	65	60	Target not achieved
ii	Water supply scheme staff		38	35	-do-
iii	Planning staff		5	1	-do-
iv	Finance Staff		3	3	-do-
V	Regulation Staff		5	5	-do-
vi	Infrastructure and Services Staff		2	2	-do-

Source: Data received from CO (MC)

iii. Service Delivery Issues

From the data analysis of Municipal committee Rojhan, it could be noticed that management did nothing for prevention and removal of encroachment, regulation of dangerous and offensive articles trade and control over land-use

(taking action against illegal housing schemes). The targets for organizing cattle fairs and cattle markets and promotion of sports & sports persons were not achieved by the management. Targets were not taken seriously as management set not targets for these important areas.

Shortage of staff, as indicated in above table, is the main reason for slackness in achievement of targets and discharge of duties as assigned by the Act.

iv. Expectation Analysis and Remedial Measures

Chief Officer Municipal Committee did not achieve overall targets of action against encroachment, illegal housing schemes and brick kilns. Cattle fairs, cattle markets and sports were not promoted upto desired level. No schemes were introduced for provision of relief to the widows, orphans, poor, disable persons.

The above mentioned facts indicate that administration failed to deliver their best to achieve these targets.

Suggestions / Remedial Measures

- Activating all the units (Planning, finance, regulation, infrastructure) of Municipal Committee for discharge of their duties at maximum level as desired in the Rule.
- Strengthening the regulatory framework, following the procurement rules adhering to the rules of propriety and probity in use of development and non-development funds.
- The persons responsible for irregularities should be held accountable for such irregularities at appropriate forums.
- Efforts should be made for utilization of Development funds.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Ensuring utilization non-development funds for provision of better civic services along with holding the responsible for non utilization of the same
- Taking concrete actions to recruit all the staff against sanctioned posts

CHAPTER 39.2

Municipal Committee Rojhan

39.2.1 Introduction

Municipal Committees were established on 01.01.2017 under Punjab Local Government Act, 2013. Municipal Committee, is body corporate having perpetual succession and a common seal, with power to acquire/hold property and enter into any contract and may sue and be sued in their names.

The Municipal Committee is headed by Chairman. The Chief Officer is the Principal Accounting Officer of the Municipal Committee and is responsible to the Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the Municipal Committee is carried out in accordance with the laws and for coherent planning, development, effective and efficient functioning.

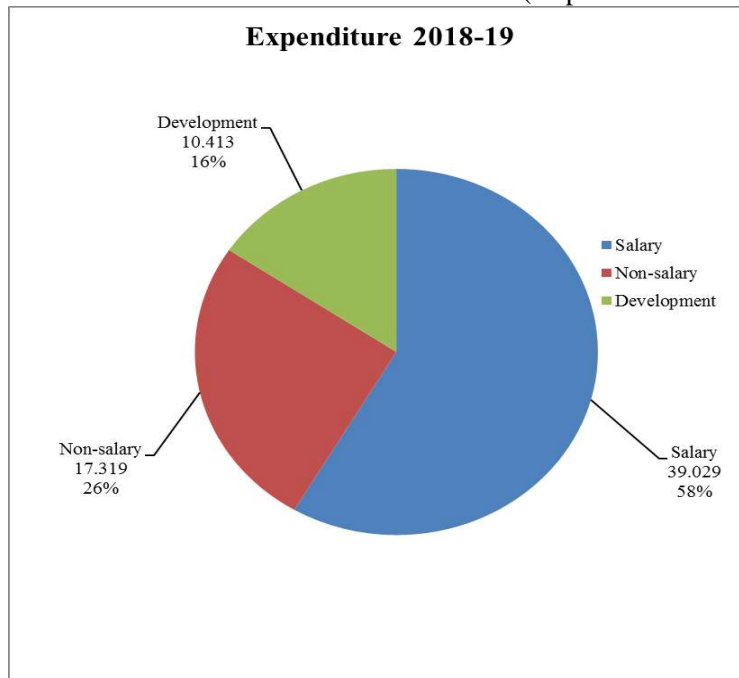
39.2.2 Comments on Budget and Accounts

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

(Rupees in million)

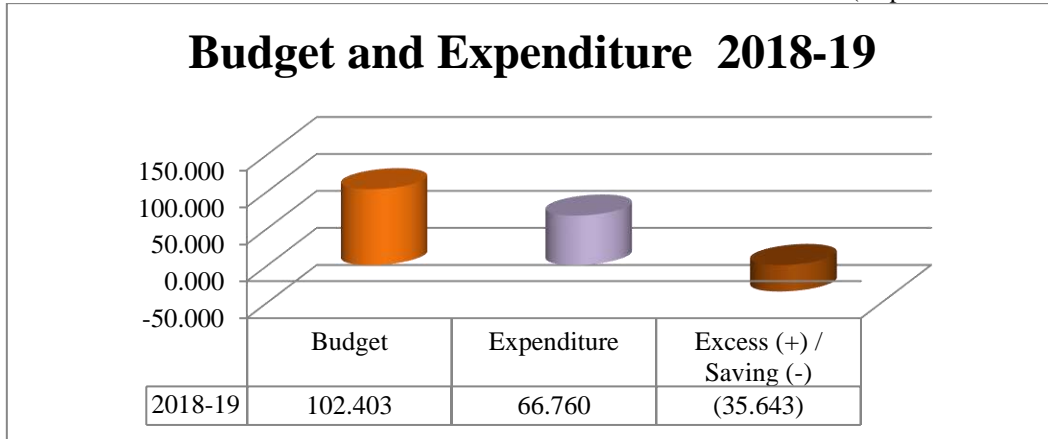
Municipal Committee Rojhan				
Particular	Budget	Actual	Excess / Savings	%
Salary	44.546	39.029	(5.517)	12.384
Non-Salary	36.245	17.319	(18.926)	52.217
Development	21.613	10.413	(11.200)	51.822
Total	102.404	66.761	(35.643)	34.806
Receipts	106.546	68.978	(37.568)	35.260

(Rupees in million)



As per the Annual Accounts 2018-19 of the Municipal Committee, Rojhan, total original budget (Development and Non-Development) was Rs 102.403 million. Against the budget, total expenditure of Rs 66.760 million was incurred by the Municipal Committee during 2018-19. Lapse of funds amounting to Rs 35.643 million came to the notice of audit due to inefficient financial management in release of budget by MO (Finance). No plausible explanation was provided by PAO and management of the Municipal Committee, Rojhan. **(Annexure-B)**

(Rupees in million)



39.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 35.083 million were raised as a result of this audit. This amount also includes recoverable of Rs 3.309 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	1.706
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	HR / Employees related irregularities	10.532
B	Procurement related irregularities	22.845
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

39.2.4 Comments on the Status of Compliance with PAC Directives

This is the first audit of Municipal Committee conducted by this directorate of Audit.

AUDIT PARAS

39.3 Non-Production of Record

39.3.1 Non-production of record – Rs 1.706 million

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

Chief Officer Municipal Committee incurred an expenditure of Rs 1.706 million during 2016-19 but vouched accounts of development expenditure were not produced for audit scrutiny.

(Rupees in million)

Date	Paid to	Cheque / Voucher No.	Name of Work	Amount
21.4.2018	Siraj Ahmed Khan Contractor	96	Construction of B/P earth filling	0.351
23.05.2017	MEPCO	805949466	MEPCO bill	0.219
8.3.17	Safdar Electricition	1	Medical Reimbursement bill	0.198
10.4.2018	Ali Akbar Contractor	49	construction of solling	0.448
10.4.2018	Munawar Hussain Jamil	52	RCC Main Whole covers	0.490
Total				1.706

Due to weak financial management, the record was not produced for audit verification.

Non production of record created doubt regarding legitimacy of the expenditure amounting to Rs 1.706 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends to inquire the matter, fixing responsibility and strict disciplinary action against the person(s) at fault for non-production of record, and to ensure that the record is produced to Audit for scrutiny.

[AIR Para:13]

39.4 Procedural Irregularities

39.4.1 Unauthorized collection without Gazette Notification of levies – Rs 12.150 million

According to Rule 19 of Punjab Local Government (Accounts) Rules 2017, no tax, fee, toll, cesses, charge, rate, or any other levy shall be given effect before the same is notified in the official Gazette.

Contrary to above, Chief Officer Municipal Committee collected receipts of Rs 12.150 million for the financial year 2016-19 against following heads without any notification in official Gazette. The detail is given below:

(Rupees in million)

F.year	Estimated Receipts Own Source	Actual Receipts Own Source
2016-17	5.218	3.100
2017-18	8.029	3.721
2018-19	8.109	5.329
G. Total		12.150

Due to weak financial controls, fees were collected without notification in official gazette.

Non observance of rules resulted in irregular collection of fess Rs 12.150 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on person(s) at fault besides to inquire the matter and regularization of receipt.

[AIR Para:17]

39.4.2 Irregular payment of work charged establishment – Rs 10.532 million

According to Sr. No.2 of Schedule of Wage Rates, 2017, appointment to a post included in this schedule may be made by the competent authority under delegation of financial powers rules 2016 subject to the following conditions: -

- a) The post(s) shall be advertised properly in the leading newspapers.
- b) The recruitment to all the posts in the schedule shall be made on the basis of merit specified for regular establishment vide para 11 of the Recruitment Policy issued by S & GAD
- c) Terms and conditions of employment shall be governed under Rules 7.12 to 7.14 & 7.37 to 7.41 of DFR, Vol-III.
- d) The appointment may be made up to the end of the financial year or the duration of the project, which is earlier.

Chief Officer Municipal Committee, paid an amount of Rs 10.532 million on account of salaries to work charge employees of sanitation and water supply schemes during 2016-19. The recruitment process was conducted without observing the codal formalities i.e. advertisement of the posts, detail of the candidates applied, minutes of recruitment committee, offer letters and joining reports etc.

Due to weak internal controls, salaries were paid to work charged employee without observing codal formalities.

Non observance of codal formalities resulted in irregular expenditure of Rs 10.532 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:7]

39.4.3 Unauthorized execution of development scheme – Rs 6 million

According to Para 2.70 of B&R Code and vide Finance Deptt. Letter No.FD(D-11)10(3)90 Dated 27th June 1991, the splitting will have to be got approved from the Chief Engineer concerned. Further according to Rule 15.2 (c) of Punjab Financial Rules, Vol-I, expenditure should not be split up so as to avoid the necessity for obtaining the sanction of higher authority required with reference to the total amount of the orders. Further 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 one hundred thousand rupees to 2 million rupees.

Chief Officer Municipal Committee Rojhan executed the scheme “Construction of surface Drain, P/L dry brick pavement, Earth Filling” valuing Rs 6 million during 2017-19. Scrutiny of record reveals that the scheme was split up to avoid higher sanction and executed without advertisement on PPRA website.

Due to weak internal controls, development scheme was executed without observing codal requirement.

Non observance of codal requirement resulted in unauthorized expenditure of Rs 6 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

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

[AIR Para:11]

39.4.4 Unjustified retention of Government taxes – Rs 1.386 million

As required under income Tax Ordinance 2001, the Government departments shall make purchase only from the firms registered with income tax department and ensure before making payments that the deduction on account of income tax has been made at source from the bill of the supplier. Further 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.

Chief Officer Municipal Committee deducted an amount of Rs 1.386 million on account of income tax but in spite of lapse of considerable time the amount was remained the part of DDO account. Due to non-transferring of Government Taxes in time, Government has to sustained loss.

Due to weak internal and financial controls, income tax deducted at source was not transfer to FBR.

Non transferring of Government tax to FBR resulted in unjustified retention of Rs 1.386 million.

The matter was reported to the Chief Officer in February, 2020. DDO did not submit replies.

Audit recommends fixing responsibility on the person(s) at fault besides investigation of matter for factual position.

[AIR Para:3]

39.4.5 Non recovery of map, conversion & NOC fee – Rs 1.224 million

According to Government of the Punjab Local Government & Community Development Department Notification No.SOR(LG)38-18/2009 dated 06-06-2012 Sr. 4 (i) (a) the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Provided that in case of non-availability of Valuation Table, the value of the land shall be as per average price of the preceding twelve months of the land in the vicinity. According to Land use rules 2009 and Chapter VIII Rule 60 (a) of commercialization rules 2008 “The conversion fee for the conversion of residential, per-urban area or intercity service area to commercial use shall be twenty percent (20%) of the value of the commercial land as per valuation table. Further according to Tehsil Municipal Administration Notification No. DC/CO/MZG 1122/ 17.06.17 schedule By-Laws Fee, License, map, conversion fee shall be collected.

Chief Officer Municipal Committee Rojhan, did not recover the commercialization fee amounting to Rs 1.222 million from the owner of commercial building under his jurisdiction. The detail is given below:

(Rupees in million)

Sr. No.	Name	Location & Type of Property	Amount Recoverable
1	Allah Wadhaya	Commercial Shop	0.014
2	Malik Kora	Makaan	0.013
3	Qari Murtaza	Makaan	0.013
4	Hadayat Ullah	Commercial Shop	0.009
5	Bilal Ahmed	Commercial Shop	0.017
6	Nasir Khan	Petrol Pump	0.635
7	Abdul Wahab	Makaan	0.046
8	Irshad Ahmed	Makaan	0.007
9	Ali Muhammad	Commercial Shop	0.016
10	Rahab Hussain	Bank of Punjab	0.065
11	Muhammad Yousif	Commercial Shop	0.016
12	Misali Public School	Commercial	0.065
13	Tahir Science Acadimy	Commercial	0.055
14	Al Noor School System	Commercial	0.047
15	Sunrise Science Acadimy.	Commercial	0.032
16	The Hope School System	Commercial	0.036
17	Bright Future School	Commercial	0.030
18	Green Valley School	Commercial	0.072
19	Khaja Fareed School	Commercial	0.034
Total			1.222

Due to weak internal controls, commercial activity is allowed to be carried out without the payment conversion fee and map fee.

Non recovery of dues resulted in loss of revenue amounting Rs 1.222 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility against the concerned besides recovery and same may be got deposited into Govt. treasury.

[AIR Para:1]

39.4.6 Non-recovery of arrears – Rs 1.065 million

According to Rule 7 of Punjab Local Governments (Budget) Rules 2017, The Collecting officer is responsible to ensure timely recovery against each demand.

Chief Officer Municipal Committee Rojhan did not recover outstanding arrears amounting to Rs 1.065 million from the various contractors against various leases. No serious efforts were made to recover the outstanding revenues.

(Rupees in million)

Sr. No.	Receipt Head	Amount
1	Octroi/ Toll Tax 1992-93	0.127
2	Establishment/Operational expenses of Cattle Market Rojhan CMMC-2014	0.876
3	Permanent The Bazari 2002-03	0.056
4	Adda Fee 2002-03	0.004
5	Dalali Subzi Fee	0.002
Total		1.065

Due to weak financial controls, attentions were not paid towards recovery of arrears.

Non recovery of pending arrears resulted in loss of revenue Rs 1.065 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of Rs 1.065 million.

[AIR Para: 6]

39.4.7 Non recovery of departmental charges – Rs 1.020 million

According to Rule (7)(3) of the Punjab Local Government (Works) Rule 2017, in case a work is executed by the local Government on behalf of the Government or another Local Government or body, the Government or the concerned local Government or, as the case may be, the concerned body shall pay to the local Government such departmental charges for the execution of works as may be fixed by the Government". Furthermore, as per provision of C.P.W codes Appendix-V, 17% departmental charges should be recovered from the agency for which work was to be carried out. It includes 14 ½ % establishment charges, 1 ½ % charges of tools and plants and 1 % audit and accounts charges.

Chief Officer Municipal Committee executed the 12 development schemes but 17% departmental charges amounting to Rs 1.020 million were not recovered from the authorities.

Due to weak financial control, departmental charges could not be recovered from authority.

Non recovery of departmental charges resulted in loss of Rs 1.020 million.

The matter was reported to the Administrator and Chief Officer concerned during March, 2020 but no reply was submitted.

Despite many efforts, DAC meeting was not convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of Rs 1.020 million.

[AIR Para:20]

40. Municipal Committee (MC), Bhowana

CHAPTER 40.1

Sectoral Analysis of Municipal Committee, Bhowana

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, development plans (implementation), asset management, anti-encroachment activity, human resource management etc. are given below:

Analysis regarding Revenue Collection targets and achievements

(Rupees in million)

Source of Income	2018-19		2016-18		Total		Shortage (% age)
	Target	Actual	Target	Actual	Target	Actual	
Conversion Fee for change in building	1.400	0.643	0.800	1.440	2.200	2.083	- 5 %
NOC Fee	0.050	0.033	0.050	0.051	0.100	0.084	-16%
Advertisement Fee	0.730	0.611	0.750	0.074	1.480	0.685	-54%
Fine for construction without approval of building plan	0.650	0.568	0.650	0.620	1.300	1.188	-9%
Slaughter House Fee	0.130	0.127	0.150	0.122	0.280	0.249	-11%

Municipal Committee Bhowana, it was observed that MC could not achieve revenue collection targets against Conversion Fee for change in building use, NOC fee, advertisement fee fine for construction without approval of building plan license fee, and Slaughter House fee. Furthermore, internal controls and monitoring mechanism

regarding revenue collection were very weak and even periodical surveys were not conducted / demand & collection registers were not maintained which lead to vulnerability to leakage of revenue.

Analysis regarding funds utilization for Municipal Infrastructure

(Rupees in million)

Description	2017-18		2018-19		Total		Unutilized (% age)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase of Transport	-	-	-	-	-	-	0 %
Purchase of Plant and Machinery	0.080	0.080	8.000	0.208	8.080	0.288	4 %
Roads, Streets, drainage	9.000	8.633	-	-	9.000	8.633	95 %
Machinery and Equipment	-	-	-	-	-	-	0 %
Maintenance of gardens	0.150	0.121	0.500	0.477	0.650	0.598	92 %
Maintenance of Playgrounds	-	-	-	-	-	-	0 %
Ongoing schemes ADP (Previous year)	-	-	-	-	-	-	0 %
Purchase of Street Lights	-	-	0.400	0.400	0.400	0.400	100 %

MC Bhowana could not ensure optimal utilization of funds for purchase of plant / machinery for waste collection & disposal, sanitation, construction / improvement of roads / streets, repair maintenance of roads / streets / buildings / transport and provision & maintenance of street lights and maintenance of parks / gardens which resulted in non-achievement of envisaged benefits.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee Bhowana failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration, scrutiny of financial record and a report submitted by Chief Officer to LG&CD Department, it was also

observed that the performance of Municipal Committee Bhowana in respect of service delivery was very poor, as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Water Supply	Water supply facility was not being provided to any resident / household because water supply system was non-functional since long.
2	Clean Drinking Water	02 water filtration plants had been installed for provision of clean drinking water which were not sufficient as compared to the total population of MC Bhowana.
3	Maintenance of Parks	There was only one park in whole municipality
4	Play grounds	Municipal Committee maintaining one badminton Hall.
5	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC Bhowana. It was assessed that almost 25% of the total households were not provided with the drainage / sewerage facility by MC. Further, seepage in newly constructed sewerage line was also observed during field visits.
6	Waste Collection	No reliable data regarding total waste generation and its collection / disposal was maintained by MC Bhowana. It was claimed that average waste generation was 08 metric tons per day out of which 06 metric ton waste was being collected / removed which indicates 83% waste collection efficiency in terms of percentage. However, during visits heaps of waste were found on different locations of MC.
7	Street Lighting	Almost 40% area of the Municipal Committee was not provided with street lighting facility by the administration of MC Bhowana.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2017-18	2018-19
1	Targeted population	34,077	34,077
2	Number of sanctioned posts of sanitary workers	34	34
3	Number of filled posts of sanitary workers	32	30
4	Number of vacant posts of sanitary workers	02	04

Sr. No.	Description	2017-18	2018-19
5	Number of sanctioned posts of sewer man	-	-
6	Number of filled posts of sewer man	-	-
7	Expenditure incurred on repair and maintenance of existing sewerage line	Rs 1.351 million	Rs 1.863 million
8	Expenditure incurred on lying new sewerage lines	-	-
9	Number of existing solid waste dumping sites	1	1
10	Construction of new solid waste dumping sites	-	-
11	Number of existing landfill sites	1	1
12	Development of new landfill sites	-	-

The human resources of the MC concerning solid waste management and sanitation were inadequate and could not meet the standard requirements. However, efforts were not being made by the stakeholders and authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Non-improvement of solid waste dumping site or landfill site portray an unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard and even existing structure was also not maintained properly.

Analysis regarding Asset Management

Assets management by the administration of Municipal Committee Bhowana was very weak. 3 Kanal 12.5 Marlas near Municipal Park was not got vacated from the illegal occupant since long.

Analysis regarding Spatial Planning

Management of Municipal Committee, is responsible for prepare spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced to Audit.

Analysis regarding Human Resource Management

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Chief / Municipal Officers	3	1	2	1	2	1	2
2	Engineering Staff	2	1	1	1	1	1	1
3	Officials including clerical staff, assistants etc.	7	7	0	5	2	4	3
5	Class-IV	11	1	10	1	10	1	10
6	Sanitation Staff	34	34	0	32	2	30	4
	Total	57	44	12	40	7	37	10

There was an acute shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning and deteriorated municipal infrastructure etc.

Conclusion

The overall financial management performance of the Municipal Committee regarding achievement of revenue collection targets, utilization of funds meant for infrastructure development / improvement, provision of municipal services, spatial planning, execution of development plans, asset management, anti-encroachment activities, and human resource management was not satisfactory.

CHAPTER 40.2

Municipal Committee, Bhowana

40.2.1 Introduction:

Municipal Committee, Bhowana manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of MC Bhowana

(Rupees in million)					
Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	32.402	50.653
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

40.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets assigned to the PAO, following financial resources were given to Chief Officer, Municipal Committee, Bhowana during 2016-19. The detail is as under:

(Rupees in million)					
Financial Year	Description	Budget	Actual	Excess/ (Savings)	Savings (%)
2016-17	Non-Development (Salary + Non-Salary	7.577	7.577	-	-
	Development	0.544	0.544	-	-
	Total	8.121	8.121	-	-
2017-18	Non-Development (Salary + Non-Salary	21.499	21.426	(0.073)	(0.34%)

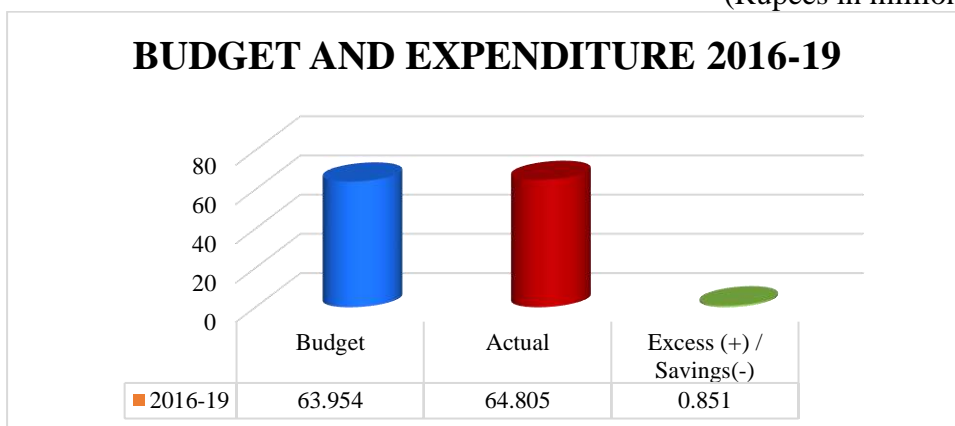
Financial Year	Description	Budget	Actual	Excess/ (Savings)	Savings (%)
	Development	9.933	9.933	-	-
	Total	31.432	31.359	(0.073)	(0.23%)
2018-19	Non-Development (Salary+ Non-Salary)	24.046	24.970	(0.924)	(3.84%)
	Development	0.355	0.355	-	-
	Total	24.401	25.325	(0.924)	(3.79%)
Grand Total	Non-Development (Salary+ Non-Salary)	53.122	53.973	(0.851)	(1.60%)
	Development	10.832	10.832	-	-
	Grand Total	63.95	64.81	(0.85)	(1.33%)
	Receipts	107.144	101.306	5.838	5.45%

Analysis of budget and expenditure indicated that:

- a. Analysis of Non-development budget and expenditure depicted that funds of Rs 53.122 million were allocated and expenditure of Rs 53.973 million was incurred, resultantly funds of Rs 0.851 million which in terms of percentage were 1.60% remained unutilized.
- b. Analysis of development budget and expenditure depicted that funds of Rs 10.832 million were allocated and expenditure of Rs 10.832 million was incurred.
- c. Analysis of receipts depicted that total budgeted receipts for the Financial Year 2016-19 were Rs 107.144 million against which amount of Rs 101.306 million was collected during the year. There was a shortfall of Rs 5.838 million observed in revenues of the Municipal Committee, Bhowana which in terms of percentage was 5.45%.

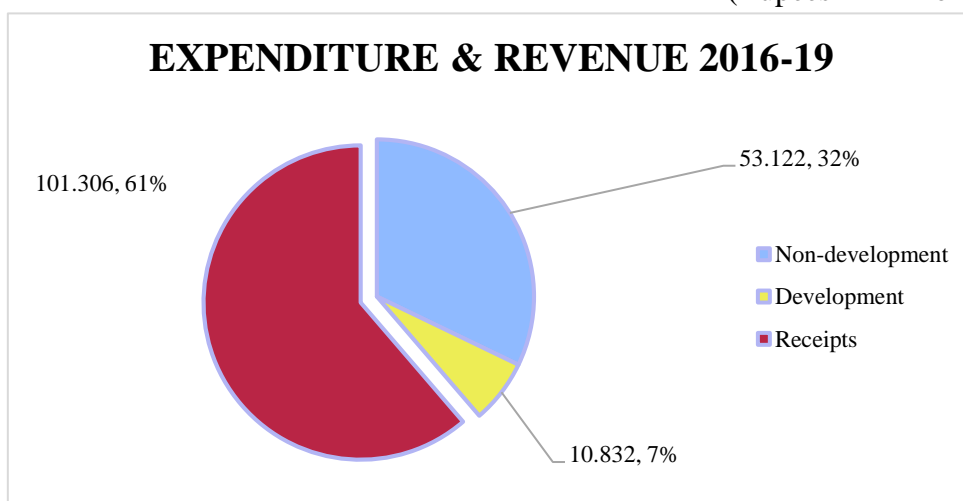
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure and revenue is as under:

(Rupees in million)



40.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 21.022 million were raised as a result of this audit. This amount also includes recoverable of Rs 8.895 million as pointed out by the audit. Summary of the audit observations classified by nature is given on next page:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	0
2	Reported cases of fraud, embezzlement and misappropriation	0
3	Irregularities	0
A	HR/Employees related irregularities	0
B	Procurement related irregularities	0
C	Management of Accounts with Commercial Banks	0
4	Values for money and service delivery issues	0
5	Others	21.022
Total		21.022

40.2.4 Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Bhowana. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

40.3 Others

40.3.1 Encroachment of local Government property – Rs 14.355 million

According to Section 127(3) of the Punjab Local Government Act 2013, the successor local governments shall, subject to policy of the Government or contractual obligations, make by-laws for the use, development and management of the local government properties. Further, according to 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.

Audit observed that land measuring 03 kanals and 12.5 marla valuing Rs 14.355 million belonging to Municipal Committee Bhowana (situated at Committee Park) was encroached by illegal occupants. Management of Municipal Committee failed to get the local Government property vacated from the illegal occupants. The detail is as under:

(Rupees in million)

Sr. No.	Location of Land	Area of Land		Rate Per Marla	Amount
		Kanal	Marla		
1	Land at Committee Park, Bhowana	03	12.5	198,000	14.355

Audit is of the view that due to weak management, encroached local Government property could not get vacated from the illegal occupants.

Encroachment of the local Government property valuing Rs 14.355 million resulted in misuse of public resources by encroachers for personal benefit.

The matter was reported to the PAO concerned in February, 2020, it was said that detailed reply would be submitted after scrutiny of record. However, DAC meeting was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends to make efforts to get the local Government property vacated from the land grabbers at the earliest, under intimation to Audit.

[AIR Para: 1]

40.3.2 Non/less realization of License/Sanitation Fee – Rs 2.609 million

According to Rule 11(2)(c) 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. Further, according to Rule 14(d) of ibid, the collecting officer shall collect receipts of the local government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement or compromise.

Audit observed that Chief Officer, Municipal Committee Bhowana did not recover license fee amounting to Rs 0.187 million from 79 business holders of different categories (according to collection register) during FY 2017-19. Strenuous efforts were not made to recover the outstanding dues from the defaulters. Further, sanitation fees were also not recovered from 43 different business holders and 400 house-holders (according to census of 2017) during FY 2017-19. It was also observed that no survey was conducted before making budget estimates and recovery of license fee. In absence of detailed survey, the actual position regarding recovery of license fee could not be ascertained.

Audit is of the view that due to weak internal controls; license/sanitation fee was not recovered.

Non-recovery of License/Sanitation Fee amounting to Rs 2.609 million resulted in less collection of receipts by the Municipal Committee.

The matter was reported to the PAO in February, 2020, it was replied that detailed response would be submitted after scrutiny of record. However, no DAC meeting was convened by PAO till the finalization of this Report.

Audit recommends recovery of Rs 2.609 million from the concerned besides conducting detailed survey, under intimation to Audit.

[AIR Para: 4]

40.3.3 Utilization of bricks without ensuring standard specifications and testing – Rs 1.481 million

According to Clause 11 and 14 of Contract Agreement for Civil works, the contractor shall execute the whole and every part of work according to the specifications. In addition, if it appears that work has been executed with unsound, imperfect, or with materials of any inferior description, the contractor shall remove the materials or articles so specified. Further, according to Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum). Further, according to Market Rate System issued from 2005-06 to 2015-16 by the Government of Punjab Finance Department, (i) The composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

Audit observed that Municipal Officer (I&S) got executed 08 works for construction of drain, soling, etc. during FY 2017-18 without ensuring the bricks strength and incurred expenditure Rs 1.481 million. No methodology was adopted to measure the strength, standard and specification for the bricks utilized. Therefore, in the absence of proper testing of bricks at the time of execution, the authenticity of utilization of first-class bricks could not be proved.

Audit is of the view that due to weak internal controls; works were executed without specification, standard and testing of bricks.

Utilization of bricks costing Rs 1.481 million without ensuring the required strength, quality and standard of bricks resulted in execution of substandard works.

The matter was reported to the PAO in February, 2020, it was replied that detailed response would be submitted after consulting relevant record. However, no DAC meeting was convened by PAO till the finalization of this Report.

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

[AIR Para: 6]

40.3.4 Non-recovery of conversion / building plan approval fee – Rs 1.336 million

According to Schedule II of the Punjab Local Governments (Conduct of Business) Rules 2017, Municipal Officer (Planning) is responsible for exercising control over land-use, land-subdivision, land development, site development scheme and zoning by public and private sectors for any purpose and regulates and control erection and re-erection of buildings.

Audit observed that Municipal Officer (Planning) served notices to the different building owners for construction of buildings without payment of conversion / building plan approval fee amounting to Rs 1.336 million. Neither efforts were made to recover the said amount nor penalty was imposed. The detail is as under:

(Amount in Rupees)

Sr. No.	No. of Shops	Nature of Fee	Amount
1	230	Building Fee	288,000
2	100	Conversion Fee	1,048,233
Total			1336233

Audit is of the view that due to weak internal controls; conversion/building plan approval fee was not recovered from the concerned.

Non-recovery of conversion/building plan approval fee amounting to Rs 1.336 million resulted in loss to the Municipal Committee.

The matter was reported to PAO concerned in February, 2020. It was said that detailed reply would be submitted after scrutiny of relevant record. However, no DAC meeting was convened by the PAO despite repeated efforts by Audit till the finalization of this Report.

Audit recommends recovery from the concerned amounting of Rs 1.336 million at the earliest, under intimation to Audit.

[AIR Para: 7]

40.3.5 Non/less recovery of miscellaneous fee from the owners of land sub divisions – Rs 1.241 million

According to Rule 38 (1)(a) of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall deposit a preliminary planning permission fee along with application at the rate of rupees five thousand for scheme having area up to two thousand kanal. Further, according to Rule 38 (2) of ibid, a developer shall deposit a fee for sanction of a scheme at the rate of rupees one thousand per kanal, approval of design and specifications for water supply, sewerage and drainage at the rate of rupees five hundred per kanal, approval of design and specifications for road and bridge and footpath of a scheme at the rate of rupees five hundred per kanal. Furthermore, according to Rule 39 of ibid, 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.

Audit observed that Chief Officer did not recover miscellaneous fees amounting to Rs 1.241 million from the owners of land sub division. Resultantly local Government sustained a loss of Rs 1.241 million. **(1/BWN)**

Audit is of the view that due to weak internal controls, prescribed fee was not recovered from the owners of land sub divisions.

Non-recovery of fee amounting to Rs 1.241 million resulted in less realization of MC revenue in violation of rules.

The matter was reported to the PAO concerned in February, 2020. It was replied that detailed response would be submitted after consulting relevant record. However, no DAC meeting was convened by the PAO till the finalization of this Report.

Audit recommends recovery amounting to Rs 1.241 million from the concerned at the earliest, under intimation to Audit.

[AIR Para: 8]

Municipal Committee, Chenab Nagar

CHAPTER 41.1

Sectoral Analysis of Municipal Committee, Chenab Nagar

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development and development plans execution, municipal services delivery, spatial planning, asset management, human resource management etc. are given below:

Analysis regarding Revenue Collection targets and achievements

(Rupees in million)

Source of Income	2018-19		2016-18		Total		Shortage (%age)
	Target	Actual	Target	Actual	Target	Actual	
License fee	0.250	0.090	1.000	0.171	1.250	0.261	-79%
General Bus Stand Fee	0.500	0.033	0.720	0.564	1.220	0.597	-51%
Fee for approval of Building Plan	4.000	3.732	4.400	3.404	8.400	7.136	-15%
Conversion fee for change in building	1.200	1.094	1.200	0.708	2.400	1.802	-25%
Receipts on account of sale of water residential	20.000	16.118	25.000	20.817	45.000	36.935	-18%
Receipts on account of sale of water commercial	0	0	0.700	0	0.700	0	-100%
Sanitation Fee / Safai Tax	1.000	1.139	2.000	1.182	3.000	2.321	-23%

Source of Income	2018-19		2016-18		Total		Shortage (%age)
	Target	Actual	Target	Actual	Target	Actual	
Advertisement Fee	0.900	0.201	1.105	0.965	2.005	1.166	-42%
Other Misc. Fees	0.800	0.093	0.800	0.380	1.600	0.473	-70%

Municipal Committee Chenab Nagar could not achieve revenue collection targets against license fee, general bus stand fee, building plan approval fee, water sale receipts and advertisement fee. Furthermore, internal controls and monitoring mechanism regarding revenue collection were weak, even periodical surveys were not conducted / demand & collection registers were not maintained which lead to vulnerability to leakage of revenue.

Analysis regarding funds utilization for Municipal Infrastructure

(Rupees in million)

Description	2018-19		2016-18		Total		Unutilized (% age)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase of Plant and Machinery	0.500	0.208	1.000	0.901	1.500	1.109	26%
Machinery and Equipment	0.500	0.358	0.550	-	1.050	0.358	66%
Maintenance of parks / gardens	0.600	-	1.000	0.332	1.600	0.332	79%
Maintenance of Playgrounds	-	-	-	-	-	-	-
Maintenance work urban water supply	6.000	-	2.500	1.211	8.500	1.211	86%
Water filtration plant	0.100	-	0.900	0.277	1.000	0.277	72%
ADP (current year)	10.000	-	8.500	1.670	18.500	1.670	91%
Purchase and maintenance Street Lights	0.600	-	0.700	0.435	1.300	0.435	67%
Exhibitions, fairs and other national celebrations	1.500	0.983	0.600	0.161	2.100	1.144	46%
Machinery and Equipment repair	0.500	-	0.500	0.248	1.000	0.248	75%

From the analysis of funds utilization for infrastructure development and improvement by Municipal Committee Chenab Nagar, it was observed that Municipal Committee Chenab Nagar could not ensure maximum utilization of funds for purchase of furniture and fixture, transport repair, plant and machinery for the purpose of waste collection and disposal, sanitation, construction and improvement of roads, streets; repair and maintenance of roads / streets / buildings/ transport; provision & maintenance of street lights and maintenance of parks which resulted in non-achievement of foreseen benefits to the local populace.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee Chenab Nagar failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration and scrutiny of financial record, it was observed that the performance of Municipal Committee Chenab Nagar in respect of service delivery was poor as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Water Supply	Water supply facility was being provided to approximately 4,853 out of 11,940 household.
2	Clean Drinking Water	04 water filtration plants had been installed for provision of clean drinking water which were not sufficient as compared to the total population of MC Chenab Nagar
3	Maintenance of Parks	There are only two parks in the whole municipality which are not sufficient for the population.
4	Play grounds	Municipal Committee was not maintaining any playground.
5	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC Chenab Nagar. It was assessed that almost 10% of the total households were not provided with the drainage / sewerage facility by MC.
6	Waste Collection	No reliable data regarding total waste generation and its collection / disposal was maintained by MC Chenab Nagar.
7	Street Lighting	Almost 25% area of the Municipal Committee was not provided with street lighting facility by the administration of MC Chenab Nagar.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	62,646	64,252	65,860
2	Number of sanctioned posts of sanitary workers	53	53	53
3	Number of filled posts of sanitary workers	8	8	7
4	Number of vacant posts of sanitary workers	45	45	46
5	Number of sanctioned posts of sewer man	4	4	4
6	Number of filled posts of sewer man	-	-	-
7	Expenditure incurred on repair and maintenance of existing sewerage line	-	-	-
8	Expenditure incurred on laying new sewerage lines	-	-	-
9	Number of existing solid waste dumping sites	2	2	2
10	Construction of new solid waste dumping sites	-	-	-
11	Number of existing landfill sites	-	-	-
12	Development of new landfill sites	-	-	-

The human resources of the MC concerning solid waste management and sanitation were inadequate. However, efforts were not made by the stakeholders and authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Non-improvement of solid waste dumping site portrays unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard and even existing structure was also not maintained properly.

Analysis regarding Asset Management

Assets management by the administration of Municipal Committee Chenab Nagar was very weak. Twenty nine shops were leased out at nominal rent of Rs 1,800 to Rs 3,500 per month with annual increase @ 10%. No efforts were made for reassessment of rent of these shops to fetch maximum possible / market based rent. Further, tenets of 03 shops were not paying rent since long but no action was taken for recovery of rent and vacation of shops. Furthermore, physical verification of properties was not being carried out by the administration of Municipal Committee Chenab Nagar.

Analysis regarding Spatial Planning

Management of Municipal Committee, is responsible to prepare spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Analysis regarding Human Resource Management

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Chief / Municipal Officers	4	2	2	2	2	2	2
2	Engineering Staff	2	1	1	1	1	2	0
3	Officials including clerical staff, assistants etc.	14	8	6	11	3	11	3
5	Class-IV	11	8	3	9	2	10	1
6	Sanitation Staff	79	22	57	25	54	21	58
Total		110	41	69	48	62	46	64

There was an acute shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning and deteriorated municipal infrastructure etc.

Conclusion

The overall financial management regarding achievement of revenue collection targets, utilization of funds meant for infrastructure development / improvement, provision of municipal services and asset management was not satisfactory. The performance of MC Chenab Nagar was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue collection as irregularities amounting to Rs 47.438 million were pointed out during audit of Financial Years 2016-19.

CHAPTER 41.2

Municipal Committee, Chenab Nagar

41.2.1 Introduction:

Municipal Committee, Chanab Nagar manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of MC Chenab Nagar

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	95.776	52.712
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

41.2.2 Comments on Budget & Accounts (Variance Analysis):

To achieve the targets as assigned to the PAO, following financial resources were given to Chief Officer, Municipal Committee during FY 2016-19. The detail is as under:

(Rupees in million)

Financial Year	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-17	Non-Development (Salary+ Non-Salary)	28.640	24.471	(4.169)	(14.56%)
	Development	5.395	2.281	(3.114)	(57.72%)
	Total	34.035	26.752	(7.283)	(21.40%)

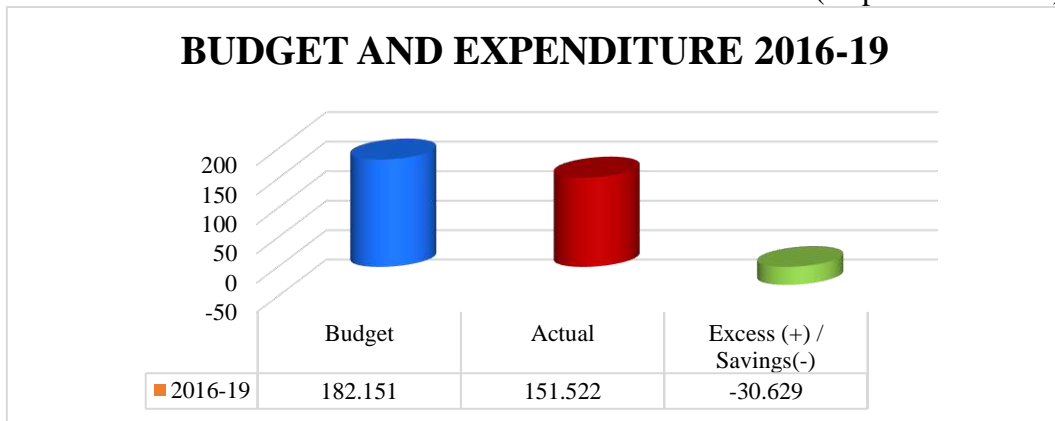
Financial Year	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2017-18	Non-Development (Salary+ Non-Salary)	82.492	55.481	(27.011)	(32.74%)
	Development	15.300	8.445	(6.855)	(44.80%)
	Total	97.792	63.926	(33.866)	(34.63%)
2018-19	Non-Development (Salary+ Non-Salary)	46.374	54.103	(7.729)	(16.67%)
	Development	3.950	6.741	(2.791)	(70.66%)
	Total	50.324	60.844	(10.520)	(20.90%)
Grand Total	Non-Development (Salary+ Non-Salary)	157.506	134.055	(23.451)	(14.89%)
	Development	24.645	17.467	(7.178)	(29.13%)
	Grand Total	182.151	151.522	(30.629)	(16.82%)
	Receipts	140.841	131.781	(9.06)	(6.433%)

Analysis of budget and expenditure indicated that:

- a. Analysis of Non-development budget and expenditure depicted that funds of Rs 157.506 million were allocated and expenditure of Rs 134.055 million was incurred, resultantly funds of Rs 23.451 million which in terms of percentage were 14.89% remained unutilized.
- b. Analysis of development budget and expenditure depicted that funds of Rs24.645 million were allocated and expenditure of Rs17.467 million was incurred, resultantly funds of Rs 7.178 million which in terms of percentage were 29.13% remained unutilized.
- c. Analysis of receipts depicted that total budgeted receipts for the Financial Year 2016-19 were Rs 140.841. million against which amount of Rs 131.781 million was collected during the year. There was a shortfall of Rs 9.060 million observed in revenues of the Municipal Committee, Chenab Nagar which in terms of percentage was 6.433%.

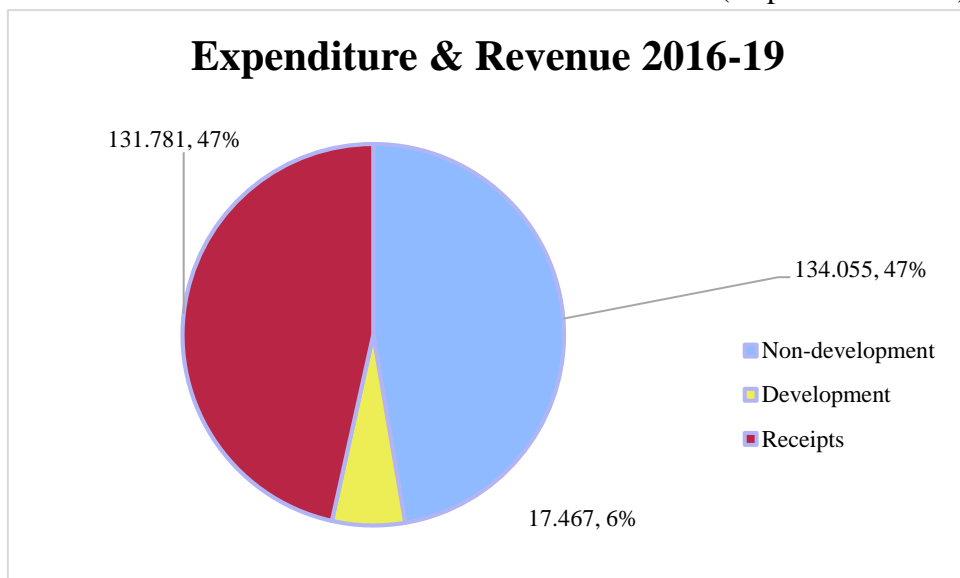
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure and revenue is as under:

(Rupees in million)



41.2.3 Classified Summary of Audit Observations:

Audit observations amounting to Rs 10.515 million were raised as a result of this audit. This amount also includes recoverable of Rs 9.423 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	0
2	Reported cases of fraud, embezzlement and misappropriation	0
3	Irregularities	0
A	HR/Employees related irregularities	1.028
B	Procurement of related irregularities	0
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	0
5	Others	9.487
Total		10.515

41.2.4 Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Chanab Nagar. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

41.3 Procedural Irregularities

41.3.1 Non-deduction of Social Security Contribution – Rs 1.028 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, an appropriate amount of the contributions payable, and pay such amount direct to the institution. Further, according to The Punjab Employees Social Security Institution (PESSI) letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014, in case contractor fails to produce certificate, the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office to cover the risks, mishaps and accidents.

Audit observed that Chief Officer, Municipal Committee Chenab Nagar got executed various works through 03 contractors during FY 2017-18 but payments were made without obtaining certificates regarding payment of Social Security Contribution of workers employed by the contractors. The management did not make efforts to deduct the Social Security Contribution amounting to Rs 1.028 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	Total Wages	Amount @ 6%
03	84	0.204	17.136	1.028

Audit is of the view that due to weak internal controls and lack of vigilance; Social Security Contribution was not deducted.

Non-deduction of Social Security Contribution resulted in excess payment of Rs 1.028 million to the contractors.

The matter was reported to PAO in January, 2020. It was replied that detailed response will be submitted after scrutiny of record. However, DAC meeting was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Social Security Contribution amounting to Rs 1.028 million from the concerned, under intimation to Audit.

[AIR Para: 7]

41.4 Others

41.4.1 Non-recovery of water rates – Rs 6.000 million

According to Rule 47(1) of PLG (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.

Audit observed that Chief Officer, Municipal Committee did not recover the water rate charges amounting to Rs 6.00 million from 2002 connection holders of different categories during FY 2017-19. Neither strenuous efforts were made to recover the outstanding dues nor any action was taken against defaulters which resulted in loss to MC as detail is below:

(Amount in Rupees)

Period	Demand	Recovery	Balance
01.07.2017 to 30.06.2018	14,717,059	12,517,059	2,200,000
01.07.2018 to 30.06.2019	19,918,460	16,118,460	3,800,000
Total	34,635,519	28,635,519	6,000,000

Audit is of the view that due to weak internal control; water rate charges were not recovered from different connection holders.

Less recovery on account of water rates resulted in loss of Rs 6.00 million to Municipal Committee.

The matter was reported to PAO in January, 2020. It was said that detailed reply would be submitted after scrutiny of record. No DAC meeting was convened till the finalization of this Report.

Audit recommends recovery of Rs 6.00 million on account of water rates, under intimation to Audit.

[AIR Para: 6]

41.4.2 Less-realization of sanitation / drainage fee – Rs 1.440 million

According to Municipal Committee, Chenab Nagar Notification No.667 dated 06.09.2017, sanitation / drainage fee was levied for different categories of

houses and different types of business holders at specified rates. Further, according to Schedule II of the Punjab Local Governments (Conduct of Business) Rules 2017, Municipal Officer (Finance) is responsible for collection of approved taxes, fees, rates, tolls, charges etc.

Audit observed that Municipal Officer (Finance), Municipal Committee Chenab Nagar failed to enforce said notification and less recovery of Rs 1.440 million on account of sanitation / drainage fee was made during FY 2017-19. Recovery on account of sanitation was not made on actual basis and its record was not maintained by the concerned staff. Resultantly, pilferage of revenue could not be ruled out. The detail is as under:

(Rupees in million)

Sr. No.	No. of Houses as per water connections	Year	Minimum per Annum rate	Annual Demand	Collection	Less recovered
1	4,853	2017-18	300	1.456	0.324	1.132
2		2018-19		1.456	1.148	0.308
Total						1.440

Audit is of the view that due to weak financial controls and management, less collection on account of sanitation / drainage fee was made.

Less recovery on account of sanitation / drainage fee resulted in loss of Rs 1.440 million to Municipal Committee.

The matter was reported to PAO in January, 2020. It was replied that detailed reply would be submitted after scrutiny of record. However, DAC meeting was not convened till the finalization of this Report.

Audit recommends the recovery of sanitation / drainage fee amounting to Rs 1.440 million on actual basis from the concerned, under intimation to Audit.

[AIR Para: 11]

41.4.3 Irregular provision of non-schedule items without rate analysis – Rs 1.043 million

According to Government of the Punjab, Finance Department instructions issued vide No.RO(Tech)FD-18-23/2004 dated 21.09.2004 read with Notification No.RO(TECH)FD.2-3/2004 dated 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the Competent Authority not below the rank of Superintending Engineer and rates shall not be more than the market rates. The Chief Engineers shall fix the rate of each item of the work for rough cost estimate for administrative approval and detailed estimate for technical sanction. However, finished rate of an item of work shall not exceed the market rate of that item in the area. Further, according to Condition of the Technical Sanctioned Estimate, all legal formalities should be completed before making payment on competitive basis/lowest market rates against non-schedule items.

Audit observed that Chief Officer Municipal Committee Chenab Nagar got executed works for construction and repair of office building through contractor at an agreement cost of Rs 2.950 million during FY 2017-18. Contrary to the above instructions, these items costing Rs 1.043 million were provided in estimate and paid to contractor without preparation of analysis of rates supported by quotations to verify the market rates. **(1/CNR)**

Audit is of the view that due to weak internal control, non-schedule items were provided and paid without preparation of analysis of rates and obtaining competitive market rates.

Provision of non-scheduled items without analysis of rates / obtaining market rates resulted in irregular payment of Rs 1.043 million to the contractor.

The matter was reported to PAO in January, 2020. It was replied that detailed reply would be submitted after scrutiny of record. However, DAC meeting was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para: 13]

41.4.4 Utilization of bricks without ensuring standard specifications and testing – Rs 1.004 million

According to Clause 11 and 14 of Contract Agreement for civil works, the contractor shall execute the whole and every part of work according to the specifications. In addition, if it appears that work has been executed with unsound, imperfect, or with materials of any inferior description, the contractor shall remove the materials or articles so specified. Further, according to Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum). Further, according to Superintending Engineer Provincial Buildings Circle, Faisalabad letter No.44-M/109-G/1021-25/G-II, dated 13.03.2001, due to non-availability of bricks of 2000 pounds per square inch (PSI), the utilization of the bricks having crushing strength 1700 PSI was allowed with recovery @ Rs 0.30 per brick from all running/final bills of the contractors.

Audit observed that Chief Officer, Municipal Committee Chenab Nagar awarded six works to the different contractors during FY 2017-18. Execution of works included 133,871 number of bricks costing Rs 1.004 million without adopting procedure to measure the strength, standard and specification of the bricks utilized. Therefore, in the absence of proper testing of bricks at the time of execution, the authenticity of utilization of 1st class bricks could not be proved.

Audit is of the view that due to weak internal controls, works were executed without specifications, standards and testing of bricks.

Utilization of bricks costing Rs 1.004 million without ensuring the required strength, quality and standard of bricks resulted in execution of substandard works.

The matter was reported to PAO in January, 2020. It was replied that detailed reply would be submitted after scrutiny of record. However, DAC meeting

was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para: 4]

Municipal Committee, Chiniot

CHAPTER 42.1

Sectoral Analysis of Municipal Committee, Chiniot

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Administration of Municipal Committee, Chiniot failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, following analysis has been made on the basis of available information and observation during filed audit.

Status regarding Revenue Collection targets and achievements

(Rupees in million)

Description	2017-18			2018-19		
	Budgeted	Actual	Shortage (% age)	Budgeted	Actual	Shortage (% age)
License fee (Dangerous and Offensive Trade)	0.300	0.310	3%	-	-	0%
Advertisement Fee on sign boards of shops / commercial places	5.100	8.590	68%	4.819	4.820	0%
License fee - others	0.050	0.090	80%	0.300	0.300	0%

Description	2017-18			2018-19		
	Budgeted	Actual	Shortage (% age)	Budgeted	Actual	Shortage (% age)
Receipts from public latrines	0.380	0.400	5%	0.150	0.150	0%
Registration / Enlistment of	0.880	0.880	0%	0.204	0.200	-2%
Rent of Municipal Property / Shops	2.200	1.730	-21%	3.900	3.900	0%
Sanitation Fee/ Safai Fee	0.400	0.260	-35%	0.150	0.170	13%
Sale of Sludge / Waste - water	0.100	0.100	0%	-	-	0%
Recovery of purchase of Land of Cattle Market	8.800	-	-100%	-	-	0%
Total	18.210	12.360	-32%	9.523	9.540	0%

While analyzing revenue collection targets and achievements of Municipal Committee Chiniot, it was observed that MC could not achieve revenue collection targets against Rent of Municipal Property / Shops and Sanitation Fee/ Safai Fee during 2017-18. Moreover, revenue targets under head of Advertisement Fee on sign boards of shops / commercial places and License fee – others during 2017-18 were unrealistic as actual recovery was 68% and 80%, excess than the targets. Further, no recovery was made under head of License fee (Dangerous and Offensive Trade) and Sale of Sludge / Waste - water during 2018-19 and 44% less recovery under head of Advertisement Fee on sign boards of shops / commercial places, 62.5% less recovery under head of Receipts from public latrines and 77.27% less recovery under head of Registration / Enlistment of were made in 2018-19 as compared with recovery made during 2017-18.

Furthermore, internal controls and monitoring mechanism was very weak as less recovery of Rs 0.485 was made from the contractor of auction of collection rights, fund of Rs 2.307 million was less recovered under head of rent of shops, Loss of Rs 67.100 million was sustained to MC due to mis-management in implementation of new tax schedule, penalty on delay in renewal of enlistment amounting to Rs 0.113 million was not imposed.

Organization of sports, cultural, recreational events, fairs and shows

For organization sports, cultural, recreational events, fairs and shows Municipal Committee, Chiniot was allocated 'Nil' budget during 2017-18. Moreover, fund of Rs 0.480 million was allocated under head of sports and youth affairs during 2018-19 and Rs 0.440 million was expensed. Hence, Municipal Committee failed to achieve objective of organizing sports, cultural, recreational events, fairs and shows.

Maintenance of Play Grounds

Fund of Rs 1.519 million was allocated for maintenance of play grounds in 2017-18 but not a single rupee was expensed and Nil fund was allocated in 2018-19.

Spatial Planning

Management of Municipal Committee, is responsible for preparing spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Human Resource Management

While analyzing the sanctioned, filled and vacant post it was observed that 77.80% of sanctioned posts in 2017-18 and 79.46% of sanctioned post in 2018-19 remained vacant which directly affects the performance of the Municipal Committee.

2017-18				2018-19			
Sanctioned	Filled	Vacant	% Vacant Posts	Sanctioned	Filled	Vacant	% Vacant Posts
455	101	354	77.80%	448	92	356	79.46%

Anti-Encroachment activity

Land of 43 marlas valuing Rs 133.644 million of Municipal Corporation (MC) remained unattended, even management did not know that the said land was property of TMA/MC, since more than 30 years. TMA/MC came to know about

the property when dispute arose between illegal encroachers of said land who are doing business after construction of shops.

Assets Management

Assets management by the administration of Municipal Committee Chiniot was very weak. Municipal Corporation (MC) made payment of Rs 88.223 million in 2014 to Land Acquisition Collector, Chiniot for acquisition of land measuring 24 Kanals 11 Marlas for establishment of Cattle Market. Thereafter, on establishment of Faisalabad Cattle Market Management Company that land was no more required to MC. But in spite of laps of 4 years neither land was taken in possession nor consideration already paid got reimbursed.

Conclusion

The overall financial management and performance of the MC regarding achievement of revenue collection targets, utilization of funds, assets management and anti-encroachment was not satisfactory. The performance of MC Chiniot was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue collection.

CHAPTER 42.2

Municipal Committee, Chiniot

42.2.1 Introduction:

Municipal Committee, Chiniot manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Chiniot

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	2.051	10.835
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

42.2.2 Comments on Budget & Accounts (Variance Analysis):

To achieve the targets as assigned to the PAO, following financial resources were given to Chief Officer, Municipal Committee, Chiniot during 2016-19. The detail is as under:

(Rupees in million)

Financial Year	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-17	Non-Development (Salary+ Non-Salary)	102.262	102.263	(0.001)	-
	Development	24.347	-	924.347)	(100.00%)
	Total	126.609	102.263	924.346)	(19.23%)
2017-18	Non-Development (Salary+ Non-Salary)	243.942	243.962	(0.020)	(0.01%)
	Development	87.614	55.241	(32.373)	(36.95%)

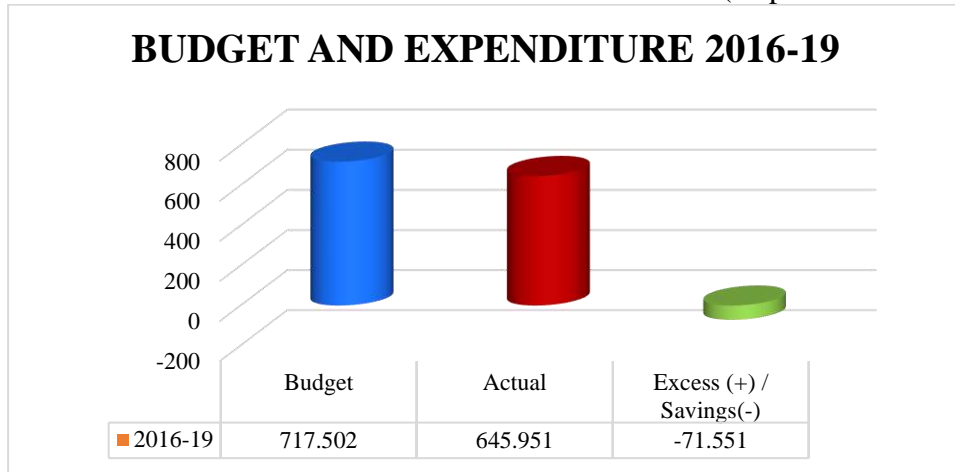
	Total	331.556	299.203	(32.353)	(9.76%)
2018-19	Non-Development (Salary+ Non-Salary)	253.054	225.367	(27.687)	(10.94%)
	Development	6.283	19.118	(12.835)	(204.28%)
	Total	259.337	244.485	(14.852)	(5.73%)
Grand Total	Non-Development (Salary+ Non-Salary)	599.258	571.592	(27.666)	(4.62%)
	Development	118.244	74.359	(43.885)	(37.11%)
	Grand Total	717.502	645.951	(71.551)	(9.97%)
	Receipts	45.712	36.166	(9.546)	20.88%)

Analysis of budget and expenditure indicated that:

- a. Analysis of Non-development budget and expenditure depicted that funds of Rs 599.258 million were allocated and expenditure of Rs 571.592 million was incurred, resultantly funds of Rs 27.666 million which in terms of percentage were 4.62% remained unutilized.
- b. Analysis of development budget and expenditure depicted that funds of Rs118.244 million were allocated and expenditure of Rs74.359 million was incurred, resultantly funds of Rs 43.885 million which in terms of percentage were 37.11% remained unutilized.
- c. Analysis of receipts depicted that total budgeted receipts for the Financial Year 2016-19 were Rs 45.712 million against which amount of Rs 36.166 million was collected during the year. There was a shortfall of Rs 9.546 million observed in revenues of the Municipal Committee, Chiniot which in terms of percentage was 20.88%.

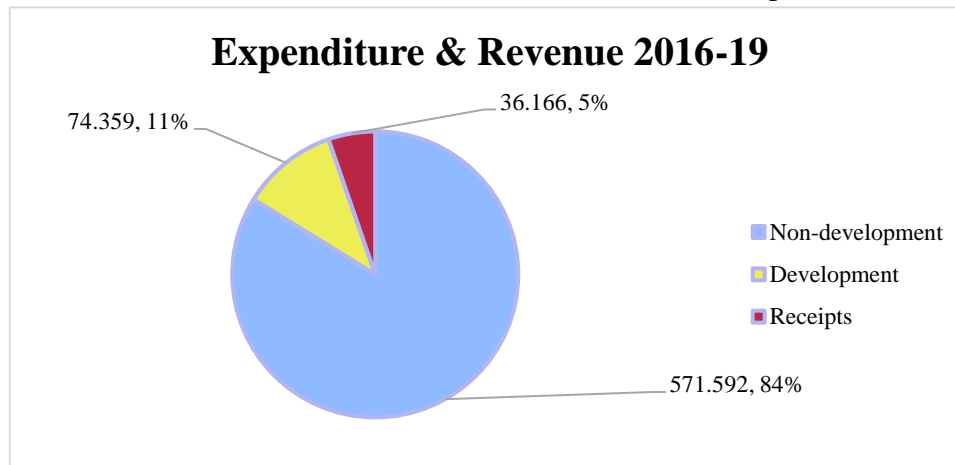
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure and revenue is as under:

(Rupees in million)



42.2.3 Classified Summary of Audit Observations:

Audit observations amounting to Rs 1095.513 million were raised as a result of this audit. This amount also includes recoverable of Rs 97.648 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	798.747
2	Reported cases of fraud, embezzlement and misappropriation	0
3	Irregularities	0
A	HR/Employees related irregularities	0
B	Procurement related irregularities	16.509
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	0
5	Others	280.257
Total		1095.513

42.2.4 Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Chiniot. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

42.3 Non-Production of Record

42.3.1 Non-production of record – Rs 798.747 million

According to Section 108(1&2) of the Punjab Local Government Act, 2013, the Auditor General of Pakistan shall, on the basis of such audit as he may consider appropriate or necessary, certify the accounts of a local government for each financial year. The Auditor General shall audit the accounts of a local government in such form and manner as may be deemed appropriate.

Management of Municipal Committee Chiniot failed to produce the auditable record related to expenditure of Rs 645.951 million and receipts of Rs 152.76 million for Audit verification despite repeated verbal and written requests. The details are given as under:

1. DDO Wise Cash Book for the period July 2016 to December 2016, Consolidated Cash Book for the month of December, 2016, Budget Control Register along with monthly and annual accounts along with vouchers and allied record for the period 2016-19;
2. Personal files along with service book and minutes of meeting of DPC of employees whose cadre was changed;
3. Register of encroachment / unauthorized occupations of land or building;
4. Moveable and immoveable property register, stock register, dead stock register;
5. Evidence of titles of land of shops against which rent of shops has been collected;
6. Record relating to development expenditure i.e. estimates, Admin and technical sanctions, vouchers, Standard Measurement Book, Measurement Book, Building Maintenance Register, Contractor Ledger, Petty / Small Contractors Ledger, Work Abstract, Register of

Roads and Streets, Roads and maintenance register, register of light points, lamp posts and Register of all kind of machinery, etc.

7. Record of Vehicles along with log books and Log Book of generators.
8. Detail of residences along with residence allotment register.
9. Detail of expenditure incurred on cattle market and revenue collected from cattle market during FY2014-15;
10. Record relating to TTIP, conversion fee, building fee, sanitation fee, coping fee, License Fee, miscellaneous fee, Sanitation Fee, and file relating to auction of land to Mr. Asif S/o Hafiz Ashiq etc.

Audit is of the view that non-production of record reflected irresponsible attitude on the part of management.

Non-production of record, resulted in creation of legitimacy of the expenditure of Rs 645.951 million and receipts of Rs 152.796 million.

The matter was reported to the Chief Officer during January, 2020. It was replied that the desired record would be shown at the earliest. The direction has already been issued. Reply is not tenable because despite the repeated requests the above mentioned auditable record was not produced to Audit. However, No DAC meeting was convened till the finalization of this Report.

Audit recommends to probe the matter besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 12]

42.4 Procedural Irregularities

42.4.1 Irregular / unauthentic payment process – Rs 16.509 million

According to Para 37(1) of Local Government Accounts Manual, employees shall be paid by direct credit into their bank account and may apply to be paid by cheque. Further, according to Rule (1) (a,b&c) of Punjab Local Government (Accounts) Rules 2017, the mode of payments from the local fund up to ten thousand may be made by Cash, payment exceeding rupees ten thousand shall be made through crossed non-negotiable cheque, payment of salary to the employees of the local government shall be made through direct credited system (DCS) in their respective bank account.

Audit observed that Chief Officer Municipal Committee Chiniot made payment amounting to Rs 16.509 million during FY 2016-19 from non- salary budget and same was acknowledged by the DDO / employee of the office or any other person instead of supplier / service provider. It was also observed that the payments were made in cash exceeding Rs 10,000, and the same was not acknowledged. The payment of employees on daily wages was made in cash instead of through Direct Credit System (DCS) which resulted in irregular and unauthentic payment.

Audit is of the view that due to weak internal control; payment was made without proper acknowledgement and DCS.

Payment was made without proper acknowledgement and DCS resulted in irregular / unauthentic expenditure of Rs 16.509 million.

The matter was reported to the PAO concerned during January, 2020. It was replied that the practice was adopted in FY 2016-18. Now the practice has been stopped. The detailed reply would be submitted after scrutiny of record. However, DAC meeting was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para: 13]

42.5 Others

42.5.1 Irregular execution of Build-Operate-Transfer Project (BOT) – Rs 102.360 million

According to Section 2 of the Punjab Public Private Partnership Act 2014, the Act shall apply to all the projects implemented through public private partnership in the sectors listed in First Schedule. Further, according to Section 39 of *ibid*, the provisions of this Act shall apply to a project of any Government Agency if the estimated total cost of such project exceeds twenty million rupees. Further, according to Section 9(1&5) of *ibid*, a Government Agency shall identify and prepare a project proposal, obtain approval of Committee and shall complete this phase before tendering. The Government Agency shall submit a project proposal to the Committee through PPP Cell.

Audit observed that Chief Officer MC Chiniot executed Build-Operate-Transfer Project (BOT) costing Rs 102.360 million (Approx.) for construction of market on plot of 20 Marla situated at renowned Furniture Market at Quaid-e-Azam, Road Chiniot without consideration of provision of Punjab Public Private Partnership Act 2014. Project was executed without preparation of project concept paper in the form of pre-feasibility, without approval of Public Private Partnership Steering Committee and without involvement of Public Private Partnership Cell and Risk Management Unit. Further, tendering process was also suspicious due to absence of Chief officer and chairman Auction committee which resulted in irregular execution of contract.

Audit is of the view that due to weak administration BOT Project was executed without getting approval from Public Private Partnership Steering Committee and without involvement of PPP Cell and Risk Management Unit. Besides this, tendering process was also suspicious.

Execution of Build-Operate-Transfer Project (BOT) without getting approval of Public Private Partnership Steering Committee and without involvement of PPP Cell and Risk Management Unit resulted in irregular execution of project amounting to Rs 102.360 million.

The matter was reported to the Chief Officer during January, 2020. It was replied that plot was lying vacant and tried to lease out many times but could not succeed. Finally, plot was leased out with condition that at the expiry of period contractor would hand over constructed building to MC, Chiniot. Hence, it may not be considered under PPP Act, 2014. Moreover, sanction was accorded by the competent forum i.e. house of Municipal Committee. Reply was not tenable as provisions of PPP Act, 2014 were not implemented and project was finalized without approval of Public Private Partnership Steering Committee and without involvement of PPP Cell and Risk Management Unit and tendering process was also suspicious. However, DAC meeting was not convened by PAO despite repeated efforts made by the Audit. No progress was intimated till the finalization of this Report.

Audit recommends to probe the matter at appropriate level for getting the project regularized from the Competent Authority besides fixing responsibility on person(s) at fault, under intimation to Audit.

[AIR Para: 11]

42.5.2 Non-recovery of consideration paid for acquisition of land – Rs 88.223 million

According to Rule 3 of the Punjab Local Government (Property) Rules, 2018, the local government, with the approval of the House, shall take such steps as may be necessary for purposes of effective administration and management of its property in the best interest and to accomplish the purpose of the Act. Further, according to Rule 11(2)(c) 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.

Audit observed that Chief Officer Municipal Committee made payment of Rs 88.223 million vide Cheque No.81824321 dated 14.04.2014 to Land Acquisition Collector, Chiniot for acquisition of land measuring 24 Kanals 11 Marlas for establishment of Cattle Market. Thereafter, on establishment of

Faisalabad Cattle Market Management Company (FCMMC) that land was no more required to TMA/MC. Neither land was taken in possession nor paid amount got reimbursed despite the lapse of 04 years.

Audit is of the view that due to weak financial controls, neither land was taken in possession nor paid amount (to get it) reimbursed despite the lapse of 04 years.

Non-taking in possession of land / non-reimbursement of already paid amount resulted in loss to TMA/MC amounting to Rs 88.223 million.

The matter was reported to the Chief Officer during January, 2020. It was replied that the matter has been taken up with the quarter concerned and is under process. However, DAC meeting was not convened by the PAO and no progress was intimated to the Audit till the finalization of this Report.

Audit recommends that recovery of paid amount of Rs 88.223 million besides fixing responsibility on person(s) at fault, under intimation to Audit.

[AIR Para: 9]

42.5.3 Loss of potential revenue due to non-implementation of new tax schedule – Rs 67.100 million

According to Rule 9(1) of the Punjab Local Government (Accounts) Rules, 2017, in case of loss to the local government through fraud and negligence, the person functioning on behalf of the local government shall be personally responsible and shall be liable to make good the loss.

Audit observed that Chief Officer Municipal Corporation, Chiniot auctioned the collection rights for newly introduced Toll Tax with the name of Depreciation of Road Tax on 13.02.2018 and accepted the highest bid of Rs 18.300 million for the period 15.02.2018 to 30.06.2018 without getting the New Tax Schedule 2017 notified in official Gazette. The bidder denied to deposit the instalment due to non-availability of official Gazette. The management refunded the bid security instead of getting the New Tax Schedule 2017 notified in official

Gazette. Resultantly, management failed to implement the New Tax Schedule and could not realize the potential revenue of Rs 67.100 million, as detailed below:

(Rupees in million)			
Sr. No.	Financial Year	Period	Amount of Loss
1	2017-18	15.02.2018 to 30.06.2018 (4.5 months)	18.300
2	2018-19	01.07.2018 to 30.06.2019 (12 months) (18.300/4.5) x12)	48.800
Total			67.100

Audit is of the view that due to negligence of management; new tax schedule was not implemented, by not getting it notified in official Gazette.

Non-implementation of new tax schedule by not notifying it in official Gazette resulted in loss of Rs 67.100 million to MC.

The matter was reported to the Chief Officer during January, 2020. It was replied that depreciation of road tax was not covered under rules. It was a good pre-mature effort on the part of Municipal Committee. But it could not be got notified in the official gazette because it was not covered under the rules. The good effort could not be considered as loss. Reply was not tenable as according to Section 115 of PLG Act, 2013 Local Government may levy any tax, fee, rate, rent, toll, charges or surcharge specified in third schedule. If tax was not under the rules then why was opinion of legal advisor not obtained before submission of suggestion in house, discussion in house, forwarding letter to administrative department, start of process of auction of collection rights and what about other revised rate of taxes, fee etc. However, DAC meeting was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends to inquire the matter and submission of detailed report besides fixing responsibility on person at fault, under intimation to Audit.

[AIR Para: 6]

42.5.4 Loss due to illegal occupation of land – Rs 13.790 million

According to the Punjab Local Government (Property) Rules, 2018, Rule 4 (a,b,i,j,l&m)ibid, the manager shall take 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, Administer the property as a trust for the optimum benefit to the public, keep in safe custody all the title deeds and other documents relating to the property, protect the boundaries of the land as demarcated, 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, prevent the property against nuisance, damage or misuse. Further, according to Rule 14(d) of ibid, the collecting officer shall collect receipts of the local government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement or compromise.

Audit observed that Land measuring 43 marlas of Municipal Committee Chiniot valuing Rs 133.644 million remained unattended and occupied by illegal encroachers through construction of shops since more than 25 years. Further scrutiny of record exposed that shop keepers were making payment of rent to illegal encroacher's @Rs 30,000 per month. Neither the land got vacated from the illegal encroachers nor any steps were taken by the management to generate the potential revenue which resulted in loss of Rs 13.790 million (Approx.) to MC.

Audit is of the view that due to weak administration, MC had to sustain loss because of illegal occupation of its land.

Illegal occupation of MC land resulted in potential loss to MC amounting to Rs 13.790 million.

The matter was reported to the PAO concerned during January, 2020. It was replied that matter was sub judice and would be informed accordingly. Reply was not tenable because neither the land was vacated from the illegal encroachers nor any steps taken by the management to generate the potential revenue from illegal constructed shops on MC's Land. No DAC meeting was convened till the finalization of this Report.

Audit recommends to inquire the matter at appropriate level and submit detailed report besides making good the loss of Rs 13.790 million (Approximately)

[AIR Para: 10]

42.5.5 Non-recovery of Punjab Sales Tax – Rs 2.784 million

According to Rule 5 read with Sub-Rule (2) of Rule 1 of the Punjab Sales Tax on Services (Withholding) Rules, 2012, a withholding agent shall, on receipt of taxable services from an unregistered service provider, deduct Sales Tax @ 16% of the value of taxable services provided to him.

Audit observed that Chief Officer Municipal Committee, Chiniot auctioned the collection rights for parking fee and advertisement fee for the financial year 2018-19 but Punjab Sales Tax (PST) of Rs 2.784 million (November, 2018 to June, 2019) was not recovered from the contractors.

(Rupees in million)

Sr. No.	Description	Financial Year	Amount of Auction (November, 2018 to June, 2019)	Amount of PST
1	Parking	2018-19	14.000	2.240
2	Sign Board	2018-19	3.403	0.544
Total			17.403	2.784

Audit is of the view that due to weak financial control; Punjab Sales Tax on Services was not recovered.

Non-recovery of Punjab Sales Tax resulted in loss of Rs 2.784 million to Government of the Punjab.

The matter was reported to the PAO concerned during January, 2020. It was replied that condition of Punjab Sales Tax was not included in the agreement and the contractor denied to pay the same. However, notices were served to the concerned contractors. The said matter has also been taken up with the PRA and Land Revenue Department. No DAC meeting was convened till the finalization of this Report.

Audit recommends recovery of Rs 2.784 million from the concerned, under intimation to Audit.

[AIR Para: 1]

42.5.6 Non-recovery of operational expenditure of cattle market – Rs 2.687 million

According to the Government of the Punjab, Local Government & Community Development Department letter No.AO.(Dev.)(LG)2-252/2014(P-IV) dated 20.11.2014, all the Commissioners in the Punjab are directed to reimburse the amount of the respective TMAs on holding of cattle markets since 01.07.2014. Further, according to the Chairman, FCMMC letter No.693-700 DLG/FSD dated 13.04.2015, the Company has to reimburse the operational expenditure incurred by the TMAs for holding of cattle market with effect from 01.07.2014.

Audit observed that management of Municipal Committee Chiniot failed to recover the operational expenditure amounting to Rs 2.687 incurred for holding of cattle markets in District Chiniot on behalf of Faisalabad Cattle Market Management Company (FCMMC) during financial year 2014-15 but no efforts were made to get the expenditure reimbursed from FCMMC despite the lapse of four years which resulted in loss to local Government.

Audit is of the view that due to weak financial control; management of MC Chiniot did not recover the expenditure incurred for holding cattle market from FCMMC.

Non-recovery of expenditure incurred on behalf of FCMMC resulted in loss of Rs 2.687 million to MC.

The matter was reported to the Chief Officer during January, 2020. It was replied that the matter relates to the financial year 2014-15. However, the matter would be taken up with the FCMMC for recovery of said amount. However, DAC meeting was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 2.687 million from the FCMMC, under intimation to Audit.

[AIR Para: 2]

42.5.7 Less recovery of rent of shops / property – Rs 2.307 million

According to the Government of the Punjab, Local Government (Accounts) Rules, 2017, Rule 11(2)(c), the Chief Officer shall ensure that any sums due to the local government are promptly realized and credited to the local fund. Further, according to Rule 14(d) of *ibid*, the collecting officer shall collect receipts of the local government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement or compromise.

Audit observed that management of Municipal Committee Chiniot auctioned the shops and property to different lessees but the rent amounting to Rs 2.307 million was less recovered. Neither efforts were made to realize the revenue nor any action taken by the management against defaulters.

Audit is of the view that due to weak financial control, rent of shop could not be realized by the management of the MC Chiniot.

Non-recovery of rent of shops amounting to Rs 2.307 million resulted in loss to MC.

The matter was reported to the Chief Officer during January, 2020. It was replied that major amount of recovery is pending because of court cases. The action would be taken up according to the court decision. However, DAC meeting was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends to recover the rent of shops amounting to Rs 2.307 million from defaulters, under intimation to Audit.

[AIR Para: 5]

42.5.8 Unauthorized and unauthentic expenditure under head of honorarium – Rs 1.006 million

According to Rule 9(1&2) of the Punjab Local Government (Accounts) Rules, 2017, in case of loss to the local government through fraud and negligence, the person functioning on behalf of the local government shall be personally responsible and shall be liable to make good the loss. The drawing and disbursing officer and the payee of the pay, allowances, 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 33(2) of ibid, the pre-audit function includes the detailed scrutiny of the claim voucher to guard against possible fraud and irregularities and to ascertain that the drawing and disbursing officer has diligently applied his mind to detect any fraud and irregularity.

Audit observed that management of Municipal Committee, Chiniot incurred expenditure of Rs 1.006 million under head of honorarium to 70 employees of BPS-(01 to 04) and 433 daily wage employees. Expenditure was held unauthorized / unauthentic due to following observations:

- i. Expenditure was incurred without allocation in budget;
- ii. Honorarium to daily wage employees was paid without any provision in the law/rules. Internal auditor made correction on bill and excluded daily wage employees. But thereafter, Tehsil Account Officer passed the bill with full amount;
- iii. Cheque was issued in favour of cashier instead of payment through Direct Credited System (DCS);
- iv. Record of acknowledgement receipts was not properly maintained as instances of payment to one employee for more than one payee, without acknowledgement and thump impression, could not be verified due to non-availability of copies of identification cards.

Audit is of the view that due to weak financial controls; funds were withdrawn without allocation of budget for honorarium to daily wage employees without admissibility and record of acknowledgement receipts.

Payment of honorarium without admissibility and allocation of funds resulted in unauthorized / unauthentic expenditure of Rs 1.006 million.

The matter was reported to the PAO during January, 2020. It was replied that record would be scrutinized and if excess payment is found the same would be recovered. However, DAC meeting was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends to inquire the matter besides fixing responsibility on person(s) at fault, under intimation to Audit.

[AIR Para: 7]

Municipal Committee, Lalian

CHAPTER 43.1

Sectoral Analysis of Municipal Committee, Lalian

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, development plans (implementation), asset management, anti-encroachment activity, human resource management etc. are given below:

Analysis regarding Revenue Collection targets and achievements

(Rupees in million)

Source of Income	2018-19		2016-18		Total		Shortage (% age)
	Target	Actual	Target	Actual	Target	Actual	
License fee	0.200	0.147	0.070	0.009	0.270	0.156	-42%
Market Fee	5.123	3.866	2.204	2.438	7.327	6.304	-14%
Conversion Fee	-	-	1.300	0.847	1.300	0.847	-35%
Sale of water	0.210	0.060	0.265	0.172	0.475	0.232	-51%

It was observed that MC could not achieve revenue collection targets against license fee, market fee, sale of water & conversion fee. Furthermore, internal controls and monitoring mechanism regarding revenue collection were very weak and even

periodical surveys were not conducted / demand & collection registers were not maintained which lead to vulnerability to leakage of revenue.

Analysis regarding funds utilization for Municipal Infrastructure

(Rupees in million)

Description	2018-19		2016-18		Total		Unutilized (% age)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase of Plant and Machinery	6.000	0.179	-	-	6.000	0.179	97%
Maintenance of Gardens	1.500	0.622	1.137	-	2.637	0.622	76%
M&R of Pipelines	2.146	1.604	-	-	2.146	1.604	25%
ADP (Current)	12.000	7.002	18.336	7.002	30.336	14.004	54%
Ongoing schemes ADP (previous year)	5.348	2.042	-	-	5.348	2.042	62%

MC Lalian could not ensure optimal utilization of funds for purchase plant / machinery for waste collection & disposal, sanitation, construction / improvement of roads / streets, repair maintenance of roads / streets and maintenance of parks / gardens which resulted in non-achievement of envisaged benefits.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee Lalian failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration and scrutiny of financial record, it was also observed that the performance of Municipal Committee Lalian in respect of service delivery was very poor as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Water Supply	Water supply facility was being provided to only 60 out of 8,378 households because water supply system was non-functional.
2	Clean Drinking Water	02 water filtration plants had been installed for provision of clean drinking water which were not

Sr. No.	Municipal Service	Status / Remarks
		sufficient as compared to the total population of MC Lalian.
3	Maintenance of Parks	There are 02 parks in the whole municipality which are not sufficient for the total population.
4	Play grounds	Municipal Committee was not maintaining any playground.
5	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC Lalian. It was assessed that almost 25% of the total households were not provided with the drainage / sewerage facility by MC.
6	Waste Collection	No reliable data regarding total waste generation and its collection / disposal was maintained by MC Lalian. During visits, heaps of waste were found on different locations of MC.
7	Street Lighting	Almost 25% area of the Municipal Committee was not provided with street lighting facility by the administration of MC Lalian.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population*	45,462	45,462	45,462
2	Number of sanctioned posts of sanitary workers	35	35	35
3	Number of filled posts of sanitary workers	35	35	35
4	Number of vacant posts of sanitary workers	-	-	-
5	Number of sanctioned posts of sewer man	2	2	2
6	Number of filled posts of sewer man	-	-	-
7	Expenditure incurred on repair and maintenance of existing sewerage line	-	-	-
8	Expenditure incurred on lying new sewerage lines	-	-	-
9	Number of existing solid waste dumping sites	-	-	-
10	Construction of new solid waste dumping sites	-	-	-
11	Number of existing landfill sites	-	-	-
12	Development of new landfill sites	-	-	-

*Population as per population census 2017

The human resources of the MC concerning solid waste management and sanitation were inadequate and could not meet the standard requirements. However, efforts were not made by the stakeholders and authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Non-improvement of solid waste dumping sites or landfill sites portray an unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard, even existing structure is also not maintained properly. Further, no dumping site was being maintained by the committee and garbage was being thrown in open space by the MC.

Analysis regarding Asset Management

Municipal Committee, Lalian owned different pieces of land. Land measuring 13 kanal 18 marlas was encroached by the illegal occupants. Authorities of MC failed to get the land vacated. Further, land measuring 07 kanal 09 marlas was occupied by the Tehsil Bar Council and lawyers for establishment of their chambers without any legal authority. Authorities of MC failed either to get vacated the land or recover any rent on prevailing market rates.

Analysis regarding Spatial Planning

Management of Municipal Committee, is responsible for preparing spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry, but no spatial plan was prepared / produced before Audit.

Analysis regarding Human Resource Management

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Chief / Municipal Officers	3	2	1	2	1	2	1
2	Engineering Staff	2	1	1	1	1	1	1
3	Officials including clerical staff, assistants etc.	17	11	6	11	6	11	6
5	Class-IV	13	7	6	7	6	7	6
6	Sanitation Staff	35	35	-	35	-	35	-
Total		70	56	14	56	14	56	14

There was shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning and deteriorated municipal infrastructure etc.

Conclusion

The overall financial management / performance of the Municipal Committee regarding achievement of revenue collection targets, utilization of funds meant for infrastructure development and improvement, provision of municipal services, spatial planning, execution of development plans, asset management, anti-encroachment activities, and human resource management was not satisfactory. The performance of MC Lalian was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue collection as irregularities amounting to Rs 45.445 million were pointed out during audit of Financial Year 2016-19.

CHAPTER 43.2

Municipal Committee, Lalian

43.2.1 Introduction:

Municipal Committee, Lalian manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Lalian

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	38.765	15.452
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

43.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets assigned to the PAO, following financial resources were given to Chief Officer, Municipal Committee, Lalian during FY 2016-19. The detail is as under:

(Rupees in million)

Financial Years	Description	Budget	Actual	Excess/ (Savings)	Savings (%)
2016-17	Non-Development (Salary+ Non-Salary)	10.758	10.758	-	0%
	Development	-	-	-	0%
	Total	10.758	10.758	-	0%
2017-18	Non-Development (Salary+ Non-Salary)	33.060	33.060	-	0%

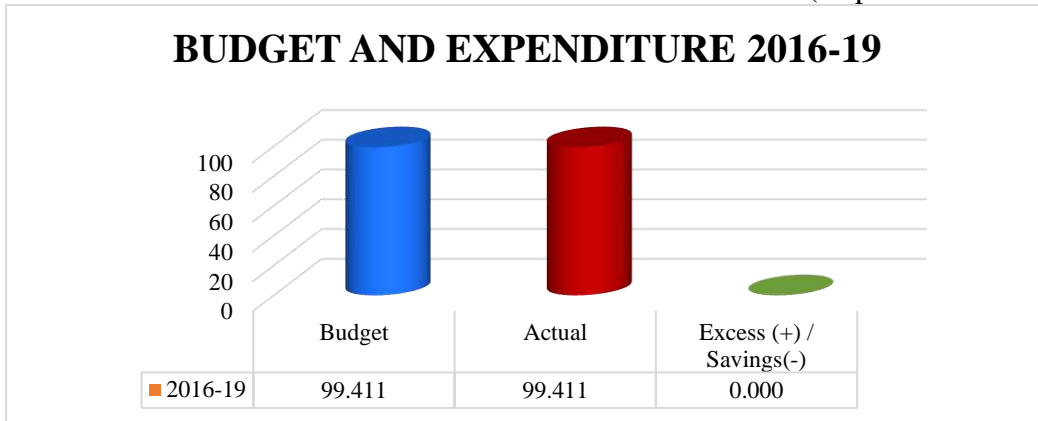
Financial Years	Description	Budget	Actual	Excess/ (Savings)	Savings (%)
	Development	11.624	11.624	-	0%
	Total	44.684	44.684	-	0%
2018-19	Non-Development (Salary+ Non-Salary)	41.927	41.927	-	0%
	Development	2.042	2.042	-	0%
	Total	43.969	43.969	-	0%
Grand Total	Non-Development (Salary+ Non-Salary)	85.745	85.745	-	0%
	Development	13.666	13.666	-	0%
	Grand Total	99.411	99.411	-	0%
	Receipts	38.631	38.631	-	0%

Analysis of budget and expenditure indicated that:

- a. Analysis of Non-development budget and expenditure depicted that funds of Rs 85.745 million were allocated and expenditure of Rs 85.745 million was incurred.
- b. Analysis of development budget and expenditure depicted that funds of Rs 13.666 million were allocated and expenditure of Rs 13.666 million was incurred.
- c. Analysis of receipts depicted that total budgeted receipts for the Financial Year 2016-19 were Rs 38.631 million against which amount of Rs 38.631 million was collected during the year.

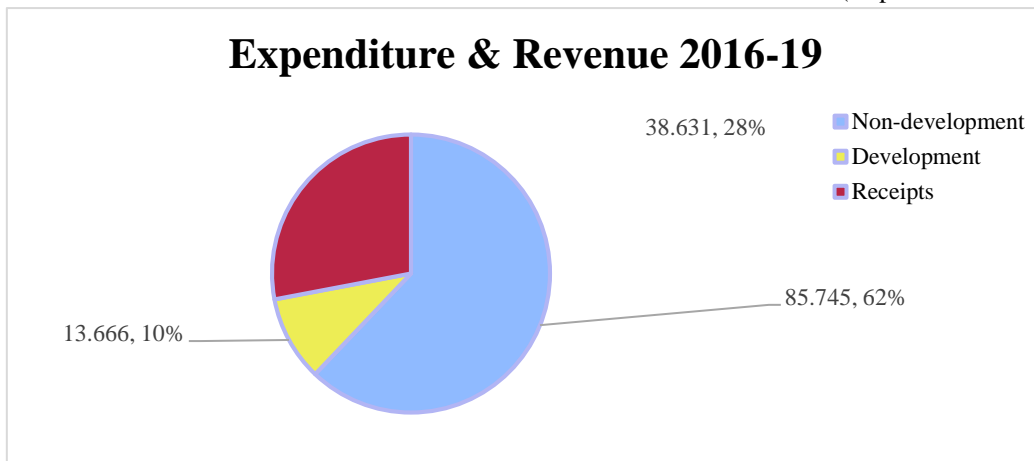
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure and revenue is as under:

(Rupees in million)



43.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 131.484 million were raised as a result of this audit. This amount also includes recoverable of Rs 28.420 million as pointed out by the audit. Summary of the audit observations classified by nature is, given in following table:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	1.264
B	Procurement of related irregularities	-
C	Management of Accounts with Commercial Banks	-
4	Values for money and service delivery issues	4.123
5	Others	126.097
Total		131.484

43.2.4 Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Lalian. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

43.3 Procedural Irregularities

43.3.1 Non-deduction of Social Security Contribution – Rs 1.264 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. Further, according to the Punjab Employees Social Security Institution letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014 duly endorsed by Government of the Punjab LG&CD Department vide letter No.SO.DG-DEV(LG)4-1/2014 dated 19.08.2014, in case of default of private contractors to get their employees registered with PESSI the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office.

Audit observed that Chief Officer Municipal Committee, Lalian got executed different development works through 04 contractors during FY 2016-19 but payment was made without obtaining certificate regarding payment of Social Security Contribution of workers employed by the contractors. Further, Chief Officer did not make efforts to deduct the Social Security Contribution @ 6 percent amounting to Rs 1.264 million from claims of the contractors before making payments, as detailed below:

(Rupees in million)

No. of Contractors	No. of Employees	Average wage rate/Annum	Total Wages	Amount @ 6%
04	117	15,000*12=180,000	21.060	1.264

Note: (Amount was calculated according to the list of employees provided by the contractors along with application for enlistment/renewal of enlistment).

Audit is of the view that due to weak internal controls and lack of vigilance Social Security Contribution was not deducted.

Non-deduction of Social Security Contribution resulted in excess payment of Rs 1.264 million to the contractors

The matter was reported to the PAO in January 2020. It was said that detailed reply would be submitted after scrutiny of record. However, DAC meeting was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 1.264 million from the concerned, under intimation to Audit.

[AIR Para: 12]

43.4 Value for Money and Service Delivery Issues

43.4.1 Blockage of local funds due to poor fund management – Rs 4.123 million

According to Section 3(c) of the Punjab Local Government Act, 2013, a Municipal Committee shall succeed the rights, assets and liabilities of the City District Government, District Government, Town/Tehsil Municipal Administration and Union Administration which fall within the area of the Municipal Committee.

Audit observed that cash book of defunct Union Administration No.43, showed a cash balance Rs 4.123 million lying in National Bank of Pakistan Lalian. Municipal Committee Lalian succeeded the defunct Union Administration after promulgation of PLGA 2013 w.e.f. January 2017. Neither any efforts were made to transfer the amount in consolidated fund of Municipal Committees account, nor the said funds could be utilized by the management of MC. Resultantly, said amount remained blocked/unutilized in the bank during the period.

Audit is of the view that due to weak financial controls; funds were not transferred in MC account.

The matter was reported to the PAO concerned in January 2020. It was said that detailed reply would be submitted after scrutiny of record. However, DAC meeting was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends to transfer the same amount in MC, Lalian's account besides fixing responsibility against the concerned for blockage of local funds, under intimation to Audit.

[AIR Para: 5]

43.5 Others

43.5.1 Encroachment of Local Government property – Rs 115.592 million

According to 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.”

Audit observed that on land measuring 21 kanals and 07 marlas valuing Rs 183.512 million belonging to Municipal Committee situated near Ramzan Bazar, Tehsil Bar Council lawyers constructed the chambers without any authority. Neither action for realization of any rent was taken nor any efforts for vacation of MC land from the illegal occupants made. The detail is given below:

(Rupees in million)

Sr. No.	Location of Land	Area of Land		Rate Per Marla (Rs)	Amount
		Kanal	Marla		
1	Near Ramzan Bazar	13	18	415,800	115.592
2	Tehsil Bar Council	07	09	415,840	67.920
Total		21	07	-	183.512

Audit is of the view that due to weak management; valuable property could not get vacated from encroachers.

Non-vacation of encroached property resulted in loss of property valuing Rs 115.592 million.

The matter was reported to the PAO in January 2020. It was replied that detailed reply would be submitted after scrutiny of record. However, DAC meeting was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends that vacation of local Government property from the land grabbers besides fixing responsibility on person(s) at fault, under intimation to Audit.

[AIR Para: 1,2]

43.5.2 Loss due to non-realization of sanitation/drainage fee – Rs 2.668 million

According to TMA, Chiniot Notification No.996 dated 04.10.2016 and Municipal Committee, Lalian Notification No.62 dated 21.04.2018, sanitation/drainage fee was levied for different categories of houses and different types of business holders at specified rates. Further, according to Schedule II of the Punjab Local Governments (Conduct of Business) Rules 2017, Municipal Officer (Finance) is responsible for collection of approved taxes, fees, rates, tolls, charges etc.

Audit observed that Municipal Officer (Finance), Municipal Committee Lalian failed to enforce the above said notification and did not make demand for collection of sanitation/drainage fee in the annual budget estimates after conducting of complete survey during FY 2017-19. Resultantly, recovery on account of sanitation/drainage fee amounting to Rs 2.668 million was not made which resulted in loss of MC due to non-realization of fee. The detail is as under:

(Rupees in million)

Sr. No.	No. of Houses	Rate per Annum	Annual Demand	No. of Years (2016-19)	Amount
1	4,446	300	1.334	02	2.668

Note: Due to non-conducting of survey, amount was calculated on the basis of data of last available population census conducted by Pakistan Bureau of Statistics in 2017)

Audit is of the view that due to weak financial controls and management, less collection on account of sanitation / drainage fee was made.

Less recovery on account of sanitation / drainage fee resulted in loss of Rs 2.668 million to Municipal Committee.

The matter was reported to the PAO in January 2020. It was said that detailed reply would be submitted after scrutiny of record. No DAC meeting was convened till the finalization of this Report.

Audit recommends to inquire the matter besides recovery of sanitation/drainage fee amounting to Rs 2.668 million from the concerned under intimation to Audit.

[AIR Para: 6]

43.5.3 Irregular award of works without approval of technically sanctioned estimates – Rs 2.535 million

According to Government of the Punjab, Finance Department letters Nos. FD(TMA)1-158/2005 dated 21.10.2010 and letter No. FD(FR)-II-2/89 dated 24.06.1996, procedure for issuance of Technical Sanction (TS) before inviting tenders and mentioning particulars of Technical Sanction in Notice Inviting Tenders (NIT) like amount, number, date of order etc. are not being observed in TMAs of the Punjab. 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, bids shall be invited with the prior approval of the Mayor or Chairman by the Chief Officer or any officer duly authorized by the Chairman or Mayor.

Audit observed that Chief Officer, Municipal Committee awarded five works for construction of drain, soling, repair of slaughter house and desilting of drains costing Rs 2.100 million to different contractors during FY 2017-19. Contrary to the above, works were awarded without approval of technically sanctioned estimates of the schemes and mentioning the particulars of technical sanction in the advertisement. The detail is as under:

(Rupees in million)

Sr. No.	Name of Work	Contractor	Remarks	Cost of Work	Expenditure
1	Construction/Repair of Slaughter House, Road Cut, Earth Filling etc.	Sami Ullah	Work awarded without approval of TSE	0.500	0.000
2	Desilting of Drains, Providing & Fixing of Manholes etc.	Shah Mir	Work awarded without approval of TSE	0.500	0.000
3	Construction of Drain, Soling etc. Street Munir Qureshi Wali	Shah Mir	Work awarded without approval of TSE	0.400	0.000

Sr. No.	Name of Work	Contractor	Remarks	Cost of Work	Expenditure
4	Construction of Drain, Soling etc.	M. Mansha	Work awarded without approval of TSE	0.700	0.643
5	Provision of Street Lights Material	Hameed Khan	Work awarded before approval of TSE	0.435	0.435
Total				2.535	1.078

Audit is of the view that due to weak internal controls, works were executed without technically sanctioned estimates.

Execution of works without TS estimates resulted in irregular expenditure of Rs 1.078 million.

The matter was reported to the PAO in January, 2020. It was said that detailed reply would be submitted after scrutiny of record. However, DAC meeting was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para: 7]

43.5.4 Utilization of bricks without ensuring standard specifications and testing – Rs 1.915 million

According to Clause 11 and 14 of Contract Agreement for Civil works, the contractor shall execute the whole and every part of work according to the specifications. In addition, if it appears that work has been executed with unsound, imperfect, or with materials of any inferior description, the contractor shall remove the materials or articles so specified. Further, according to Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum). Further, according to Market Rate System (MRS) issued from 2005-06 to 2015-16 by the Government of Punjab Finance Department, (i) The composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used respectively.

Audit observed that Chief Officer, Municipal Committee Lalian got executed 17 works for construction of drain, soling, etc. during FY 2017-19. Bricks costing Rs 1.915 million were used in these works but no methodology was adopted to measure the strength, standard and specification for the bricks utilized. Therefore, in the absence of proper testing of bricks at the time of execution, the authenticity of utilization of first-class bricks could not be provided.

Audit is of the view that due to weak internal controls, bricks were used without specification and standard.

The matter was reported to the PAO in January 2020. It was replied that detailed response would be submitted after scrutiny of record. No DAC meeting was not convened by PAO till the finalization of this Report.

Audit recommends to get the matter regularized from competent Authority, under intimation to Audit.

[AIR Para: 8]

43.5.5 Irregular payment of non-schedule items without rate analysis – Rs 1.814 million

According to the Government of the Punjab, Finance Department instructions vide No. RO(Tech)FD-18-23/2004 dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the Competent Authority not below the rank of Superintending Engineer on the basis of input rates of relevant quarter placed at website of Finance Department and rates shall not be more than the market rates. The Chief Engineers on the basis of these inputs rates shall fix the rate of each item of the work for rough cost estimate for administrative approval and detailed estimate for technical sanction in accordance with notification number No.RO(TECH)FD 2-3/2004 dated 02.08.2004. However, the finished rate of an item of work shall not exceed the market rate of that item in the area/district.

Audit observed that Chief Officer incurred expenditure of Rs 1.814 million on different works which included non-standardized items and made

payment to contractor without preparation of analysis of rates supported by quotations to verify the market rates. Further, expenditure on repair of tractors was incurred without obtaining certificate from Motor Vehicle Examiner/Agriculture Engineer. The detail is as under:

(Amount in Rupees)

Sr. No.	Name of Work	Description of Item	Amount
1	Provision & fixing of submersible pump Lady Park	P/laying Submersible Motor 4.5 HP	166,100
2	Provision & fixing of submersible pump Haji M. Siddique Lali Park	P/laying Submersible Motor 7.5 HP	75,600
3	Repair of Tractor 240	General Overhauling & Repair	220,000
4	Repair of Tractor MF 385	General Overhauling with Loader Repair	250,000
5	Repair of Tractor 240	General Overhauling & Repair	257,492
6	Repair of Water Bouzer MC Lalian	General Overhauling & Repair	773,000
7	Disposal of slaughter house waste water etc.	Horizontal boring by means of special drilling	72,000
Total			1,814,192

Audit is of the view that due to weak internal controls, non-schedule items were used and payment was made without rates analysis and approval of Competent Authority.

Expenditure amounting to Rs 1.814 million incurred on non-schedule items without getting approval and rate analysis which resulted in irregular expenditure.

The matter was reported to the PAO in January 2020. It was replied that detailed replied would be submitted after scrutiny of record. However, DAC meeting was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends that regularization of expenditure from the Competent Authority, under intimation to Audit.

[AIR Para: 9]

43.5.6 Irregular/unauthentic expenditure on repair of machinery & equipment – Rs 1.573 million

According to Rule 2.32 of the Punjab Financial Rules, Volume-I, a Government Servant's accounts should be correct to his own satisfaction. He has to satisfy not only himself but also to the Accountant General that the claim which has been accepted is valid. It is further essential that the record of payment, measurement and transaction in general must be so clear, explicit and self-contained as to be producible as satisfactory and convincing evidence of facts. 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.

Audit observed that Chief Officer, Municipal Committee Lalian incurred expenditure amounting to Rs 1.573 million on repair & maintenance of tractors, transformers, machinery & equipment during FY 2016-19. The payment was made without record entries in Measurement Book for works costing more than fifty thousand rupees, history sheet register showing detail of repairs was not maintained, estimates of the repairs were not technically sanctioned from the Competent Authority and replaced items were not taken into any stock. Resultantly the expenditure on repair of machinery and equipment could not be authenticated.

Audit is of the view that due to weak internal controls, payments were made without maintaining relevant record.

Non-availability of essential record created doubts regarding legitimacy of expenditure.

The matter was reported to the PAO in January 2020. It was replied that detailed reply would be submitted after scrutiny of record. However, DAC meeting was not convened by PAO despite repeated efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends that inquire the matter besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 10]

Municipal Committee, Chak Jhumra

CHAPTER 44.1

Sectoral Analysis of Municipal Committee, Chak Jhumra

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, expenditure on development plans implementation, asset management, anti-encroachment activity, human resource management etc. are given below:

Analysis regarding Revenue Collection targets and achievements:

(Rupees in million)

Source of Income	2018-19		2016-18		Total		Shortage (% age)
	Target	Actual	Target	Actual	Target	Actual	
License fee	0.370	-	0.625	0.357	0.995	0.357	-64%
Car Parking Fee	0.500	0.374	0.783	0.346	1.283	0.720	-44%
Slaughtering Fee	0.200	0.100	0.303	0.107	0.503	0.207	-59%
Sale of water	4.000	1.242	5.650	2.365	9.650	3.607	-63%
Sale of water arrears	2.429	1.184	2.198	0.918	4.627	2.102	-55%
Leases arrears	4.402	-	-	-	4.402	-	-100%
Khokha / Tehbazari Fee	2.991	-	-	-	2.991	-	-100%
Fine for Encroachments	0.050	0.024	-	-	0.050	0.024	-52%

It was observed that MC could not achieve revenue collection targets against license fee, car parking fee, enforcement fine, sale of water, recovery of arrears, slaughtering fee and Khokha / Tehbazari fee. Furthermore, internal controls and monitoring mechanism regarding revenue collection were very weak and even periodical surveys were not conducted / demand & collection registers were not maintained which led to vulnerability to leakage of revenue.

Analysis regarding funds utilization for Municipal Infrastructure

(Rupees in million)

Description	2018-19		2016-18		Total		Unutilized (% age)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase of Plant and Machinery	0.700	0.173	6.595	6.128	7.295	6.301	14%
Purchase of Transport	1.000	-	2.200	2.162	3.200	2.162	32%
Transport Stand & Terminal	1.500	-	-	-	1.500	-	100%
Office Building	1.600	0.101	0.550	-	2.150	0.101	95%
M&R Roads	1.000	-	-	-	1.000	-	100%
Transport (Repairs)	1.144	0.555	-	-	1.144	0.555	51%
Machinery and Equipment (Repairs)	0.970	0.565	-	-	0.970	0.565	42%
Repair and Maintenance of Others	0.725	0.073	-	-	0.725	0.073	90%
ADP (Current)	35.600	-	10.000	-	45.600	-	100%
Ongoing schemes ADP (previous year)	27.043	12.834	26.041	0.615	53.084	13.449	75%
Desilting of sludge carriers	0.800	-			0.800	-	100%
M&R of Street Lights	1.000	0.199			1.000	0.199	80%

MC Chak Jhumra could not ensure optimal utilization of funds for purchase of plant / machinery for waste collection & disposal, sanitation, construction / improvement of roads / streets, repair maintenance of roads / streets / transport and

provision & maintenance of street lights and purchase of transport which resulted in non-achievement of envisaged benefits.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee Chak Jhumra failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration and scrutiny of financial record, it was also observed that the performance of Municipal Committee Chak Jhumra in respect of service delivery was very poor as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Water Supply	Water supply facility was being provided to approximately 2000 out of 7,997 households.
2	Clean Drinking Water	02 water filtration plants had been installed for provision of clean drinking water which were not sufficient as compared to the total population of MC Chak Jhumra.
3	Maintenance of Parks	There are 02 parks in the whole municipality which are not sufficient for the total population.
4	Play grounds	Municipal Committee was not maintaining any playground.
5	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC Chak Jhumra. It was assessed that almost 30% of the total households were not provided with the drainage / sewerage facility by MC.
6	Waste Collection	No reliable data regarding total waste generation and its collection / disposal was maintained by MC Chak Jhumra. During visits, heaps of waste were found on different locations of MC.
7	Street Lighting	Almost 40% area of the Municipal Committee was not provided with street lighting facility by the administration of MC Chak Jhumra.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population*	48,724	48,724	48,724
2	Number of sanctioned posts of sanitary workers	64	64	64
3	Number of filled posts of sanitary workers	64	52	50
4	Number of vacant posts of sanitary workers	-	12	14
5	Number of sanctioned posts of sewer man	10	10	10
6	Number of filled posts of sewer man	-	-	-
7	Expenditure incurred on repair and maintenance of existing sewerage line	-	-	-
8	Expenditure incurred on laying new sewerage lines	-	-	-
9	Number of existing solid waste dumping sites	11	11	12
10	Construction of new solid waste dumping sites	-	-	-
11	Number of existing landfill sites	1	1	1
12	Development of new landfill sites	-	-	-

*Population as per Population Census, 2017

The human resources of the MC concerning solid waste management and sanitation were inadequate and could not meet the standard requirements. However, efforts were not being made by the stakeholders and authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Non-improvement of solid waste dumping site or landfill site portray an unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard and even existing structure was also not maintained properly.

Analysis regarding Asset Management

Municipal Committee, Chak Jhumra owned 685 shops at different places in the city, these properties were neither leased out nor got vacated from the illegal occupant due to which a loss of Rs 109.521 million was sustained to MC during

2017-19. Despite the Government instructions, authorities of MC did not make efforts to recover the rent of these properties.

Analysis regarding Spatial Planning

Management of Municipal Committee, is responsible for preparing spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Analysis regarding Human Resource Management

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Chief / Municipal Officers	5	3	2	3	2	4	1
2	Engineering Staff	3	3	-	3	-	1	2
3	Officials including clerical staff, assistants etc.	20	11	9	11	9	12	8
5	Class-IV	27	13	14	13	14	12	15
6	Sanitation Staff	93	64	29	64	29	64	29
	Total	148	94	52	94	52	93	55

There was an acute shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning and deteriorated municipal infrastructure etc.

Conclusion

The overall financial management / performance of the Municipal Committee regarding achievement of revenue collection targets, utilization of funds meant for infrastructure development and improvement, provision of municipal services, spatial planning, asset management, anti-encroachment activities, and human resource management was not satisfactory. The performance of MC Chak Jhumra was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue collection as irregularities amounting to Rs 158.526 million were pointed out during audit of Financial Year 2016-19.

CHAPTER 44.2

Municipal Committee, Chak Jhumra

44.2.1 Introduction:

Municipal Committee, Chak Jhumra manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Chak Jhumra:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	85.467	68.283
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

44.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to the Municipal Committee Chak Jhumra during 2016-19. The detail is as under:

(Rupees in million)

Financial Years	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-19	Non-Development (Salary+ Non-Salary)	363.854	182.498	(181.356)	(50%)
	Development	205.247	25.726	(179.521)	(87%)
	Total	569.101	208.224	(360.877)	(63%)
	Receipts	119.175	113.105	-6.070	-5.09 %

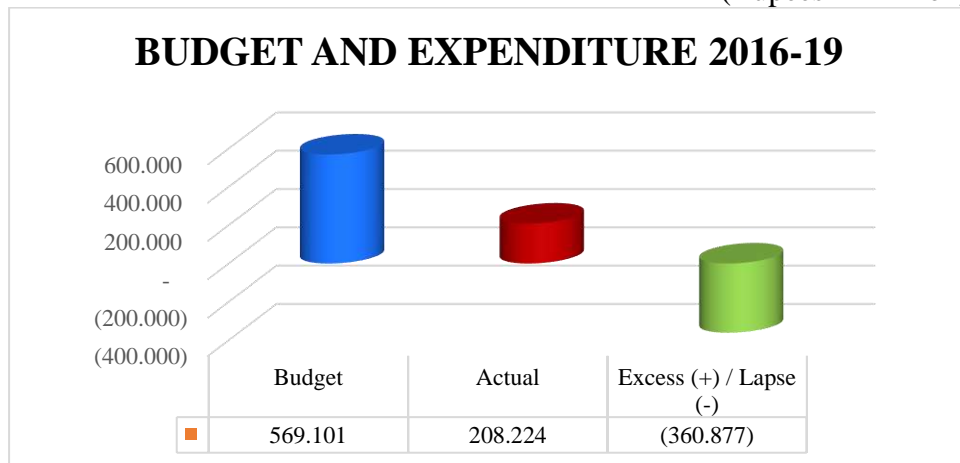
(Source: Annual Accounts 2016-19)

Analysis of budget and expenditure indicated that:

- a. An amount of Rs 363.854 million was provided for salary and other operational expenditure. A massive lapse of Rs 181.356 million was observed, which accounts for 50% of the total budget.
- b. An amount of Rs 205.247 million was provided for development, out of which only Rs 25.726 million was utilized. The department did not utilize funds in a timely manner, resulting in a lapse of Rs 179.521 million, representing a lapse of 87%.
- c. Analysis of receipts depicted that total budgeted receipts for the Financial Year 2016-19 were Rs 119.175 million against which amount of Rs 113.105 million was collected. The shortfall of Rs 6.070 million observed in revenues of the Municipal Committee, Chak Jhumra which in terms of percentage was 5.09%.

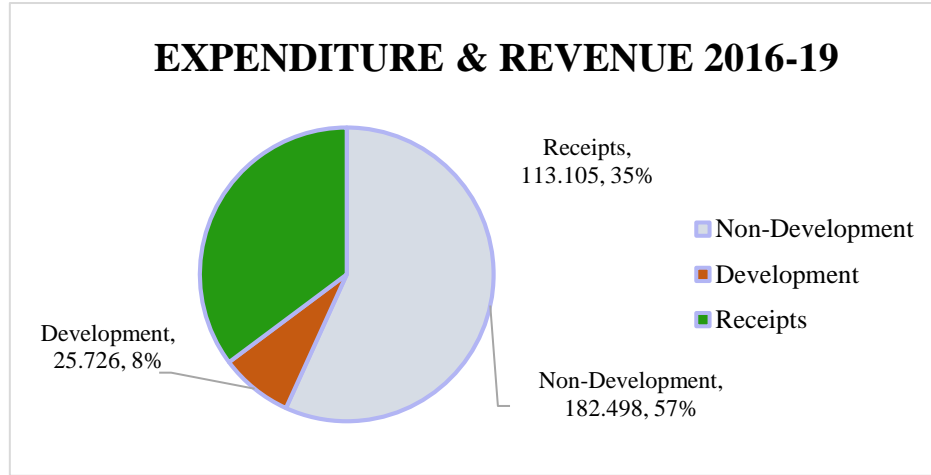
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure & revenue is as under:

(Rupees in million)



44.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 152 million were raised as a result of this audit. This amount also includes recoverable of Rs 20.259 million as pointed out by the audit. Summary of the audit observations classified by nature is given in following table:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	-
B	Procurement related irregularities	6.438
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	138.982
5	Others	6.580
Total		152.000

44.2.4 Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Chak Jhumra. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

44.3 Procedural Irregularities

44.3.1 Irregular award of collection rights to defaulter contractors – Rs 1.962 million

According to Rule 16(a) of the Punjab Local Governments (Auction of Collection Rights) Rules, 2016, a person shall not be eligible to be a contractor who is defaulter in respect of any dues to a Local Government.

Chief Officer, Municipal Committee Chak Jhumra awarded different collection rights to two contractors for Rs 1.962 million during 2018-19. Audit observed that these contracts were awarded to the defaulter contractors of the Municipal Committee on account of previous year's contracts. The details are as under:

(Amount in Rupees)

Sr. No.	Description of Income Source	Year	Amount Recoverable	Recovered Amount	Balance Recoverable	Remarks
1	General Bus Stand	2017-18	759,058	539,898	219,160	The contractors failed to pay the dues during 2017-18
2	Sale of Sludge Water	2017-18	402,500	308,050	94,450	
3	Adda Tam –	2017-18	1,058,000	745,655	312,345	
Total					625,955	
Sr. No.	Description of Income Source	Year	Contract Amount	Remarks		
4	Adda Tam Tam	2018-19	1,046,500	Contracts costing Rs 1.962 million were awarded to the defaulting contractors of the previous year in violation of above referred rule.		
5	Sale of Sludge Water	2018-19	415,150			
6	Taxi Stand / Car Parking	2018-19	500,250			
Total			1,961,900			

Audit is of the view that due to weak internal controls, contracts of collection rights were awarded to defaulter contractors.

Award of collection rights contracts to defaulter contractors resulted in favouritism and irregular award amounting to Rs 1.962 million besides violation of above referred rule.

The matter was reported to the PAO in February 2020 to which no reply was furnished by the management. No DAC meeting was convened till finalization of this Report.

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

[AIR Para: 6]

44.3.2 Non-award of work at risk and expense of defaulter – Rs 1.717 million

According to clause 3(a) and (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. District 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.

Municipal Officer (I&S), Municipal Committee Chak Jhumra awarded a civil work costing Rs 1.725 million for construction of soling, sludge carrier Main Bazar New Post Office Road to Chiniot Road at an agreement cost of Rs 1.717

million in March, 2018. However, after issuance of work order the work was not executed by the contractor and remained abandoned. Contrary to the above, MC authorities did not take action to forfeit the bid security and award the work at risk and expense of the original contractor. Furthermore, the said work was awarded to the original contractor without getting the estimate technically sanctioned.

Audit is of the view that due to weak internal controls; work was awarded without approval of TSE, work remained un-commenced and MC authorities did not award the same at risk and expense of the original contractors to any other contractor.

Award of work without approval of TSE & non-award of work costing Rs 1.717 million at risk and expense of the original contractors resulted violation of rules and clauses of Contract Agreement.

The matter was reported to the PAO in February 2020. It was replied that notices had already been issued to the contractor. Audit stressed upon regularization of the matter besides fixing responsibility on the person(s) at fault. No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter regarding award of work without approval of TSE besides awarding the works at risk and expense of original contractors.

[AIR Para: 8]

44.3.3 Utilization of bricks without ensuring standard specifications and testing – Rs 1.705 million

According to Clause 11 and 14 of Contract Agreement for Civil works, the contractor shall execute the whole and every part of work according to the specifications. In addition, if it appears that work has been executed with unsound, imperfect, or with materials of any inferior description, the contractor shall remove the materials or articles so specified. Further, according to Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum). Furthermore, according to Market Rate System issued from 2005-06

to 2015-16 by the Government of Punjab Finance Department, the composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

Chief Officer, Municipal Committee Chak Jhumra executed eight works for construction of drain, soling, etc. during 2017-19. Bricks costing Rs 1.705 million were used in these works but no methodology was adopted to measure the strength, standard and specification for the bricks utilized. Therefore, in the absence of proper testing of bricks at the time of execution, the authenticity of utilization of first class bricks could not be proved. The details are as under:

(Amount in Rupees)

Sr. No.	Name of Work	Description	No. of Bricks	Amount
1	Construction of Drain, Soling Ward # 9	P/L dry brick pavement	37,958	265,708
2	Construction of Drain, Soling Ward # 1	P/L dry brick pavement	9,543	66,800
3	Construction of Drain, Soling Ward # 2	P/L dry brick pavement	16,592	116,141
4	Construction of Soling Graveyard Eid Gah Road	P/L dry brick pavement	62,222	435,551
5	Construction of Boundary Wall Graveyard Chiniot Road	Pacca Brick Work F&P (1:6)	35,353	247,468
6	Construction of Boundary Wall Graveyard Chiniot Road	Pacca Brick Work OTB (1:6)	45,090	315,629
7	Construction of Drain Soling Resoling etc. Aslam Pura & Iqbal Pura	P/L dry brick pavement	33,894	237,260
8	Construction of Drain Soling PCC Sludge Carrier Chiniot Road Girls College to Mohallah Fazal Shah	P/L dry brick pavement	2,961	20,730
Total				1,705,287

Audit is of the view that due to weak monitoring mechanism; works were executed without specifications, standards and testing of bricks.

Utilization of bricks costing Rs 1.705 million without ensuring the required strength, quality and standard resulted in execution of substandard works.

The matter was reported to the PAO in February 2020 to which no reply was furnished by the management. No DAC meeting was convened till finalization of this Report.

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

[AIR Para: 9]

44.3.4 Irregular expenditure without tenders/quotations – Rs 1.054 million

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. Further, according to Rule 12 of *ibid*, 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.

Chief Officer, Municipal Committee Chak Jhumra incurred expenditure of Rs 1.054 million for purchase of furniture, chlorination plant and celebration of national / religious events i.e. 14th August, Moharram ul Haram and Eid Milad un Nabi during 2016-19. However, the expenditure was incurred without calling tenders/quotations and keeping amount of each bill less than Rs 100,000/50,000. **(1/CJH)**

Audit is of the view that due to weak internal controls, expenditure was incurred without open competition.

Expenditure amounting to Rs 1.054 million without open competition resulted in mis-procurement and violation of above referred rules.

The matter was reported to the PAO in February 2020. It was replied that tenders were invited but nobody was interested to submit quotation. The reply was not tenable because expenditure was incurred in violation of procurement rules. No DAC meeting was convened till finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of the expenditure from the competent authority, under intimation to Audit.

[AIR Para: 14]

44.4 Value for Money and Service Delivery Issues

44.4.1 Loss due to non-realization of rent from Tehbazari / Tharajaat holders – Rs 109.521 million

According to Para 2 of Government of the Punjab, Local Government & Community Development (LG&CD) Department letter No.SO.TAX(LG)2-45/2008 dated 31.08.2009, it was directed to recover outstanding amount, get the shops vacated from encroachers/Tehbazari holders and lease out the property in accordance with law and rules. Furthermore, according to Government of the Punjab, LG&CD Department letter No.SO Estate (LG) 2-18/2016 dated 26.09.2017, all the heads of local Governments in the Punjab were directed to revisit all agreements to ensure market rent of shops and in case of expiry of contract, immediately take back possession of property and put it to fresh auction after assessment of market rent by District Rate Assessment Committee (DRAC).

Chief Officer, Municipal Committee Chak Jhumra did not get vacated 396 shops from Tehbazari holders and 289 shops from Tharajaat holders since August, 2009 for further leasing out on market based assessed rent as Tehbazari was abolished in September, 2008. The shops remained under the possession of unauthorized occupants/Tehbazari / Tharajaat holders without auction and without recovery of market based rent amounting to Rs 109.521 million during 2017-19.

Audit is of the view that due to weak assets management; shops were not got vacated and leased out on the basis of fresh assessment by the District Rent Assessment Committee.

Non-re-auctioning of shops on the basis of fresh assessment resulted in loss to local Government amounting to Rs 109.521 million.

The matter was reported to the PAO in February 2020. It was replied that case for recovery of rent from Tehbazari/Tharajaat holders was under process. Audit stressed to pursue the case vigorously for vacation of properties from illegal occupants and recovery of rent for previous period as no action since 2009 has been taken in violation of Government instructions. No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides leasing of shops on the basis of fresh assessment of rent.

[AIR Para: 1]

44.4.2 Non-realization of Sewerage Tax – Rs 17.274 million

According to Sr. No.12 of Notification for levy of different fees/taxes w.e.f. 01.07.2010 issued by Administrator, Town Municipal Administration, Chak Jhumra, Sewerage Tax @ Rs 60 per month was levied. Furthermore, according to Schedule II of the Punjab Local Governments (Conduct of Business) Rules 2017, Municipal Officer (Finance) is responsible for collection of approved taxes, fees, rates, tolls, charges etc.

Municipal Officer (Finance), Municipal Committee Chak Jhumra failed to enforce the said notification in letter and spirit and did not raise demand for collection of Sewerage Tax in the annual budget estimates after conducting of complete survey during 2016-19. Resultantly, income on account of Sewerage Tax amounting to Rs 17.274 million could not be realized. The details are as under:

(Amount in Rupees)

Sr. No.	Year	No. of Households*	Rate Per Year	Amount
1	2016-17	7,997	720	5,757,840
2	2017-18	7,997	720	5,757,840
3	2018-19	7,997	720	5,757,840
Total				17,273,520

*(Due to non-conducting of survey, amount was calculated on the basis of data of last available population census conducted by Pakistan Bureau of Statistics in 2017)

Audit is of the view that due to lack of due diligence and poor financial management, demand was not raised in budget estimates.

Non-raising of demand against Sewerage Tax resulted in non-realization of revenue amounting to Rs 17.274 million.

The matter was reported to the PAO in February 2020. It was replied that there was no comprehensive sewerage system in the city. The reply was not tenable because it is the main function of Municipal Committee to provide

sewerage facility. Audit stressed upon justification for non-realization of Sewerage Tax. No DAC meeting was convened till finalization of this Report.

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

[AIR Para: 2]

44.4.3 Non-recovery of Water Rate – Rs 6.673 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.

Chief Officer, Municipal Committee Chak Jhumra did not recover Water Rate amounting to Rs 6.673 million from 1,573 connection holders of different categories during 2016-19. Strenuous efforts were not made to recover the outstanding dues from the defaulters. The details are as under:

(Rupees in million)

No. of Connection Holders	Outstanding Amount as on 30.06.2019	Amount Recovered up to January, 2020	Balance Recoverable
1,573	7.432	0.759	6.673

Audit is of the view that due to weak financial controls, Water Rate was not recovered.

Non-recovery of Water Rate amounting to Rs 6.673 million resulted in less collection of receipts by the Municipal Committee.

The matter was reported to the PAO in February 2020 to which no reply was furnished by the management. No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of Rs 6.673 million from the concerned at the earliest.

[AIR Para: 3]

44.4.4 Non-recovery of conversion and building plan approval fees – Rs 3.089 million

According to Rule 60(1)(e) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of land use to educational or healthcare institutional use shall be ten percent of the value of the land as per valuation table. Further, according to Rule 60(1)(a) of the rules ibid, the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be on specified per centage of cost of land i.e. 5 per cent if cost of land is less than one million, 10 per cent for cost of land from one million to ten million and 20 per cent for cost of land above ten million.

Owners of seven buildings converted the land from domestic to commercial use without depositing the conversion and building plan approval fee to the Municipal Committee Chak Jhumra. Planning branch of Municipal Committee issued notices for recovery of conversion and building plan approval fees from defaulters but could not recover an amount of Rs 3.089 million on account of conversion fee. The details are as under:

(Amount in Rupees)

Sr. No.	Name	Address	Area (Marla)	Rate / Marla	Amount	Rate	Conversion Fee
1	Al Areesh Marriage Hall	New Sabzi Mandi (Faisalabad Road)	87	116,886	10,169,082	20%	2,033,816
2	Al Falah School & College	Mubarak Pura	50	131,497	6,574,850	10%	657,485
3	M Ashfaq Hafiz	New Post Office Road	3.35	136,367	456,829	5%	22,841
4	Habib Gujjar	Faisalabad Road	2.2	116,886	257,149	5%	12,857
5	Geelani Marriage Hall	Chiniot Road	10	121,000	1,210,000	10%	121,000
6	Ali Imran Hospital	New Post Office Road	8	136,367	1,090,936	10%	109,094
7	Ed Excel School	Madni Park	10	131,497	1,314,970	10%	131,497
Total							3,088,591

Audit is of the view that due to weak managerial controls, strenuous efforts were not made for recovery of fees.

Non-recovery of conversion fee and building plan approval fees amounting to Rs 3.089 million resulted in loss to the local Government.

The matter was reported to the PAO in February 2020. It was replied that amount of conversion fee would be calculated as per rules and detailed reply would be submitted. Audit stressed to recover the conversion fee from concerned at the earliest. No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of conversion and building plan approval fees amounting to Rs 3.089 million from concerned.

[AIR Para: 5]

44.4.5 Non-recovery of local Government dues – Rs 1.317 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.

Chief Officer, Municipal Committee Chak Jhumra leased out different collection rights during 2016-19. Out of total recoverable amount of Rs 5.541 million, an amount of Rs 4.224 million was recovered from the contractor leaving Rs 1.317 million unrecovered. The details are as under:

(Amount in Rupees)

Sr. No.	Description of Income Source	Financial Year	Contract Amount	Advance Income Tax	Total Recoverable	Recovered	Balance
1	Sale of Sludge Water	2016-17	372,000	55,800	427,800	333,765	94,035
2	General Bus Stand	2017-18	660,050	99,008	759,058	539,898	219,160
3	Sale of Sludge Water	2017-18	350,000	52,500	402,500	308,050	94,450
4	Taxi Stand / Car Parking	2017-18	425,000	63,750	488,750	297,500	191,250
5	Adda Tam Tam	2017-18	920,000	138,000	1,058,000	745,655	312,345
6	Advertisement Fee	2017-18	385,000	57,750	442,750	121,967	320,783

Sr. No.	Description of Income Source	Financial Year	Contract Amount	Advance Income Tax	Total Recoverable	Recovered	Balance
7	Adda Tam Tam	2018-19	910,000	136,500	1,046,500	1,001,000	45,500
8	Sale of Sludge Water	2018-19	361,000	54,150	415,150	397,100	18,050
9	Taxi Stand / Car Parking	2018-19	435,000	65,250	500,250	478,500	21,750
Total					5,540,758	4,223,435	1,317,323

Audit is of the view that due to negligence and financial mismanagement, local Government dues were not recovered.

Non-recovery of local Government dues amounting to Rs 1.317 million resulted in less collection of receipts.

The matter was reported to the PAO in February 2020 to which no reply was furnished by the management. No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of Rs 1.317 million from the concerned at the earliest.

[AIR Para: 12]

44.4.6 Blockage of local Government funds – Rs 1.108 million

According to Section 3(c) of the Punjab Local Government Act, 2013, a Municipal Committee shall succeed the rights, assets and liabilities of the City District Government, District Government, Town/Tehsil Municipal Administration and Union Administration which fall within the area of the Municipal Committee.

Audit observed from the cash book of two defunct Union Administrations (UAs) of Jhumra City that an amount of Rs 1.108 million was available in the bank accounts of defunct UAs as on 31.12.2016. Municipal Committee Chak Jhumra succeeded the defunct Union Administrations after promulgation of PLGA 2013 w.e.f. January 2017. However, Municipal Committee authorities did not make any efforts to transfer the amount in consolidated fund of Municipal Committee. The said amount remained blocked in the bank during the period. The details are given in following table:

(Rupees in million)

Sr. No.	UA No.	Closing Balance as on 31.12.2016
1	12	0.469
2	13	0.639
Total		1.108

Audit is of the view that due to weak financial management, funds remained blocked.

Blockage of local funds amounting to Rs 1.108 million resulted in depriving the local populace from envisaged benefits.

The matter was reported to the PAO in February 2020. It was replied that funds of defunct UAs would be transferred to local Government's account after receipt of policy instructions from Government. Audit stressed to take measures for transfer of funds into local Governments account as the same are blocked since January, 2017. No DAC meeting was convened till finalization of this Report.

Audit recommends transfer of funds to MC general fund account for their proper utilization.

[AIR Para: 13]

44.5 Others

44.5.1 Irregular payment of non-schedule items – Rs 1.892 million

According to Government of the Punjab, Finance Department instructions vide letter No. RO(Tech)FD-18-23/2004 dated 21.09.2004 read with Notification No.RO(TECH)FD-2-3/2004 dated 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer on the basis of input rates of relevant quarter placed at website of Finance Department and approved by the Competent Authority not below the rank of Superintending Engineer/Chief Engineers. However, the finished rate of an item of work shall not exceed the market rate of that item in the area/district.

Chief Officer, Municipal Committee Chak Jhumra incurred expenditure of Rs 1.892 million on different non-standardized items during 2016-19. Contrary to the above, the items were provided in estimates and paid to contractor without preparation of analysis of rates supported by quotation to verify the market rates. In one case quotations were obtained after the award of work which showed different rates as provided in TSE. In another case, estimated amount was 39% more than the actual paid amount which proved that estimates/analysis of rates were prepared on assumption basis without obtaining market rates. The details are as under:

(Amount in Rupees)

Sr. No.	Name of Work	Description of item	Quantity	Rate Paid	Amount	Remarks
1	Construction / Improvement of Library	Supply AC ceiling fan 56" Lahore Fan	4	8,050	32,200	Quotation dated 03.04.2019 showed rate of Rs 7,350
2	Construction / Improvement of Library	Purchase of wooden office chair	15	6,300	94,500	Quotation dated 06.04.2019 showed rate of Rs 5,500
3	Construction / Improvement of Library	Providing of wooden table medium size	5	17,000	85,000	Quotation dated 06.04.2019 showed rate of Rs 15,000
4	Purchase of Water Bowser	Purchase of Water Bowser	1	765,000	765,000	Analysis of rates costing Rs800,000 was prepared without obtaining competitive market rates

Sr. No.	Name of Work	Description of item	Quantity	Rate Paid	Amount	Remarks
5	Purchase of Backhoe (Earth digging bucket)	Purchase of Backhoe (Earth digging bucket)	1	915,000	915,000	Analysis of rates were prepared without obtaining competitive market rates
Total					1,891,700	

Audit is of the view that due to weak internal and financial controls, provision and payment of non-schedule items was made on non-competitive rates.

Payment of non-schedule items amounting to Rs 1.892 million on non-competitive rates resulted in un-economical expenditure and violation of rules.

The matter was reported to the PAO in February 2020. It was replied that compliance would be made in future. Audit stressed upon fixing responsibility against concerned for violation of Government instructions. No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides fixing responsibility on the person(s) at fault.

[AIR Para: 7]

44.5.2 Non/less recovery of fees and taxes – Rs 1.719 million

According to Schedule II of the Punjab Local Governments (Conduct of Business) Rules 2017, Municipal Officer (Finance) is responsible for proposal of taxes, fees, rates, tolls, charges etc. and collection of approved taxes, fees, rates, tolls, charges etc. Further, according to Sr. No. 18 of Part-III of Third Schedule to the PLGA, 2013, the local Government may levy fee for registration and certification of births and marriages. Furthermore, according to Rule 47(1) of the rules ibid, the primary obligation of the collecting officer shall be to ensure that all revenue due is claimed, realized and credited immediately to the local fund and entered in the proper receipt head.

Audit observed that authorities of Municipal Committee, Chak Jhumra failed to collect / deduct marriage registration fee, Nikah Register license fee, contractors' enlistment fee, loss from departmental collection of parking fee on risk

and expense of defaulting contractor, Punjab Sales Tax on Services and Income tax amounting to Rs 1.719 million during 216-19. The details are as under:

(Rupees in million)

Sr. No.	Particulars / Nature of Recovery	Financial Year	Amount
1	Marriage registration fee and Registrar license fee	2017-19	0.662
2	Recovery of loss as risk & expense from defaulter contractor of parking fee	2016-17	0.472
3	Punjab Sales Tax on Services from the contractors of five sources of income during 2018-19	2018-19	0.453
4	Less deduction of taxes from service providers	2017-18	0.077
5	Less recovery of fee for enlistment of contractors	2016-18	0.055
Total			1.719

Audit is of the view that due to negligence and weak financial controls, recovery on account of fees was not made and taxes were also not recovered.

Non / less recovery of fees and taxes amounting to Rs 1.719 million resulted loss to Government.

The matter was reported to the PAO in February 2020. It was replied that compliance would be made after consulting relevant rules/bylaws. No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of fees and taxes amounting to Rs 1.719 million from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Paras: 16, 17, 18, 19, 20]

44.5.3 Non-imposition of penalty for delay in completion of works – Rs 1.500 million

According to Clause 2 of the Contract Agreement for civil works, the time limit for carrying out the work, as entered in tender, should be strictly observed by the contractor. In case of default, the contractor shall be liable to pay, as compensation, an amount equal to one percent of the estimated cost subject to a maximum of ten percent.

Municipal Officer (I&S), Municipal Committee Chak Jhumra awarded eight works costing Rs 15.000 million for construction of drain, soling, PCC etc. to different contractors during 2017-19 with completion period of 1 to 3 months. However, contractors failed to complete the works within stipulated period of completion provided in the agreements. Contrary to the above clause of agreement, Municipal Committee authorities did not impose penalty amounting to Rs 1.500 million for delay in completion of schemes. The details are as under:

(Rupees in million)

Sr. No.	Work Name	Estimated Cost	Agreement Cost	Work Done	Date of Award	Time Allowed	LD Charges @ 10%
1	Construction of Drain Soling Resoling etc. Aslam Pura & Iqbal Pura	1.500	1.493	0.779	31.03.2018	45 Days	0.150
2	Construction of Drain Soling PCC Sludge Carrier Chiniot Road Girls College to Mohallah Fazal Shah	6.500	6.471	4.560	31.03.2018	90 Days	0.650
3	Construction of Community Center, Drain, PCC etc.	0.500	0.497	0.251	31.03.2018	30 Days	0.050
4	Construction of Soling, Drain, PCC etc. Rasoolpura	1.500	1.490	0.979	31.03.2018	45 Days	0.150
5	Construction of Drain, Soling PCC etc. Ali Pura	1.000	0.995	0.469	31.03.2018	30 Days	0.100
6	Construction of Drain, Soling, PCC Mohallah Fazal Shah	2.000	1.984	0.968	31.03.2018	45 Days	0.200
7	Construction of Drain, Soling, PCC Mohallah Naveedabad, Muzafarabad, Farooqabad	1.000	0.992	0.819	31.03.2018	30 Days	0.100

Sr. No.	Work Name	Estimated Cost	Agreement Cost	Work Done	Date of Award	Time Allowed	LD Charges @ 10%
8	Construction of Drain, Soling, PCC Mohallah Mubarakpura	1.000	0.994	0.656	31.03.2018	30 Days	0.100
Total							1.500

Audit is of the view that due to weak internal controls, works remained incomplete and penalty was also not imposed.

Non-imposition of penalty resulted in non-completion of works and loss to the Government exchequer amounting to Rs 1.500 million.

The matter was reported to the PAO in February 2020 to which no reply was furnished by the management. No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter regarding non-completion of schemes within stipulated time besides recovery of Rs 1.500 million, under intimation to Audit.

[AIR Para: 10]

44.5.4 Non-deduction of Social Security Contribution – Rs 1.469 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. Further, according to the Punjab Employees Social Security Institution letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014 duly endorsed by Government of the Punjab LG&CD Department vide letter No.SO.DG-DEV(LG)4-1/2014 dated

19.08.2014, in case of default of private contractors to get their employees registered with PESSI the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office.

Municipal Committee Chak Jhumra got executed different development works through 07 contractors during 2016-19 but payment was made without obtaining certificate regarding payment of Social Security Contribution of workers employed by the contractors. Further, Chief Officer did not make efforts to deduct the Social Security Contribution @ 6 percent amounting to Rs 1.469 million from claims of the contractors before making payments. The details are as under:

(Rupees in million)

DDO	No. of Contractors	No. of Employees	Average wage rate/Annum	Total Wages	Amount @ 6%
Chief Officer, Municipal Committee, Chak Jhumra	07	136	15,000*12=180,000	24.480	1.469

(Amount was calculated according to the list of employees provided by the contractors along with application for enlistment/renewal of enlistment).

Audit is of the view that due to weak internal controls, deduction of Social Security Contribution was not made.

Non-deduction of Social Security Contribution amounting Rs 1.469 million resulted in excess payment to the contractors.

The matter was reported to the PAO in February 2020 to which no reply was furnished by the management. No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of Rs 1.469 million from the concerned, under intimation to Audit.

[AIR Para: 11]

Municipal Committee Dijkot

CHAPTER 45.1

Sectoral Analysis of Municipal Committee, Dijkot

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, development plans (implementation), asset management, anti-encroachment activity, human resource management etc. are given below:

Analysis regarding Revenue Collection targets and achievements

(Rupees in million)

Source of Income	2018-19		2017-18		Total		%age
	Target	Actual	Budget	Actual	Targets	Actual	
License Fee (Animal Drawn Vehicles)	0.200	0.156	0.070	0.225	0.270	0.191	29%
Fine for construction without approval of building plan	0.050	-	0.100	0.034	0.150	0.039	74%
Fine for Encroachments	0.030	0.015	0.030	0.022	0.060	0.027	54%
Fee for slaughtering of animals	0.700	0.624	0.800	1.087	1.500	1.306	13%
Receipts on account of sale of water - residential	2.000	0.770	2.000	2.010	4.000	2.083	48%
Receipts on account of sale of water - commercial	0.100	0.033	0.100	0.067	0.200	0.107	46%
Advertisement Fee on billboards/hoardings	1.020	0.020	0.800	1.191	1.820	1.239	32%
Arrears of Water Rate	1.000	0.707	1.800	0.799	2.800	1.245	56%

Municipal Committee Dijkot could not achieve revenue collection targets against license fee, building plan approval fee, fine for encroachment, fee for slaughtering of animals, receipt on account of sale of water residential, commercial and arears of water charges. The monitoring mechanism regarding revenue collection was very weak and even periodical surveys were not conducted / demand & collection registers were not maintained which lead to vulnerability to leakage of revenue.

Analysis regarding funds utilization for Municipal Infrastructure

(Rupees in million)

Description	2018-19		2016-18		Total		Unutilized (% age)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase of Plant and Machinery	1.4	1.295	2.2	0.505	3.6	1.8	50%
Maintenance of gardens	11.5	4.003	1	0.025	12.5	4.028	68%
Ongoing schemes ADP (Previous year)	8.5	6.59	24.2	22.956	32.7	29.546	10%
Purchase of Street Lights	5	1.663	3	3.868	8	5.531	31%
Repair of street light	0	0	0.5	0.064	0.5	0.064	87%
Repair and maintenance of water works	0	0	1	0.671	1	0.671	33%

MC Dijkot could not ensure optimal utilization of funds for purchase of plant/ machinery for waste collection & disposal, sanitation, maintenance of gardens, maintenance of street lights and maintenance of water works which resulted in non-achievement of envisaged benefits.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee Dijkot failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration, scrutiny of financial record, it was observed that the performance of Municipal Committee Dijkot in respect of service delivery was very poor as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Water Supply	Water supply facility was provided to 2297 houses out of 6107 households.
2	Clean Drinking Water	Only three water filtration plants were installed / operated / maintained by Municipal Committee Dijkot for the population of 41000.
3	Maintenance of Parks	There was only one park in the whole municipality and its condition was also miserable.
4	Play grounds	Municipal Committee Dijkot have no playground in Dijkot City.
5	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC Dijkot.
6	Waste Collection	No reliable data regarding total waste generation and its collection / disposal was maintained by MC Dijkot.
7	Street Lighting	Total no of roads and streets were 04 and 139 respectively but only 194 street lights were installed in the entire territory of municipality.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	39,917	40,914	42,000
2	Number of sanctioned posts of sanitary workers	16	16	16
3	Number of filled posts of sanitary workers	01	01	01
4	Number of vacant posts of sanitary workers	15	15	15
5	Number of sanctioned posts of sewer man	0	0	0
6	Number of filled posts of sewer man	0	0	0
7	Expenditure incurred on repair and maintenance of existing sewerage line	-	-	-
8	Expenditure incurred on lying new sewerage lines	-	-	-
9	Number of existing solid waste dumping sites	2	2	2
10	Construction of new solid waste dumping sites	-	-	-

The human resources of the MC concerning solid waste management and sanitation were inadequate. However, efforts were not being made by authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Non-improvement of solid waste dumping site

portrays unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard and even existing structure was also not maintained properly.

Analysis regarding Asset Management

Municipal Committee, Dijkot owned 30 shops, these shops were leased out at a nominal rent since decades. Despite the Government instructions authorities of MC did not make efforts to increase the rent of these shops to bring it to market rent rates which resulted in loss of revenue amounting to Rs 2.923 million during 2017-19. Furthermore, the authorities are not serious about safeguarding the public assets as 30 shops were handed over to tenants since decades without reauction.

Analysis regarding Spatial Planning

Management of Municipal Committee, is responsible for preparing spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Analysis regarding Human Resource Management

Sr. No.	Designation	Sanctioned Posts	2017-18		2018-19	
			Filled	Vacant	Filled	Vacant
1	Building Inspector	1	0	1	0	1
2	Junior Clerk	1	0	1	0	1
3	Senior Clerk	1	0	1	0	1
4	Computer Operator	1	0	1	0	1
5	Sanitary worker	16	01	15	01	15
6	Encroachment Inspector	1	0	1	0	1
7	Water supply Operator	3	1	2	1	2
Total		24	2	22	2	22

There was an acute shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning and deprive of municipal infrastructure etc.

Conclusion

The overall financial management and performance of the Municipal Committee Dijkot regarding achievement of revenue collection targets, utilization of funds meant for infrastructure development / improvement, provision of municipal services, spatial planning, execution of development plans, asset management, and human resource management was not satisfactory. The performance of MC Dijkot was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue collection.

CHAPTER 45.2

Municipal Committee, Dijkot

45.2.1 Introduction:

Municipal Committee, Dijkot manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Dijkot:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	45.841	71.050
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

45.2.2 Comments on Budget & Accounts (Variance Analysis):

To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to the Municipal Committee Dijkot during 2016-19. The detail is as under:

(Rupees in million)

Financial Years	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-19	Non-Development (Salary+ Non-Salary)	195.870	114.270	(81.600)	(41.66%)
	Development	40.400	36.538	(3.862)	(9.56%)
	Total	236.27	150.81	(85.462)	(36.17%)
	Receipts	307.445	177.625	-129.820	-42.23%

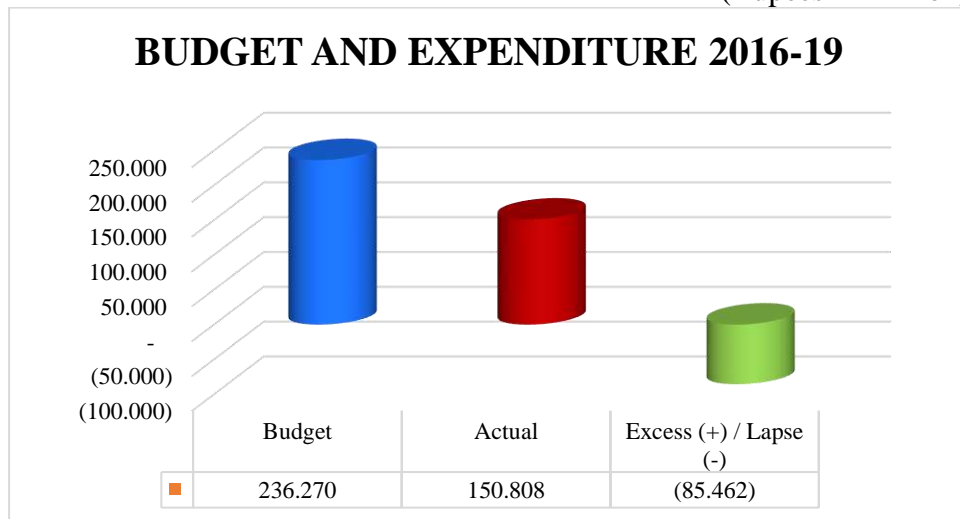
(Source: Annual Accounts 2016-19)

Analysis of budget and expenditure indicated that:

- a. An amount of Rs 195.870 million was provided for salary and other operational expenditure. A lapse of Rs 81.600 million was observed, which accounts for 41.66% of the total budget.
- b. An amount of Rs 40.400 million was provided for development, out of which Rs 36.538 million was utilized. The department did not utilize funds in a timely manner, resulting in a lapse of Rs 3.862 million, representing a lapse of 9.56%.
- c. Analysis of receipts depicted that total budgeted receipts for the Financial Years 2016-19 were Rs 307.445 million against which amount of Rs 177.625 million was collected. The shortfall of Rs 129.820 million observed in revenues of the Municipal Committee, Dijkot which in terms of percentage was 42.23%.

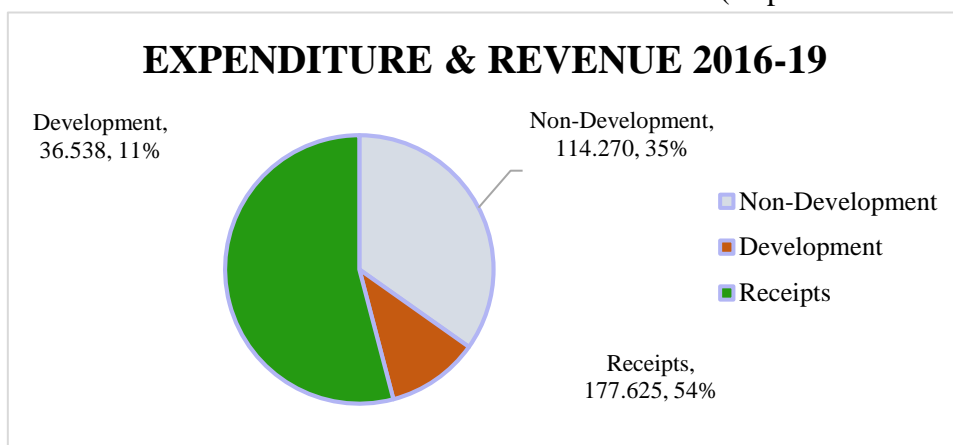
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure & revenue is as under:

(Rupees in million)



45.2.3 Classified Summary of Audit Observations:

Audit observations amounting to Rs 28.338 million were raised as a result of this audit. This amount also includes recoverable of Rs 8.467 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	-
B	Procurement related irregularities	10.728
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	7.355
5	Others	10.255
Total		28.338

45.2.4 Comments on the Status of Compliance with PAC Directives:

This is the 1st Audit Report on the accounts of Municipal Committee, Dijkot. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

45.3 Procedural Irregularities

45.3.1 Irregular payment due to non-conducting of laboratory tests – Rs 4.454 million

According to Rule 16 of the Punjab Local Governments (Works) Rules 2017, the Local Government engineer and his subordinates shall be responsible for ensuring that the work is executed in accordance with the specifications in the technically sanctioned estimates in the best interest of the local government and the provisions of the rules and terms of the contract are strictly enforced. Furthermore, according to Clause 28(1) of the Contract Agreement, the laboratory test to verify the quality and quantity of work was required to be carried out regularly.

Chief Officer, Municipal Committee, Dijkot made payment of Rs 4.454 million on provision of tuff tiles, construction of drain and soling during 2017-19. Quality of materials used in works i.e. bricks, RCC, tuff tile, steel etc. was not got tested from the authorized laboratories. However, payments were made to contractors without testing quality of work done. **(3/DJKT)**

Audit is of the view that due to weak monitoring mechanism, payments were made to contractors without ensuring quality, standard specification and strength of bricks, tuff tiles and other material used in works.

Payment for the works and utilization of tuff tiles, bricks and other material without ensuring quality and standard resulted in irregular payment amounting to Rs 4.454 million.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that the record of tests would be provided. No DAC meeting was convened till finalization of this Report.

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

[AIR Para: 9]

45.3.2 Irregular payment of bituminous items – Rs 4.144 million

According to Government of the Punjab, Communication & Works Department Notification No.SOH-I(C&W)1-49/2012(G) dated 13.06.2014, use of PARCO Biturox having grade 60/70 & grade 80/100 produced by Pak Arab Refinery Limited (PARCO), Mehmood Kot District Muzaffargarh was allowed in addition to bitumen of National Refinery Karachi. 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).

Chief Officer, Municipal Committee, Dijkot made payment amounting to Rs 4.144 million to the contractors during 2018-19 against bituminous items executed in four works without documentary evidence for procurement of bitumen from approved refineries. Furthermore, quality of bitumen was not got tested from the RR&MTI. The details are as under:

(Rupees in million)

Sr. No.	Name of Work	Work order No. & date	Item of Work	Qty (sft)	Rate (% sft)	Amount
1	Restoration of road cut main road and other streets	13/ 15.05.17	P/L Primary coat of bitumen	3040	663.5	0.019
			P/L 2" thick carpeting premixed	3,040	5,243.30	0.156
2	Const. of road Mirzi Pura Police Station Dijkot to Graveyard Dijkot	20.06.17	P/L Primary coat of bitumen	16,936	663.30	0.112
			P/L 2" thick carpeting premixed	16,936	5,530.98	0.936
3	Const. of Carpet road Main 79 Road Nagira Bakery	14/ 20.06.17	P/L Primary coat of bitumen	19,102	663.55	0.127
			P/L 2" thick carpeting premixed	19,102	5,530.98	1.057
4	Const. of carpet road 79 Road Fazal-ul-Haq Road to Graveyard Ward No.5 Dijkot	20/ 16.06.17	P/L Primary coat of bitumen	29,400	663.55	0.195
			P/L 2" thick carpeting premixed	29,400	5,243.30	1.542
Total						4.144

Audit is of the view that due to negligence and weak internal controls, the quality of bitumen items was not got tested from RR&MTI and consumption of approved quality bitumen was also not ensured.

Non-testing of bitumen items and non-ensuring the use of standard quality bitumen resulted in irregular expenditure amounting to Rs. 4.144 million.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that the test reports would be produced for verification. No DAC meeting was convened till finalization of this Report.

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

[AIR Para: 7]

45.3.3 Irregular payment of non-schedule items – Rs 2.130 million

According to Government of the Punjab, Finance Department instructions vide letter No. RO(Tech)FD-18-23/2004 dated 21.09.2004 read with Notification No.RO(TECH)FD-2-3/2004 dated 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer on the basis of input rates of relevant quarter placed at website of Finance Department and approved by the Competent Authority not below the rank of Superintending Engineer/Chief Engineers. However, the finished rate of an item of work shall not exceed the market rate of that item in the area/district.

Chief Officer, Municipal Committee, Dijkot made payment of Rs 2.130 million to the contractors for execution of non-standardized items i.e. providing/fixing LED Lights 120 watts, 90 watts and 40 watts complete in all respect in two civil works. Contrary to the above provisions, the non-standardized items were provided in estimates without preparation and approval of analysis of rates and payment was made accordingly. The details are given on next page:

(Rupees in million)

Sr. No.	Name of Work	Item of Work	Quantity	Rate	Amount
1	P/F LED street lights 120/watt Philips Co. with poles and accessories ADD Dijkot	P/F LED lights 120-watt Philips Co. in all respect	16	67,500	1.080
2	P/F street lights with poles and accessories different areas in Dijkot	P/R LED Light 90 to 100 watt P/L 40/Watt energy saver	300	3,500	1.050
Total					2.130

Audit is of the view that due to dereliction of duties, provision and payment of non-standardized items was made without approval of the competent authority.

Provision and payment of non-standardized items without sanction / approval from the competent authority resulted in irregular payment amounting to Rs 2.130 million.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that the compliance would be made in future. The reply was not tenable because payment was required to be made after approval of analysis of rates. No DAC meeting was convened till finalization of this Report.

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

[AIR Para 6]

45.4 Value for Money and Service Delivery Issues

45.4.1 Non-recovery of Water Rate and parking fee – Rs 3.414 million

According to Rule 7 of the Punjab Local Governments (Budget) Rules, 2017, the Collecting officer is responsible to ensure timely recovery against each demand, preparation of statement of arrears, if any, in the beginning of each financial year by carrying them forward from the previous financial year and include the same demand statement of the next financial year.

Chief Officer, Municipal Committee, Dijkot failed to recover the arrears of Water Rate and parking fee of bus stand amounting to Rs 3.414 million during 2018-19. The details are as under:

(Rupees in million)

Sr. No.	Source of Income	Amount
1	Arrears of Water Rate	2.725
2	Parking fee for auction of bus stand	0.689
Total		3.414

Audit is of the view that due to weak financial controls, arrears on account of Water Rate and parking fee were not recovered.

Non-recovery of arrears of Water Rate and parking fee amounting to Rs 3.414 million resulted in loss to Municipal Committee.

The matter was reported to PAO and DDO concerned in February, 2020. It was replied that the arrears pertained to defunct TMA Iqbal Town which would be enquired. The reply was not tenable because no efforts were made by the management to collect arrears.

Audit recommends recovery of arrears amounting to Rs 2.725 million besides fixing responsibility on the person(s) at fault for delay in realization of revenue.

[AIR Paras: 2, 14]

45.4.2 Loss due to non-assessment of market rate rent of shops – Rs 2.924 million

According to Rule 7 of the Punjab Local Government (Budget) Rules, 2017, the collecting officer shall make assessment of tax, fee or levy by the local government, on periodical basis for evaluating its potential and new tax proposals. Furthermore, 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 personally take the physical stock of property(s). 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.

Audit observed that Chief Officer, Municipal Committee, Dijkot did not make efforts for reassessment of rent of 30 shops despite expiry of their agreements long ago. Non-assessment of prevailing market rent rate and non-execution of fresh agreements caused loss of potential revenue amounting to Rs 2.924 million (approximately) to Municipal Committee during 2017-19. **(1/DJKT)**

Audit is of the view that due to negligence, efforts were not made to reassess the rent to fetch maximum revenue from local government properties.

Non-compliance of Government instructions resulted in misuse of public resources and loss of Rs 2.924 million.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that matter would be taken up with District Rent Assessment Committee for assessment of rent. The reply was not tenable because no efforts were made for fetching maximum rent despite instructions of the Government. No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides re-auction of shops after fresh assessment of rent.

[AIR Para: 1]

45.4.3 Loss due to non-auction of collection rights of advertisement fee – Rs 1.018 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.

Audit observed that Chief Officer, Municipal Committee, Dijkot collected revenue amounting to Rs 1.018 million on account of auction of collection rights of advertisement on billboard, hoardings during 2017-18 but failed to auction these collection rights during 2018-19 due to which revenue of Rs 1.018 million (approx.) could not be realized.

Audit is of the view that due to negligence, collection rights for advertisement fee were not auctioned.

Non-auction of collection rights of advertisement fee resulted in loss of income amounting to Rs 1.018 million.

The matter was reported to Chief Officer MC Dijkot in February, 2020. It was replied that due to shortage of staff and restrictions imposed by the Supreme Court of Pakistan on bill boards, hoarding and sign board the collection rights could not be auctioned. The reply was not tenable because during previous financial year 2017-18 a revenue of Rs 1.018 million was collected from the same source of income.

Audit recommends to probe the matter besides fixing responsibility on the person(s) at fault.

[AIR Para: 4]

45.5 Others

45.5.1 Non-achievement of targets of revenue – Rs 4.907 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.

Authorities of Municipal Committee, Dijkot fixed revenue targets of Rs 11.445 million during 2017-19 on account of Water Rate Charges, License & Permit Fee, Advertisement Fee etc. However, the revenue collecting authorities could not realize revenues according to targets and an amount of Rs 4.907 million which in terms of percentage was 43% remained unrecovered. **(2/DJKT)**

Audit is of the view that due to weak financial controls, revenue targets were not achieved by the revenue collecting authorities.

Less recovery of fees in comparison to fixed targets resulted in short realization of revenue amounting to Rs 4.907 million.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that due shortage of staff, revenue targets could not be achieved. The reply was not tenable because matter of shortage of staff required to be taken up with higher authorities. No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides fixing responsibility on the person(s) at fault.

[AIR Para: 3]

45.5.2 Execution of sub-standard / below specification civil work – Rs 4.047 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 of thickness of PCC pavement with ratio (1:2:4) laid in streets having up

to 6 feet width, 6 feet to 10 feet width and above 10 feet width would be 3 inch, 4 inch and 6 inch respectively.

Chief Officer, Municipal Committee, Dijkot executed works for construction of drain and PCC pavement in different streets during 2017-19. However, execution of work included providing / laying PCC in more than 10 feet wide streets with a thickness of 3 inches. Contrary to the above specifications, 3-inch thickness of the PCC pavement was executed instead of 6 inches which resulted in execution of below specification / substandard work costing Rs 4.047 million. **(4/DJKT)**

Audit is of the view that due to negligence, PCC pavement work was executed in violation of standard specifications.

Violation of standard specifications resulted in execution of below specifications / substandard work costing Rs 4.047 million.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that the instructions would be followed in future. No DAC meeting was convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault for execution of substandard work.

[AIR Para: 11]

45.5.3 Non-imposition of penalty and non-forfeiture of bid security – Rs 1.301 million

According to Clause 2 of the Contract Agreement for civil works, the time limit for carrying out the work, as entered in tender, should be strictly observed by the contractor. In case of default, the contractor shall be liable to pay, as compensation, an amount equal to one percent of the estimated cost subject to a maximum of ten percent.

Chief Officer, Municipal Committee, Dijkot awarded five works with prescribed time limits but the works were not completed within stipulated time and undue favour was extended to the contractors by not imposing penalty for abnormal

delay in completion of work resulting in loss of Rs 0.826 million. Furthermore, bid security amounting to Rs 0.475 of two contractors was also not forfeited due to non-execution of works. The details are given below:

(Rupees in million)

Sr. No.	Name of Work	Work order No. & date	Stipulated Completion Period	Agreement Amount	Delay Period	Amount
1	Repairing and Improvement soling, waiting rooms, bath rooms MC Dijkot	MCD/55/19 21.02.2019	02 Months	1.627	10 Months	0.163
2	De-silting / Cleaning sludge carrier Drainage Channels to Rehmat Pura 79 Road et MC Dijkot	MCD/52/19 21.02.2019	02 Months	1.930	10 Months	0.193
3	Providing and Fixing of street lights with poles and accessories different area in MC Dijkot	MCD/39/18 02.01.2018	03 Months	2.499	02 years 01 Months 19 days	0.250
4	Cosnt. Of Nala and Drain and Soling Fazal-ul-Haq Road MC Dijkot	MCD/31/18 02.01.2018	02 Months	1.197	02 years 01 Months 19 days	0.120
5	Const. of Drain Soling, Slabs, PCC Ward No 3 Rana Dilbar Hussain Councillor MC Dijkot	MCD/28/18 02.01.2018	02 Months	0.997	02 years 01 Months 19 days	0.100
A	Total Penalty					0.826
Sr. No	Name of Work					Bid Security
1	Improvement of parks, green belt, levelling, repairing, soling etc. MC Dijkot					0.300
2	Construction of Road 79 Road Liaquat Sabziwala via Imam bargah to Allied School, Mohallah Islam Pura, MC Dijkot					0.175
B	Total Bid Security					0.475
A+B	Total Recoverable Amount					1.301

Audit is of the view that due to weak management, penalty was not imposed and bid security was not forfeited for late completion / non-execution of works.

Non-imposition of penalty and non-forfeiture of bid security resulted in loss of Rs 1.301 million.

The matter was reported to Chief Officer MC Dijkot in February, 2020. It was replied that the penalty was imposed from time to time and record regarding bid security would be provided after scrutiny. The Reply was not tenable because no evidence regarding imposition of penalty and forfeiture of bid security was produced for verification. No DAC meeting was convened till finalization of this Report.

Audit recommends imposition and recovery of penalty for abnormal delay in completion of works and forfeiture of bid security for non-execution of works.

[AIR Paras: 15, 16]

Municipal Committee, Jaranwala

CHAPTER 46.1

Sectoral Analysis of Municipal Committee, Jaranwala

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, asset management, human resource management etc. are given below:

Analysis regarding Revenue Collection targets and achievements

(Rupees in million)

Source of Income	2018-19		2016-18		Total		Shortage (% age)
	Target	Actual	Target	Actual	Target	Actual	
License fee	1.275	0.907	2.300	0.730	3.575	1.637	-54%
Wagon Stand Fee	9.652	4.693	10.020	7.948	19.672	12.641	-36%
Fee for approval of Building/ Construction Plan	1.500	0.988	2.500	1.155	4.000	2.143	-46%
Fine for construction without approval of building plan	0.500	0.420	0.600	0.311	1.100	0.731	-34%
Conversion Fee	3.000	4.412	8.000	3.285	11.000	7.697	-30%
Sale of waste water	0.672	-	1.160	0.584	1.832	0.584	-68%
Sale of water	1.500	0.625	0.460	0.349	1.960	0.974	-50%
Rent of municipal Property - Shops	10.000	6.617	13.400	10.530	23.400	17.147	-27%
Fine for Encroachments	0.100	0.146	0.200	0.108	0.300	0.254	-15%

It was observed that MC could not achieve revenue collection targets against license fee, building plan approval fee, enforcement fine, sale of water, rent of municipal property & fine for construction without approval of building plan. Furthermore, internal controls and monitoring mechanism regarding revenue collection were very weak, even periodical surveys were not conducted / demand & collection registers were not maintained which lead to vulnerability to leakage of revenue.

Analysis regarding funds utilization for Municipal Infrastructure

(Rupees in million)

Description	2018-19		2016-18		Total		Unutilized (% age)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase of Plant and Machinery	5.750	2.188	3.900	2.382	9.650	4.570	53%
Transport (Repairs)	1.500	1.266	1.500	1.269	3.000	2.535	16%
Machinery and Equipment (Repairs)	1.000	0.843	2.350	1.263	3.350	2.106	37%
Repair and Maintenance of Others	10.792	5.487	20.000	9.487	30.792	14.974	51%
Maintenance of gardens	0.500	-	0.500	-	1.000	-	100%
ADP (Current)	43.943	-	130.000	89.791	173.943	89.791	48%
On going schemes ADP (Previous year)	32.166	8.719	15.213	2.565	47.379	11.284	76%
Purchase of Street Lights	1.649	0.716	2.000	1.310	3.649	2.026	44%

MC Jaranwala could not ensure optimal utilization of funds for purchase of plant / machinery for waste collection & disposal, sanitation, construction and improvement of roads or streets, repair and maintenance of roads / streets / transport, provision & maintenance of street lights, maintenance of parks / gardens which resulted in non-achievement of envisaged benefits. Besides this, funds meant execution of development plans substantively remained unutilized.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee Jaranwala failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration and scrutiny of financial record, it was observed that the performance of Municipal Committee Jaranwala in respect of service delivery was very poor as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Water Supply	Water supply facility was being provided to only 729 out of 23,670 households because water supply system was non-functional.
2	Clean Drinking Water	05 water filtration plants had been installed and 03 Saaf Pani Markaz were constructed for provision of clean drinking water which were not sufficient as compared to the total population of MC Jaranawala.
3	Maintenance of Parks	There are 24 parks in the whole municipality including 04 main/large parks, condition of most of the small parks was miserable.
4	Play grounds	Municipal Committee was maintaining only 01 playground which is not sufficient for the population of municipality.
5	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC Jaranwala. It was assessed that almost 20% of the total households were not provided with the drainage / sewerage facility by MC. Further, seepage in newly constructed sewerage line was also observed during field visits.
6	Waste Collection	No reliable data regarding total waste generation and its collection / disposal was maintained by MC Jaranwala. During visits, heaps of waste were found on different locations of MC.
7	Street Lighting	Almost 50% area of the Municipal Committee was not provided with street lighting facility by the administration of MC Jaranwala.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	150,380	150,380	150,380
2	Number of sanctioned posts of sanitary workers	180	180	180
3	Number of filled posts of sanitary workers	180	180	180
4	Number of vacant posts of sanitary workers	-	-	-
5	Number of sanctioned posts of sewer man	2	2	2
6	Number of filled posts of sewer man	-	-	-
7	Expenditure incurred on repair and maintenance of existing sewerage line	-	-	-
8	Expenditure incurred on lying new sewerage lines	-	-	-
9	Number of existing solid waste dumping sites	-	-	-
10	Construction of new solid waste dumping sites	-	-	-
11	Number of existing landfill sites	-	-	-
12	Development of new landfill sites	-	-	-

*Population as per population census 2017

The human resources of the MC concerning solid waste management and sanitation were inadequate and could not meet the standard requirements. However, efforts were not being made by the stakeholders and authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Non-improvement of solid waste dumping site or landfill site portray an unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard and even existing structure was also not maintained properly. Further, no dumping site was being maintained by the committee and garbage was being thrown in open spaces by the MC.

Analysis regarding Asset Management

Municipal Committee, Jaranwala owned various shops and buildings at different places in the city, these properties were leased out at a nominal rent since decades. Despite the Government instructions, authorities of MC did not make efforts to increase the rent of these properties to bring it to market rent rates. Further, residence of MC has been illegally occupied by the ex-Legal Advisor. The MC has no record of ownership and title of these properties.

Analysis regarding Spatial Planning

Management of Municipal Committee, is responsible for preparing spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Analysis regarding Human Resource Management

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Chief / Municipal Officers	5	4	1	4	1	5	0
2	Engineering Staff	6	4	2	4	2	5	1
3	Officials including clerical staff, assistants etc.	71	40	31	40	31	40	31
5	Class-IV	91	55	36	55	36	52	39
6	Sanitation Staff	246	180	66	180	66	180	66
Total		419	283	136	283	136	282	137

There was shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning and deteriorated municipal infrastructure etc.

Conclusion

The overall financial management / performance of the municipal committee regarding achievement of revenue collection targets, utilization of funds meant for infrastructure development and improvement, provision of municipal services, spatial planning, execution of development plans, asset management, and

human resource management was not satisfactory. The performance of MC Jaranwala was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue collection as irregularities amounting to Rs 160.976 million were pointed out during audit of Financial Year 2016-19. Further, assets management of MC Jaranwala was also not up to the mark as one residence is encroached by the ex-legal advisor and one building is occupied by the Technical Education and Vocational Training Authority without any legal authority.

CHAPTER 46.2

Municipal Committee, Jaranwala

46.2.1 Introduction

Municipal Committee, Jaranwala manages following offices:

Description	No. of Offices
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Jaranwala:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	225.460	181.783
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

45.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to the Municipal Committee Jaranwala during 2016-19. The detail is as under:

(Rupees in million)

Financial Years	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-19	Non-Development (Salary+ Non-Salary)	720.902	513.695	(207.207)	(29%)
	Development	223.563	133.313	(90.250)	(40%)
	Total	944.465	647.008	(297.457)	(31%)
	Receipts	277.622	302.972	25.350	9.13%

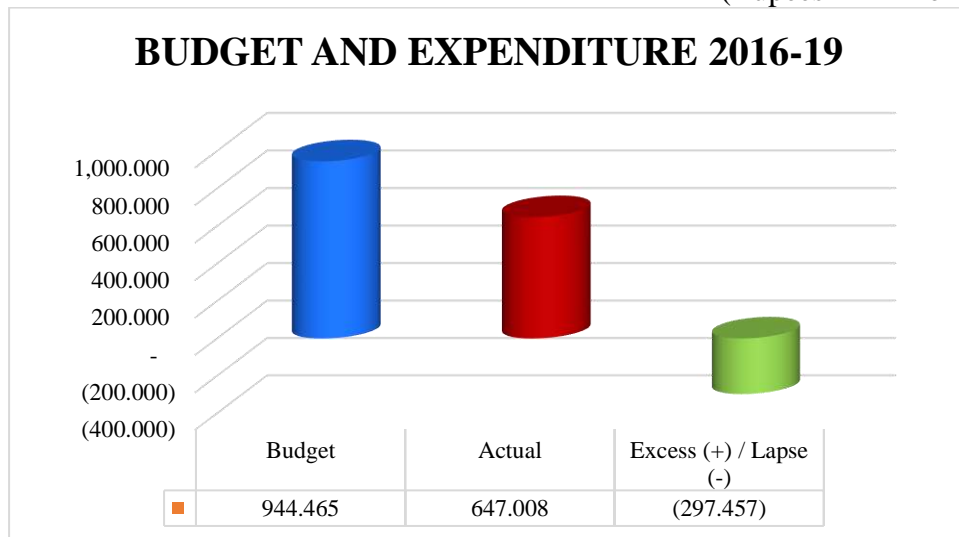
(Source: Annual Accounts 2016-19)

Analysis of budget and expenditure indicated that:

- a. An amount of Rs 720.902 million was provided for salary and other operational expenditure. A lapse of Rs 207.207 million was observed, which accounts for 29% of the total budget.
- b. An amount of Rs 223.563 million was provided for development, out of which only Rs 133.313 million was utilized. The department did not utilize funds in a timely manner, resulting in a lapse of Rs 90.250 million, representing a lapse of 31%.
- c. Analysis of receipts depicted that total budgeted receipts for the Financial Years 2016-19 were Rs 277.622 million against which amount of Rs 302.972 million was collected. The shortfall of Rs 25.350 million observed in revenues of the Municipal Committee, Jaranwala which in terms of percentage was 9.13%.

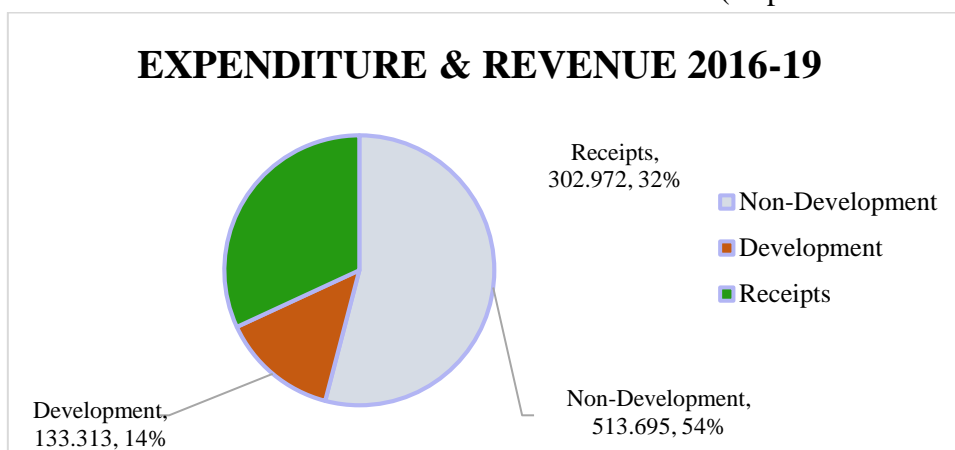
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure & revenue is as under:

(Rupees in million)



46.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 136.883 million were raised as a result of this audit. This amount also includes recoverable of Rs 84.145 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	-
B	Procurement related irregularities	7.005
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	93.304
5	Others	36.574
Total		136.883

46.2.4 Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Jaranwala. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

46.3 Procedural Irregularities

46.3.1 Irregular payment of bituminous items – Rs 4.109 million

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.

Municipal Officer (Infrastructure & Services), Municipal Committee Jaranwala made payment of Rs 4.109 million to different contractors for execution of bituminous items in five works for construction, repair and improvement of roads in Jaranwala during 2017-19. Contrary to the above, works were executed and payments were made without getting the quality of bitumen tested from the RR&MTI. Documentary evidence for procurement and consumption of bitumen from approved refinery was also not forthcoming from the record. The details are as under:

(Rupees in million)

Sr. No.	Work Name	Description	Quantity	Amount
1	Widening/improvement of road 240 More to Pull Gullar	Triple Surfacc Treatment using 79 Lbs bitumen	38,012	1.441
2	Construction of road 240 More to Mustafaabad	Triple Surfacc Treatment using 79 Lbs bitumen	23,712	0.899
		Triple Surfacc Treatment using 67 Lbs bitumen	7,224	0.232
3	Construction of road Jhumra Road to Disposal Work	Double Surface Treatment using 32 Lbs bitumen	1,390	0.022

Sr. No.	Work Name	Description	Quantity	Amount
4	Construction of Sewer Line & Road Shah Jee Marriage Hall to Ryan Academy	Double Surface Treatment using 32 Lbs bitumen	5,338	0.171
5	Const./Improvement of Road Market Committee to 240 More	Triple Surfacc Treatment using 79 Lbs bitumen	35,472	1.345
Total				4.109

Audit is of the view that due to weak monitoring mechanism, the quality of bituminous items was not got tested from RR&MTI and utilization of approved quality bitumen was also not ensured.

Utilization of bitumen without testing and ensuring quality resulted in irregular expenditure amounting to Rs 4.109 million.

The matter was reported to the PAO and DDO concerned in January 2020.

No DAC meeting was convened till finalization of this Report.

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

[AIR Para: 10]

46.3.2 Unauthorized payment of Conveyance Allowance – Rs 1.726 million

According to Government of the Punjab, Finance Department letter No.FD.PR-9-4/86(P)(Pt.II)(PR) dated 21.08.2015, Conveyance Allowance would not be admissible in cases where office and residential buildings are within the same boundary wall even if the residential buildings are far away from the office buildings. Conveyance Allowance is also not admissible in cases where there may not be any proper boundary wall but the office and residences are located on a limited piece of land. In fact, Conveyance Allowance is compensation to those employees who spend daily expenditure either to reach offices or back to home; whereas, the employees living within work premises do not spend any amount in this regard. Hence, such employees are not entitled to Conveyance Allowance.

Chief Officer, Municipal Committee Jaranwala paid amount of Rs 1.726 million on account of inadmissible Conveyance Allowance to 21 employees residing in staff colony/official residences located within work premises/adjacent to the work premises. The payment was made in violation of above referred letter of Finance Department. **(1/JWL)**

Audit is of the view that due to weak internal controls, unauthorized payment of Conveyance Allowance was made.

Unauthorized payment of Conveyance Allowance amounting to Rs 1.726 million resulted in overpayment to the employees concerned.

The matter was reported to the PAO and DDO concerned in January 2020.

No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of unauthorized payment of Conveyance Allowance amounting to Rs 1.726 million besides stoppage of further payment.

[AIR Para: 13]

46.3.3 Payment for LED lights at excessive rate – Rs 1.170 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.

Municipal Officer (I&S), Municipal Committee Jaranwala executed two works for providing & fixing of street lights during 2017-19. The works included P/F 52 No. LED lights 120 Watt Philips @ Rs 67,500 each. Municipal Corporation Faisalabad (MCF) provided and paid the same item @ Rs 45,000 each. Resultantly, amount of Rs 1.170 million was overpaid to the contractor. The details are as under:

(Amount in Rupees)

Sr. No.	Name of Work	Description of item	Quantity	Rate	Rate Paid by MCF	Difference	Amount
1	P/F LED Lights Railway Phatak to 240 More	P/F LED Lights 120 Watts Philips	36	67,500	45,000	22,500	810,000

Sr. No.	Name of Work	Description of item	Quantity	Rate	Rate Paid by MCF	Difference	Amount
2	P/F LED Lights Sasta Bazar to Sasta Bazar to Masjid e Hanifa	P/F LED Lights 120 Watts Philips	16	67500	45,000	22,500	360,000
Total							1,170,000

Audit is of the view that due to weak internal controls, items were provided and paid at high rates.

Provision and payment of item at excessive rate resulted in overpayment of Rs 1.170 million to the contractor and extra burden on public exchequer.

The matter was reported to the PAO and DDO concerned in January 2020.

No DAC meeting was convened till finalization of this Report.

Audit recommends inquiry for provision of items at excessive rates besides recovery amounting to Rs 1.170 million from the concerned.

[AIR Para: 17]

46.4 Value for Money and Service Delivery Issues

46.4.1 Unauthorized use of Local Government property – Rs 53.597 million

According to Section 127(3) of the Punjab Local Government Act 2013, the successor local governments shall, subject to policy of the Government or contractual obligations, make by-laws for the use, development and management of the local government properties. Further, according to 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.

Defunct Town Municipal Administration (TMA), Jaranwala handed over a building measuring 8,892 sft. on nominal rent of Rupee 1 per annum to Technical Education & Vocational Training Authority (TEVTA) on 15.06.2005 for a period of five years which was further extended for a period of five years. On succession of assets of defunct TMA, authorities of Municipal Committee neither made efforts for realization of rent at market rates nor the local Government property valuing Rs 53.597 million got vacated. The details are as under:

(Rupees in million)

Area (sft)	Area (Marlas) (1/272.25)	Rate per Marla (Commercial)	Value of Land
8,892	32.661	1.641	53.597

Audit is of the view that due to weak asset management, efforts were not made for recovery of rent or vacation of local Government property.

Use of local Government property valuing Rs 53.597 million at nominal rent resulted in unauthorized use Government resources.

The matter was reported to the PAO and DDO concerned in January.

No DAC meeting was convened till finalization of this Report.

Audit recommends vacation of local Government property and recovery of rent at market rates.

[AIR Para: 1]

46.4.2 Non-realization of Sewerage / Drainage Charges – Rs 34.084 million

According to Serial 5 of notification for levy of Water and Sewerage/Drainage Charges w.e.f. 01.07.2004 issued by the Tehsil Nazim, Jaranwala, Sewerage/Drainage charges at different rates were levied. Further, according to notification No.455-G/F dated 20.12.2017, Sewerage/Drainage Charges were levied at different rates. Furthermore, according to Schedule II of the Punjab Local Governments (Conduct of Business) Rules 2017, Municipal Officer (Finance) is responsible for collection of approved taxes, fees, rates, tolls, charges etc.

Municipal Officer (Finance), Municipal Committee Jaranwala failed to enforce the said notifications in letter and spirit and did not raise demand for collection of Sewerage/Drainage Charges in the annual budget estimates after conducting of complete survey during 2016-19. Resultantly, recovery on account of Sewerage/Drainage Charges amounting to Rs 34.084 million was not made during the period. The details are as under:

(Rupees in million)

Sr. No.	Year	No. of Households*	Rate Per Year	Amount
1	2016-17	23,670	120	2.840
2	2017-18	23,670	120	2.840
3	2018-19	23,670	1,200	28.404
Total				34.084

*Due to non-conducting of survey, amount was calculated on the basis of data of last available population census, 2017

Audit is of the view that due to weak internal controls and financial management, demand for Sewerage/Drainage Charges was not raised in budget estimates.

Non-raising of demand against Sewerage/Drainage Charges resulted in non-recovery/realization of revenue amounting to Rs 34.084 million.

The matter was reported to the PAO and DDO concerned in January 2020.

No DAC meeting was convened till finalization of this Report.

Audit recommends fixing responsibility on the incumbent(s) at fault besides recovery of loss from the concerned.

[AIR Para: 11]

46.4.3 Blockage of local Government funds – Rs 2.873 million

According to Section 3(c) of the Punjab Local Government Act, 2013, a Municipal Committee shall succeed the rights, assets and liabilities of the City District Government, District Government, Town/Tehsil Municipal Administration and Union Administration which fall within the area of the Municipal Committee.

Five Urban Union Administrations (UAs) of Jaranwala were merged in Municipal Committee Jaranwala upon promulgation of PLGA, 2013 w.e.f. 01.01.2017. However, the closing balances / funds amounting to Rs 2.873 million available in the bank accounts of these defunct UAs as on 31.12.2016 were not transferred to MC funds being the successor of the defunct UAs. The details are as under:

(Rupees in million)

Sr. No.	Union Administration	Closing Balance
1	39	1.007
2	40	0.284
3	41	0.672
4	42	0.681
5	43	0.229
Total		2.873

Audit is of the view that due to weak financial management, closing balance of UAs was not got transferred to MC funds.

Non-transfer of closing balances of UAs bank accounts to MC funds resulted in blockage of funds amounting to Rs 2.873 million.

The matter was reported to the PAO and DDO concerned in January 2020 to which no reply was submitted by the management. No DAC meeting was convened till finalization of this Report.

Audit recommends transfer of funds to Municipal Committee Fund besides fixing responsibility on the person(s) at fault.

[AIR Para: 9]

46.4.4 Illegal occupation of local Government residence and non-recovery of penal rent –Rs 1.408 million

According to Admin Officer (Litigation), office of the District Coordination Officer (DCO), Faisalabad letter No.2605/DCO/LB dated 08.11.2014, DCO had directed Town Municipal Officer (TMO), Jaranwala to get vacate the official residence from illegal occupant besides recovery of all dues/rent in accordance with law. Further, according to Government of the Punjab, Finance Department letter No.SO(PW-11-I&L(24)76 dated 27.09.1980, in case of unauthorized occupation of residence, Penal Rent @ 60 per cent of the pay of the unauthorized occupant is recoverable.

Official residence of Municipal Committee Jaranwala was illegally occupied by Ex-Legal Advisor. Authorities of Municipal Committee did not take action to vacate the said residence and recovery of penal rent amounting to Rs 1.408 million from the concerned. The details are as under:

(Rupees in million)

Sr. No.	Pay Scales	Mean Basic Pay of BPS-18	60% of Pay	Period	Months	Amount
1	Pay Scales 2016	55,890	33,534	January 2017 to June 2017	6	0.201
2	Pay Scales 2017	67,050	40,230	July 2017 to June 2019	30	1.207
Total						1.408

Audit is of the view that due to weak internal controls, residence was neither got vacated nor the Penal Rent recovered.

Non-recovery of Penal Rent amounting to Rs 1.408 million resulted in undue favour to the concerned and loss to the local Government.

The matter was reported to the PAO and DDO concerned in January 2020.

No DAC meeting was convened till finalization of this Report.

Audit recommends action against the concerned for illegal occupation of local Government residence besides recovery of Rs 1.408 million.

[AIR Para: 15]

46.4.5 Non-recovery of Water Rate – Rs 1.342 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.

Chief Officer, Municipal Committee Jaranwala did not recover Water Rate amounting to Rs 1.342 million from 729 connection holders of different categories during 2016-19. Strenuous efforts were not made to recover the outstanding dues from the defaulters. The details are as under:

(Rupees in million)

Total Connection Holders	Outstanding Dues	Amount Recovered up to January, 2020	Balance Recoverable
729	1.496	0.154	1.342

Audit is of the view that due to weak financial management and internal controls, Water Rate Charges were not recovered.

Non-recovery of Water Rate Charges amounting to Rs 1.342 million resulted in less collection of receipts by the Municipal Committee.

The matter was reported to the PAO and DDO concerned in January 2020.

No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of Rs 1.342 million from the concerned at the earliest besides fixing responsibility on the person(s) at fault.

[AIR Para: 16]

46.5 Others

46.5.1 Execution of works without approval of job mix formula – Rs 17.470 million

According to Government of the Punjab, Communication & Works (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. Further, 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.

Municipal Officer (I&S), Municipal Committee Jaranwala got executed two works for improvement of roads in Jaranwala during 2017-19. However, premixed carpeting costing Rs 17.470 million was laid on roads without formulation and approval of JMF from the RR&MTI. Further, payment against carpeting was made on the basis of 4% bitumen without laboratory test reports certifying percentage of bitumen. The details are as under:

(Rupees in million)

Sr. No.	Work Name	Description	Quantity	Amount
1	Carpeting/Improvement of Road Warden Office	P/L bituminous priming coat	47,018	0.400
		P/L Plant Premixed Bituminous Carpet 2" thick	47,018	3.084
		P/L bituminous Tack coat	24,352	0.124
		P/L Plant Premixed Bituminous Carpet 2" thick	24,352	1.597
2	Carpeting/Improvement of Road Ghora Chowk to Milad Chowk	P/L bituminous priming coat	30,939	0.139
		P/L Plant Premixed Bituminous Carpet 1.5" thick	30,939	1.352
		P/L bituminous Tack coat	165,289	1.140
		P/L Plant Premixed Bituminous Carpet 2" thick	165,289	9.633
Total				17.470

Audit is of the view that due to weak management and monitoring mechanism, carpeted roads were constructed without test reports and approval of JMF from RR&MTI.

Non-approval of JMF and payment without assurance of quality resulted in irregular expenditure of Rs 17.470 million on premixed bituminous material for carpeted roads.

The matter was reported to the PAO and DDO concerned in January 2020 to which no reply was submitted by the management. No DAC meeting was convened till finalization of this Report.

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

[AIR Para: 4]

46.5.2 Irregular payment of non-schedule items – Rs 6.333 million

According to Government of the Punjab, Finance Department instructions vide letter No. RO(Tech)FD-18-23/2004 dated 21.09.2004 read with Notification No.RO(TECH)FD-2-3/2004 dated 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer on the basis of input rates of relevant quarter placed at website of Finance Department and approved by the Competent Authority not below the rank of Superintending Engineer/Chief Engineers. However, the finished rate of an item of work shall not exceed the market rate of that item in the area/district.

Chief Officer Municipal Committee Jaranwala incurred expenditure of Rs 6.333 million on different works which included non-standardized items. Contrary to the above, the items were provided in estimates and paid to contractor without preparation of analysis of rates supported by competitive market rates. Further, it was also observed that different rates for same non-standardized items of reverse osmosis water filtration plant were provided in different works which proved that estimates/analysis of rates were prepared on assumption basis without obtaining market rates. The detail is given in following table:

(Amount in Rupees)

Sr. No.	Name of Work	Description of item	Quantity	Rate	Amount
1	P/F LED Lights Railway Phatak to 240 More	P/F LED Lights 120 Watts Philips	36	67,500	2,430,000
2	P/F LED Lights Sasta Bazar to Sasta Bazar to Masjid e Hanifa	P/F LED Lights 120 Watts Philips	16	67500	1,080,000
3	Construction of Water Filtration (RO) Plant Chamra Mandi	P/F Water Filtration (RO) Plant	1	947,600	947,600
4	Construction of Water Filtration (RO) Plant Islam Pura	P/F Water Filtration (RO) Plant	1	900,000	900,000
5	Construction of Water Filtration (RO) Plant Benazir Park	P/F Water Filtration (RO) Plant	1	975,000	975,000
Total					6,332,600

Audit is of the view that due to dereliction of duties, provision and payment of non-standardized items was made without approval of the competent authority.

Provision and payment of non-standardized items without sanction / approval from the competent authority resulted in irregular payment amounting to Rs 6.333 million.

The matter was reported to the PAO and DDO concerned in January 2020.

No DAC meeting was convened till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides regularization of the expenditure from the competent authority

[AIR Para: 6]

46.5.3 Non-imposition of penalty for delay in completion of works – Rs 4.460 million

According to Clause 2 of the Contract Agreement for civil works, the time limit for carrying out the work, as entered in tender, should be strictly observed by the contractor. In case of default, the contractor shall be liable to pay, as compensation, an amount equal to one percent of the estimated cost subject to a maximum of ten percent.

Municipal Officer (I&S), Municipal Committee Jaranwala awarded six works costing Rs 44.600 million for improvement of roads/parks and construction of entry gate to different contractors during 2017-18 with a completion period of 2 to 6 months. However, contractors failed to complete the works within stipulated period provided in the agreements. Contrary to the above provisions, Municipal authorities did not impose penalty amounting to Rs 4.460 million for delay in completion of works. The details are as under:

(Rupees in million)

Sr. No.	Work Name	Estimated Cost	Agreement Cost	Work Done	Stipulated Date of Completion	Actual Date of Completion	Penalty @ 10%
1	Construction of Entry Gate Faisalabad Road	5.000	5.000	4.176	08-12-17	Incomplete	0.500
2	Carpeting/Improvement of Road Warden Office	9.600	9.552	9.502	28-09-18	Incomplete	0.960
3	Carpeting/Improvement of Road Ghora Chowk to Milad Chowk	25.000	21.573	19.329	17-03-18	Incomplete	2.500
4	Improvement of Jinnah Park Water Works Road	2.500	2.499	2.499	05-12-17	23.02.2018	0.250
5	Improvement of Park 128 GB	1.500	1.193	1.192	29-12-17	07.12.2018	0.150
6	Earth filling & PCC Slab St. No.9, Abdullah Park	1.000	0.724	0.513	01-03-18	Incomplete	0.100
Total							4.460

Audit is of the view that due to lack of vigilance, works remained incomplete and penalty was also not imposed.

Non-imposition of penalty resulted in non-completion of works and loss to the Government exchequer amounting to Rs 4.460 million.

The matter was reported to the PAO and DDO concerned in January 2020.

No DAC meeting was convened till finalization of this Report.

Audit recommends inquiry regarding non-completion of schemes besides imposition and recovery of penalty from the defaulters.

[AIR Para: 8]

46.5.4 Non-recovery of loss from defaulting contractors – Rs 4.389 million

According to Rule 28 of the Punjab Local Governments (Auction of Collection Rights) Rules 2016, the local government shall cancel the contract if a contractor fails to pay any dues on due date and time. 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 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.

Chief Officer, Municipal Committee Jaranwala leased out collection rights of two sources of income at agreement cost of Rs 6.145 million during 2017-19 to different contractors which were subsequently cancelled due to non-payments of installments. However, upon cancellation of the contracts the authorities of MC started departmental collection and realized income of Rs 1.756 million. Contrary to the above provisions, efforts were not made for recovery of remaining amount of Rs 4.389 million as risk & cost amount from the defaulting contractors. The details are as under:

(Rupees in million)

Sr. No.	Description of Lease	Contractor	Year	Contract Amount	Recovered	Recoverable
1	Parking Stand LRC	Salamat Ali	2017-18	0.775	0.130	0.645
2	Rikshaw Stand Fee	Zahoor Hussain	2018-19	5.370	1.626	3.744
Total				6.145	1.756	4.389

Audit is of the view that due to negligence and financial mismanagement, local Government dues were not recovered from defaulters.

Non-recovery of local Government dues amounting to Rs 4.389 million resulted in less realization of revenue.

The matter was reported to the PAO and DDO concerned in January 2020.

No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of Rs 4.389 million from the defaulters concerned at the earliest.

[AIR Para: 7]

46.5.5 Non-deduction of Social Security Contribution – Rs 2.257 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. Further, according to the Punjab Employees Social Security Institution letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014 duly endorsed by Government of the Punjab LG&CD Department vide letter No.SO.DG-DEV(LG)4-1/2014 dated 19.08.2014, in case of default of private contractors to get their employees registered with PESSI the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office.

Municipal Committee Jaranwala got executed different development works through 12 contractors during 2017-19 but payment was made without obtaining certificate regarding payment of Social Security Contribution of workers employed by the contractors. Further, Chief Officer did not make efforts to deduct the Social Security Contribution @ 6 percent amounting to Rs 2.257 million from claims of the contractors before making payments. The details are as under:

(Rupees in million)

DDO	No. of Contractors	No. of Employees	Average wage rate/Annum	Total Wages	Amount @ 6%
Chief Officer, MC, Jaranwala	12	209	15,000*12=180,000	37.620	2.257

(Amount was calculated according to the list of employees provided by the contractors along with application for enlistment/renewal of enlistment).

Audit is of the view that due to weak internal controls, deduction of Social Security Contribution was not made.

Non-deduction of Social Security Contribution amounting Rs 2.257 million resulted in excess payment to the contractors.

The matter was reported to the PAO and DDO concerned in January 2020.

No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of Rs 2.257 million from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para: 12]

46.5.6 Non-recovery of Punjab Sales Tax on Services – Rs 1.664 million

According to Rule 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.

Chief Officer, Municipal Committee Jaranwala leased out different collection rights for Rs 10.403 million during 2018-19. Contrary to the above referred rule, Punjab Sales Tax on Services amounting to Rs 1.664 million was not recovered from the contractors concerned. The details are as under:

(Amount in Rupees)

Description of Lease	Location	Contractor	Year	Contract Amount	PSTS @ 16%
Taxi Stand Fee	Jaranwala	Waheed Ahmad	2018-19	1,241,000	198,560
Advertisement Fee	Jaranwala	Naveed Khan	2018-19	3,560,000	569,600
Parking Fee GBS	Jaranwala	Maqsood Ahmad	2018-19	1,247,000	199,520
Parking Stand LRC	Jaranwala	Sajjad Bhatti	2018-19	210,000	33,600
Wagon Stand Fee	Jaranwala	Abdul Latif	2018-19	4,040,000	646,400
Tanga Stand Fee	Jaranwala	Mehar Waheed	2018-19	105,000	16,800
Total				10,403,000	1,664,480

Audit is of the view that due to weak financial management, PSTS was not recovered from the contractors concerned.

Non-recovery of PSTS amounting to Rs 1.664 million from contractors resulted in violation of rules and less collection of receipts to the Punjab Government.

The matter was reported to the PAO and DDO concerned in January 2020.

No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of Rs 1.664 million on account of PSTS from the contractors concerned at the earliest.

[AIR Para: 14]

Municipal Committee, Khurrianwala

CHAPTER 47.1

Sectoral Analysis of Municipal Committee, Khurrianwala

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, development plans (implementation), asset management, anti-encroachment activity, human resource management etc. are given below:

Analysis regarding Revenue Collection targets and achievements

(Rupees in million)

Source of Income	2018-19		2016-18		Total		Shortage (% age)
	Target	Actual	Target	Actual	Target	Actual	
Conversion Fee for change in building use	11.282	11.281	3.046	3.045	14.328	14.327	100 %
Fine for construction without approval of building plan	1.743	1.743	0.150	-	1.893	1.743	92%
Fine for building violations (irregular land use/ building use)	-	-	0.040	0.038	0.040	0.038	96%
Fine for Encroachments	0.075	0.076	0.195	0.208	0.270	0.284	105%
Road cutting charges	0.369	0.369	0.007	0.007	0.376	0.376	100%
Others Miscellaneous Fee	0.056	0.056	0.222	0.178	0.278	0.233	84%
NOC Fee	0.002	0.002	0.010	0.117	0.012	0.119	1,031%

It was observed that MC did not set target(budget) of revenue collection on actual basis against Conversion Fee for change in building use, fine for construction without approval of building plan license fee, building plan approval fee, enforcement fine, fine for building violations (irregular land use/ building use, fine for encroachments, road cutting charges NOC fee. Furthermore, internal controls and monitoring mechanism regarding revenue collection were very weak and even periodical surveys were not conducted / demand & collection registers were not maintained which lead to vulnerability to leakage of revenue.

Analysis regarding funds utilization for Municipal Infrastructure

(Rupees in million)

Description	2018-19		2016-18		Total		Unutilized (%age)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase of Transport	-	-	14.000	4.126	14.000	4.126	29 %
Purchase of Plant and Machinery	-	-	-	-	-	-	0 %
Roads, Streets, drainage	45.000	14.801	44.000	41.272	89.000	6.073	63 %
Machinery and Equipment	-	-	12.700	3.995	12.700	3.995	31 %
Maintenance of gardens	-	-	-	-	-	-	0 %
Maintenance of Playgrounds	-	-	1.000	0.700	1.000	0.700	70 %
Ongoing schemes ADP (Previous year)	8.100	7.465	-	-	8.100	7.465	92 %
Purchase of Street Lights	-	-	1.800	1.390	1.800	1.390	77 %

MC Khurrianwala could not ensure optimal utilization of funds for purchase of vehicles, plant / machinery for waste collection & disposal, sanitation, construction/improvement of roads / streets, repair maintenance of roads / streets / buildings / transport, provision & maintenance of street lights and maintenance of parks / gardens which resulted in non-achievement of envisaged benefits.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee Khurrianwala failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration, scrutiny of financial record, it was observed that the performance of Municipal Committee Khurrianwala in respect of service delivery was very poor as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Water Supply	Water supply facility was not being provided to any resident / household because water supply system was non-functional since long.
2	Clean Drinking Water	02 water filtration plants had been installed for provision of clean drinking water which were not sufficient as compared to the total population of MC Khurrianwala.
3	Maintenance of Parks	There was no park in whole municipality
4	Play grounds	Municipal Committee is maintaining one sports complex.
5	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC Khurrianwala. It was assessed that almost 20% of the total households were not provided with the drainage / sewerage facility by MC. Further, seepage in newly constructed sewerage line was also observed during field visits.
6	Waste Collection	No reliable data regarding total waste generation and its collection / disposal was maintained by MC Khurrianwala. It was claimed that average waste generation was 12 metric tons per day out of which 10 metric ton waste was being collected / removed which indicates 83% waste collection efficiency in terms of percentage. However, during visits heaps of waste were found on different locations of MC.
7	Street Lighting	Almost 50% area of the Municipal Committee was not provided with street lighting facility by the administration of MC Khurrianwala.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2017-18	2018-19
1	Targeted population	75,876	84,604
2	Number of sanctioned posts of sanitary workers	71	71
3	Number of filled posts of sanitary workers	60	60
4	Number of vacant posts of sanitary workers	11	11
5	Number of sanctioned posts of sewer man	-	-
6	Number of filled posts of sewer man	-	-
7	Expenditure incurred on repair and maintenance of existing sewerage line	Rs 1.400 million	Rs 0.078 million
8	Expenditure incurred on lying new sewerage lines	-	-
9	Number of existing solid waste dumping sites	1	1
10	Construction of new solid waste dumping sites	-	-
11	Number of existing landfill sites	1	1
12	Development of new landfill sites	-	-

The human resources of the MC concerning solid waste management and sanitation were inadequate. However, efforts were not made by the authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Non-improvement of solid waste dumping site or landfill site portray unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard and even existing structure was also not maintained properly.

Analysis regarding Asset Management

Assets management by the administration of Municipal Committee Khurrianwala was very weak. Ninety-nine shops at different places in the city were neither leased out nor got vacated from the illegal occupants.

Analysis regarding Spatial Planning

Management of Municipal Committee, is responsible for preparing spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Analysis regarding Human Resource Management

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Chief / Municipal Officers	4	4	0	4	0	4	0
2	Engineering Staff	2	2	0	2	0	2	0
3	Officials including clerical staff, assistants etc.	18	6	12	6	12	6	12
5	Class-IV	37	9	28	9	28	9	28
6	Sanitation Staff	71	60	11	60	11	60	11
Total		132	81	51	81	51	81	51

There was shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning and deteriorated municipal infrastructure etc.

Conclusion

The overall financial management and performance of the Municipal Committee regarding achievement of revenue collection targets, utilization of funds meant for infrastructure development / improvement, provision of municipal services, spatial planning, asset management was satisfactory. However, infrastructures like sanitation, parks and filtration plants was not sufficient.

CHAPTER 47.2

Municipal Committee, Khurrianwala

47.2.1 Introduction:

Municipal Committee, Khurrianwala manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Senior Sub-Engineer (Engineering Branch)	01
Building Inspector (Planning Branch)	01

The following table shows detail of total & audited formations of Municipal Committee, Khurrianwala:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	83.378	102.922
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

47.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to the Municipal Committee Khurrianwala during 2016-19. The detail is as under:

(Rupees in million)

Financial Years	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-19	Non-Development (Salary+ Non-Salary)	95.202	82.883	(12.319)	(12.94%)
	Development	57.302	56.072	(1.230)	(2.15%)
	Total	152.50	138.96	(13.55)	(8.88%)
	Receipts	257.120	257.304	0.184	0.07%

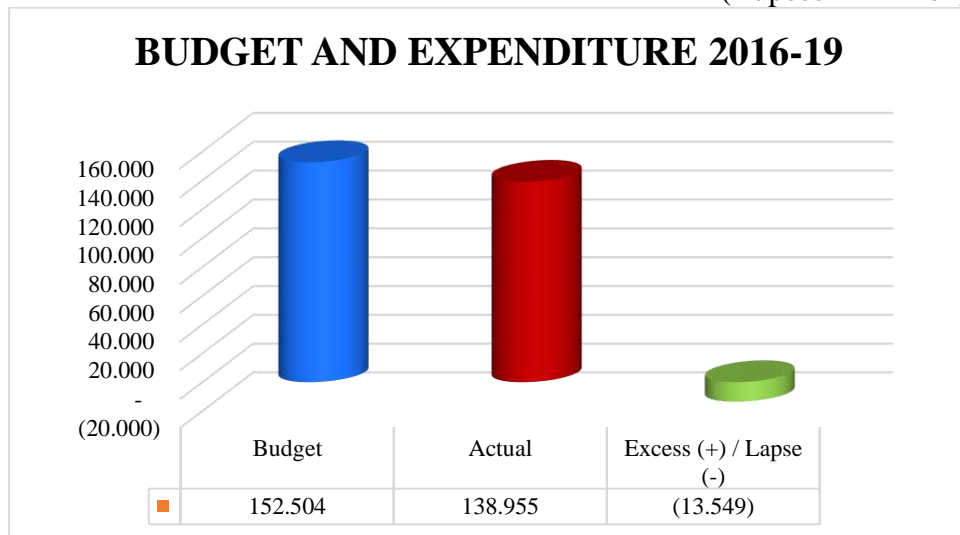
(Source: Annual Accounts 2016-19)

Analysis of budget and expenditure indicated that:

- a. An amount of Rs 95.202 million was provided for salary and other operational expenditure. A lapse of Rs 12.319 million was observed, which accounts for 12.94% of the total budget.
- b. An amount of Rs 57.302 million was provided for development, out of which Rs 56.072 million was utilized. The department did not utilize funds in a timely manner, resulting in a lapse of Rs 1.230 million, representing a lapse of 2.15%.
- c. Analysis of receipts depicted that total budgeted receipts for the Financial Year 2016-19 were Rs 257.120 million against which amount of Rs 257.304 million was collected. The surplus of Rs 0.184 million observed in revenues of the Municipal Committee, Khurrianwala which in terms of percentage was 0.07%.

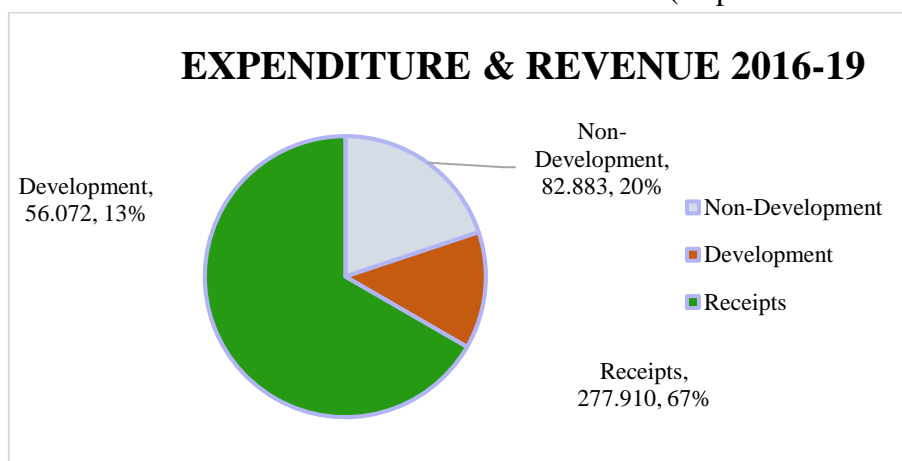
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure & revenue is as under:

(Rupees in million)



47.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 25.459 million were raised as a result of this audit. This amount also includes recoverable of Rs 9.887 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	-
B	Procurement related irregularities	2.442
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	1.218
5	Others	21.799
Total		25.459

47.2.4 Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Khurrianwala. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

47.3 Procedural Irregularities

47.3.1 Irregular payment of bituminous items – Rs 1.269 million

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.

Chief Officer, Municipal Committee Khurrianwala made payment of Rs 1.269 million for bituminous items executed in work for repair and patch work Rana Ice Factory to Boundary MC Khurrianwala during 2017-19. Contrary to the above, work was executed and payments were made without getting the quality of bitumen tested from the RR&MTI. Documentary evidence for procurement and consumption of bitumen from approved refinery was also not forthcoming from the record.

Audit is of the view that due to weak monitoring mechanism, the quality of bituminous items was not got tested from RR&MTI and utilization of approved quality bitumen was also not ensured.

Utilization of bitumen without testing and ensuring quality, resulted in irregular expenditure amounting to Rs 1.269 million.

The matter was reported to the PAO and DDO concerned in February, 2020 to which no reply was submitted by the management.

No DAC meeting was convened till finalization of this Report.

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

[AIR Para: 6]

47.3.2 Non-recovery of Punjab Sales Tax on Services – Rs 1.173 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.

Chief Officer, Municipal Committee Khurrianwala leased out different sources of income to different contractors for Rs 7.334 million during 2018-19. Contrary to the above referred rule, Punjab Sales Tax on Services amounting to Rs 1.173 million was not recovered from the contractors concerned. The details are as under:

(Rupees in million)

Description of Lease	Location	Year	Contract Amount	PSTS @ 16%
Taxi Stand Fee	Jaranwala	2018-19	6.510	1.042
Riksha Stand	Jaranwala	2018-19	0.575	0.092
Slater Fee	Jaranwala	2018-19	0.249	0.040
Total			7.334	1.173

Audit is of the view that due to weak financial management and negligence, PSTS was not recovered from the contractors.

Non-recovery of PSTS amounting to Rs 1.173 million resulted in violation of rules and loss to the Provincial Government.

The matter was reported to the PAO and DDO concerned in February, 2020 to which no reply was submitted by the management.

No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of PSTS amounting to Rs 1.173 million from the concerned at the earliest.

[AIR Para: 9]

47.4 Value for Money and Service Delivery Issues

47.4.1 Undue retention of Advance Income Tax collected on behalf of Federal Government – Rs 1.218 million

According to Section 160 of the Income Tax Ordinance, 2001, any tax that has been collected or purported to be collected or deducted or purported to be deducted shall be paid to the Commissioner by the person making the collection or deduction within the time. Further, according to Section 161(1)(b) of *ibid*, where a person having collected tax, the person shall be personally liable to pay the amount of tax to the Commissioner.

Chief Officer, Municipal Committee, Khurrianwala made payments to different vendors after withholding Income Tax on behalf of Federal Government. However, Income Tax amounting to Rs 1.218 million was not transferred to the Federal Board of Revenue and retained into the local fund of MC.

Audit is of the view that due to weak internal controls, receipt of Federal Government was retained in local fund of MC without authority.

Retention of advance Income Tax resulted in undue blockage of funds of Rs 1.218 million.

The matter was reported to the PAO and DDO concerned in February, 2020 to which no reply was submitted by the management.

No DAC meeting was convened till finalization of this Report.

Audit recommends early deposit of withheld Income Tax into relevant head of account of the Federal Government.

[AIR Para: 7]

47.5 Others

47.5.1 Execution of works without approval of job mix formula – Rs 14.572 million

According to Government of the Punjab, Communication & Works (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. Further, 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.

Chief Officer, Municipal Committee Khurrianwala got executed work for construction and improvement Carpet Road Adda Chowk to Rana Ice Factory, Jhumra Road during 2017-19. However, premixed carpeting costing Rs 14.572 million was laid on road without formulation and approval of JMF from the RR&MTI. Furthermore, payment against carpeting was made on the basis of 4% bitumen without laboratory test reports certifying percentage of bitumen.

Audit is of the view that due to weak monitoring mechanism, carpeted road was constructed without test reports and approval of JMF from RR&MTI.

Non-approval of JMF and payment without assurance of quality resulted in irregular expenditure of Rs 14.572 million on premixed bituminous material for carpeted road.

The matter was reported to the PAO and DDO concerned in February, 2020 to which no reply was submitted by the management.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter and fixing responsibility on the person(s) at fault besides regularization of expenditure from the competent authority.

[AIR Para: 2]

47.5.2 Non-imposition of penalty for delay in completion of works – Rs 4.290 million

According to Clause 2 of the Contract Agreement for civil works, the time limit for carrying out the work, as entered in tender, should be strictly observed by the contractor. In case of default, the contractor shall be liable to pay, as compensation, an amount equal to one percent of the estimated cost subject to a maximum of ten percent.

Chief Officer, Municipal Committee Khurrianwala awarded six works costing Rs 42.900 million for improvement of roads/parks and construction of new office building etc. to different contractors during 2017-19 with a completion period of 2 to 6 months. However, contractors failed to complete the works within stipulated period provided in the agreements. Contrary to the above provisions, Municipal Committee authorities did not impose penalty amounting to Rs 4.290 million for delay in completion of schemes. The details are as under:

(Rupees in million)

Sr. No.	Name of Work	Stipulated Date of Completion	Current Status	Agreement Cost	Work Done	Penalty @ 10%
1	Construction of Nala, Pulian, Soling , PCC with sewerage Ward No.4&5	15-10-17	WIP	5.500	4.552	0.550
2	Construction New office MC Khurrianwala Jaranwala Road	15-10-17	WIP	5.000	4.862	0.500
3	Improvement of Sports Complex	15-10-17	WIP	1.000	0.859	0.100
4	Construction New office MC Khurrianwala Jaranwala Road	11-06-18	WIP	9.000	8.350	0.900
5	Construction of Nala, Pulian, Soling , PCC with sewerage Ward No.10 &11	30-06-18	WIP	2.400	2.043	0.240

Sr. No.	Name of Work	Stipulated Date of Completion	Current Status	Agreement Cost	Work Done	Penalty @ 10%
6	Construction and Improvement of Carpet Road Adda Chowk to Rana ICE Factory Jhumra Road	30-06-18	WIP	20.000	17.403	2.000
Total				42.900	38.069	4.290

Audit is of the view that due to weak internal controls, works remained incomplete and penalty was also not imposed.

Non-imposition of penalty resulted in non-completion of works and loss to the Government exchequer amounting to Rs 4.290 million.

The matter was reported to the PAO and DDO concerned in February, 2020 to which no reply was submitted by the management.

No DAC meeting was convened till finalization of this Report.

Audit recommends to make strenuous efforts for completion of schemes without further delay besides imposition and recovery of penalty amounting to Rs 4.290 million.

[AIR Para: 4]

47.5.3 Utilization of bricks without ensuring standard specifications and testing – Rs 1.749 million

According to Clause 11 of Contract Agreement for Civil works, the contractor shall execute the whole and every part of work according to the specifications. Further, according to Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum). Furthermore, according to Market Rate System issued from 2005-06 to 2015-16 by the Government of Punjab Finance Department, (i) The composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

Chief Officer, Municipal Committee Khurrianwala executed 05 works for construction of drain, soling, etc. during 2017-18. Bricks costing Rs 1.749 million were used in these works but no methodology was adopted to measure the strength,

standard and specification for the bricks utilized. Therefore, in the absence of proper testing of bricks at the time of execution, the authenticity of utilization of first-class bricks could not be proved. The details are as under:

(Rupees in million)

Sr. No	Name of Scheme	Item Executed	No of Bricks	Amount of Bricks
1	Construction of Nala, Pulian, Soling, PCC Ward No.1	P/L dry brick soling	91,058	0.637
2	Construction of Nala, Pulian, Soling, PCC with sewerage Ward No.7,8,9	P/L dry brick soling	41,633	0.291
3	Construction of Nala, Pulian, Soling, PCC with sewerage Ward No.11	P/L dry brick soling	39,773	0.278
4	Construction of Nala, Pulian, Soling, PCC with sewerage Ward No.12	P/L dry brick soling	57,149	0.400
5	Construction of Bridge Same Nala Bilal Town	P/L dry brick soling	20,305	0.142
Total				1.749

Audit is of the view that due to weak internal controls, works were executed without specifications, standardization and testing of bricks.

Utilization of bricks costing Rs 1.749 million without ensuring the required strength, quality and standard of bricks resulted in execution of substandard works.

The matter was reported to the PAO and DDO concerned in February, 2020 to which no reply was submitted by the management.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides fixing responsibility on the person(s) at fault.

[AIR Para: 5]

47.5.4 Non-deduction of Social Security Contribution – Rs 1.188 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. Further, according to the Punjab Employees Social Security Institution letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014 duly endorsed by Government of the Punjab LG&CD Department vide letter No.SO.DG-DEV(LG)4-1/2014 dated 19.08.2014, in case of default of private contractors to get their employees registered with PESSI the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office.

Chief Officer, Municipal Committee Khurrianwala got executed different development works through 05 contractors during 2017-19. However, neither certificate regarding payment of Social Security Contribution of workers employed by the contractors was obtained nor the deduction of Social Security Contribution amounting to Rs 1.188 million @ 6 percent made from claims of contractors before making payments. The details are as under:

(Rupees in million)

DDO	No. of Contractors	No. of Employees	Average wage rate/Annum	Total Wages	Amount @ 6%
Chief Officer, MC, Khurrianwala	05	110	15,000*12=180,000	19.800	1.188

(Amount was calculated according to the lists of employees provided by the contractors for enlistment/renewal of enlistment)

Audit is of the view that due to weak internal controls, deduction of Social Security Contribution was not made.

Non-deduction of Social Security Contribution amounting Rs 1.188 million resulted in excess payment to the contractors.

The matter was reported to the PAO and DDO concerned in February, 2020 to which no reply was submitted by the management.

No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of Rs 1.188 million from the concerned and depositing the same in the relevant account.

[AIR Para: 8]

Municipal Committee, Mamunkanjan

CHAPTER 48.1

Sectoral Analysis of Municipal Committee, Mamunkanjan

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, asset management, spatial planning, human resource management etc. are given below:

Analysis regarding Revenue Collection targets and achievements

(Rupees in million)

Source of Income	2018-19		2016-18		Total		Shortage (%age)
	Target	Actual	Target	Actual	Target	Actual	
License fee (Dangerous and Offensive Trade)	0.400	0.162	0.246	0.213	0.646	0.375	-42%
Fee for approval of Building/ Construction Plan	0.400	0.214	0.320	0.320	0.720	0.534	-26%
Fine for construction without approval of building plan	0.100	-	0.050	0.012	0.150	0.012	-92%
Copying fee	0.100	0.087	0.299	0.140	0.399	0.227	-43%
Fine for Encroachments	0.050	0.009	0.061	0.023	0.111	0.032	-71%

Municipal Committee Mamunkanjan, it was observed that MC could not achieve revenue collection targets against license fee, building plan approval fee, enforcement fine, copying fee and fine for construction without approval of building plan. Furthermore, internal controls and monitoring mechanism regarding revenue collection were very weak and even periodical surveys were not conducted / demand & collection registers were not maintained which lead to vulnerability to leakage of revenue.

Analysis regarding funds utilization for Municipal Infrastructure

(Rupees in million)

Description	2018-19		2016-18		Total		Unutilized (%)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase of Transport	5.000	0.004	7.200	2.497	12.200	2.501	80%
Purchase of Plant and Machinery	3.200	0.231	4.300	0.516	7.500	0.747	90%
Roads, Streets, drainage	30.000	1.405	49.416	24.354	79.416	25.759	68%
Machinery and Equipment	1.300	-	1.700	0.953	3.000	0.953	68%
Maintenance of gardens	2.000	0.550	0.973	0.044	2.973	0.595	80%
Maintenance of Playgrounds	-	-	-	-	-	-	0%
Ongoing schemes ADP (Previous year)	1.793	1.194	4.990	4.459	6.783	5.653	17%
Purchase / provision of Street Lights	5.000	1.663	9.800	0.093	14.800	1.756	88%

MC Mamunkanjan could not ensure optimal utilization of funds for procurement of logistics required for waste collection / disposal & sanitation, construction / improvement of roads / streets, provision / maintenance of street lights and maintenance of parks / gardens which resulted in non-achievement of envisaged benefits.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee Mamunkanjan failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be carried out. However,

from the field visits, discussions with administration, scrutiny of financial record and a report submitted by Chief Officer to LG&CD Department, it was observed that the performance of Municipal Committee Mamunkanjan in respect of municipal service delivery was very poor as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Water Supply	Water supply facility was not being provided to any resident / household because water supply system was non-functional since long.
2	Clean Drinking Water	Neither any water filtration plant was installed / operated / maintained by Municipal Committee nor any other arrangements were made for provision of clean drinking water to the residents.
3	Maintenance of Parks	There were only two parks in the whole municipality and their condition was also miserable. One out of these two parks was even without water arrangement, gates, boundary wall, street lights etc.
4	Play grounds	Municipal Committee was not maintaining any playground.
5	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC Mamunkanjan. It was assessed that almost 20% of the total households were not provided with the drainage / sewerage facility by MC. Further, seepage in newly constructed sewerage line was also observed during field visits.
6	Waste Collection	No reliable data regarding total waste generation and its collection / disposal was maintained by MC Mamunkanjan. It was claimed by entity officials that average waste generation was 12 metric tons per day out of which 10 metric ton waste was being collected / removed which indicates 83% waste collection efficiency in terms of percentage. However, during visits heaps of waste were found on different locations of MC.
7	Street Lighting	Almost 95% area of the Municipal Committee was not provided with street lighting facility by the administration of MC Mamunkanjan.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	37,044	38,007	38,995
2	Number of sanctioned posts of sanitary workers	38	38	38
3	Number of filled posts of sanitary workers	31	30	28
4	Number of vacant posts of sanitary workers	7	8	10
5	Number of sanctioned posts of sewer man	2	2	2
6	Number of filled posts of sewer man	1	1	1
7	Expenditure incurred on repair and maintenance of existing sewerage line	-	Rs 0.553 million	Rs 3.214 million
8	Expenditure incurred on laying new sewerage lines	-	-	-
9	Number of existing solid waste dumping sites	1	1	1
10	Construction of new solid waste dumping sites	-	-	-
11	Number of existing landfill sites	-	-	-
12	Development of new landfill sites	-	-	-

Inadequate resources for waste management and sanitation were deployed by the Municipal Committee but no efforts were made by the stakeholders and authorities of MC for filling sanitation / waste management related posts and laying of new sewerage lines / drainage system to improve the sanitation / waste collection efficiency.

Analysis regarding Asset Management

Assets management by the administration of Municipal Committee Mamunkanjan was very weak. One hundred and fourteen shops situated at Quaid-e-Azam Plaza Mamunkanjan were leased out during 1991-92 at nominal rent of Rs 32 per month with annual increase @ 10%. No efforts were made for reassessment of

rent of these shops since last 28 years to fetch maximum possible / market based rent. Further, tenets of 143 shops of MC were not paying rent since long but no action was taken for recovery of rent and vacation of shops. Furthermore, physical verification of properties was also not being carried out by the administration of MC Mamunkanjan.

Analysis regarding Spatial Planning

Management of Municipal Committee, was responsible for preparing spatial plans for the Local Government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Analysis regarding Human Resource Management:

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Chief / Municipal Officers	3	1	2	1	2	1	2
2	Engineering Staff	3	3	0	3	0	2	1
3	Building Inspector	1	0	1	0	1	0	1
4	Officials including clerical staff, assistants etc.	5	4	1	4	1	4	1
5	Class-IV	12	6	6	6	6	6	6
6	Sanitation Staff	41	33	8	32	9	30	11
Total		65	47	18	46	19	43	22

There was shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, weak asset management, non-preparation of spatial planning etc.

Conclusion

The overall financial management performance of the Municipal Committee regarding achievement of revenue collection targets, utilization of funds meant for

infrastructure development / improvement, provision of municipal services, spatial planning, execution of development plans, asset management, anti-encroachment activities and human resource management was not satisfactory. The performance of MC Mamukanjan was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue collection as irregularities amounting to Rs 61.268 million were pointed out during audit of Financial Years 2016-19.

CHAPTER 48.2

Municipal Committee, Mamunkanjan

48.2.1 Introduction

Municipal Committee, Mamunkanjan manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Senior Sub-Engineer (Engineering Branch)	01
Building Inspector (Planning Branch)	01

The following table shows detail of total & audited formations of Municipal Committee, Mamunkanjan:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	63.576	30.880
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

48.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets as assigned to the PAO by Government of the Punjab, financial resources as given below were made available to the Municipal Committee, Mamunkanjan during 2016-19. The detail is as under:

(Rupees in million)

Financial Years	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-19	Non-Development (Salary+ Non-Salary)	184.515	90.196	(94.319)	51.12%
	Development	124.829	41.556	(83.273)	66.71%

	Total	309.344	131.752	(177.592)	57.41%
	Receipts	235.284	205.866	-29.417	-14.29%

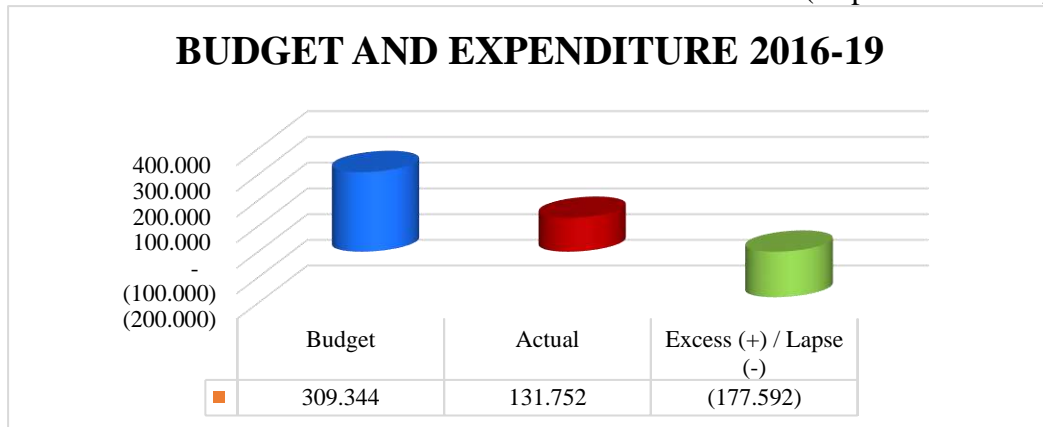
(Source: Annual Accounts 2016-19)

Analysis of budget and expenditure indicated that:

- An amount of Rs 184.515 million was provided for salary and other operational expenditure. A massive lapse of Rs 94.319 million was observed, which accounts for 51.12% of the total budget.
- An amount of Rs 124.829 million was provided for development, out of which only Rs 41.556 million was utilized. The department did not utilize funds in a timely manner, resulting in a lapse of Rs 83.273 million, representing a lapse of 66.71%.
- Analysis of receipts depicted that total budgeted receipts for the Financial Year 2016-19 were Rs 235.284 million against which amount of Rs 205.866 million was collected. There was a shortfall of Rs 29.417 million observed in revenues of the Municipal Committee, Mamunkanjan which in terms of percentage was 14.29%.

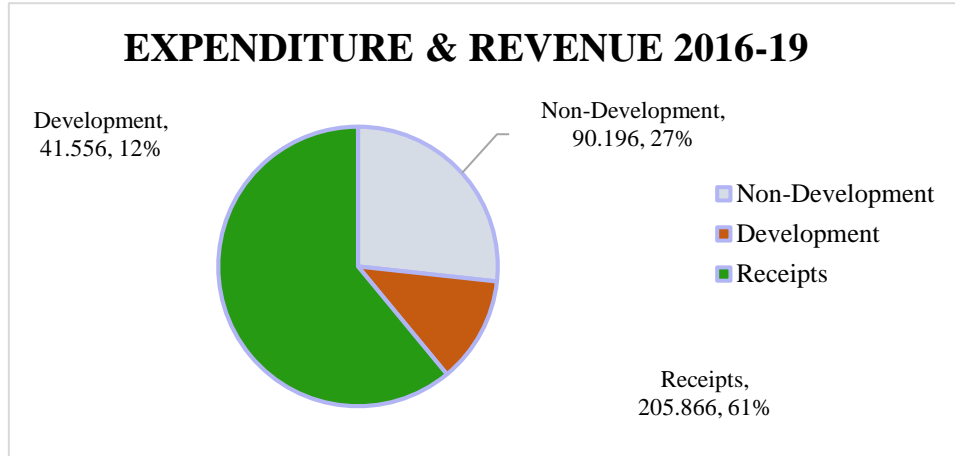
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure & revenue is as under:

(Rupees in million)



48.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 53.553 million were raised as a result of this audit. This amount also includes recoverable Rs 25.134 million as pointed out by the Audit. Summary of the audit observations classified by nature is given in following table:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	0
2	Reported cases of fraud, embezzlement and misappropriation	0
3	Irregularities	0
A	HR/Employees related irregularities	1.552
B	Procurement related irregularities	21.826
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	16.295
5	Others	13.880
Total		53.553

48.2.4 Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Mamunkanjan. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

48.3 Procedural Irregularities

48.3.1 Irregular procurement of non-schedule items without preparation of analysis of rates – Rs 6.070 million

According to 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 Superintending Engineer on the basis of input rates of relevant quarter placed at website of Finance Department and rates shall not be more than the market rates. The Chief Engineers on the basis of these inputs rates shall fix the rate of each item of the work for rough cost estimate / administrative approval and detailed estimate for technical sanction in accordance with notification number No.RO(TECH)FD 2-3/2004 dated 02.08.2004. However, the finished rate of an item of work shall not exceed the market rate of that item in the area/district.

Chief Officer, Municipal Committee Mamunkanjan incurred expenditure of Rs 6.070 million for procurement of non-scheduled item such as sea saw, exercise drums, fiber benches, street light shade, LED street lights and LED bulbs during 2015-19. However, the analysis of rates for non-schedule items were not prepared on the basis of input rates notified by the Finance Department and transparent competitive market prices were also not obtained before making such analysis. Furthermore, excess expenditure of Rs 0.372 million was incurred for providing / fixing of 86 LED Opple Street lights 40 Watt (@ Rs 1,800 each) in respect of work awarded in December 2017 as compared to the rate (Rs 1,600 each) provided against the work awarded in March 2019 which also created doubts about the transparency of the market rates obtained for the basis of input rates. The details are as under:

(Rupees in million)

Sr. No.	Name of Work	Item Name	Quantity (Nos.)	Rate	Amount
1	Construction of Ali Gohar Park	P/F of fiber made benches	5	33,200	0.166
		P/F of heavy swings	1	66,500	0.067

Sr. No.	Name of Work	Item Name	Quantity (Nos.)	Rate	Amount
		P/F of sea saw (new type)	1	35,500	0.036
		P/F of exercise drums	1	26,500	0.027
2	Construction of Park Ghosia Colony Mamunkanjan.	P/F of heavy swings	1	66,500	0.067
		P/F of sea saw (new type)	3	35,500	0.107
		P/F of exercise drums	2	26,500	0.053
3	Providing & Fixing of Street Lights Municipal Committee Mamunkanjan.	P/f Opple LED Street lights 40 Watt	186	18,000	3.348
4	Provision and Fixing of Street Lights Municipal Committee Mamunkanjan.	P/f Opple LED Street lights 40 Watt	80	16,000	1.280
		P/f Opple LED Street lights 60 Watt	26	18,000	0.468
5	Provision of Accessories Street Lights Municipal Committee Mamunkanjan.	Providing of street light shade with G.I. Pipe 1.5"	60	5,040	0.302
		P/F LED Bulb 18 watt best quality	2	1,300	0.026
		P/F LED Bulb 16 watt best quality	105	1,170	0.123
Total					6.070

Audit is of the view that due to violation of Finance Department's instructions, non-scheduled items were procured without preparation of analysis of rates on the basis of input rates / transparent competitive market rates.

Procurement of non-scheduled items without preparation of analysis of rates on the basis of input rates / transparent competitive market rates resulted in irregular expenditure of Rs 6.070 million and excess expenditure of Rs 0.372 million against just one item.

The matter was reported to the PAO in February, 2020. It was replied that estimates were approved by the Competent Authority observing all formalities. However, the matter would be investigated and detailed reply would be submitted at the earliest after investigation.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault and recovery of loss besides regularization of expenditure from the competent authority.

[AIR Para: 18]

48.3.2 Irregular expenditure on POL of vehicles – Rs 5.612 million

According to Section 49 (Appendix-14) of PFR-Vol-II, record of petrol, oil, lubricants and spare parts should be maintained separately for each vehicle. Full particulars of journey, distances between two places and purpose of journey indicating the brief particulars of the journey performed should be recorded in log book. Furthermore, according to Government of the Punjab, Services & General Administration Department (Transport Pool) letter No. MTO(S&GAD)AT-II/2-9/2006 dated 26.12.2008, necessary arrangements were required for sealing of speedometer/milometer of all the vehicles under use in Government offices to minimize the chances of pilferage/misappropriation of fuel to save Government exchequer.

Chief Officer, Municipal Committee Mamunkanjan incurred expenditure of Rs 5.612 million on POL of vehicles during 2016-19. Audit observed that entries in the log books of sanitation / solid waste vehicles / tractors were being made on assumption basis as their hour / log meters were found non-functional / out of order.

Audit is of the view that due to weak monitoring mechanism, POL was being drawn by recording entries in the log books on assumption basis.

Expenditure on POL by recording log book entries on assumption basis resulted in irregular expenditure of Rs 5.612 million besides enhancing the chances of POL pilferage.

The matter was reported to the PAO in February, 2020. It was replied that tractors were used for lifting of garbage, sprinkling of water in the streets / roads and removal of illegal occupations / encroachments. However, the speedo meters will be got sealed at the earliest and compliance would be shown to Audit.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides regularization of expenditure from the competent authority and recording of POL consumption on actual basis.

[AIR Para: 22]

48.3.3 Loss due to less realization of revenue on account of license fee – Rs 3.772 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. Furthermore, according to Gazette Notification No. 198/MCM/2017 dated 12.09.2017, Municipal Committee, Mamunkejan levied license fee on different types of professions / businesses.

Audit observed that Chief Officer, Municipal Committee, Mamunkejan collected / deposited license fee amounting to Rs 0.174 million from the owners of 91 business / professions during 2017-19 against total recoverable income of Rs 3.946 million from the owners of 1,148 businesses / professions which indicated either non-collection or less deposit of license fee from the owners of 1,057 business / professions of different categories resulting in loss of Rs 3.772 million. The details are as under:

(Rupees in million)

Financial Year	No. of Businesses / Professions		Amount of License Fee		
	As per Survey Reports	As per Fee Deposit	As per Survey Reports	Deposited	Loss
2017-18	574	35	1.973	0.065	1.908
2018-19	574*	56	1.973*	0.109	1.864
Total	1,148	91	3.946	0.174	3.772

*Source: number of businesses / professions as per surveys conducted by MC officials

Audit is of the view that due to weak monitoring mechanism, license fee was not recovered / deposited.

Non-recovery / non-deposit of license fee resulted in non-realization of revenue amounting to Rs 3.772 million and loss to Municipal Committee.

The matter was reported to the PAO in February, 2020. It was replied that the matter would be investigated and recovery would be made from the business holders concerned, and compliance will be shown to Audit at the earliest.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides early recovery / deposit of license fee amounting to Rs 3.772 million.

[AIR Para: 1]

48.3.4 Irregular expenditure through splitting to avoid tenders – Rs 2.209 million

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. Furthermore, according to Rule 14 of the rules *ibid*, the procurements of more than Rs 100,000 and up to Rs 2 million shall be advertised 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.

Chief Officer, Municipal Committee Mamunkanjan incurred expenditure of Rs 2.209 million on renovation of Chairman Office, maintenance of street lights, repair of Sasta Ramzan Bazar and execution of civil works during 2017-19. Contrary to the above, procurements were made by splitting the cost of items and keeping the same, below the financial limit Rs 100,000 to avoid tendering procedure. **(1/MKJ)**

Audit is of the view that due to lack of due diligence; procurements were made without inviting open tenders.

Incurrence of expenditure amounting to Rs 2.209 million by splitting the cost to avoid tendering resulted in irregular expenditure and mis-procurements.

The matter was reported to the PAO in February, 2020. It was replied that procurements were made on lowest rates after calling quotations and no excess payment was made. The reply was not tenable because the cost of procurements was split to avoid invitation of tenders.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides regularization of expenditure from the Competent Authority.

[AIR Para: 16]

48.3.5 Irregular and infructuous expenditure on development work – Rs 1.783 million

According to Paras 2.7, 2.12 and 2.86 of the West Pakistan Buildings and Roads Department Code, construction cost, scope and specifications of the scheme involving material deviation from the original proposal once approved cannot be modified without approval of the competent authority. Furthermore, according to Clause 11 and 14 of Contract Agreement for works, the contractor shall execute the whole and every part of work with the specifications.

Chief Officer, Municipal Committee awarded work for improvement of sewer line in Tariq Colony for Rs 1.980 million on 10.05.2019 and incurred expenditure of Rs 1.783 million till the date of Audit i.e. February, 2020. However, expenditure was held irregular and infructuous on the following grounds:

- i. Work was awarded for improvement of sewer line with length of 1,550 Rft and 12-inch RCC pipe, whereas, scrutiny of measurement book reflected that only 720 Rft sewer line with 12-inch RCC pipe was executed.
- ii. 249 Rft sewer line with 9” RCC pipe was executed without any provision in the sanctioned estimate.
- iii. Nala and PCC in 128 Rft length were also executed without provision for the same in the sanctioned estimate.

- iv. Sewer line measuring 609 Rft was executed in the private / illegal land sub-divisions i.e. Liaqat Town, Minhaj Town etc. adjacent to Tariq Colony.
- v. Laying of sewer line was shown executed without providing sanctioned item of sand cushion which resulted in substandard execution of work.
- vi. Joint visit of site also indicated execution of substandard work because surface of the street in which sewer line was laid, was settled due to seepage and same was also reported by the residents.

Audit is of the view that due to negligence; scope of the work was changed; execution of work was carried out in illegal land subdivision and substandard work was executed.

Change of scope, execution in illegal / unapproved land subdivision and execution of substandard work resulted in irregular and infructuous expenditure amounting to Rs 1.783 million.

The matter was reported to the PAO in February, 2020. It was responded that reply would be submitted after detailed investigation and compliance be shown to Audit at the earliest.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides fixing responsibility on the person(s) at fault.

[AIR Para: 15]

48.3.6 Irregular appointment of daily wage / contingent paid staff – Rs 1.552 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 employees was only to be made after proper advertisement of the posts in the leading newspapers and recruitment to all the posts was to be made on the basis of merit specified for regular establishment. Further, 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.

Audit observed that Chief Officer, Municipal Committee Mamunkanjan made payment of Rs 1.552 million on account of salaries to sanitary workers appointed on daily wage / work charged basis during 2017-19. However, incurrence of expenditure was held irregular on the following grounds:

- 1 Recruitments were made without advertising the posts in newspapers.
- 2 No detail of total applications received and merit list prepared before appointment was forthcoming from the record.
- 3 Recruitments were made without constituting recruitment / selection committee as no minutes of committee were available on record.

Audit is of the view that due to weak internal controls, recruitments of contingent paid / daily wage staff were made without adopting prescribed procedure.

Payment of salaries against the recruitments in violation of prescribed procedure resulted in irregular expenditure amounting to Rs 1.552 million.

The matter was reported to the PAO in February, 2020. It was replied that hiring of daily wages / contingent paid staff was made for spell of 89 days by the defunct TMA Tandlianwala and MC Mamunkanjan made no new hiring. The reply was not tenable because the hiring / recruitments made by defunct TMA was expired after 89 days and MC Mamunkanjan continued their services without making fresh hiring / recruitments by following prescribed procedure.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides regularization of expenditure from the competent authority.

[AIR Para: 24]

48.3.7 Excess payments to the contractors of civil works – Rs 1.262 million

According to Item No. 11 of Chapter 4 of Market Rates System (MRS) Bi-annual Period (1st / 2nd Bi-annual, 2017 and 1st / 2nd Bi-annual, 2018) issued by Finance Department, Government of the Punjab, the rates for “dismantling dry brick masonry” were Rs 493.70 and Rs 532.30 respectively for each 100 cubic feet (Cft) for District Faisalabad. Further, according to Government of the Punjab, Finance Department letter No.RO(Tech) FD-18-29/2004 dated 03.03.2005, Contractor’s Profit and Overhead Charges on electric motors, turbines, audio video systems, street lights, machinery, furnishing items etc. are not allowed. Furthermore, according to Section 1.3 of Sales Tax Special Procedure (Withholding) Rules, 2007, an amount equal to 1/5th (20 percent) of the total Sales Tax was to be withheld from the payments made to the registered persons.

Chief Officer, Municipal Committee, Mamunkanjan made excess payment of Rs 1.262 million to the contractors by applying irrelevant rate for dismantling the brick soling. The rate of costly item of dismantling of brick flooring (item 29 of Chapter 4) was provided in estimates and subsequently paid which resulted in excess payment. The details are as under:

(Rupees in million)

Sr. No.	Description of excess paid/Recoverable Amount	Remarks	Amount
1	Excess payment by applying irrelevant item rate	Irrelevant item rate for dismantling dry brick soling was applied. [Rate of brick flooring (Item No. 29) was paid instead of Item 11 of Chapter 4 of MRS	0.327
2	Payment without execution of works at site	Execution and payment for items like dry rammed brick or stone ballast under tuff pavers, street light poles/ brackets, steel gate / door, goldametic pump etc. was made but these items were found executed / existing during visit / joint inspection of 2 sites.	0.538
3	Excess payment of contractors, profit and GST	Contractors’ profit was paid against purchase of furniture besides non-deduction of GST	0.243

Sr. No.	Description of excess paid/Recoverable Amount	Remarks	Amount
4	Excess payment by charging more than the sanctioned rate	The item namely Providing and laying RCC sewer pipe 12” dia including carriage of pipe from factory to site of work complete was technically sanctioned @ 338.8 per Rft but was paid @ Rs 553 per Rft	0.154
Total			1.262

Audit is of the view that due to dereliction of duties; excess payments were made to the contractors.

Excess payments to the contractors resulted in loss amounting to Rs 1.262 million to Municipal Committee.

The matter was reported to the PAO in February, 2020. It was replied that the matter would be probed for appropriate action / recovery and compliance would be shown to Audit.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides effecting recovery of excess paid amount of Rs 1.262 million from the concerned and fixing responsibility on the person(s) at fault.

[AIR Paras: 5, 8, 10, 12]

48.3.8 Loss due to non-utilization of dismantled bricks – Rs 1.118 million

According to Rule 9(b) of the Punjab Local Government (Accounts) Rules, 2017, the drawing and disbursing officer and the payee of the pay, allowances, contingent expenditure of any other expense shall be personally responsible for any overcharge, fraud or misappropriation and shall be liable to make good that loss. Furthermore, according to instructions contained in C&W Department letter No. SOH-1(C&W)1-42/97 dated 26.11.1997 and Section 402-6 of Road and Bridges Construction 1971, material available as result of dismantling would be reused 90% to 100% for stone metal and brick work as well as for earth work.

Audit observed that Chief Officer, Municipal Committee Mamunkanjan incurred excess expenditure amounting to Rs 1.118 million by adopting uneconomical option of providing laying bricks soling instead of resoling by using bricks retrieved from dismantlement of existing soling during 2017-19. The details are as under:

(Amount in Rupees)

Sr. No.	Name of Scheme	Re-soling Rate	New Soling Rate	Excess Rate	Soling in Cft	Excess Cost	Proceeds of Old Material	Net Loss
1	Construction of Tuff Tile, Soling, Resoling, Drains, Culverts etc. Ward No. 6 to 9	3,643.17	15,656.35	12,013.18	1,682	202,062	79,475	122,587
2	Construction of Tuff Tile, Soling, Resoling, Slab, Culverts, PCC etc. Ward No. 1 to 5	3,643.17	15,656.35	12,013.18	1,707	205,065	80,656	124,409
3	Construction of Tuff Tile, Soling, Resoling, Slab, Culverts etc. Ward No. 10 to 13	3,643.17	15,656.35	12,013.18	2,606	313,063	123,134	189,929
4	Construction of Soling, Resoling, Drains, Slabs etc. Ward No. 4, 5	3,379.32	14,906.50	11,527.18	1,431	164,954	67,615	97,339
5	Construction of Soling, Resoling, Tuff Tile, Drains, Slab, Culvert & Sewerage Pipeline etc. Ward No. 6, 7, 11	3,379.32	14,906.50	11,527.18	3,602	415,209	170,195	245,014
6	Construction of Soling, Resoling, Drains, Slab etc. Ward No. 9, 10	3,379.32	14,906.50	11,527.18	2,863	330,023	135,277	194,746
7	Construction of Soling, Resoling, Drains etc. Basti Lal Shah	3,379.32	14,906.50	11,527.18	2,120	244,376	100,170	144,206
Total						1,874,752	756,522	1,118,230

Audit is of the view that due to dereliction of duties; dismantled bricks were not / less reused for brick soling.

Non / less reuse of bricks for resoling resulted in loss of Rs 1.118 million to the Municipal Committee.

The matter was reported to the PAO in February, 2020. It was replied that appropriate action for recovery of overpaid amount would be taken and compliance will be shown to Audit at the earliest.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides recovery of loss amounting to Rs 1.118 million from the concerned.

[AIR Para: 4]

48.4 Value for Money and Service Delivery Issues

48.4.1 Non-recovery of rent of shops – Rs 6.833 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.

Audit observed that Chief Officer, Municipal Committee, Mamunkejan could not recover rent amounting to Rs 6.833 million from the tenants / lessees of 143 shops situated at three different locations. Strenuous efforts were not made to recover the outstanding dues from the defaulters. The details are as under:

(Rupees in million)

Sr. No.	Location of Shops	No. of Shops	Amount
1	Jamia Road near Railway Station	17	1.743
2	Quaid e Azam Plaza	114	4.128
3	Near MC Office	12	0.962
Total		143	6.833

Furthermore, efforts were not made to re-auction the leases of shops after fresh assessment of rent through District Rent Assessment Committee.

Audit is of the view that due to poor performance, rent of shops was not recovered from the defaulters.

Non-recovery of rent of shops from the defaulters resulted in loss of revenue amounting to Rs 6.833 million to the Municipal Committee.

The matter was reported to the PAO in February, 2020. It was replied that rent for the entire period has been worked out in the demand & collection register and remaining amount would be recovered from the concerned and compliance will be shown to Audit.

No DAC meeting was convened till finalization of this Report.

Audit recommends early recovery of rent of shops amounting to Rs 6.833 million from the defaulters besides re-auction after assessment of market rent.

[AIR Para: 2]

48.4.2 Non-realization of revenue on account of approval of private housing schemes – Rs 4.343 million

According to Clause 38 and 39 of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, a developer shall deposit a preliminary planning permission fee along with application at the rate of rupees five thousand for scheme having area up to two thousand kanal and other fees at prescribed rates. Developer shall also 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. Furthermore, according to Gazette Notification No. 199/MCM/2017 dated 12.09.2017, Municipal Committee, Mamunkejan levied NOC fee for residential scheme @ Rs 25,000 per acre.

Audit observed that nine illegal housing schemes / land-subdivisions, on land measuring 476 kanal, were situated in the territorial jurisdiction of Municipal Committee Mamunkejan. However, Chief Officer did not make efforts for realization of revenue amounting to Rs 4.343 million on account of NOC fee, preliminary planning permission fee and approval of design / specifications fee, by getting these housing schemes / land subdivisions approved or initiating steer legal action against the culprits. Furthermore, exact reference to the sites i.e. square numbers and killa numbers were not provided to Audit for calculation of actual amount of conversion fee. The details are given on next page:

(Rupees in million)

Sr. No.	Name of Illegal Scheme	Area		NOC Fee @ Rs 25000 / Acre	Preliminary Planning Permission Fee @ Rs 5000 / Kanal	Fee for Approval of Design & Specifications @ Rs 1000 / Kanal	Total
		K	M				
1	Rehman Town, Chak No. 509 GB	45	16	0.143	0.229	0.046	0.418
2	Jameel City, Mureed Wala Road Chak 509 GB	79	18	0.250	0.400	0.080	0.729
3	Barkat Town, Mureed Wala Road Chak 509 GB	32	0	0.100	0.160	0.032	0.292
4	Sufi Town Bungalow Road near Bungalow Road	35	6	0.110	0.177	0.035	0.322
5	Liaqat Town, near Tariq Colony	52	14	0.165	0.264	0.053	0.481
6	Bilal Town, backside Tariq Colony	46	12	0.146	0.233	0.047	0.425
7	Raza Town, backside Tariq Colony	76	2	0.238	0.381	0.076	0.694
8	Mughal Valley, Backside Tariq Colony, near Government Girls College	73	9	0.230	0.367	0.073	0.670
9	Model City, Bungalow Road	34	1	0.106	0.170	0.034	0.311
Total		475	18	1.487	2.380	0.476	4.343

Audit is of the view that due to lack of due diligence; concrete efforts were not made for realization of revenue from the owners / developers of private housing schemes / land subdivisions.

Non-initiation of action for approval of private housing schemes / land subdivisions and non-recovery of fees resulted in non-realization of revenue amounting to Rs 4.343 million besides non-recovery of conversion fee.

The matter was reported to the PAO in February, 2020. It was replied that the recovery was under progress and compliance would be shown to Audit after completion of recovery process. Audit stressed for early recovery and provision of missing information regarding reference of land fee calculation and recovery of conversion fee as well.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides making strenuous efforts for realization of revenue and provision of complete information for calculation / recovery of conversion fee as well.

[AIR Para: 03]

48.4.3 Non-completion of schemes despite availability of funds – Rs 2.693 million

According to Rule 3(h) of the Punjab Local Governments (Budget) Rules, 2017, the Mayor or Chairman shall monitor and ensure timely completion of development projects. Furthermore, according to Rule 11 of the Punjab Local Governments (Works) Rules, 2017, the Mayor or Chairman shall take such steps as may be necessary to enforce the performance of the contract in accordance with the terms and conditions thereof and in the best interest of the local government.

Audit observed that Chief Officer, Municipal Committee, Mamunkanjan awarded contracts for execution of eight civil works to different contractors during 2017-19 for Rs 17.017 million with stipulated completion period up to 31.12.2015 and 30.06.2019. However, up to date expenditure on these schemes was Rs 14.324 million and works costing Rs 2.693 million remained incomplete till January, 2020 despite availability of funds and lapse of 7 to 49 months. The details are as under:

(Rupees in million)

Sr. No.	Name of Scheme	Work Order Date	Stipulated Date of Completion	Agreement Amount	Work done upto 31.01.2020	Amount of Balance Work
1	Improvement of Ali Gohar Park Tariq Colony Mamunkanjan	10-05-19	30-06-19	1.991	0.876	1.115
2	Improvement of Residential Quarter Municipal Committee Mamunkanjan	10-05-19	30-06-19	1.995	1.720	0.275
3	Construction of Chairman Block (Remaining Work),	06-03-19	30-06-19	3.780	3.204	0.576

Sr. No.	Name of Scheme	Work Order Date	Stipulated Date of Completion	Agreement Amount	Work done upto 31.01.2020	Amount of Balance Work
	Municipal Committee Mamunkanjan					
4	Construction of Park Ghosia Colony	20-08-15	31-12-15	1.500	1.384	0.116
5	Construction of Ali Gohar Park	20-08-15	31-12-15	1.199	1.072	0.127
6	Improvement of Sewer Line Tariq Colony	10-05-19	30-06-19	1.980	1.783	0.197
7	Improvement of Sewer Line Tariq Colony	10-05-19	30-06-19	1.987	1.840	0.147
8	Improvement of Office including Store, Garage & Boundary Wall etc. Municipal Committee Mamunkanjan.	10-05-19	30-06-19	2.586	2.445	0.141
Total				17.017	14.324	2.693

Audit is of the view that due to weak monitoring mechanism and negligence; efforts were not made for timely completion of schemes despite availability of funds.

Non-completion of schemes costing Rs 2.693 million resulted in non-provision of envisaged benefits to the local populous besides deterioration of the partial works already executed.

The matter was reported to the PAO in February, 2020. It was replied that the matter would be looked into and appropriate action for imposition of penalty against the defaulting contractors would be taken at the earliest.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault besides ensuring completion of schemes without further delay.

[AIR Para: 14]

48.4.4 Loss due to less / non-recovery of income – Rs 1.381 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 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.

Chief Officer, Municipal Committee Mamunkanjan could not effect recovery of Rs 1.381 million from the tenant of shop at offered rate and from the contractors of auction of collection rights of parking fee, advertisement fee, slaughtering fee etc. 2016-19. The details given in following:

(Rupees in million)

Sr. No.	Source of Income	Duration	Total Amount	Amount Recovered	Amount Recoverable
1	Rent of shop at Chungi No. 1	01.10.2017 to 31.01.2020	0.856	0.022	0.834
2	Parking Fee (Rickshaw, Motor Cycle)	2017-18	0.305	0.173	0.132
3	Parking Fee (Car, Bus, Van, Mazda etc.)	2017-18	0.138	0.096	0.042
4	Sludge Water	2017-18	0.260	0.133	0.127
5	Advertisement Fee	2018-19	0.451	0.399	0.052
6	Slaughtering Fee	2018-19	0.166	0.130	0.036
7	Parking Fee	2018-19	0.847	0.689	0.158
Total			3.023	1.642	1.381

Audit is of the view that due to poor performance, rent of shop was recovered at lesser rates besides non-recovery of collection rights.

Less recovery of rent of shop and non-recovery of collection rights resulted in non-realization of revenue amounting to Rs 1.381 million.

The matter was reported to the PAO in February, 2020. It was replied that rent for the entire period has been worked out in the demand & collection register and remaining amount would be recovered from the concerned. However,

reply regarding non-recovery of collection rights would be submitted after detailed investigation and compliance would be shown to Audit.

No DAC meeting was convened till finalization of this Report.

Audit recommends early recovery of outstanding income amounting to Rs 1.381 million from the defaulters.

[AIR Paras: 9, 11]

48.4.5 Non-imposition of penalty for non-completion of works – Rs 1.145 million

According to Clause 2 of the Contract Agreement for civil works, the time limit for carrying out the work, as entered in tender, should be strictly observed by the contractor. In case of default, the contractor shall be liable to pay, as compensation, an amount equal to one percent of the estimated cost subject to a maximum of ten percent.

Audit observed that Chief Officer, Municipal Committee Mamunkanjan awarded seven works for improvement of sewer line, construction of tuff tiles, providing fixing of street lights and repair of office building costing Rs 11.450 million during 2017-19. However, the contractors could not complete execution of works within stipulated time. The Chief Officer did not take action against the contractors for completion of works and imposition of penalty amounting to Rs 1.145 million. The details are as under:

(Rupees in million)

Sr. No.	Name of Scheme	Work Order Date	Stipulated Date of Completion	Actual Date of Completion	Estimated Cost	Penalty @ 10 %
1	Improvement of Sewer Line from PTCL Exchange to Chowk Chungi No. 5	10-05-19	30-06-19	3rd RA Measurement on 16.09.19 as per page 85 of MB 14219	2.000	0.200
2	Construction of Tuff Tile, Soling, Resoling, Drains, Culverts Ward No. 6 to 9	10-05-19	30-06-19	3rd RA Measurement on 04.09.19 as per page 67 of MB 14219	2.000	0.200

Sr. No.	Name of Scheme	Work Order Date	Stipulated Date of Completion	Actual Date of Completion	Estimated Cost	Penalty @ 10 %
3	Construction of Tuff Tile, Soling, Resoling, Slab, Culverts, PCC etc. Ward No. 1 to 5	10-05-19	30-06-19	2nd RA Measurement on 04.09.19 as per page 71 of MB 14219 Also notice issued on 25.07.19 for stop of work after 1st RA	2.000	0.200
4	Provision and Fixing of Street Lights	06-03-19	30-04-19	Work in Process	2.000	0.200
5	Construction of Tuff Tile, Soling, Resoling, Slab, Culverts Ward No. 10 to 13	10-05-19	30-06-19	Work in Process	2.000	0.200
6	Repair / Renovation of Office Municipal Committee Mamunkanjan.	14-12-17	30-03-18	13-07-18	0.500	0.050
7	Purchase of furniture for office	14-12-17	28-02-18	06-08-18	0.950	0.095
Total					11.450	1.145

Audit is of the view that due to weak internal controls and lack of vigilance; penalty was not imposed for non-completion of schemes.

Non-imposition of penalty amounting to Rs 1.145 million resulted in loss to Municipal Committee besides depriving the local populace of envisaged benefits.

The matter was reported to the PAO in February, 2020. It was replied that the matter would be looked into and appropriate action for imposition of penalty against the defaulting contractors would be taken at the earliest.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter inquiry and fixing responsibility on the person(s) at fault besides imposition and recovery of penalty amounting to Rs 1.145 million.

[AIR Para: 6]

48.5 Others

48.5.1 Non-deduction of Social Security Contribution – Rs 5.368 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.

Chief Officer, Municipal Committee Mamunkanjan executed various works through 21 contractors during 2018-19 but payments, for works executed, were made without obtaining certificates regarding payment of Social Security Contribution of workers employed by the contractors. Municipal Committee authorities did not make efforts to deduct the Social Security Contribution amounting to Rs 5.368 million from claims of the contractors before making payments. The details are as under:

(Rupees in million)

No. of Contractors	No. of Employees	Average Wage Rate per Annum	Total Wages	Amount @ 6%
21	97	0.180	89.460	5.368

Audit is of the view that due to lack of vigilance; Social Security Contribution was not deducted.

Non-deduction of Social Security Contribution resulted in excess payment of Rs 5.368 million to the contractors.

The matter was reported to the PAO in February, 2020. It was responded that reply would be submitted after probing the matter.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides recovery of Social Security Contribution amounting to Rs 5.368 million from the concerned.

[AIR Para: 7]

48.5.2 Approval and award of civil work with incomplete structure – Rs 4 million

According to Para 2.5 of the West Pakistan Buildings and Roads Department Code, administrative approval should not be accorded until the professional authorities have intimated that the proposals are structurally sound and that the rough cost estimate is sufficiently correct for the purpose. Furthermore, according to Note to the Para 2.70 of the Code *ibid*, it should be clearly understood that the splitting up of a work at the time of calling for tenders is a measure which must be justified by circumstances and must be in the interests of the work.

Chief Officer, Municipal Committee Mamunkanjan awarded contract on 14.12.2017 for execution of work namely Construction of Chairman Block in Municipal Committee Office and incurred expenditure of Rs 4.000 million during 2017-18. Audit observed illogical award and execution of civil work with incomplete structure i.e. only walls of the office rooms were constructed by ignoring all other mandatory components like flooring, RCC / roofing, plastering, doors, windows etc. Subsequently, contract for execution of all these items, with the nomenclature of Remaining Work, was awarded on 04.03.2019 for Rs 4.500 million i.e. after 15 months. However, the management could not justify illogical execution of civil work with incomplete structure. This practice also led to increase in cost amounting to Rs 0.283 million due to increase in rates provided in MRS. The details are as under:

(Rupees in million)

Construction of Chairman Block				Construction of Chairman Block (Remaining Work)			Excess Cost due to increase in MRS Rates
Date of Award	MRS Bi-annual Period	Cost	Remarks	Date of Award	MRS Bi-annual Period	Cost	
14.12.17	2 nd Bi-annual 2017	4.000	Only Walls of the rooms were constructed by ignoring all the mandatory components which was also not apparent from the	04.03.19	2 nd Bi-annual 2018	4.500	0.283

Construction of Chairman Block				Construction of Chairman Block (Remaining Work)			Excess Cost due to increase in MRS Rates
Date of Award	MRS Bi-annual Period	Cost	Remarks	Date of Award	MRS Bi-annual Period	Cost	
			approved / sanctioned nomenclature of the work.				

Audit is of the view that due to negligence, work with incomplete structure was awarded and got executed. imperative

Illogical and unjustified execution of civil work costing Rs 4 million with incomplete structure resulted in increased cost of Rs 0.283 million due to change in MRS Bi-annual period and less competitive bids due to splitting the cost.

The matter was reported to the PAO in February, 2020. It was replied that the estimates were Technically Sanctioned and approved by the Competent Authority in the light of competitive market rates. The reply was not tenable because no plausible justification was given for splitting and award / execution of work with incomplete structure.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides fixing responsibility on the person(s) at fault.

[AIR Para: 23]

48.5.3 Utilization of bricks without ensuring standard specifications and testing – Rs 3.315 million

According to the Composite Schedule Rates (CSR)-1964, standard crushing strength for 1st class bricks is 2,000 pounds per square inch (PSI). Further, according to Superintending Engineer, Provincial Buildings Circle, Faisalabad letter No. 1848-49 dated 20.06.2015, the brick kiln owners mix the 1st class bricks with inferior quality bricks and supply the same to contractors who accept the same being in their benefit. Therefore, quality of bricks be got tested to ensure specified crushing strength of 2,000 PSI.

Audit observed that Chief Officer, Municipal Committee Mamunkanjan executed four civil works for construction of drain, sludge carrier and soling during 2017-19. However, bricks costing Rs 3.315 million were used in these works but no reliable methodology was adopted to measure strength, standard and specification of the bricks utilized. Therefore, in the absence of proper testing of bricks at the time of execution, the authenticity of utilization of 1st class bricks could not be proved. The details are given below:

(Rupees in million)

Sr. No.	Name of Work	Item Name	Quantity in Cft	Amount
1	Construction of Soling, Drains, Slab etc. Ward No. 13.	Brick Soling	6,955	1.037
		Pacca Brick Work	1,001	0.121
2	Construction of Boundary Wall & Repair of Office Municipal Committee Mamunkanjan.	Pacca Brick Work	2,439	0.440
3	Improvement of Office including Store, Garage & Boundary Wall etc. Municipal Committee Mamunkanjan.	Pacca Brick Work	4,526	0.885
4	Improvement of Residential Quarter Municipal Committee Mamunkanjan.	Pacca Brick Work	4,350	0.832
Total			19,271	3.315

Audit is of the view that due to negligence and ineffective monitoring mechanism; works were executed without observing specifications and testing of bricks.

Utilization of bricks costing Rs 3.315 million without ensuring required strength, quality and standard resulted in execution of sub-standard works.

The matter was reported to the PAO in February, 2020. It was replied that necessary arrangements were made by this department for ensuring quality tests of bricks. However, quality of bricks on the running works would be ensured and compliance will be shown to Audit at the earliest. The reply was not tenable because no mechanism was devised for random sampling and testing of bricks being true representative of the bricks used for execution of works.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides fixing responsibility on the person(s) at fault and regularization of expenditure from the Competent Authority.

[AIR Para: 19]

48.5.4 Execution of substandard works – Rs 1.197 million

According to Clause 11 and 14 of Contract Agreement for works, the contractor shall execute the whole and every part of work with the specifications. In addition, if it shall appear that work has been executed with unsound, imperfect, or unskillful workmanship or with materials of any inferior description or otherwise not in accordance with the contract, the contractor shall, remove the materials or articles so specified and provide other proper and suitable materials and in the case of any such failure the Municipal Engineer may rectify or remove and re-execute the work or remove and replace with other materials or articles complained of as the case may be at the risk and expense in all respects of the contractor.

Chief Officer, Municipal Committee Mamunkanjan incurred expenditure of Rs 1.197 million for construction / improvement of two parks during 2015-19. However, payments were made against substandard works as was noticed from the sites' inspection carried out jointly with the Senior Sub-engineer and comments of the residents during the presence of Senior Sub-engineer. Furthermore, evidence regarding procurement of tuff tiles from approved manufacturer was also not forthcoming from the record. The details are as under:

(Rupees in million)

Sr. No.	Name of Work	Item Name	Quantity		Amount
1	Construction of Ali Gohar Park	P/L tuff tiles 60 mm (approved manufacturer) over 2" to 3" sand cushion	6,092	Sft	0.631
2	Construction of Park Ghosia Colony Mamunkanjan.	P/F of heavy swings	1	Nos.	0.067
3		P/F of sea saw (new type)	3	Nos.	0.107
4		P/F of exercise drums	2	Nos.	0.053

Sr. No.	Name of Work	Item Name	Quantity		Amount
5	Construction of tuff tile, soling, resoling, slabs etc. ward No. 10 to 13	P/L tuff tiles 60 mm (approved manufacturer) over 2" to 3" sand cushion	3,270	Sft	0.339
Total					1.197

Audit is of the view that due to lack of due diligence; payments were made against substandard works.

Payments against substandard works costing Rs 1.197 million resulted in wasteful expenditure.

The matter was reported to the PAO in February, 2020. It was replied that the matter would be probed for taking appropriate action against the defaulting contractors.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides removal of defects and fixing responsibility on the person(s) responsible for acceptance of substandard work.

[AIR Para: 17]

Municipal Committee, Sammundari

CHAPTER 49.1

Sectoral Analysis of Municipal Committee, Sammundari

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, expenditure on execution of development plans, asset management, human resource management etc. are given below:

Analysis regarding Revenue Collection targets and achievements

(Rupees in million)

Source of Income	2018-19		2016-18		Total		Shortage (%age)
	Target	Actual	Target	Actual	Target	Actual	
License fee (Dangerous and Offensive Trade)	0.600	-	0.600	0.500	1.200	0.500	-58.33%
Fine for construction without approval of building plan	-	-	0.100	-	0.100	-	-100%
Fine for encroachments	0.200	0.004	0.200	-	0.400	0.004	-99%
Rent of municipal Property – Shops	4.600	3.670	4.25	3.838	8.850	7.508	-15.16%

From the analysis of revenue collection targets and achievements of Municipal Committee Samundri, it was observed that MC could not achieve revenue collection targets against license fee, fine for encroachments, and rent of municipal properties. Further, internal controls and monitoring mechanism regarding revenue collection were very weak and even periodical surveys were not conducted / demand & collection registers were not maintained which lead to vulnerability to leakage of revenue.

Analysis regarding funds utilization for Municipal Infrastructure

(Rupees in million)

Description	2018-19		2016-18		Total		Unutilized (%age)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase of Plant and Machinery	-	-	7.000	4.463	7.000	4.46	-36.24%
Repair & Maintenance of Buildings	-	-	1.650	1.637	1.650	1.64	-0.79%
Maintenance of gardens	0.400	0.399	0.973	0.044	1.373	0.44	-67.73%
Maintenance of Playgrounds	-	-	-	-	-	-	0%
ADP Schemes	-	-	327.366	123.551	327.366	123.55	-62.26%
Ongoing schemes ADP (Previous year)	23.691	23.691	15.661	15.661	39.352	39.35	0.00%
Construction of building / GBS	-	-	15.000	2.659	15.000	2.66	-82.27%
Office Buildings	-	-	2.500	0.019	2.500	0.02	-99.24%
Purchase of Street Lights	-	-	2.400	0.878	2.400	0.88	-63.42%

MC Samundri could not ensure optimal utilization of funds for purchase of plant / machinery, maintenance of gardens, annual development schemes, construction of General Bus Stand and provision & maintenance of street lights resulted in non-achievement of envisaged benefits.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee Samundri failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration, scrutiny of financial record, it was observed that the performance of Municipal Committee Samundri in respect of service delivery was very poor as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Water Supply	Water supply facility was provided to only fifty resident / household in spite of having a strong system of water supply for Samundri City.
2	Clean Drinking Water	Only one water filtration plant was installed / being operated / maintained by Municipal Committee and no other arrangements were made for provision of clean drinking water to the residents.
3	Maintenance of Parks	There were ten parks in the whole municipality and their condition was miserable and one of these ten parks was even without water arrangement, gates, boundary wall, street lights etc.
4	Play grounds	Municipal Committee was not maintaining any playground.
5	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC Samundri. Further, seepage in newly constructed sewerage line was also observed during field visits.
6	Waste Collection	No reliable data regarding total waste generation and its collection / disposal was maintained by MC Samundri. Further, during visits heaps of waste were also found on different locations of MC.
7	Street Lighting	Almost 35% area of Municipal Committee was not provided with street lighting facility by the administration of MC Samundri.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	*156,991	*156,991	*156,991
2	Number of sanctioned posts of sanitary workers	114	114	114
3	Number of filled posts of sanitary workers	70	70	70
4	Number of vacant posts of sanitary workers	44	44	44
5	Number of sanctioned posts of sewer man	2	2	2
6	Number of filled posts of sewer man	-	-	-
7	Expenditure incurred on repair and maintenance of existing sewerage line	-	-	-
8	Expenditure incurred on laying new sewerage lines	-	-	-
9	Number of existing solid waste dumping sites	1	1	1
10	Construction of new solid waste dumping sites	-	-	-
11	Number of existing landfill sites	-	-	-
12	Development of new landfill sites	-	-	-

*(The targeted population was obtained from the Population Census, 2017)

The human resources of the MC concerning solid waste management and sanitation were. However, efforts were not being made by authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Non-improvement of solid waste dumping site or landfill site portray unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard and even existing structure was also not maintained properly.

Analysis regarding Asset Management

Assets management by the administration of Municipal Committee Samundri was very weak. One hundred and sixty-six shops situated at Kachehry Bazar, Lari Adda, Taga Stand and Press Club Road were leased out during 1991-92 at nominal rent with annual increase @ 10%. No efforts were made for reassessment of rent of these shops since 28 years to fetch maximum possible / market based rent. Further,

physical verification of properties was not being carried out by the administration of MC Samundri.

Analysis regarding Spatial Planning

Management of Municipal Committee, is responsible for preparing spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Conclusion

The overall financial management and performance of the Municipal Committee regarding achievement of revenue collection targets, utilization of funds meant for infrastructure development / improvement, provision of municipal services, spatial planning, execution of development plans, asset management, and human resource management was not satisfactory. The performance of MC Samundri was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue collection as different irregularities were pointed out during audit of Financial Year 2016-19.

CHAPTER 49.2

Municipal Committee, Sammundari

49.2.1 Introduction:

Municipal Committee, Sammundari manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Sammundari:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	210.046	110.780
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

49.2.2 Comments on Budget & Accounts (Variance Analysis):

To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to the Municipal Committee, Sammundari during 2016-19. The detail is as under:

(Rupees in million)

Financial Years	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-19	Non-Development (Salary+ Non-Salary)	573.432	296.830	(276.602)	(48.24%)
	Development	290.596	169.939	(120.657)	(41.52%)
	Total	864.028	466.769	(397.259)	(45.98%)
	Receipts	79.879	184.634	104.756	131.14%

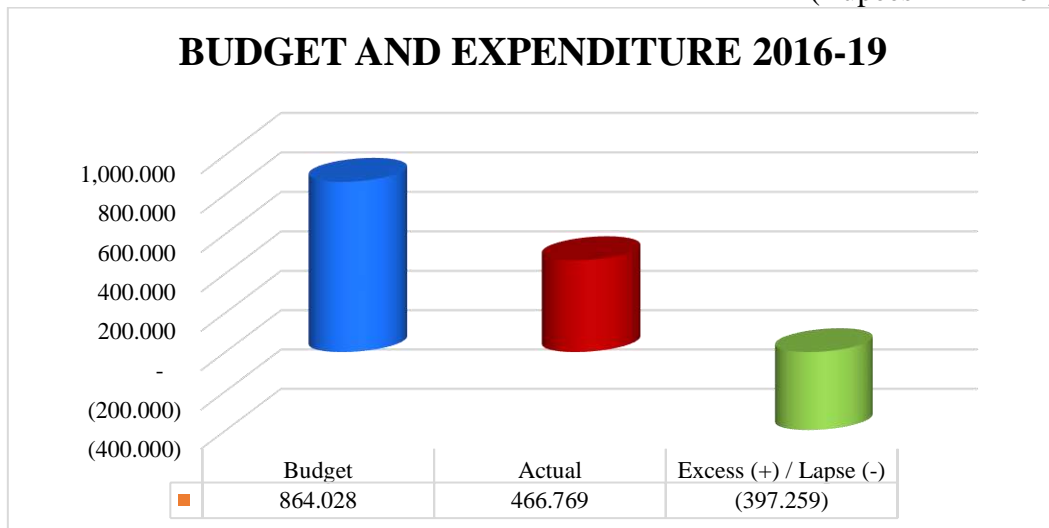
(Source: Annual Accounts 2016-19)

Analysis of budget and expenditure indicated that:

- a. An amount of Rs 573.432 million was provided for salary and other operational expenditure. A massive lapse of Rs 276.602 million was observed, which accounts for 48.24% of the total budget.
- b. An amount of Rs 290.596 million was provided for development, out of which only Rs 169.939 million was utilized. The department did not utilize funds in a timely manner, resulting in a lapse of Rs 120.657 million, representing a lapse of 41.52%.
- c. Analysis of receipts depicted that total budgeted receipts for the Financial Years 2016-19 were Rs 79.879 million against which amount of Rs 184.634 million was collected. The surplus of Rs 104.756 million observed in revenues of the Municipal Committee, Sammundari which in terms of percentage was 131.14%.

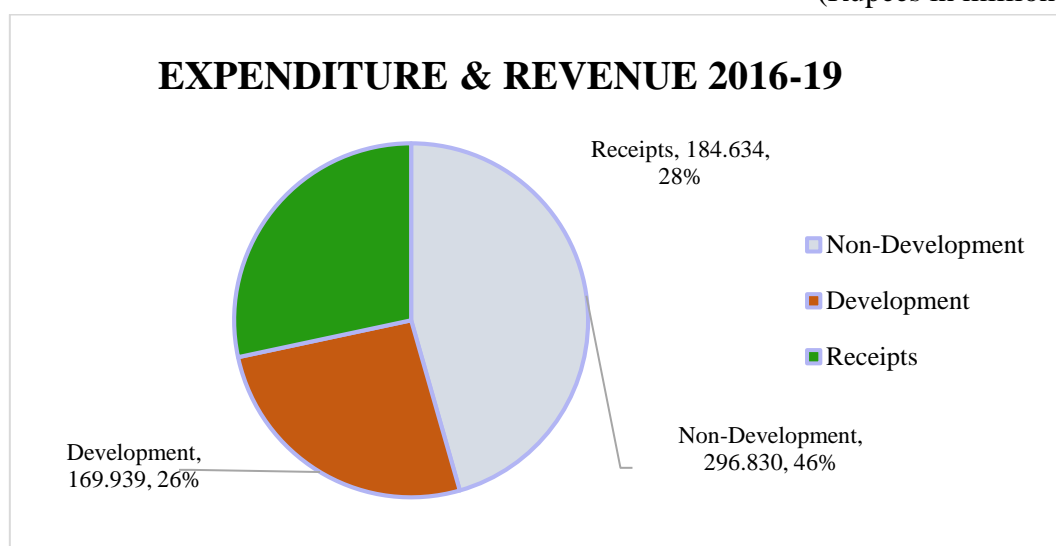
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure & revenue is as under:

(Rupees in million)



49.2.3 Classified Summary of Audit Observations:

Audit observations amounting to Rs 84.851 million were raised as a result of this audit. This amount also includes recoverable Rs 60.565 million as pointed out by the Audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	-
B	Procurement related irregularities	14.446
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	33.522
5	Others	36.883
Total		84.851

49.2.4 Comments on the Status of Compliance with PAC Directives:

This is the 1st Audit Report on the accounts of Municipal Committee, Samundari. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

49.3 Procedural Irregularities

49.3.1 Irregular expenditure against POL of vehicle – Rs 9.177 million

According to Government of the Punjab, Services & General Administration Department (Transport Pool) letter No.MTO(S&GAD)AT-II/2-9/2006 dated 26.12.2008, necessary arrangements be made for sealing of speedometers/milometers of all the vehicles used in Government offices to minimize the chances of pilferage/misappropriation of fuel.

Chief Officer, Municipal Committee Sammundari incurred expenditure of Rs 9.177 million on POL of different vehicles i.e. tractors, street light lifter, jetting machine, generators etc. during 2017-19. However, following discrepancies were observed in consumption of POL:

- i. Speedometers/hour's meters of all sanitation vehicles were out of order and not sealed due to which meter readings were recorded on assumption basis and reading recorded in log books did not correspond with hour's meters.
- ii. Routs of vehicles were not defined by the competent authority for carrying out sanitation works at different site of city.
- iii. Each journey performed was not signed by the drivers and controlling officer.

Audit is of the view that due to weak internal controls; POL was consumed by recording log book entries on assumption basis.

Consumption of POL by recording of meter reading on assumption basis resulted in irregular expenditure of Rs 9.177 million.

The matter was reported to DDO in February, 2020. The DDO noted the observation with the promise to furnish reply at the earliest. Audit stressed upon early response.

No DAC meeting was convened till finalization of this Report.

Audit recommends sealing of speedometers / hour meters besides regularization of expenditure from the competent authority.

[AIR Para: 6]

49.3.2 Utilization of bricks without ensuring standard specifications and testing – Rs 2.761 million

According to Clause 11 and 14 of Contract Agreement for Civil works, the contractor shall execute the whole and every part of work according to the specifications. In addition, if it appears that work has been executed with unsound, imperfect, or with materials of any inferior description, the contractor shall remove the materials or articles so specified. Further, according to Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum). Furthermore, according to Market Rate System issued by Government of the Punjab, Finance Department, the composite rate would be reduced by 7% and 14% for use of 2nd and 3rd class bricks respectively.

Chief Officer, Municipal Committee Sammundari executed seven works for construction of drain, soling, etc. during 2017-18. Bricks costing Rs 2.761 million were used in these works but no methodology was adopted to measure the strength, standard and specification for the bricks utilized. Therefore, in the absence of proper testing of bricks at the time of execution, the authenticity of utilization of first-class bricks could not be proved. The detail is as under:

(Amount in Rupees)

Sr. No.	Name of Work	Quantity of B.W/ Soling Cft	No. of Bricks	Amount
1	Construction of drain, soling PCC ward No. 13	3,097	49552	371,640
2	Construction of soling, re-soling Asghar Town	3,654	58464	438,480
3	Construction of drain Chak 471 GB, ward No. 5	3,931	62896	471,720
4	Construction of drain Chak 465 GB, ward No. 27	6,042	96672	725,040
5	Construction of drain, PPC New Sammundari, ward No. 19	815	13040	97,800

Sr. No.	Name of Work	Quantity of B.W/ Soling Cft	No. of Bricks	Amount
6	Construction of boundary wall, rest house Sammundari	2,056	32896	246,720
7	Construction of drain, soling, nallah Bilal Town Sammundari	3416	54656	409,920
Total				2,761,320

Audit is of the view that due to weak monitoring mechanism; works were executed without specifications, standards and testing of bricks.

Utilization of bricks costing Rs 2.761 million without ensuring the required strength, quality and standard resulted in execution of substandard works.

The matter was reported to DDO in February, 2020. The DDO noted the observation with the promise to furnish reply at the earliest.

No DAC meeting was convened till finalization of this Report.

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

[AIR Para: 4]

49.3.3 Irregular award of auction and collection rights to defaulter contractor – Rs 1.265 million

According to Rule 16(a) of the Punjab Local Governments (Auction of Collection Rights) Rules, 2016, a person shall not be eligible to be a contractor who is defaulter in respect of any dues to a Local Government. Furthermore, according to Rule 28 (1)(b) of the rules *ibid*, the local government shall cancel the contract if a contractor fails to pay any dues on due date and time. Furthermore, according to Rule 28(3)(4) of the rule *ibid*, after cancellation of contract the house may decide to re-auction the income for remaining period of contract or may make self-collection. In case of re-auction, 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.

Chief Officer, Municipal Committee Sammundari awarded collection rights of parking fee for 2017-18 to a contractor for Rs 1.700 million on 06.06.2017.

The contractor failed to pay 1st installment due to which the contract was cancelled by the MC authorities after forfeiture of bid security. The said income source was again advertised on 06.07.2017 for re-auction. However, contract for collection rights was again awarded to the same defaulting contractor for Rs 1.265 million in violation of rules. Further, the difference of RS 0.435 million between 1st and 2nd contractual amount was also not recovered from the said contractor.

Audit is of the view that due to weak internal controls, contract for collection rights was awarded to defaulter contractor.

Award of contract for collection rights to defaulter contractor resulted in irregular award amounting to Rs 1.265 million besides non-recovery of differential amounting to Rs 0.435 million.

The matter was reported to DDO in February, 2020. The DDO noted the observation with the promise to furnish reply at the earliest. Audit stressed upon early response.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides recovery of loss from the concerned.

[AIR Para: 15]

49.3.4 Irregular expenditure through splitting to avoid tenders – Rs 1.243 million

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. Further, according to Rule 14 *ibid*, 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 but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper. Furthermore, according to Rule 16 (1)(b) of the Punjab Local Governments

(Accounts) Rules, 2017, the accounts officer shall perform pre-audit of all payments from the local fund and public account before authorizing disbursement of the monies.

Chief Officer, Municipal Committee Sammundari incurred expenditure amounting to Rs 1.243 million for procurement of Pena flexes, hiring of lighting material, catering on sales points etc. through quotations during 2018-19. Contrary to the above, procurement was made by splitting the cost of items and keeping it below the financial limit Rs 100,000 to avoid tendering procedure. Further, payment of most of the bills was made without pre-audit from the Accounts Officer **(1/SMDR)**.

Audit is of the view that due to weak internal controls; procurement was made without inviting open tenders and pre-audit.

Incurrence of expenditure without open competition and pre-audit resulted in irregular expenditure amounting to Rs 1.243 million.

The matter was reported to DDO in February, 2020. The DDO noted the observation with the promise to furnish reply at the earliest. Audit stressed upon early response.

No DAC meeting was convened till finalization of this Report.

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

[AIR Para: 7]

49.4 Value for Money and Service Delivery Issues

49.4.1 Non-recovery of rent of municipal properties – Rs 27.839 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.

Audit observed that during 2016-19, Chief Officer, Municipal Committee Sammundari did not recover arrears of rent amounting to Rs 27.839 million from the tenants of 166 shops / khokha jaat. The details are as under:

(Rupees in million)

Sr. No.	Location of Shops / Khokha Jaat	Nos. of Shops/Khokha Jaat	Arrear Period	Amount
1	Kachehry Bazar Sammundari	45	2010-19	8.879
2	Kachehry Bazar Sammundari	09	2010-19	0.609
3	Lari Adda Sammundari	42	2018-19	0.580
4	Tanga Stand, Sammundari	69	2014-19	17.555
5	Press Club road	01	2014-19	0.216
Total		166		27.839

Audit is of the view that due to financial mismanagement; local Government dues were not recovered.

Non-recovery of local Government dues amounting to Rs 27.839 million resulted in less collection of receipts.

The matter was reported to DDO in February, 2020. The DDO noted the observation with the promise to furnish reply at the earliest. Audit stressed upon early response.

No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of arrears amounting to Rs 27.839 million from the concerned at the earliest.

[AIR Para: 18]

49.4.2 Blockage of local government funds – Rs 4.008 million

According to Section 3(c) of the Punjab Local Government Act, 2013, a Municipal Committee shall succeed the rights, assets and liabilities of the City District Government, District Government, Town/Tehsil Municipal Administration and Union Administration which fall within the area of the Municipal Committee.

Cash books/bank statements of four defunct Union Administrations of Sammundari City reflected balance of Rs 4.008 million in bank accounts maintained at Bank of Punjab Sammundari as on 31.12.2016. Municipal Committee Sammundari succeeded the defunct Union Administrations after promulgation of PLGA 2013 w.e.f. January, 2017 but no efforts were made for transfer of these funds in local fund of MC due to which the funds remained blocked in the commercial bank accounts. The details are as under:

(Rupees in million)

Sr. No	UA No.	Amount
1	116	0.034
2	119	2.715
3	120	0.869
4	121	0.390
Total		4.008

Audit is of the view that due to weak internal controls, funds remained blocked.

Blockage of local funds amounting to Rs 4.008 million resulted in depriving the local populace from envisaged benefits.

The matter was reported to DDO in February, 2020. The DDO noted the observation with the promise to furnish reply at the earliest. Audit stressed upon early response.

No DAC meeting was convened till finalization of this Report.

Audit recommends early transfer and utilization of funds in the public interest.

[AIR Para: 16]

**49.4.3 Less realization of revenue due to non-achievement of targets
– Rs 1.675 million**

According to Rule 12(2)(a) of the Punjab Local Governments (Budget) Rules, 2017, the collecting officer shall prepare the estimates of receipts diligently and accurately keeping in view the key performance indicators (KPIs).

Chief Officer, Municipal Committee Samundari collected revenue amounting to Rs 0.025 million during 2017-19 on account of license fee, sale of water to residential & commercial consumers and fine for encroachment against the target of Rs 1.700 million which resulted in less realization of receipts amounting to Rs 1.675 million. The details are as under:

(Rupees in million)

Sr. No.	Financial Year	Head of Account	Source of Income	Target	Actual Receipt	Short Realization
1	2017-18	C0388047	Receipt on account of water (Residential)	0.400	0.015	0.385
2	2018-19	C0388002	License Fee (Dangerous & offensive trade)	0.600	-	0.600
3	2018-19	C0388034	Fine for encroachments	0.200	-	0.200
4	2018-19	C0388047	Receipt on account of water (Residential)	0.400	0.010	0.390
5	2018-19	C0388048	Receipt on account of water (Commercial)	0.100	-	0.100
Total				1.700	0.025	1.675

Audit is of the view that due to weak internal controls and financial indiscipline; target of receipts was not achieved.

Non-achievement of receipts targets by the MC authorities resulted in less realization of revenue amounting to Rs 1.675 million.

The matter was reported to DDO in February, 2020. The DDO noted the observation with the promise to furnish reply at the earliest.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides fixing responsibility on the person(s) at fault.

[AIR Para: 13]

49.5 Others

49.5.1 Loss due to abandonment of claims of revenue – Rs 33.800 million

According to Rule 7 (g) of the Punjab Local Government (Budget) Rules, 2017, the Collecting Officer shall prepare statement of arrears, if any, at the beginning of each financial year by carrying them forward from previous financial year and include the same in the demand statement of the next financial year. Form BDR-4 would be filled by each Collecting Officer and arrears will be reflected as receipts but not to be reflected on balance side till actual recovery.

Audit observed that Chief Officer, Municipal Committee Sammundari omitted / abandoned claims of arrears of revenue amounting to Rs 33.800 million on account of rent of 204 shops as these arrears were not reflected as receipt in the annual budget for the Financial Year 2018-19.

Audit is of the view that due to prevalence of financial indiscipline, demand for recovery of arrears was not created and shown in the annual budget.

Non-creation of demand of arrears in the budget resulted in abandonment of claims of revenue amounting to Rs 33.800 million.

The matter was reported to DDO in February, 2020. The DDO noted the observation with the promise to furnish reply at the earliest. Audit stressed upon early response.

No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides making strenuous efforts for recovery of arrears amounting to Rs 33.800 million from the concerned.

[AIR Para: 14]

49.5.2 Non-deduction of Social Security Contribution – Rs 1.739 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. Further, according to the Punjab Employees Social Security Institution letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014 duly endorsed by Government of the Punjab LG&CD Department vide letter No.SO.DG-DEV(LG)4-1/2014 dated 19.08.2014, in case of default of private contractors to get their employees registered with PESSI the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office.

Chief Officer, Municipal Committee Sammundari got executed different development works through nine contractors during 2017-19 but payment was made without obtaining certificate regarding payment of Social Security Contribution of workers employed by the contractors. Further, Chief Officer did not make efforts to deduct the Social Security Contribution @ 6 percent amounting to Rs 1.739 million from claims of the contractors before making payments, as detailed below:

(Rupees in million)

DDO	FY	No. of Contractors	No. of Employees	Average wage rate/annum	Total Wages	Amount @ 6%
Chief Officer, Municipal Committee, Sammundari	2017-18	09	161	15,000*12= 180,000	8.980	1.739

(Amount was calculated according to the list of employees provided by the contractors along with application for enlistment/renewal of enlistment).

Audit is of the view that due to weak internal controls; deduction of Social Security Contribution was not made.

Non-deduction of Social Security Contribution amounting to Rs 1.739 million resulted in excess payment to the contractors.

The matter was reported to DDO in February, 2020. The DDO noted the observation with the promise to furnish reply at the earliest.

No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of Rs 1.739 million from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para: 5]

49.5.3 Non/less-recovery of taxes – Rs 1.344 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. Furthermore, 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.

Chief Officer, Municipal Committee Sammundari leased out different collection rights at an agreement amount of Rs 6.850 million during 2018-19. Contrary to the above referred rule, Punjab Sales Tax on Services amounting to Rs 1.096 million was not recovered from the contractors. Furthermore, Advance Income Tax amounting to Rs 0.495 @ 10% was collected for auction of collection rights instead of Rs 0.743 million @ 15% due to non-filer status of the contractors concerned. Hence, non/less-recovery of taxes amounting to Rs 1.344 million was made.

Audit is of the view that due to non-compliance of tax laws; taxes were either not recovered or recovered at lesser than applicable rates.

Non / less-recovery of taxes amounting to Rs 1.344 million resulted in loss to the Government exchequer.

The matter was reported to DDO in February, 2020. The DDO noted the observation with the promise to furnish reply at the earliest. Audit stressed upon early response.

No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of taxes amounting to Rs 1.344 million from the concerned at the earliest.

[AIR Paras: 10, 12]

Municipal Committee, Tandlianwala

CHAPTER 50.1

Sectoral Analysis of Municipal Committee, Tandlianwala

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, development plans execution, asset management, and human resource management are given below:

Analysis regarding Revenue Collection targets and achievements

(Rupees in million)

Description	2018-19		2016-18		Total		Shortage (%)
	Target	Actual	Target	Actual	Target	Actual	
License Fee	0.100	0.053	0.205	0.133	0.305	0.186	-39.016
Car Parking Fee	0.400	0.235	1.800	0.281	2.200	0.516	-76.545
Map Fee	1.500	0.562	2.500	1.447	4.000	2.009	-49.775
Water Rate Fee	0.005	0.013	0.100	0.027	0.105	0.040	-61.905
Sullage water	0.500	0.380	0.900	0.537	1.400	0.917	-34.500

Municipal Committee could not achieve revenue collection targets against license fee, car parking fee, map fee, water rate fee and sullage water. Further, periodical surveys were not conducted/ demand & collection registers were not maintained which lead to vulnerability to leakage of revenue.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee Pir Mahal failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration, scrutiny of financial record, it was observed that the performance of Municipal Committee Tandlianwala in respect of service delivery was very poor as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Maintenance of Parks	There were only five parks in the whole municipality and their condition was miserable. No expenditure was incurred on the improvement/beautification of these parks.
2	Clean Drinking Water	Water supply facility was not being provided to any resident / household because water supply system was non-functional since long. Supply of clean drinking water was inadequate as MC could not manage the provision of water filtration plants on all the water works. No arrangements were made by the MC authorities to ensure installation of water filtration plants at all the water works.
3	Play grounds	Municipal Committee did not incur any expenditure on improvement of play grounds in the jurisdiction of Municipality.
4	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC Tandlianwala. It was assessed that almost 45% of the total households were not provided with the drainage / sewerage facility by MC. Further, it was observed during field visits that there was acute shortage of capacity of Disposal Works in the jurisdiction of Municipality.
5	Waste Collection	No reliable data regarding total waste generation and its collection / disposal was maintained by MC Tandlianwala. It was claimed that average waste generation was 13 metric tons per day out of which 7 metric ton waste was being collected / removed which indicates 54% waste collection efficiency in terms of

Sr. No.	Municipal Service	Status / Remarks
		percentage. However, during field visits heaps of waste were found on different locations of MC.
6	Street Lighting	Almost 40% area of the Municipal Committee was not provided with street lighting facility. Street lights already installed were not fully functional, various street light polls at Quaid-e-Azam road were missing at site.

Organization of sports, cultural, recreational events

Municipal Committee failed to achieve objectives of organizing sports, cultural, recreational events, fairs and shows as no major event was held during the period 2016-19 by the management of MC Tandlianwala.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	50,000	50,000	98,000
2	Number of sanctioned posts of sewerman	2	2	2
3	Number of filled posts of sewer man	2	2	2
4	Number of vacant posts of sewer man	-	-	-
5	Expenditure incurred on repair and maintenance of existing sewage line	-	-	-
6	Expenditure incurred on lying new sewage lines	-	-	-
7	Number of sanctioned posts of sanitary workers	56	56	56
8	Number of filled posts of sanitary workers	26	22	22
9	Number of vacant posts of sanitary workers	30	34	34
10	Number of existing dump sites	1	1	1
11	Number of new dump sites	1	1	1
12	Number of existing land fill sites	2	2	2
13	Number of new land fill sites	-	-	-

The human resources of the MC concerning solid waste management and sanitation were inadequate. However, efforts were not made by the stakeholders and authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Almost 61% posts of sanitary staff were

lying vacant which worsen the condition of cleanliness. Non-improvement of solid waste dumping site or landfill site portray unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard and even existing structure of dump filling was also not maintained properly.

Analysis regarding Asset Management

Assets management by the administration of Municipal Committee, Tandlianwala was very weak. Commercial Land measuring 11,250 sft situated at General Bus Stand was leased out at nominal rate of rent without reassessment resulting potential loss to the MC amounting to Rs 9.300 million was sustained. Further, property/ shops of MC situated at different locations were not leased out on market-based rent despite laps of considerable time period. Furthermore, physical verification of properties was not being carried out by the administration of MC Tandlianwala.

Analysis regarding Spatial Planning

Management of Municipal Committee, is responsible for preparation of spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Analysis regarding Human Resource Management

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Chief/ Municipal Officers	6	2	3	2	3	3	2
2	Engineering Staff	3	3	0	1	1	1	1
3	Officials including clerical staff, assistances etc.	33	32	4	32	4	38	5
4	Class-IV	53	45	6	44	8	54	13
5	Sanitation Staff	90	56	34	56	34	34	34
Total		185	138	47	135	50	130	55

There was shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning and deteriorated municipal infrastructure etc.

Conclusion

The overall financial management and performance of the MC regarding achievement of revenue collection targets, utilization of funds meant for infrastructure development / improvement, provision of municipal services and asset management was not satisfactory. The performance of MC Tandlianwala was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue collection as irregularities amounting to Rs 40.165 million were pointed out during audit of Financial Years, 2016-19.

CHAPTER 50.2

Municipal Committee, Tandlianwala

50.2.1 Introduction:

Municipal Committee, Tandlianwala manages following offices:

Description	No. of Offices
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Tandlianwala:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	124.147	151.969
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

50.2.2 Comments on Budget & Accounts (Variance Analysis):

To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to the Municipal Committee Tandlianwala during 2016-19. The detail is as under:

(Rupees in million)

Financial Years	2016-19	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-19	Non-Development (Salary+ Non-Salary)	300.271	218.298	(81.973)	(27.30%)

Financial Years	2016-19	Budget	Actual	Excess/ (Savings)	(Savings%)
	Development	170.290	57.585	(112.705)	(66.18%)
	Total	470.561	275.883	(194.678)	(41.37%)
	Receipt	363.478	337.708	-25.770	-7.09%

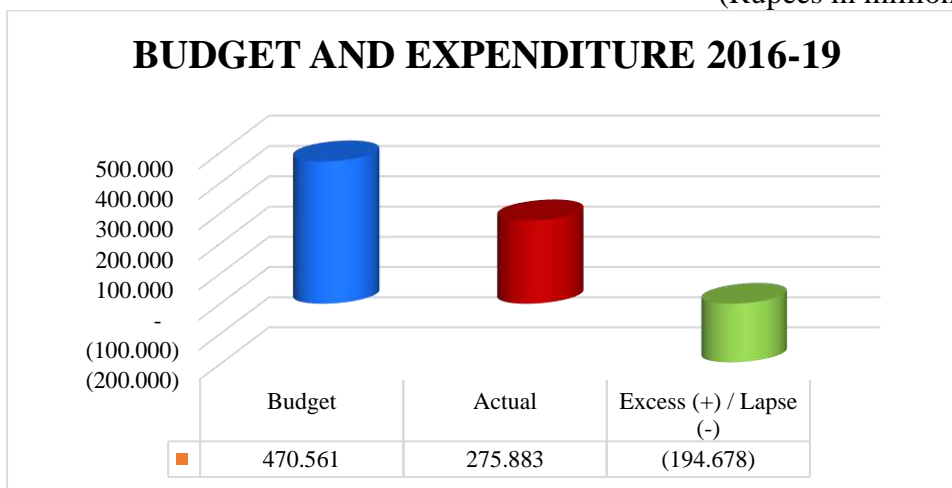
(Source: Annual Accounts 2016-19)

Analysis of budget and expenditure indicated that:

- An amount of Rs 300.271 million was provided for salary and other operational expenditure. A massive of Rs 81.973 million was observed, which accounts for 27.30% of the total budget.
- An amount of Rs 170.290 million was provided for development, out of which only Rs 57.585 million was utilized. The department did not utilize funds in a timely manner, resulting in a lapse of Rs 112.705 million, representing a lapse of 66.18%.
- Analysis of receipts depicted that total budgeted receipts for the Financial Year 2016-19 were Rs 363.478 million against which amount of Rs 337.708 million was collected. The shortfall of Rs 25.770 million observed in revenues of the Municipal Committee, Tandlianwala which in terms of percentage was 7.09%.

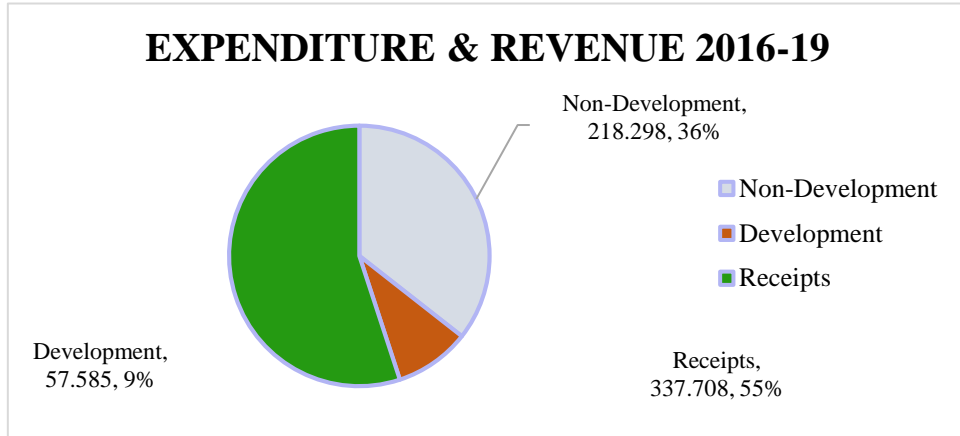
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure & revenue is as under:

(Rupees in million)



50.2.3 Classified Summary of Audit Observations:

Audit observations amounting to Rs 27.893 million were raised as a result of this audit. This amount also includes recoverable of Rs 7.404 million as pointed out by the audit. Summary of the audit observations classified by nature is given in following table:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	-
B	Procurement related irregularities	4.153
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	14.594
5	Others	9.146
Total		27.893

50.2.4 Comments on the Status of Compliance with PAC Directives:

This is the 1st Audit Report on the accounts of Municipal Committee, Tandlianwala. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

50.3 Procedural Irregularities

50.3.1 Irregular expenditure on POL of vehicles – Rs 2.363 million

According to Section 49 of PFR-Vol-II, record of petrol, oil, lubricants and spare parts should be maintained separately for each vehicle. Full particulars of journey, distances between two places and purpose of journey indicating the brief of the journey performed should be recorded in log book. Average consumption of petrol, oil and lubricants should be worked out and recorded in the Log Books at the close of each month. The logs of running of vehicles should be signed by the relevant in-charge. Furthermore, according to Government of the Punjab, Services & General Administration Department letter No. MTO (S&GAD)AT-II/2-9/2006 dated 26.12.2008, necessary arrangements be made for sealing of speedometers/milometers of all the vehicles used in Government offices to minimize the chances of pilferage/ misappropriation of fuel.

Municipal Officer (Infrastructure & Services) MC, Tandlianwala incurred expenditure of Rs 2.363 million on POL of five tractors used for sanitation purposes during 2018-19. The details are as under:

(Rupees in million)

Sr. No.	Vehicle No.	Description	Amount
1	1052	Garbage	0.609
2	8155	Garbage, solid waste	0.415
3	7339	Garbage, solid waste	0.417
4	3098	Watering	0.365
5	7319	Watering	0.272
6	Liability against tractors of Non-headquarter at Mamunkanjan		0.285
Total			2.363

However, following discrepancies were observed in incurrence of expenditure:

- i. Hours meters of tractors were out of order and not got sealed therefore, meter reading was recorded in log books on assumption basis.
- ii. Cuttings / overwriting in log book entries was observed in various cases.
- iii. Complete descriptions of journey were not exhibited in the log books and reasons of water sprinkling for 16 hours in a day in small urban area were not made known to Audit.
- iv. Log books for consumption of POL for tractors of Non-headquarter as mentioned at Sr. No. 6 above were not produced for Audit scrutiny.

Audit is of the view that due to weak monitoring mechanism; POL was consumed through unauthentic meter reading and defective maintenance of log books.

Consumption of POL by recording log book entries on assumption basis resulted in unauthentic/irregular expenditure amounting to Rs 2.363 million.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that tractors were used for lifting of garbage, sprinkling of water in the streets and removal of encroachments. However, the hour meters would be got sealed. The reply was not tenable because defective record was maintained for consumption of POL. No DAC meeting was convened till finalization of this Report.

Audit recommends sealing of speedometers/hour meters besides regularization of expenditure from the competent authority.

[AIR Paras: 6, 21]

50.3.2 Irregular expenditure by splitting – Rs 1.790 million

According to Rules 9 and 12 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 procurement of more than one hundred thousand rupees and up to the limit of two million rupees shall be

advertised on the website of the Authority in the manner and format specified by regulations.

Chief Officer, Municipal Committee Tandlianwala incurred expenditure of Rs 1.790 million during 2016-19 on purchase of Pena flex steamers, repair, painting of building / swings in the parks etc. However, procurements were made and works were executed by splitting the cost of procurement and keeping it below the financial limit of Rs 100,000 to avoid tendering. Furthermore, in most of the cases bills provided by the suppliers were without serial numbers and date. **(1/TWL)**

Audit is of the view that due to negligence; procurements were made by splitting the cost of procurement to avoid open tendering.

Procurements by splitting resulted in irregular expenditure amounting to Rs 1.790 million.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that expenditure was incurred after calling quotations from local market. The reply was not tenable as the procurements were made by splitting in violation of rules. No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter besides regularization of expenditure from the competent authority.

[AIR Para: 5]

50.4 Value for Money and Service Delivery Issues

50.4.1 Loss due to non-realization of rent of property on market rent rates – Rs 9.300 million

According to Rule 7 of the Punjab Local Government (Budget) Rules, 2017, the collecting officer shall make assessment of tax, fee or levy by the local government, on periodical basis for evaluating its potential and new tax proposals. Furthermore, 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 personally take the physical stock of properties. 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 property(s) to fresh auction after assessment of market rent.

Authorities of Municipal Committee Tandlianwala leased out commercial land measuring 11,250 sft situated in the General Bus Stand for establishment of petrol pump during March, 2013 @ Rs 2,577 per month for five years. However, upon revision / renewal of lease the rent was enhanced to Rs 5,500 per month without re-auction. Contrary to the above provisions, the rent of the property was not enhanced according to prevailing market rent rate or after assessment of rent from District Rent Assessment Committee (DRAC). However, the rent of land was compared with rent of adjacent shops located in general bus stand which was much higher. Resultantly, Municipal Committee realized a short revenue of Rs 9.300 million from the petrol pump tenant during 2018-19. The details are as under:

(Rupees in million)

Financial Year	Area of Petrol Pump (Sft)	Annual Rent of Shop	Area of Shop (Sft)	Per Sft Rent of Shop	Rent of Petrol Pump as per Market	Rent Recovered from Petrol Pump	Short Realization of Revenue
2018-19	11,250	0.099	120	832.500	9.365	0.066	9.300

Audit is of the view that due to negligence; municipal property was not leased out on prevailing market rent rate through fresh assessment by the District Rent Assessment Committee.

Non-leasing of property on prevailing market rent rate resulted in short realization of revenue amounting to Rs 9.300 million and subsequent loss to the municipality.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that the lease was finalized after observing all formalities. However, the matter would be reconsidered and necessary action be taken under rules to revise the rent of land. The reply was not tenable because the rent of land was not got assessed from DRAC for fresh auction and lease was finalized on a minimal amount of rent. No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault besides revision of rent of property according to prevailing market rent rate without further delay.

[AIR Para: 4]

50.4.2 Non / less recovery of conversion fee – Rs 3.617 million

According to Rule 60 of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be charged @ 5% if value of land is less than Rs 1 million; @ 10% if value of land is upto Rs 10 million and @ 20% if value of land is more than Rs 10 million.

Owners of ten residential buildings converted land for establishment of educational institutions. However, the educational / commercial activities were carried out either without depositing the conversion fee or a less fee was deposited in comparison to actual fee. Resultantly, an amount of Rs 3.617 million on account of conversion fee was not/less recovered from the owners of the buildings. The details are as given on next page:

(Rupees in million)

Sr. No.	Description	File #	Value of Land	Conversion Fee			
				Rate	Amount Due	Amount Received	Difference
1	Shops Commercial	9/2016-17	0.709	5%	0.035	0.032	0.003
2	Shops Commercial	11/2016-17	1.864	10%	0.186	0.171	0.016
3	School (The Arqam)	20/2017-18	1.879	10%	0.188	0.083	0.105
4	Shops Commercial	29/2017-18	2.255	10%	0.225	0.050	0.176
5	Shops Commercial	30/2017-18	1.620	10%	0.162	0.105	0.057
6	Shops Commercial	02/2018-19	0.539	5%	0.027	0.018	0.009
7	Shops Commercial	06/2018-19	1.168	10%	0.117	-	0.117
8	Officer Commercial	24/2018-19	10.956	20%	2.191	-	2.191
9	Shops Commercial	12/2018-19	7.029	10%	0.703	-	0.703
10	Shops Commercial	14/2018-19	2.396	10%	0.240	-	0.240
Total					4.074	0.459	3.617

Audit is of the view that due to negligence and weak monitoring; conversion fee was either not recovered or recovered at lesser rates from the owners concerned.

Non/less recovery of conversion fee resulted in short realization of revenue amounting to Rs 3.617 million and loss to the Government.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that the matter was under investigation and notices had been issued to the owners of buildings for recovery. No DAC meeting was convened till finalization of this Report.

Audit recommends recovery of conversion fee amounting to Rs 3.617 million from the owners of the buildings without further delay.

[AIR Para: 3]

50.4.3 Non-recovery of rent and fees – Rs 1.677 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.

Audit observed that administration of Municipal Committee, Tandlianwala did not recover revenue amounting to Rs 1.677 million during 2016-

19 on account of arrears of rent of 22 municipality shops, water rate against 665 water connections and license fee from the owners of 11 businesses. Strenuous efforts were not made to recover the outstanding amount from the defaulters. The details are as under:

(Rupees in million)

Sr. No.	Receipt Head	Amount
1	Arrear of rent of 22 shops	1.063
2	Water rate	0.591
3	License fee from owners of 16 businesses	0.023
Total		1.677

Audit is of the view that due to poor performance, outstanding amount of rent of shops, water rate and license fee could not be recovered.

Non-recovery of rent of shops, water rate and license fee resulted in non-realization of revenue amounting to Rs 1.677 million.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that arrears would be recovered from the concerned at the earliest. No DAC meeting was convened till finalization of this Report.

Audit recommends early recovery of arrears mounting to Rs 1.677 million from the concerned.

[AIR Paras: 2, 19, 24]

50.5 Others

50.5.1 Utilization of bricks/tuff tiles without ensuring quality and testing – Rs 3.153 million

According to Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is minimum 2000 pound per square inch (PSI). Further, according to Superintending Engineer, Provincial Buildings Circle, Faisalabad letter No.44-M/109-G/1021-25/G-II dated 13.03.2001, due to non-availability of bricks of 2000 PSI in Faisalabad region, the utilization of the bricks having crushing strength 1700 PSI was allowed with recovery @ Rs 0.30 per brick from all running/final bills of the contractors. Furthermore, according to serial 43 of Chapter 11 of MRS, minimum crushing strength of tuff pavers of approved manufacturer would be of 7000 PSI.

MO (I&S) Municipal Committee, Tandlianwala executed four works for construction of tuff tiles, drain soling etc. during 2016-17. Bricks/tuff tiles costing Rs 3.153 million were used in these works but no methodology was adopted to ensure the strength, standard quality and specification of material used in the works due to which authenticity of utilization of standard quality bricks/tuff tiles could not be assured. The details are as under:

(Rupees in million)

Sr. No.	Name of Work	Work Order No. & Date	Amount
1	Construction of soling drain Mubarak Pura ward No.08	06/24.06.2017	0.920
2	Construction of soling drain Sikandar Sanpal Ward No.04	03/24.06.2017	0.615
3	Construction of till tile sewerage street No.04 Mubarak Pura	13/24.06.2017	0.545
4	Construction of till tile, soling drain Azafai Abadi Skindar Sanpal	03/24.06.2017	1.073
Total			3.153

Audit is of the view that due to weak monitoring and negligence; works were executed without ensuring specifications, standards and testing of bricks/tuff tiles.

Utilization of bricks/tuff tiles without ensuring the required strength, quality and standard resulted in execution of substandard works costing Rs 3.153 million.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that quality of bricks on the ongoing works would be ensured. The reply was not tenable because payment to contractor was required to be made after quality testing of material. No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault besides testing of material.

[AIR Para: 7]

50.5.2 Payment of non-standardized items without preparation of analysis of rates – Rs 2.231 million

According to Government of the Punjab, Finance Department letter No. RO(Tech)FD-18-23/2004 dated 21.09.2004 read with Notification No.RO(TECH)FD-2-3/2004 dated 02.08.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer on the basis of input rates of relevant quarter placed at website of Finance Department and approved by the Competent Authority not below the rank of Superintending Engineer/Chief Engineers. However, rates shall not be more than the market rates.

MO (I&S) Municipal Committee, Tandlianwala incurred expenditure of Rs 2.231 million on provision and execution of different non-standardized items in civil works. Contrary to the above, the items were provided in estimates and paid to contractors without preparation of analysis of rates on the basis of competitive market rates. The details are given on next page:

(Rupees in million)

Sr. No.	Name of Work	Item Name	Amount
1	Improvement/renovation of Bilal Shaheed Park Fatima Jinnah Park	P/F 3 HP Motor	0.155
		P/f SMD Lights 100 watt	0.096
2	Purchase of hand carts and waste bins	P/s of Hand Carts	0.750
		P/s of Waste Bins	0.508
3	Beautification of Bungalow Chowk	P/f of 3 No Horses	0.723
Total			2.231

Audit is of the view that due to dereliction of duties, provision and payment of non-standardized items was made without approval of the competent authority.

Provision and payment of non-standardized items without sanction / approval from the competent authority resulted in irregular payment amounting to Rs 2.231 million.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that estimates were approved by the competent authority after observing all formalities. However, the matter would be investigated. No DAC meeting was convened till finalization of this Report.

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

[AIR Para: 9]

50.5.3 Execution of works without approved job mix formula – Rs 1.354 million

According to Government of the Punjab, Communication & Works (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.

Chief Officer, Municipal Committee Tandlianwala got executed two works for construction / improvement of roads in the city area during 2016-17. However, premixed carpeting amounting to Rs 1.354 million was laid on roads without formulation and approval of JMF from the RR&MTI. Furthermore, payment against carpeting was made on the basis of 4% bitumen without laboratory test reports certifying percentage of bitumen. The details are given below:

(Rupees in million)

Sr. No.	Name of Work	WO No./Date	Amount
1	Construction of metaled road Jinnah Chowk to Shakeel Chowk	15 dated 24.06.2017	0.612
2	Widening/improvement Hajweri Masjid to Islam Pura	16 dated 24.06.2017	0.742
Total			1.354

Audit is of the view that due to negligence, carpeted roads were constructed without approval of JMF from RR&MTI.

Non-approval of JMF and payment without assurance of quality resulted in irregular expenditure of Rs 1.354 million on premixed bituminous material for carpeted roads.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that compliance regarding Job Mix formula and testing would be shown to Audit. The reply was not tenable because quality must be ensured at the time of execution of works. No DAC meeting was convened till finalization of this Report.

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

[AIR Para: 12]

50.5.4 Non-imposition of penalty for non-completion of schemes – Rs 1.340 million

According to Clause 2 of the Contract Agreement for civil works, the time limit for carrying out the work, as entered in tender, should be strictly observed by the contractor. In case of default, the contractor shall be liable to pay, as compensation, an amount equal to one percent of the estimated cost subject to a maximum of ten percent.

MO (I&S) Municipal Committee, Tandlianwala awarded seven works for improvement/renovation of city and construction of tuff tiles in the city area at agreement cost of Rs 15.598 million with completion period up to five months. However, the contractors executed the works up to Rs 5.247 million and left the remaining work incomplete but the authorities did not make efforts for timely completion of works and imposition of penalty amounting to Rs 1.340 million. The details are as under:

(Rupees in million)

Sr. No.	Name of Work	Stipulated Date of Completion	Agreement Cost	Work Done	Penalty
1	Construction of fiber shed divider at General Bus Stand	30.06.2018	2.450	2.199	0.245
2	Improvement/Beautification of City Tandlianwala (Phase-II)	31.12.2017	1.858	0.536	0.186
3	Improvement/Beautification of City Tandlianwala (Phase-III)	31.12.2017	1.656	0.603	0.166
4	Improvement/renovation of City Tandlianwala	30.06.2018	2.934	1.695	0.293
5	Construction of PCC floor, tile Mohallah Shamas Pura Ward No. 2	30.09.2018	1.000	0.600	0.100
6	Construction of PCC floor, tile Mohallah Mumtaz Abad Ward No. 10	30.06.2018	1.000	0.214	0.100
7	Construction of waiting room tuff tile General Bus Stand	30.06.2018	2.500	0.447	0.250
Total			13.398	6.294	1.340

Audit is of the view that due to lack of vigilance; neither works were completed nor penalty imposed for non-completion of schemes.

Non-completion of works and non-imposition of penalty amounting to Rs 1.340 million resulted in loss to Municipal Committee besides depriving the local populace of envisaged benefits of schemes.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied that the matter would be looked into for imposition of penalty against the defaulting contractors. No DAC meeting was convened till finalization of this Report.

Audit recommends imposition of penalty besides completion of schemes and fixing responsibility on the person(s) at fault.

[AIR Para: 11]

50.5.5 Excess payment of contractor's profit and overhead charges – Rs 1.068 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.

Municipal Committee Tandlianwala awarded seven works for providing/fixing/replacement of LED street lights costing Rs 5.542 million to different contractors during 2016-18. Contrary to the above provisions, contractor's profit and overheads @ 20 per cent was included in analysis of rates of LED street lights. Inclusion of undue CPOH resulted in excess payment of Rs 1.068 million to contractors. Further, LED street lights were procured without obtaining warranty and mentioning specification of the items. The details are given on next page:

(Amount in Rupees)

Sr. No	Name of work	Rate Paid	20% CPOH	No. of Lights	Amount of CPOH
1	P/f of LED lights in City Tandlianwala	23,100	3,850	43	165,550
		23,100	3,850	35	134,750
2	Improvement of City	23,100	3,620	34	123,080
3	P/f LED lights 100 watts Ward 13	23,100	3,850	19	73,150
4	P/f Street /LED Lights Quaid Azam Road	23,100	3,850	31	119,350
5	Beautification of City	23,100	3,850	45	173,250
6	P/f LED Lights in City	83,000	16,600	11	182,600
7	Construction of PCC floor and p/f of Street lights in Tandlianwala	23,100	3,850	25	96,250
Total					1,067,980

Audit is of the view that due to lack of due diligence, undue CPOH was included in the rates of street lights.

Inclusion of undue CPOH in the rates resulted in excess payment of Rs 1.068 million and loss to the Municipal Committee.

The matter was reported to the PAO and DDO concerned in February, 2020. It was replied the estimate was approved by the competent authority and payments were made to contractors accordingly. The reply was not tenable because undue CPOH was included in rate of street lights in violation of the Government instructions. No DAC meeting was convened till finalization of this Report.

Audit recommends to probe the matter and fixing responsibility on the person(s) at fault besides recovery of Rs 1.068 million from the concerned.

[AIR Para: 1]

Municipal Committee, 18-Hazari

CHAPTER 51.1

Sectorial Analysis of Municipal Committee, 18-Hazari

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, expenditure on execution of development plans, asset management, anti-encroachment activity, human resource management etc. are given below:

Analysis regarding Revenue Collection targets and achievements

(Rupees in million)

Source of Income	2018-19		2016-18		Total		Shortage (%age)
	Target	Actual	Target	Actual	Target	Actual	
License fee (Dangerous and Offensive Trade) and food article	0.200	0.137	0.400	0.387	0.600	0.524	-13%
Advertisement Fee	0.150	0.002	0.200	0.002	0.350	0.004	-99%
Conversion fee for change in Building	0.400	0	0.300	0.030	0.700	0.030	-96%

Municipal Committee 18-Hazari could not achieve revenue collection targets against license fee, advertisement fee and conversion fee for change in building. Furthermore, internal controls and monitoring mechanism regarding revenue collection were very weak and even periodical surveys were not conducted / demand

& collection registers were not maintained which lead to susceptibility to leakage of revenue.

Analysis regarding funds utilization for Municipal Infrastructure

(Rupees in million)

Description	2018-19		2016-18		Total		Unutilized (% age)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase of Transport/Vehicle	2.800	0.014	1.100	1.099	3.900	1.113	71%
Purchase of Plant and Machinery	0.200	-	0.750	-	0.950	-	100%
Purchase of other assets	0.300	0.054	7.360	1.570	7.660	1.624	79%
Purchase of Street Lights	0.700	-	0.700	-	1.400	-	100%
Roads, streets, other civil work	0.100	0.099	13.253	5.821	13.353	5.920	56%
ADP Schemes	35.000	-	5.600	6.600	40.600	6.600	84%
Maintenance of gardens and parks	0.400	0.023	0.700	-	1.100	0.023	98%
Maintenance of Playgrounds	-	-	-	-	-	-	0%

Municipal Committee 18-Hazari could not ensure best utilization of funds for purchase of vehicles, plant and machinery for the purpose of construction/ improvement of roads / streets; repair and maintenance of roads / streets / buildings, provision and maintenance of street lights, and improvement of gardens / parks which resulted in non-achievement of envisaged benefits.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee 18-Hazari failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration, scrutiny of financial record, it was also observed that the performance of Municipal Committee 18-Hazari in respect of service delivery was very poor as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Water Supply	Water supply facility was not being provided to any resident / household because water supply system was non-functional.
2	Clean Drinking Water	Neither any water filtration plant was installed / being operated / maintained by Municipal Committee nor any other arrangements were made for provision of clean drinking water to the residents.
3	Maintenance of Parks and Play Grounds	Municipal Committee was not maintaining any Park and Play Ground.
4	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC 18-Hazari. Further, outflow in sewerage lines was also observed during field visits.
5	Waste Collection	Three dump sites were being maintained by MC 18-Hazari. However, during visits heaps of waste were found on different locations of MC 18-Hazari.
6	Street Lighting	Street lighting facility was not provided by the administration of MC 18-Hazari.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	There is no Disposal Work in MC 18-Hazari.		
2	Number of sanctioned posts of sewer man			
3	Number of filled posts of sewer man			
4	Number of vacant posts of sewer man			
5	Expenditure incurred on repair and maintenance of existing sewage line	Nil		
6	Expenditure incurred on lying new sewage lines	Nil		
7	Number of sanctioned posts of sanitary workers	33	33	33

Sr. No.	Description	2016-17	2017-18	2018-19
8	Number of filled posts of sanitary workers	10	11	11
9	Number of vacant posts of sanitary workers	23	22	22
10	Number of existing dump sites	3	3	3
11	Number of new dump sites	Nil	Nil	Nil
12	Number of existing land fill sites	Nil	Nil	Nil
13	Number of new land fill sites	Nil	Nil	Nil

No efforts were made by the stakeholders and authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Non-improvement of solid waste dumping site portrays unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard and even existing structure was also not maintained properly.

Analysis regarding Spatial Planning

Management of Municipal Committee is responsible for preparing spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Analysis regarding Human Resource Management

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Chief / Municipal Officers	5	1	4	3	2	3	2
2	Engineering Staff	1	0	1	1	0	1	0
3	Officials including clerical staff, assistants etc.	12	4	8	10	2	10	2
4	Class-IV	16	6	10	9	7	9	7
5	Sanitation Staff	33	10	23	11	22	11	22
Total		67	21	46	34	33	34	33

There is shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning and deteriorated municipal infrastructure etc.

Conclusion

The overall financial management/performance of the Municipal Committee regarding utilization of funds meant for infrastructure development / improvement, provision of municipal services, spatial planning, execution of development plans, asset management, and human resource management was not satisfactory. The performance of MC 18-Hazari was also not satisfactory in compliance of rules and regulations in incurrence of expenditure as irregularities amounting to Rs 14.820 million were pointed out during audit of financial year 2016-19.

CHAPTER 51.2

Municipal Committee, 18-Hazari

51.2.1 Introduction:

Municipal Committee, 18-Hazari manages following offices:

Description	No. of Offices/ DDOs
Chairman	01
Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure)	01
Municipal Officer (Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, 18-Hazari:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	23.307	63.759
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

51.2.2 Comments on Budget & Accounts (Variance Analysis):

To achieve the targets as assigned to the PAO, following financial resources were given to Chief Officer, Municipal Committee during 2016-19. The detail is as under:

(Rupees in millions)

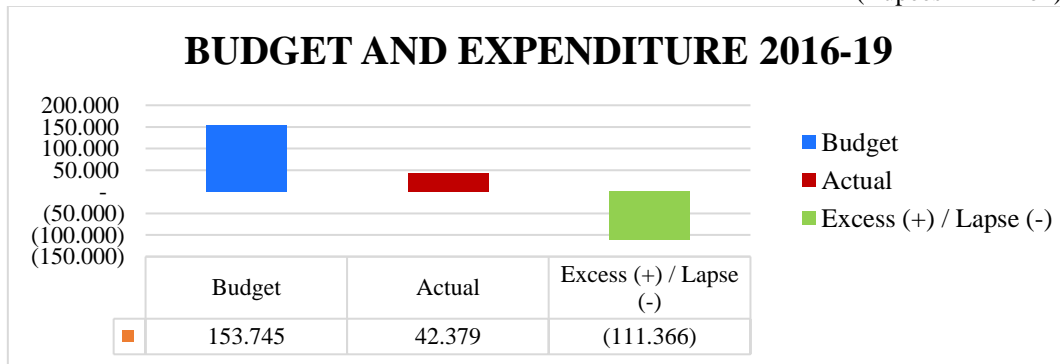
Financial Years	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-17	Non-Development (Salary+ Non-Salary)	21.717	6.360	(15.357)	(70.71%)
	Development	-	-	-	-
	Total	21.717	6.360	15.357	70.71%

2017-18	Non-Development (Salary+ Non-Salary)	44.328	14.973	(29.355)	(66.22%)
	Development	6.600	6.600	-	-
	Total	50.928	21.573	(29.355)	(57.64%)
2018-19	Non-Development (Salary+ Non-Salary)	81.000	14.346	(66.654)	(82.29%)
	Development	0.100	0.100	-	-
	Total	81.100	14.446	(66.654)	(82.19%)
Grand Total	Non-Development (Salary+ Non-Salary)	147.045	35.679	(111.366)	(75.74%)
	Development	6.700	6.700	-	-
	Grand Total	153.745	42.379	(111.366)	(972.44%)

Analysis of Non-development budget and expenditure revealed that budget of Rs 147.045 million was allocated and expenditure of Rs 35.679 million was incurred, resultantly sum of Rs 111.366 million remained unutilized.

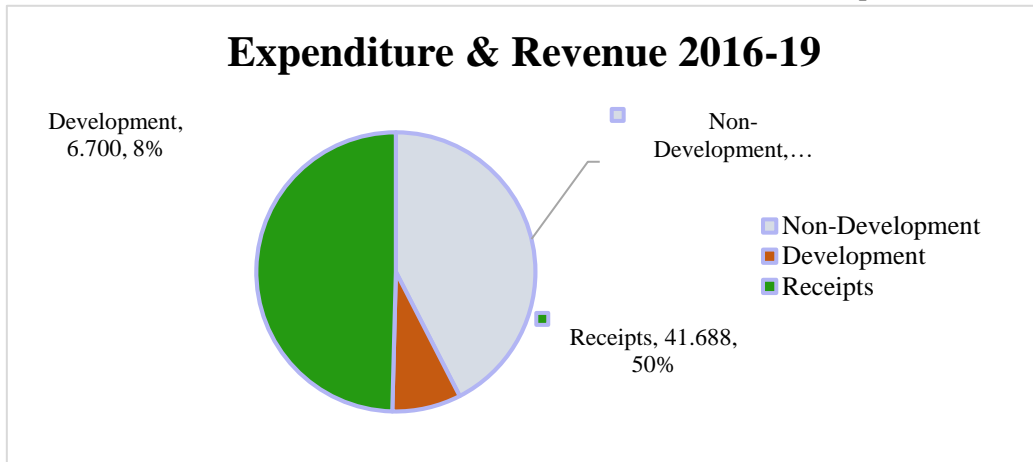
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure and revenue is as under:

(Rupees in million)



51.2.3 Classified Summary of Audit Observations:

Audit observations amounting to Rs 5.927 million were raised as a result of this audit. This amount also includes recoverable of Rs 1.253 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	1.024
B	Procurement related irregularities	3.400
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	1.503
Total		5.927

51.2.4 Comments on the status of Compliance with PAC Directives:

This is the 1st Audit Report on the accounts of Municipal Committee, 18-Hazari. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

51.3 Procedural Irregularities

51.3.1 Non-deduction of Social Security Contribution – Rs 1.024 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. Further, according to the Punjab Employees Social Security Institution letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014 duly endorsed by Government of the Punjab LG&CD Department vide letter No.SO.DG-DEV(LG)4-1/2014 dated 19.08.2014, in case of default of private contractors to get their employees registered with PESSI the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office.

Municipal Committee, 18-Hazari executed different development works through seven contractors during FY 2017-19 but payment was made without obtaining certificate regarding payment of Social Security Contribution of workers employed by the contractors. Further, Chief Officer did not make efforts to deduct the Social Security Contribution @ 6 percent amounting to Rs 1.024 million (**1/18-HZR**) from claims of the contractors before making payments, as detailed below:

(Rupees in million)

DDO	Contractors	Employees	Average wage rate/Annum	Total Wages	Amount @ 6%
Chief Officer, Municipal Committee, 18-Hazari	07	79	18,000*12=216,000	17.064	1.024

(Amount was calculated according to the list of employees provided by the contractors along with application for enlistment/ renewal of enlistment).

Audit is of the view that due to weak internal controls, deduction of Social Security Contribution was not made.

Non-deduction of Social Security Contribution amounting to Rs 1.024 million resulted in excess payment to the contractors.

The matter was reported to the DDO during January, 2020. It was said that detailed reply will be submitted after scrutiny of record.

Audit recommends recovery of Rs 1.024 million from the concerned besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 2]

51.3.2 Irregular expenditure due to non-compliance of PPRA Rules – Rs 1.256 million

According to Rule 10 of PPRA, Rules 2014, procuring agency shall determine specifications in a manner to allow the widest possible competition which shall not favour any single contractor nor put others at a disadvantage. The specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar other classifications but if the procuring agency is satisfied that the use of, or a reference to, a brand name or a catalogue number is essential to complete an otherwise incomplete specification, such use or reference shall be qualified with the words “or equivalent”.

Scrutiny of record of Municipal Committee 18-Hazari revealed that the management incurred expenditure of Rs 1.256 million on purchase of hydraulic trolley, lintel hook and water bowser items by violating the above rule. Detailed specifications were not given in the print and electronic media. Competition on those specifications was also not held / maintained among the suppliers. Further, purchase was made uneconomically from general order supplier instead of directly from manufacturer. The detail is as follows:

(Amount in Rupees)

Sr. No.	Financial Year	Expenditure Head	Total Expenditure
1	2017-18	Purchase of hydraulic trolley	631,750
2	2017-18	Purchase of Water bowser	589,000

Sr. No.	Financial Year	Expenditure Head	Total Expenditure
3	2017-18	Purchase of lintel hook	35,000
Total			1,255,750

Due to financial indiscipline, procurements were made without mentioning specifications and without ensuring compliance of PPRA rules.

Procurements without ensuring compliance of PPRA rules resulted in irregular expenditure of Rs 1.256 million.

The matter was reported to the DDO during January 2020. It was said that detailed reply will be submitted after scrutiny of record.

Audit recommends regularization of expenditure from the competent authority, under intimation to Audit.

[AIR Para No: 5]

51.3.3 Irregular payment for purchase of vehicles – Rs 1.099 million

According to Rule 27 (1) of Punjab Local Governments (Accounts) Rules 2017, the DDO, sanctioning authority, head of finance office and accounts officer shall ensure implementation of PPRA Rules 2014 in letter and spirit.

Scrutiny of record of Municipal Committee 18-Hazari revealed that the management incurred expenditure of Rs 1.099 million on purchase of vehicle which was subject to following observations:

1. Advance payment of Rs 1.099 million was made to the suppliers without obtaining prior approval from the Finance Department.
2. Advance payment was not adjusted despite lapse of considerable period of time.
3. Delivery challan, inspection reports and other related record was not produced to ensure deductions of income tax and LD charges.

(Rupees in million)

Particular	Supplier	Cheque No.	Date	Amount
Millat Tractor MF-375 (75 HP) with Standard Tool Kit	Millat Tractor Ltd.	70271808	26.12.2017	1.099

Due to weak internal controls, vehicle was purchased without ensuring compliance of financial discipline.

Non-compliance of financial discipline resulted in irregular payment of Rs 1.099 million.

The matter was reported to the DDO during January 2020. It was responded that detailed reply will be submitted after scrutiny of record.

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

[AIR Para: 4]

51.3.4 Doubtful expenditure on national days / events – Rs 1.045 million

According to rule 30(1) of Punjab Local Government (Accounts) Rules, 2017 a sequentially numbered purchase order in Form-AR-1 shall be raised for contingent expenditure, excluding salaries and utilities, by the drawing and disbursing officer. Further, according to Rule 9 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 annual requirements thus determined would be advertised on the PPRA's website as tender inquiry.

Chief Officer Municipal Committee 18-Hazari incurred expenditure of Rs 1.045 million (**2/18-HZR**) on Janshn-e-Azadi, Eid Milad-un-Nabi and Eid-ul-Azha activities during 2017-19. The expenditure was doubtful due to following reasons:

- a. No competitive rates through open tenders were obtained. Expenditure was split up to avoid tendering process.
- b. Neither sequentially numbered supply order was issued nor quantities of requisite material mentioned in supply order.

- c. The expenditure on Kabbadi match was incurred but record about participants and results was not maintained.
- d. The quantities and qualities were not verified by any authorized officer/committee.
- e. Neither quantities of tentage items were mentioned in supply order nor number of days mentioned.

Audit is of the view that due to weak financial controls, funds were drawn in doubtful manner.

Withdrawal of funds amounting to Rs 1.045 million without mentioning quantities in supply order and splitting of expenditure resulted in doubtful expenditure.

The matter was reported to the DDO during January 2020. It was said that detailed reply will be submitted after scrutiny of record.

Audit recommends inquiry of the matter besides fixing responsibility upon the person(s) at fault, under intimation to Audit.

[AIR Para: 7]

51.4 Others

51.4.1 Utilization of bricks without ensuring standard specifications and testing – Rs 1.503 million

According to Clause 11 and 14 of Contract Agreement for Civil works, the contractor shall execute the whole and every part of work according to the specifications. In addition, if it appears that work has been executed with unsound, imperfect, or with materials of any inferior description, the contractor shall remove the materials or articles so specified. Further, according to Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum). Furthermore, according to Market Rate System issued from 2005-06 to 2015-16 by the Government of Punjab Finance Department, (i) The composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

Chief Officer, Municipal Committee 18-Hazari executed five works for construction of drain, soling, etc. during 2017-19. Bricks costing Rs 1.503 million were used in those works but no methodology was adopted to measure the strength, standard and specification for the bricks utilized. Therefore, in the absence of proper testing of bricks at the time of execution, the authenticity of utilization of first class bricks could not be proved. **(3/18-HZR)**

Audit is of the view that due to weak internal controls, works were executed without specifications, standards and testing of bricks.

Utilization of bricks costing Rs 1.503 million without ensuring the required strength, quality and standard of bricks resulted in execution of substandard works.

The matter was reported to the DDO during January 2020. It was said that detailed reply would be submitted after scrutiny of record.

Audit recommends inquiry (of the matter) besides fixing responsibility against the person(s) at fault, under intimation to Audit.

[AIR Para: 8]

Municipal Committee, Ahmad Pur Sial

CHAPTER 52.1

Sectoral Analysis of Municipal Committee, Ahmad Pur Sial

The sectoral analysis of Municipal Committee is based on performance of the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, expenditure on execution of development plans, asset management, anti-encroachment activity, human resource management etc. are given below:

Analysis regarding Revenue Collection targets and achievements

(Rupees in million)

Source of Income	Targeted Revenue			Actual Revenue			Shortage/ (%age)
	2018-19	2016-18	Total	2018-19	2016-18	Total	
Rent of Municipal property/shops	0.110	0.100	0.210	0.083	0.086	0.169	-20%
Receipts on account of sale of water	0.005	0	0.005	0	0	0	-100%
Sale of sludge/waste water	0.075	0.075	0.15	0.087	0.044	0.131	-13%

It was observed that MC could not achieve revenue collection targets against rent of Municipal Property/Shops, receipts on account of sale of water, sale of sludge/waste water. Furthermore, internal controls and monitoring mechanism regarding

revenue collection were very weak, even periodical surveys were not conducted/ demand & collection registers were not maintained which lead to vulnerability to leakage of revenue.

Analysis regarding funds utilization for Municipal Infrastructure

(Rupees in million)

Description	2018-19		2016-18		Total		Unutilized (%age)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase of Plant and Machinery	0.200	0.032	0.250	0.005	0.450	0.037	92%
Machinery and Equipment	0.87	0.275	0.72	0.606	1.59	0.881	45%
Repair and Maintenance of Others	0.65	0.132	0.555	0.672	1.205	0.804	33%
Ongoing schemes ADP (previous year)	33.51	10.374	4.817	0	38.327	10.374	72%
Purchase of Street Lights	-	-	0.368	0.3	0.3	0.068	82%

MC Ahmad Pur Sial could not ensure optimal utilization of funds for purchase of plant and machinery, other equipment, execution of development plans, repair and maintenance, purchase of street lights and maintenance of parks / gardens which resulted in non-achievement of envisaged benefits.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee Ahmad Pur Sial failed to set targets/ key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in

incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration, scrutiny of financial record and a report submitted by Chief Officer to LG&CD Department, it was observed that the performance of Municipal Committee Ahmad Pur Sial in respect of service delivery was very poor as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Water Supply	There was only one water filtration plant in the whole municipality.
2	Clean Drinking Water	One filtration plant was installed / being operated / maintained by Municipal Committee; no other arrangements were made for provision of clean drinking water to the residents.
3	Maintenance of Parks	Municipal Committee was not maintaining any park.
4	Play grounds	There was only one Play round in the whole municipality.
5	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC Ahmed Pur Sial.
6	Waste Collection	No reliable data regarding total waste generation and its collection / disposal was maintained by MC Ahmad Pur Sial It was claimed that average waste generation was 12 metric tons per day out of which 10 metric ton waste was being collected / removed which indicates 83% waste collection efficiency in terms of percentage. However, during visits heaps of waste were found on different locations of MC.
7	Street Lighting	Almost 60% area of the Municipal Committee was not provided with street lighting facility by the administration of MC Ahmad Pur Sial.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	29,6445	31,000	31,000
2	Number of sanctioned posts of sanitary workers	54	54	54
3	Number of filled posts of sanitary workers	30	28	28

Sr. No.	Description	2016-17	2017-18	2018-19
4	Number of vacant posts of sanitary workers	24	26	26
5	Number of sanctioned posts of sewer man	7	7	7
6	Number of filled posts of sewer man	2	2	2
7	Expenditure incurred on repair and maintenance of existing sewerage line	-	-	-
8	Expenditure incurred on lying new sewerage lines	-	Rs 6 million	-
9	Number of existing solid waste dumping sites			
10	Construction of new solid waste dumping sites	-	-	-
11	Number of existing landfill sites	-	-	-
12	Development of new landfill sites	-	-	-

The human resources of the MC concerning solid waste management and sanitation were inadequate and could not meet the standard requirements. However, efforts were not being made by the stakeholders and authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Non-improvement of solid waste dumping site or landfill site portray unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard and even existing structure was also not maintained properly.

Analysis regarding Asset Management

Assets management by the administration of Municipal Committee Ahmad Pur Sial was weak. Six shops were leased out during 2015 at nominal rent of Rs 1700 per month with annual increase @ 10%. Furthermore, physical verification of properties was not being carried out by the administration of MC Ahmad Pur Sial.

Analysis regarding Spatial Planning

Management of Municipal Committee, is responsible for preparing spatial plans for the local government including plans for land use and zoning, after due

process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Analysis regarding Human Resource Management

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Chief / Municipal Officers	5	3	2	3	2	2	3
2	Engineering Staff	3	3	0	3	0	3	0
3	Officials including clerical staff, assistants etc.	15	14	1	13	2	13	2
5	Class-IV	19	14	5	14	5	13	6
6	Sanitation Staff	54	30	24	28	26	28	26
Total		96	64	32	61	65	59	37

There is shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning and deteriorated municipal infrastructure etc.

Conclusion

The overall financial management/ performance of the Municipal Committee regarding achievement of revenue collection targets, utilization of funds meant for infrastructure development and improvement, provision of municipal services, spatial planning, asset management, and human resource management was not satisfactory. The performance of MC Ahmad Pur Sial was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue collection as irregularities amounting to Rs 51.424 million were pointed out during audit of Financial Year 2016-19.

CHAPTER 52.2

Municipal Committee, Ahmad Pur Sial

52.2.1 Introduction:

Municipal Committee, Ahmad Pur Sial manages following offices:

Description	No. of Offices/ DDOs
Chairman	01
Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure)	01
Municipal Officer (Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Ahmad Pur Sial:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	77.506	23.876
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

52.2.2 Comments on Budget & Accounts (Variance Analysis):

To achieve the targets assigned to the PAO, following financial resources were given to Chief Officer, Municipal Committee during 2016-19. The detail is as under:

(Rupees in million)

Financial Years	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-17	Non-Development (Salary+ Non-Salary)	111.291	53.061	(58.230)	(52.32%)
	Development	21.703	13.694	(8.009)	(36.90%)
	Total	132.994	66.755	(66.239)	(49.81%)

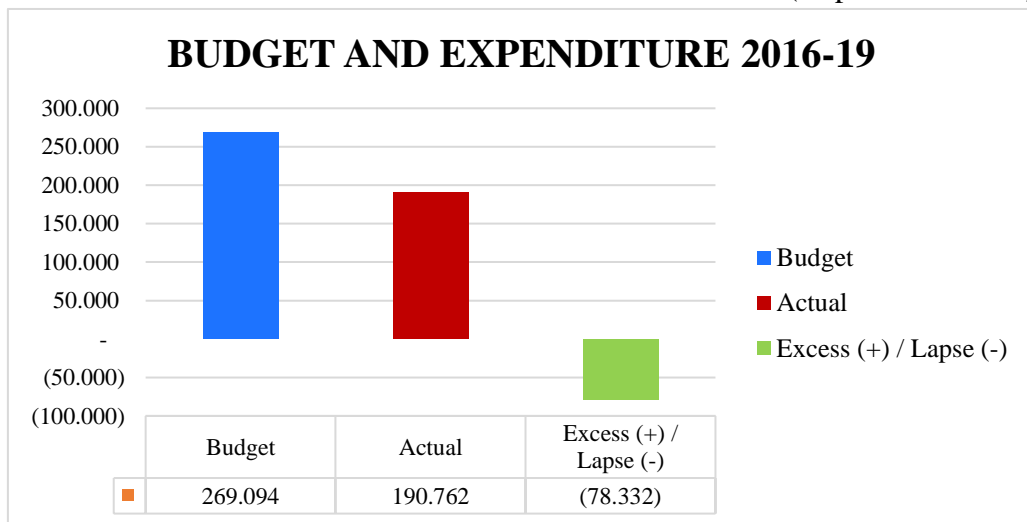
Financial Years	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2017-18	Non-Development (Salary+ Non-Salary)	42.429	42.403	(0.026)	(0.06%)
	Development	36.439	24.408	(12.031)	(33.17%)
	Total	78.868	66.811	(12.057)	(15.29%)
2018-19	Non-Development (Salary+ Non-Salary)	46.853	46.822	(0.031)	(0.06%)
	Development	10.379	10.374	(0.005)	(0.05%)
	Total	57.232	57.196	(0.036)	(0.06%)
Grand Total	Non-Development (Salary+ Non-Salary)	200.573	142.286	(58.287)	(29.06%)
	Development	68.521	48.476	(20.045)	(29.25%)
	Grand Total	269.094	190.762	(78.332)	(29.11%)

Analysis of Non-development budget and expenditure revealed that budget of Rs 200.573 million was allocated and expenditure of Rs 142.286 million was incurred, resultantly fund of Rs 58.287 million remained unutilized.

Analysis of development budget and expenditure revealed that fund of Rs 68.521 million was allocated and expenditure of Rs 48.476 million was incurred, resultantly sum of Rs 20.045 million remained unutilized.

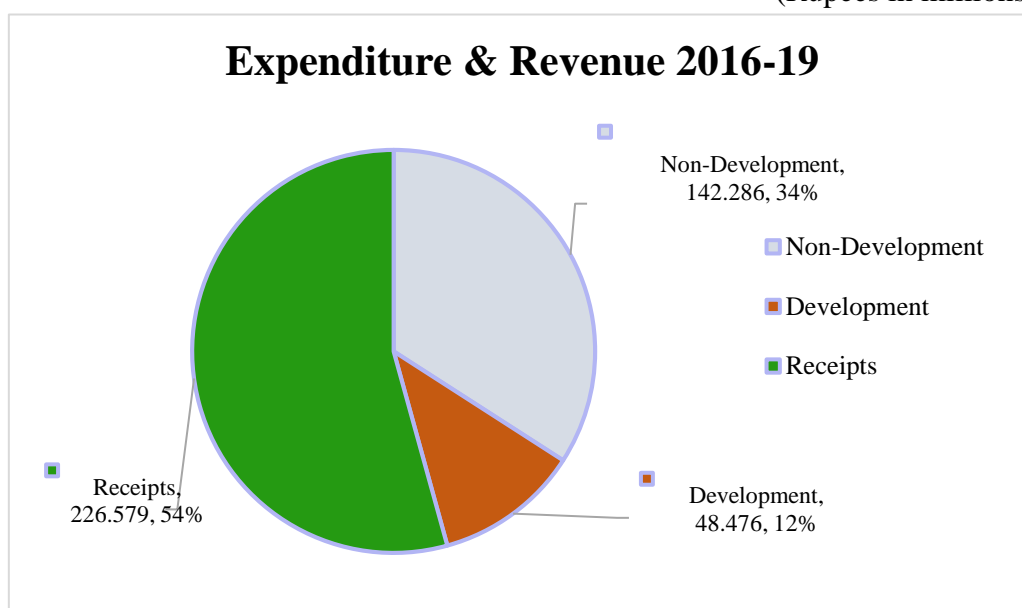
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure and revenue is as under:

(Rupees in millions)



52.2.3 Classified Summary of Audit Observations:

Audit observations amounting to Rs 5.626 million were raised as a result of this audit. This amount also includes recoverable of Rs 2.910 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	1.966
B	Procurement related irregularities	-
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	3.660
Total		5.626

52.2.4 Comments on the status of Compliance with PAC Directives:

This is the 1st Audit Report on the accounts of Municipal Committee, Ahmad Pur Sial. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

52.3 Procedural Irregularities

52.3.1 Non-deduction of Social Security Contribution – Rs 1.966 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. Further, according to the Punjab Employees Social Security Institution letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014 duly endorsed by Government of the Punjab LG&CD Department vide letter No.SO.DG-DEV(LG)4-1/2014 dated 19.08.2014, in case of default of private contractors to get their employees registered with PESSI the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office.

Chief Officer, Municipal Committee Ahmad Pur Sial got different development works executed through 13 contractors during 2017-19 but payment was made without obtaining certificate regarding payment of Social Security Contribution of workers employed by the contractors. Further, Chief Officer did not make efforts to deduct the Social Security Contribution @ 6 percent amounting to Rs 1.966 million (**1/APS**) from claims of the contractors before making payments, as detailed below:

(Rupees in millions)

DDO	No. of Contractors	No. of Employees	Average wage rate/Annum	Total Wages	Amount @ 6%
Chief Officer, Municipal Committee, Ahmad Pur Sial	13	182	15,000*12=180,000	32.760	1.966

(Amount was calculated according to the list of employees provided by the contractors along with application for enlistment/renewal of enlistment).

Audit is of the view that due to weak internal controls, deduction of Social Security Contribution was not made.

Non-deduction of Social Security Contribution amounting Rs 1.966 million resulted in excess payment to the contractors.

The matter was reported to the Chief Officer in February, 2020. It was replied that compliance would be made. Audit stressed upon recovery of social security contribution at the earliest.

Audit recommends recovery of Rs 1.966 million from the concerned, under intimation to Audit.

[AIR Para: 4]

52.4 Others

52.4.1 Utilization of bricks without ensuring standard specifications and testing – Rs 2.654 million

According to Clause 11 and 14 of Contract Agreement for Civil works, the contractor shall execute the whole and every part of work according to the specifications. In addition, if it appears that work has been executed with unsound, imperfect, or with materials of any inferior description, the contractor shall remove the materials or articles so specified. Further, according to Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum). Furthermore, according to Market Rate System issued from 2005-06 to 2015-16 by the Government of Punjab Finance Department, (i) The composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

Chief Officer, Municipal Committee Ahmad Pur Sial executed 03 works for construction of drain, soling and culverts etc. during 2017-19. Bricks costing Rs 2.654 million were used in these works but no methodology was adopted to measure the strength, standard and specification for the bricks utilized. Therefore, in the absence of proper testing of bricks at the time of execution, the authenticity of utilization of first class bricks could not be proved. The detail is as under:

(Amount in Rupees)

Sr. No.	Name of Work	Quantity of Soling	Rate	Amount	No. of Bricks	Rate per 1000	Amount	Remarks for brick testing
1	Construction of Soling, Drain, Culverts, tuff tile Ward No.8	8177	13771.70	1,126,112	130832	7,500	981,240	No test
2	Construction of Soling in Municipal Committee	10893	13771.70	1,500,151	174288	7,500	1,307,160	No test
3	Construction of soling, Drain, Sewerage, tuff tile, RCC slab ward No.6	3050	13771.70	420,037	48800	7,500	366,000	No test
Total							2,654,400	

Audit is of the view that due to weak internal controls, works were executed without specifications, standards and testing of bricks.

Utilization of bricks costing Rs 2.654 million without ensuring the required strength, quality and standard of bricks resulted in execution of substandard works.

The matter was reported to the Chief Officer in February, 2020. It was replied that compliance would be made.

Audit recommends inquiry and fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 3]

52.4.2 Non-Recovery of miscellaneous fees from owners of illegal buildings – Rs 1.006 million

According to Rule 60 (e) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 the Conversion Fee for the conversion of land use to educational or healthcare institutional use shall be ten percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available.

Thirteen private schools, private banks, hotel and shops were established in the jurisdiction of MC, Ahmad Pur Sail by different people during 2016-19. These institutes were established without approval of building plan and payment of miscellaneous fees amounting to Rs 1.006 million. (2/APS)

Audit is of the view that due to weak financial controls, private institutions were established without payment of prescribed fee.

Non-recovery of miscellaneous fee resulted in less realization of Local Government receipt amounting to Rs 1.006 million.

The matter was reported to the Chief Officer in February, 2020. It was replied that matter would be pursued vigorously. Audit stressed upon recovery of fee at the earliest.

Audit recommends early recovery of miscellaneous fees amounting to Rs 1.006 million from the owners of illegal buildings, under intimation to Audit.

[AIR Para: 7]

Municipal Committee, Garh Maharaja

CHAPTER 53.1

Sectorial Analysis of Municipal Committee, Garh Maharaja

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, development plans implementation, asset management, anti-encroachment activity, human resource management etc. are given below:

Analysis regarding Revenue Collection targets and achievements

(Rupees in million)

Source of Income	2018-19		2016-18		Total		Shortage (% age)
	Target	Actual	Target	Actual	Target	Actual	
Tender fee	0.3	0.006	0	0	0.300	0.006	-98%
Parking Fee Garh More	1.500	1.352	2.010	1.924	3.510	3.276	-6%
Water Rate	0.042	0.017	0.085	0.034	0.127	0.051	-94%
Sludge water	0.1	0	0.25	0.239	0.350	0.239	-32%
Slaughter House	0.075	0.058	0.405	0.089	0.480	0.147	-69%

It was observed that MC could not achieve revenue collection targets against tender fee, Parking fee, water rate, sludge water and slaughter house. Furthermore, internal controls and monitoring mechanism regarding revenue collection were very weak and even periodical surveys were not conducted / demand & collection registers were not maintained which lead to vulnerability to leakage of revenue.

Analysis regarding funds utilization for Municipal Infrastructure

(Rupees in million)

Description	2018-19		2016-18		Total		Unutilized (%age)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase of Plant and Machinery	1.45	0.213	0.05	0.01	1.5	0.223	85%
Office & Residential Buildings	0.1	0	0	0	0.1	0	100%
Machinery and Equipment	0.5	0	0	0	0.5	0	100%
Repair and Maintenance of Others	0.6	0.238	0	0.192	0.6	0.43	28%
Maintenance of gardens	0.3	0.271	0.1	0	0.4	0.271	32%
Ongoing schemes ADP (Previous year)	15.254	11.585	0	0	15.254	11.585	24%
Purchase of Street Lights	0.3	0.11	0.05	0.048	0.35	0.158	54%

MC Garh Maharaja could not ensure optimal utilization of funds for purchase of plant / machinery for waste collection & disposal, sanitation, construction / improvement of roads / streets, repair maintenance of roads / streets / buildings / transport, provision & maintenance of street lights, and maintenance of parks / gardens which resulted in non-achievement of envisaged benefits.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee Garh Maharaja failed to set targets/ key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration, scrutiny of financial record and a report submitted by Chief Officer to LG&CD Department, it was also observed that the performance of Municipal Committee Garh Maharaja in respect of service delivery was very poor as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Water Supply	There was only one water filtrations plant in the whole municipality.
2	Clean Drinking Water	One filtration plant was installed / being operated / maintained by Municipal Committee nor any other arrangements were made for provision of clean drinking water to the residents.
3	Maintenance of Parks	Municipal Committee was not maintaining any park.
4	Play grounds	There was only one Play round in the whole municipality.
5	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC Garh Maharaja.
6	Waste Collection	No reliable data regarding total waste generation and its collection / disposal was maintained by MC Garh Maharaja.
7	Street Lighting	Almost 50% area of the Municipal Committee was not provided with street lighting facility by the administration of MC Garh Maharaja.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	37,000	37,000	37,000
2	No. of sanctioned posts of sanitary workers	58	56	56
3	No. of filled posts of sanitary workers	58	56	56
4	Number of vacant posts of sanitary workers	0	0	0
5	No. of sanctioned posts of sewer man	6	6	6
6	No. of filled posts of sewer man	1	1	1
7	Expenditure incurred on repair and maintenance of existing sewerage line	Rs 0.098 million	Rs 0.140 million	Rs 0.130 million
8	Expenditure incurred on lying new sewerage lines	-	-	-
9	Number of existing solid waste dumping sites	2	2	2
10	Construction of new solid waste dumping sites	-	-	-
11	Number of existing landfill sites	-	-	-
12	Development of new landfill sites	-	-	-

The human resources of the MC concerning solid waste management and sanitation were inadequate. However, efforts were not made by the stakeholders and authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Non-improvement of solid waste dumping site or landfill site portray unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard and even existing structure was not maintained properly.

Analysis regarding Asset Management

Assets management by the administration of Municipal Committee Garh Maharaja was very weak. An amount of Rs 0.178 million was outstanding from the tenets of shops of MC since long but no action was taken for recovery of rent and vacation of shops. Furthermore, physical verification of properties was not being carried out by the administration of MC Garh Maharaja.

Analysis regarding Spatial Planning

Management of Municipal Committee, is responsible for preparing spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Analysis regarding Human Resource Management:

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Chief / Municipal Officers	5	5	0	5	0	5	0
2	Engineering Staff	2	2	0	2	0	2	0
3	Officials including clerical staff, assistants etc.	4	4	0	4	0	4	0
5	Class-IV	15	15	0	13	2	13	2
6	Sanitation Staff	58	28	30	28	30	28	30
	Total	84	54	30	52	32	52	32

There is shortage of staff which may be captioned one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning and deteriorated municipal infrastructure etc.

Conclusion

The overall financial management performance of the Municipal Committee/ regarding achievement of revenue collection targets, utilization of funds meant for infrastructure development / improvement, provision of municipal services, spatial planning, asset management, and human resource management was not satisfactory. The performance of MC Garh Maharaja was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue collection as irregularities amounting to Rs 44.088 million were pointed out during audit of Financial Year 2016-19.

CHAPTER 53.2

Municipal Committee, Garh Maharaja

53.2.1 Introduction

Municipal Committee, Ghar Maharaja manages following offices:

Description	No. of Offices/ DDOs
Chairman	01
Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure)	01
Municipal Officer (Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Ghar Maharaja:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	44.088	13.521
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

53.2.2 Comments on Budget & Accounts (Variance Analysis)

To achieve the targets as assigned to the PAO, following financial resources were given to Chief Officer, Municipal Committee during 2016-19. The detail is as under:

(Rupees in millions)

Financial Year	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-17	Non-Development (Salary+ Non-Salary)	22.573	17.587	(4.986)	(22.088%)
	Development	8.000	0.000	(8.000)	(100%)
	Total	30.573	17.587	(12.986)	(42.48%)

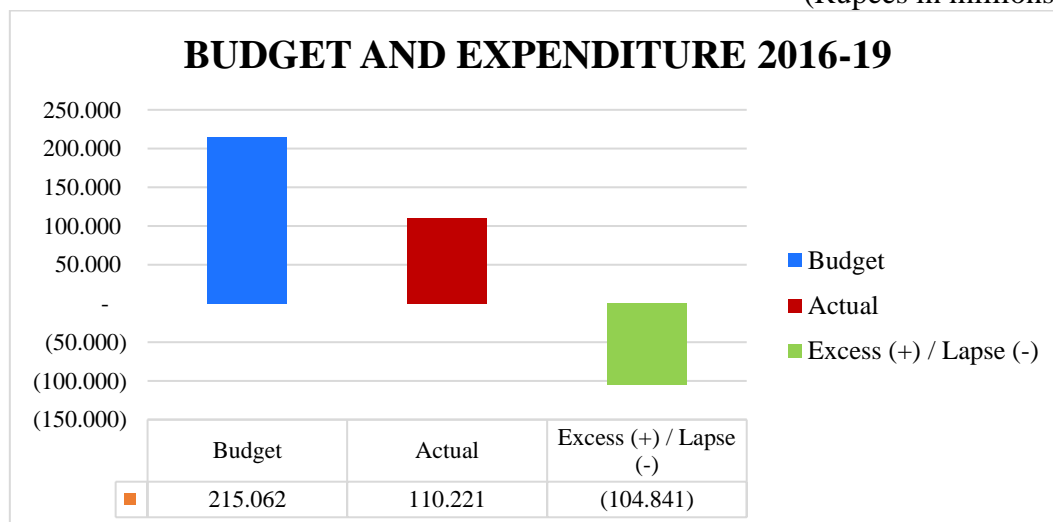
Financial Year	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2017-18	Non-Development (Salary+ Non-Salary)	55.950	38.923	(17.027)	(30.43%)
	Development	44.060	14.645	(29.415)	66.76%
	Total	100.010	53.568	(46.442)	46.44%
2018-19	Non-Development (Salary+ Non-Salary)	62.225	37.830	(24.400)	39.21%
	Development	55.254	1.236	(54.018)	97.76%
	Total	117.479	39.066	(78.413)	66.75%
Grand Total	Non-Development (Salary+ Non-Salary)	143.748	94.340	(49.408)	34.37%
	Development	107.314	15.881	(91.433)	85.20%
	Grand Total	215.062	110.221	(104.841)	48.74%

Analysis of Non-development budget and expenditure revealed that fund of Rs 143.748 million was allocated and expenditure of Rs 94.340 million was incurred, resultantly sum of Rs 49.408 million remained unutilized.

Analysis of development budget and expenditure revealed that fund of Rs 107.314 million was allocated and expenditure of Rs 15.881 million was incurred, resultantly sum of Rs 91.433 million remained unutilized.

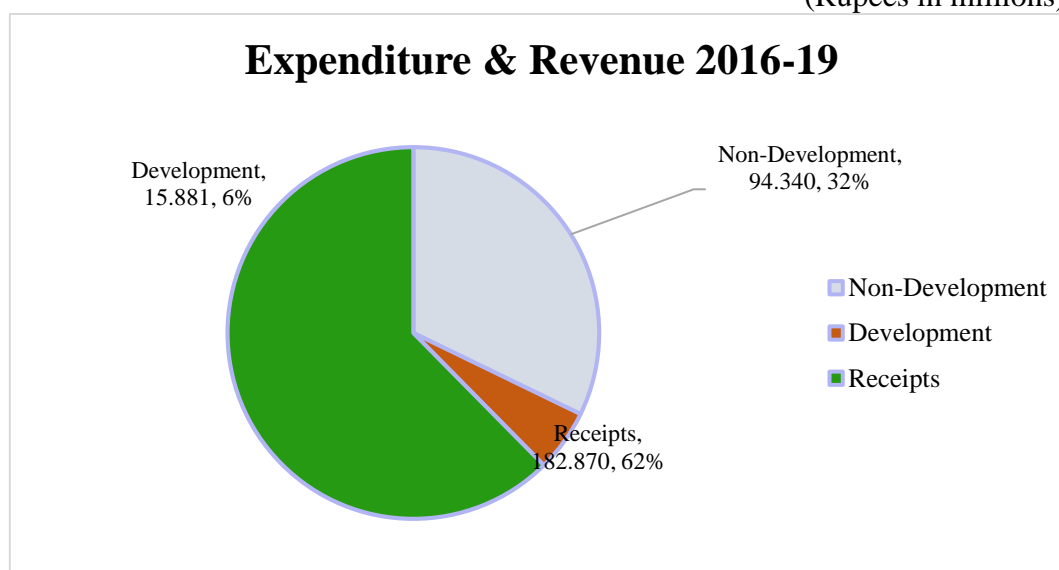
Graphical presentation of budget & expenditure is as under:

(Rupees in millions)



Graphical presentation of expenditure and revenue is as under:

(Rupees in millions)



53.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 7.934 million were raised as a result of this audit. This amount also includes recoverable of Rs 3.985 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in millions)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	1.328
B	Procurement related irregularities	-
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	6.606
Total		7.934

53.2.4 Comments on the status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Garh Maharaja. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

53.3 Procedural Irregularities

53.3.1 Non-deduction of Social Security Contribution – Rs 1.328 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. Further, according to the Punjab Employees Social Security Institution letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014 duly endorsed by Government of the Punjab LG&CD Department vide letter No.SO.DG-DEV(LG)4-1/2014 dated 19.08.2014, in case of default of private contractors to get their employees registered with PESSI the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office.

Chief Officer, Municipal Committee Garh Maharaja executed different development works through 11 contractors during FY 2017-19 but payment was made without obtaining certificate regarding payment of Social Security Contribution of workers employed by the contractors. Further, Chief Officer did not make efforts to deduct the Social Security Contribution @ 6 percent amounting to Rs1.328 million (**1/GMR**) from claims of the contractors before making payments, as detailed below:

(Rupees in millions)

DDO	No. of Contractors	No. of Employees	Average wage rate/Annum	Total Wages	Amount @ 6%
Chief Officer, Municipal Committee, Garh Maharaja	11	123	15,000*12=180,000	22.140	1.328

(Amount was calculated according to the list of employees provided by the contractors along with application for enlistment/renewal of enlistment).

Audit is of the view that due to weak internal controls, deduction of Social Security Contribution was not made.

Non-deduction of Social Security Contribution amounting Rs 1.328 million resulted in excess payment to the contractors.

The matter was reported to the Chief Officer in February, 2020. It was replied that compliance would be made. Audit stressed upon recovery of social security contribution at the earliest.

Audit recommends recovery of Rs 1.328 million from the concerned, under intimation to Audit.

[AIR Para: 7]

53.4 Others

53.4.1 Utilization of bricks without ensuring standard specifications and testing – Rs 2.414 million

According to Clause 11 and 14 of Contract Agreement for Civil works, the contractor shall execute the whole and every part of work according to the specifications. In addition, if it appears that work has been executed with unsound, imperfect, or with materials of any inferior description, the contractor shall remove the materials or articles so specified. Further, according to Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum). Furthermore, according to Market Rate System issued from 2005-06 to 2015-16 by the Government of Punjab Finance Department, (i) The composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

Chief Officer, Municipal Committee Garh Maharaja executed 07 works for construction of drain, soling and culverts etc. during 2017-19. Bricks costing Rs 2.414 million were used in these works but no methodology was adopted to measure the strength, standard and specification for the bricks utilized. Therefore, in the absence of proper testing of bricks at the time of execution, the authenticity of utilization of first-class bricks could not be proved. **(2/GMR)**

Audit is of the view that due to weak internal controls, works were executed without specifications, standards and testing of bricks.

Utilization of bricks costing Rs 2.414 million without ensuring the required strength, quality and standard of bricks resulted in execution of substandard works.

The matter was reported to the Chief Officer in February, 2020. It was replied that compliance would be made. Audit stressed upon early compliance.

Audit recommends that the matter may be brought to appropriate level for fixing responsibility against the person(s) at fault, under intimation to Audit.

[AIR Para: 3]

53.4.2 Less-recovery of Tender Fee – Rs 2.192 million

According to Rule 9(4) of the Punjab Local Government (Works) Rules, 2017, the tender or bidding documents may be obtained from the concerned local government on payment of the prescribed fee. Further, according to Directorate General, Local Government & Community Development Department, Punjab, Lahore letter No.SE/LG&CD/4(59)/2013 dated 31.08.2015, the tender fee is fixed for original works as well as M&R work up to Rs 0.500 million @ Rs 0.05% of the cost of work involved, for original work beyond Rs 0.500 million Rs 10,000 and for M&R works beyond Rs 0.500 million Rs 2,000.

Audit observed while scrutinizing record of Municipal Committee, Garh Maharaja that tender fee was collected less than the rate prescribed in above referred criteria during FY 2017-19. It resulted in less collection of tender fee amounting to Rs 2.192 million.

Audit is of the view that due to negligence, less tender fee was collected.

Less collection of tender fee resulted in loss to Municipal Committee amounting to Rs 2.192 million.

The matter was reported to the Chief Officer in February, 2020. It was replied that matter is noted for compliance in future. Audit stressed upon recovery of less collected Tender Fee at the earliest.

Audit recommends recovery of less collected tender fee amounting to Rs 2.192 million at the earliest besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 4]

53.4.3 Unauthorized execution of development works without entering into formal agreements – Rs 2 million

According to work order of Scheme, contractors were directed to make the agreement within seven days of receipt of this letter i.e. letter of acceptance.

Chief Officer, Municipal Committee Garh Maharaja awarded four works during 2017-18 without entering into formal agreements. A comparison of purchase of stamp papers with date of issuance of work order revealed that work order was issued before the date of purchase of stamp papers. Non-entering into formal agreements before issuance of work orders resulted in execution of illegal/unauthorized award of works as detailed below:

(Rupees in millions)

Sr. No.	Name of Work	Work Order No. / Date	Stipulated Completion Date	Agreement Date	Amount of Work
1	Construction of soling Abadi Sultan Wala	17 / 26.12.2017	31.01.2018	06.02.2018	0.500
2	Construction of soling ward no.12	21 / 26.12.2017	06.02.2018	16.02.2018	0.500
3	Construction of soling ward no.13	22 / 26.12.2017	31.01.2018	29.01.2018	0.500
4	Construction of PCC Ward No. 9	19 / 26.12.2017	06.02.2018	16.02.2018	0.500
Total					2.000

Due to weak internal controls, work orders were issued for execution of development schemes before formal agreement for execution.

Issuance of work orders before entering into agreement on stamp papers resulted in unauthorized execution of works amounting to Rs 2.000 million.

The matter was reported to the Chief Officer in February, 2020. It was replied that compliance would be made. Audit stressed to condone irregularity with the sanction of the Competent Authority.

Audit recommends regularization besides fixing responsibility on the person(s) at fault for incurrence of unauthorized expenditure.

[AIR Para: 5]

Municipal Committee, Jhang

CHAPTER 54.1

Sectorial Analysis of Municipal Committee, Jhang

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Administration of Municipal Committee, Jhang failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, following analysis has been made on the basis of available information and observation during filed audit.

Status regarding Revenue Collection targets and achievements 2017-19

(Rupees in million)

Sr. No.	Source of Income	Targeted Revenue	Actual Revenue	Shortage (% age)	Targeted Revenue	Actual Revenue	Shortage (% age)
		2017-18	2017-18		2018-19	2018-19	
1	License Fee (Dangerous and Drink)	1.000	0.227	-77%	1.500	-	-100%
2	Rickshaw/Motorcycle/Bicycle Stand Fee	0.400	0.387	-61%	0.500	0.308	-69%
3	Fee for approval of Housing Colony	1.000	-	-100%	2.500	-	-100%
5	Fine for building violations	0.025	0.001	-100%	0.050	-	-100%

Sr. No.	Source of Income	Targeted Revenue	Actual Revenue	Shortage (% age)	Targeted Revenue	Actual Revenue	Shortage (% age)
		2017-18	2017-18		2018-19	2018-19	
6	Sale of slaughter house waste	0.050	0.007	-99%	0.050	-	-100%
7	Receipt on account of sale of water - Residential	1.500	0.015	-99%	0.100	-	-100%
8	Receipts on account of sale of water - through tankers	0.050	0.006	-99%	0.050	-	-100%
9	Sales of Sludge / Waste water	-	-	-	0.300	-	-100%
10	Fee for Fire Bridge	0.025	-	-100%	0.030	-	-100%
11	Registration / Enlistment of Contractors	3.000	2.076	108%	4.000	0.252	-75%
13	Rent of Municipal Property - Agricultural land	1.200	0.111	-89%	1.500	-	-100%
14	Road cut charges	1.500	0.058	-94%	1.000	0.088	-91%
Total		9.750	2.888	189%	11.580	0.648	-35%

From the analysis of revenue collection targets and achievements of Municipal Committee Jhang, it was observed that MC could not achieve revenue collection targets against license fee, Riksha/Motorcycle/Bicycle Stand Fee, Fee for approval of Housing Colony, Fine for building violations, Sale of slaughter house waste, sale of water – Residential, sale of water - through tankers, Sales of Sludge / Waste water, Fee for Fire Bridge, Registration / Enlistment of Contractors, Rent of Municipal Property - Agricultural land, Road cut charges. Furthermore, internal controls and monitoring mechanism regarding revenue collection especially from licensing, TTIP collections and recovery of development charges and cost of land form resident of kachi abadis, were very weak, even periodical surveys were not conducted / demand & collection registers were not maintained / updated which lead to vulnerability to leakage of revenue.

Moreover, audit pointed out less recovery under head of rent of shops amounting to Rs 3.457 million, Loss of Rs 2.505 million due to non-issuance of Completion Certificate against approved maps, Non-recovery of expenditure incurred on behalf of Faisalabad Cattle Market Management Company amounting

to Rs 2.526 million, Less-recovery of Tender Fee amounting to Rs 3.516 million, Less recovery of auctioned amount from the contractor amounting to Rs 2.279 million, Non-imposition of penalty of Rs 0.112 million on delay in renewal of enlistment, Non-recovery of License Fee amounting to Rs 2.515 million.

Organization of sports, cultural, recreational events, fairs and shows

To achieve the objectives of organizing sports, cultural, recreational events, fairs and shows Municipal Committee, Jhang was allocated 'Nil' budget during 2017-18. Moreover, fund of Rs 11.865 million was allocated under head of sports and Rs 11.865 million under head of youth affairs during 2018-19 but even not a single rupee was expensed. Hence, Municipal Committee failed to achieve objective of organizing sports, cultural, recreational events, fairs and shows.

Spatial Planning

Management of Municipal Committee, is responsible for preparing spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Execution of Development Plans

One of the objective of Municipal Committee, Jhang is to execute and manage development plans which was not achieved as fund of Rs 103.125 million was allocated for Schemes included in Annual Development Plan for the financial year 2017-18 but only 65.262 million was utilized, resultantly fund of Rs 37.863 million was remained unutilized / blocked which was 37% of total fund allocated. Moreover, fund of Rs 60.000 million was allocated for Schemes included in Annual Development Plan for the financial year 2018-19 but not a single rupee was expensed. The detail is given on next page:

(Rupees in million)

Sr. No.	Description	2017-18				2018-19			
		Budget	Expenditure	(Saving)	%	Budget	Expenditure	(Saving)	%
1	Ongoing schemes ADP (Current)	103.125	65.262	37.863	37%	60.000	0	60.000	100%
2	Ongoing schemes ADP (Previous Year)	-	-	-	0%	102.495	90.592	11.903	12%
Total		103.125	65.262	37.863	37%	162.495	90.592	71.903	44%

Human Resource Management

While analyzing the sanctioned, filled and vacant post it was observed that almost 40% of posts remained vacant which directly affects the performance of the Municipal committee.

2017-18				2018-19			
Sanctioned	Filled	Vacant	% Vacant Posts	Sanctioned	Filled	Vacant	% Vacant Posts
786	465	321	41%	786	474	312	40%

Municipal Services - Water Supply

Municipal Administration installed 9 new filtration plants in 2017-18 and 13 in 2018-19. But failed to provide water through supply line. Due to non-maintenance of existing water supply lines and non-installation of new water supply lines Municipal Administration lost the existing consumers and one of the sources of its revenue.

Sr. No.	Description	2017-18	2018-19
1	New installation of Filtration Plants	9	13
2	Expenditure on existing Filtration Plants	Rs 0.515 million	Rs 0.671 million
3	Number of Domestic Water Connections	438	0
4	Number of Commercial Water Connections	-	-
5	Expenditure on existing water supply lines	Rs 1.920 million	Rs 2.510 million
6	Expenditure on new water supply lines	-	-
7	Revenue Collected	Rs 0.023 million	Rs 0.012 million

Municipal Services – Sanitation

Sanitation service was also not satisfactory as 56% of sanctioned post of sewer man and 35% of sanitary workers were remained vacant, no expenditure was incurred on lying new sewage lines, no dump site is available and only one land fill site is available.

Sr. No.	Description	2017-18	2018-19
1	Number of sanctioned posts of sewer man	62	62
2	Number of filled posts of sewer man	27	27
3	Number of vacant posts of sewer man	35	35
4	Expenditure incurred on repair and maintenance of existing sewage line	Rs 40.63 million	Rs 38.69 million
5	Expenditure incurred on lying new sewage lines	-	-
6	Number of sanctioned posts of sanitary workers	430	430
7	Number of filled posts of sanitary workers	275	270
8	Number of vacant posts of sanitary workers	155	150
9	Number of existing dump sites	0	0
10	Number of new dump sites	0	0
11	Number of existing land fill sites	1	1
12	Number of new land fill sites	0	0

Anti-Encroachment

Municipal Committee's land of 22 Kanal 8 Marlas remained in possession of illegal encroacher since before 2015-16 and Municipal Administration failed to get the property vacated till 2018-19.

Sr. No.	Description	2017-18	2018-19
1	Total Land in the ownership of MC	1461 K	1461 K
2	Total Land of MC encroached	22 K 8M	22 K 8M
3	Total encroached land recovered	-	-

Conclusion

The overall financial management regarding achievement of revenue collection targets, utilization of funds, provision of municipal services and asset management was not satisfactory. The performance of MC Jhang was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue collection.

CHAPTER 54.2

Municipal Committee, Jhang

54.2.1 Introduction:

Municipal Committee, Jhang manages following offices:

Description	No. of Offices/ DDOs
Chairman	01
Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure)	01
Municipal Officer (Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Jhang:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	510.763	135.376
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

54.2.2 Comments on Budget & Accounts (Variance Analysis):

To achieve the targets as assigned to the PAO, following financial resources were given to Chief Officer, Municipal Committee during 2016-19. The detail is as under:

(Rupees in millions)

Financial Years	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-17	Non-Development (Salary+ Non-Salary)	695.276	428.745	(266.531)	(38.33%)
	Development	317.141	93.740	(223.401)	(70.44%)
	Total	1,012.417	522.485	(489.932)	(48.39%)

Financial Years	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2017-18	Non-Development (Salary+ Non-Salary)	406.060	365.067	(40.993)	(10.10%)
	Development	408.045	311.021	(97.024)	(23.78%)
	Total	814.105	676.088	(138.017)	(16.95%)
2018-19	Non-Development (Salary+ Non-Salary)	558.686	413.379	(145.307)	(26.01%)
	Development	162.496	90.592	(71.904)	(44.25%)
	Total	721.182	503.971	(217.211)	(30.12%)
Grand Total	Non-Development (Salary+ Non-Salary)	1,660.022	1,207.191	(452.831)	(27.28%)
	Development	887.682	495.353	(392.329)	(44.20%)
	Grand Total	2,547.704	1,702.544	(845.160)	(33.17%)

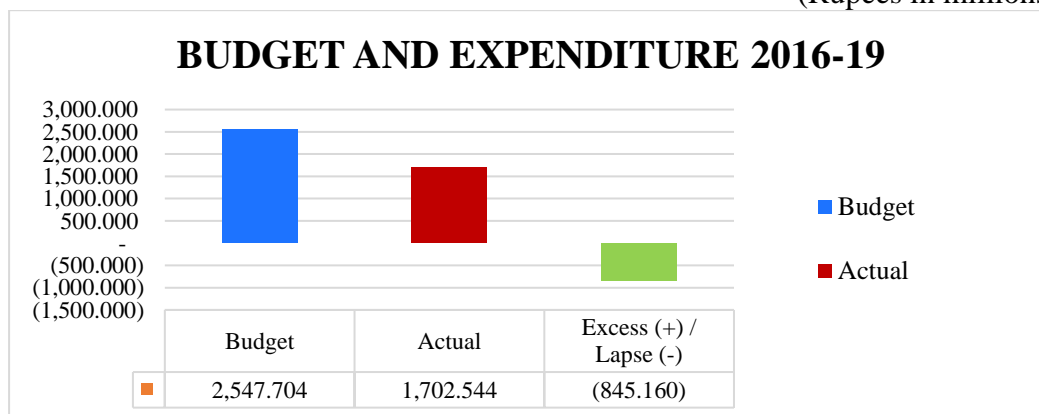
Analysis of Non-development budget and expenditure revealed that fund of Rs 1,660.022 million was allocated and expenditure of Rs 1,207.191 million was incurred, resultantly sum of Rs 452.831 million remained unutilized.

Analysis of development budget and expenditure revealed that fund of Rs 887.682 million was allocated and expenditure of Rs 495.353 million was incurred, resultantly fund of Rs 392.329 million was remained unutilized.

Further, cash position of MC, Jhang was alarming as to make payment of pension, development and other contingencies fund, securities account and tied grant was utilized without authority.

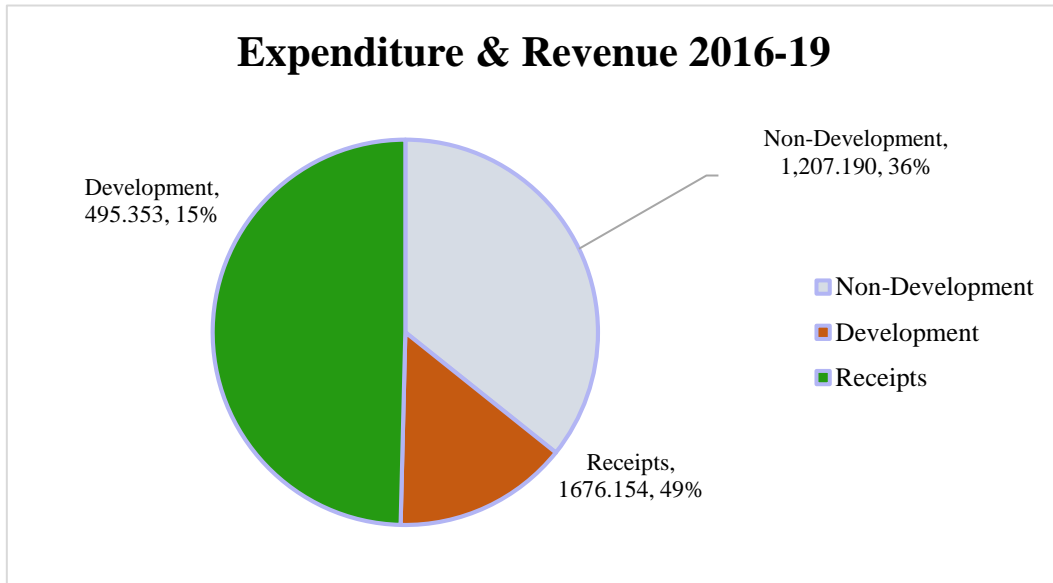
Graphical presentation of budget & expenditure is as under:

(Rupees in millions)



Graphical presentation of expenditure and revenue is as under:

(Rupees in millions)



54.2.3 Classified Summary of Audit Observations:

Audit observations amounting to Rs 150.244 million were raised as a result of this audit. This amount also includes recoverable of Rs 30.960 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in millions)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	-
B	Procurement related irregularities	56.834
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	56.501
5	Others	36.909
Total		150.244

54.2.4 Comments on the Status of Compliance with PAC Directives:

This is the 1st Audit Report on the accounts of Municipal Committee, Jhang. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

54.3 Procedural Irregularities

54.3.1 Procurement in violation of procurement rules – Rs 56.834 million

According to Rule 12 of the Punjab Procurement 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 but if deemed in public interest, the procuring agency may also advertise the procurement in at least one National Daily Newspaper. Further, according to Rule 4 *ibid*, 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 9 *ibid*, 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.

Municipal Committee, Jhang incurred expenditure of Rs 5.992 million on procurement of Material for filtration plant, LED 42”, flexes, decoration lights, LED lights, hiring of tentage material etc. by splitting of expenditure to avoid requirement of calling quotation, advertisement of PPRA web site. Further payment of Rs 50.842 million was made to National Engineering Services Pakistan (Pvt.) Ltd. for consultancy service but record of tender process for selection of consultant was not produced to Audit. **(1/JHG)**

Audit is of the view that due to weak internal controls, procurement was made by splitting to avoid calling quotations, tenders, advertisement on website of the Authority.

Procurement by splitting to avoid calling quotations, tendering, advertisement on website of the Authority resulted in irregular expenditure of Rs 56.834 million in violation of procurement rules.

The matter was reported to the Chief Officer during January, 2020. It was responded that reply would be submitted later. Audit stressed on regularization of expenditure from the Competent Authority.

Audit recommends regularization of expenditure amounting to Rs 56.834 million from the Competent Authority, under report to Audit.

[AIR Para:12]

54.4 Value for Money and Service Delivery Issues

54.4.1 Irregular use of conditional grant – Rs 56.501 million

According to Rule 9(5) of the Punjab Local Government (Budget) Rules 2017, the conditional grants from the Government or any other local government shall be shown separately. Further, according to Para 1 of Government of the Punjab, Finance Department letter No.FD(W&M)1-31/2008-2009/219 dated 22.01.2009, credit the District Fund Account No. IV for implementation of development schemes of Kachi Abadis (Sr. No.1429 of Development Programme 2008-09) in the 24 Districts (detail attached). Further, according to Para 5 of letter *ibid*, the respective District Government are advised to make further release of funds to the concerned executing agency only after issuance of Administrative Approval. Further, according to Para 6 of letter *ibid*, the funds shall not be re-appropriated by the District Government for any other purpose except mentioned above.

During scrutiny of cash book of Kachi Abadis of Municipal Committee, Jhang it was observed that funds of Rs 56.501 million were transferred from the Finance Department to District Government for onward transfer to Tehsil Municipal Committee (TMA), Jhang during 2008-09 for development schemes of Kachi Abadies. Funds were irregularly utilized as:

- i. Funds were transferred and placed in profit and loss bank account and earned profit of Rs 14.633 million up to July 2018 due to delay in utilization of fund. Thereafter, profit of Rs 13.030 million was transferred in General Account of TMA in April, 2016 and remaining profit of Rs 1.603 million was transferred to General Account of TMA on August 2018.
- ii. Conditional grant was not shown in annual budgets.
- iii. Unspent balance of Rs 3.045 million was transferred to Development Account of Municipal Committee for utilization of schemes in ADP.
- iv. Funds of Rs 2.590 million were utilized for repair of motor, purchase of electric material, pump, tentage material for Ramzan Bazar, 2013-14, 2017-18 liability (paid in June, 18), etc.

- v. Tenders for scheme of disposal works, pumping machine, Basti Dewaan Wali, were opened on 25.05.2009 and work was allotted but thereafter scheme was cancelled. Meanwhile another scheme “construction of sewer line from Basti Wali Batta” costing Rs 13.400 million was also tendered and work was started on 16.05.2009 and completed on 21.11.2013. Starting of sewer line scheme and cancelation of disposal scheme is unjustifiable.
- vi. Further, detail of development schemes, related files, progress report, an expenditure incurred and remaining amount was not produced to Audit.

Audit is of the view that due to negligence on the part of DDOs, conditional grant was used for the purpose other than specified.

Utilization of conditional grant for the purpose other than specified resulted in unauthorized utilization of fund of Rs 56.501 million.

The matter was reported to the Chief Officer during January, 2020. It was responded that reply would be submitted later.

Audit recommends regularization of matter from the competent authority, under intimation to Audit.

[AIR Para: 17]

54.5 Others

54.5.1 Non-recovery of Income Tax – Rs 8.269 million

According to section 153(1) of Income Tax Ordinance, 2001, Every prescribed person making a payment in full or part including a payment by way of advance to a resident person for the sale of goods, rendering of or providing of services shall, at the time of making the payment, deduct tax from the gross amount payable at the rate specified in Division III of Part III of the First Schedule. Further, according to Government of the Punjab, Local Government & Community Development Department letter No.SO-D-I(LG)8-4(Kahuta)/02 dated 08.04.2008, Income Tax and Sales Tax shall be deducted on the basis of vouched accounts of CCBs from items where deduction is necessary in accordance with Income Tax Ordinance, 2001 and Sales Tax act, 1990.

It was observed during scrutiny of record of Municipal Committee, Jhang that Taxation Officer of Federal Board of Revenue conducted audit of account and observed that taxes of Rs 8.269 million were not deducted while making payment to CCBs and other suppliers / service providers for the tax years 2005-09. On failure to satisfy the FBR authority, said amount was recovered by ways of freezing of bank account on 29.06.2009. Thereafter, TMA/MC authority did not make efforts to recover the amount of taxes from the concerned CCBs despite lapse of ten years, as detailed below:

(Amount in Rupees)

Sr. No.	Tax Year	Amount
1	2005	3.717
2	2006	0.943
3	2007	1.395
4	2008	1.918
5	2009	0.296
Total		8.269

Audit is of the view that due to negligence on part of DDO, amount of taxes was not deducted at source and no efforts were made to get the amount of taxes recovered.

Non-recovery of amount of taxes from the CCBs and suppliers / service providers, resulted in loss to TMA/MC amounting to Rs 8.269 million.

The matter was reported to the Chief Officer during January, 2020. It was responded that reply would be submitted later. Audit stressed on recovery at the earliest.

Audit recommends recovery of amount of taxes of Rs 8.269 million at the earliest besides fixing responsibility on person(s) at fault, under intimation to Audit.

[AIR Para: 5]

54.5.2 Less deduction of Taxes – Rs 4.445 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 tax to be deducted from a payment for goods or services shall be 4.5 percent of gross amount payable, if the person is a filer and 7.75 percent if the person is a non-filer. In the case of rendering of or providing of services, Income Tax shall be deducted @ 10 percent of the gross amount payable, if the person is a filer and 17.5 percent if the person is non-filer. Further, according to Section 2(3)(i) of Sales Tax Special Procedure (Withholding) Rules, 2007, withholding agents falling under category “A” were required to deduct an amount equal to 1/5th (20 percent) of the total Sales Tax shown in Sales Tax invoice issued by registered persons, whereas, on purchase of taxable goods from unregistered persons, Sales Tax was required to be deducted at the applicable rate of the value of taxable supplies. Further, according to Rule 5 read with Sub-Rule (2) of Rule 1 of the Punjab Sales Tax on Services (Withholding) Rules, 2012, a withholding agent shall, on receipt of taxable services from an unregistered service provider, deduct Sales Tax @ 16% of the value of taxable services provided to him.

Municipal Committee, Jhang incurred expenditure of Rs 31.523 million on procurement of motor cycle, tentage material, banners, motor pump, repair and maintenance, consultancy service etc. but taxes of Rs 4.445 million (**2/JHG**) were not / less deducted at source. The detail is given on next page:

(Rupees in millions)

Sr. No.	Description	Amount
1	Income Tax	1.433
2	General Sales Tax	1.744
3	Punjab Sales Tax	1.268
Total		4.445

Audit is of the view that due to negligence on the part of DDO, amount of taxes was deducted less.

Less deduction of taxes resulted in excess payment to the supplier / service providers amounting to Rs 4.445 million.

The matter was reported to the Chief Officer during January, 2020. It was responded that reply would be submitted later. Audit stressed on recovery at the earliest.

Audit recommends recovery of amount of taxes, under intimation to Audit.

[AIR Para: 13]

54.5.3 Unauthorized use of Public Account (Security Account) – Rs 4 million

According to Para 5.2.1.3 of Accounting Policies and Procedure Manual, Public Account receipts are monies collected by the Government on behalf of other parties or held in trust for a special purpose and are therefore not available for annual appropriation. Further, according to Para 14.2.2.1 of *ibid*, the Public Account represents those monies for which the Government has a fiduciary duty but which it is not at liberty to appropriate for the general services of the Government. Further, according to Para 14.3.1.1 of *ibid*, no authority shall incur expenditure or enter into any commitment involving expenditure from the Public Account, unless it is sanctioned under the governing Act, Order or other regulation for the particular trust account or special deposit account. Further, according to Para 14.4.1.1 of *ibid*, withdrawals from any trust account or special deposit account

established in the Public Account must be for the purpose laid out in its governing Act or Presidential Order, and other regulations prescribed by the Government.

Municipal Committee, Jhang transferred funds of Rs 4 million from Security Account to General Account, Development Account and Pension Account without any authority and thereafter utilized for payment of contingencies, development work and payment of pension, as detailed below:

(Rupees in millions)

Sr. No.	Account Description	Amount
1	General Account No.13889-6	1.000
2	Development Account No.24030	2.000
3	Pension Account No.14096-1	1.000
Total		4.000

Audit is of the view that due to negligence on the part of Chairman and TAO fund of Security Account to General, Development and Pension Account and thereafter utilized.

Transfer of fund from Security Account to General, Development and Pension Account and utilization resulted in unauthorized transfer and utilization of Public Account.

The matter was reported to the Chief Officer during January, 2020. It was responded that reply would be submitted later.

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

[AIR Para: 14]

54.5.4 Less-recovery of Tender Fee – Rs 3.516 million

According to Rule 9(4) of the Punjab Local Government (Works) Rules, 2017, the tender or bidding documents may be obtained from the concerned local government on payment of the prescribed fee. Further, according to Directorate General, Local Government & Community Development Department, Punjab, Lahore letter No.SE/LG&CD/4(59)/2013 dated 31.08.2015, the tender fee is fixed

for original works as well as M&R work up to Rs 0.500 million @ Rs 0.05% of the cost of work involved, for original work beyond Rs 0.050 million Rs 10,000 and for M&R works beyond Rs 0.500 million Rs 2,000.

It was observed while scrutinizing record of Municipal Committee, Jhang that tender fee was collected @ 0.10% of cost of project /scheme instead of rates prescribed in above referred criteria. Resultantly, tender fee amounting to Rs 3.516 million was less collected.

Audit is of the view that due to negligence on part of DDO, amount of tender fee was not collected according to prescribed rates.

Non-collection of tender fee at prescribed rates resulted in less collection of tender fee and loss to TMA/MC amounting to Rs 3.516 million.

The matter was reported to the Chief Officer during January, 2020. It was said that reply would be submitted later. Audit stressed on recovery at the earliest.

Audit recommends recovery of less collected tender fee amount to Rs 3.516 million at the earliest besides fixing responsibility on person(s) at fault, under intimation to Audit.

[AIR Para: 6]

54.5.5 Less recovery of rent of property – Rs 3.457 million

According to Rule 11(2)(c) 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. Further, according to Rule 14(d) of *ibid*, the collecting officer shall collect receipts of the local government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement or compromise.

Municipal Committee, Jhang auctioned the shops but rent amounting to Rs 3.457 million was collected less. Collecting officer did not make due efforts to realize revenue. Further, due to non-inclusion of penalty clause in agreement on delay in deposit of rent, most of the shopkeepers did not deposited monthly rent in

time which resulted in increase in arrears. Furthermore, two shopkeepers of shop No.01 & 06, situated near M.B. High School, circular road filed application in District / Civil Court on basis of bogus ownership documents and application was found misconceived and dismissed. Thereafter, shops were again handed over to same shopkeepers instead of taking in possession and re-auction. Moreover, it was observed that last auction was made on 1977, 1975, 1990, 1992, 2010 etc. and thereafter shops were transferred to persons on deposit of transfer of fee, the detail was demanded but the same was not produced to Audit.

Audit is of the view that due to negligence on the part of collecting officer, rent of shops / property was not realized and shops were transferred to next person without auction.

Transfer of shops without auction and less-realization of revenue resulted in loss to TMA/MC amounting to Rs 3.457 million and unauthorized transfer of shops.

The matter was reported to the Chief Officer during January, 2020. It was replied that recovery would be made. Audit stressed on recovery at the earliest besides regularization of matter of non-inclusion of penalty clause in contract on delay in deposit of rent, transfer of shops without re-auction from the Competent Authority.

Audit recommends recovery of Rs 23.457 million at the earliest besides regularization of matter of non-inclusion of penalty clause in contract and transfer of shops without re-auction, under intimation to Audit.

[AIR Para: 1]

54.5.6 Non-recovery of expenditure incurred on behalf of Faisalabad Cattle Market Management Company – Rs 2.526 million

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

Development Department letter No.AO.(Dev.)(LG)2-252/2014(P-IV) dated 20.11.2014, all the Commissioners in the Punjab are directed to reimburse the amount of the respective TMAs on holding of cattle markets since 01.07.2014. Further, according to the Chairman, FCMMC letter No.693-700 DLG/FSD dated 13.04.2015, the Company has to reimburse the operational expenditure incurred by the TMAs for holding of cattle market with effect from 01.07.2014.

Municipal Committee, Jhang held cattle market in District Jhang during financial year 2014-15 on behalf of Faisalabad Cattle Market Management Company (FCMMC) and incurred expenditure of Rs 2.526 million. But no efforts were made to get the expenditure reimbursed despite lapse of four years. Further, detailed record of expenditure incurred was not produced before Audit.

Audit is of the view that due to negligence on part of the management, expenditure incurred on behalf of FCMMC was not recouped.

Non-recoupage of expenditure incurred on behalf of FCMMC resulted in loss of Rs 2.526 million to TMA/MC.

The matter was reported to the Chief Officer during January, 2020. It was responded that reply would be submitted later. Audit stressed on recovery at the earliest.

Audit recommends recovery of Rs 2.526 million from the FCMMC at the earliest, under intimation to Audit.

[AIR Para: 3]

54.5.7 Non-recovery of License Fee – Rs 2.515 million

According to Rule 11(2)(c) 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. Further, according to Rule 14(d) of *ibid*, the collecting officer shall collect receipts of the local government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement or compromise.

Scrutiny of record of Municipal Committee, Jhang for the financial year 2016-19, it was observed that license fee of Rs 1.383 million for the FY 2017-18 and Rs 1.132 million for the FY 2018-19 was not collected / recovered. Further, no survey was conducted to determine potential revenue for basis of budget allocation under head of License Fee. moreover, record relating to fee collected was not produced before Audit.

Audit is of the view that due to negligence on the part of collecting officer license fee was not collected.

Non-collection of license fee resulted in loss to TMA/MC amounting to Rs 2.515 million.

The matter was reported to the Chief Officer during January, 2020. It was responded that reply would be submitted later. Audit stressed on recovery at the earliest.

Audit recommends recovery of Rs 2.515 million at the earliest, under intimation to Audit.

[AIR Para: 15]

54.5.8 Loss due to non-issuance of completion certificate against approved maps – Rs 2.505 million

According to Rule 11(2)(c) 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. Further, according to Rule 14(d) of ibid, the collecting officer shall collect receipts of the local government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement or compromise.

Municipal Committee, Jhang received total 1,342 applications for approval of maps for construction of residential / commercial buildings during 2016-19 and sanction of 501 applications were granted for one year with condition to obtain completion certificate within one month of completion of construction and 841 applications remained pending due to some objections. Concerned

authority did not take steps for verification of constructions according to building by-laws, issuance of Completion Certificates and imposing penalty on illegal constructions. Resultantly, loss of Rs 2.505 million was incurred to TMA/MC (Rs 5,000 X 501). Moreover, concerned authority neither took steps to get the objections removed against pending applications nor any report was produced to ensure that construction was not made on plot of pending applications.

Audit is of the view that due to negligence on the part of Municipal Officer (Planning) Completion Certificates were not issued.

Non-issuance of Completion Certificates resulted in loss to TMA/MC amounting to Rs 2.505 million.

The matter was reported to the Chief Officer during January, 2020. It was responded that reply would be submitted later. Audit stressed on recovery of completion certificate fee after fulfilling legal formalities besides production of inspection report of site whose map has been approved or not.

Audit recommends recovery of Rs 2.505 million at the earliest besides production of inspection report of sites whose map has been approved or not and fixing responsibility on person(s) at fault, under intimation to Audit.

[AIR Para: 2]

54.5.9 Less recovery of auctioned amount from the contractor – Rs 2.279 million

According to Rule 11(2)(c) 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. Further, according to Rule 14(d) of *ibid*, the collecting officer shall collect receipts of the local government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement or compromise. Further, according to Rule 7(d) of Punjab Local Government (Budget) Rules 2017, the collecting officer shall ensure timely recoveries against each demand.

Municipal Committee, Jhang auctioned the collection rights for advertisement fee during the financial year 2017-18 but auctioned amount of Rs 1.170 million and Income Tax of Rs 1.109 million was recovered less, as detailed below:

(Rupees in million)

Financial Year	Description	Auction Amount			Income Tax			Grand Total
		Due	Recovered	Difference	Due	Recovered	Difference	
2017-18	Advertisement Fee	11.089	9.919	1.170	1.109	0	1.109	2.279

Audit is of the view that due to negligence on the part of collecting officer, auction amount and Income Tax was recovered less.

Less recovery of auctioned amount and Income Tax resulted in loss to TMA/MC amounting to Rs 2.279 million.

The matter was reported to the Chief Officer during January, 2020. It was responded that reply would be submitted later. Audit stressed on recovery at the earliest.

Audit recommends recovery of Rs 2.279 million at the earliest, under intimation to Audit.

[AIR Para: 8]

54.5.10 Loss due to non-award of contract to highest bidder – Rs 2.061 million

According to Rule 9 of the Punjab Local Government (Auction of Collection Rights) Rules 2016, the contract shall be awarded to the highest bidder through open bid by adoption of procedure of auction as laid down in Chapter II. Further, according to Rule 9(1) of the Punjab Local Government (Accounts) Rules, 2017, in case of loss to the local government through fraud and negligence, the person functioning on behalf of the local government shall be personally responsible and shall be liable to make good the loss.

It was observed while scrutinizing the record of Municipal Committee, Jhang that agriculture land, Tibba Ragistan, Jhang city was auctioned. The bidder offered (rate) Rs 1.611 million which was more than the reserved price and even higher than the last three years' auction price, but the contract was not awarded to any bidder. Moreover, the land was also not cultivated on self-basis and no revenue was realized. Resultantly, TMA/MC sustained loss of Rs 1.611 million. Further, agriculture land, Chah Shadi Wala against which reserve price was Rs 0.150 million, was not auctioned since 2015-16 due to unknown reasons, resultantly TMA/MC sustained loss of Rs 0.450 million (0.150X3–FY 2015-18).

Audit is of the view that due to negligence on part of auction committee, agriculture land was not auctioned / awarded to bidders.

Non-auction of agriculture land resulted in loss of Rs 2.061 million to TMA/MC.

The matter was reported to the Chief Officer during January, 2020. It was responded that reply would be submitted later.

Audit recommends fixing responsibility on person(s) at fault besides recovery, under intimation to Audit.

[AIR Para: 7]

54.5.11 Non-deduction / recovery of taxes – Rs 1.336 million

According to section 153(1)(b) of Income Tax Ordinance, 2001, Every prescribed person making a payment in full or part including a payment by way of advance to a resident person for the rendering of or providing of services shall, at the time of making the payment, deduct tax from the gross amount payable at the rate specified in Division III of Part III of the First Schedule. Further, according to Rule 5 read with Sub-Rule (2) of Rule 1 of the Punjab Sales Tax on Services (Withholding) Rules, 2012, a withholding agent shall, on receipt of taxable services from an unregistered service provider, deduct Sales Tax @ 16% of the value of taxable services provided to him.

Municipal Committee, Jhang made payment of Honorarium and monetization cost to Chairman and Vice Chairman amounting to Rs 1.875 million but Income Tax of Rs 0.323 million was not deducted at source. Further, Municipal Committee, Jhang auctioned the collection rights for advertisement fee for the financial year 2018-19 but Punjab Sales Tax (PST) of Rs 1.013 million (For the period November, 2018 to June, 2019) was not recovered from the contractors.

Audit is of the view that due to negligence on part of DDO, Income Tax was not deducted at source and Punjab Sales Tax was not recovered.

Non-deduction of Income Tax resulted in excess payment to the Chairman and Vice Chairman amounting to Rs 0.323 million and Non-recovery of Punjab Sales Tax resulted in loss of Rs 1.013 million to Government of the Punjab.

The matter was reported to the Chief Officer during January, 2020. It was responded that reply would be submitted later. Audit stressed on recovery at the earliest.

Audit recommends recovery Rs 1.336 million at the earliest, under intimation to Audit.

[AIR Paras: 4, 10]

Municipal Committee, Shorkot

CHAPTER 55.1

Sectorial Analysis of Municipal Committee, Shorkot

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, expenditure on development plans implementation, asset management, human resource management etc. are given below:

Analysis regarding Revenue Collection targets and achievements

(Rupees in million)

Source of Income	2018-19		2016-18		Total		Shortage (% age)
	Target	Actual	Target	Actual	Target	Actual	
General Bus Stand Fee	4.100	3.798	-	-	4.100	3.798	-7.37%
Parking Fee, Rickshaw/ Motor Cycle	2.100	1.905	-	-	2.100	1.905	-9.29%
Rent of Municipal Property/Municipal Urban Land	5.300	5.240	1.925	1.317	7.225	6.557	-9.25%
Conversion Fee for change in building use	-	-	0.500	-	0.500	-	-100%
Rent of Municipal Property/shops	-	-	0.825	0.577	0.825	0.577	-30.06%
License Fee	0.350	0.362	0.100	0.039	0.450	0.401	-10.89%

From the analysis of revenue collection targets and achievements of Municipal Committee Shorkot, it was observed that MC could not achieve revenue collection targets against General Bus Stand Fee, parking fee, rent of municipal property/ municipal urban land conversion fee for change in building use, rent of municipal property/ shops and license fee. Further, internal controls and monitoring mechanism regarding revenue collection were very weak and even periodical surveys were not conducted / demand & collection registers were not maintained which lead to vulnerability to leakage of revenue.

Analysis regarding funds utilization for Municipal Infrastructure

(Rupees in million)

Description	2018-19		2016-18		Total		Unutilized (% age)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase of Plant and Machinery	3.200	-	0.750	0.212	3.950	0.212	-94.63
Purchase of Furniture & Fixtures	0.800	0.503	0.480	0.114	1.280	0.617	-51.80
Purchase of IT Equipment	-	-	0.325	0.054	0.325	0.054	-83.38
Civil Defense Services	1.500	-	1.700	-	3.200	-	-100.00
Maintenance of Gardens	-	-	1.332	0.403	1.332	0.403	-69.74
Ongoing schemes ADP (Previous year)	8.500	7.833	34.877	30.775	43.377	38.608	-10.99
Purchase of Street Lights	2.000	0.180	2.000	0.199	4.000	0.379	-90.53

MC Shorkot could not ensure optimal utilization of funds for purchase of plant / machinery, furniture & fixtures, IT equipment, civil defense services, maintenance of gardens, completion of development schemes and provision & maintenance of street lights, which resulted in non-achievement of envisaged benefits.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee Shorkot failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration, scrutiny of financial record, it was observed that the performance of Municipal Committee Shorkot in respect of service delivery was very poor as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Clean Drinking Water	Only two water filtration plant was installed / being operated / maintained by Municipal Committee and no other arrangements were made for provision of clean drinking water to the residents.
2	Maintenance of Parks	There were three parks in the whole municipality and their condition was not up to the mark.
3	Play grounds	Municipal Committee was not maintaining any playground.
4	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC Shorkot. Further, seepage in newly constructed sewerage line was also observed during scrutiny of complaint files.
5	Waste Collection	No reliable data regarding total waste generation and its collection / disposal was maintained by MC Shorkot. Further, heaps of waste were also found on different locations of MC from the complaints record.
6	Street Lighting	Almost 35% area of Municipal Committee was not provided with street lighting facility by the administration of MC Shorkot.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	42,962	42,962	50,500
2	Number of sanctioned posts of sanitary workers	54	54	54
3	Number of filled posts of sanitary workers	54	53	51
4	Number of vacant posts of sanitary workers	0	01	03
5	Number of sanctioned posts of sewer man	4	4	4
6	Number of filled posts of sewer man	1	1	1
7	Expenditure incurred on repair and maintenance of existing sewerage line	-	-	-
8	Expenditure incurred on lying new sewerage lines	-	-	-
9	Number of existing solid waste dumping sites	-	-	-
10	Construction of new solid waste dumping sites	-	-	-
11	Number of existing landfill sites	-	-	-
12	Development of new landfill sites	-	-	-

The human resources of the MC concerning solid waste management and sanitation were inadequate. However, efforts were not made by the stakeholders and authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Non-improvement of solid waste dumping site or landfill site portray unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard and even existing structure was also not maintained properly.

Analysis regarding Asset Management

Assets management by the administration of Municipal Committee Shorkot was very weak. Three hundred and thirty-eight shops situated at different sites of Shorkot city were leased out during different periods at nominal rent with annual increase @ 10%. No efforts were made for reassessment of rent of these shops since long to fetch maximum possible / market based rent. Further, physical verification of properties was not carried out by the administration of MC Shorkot. Further, land

measuring four kenal and six marlas owned by the MC was encroached by illegal occupants and no strenuous efforts were made for vacation of said land.

Analysis regarding Spatial Planning

Management of Municipal Committee, is responsible for preparing spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Analysis regarding Human Resource Management

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Chief / Municipal Officers	5	3	2	2	3	2	3
2	Engineering Staff	2	1	1	1	1	1	1
3	Officials including clerical staff, assistants etc.	20	18	2	18	2	18	2
5	Class-IV	28	15	13	15	13	15	13
6	Sanitation Staff	54	54	0	53	1	51	3
Total		109	91	18	89	20	87	22

There was shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning and deteriorated municipal infrastructure etc.

Conclusion

The overall financial management performance of the Municipal Committee regarding achievement of revenue collection targets, utilization of funds meant for infrastructure development / improvement, provision of municipal services, spatial planning, execution of development plans, asset management, anti-encroachment activities, and human resource management was not satisfactory. The performance of MC Shorkot was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue collection as different irregularities were out during audit of Financial Year 2016-19.

CHAPTER 55.2

Municipal Committee, Shorkot

55.2.1 Introduction:

Municipal Committee, Shorkot manages following offices:

Description	No. of Offices/ DDOs
Chairman	01
Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure)	01
Municipal Officer (Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Shorkot:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	136.255	55.330
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

55.2.2 Comments on Budget & Accounts (Variance Analysis):

To achieve the targets as assigned to the PAO, following financial resources were given to Chief Officer, Municipal Committee during FY 2016-19. The detail is as under:

(Rupees in millions)

Financial Years	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-17	Non-Development (Salary+ Non-Salary)	134.580	57.141	(77.439)	(57.541%)
	Development	137.225	31.833	(105.392)	(76.802%)
	Total	271.805	88.974	(182.831)	(67.266%)

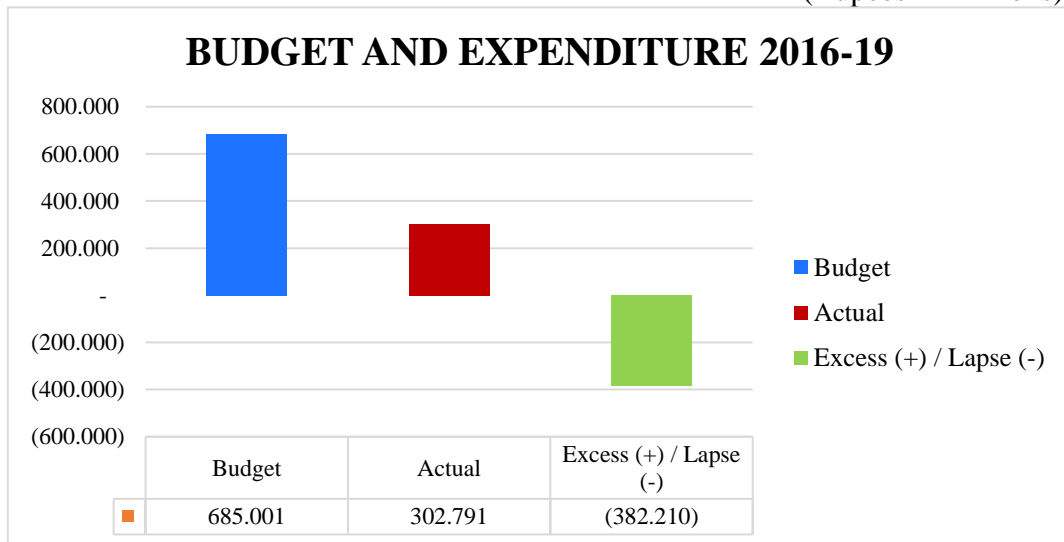
Financial Years	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2017-18	Non-Development (Salary+ Non-Salary)	103.015	54.403	(48.612)	(47.189%)
	Development	99.877	81.572	(18.305)	(18.328%)
	Total	202.892	135.975	(66.917)	(32.982%)
2018-19	Non-Development (Salary+ Non-Salary)	111.804	52.997	(58.807)	(52.598%)
	Development	98.500	24.845	(73.655)	(74.777%)
	Total	210.304	77.842	(132.462)	(62.986%)
Grand Total	Non-Development (Salary+ Non-Salary)	349.399	164.541	(184.858)	(52.907%)
	Development	335.602	138.250	(197.352)	(58.805%)
	Grand Total	685.001	302.791	(382.210)	(55.797%)

Analysis of Non-development budget and expenditure revealed that fund of Rs 349.399 million was allocated and expenditure of Rs 164.541 million was incurred, resultantly sum of Rs 184.858 million remained unutilized.

Analysis of development budget and expenditure revealed that fund of Rs 335.602 million was allocated and expenditure of Rs 138.250 million was incurred, resultantly sum of Rs 197.352 million remained unutilized.

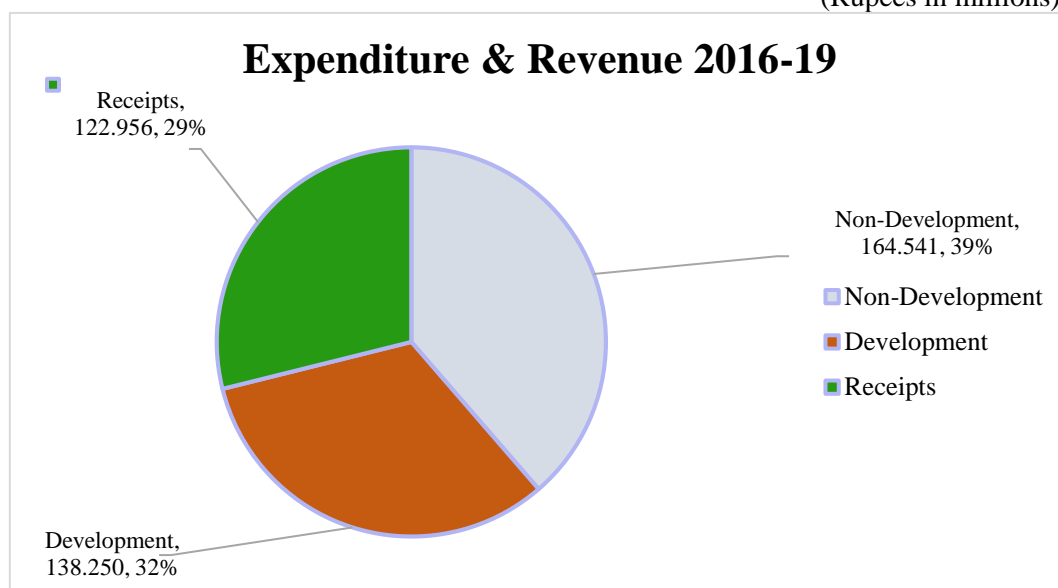
Graphical presentation of budget & expenditure is as under:

(Rupees in millions)



Graphical presentation of expenditure and revenue is as under:

(Rupees in millions)



55.2.3 Classified Summary of Audit Observations:

Audit observations amounting to Rs 85.744 million were raised as a result of this audit. This amount also includes recoverable of Rs 76.188 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in millions)

Sr. No.	Classification	Amount
1	Non-production of record	0
2	Reported cases of fraud, embezzlement and misappropriation	0
3	Irregularities	0
A	HR/Employees related irregularities	4.039
B	Procurement related irregularities	5.176
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	0
5	Others	76.529
Total		85.744

55.2.4 Comments on the Status of Compliance with PAC Directives:

This is the 1st Audit Report on the accounts of Municipal Committee, Shorkot. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

55.3 Procedural Irregularities

55.3.1 Non-deduction of Social Security Contribution – Rs 4.039 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. Further, according to the Punjab Employees Social Security Institution letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014 duly endorsed by Government of the Punjab LG&CD Department vide letter No.SO.DG-DEV(LG)4-1/2014 dated 19.08.2014, in case of default of private contractors to get their employees registered with PESSI the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office.

Municipal Committee, Shorkot executed different development works through 28 contractors during 2017-19 but payment was made without obtaining certificate regarding payment of Social Security Contribution of workers employed by the contractors. Further, Chief Officer did not make efforts to deduct the Social Security Contribution @ 6 percent amounting to Rs 4.039 million from claims of the contractors before making payments, as detailed below:

(Rupees in millions)

DDO	FY	No. of Contractors	No. of Employees	Average wage rate/Annum	Total Wages	Amount @ 6%
Chief Officer, MC, Shorkot	2017-18	16	223	15,000*12=180,000	40.140	2.408
	2018-19	12	151		27.180	1.631
Total		28				4.039

(Amount was calculated according to the list of employees provided by the contractors along with application for enlistment/renewal of enlistment).

Audit is of the view that due to weak internal controls, deduction of Social Security Contribution was not made.

Non-deduction of Social Security Contribution amounting Rs 4.039 million resulted in excess payment to the contractors.

The matter was reported to DDO in February, 2020. It was said that detailed reply would be submitted after consulting relevant record.

Audit recommends recovery of Rs 4.039 million from the concerned, under intimation to Audit.

[AIR Para: 8]

55.3.2 Irregular procurement of arm roll containers – Rs 3.475 million

According to Rule 25(1) of the Punjab Procurement Rules, 2014, a procuring agency shall formulate precise and unambiguous bidding documents that shall be made available to the bidders immediately after the publication of the invitation to bid. Further, according to Rule 25(2) of the Rules *ibid*, for competitive bidding, whether open or limited, the bidding documents shall include i.e. (a) Invitation to bid; (b) Instructions to bidders; (c) Form of bid; (d) Form of contract; (e) General or special conditions of contract; (f) Specifications and drawings or performance criteria (where applicable); (g) List of goods or bill of quantities (where applicable); (h) Delivery time or completion schedule; (i) Qualification criteria (where applicable); (j) Bid evaluation criteria; (k) Format of all securities required (where applicable); (l) Details of standards (if any) that are to be used in assessing the quality of goods, works or services specified; and (m) Any other detail not inconsistent with these rules that the procuring agency may deem necessary. According to the Government of the Punjab, Finance Department instructions vide No. RO(Tech)FD-18-23/2004 dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the Competent Authority not below the rank of Superintending Engineer on the basis of input rates of relevant

quarter placed at website of Finance Department and rates shall not be more than the market rates.

Chief Officer Municipal Committee procured 15 arm roll containers amounting to Rs 3.475 million after inviting tenders by adopting single stage two envelopes procedure during 2016-17. The procurement was made without full filling following legal formalities:

- i. Items provided in estimates and paid to contractor without preparation of analysis of rates, supported by quotation to verify the market rates.
- ii. Being non-scheduled item, technical sanction estimates were not obtained from the Chief Engineer.
- iii. Bidding documents were not prepared before inviting tenders.
- iv. Technical evaluation of bidders was not conducted.
- v. Mostly tenders were received from un-registered suppliers with Sales Tax department.
- vi. Stock entry of the same was made which shows that all containers are laying in the premises of MC because no locations were mentioned at which the containers were kept for waste.

Audit is of the view that due to weak internal controls, containers were procured without fulfilling legal formalities.

Procurement of containers without fulfilling legal formalities resulted in irregular expenditure amounting to Rs 3.475 million and violation of above referred rule and Government instructions.

The matter was reported to DDO in February, 2020. It was said that detailed reply would be submitted after consulting relevant record.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 7]

55.3.3 Irregular expenditure through splitting to avoid tenders – Rs 1.701 million

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. Further, according to Rule 14 *ibid*, 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 but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

Chief Officer, Municipal Committee made procurement of air coolers, LEDs, CCTV cameras, Pena flexes, flags etc. costing Rs 1.701 million through quotations during FY 2016-17. Contrary to the above, procurement was made by splitting the cost of items and keeping it below the financial limit Rs 100,000 to avoid tendering procedure. **(1/SHKT)**

Audit is of the view that due to weak internal controls, procurement was made without inviting open tenders.

Incurrence of expenditure without open competition resulted in irregular expenditure amounting to Rs 1.701 million.

The matter was reported to DDO in February, 2020. It was said that detailed reply would be submitted after consulting relevant record.

Audit recommends regularization of expenditure from the competent authority, under intimation to Audit.

[AIR Para: 22]

55.5 Others

55.5.1 Encroachment of local Government property – Rs 28.800 million

According to Section 127(3) of the Punjab Local Government Act 2013, the successor local governments shall, subject to policy of the Government or contractual obligations, make by-laws for the use, development and management of the local government properties. Further, according to 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.

During the audit of Municipal Committee Shorkot, it was observed that land measuring 04 kanals valuing Rs 28.800 million belonging to Municipal Committee Shorkot situated at Satellite Town was encroached by illegal occupants. Authorities of Municipal Committee failed to get the local Government property vacated from the illegal occupants. The detail is as under:

(Rupees in millions)

Sr. No.	DDO	Area of Land		Rate Per Marla (Rs)	Amount
		Kanal	Marla		
1	Chief Officer, Municipal Committee Shorkot	04	00	360,000	28.800

Audit is of the view that due to weak management, encroached local Government property was not vacated from the illegal occupants.

Encroachment of the local Government property valuing Rs 28.800 million resulted in misuse of public resources by encroachers for personal benefit.

The matter was reported to DDO in February, 2020. It was said that detailed reply would be submitted after consulting relevant record.

Audit recommends to make efforts for vacation of local Government property from the land grabbers at the earliest, under intimation to Audit.

[AIR Para: 10]

55.5.2 Less realization of revenue due to non-auction of shops on assessed market rates – Rs 17.523 million

According to Rule 16(a) of the Punjab Local Governments (Property) Rules, 2018, the shops and commercial property shall be given on lease through competitive bidding.

House of the Municipal Committee Shorkot approved new rent of 338 shops after assessment of market rates during FY 2017-18 and the same was forwarded to Additional Deputy Commissioner (Revenue) office during March, 2018 for approval. Audit observed that the said shops were not leased out on new assessed rent by the MC authorities, resultantly Municipal Committee did not realize an additional income amounting to Rs 17.523 million during FY 2018-19.

Audit is of the view that due to weak financial controls, shops were not leased out on the basis of fresh assessment of rent.

Non-leasing of shops on the basis of fresh assessment of rent resulted in less realization of revenue amounting to Rs 17.532 million.

The matter was reported to DDO in February, 2020. It was responded that detailed reply would be submitted after consulting relevant record.

Audit recommends fixing responsibility on the person(s) at fault besides leasing of shops on the basis of fresh assessment of rent, under intimation to Audit.

[AIR Para:15]

55.5.3 Non-recovery of miscellaneous fees from owners of illegal buildings – Rs 11.229 Million

According to rule 60 (e) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 the conversion fee for the conversion of land use to educational or healthcare institutional use shall be ten percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available.

During audit on the accounts of Municipal Committee Shorkot, it was observed that eighteen private schools, hospitals and banks were established in the jurisdiction of MC by different people during FY 2016-19. These institutes were established without approval of building plan and payment of miscellaneous fees amounting to Rs 11.229 million.

Audit is of the view that due to weak financial controls, private institutions were established without deposit of fees.

Non-recovery of miscellaneous fees resulted in less realization of Local Government receipt amounting to Rs 11.229 million.

The matter was reported to DDO in February, 2020. It was said that detailed reply would be submitted after consulting relevant record.

Audit recommends recovery of miscellaneous fees amounting to Rs 11.229 million from the owners of illegal buildings under intimation to Audit.

[AIR Para: 20]

55.5.4 Irregular expenditure against POL of vehicle – Rs 6.221 million

According to Government of the Punjab, Services & General Administration Department (Transport Pool) letter No.MTO(S&GAD)AT-II/2-9/2006 dated 26.12.2008, necessary arrangements be made for sealing of speedometers/milometers of all the vehicles used in Government offices to minimize the chances of pilferage/misappropriation of fuel.

Chief Officer, Municipal Committee Shorkot incurred expenditure of Rs 6.221 million on POL of sanitation vehicles during 2016-19. However, following discrepancies were observed in consumption of POL:

- i. Speedometers/hours meters of tractors were out of order and not sealed.
- ii. Meter reading was recorded on assumption basis because the reading recorded in log book did not correspond with hour meters of tractors.

Audit is of the view that due to weak internal controls, unauthentic meter reading was recorded in log books.

Consumption of POL by recording of meter reading on assumption basis resulted in irregular expenditure of Rs 6.221 million.

Audit recommends sealing of speedometers/hour meters besides regularization of expenditure from the competent authority, under intimation to Audit.

[AIR Para: 18]

55.5.5 Irregular award of auction and collection rights to defaulter contractors – Rs 4.100 million

According to Rule 16(a) of the Punjab Local Governments (Auction of Collection Rights) Rules, 2016, a person shall not be eligible to be a contractor who is defaulter in respect of any dues to a Local Government.

Chief Officer Municipal Shorkot awarded auction and collection right of parking fee to M/s M. Farooq amounting to Rs 4.100 million during FY 2018-19. Contrary to the above, the said contractor was defaulter of Municipal Committee Shorkot on account of car parking fee of Rs 10,994 during financial year 2016-17 and slaughter house fee of Rs 34,668 during financial year 2017-18.

Audit is of the view that due to weak internal controls, auction and collection rights were awarded to defaulter contractor.

Award of collection rights to defaulter contractor resulted in irregular award amounting to Rs 4.100 million.

The matter was reported to DDO in February, 2020. It was said that detailed reply would be submitted after consulting relevant record.

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

[AIR Para: 21]

55.5.6 Non-deduction / deposit of Advance Income Tax – Rs 2.646 million

According to Sections 160 and 161 of the Income Tax Ordinance, 2001, any tax that has been collected or deducted shall be paid to the Commissioner by the person making the collection or deduction within the time. Person having collected tax shall be personally liable to pay the amount of tax to the Commissioner. Further, according to Government of the Punjab, Finance Department Notification No.SO(Tax)5-24/2016 dated 05.10.2016 read with endorsement of District Collector, Faisalabad issued vide letter No.3060-DCR/HC(G) dated 25.10.2016 the Punjab Sales Tax on Services was levied on services specified in the the notification and it was the responsibility of the withholding agent to deduct PSTS @ 16% on services provided for maintenance and repair of buildings including other similar services. Further, according to SRO 660(1)2007 dated 30.06.2007 read with SRO 98(1)2013 and Rule 4(iii)(b) of the Sales Tax Special Procedure (Withholding) Rules, 2007, entire amount of sales tax is to be withheld and 2% further tax is payable in addition to 17% in case of un-registered person. The concerned DDO shall file return regarding withholding of GST for each month to Collector by 15th of each month.

Chief Officer Municipal Committee Shorkot collected amount of Rs 2.138 million on account of Advance Income Tax under Section 236 of the Income Tax Ordinance, 2001 from the contractors during 2016-18. However, the same was retained and deposited in the local fund account of Municipal Committee instead of making payment to the FBR. Further, Chief Officer Municipal Committee Shorkot made payments of Rs 0.651 million to different contractors for providing services during Ramzan Bazar, overhauling engine and purchase of battery during 2016-17. However, Punjab Sales Tax on Services amounting to Rs 0.085 million @ 16% on repair/maintenance works and GST of Rs 0.019 million due to procurement from unregistered persons were not deducted from the claims of the contractors before making payments. Further, Chief Officer, Municipal Committee purchased 15 arm roll containers amounting to Rs 3.475 million from M/s Javed & Co. during 2015-16. Audit observed that 20% General Sales Tax (GST) amounting to Rs 100,982 was withheld as per rule but intimation to

concerned collectorate was not forwarded for verification regarding deposit of remaining 80% of General Sales Tax by the suppliers amounting to Rs 403,928.

Audit is of the view that due to inefficient financial management, Punjab Sales Tax on Services (PSTS) and General Sales Tax (GST) were not deducted from the claims of the contractors, already deducted amount of taxes was not deposited into Government Treasury and monthly return for deduction of Sales Tax was not forwarded to Sales Tax Collectorate.

Non-deduction of taxes of Rs 0.104 million and undue retention of Advance Income Tax amounting to Rs 2.138 million and Non-forwarding of monthly return resulted in violation of above referred Sections of Income Tax Ordinance and Federal Government was deprived off its revenue.

The matter was reported to DDO in February, 2020. It was said that detailed reply would be submitted after consulting relevant record.

Audit recommends recovery of amount of taxes and deposit into Government Treasury along with amount of taxes already deducted and retained besides verification of deposit of GST amounting to Rs 403,928 from Sales Tax Collectorate, under intimation to Audit.

[AIR Paras: 16, 17, 23]

55.5.7 Payment of non-schedule items without preparation of analysis of rates on competitive market rates – Rs 2.456 million

According to the Government of the Punjab, Finance Department instructions vide No. RO(Tech)FD-18-23/2004 dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the Competent Authority not below the rank of Superintending Engineer on the basis of input rates of relevant quarter placed at website of Finance Department and rates shall not be more than the market rates. The Chief Engineers on the basis of these inputs rates shall fix the rate of each item of the work for rough cost estimate for administrative approval and detailed estimate for technical sanction in accordance with notification number No.RO(TECH)FD 2-3/2004 dated 02.08.2004. However, the

finished rate of an item of work shall not exceed the market rate of that item in the area/district.

Chief Officer Municipal Committee incurred expenditure of Rs 2.456 million on different works which included non-standardized items. Contrary to the above, the items were provided in estimates and paid to contractor without preparation of analysis of rates supported by quotation to verify the market rates. Further, contrary to the above, expenditure on repair of sucker/jetting machine, arm loader, hand carts and multimedia was incurred without obtaining technical sanction estimates from the Chief Engineer. **(2/SHKT)**

Audit is of the view that due to weak internal and financial controls, provision and payment of non-schedule items was made on non-competitive rates.

Payment of non-schedule items amounting to Rs 2.456 million on non-competitive rates/TS resulted in un-economical expenditure and violation of rules.

The matter was reported to DDO in February, 2020. It was said that detailed reply would be submitted after consulting relevant record.

Audit recommends regularization of expenditure from the competent authority, under intimation to Audit.

[AIR Para: 9]

55.5.8 Irregular Payment of Bituminous Items without Testing from RR&MTI – Rs 1.227 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 25th May, 2009 conveyed to all EDOs (W&S) and S.Es. “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.” Moreover, 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”. Further, as per Clause 11 of contract agreement of works the contractor shall execute the whole and every part of work in the most substantial and workman ship in strict

accordance with the specifications, designs, drawings and instructions in writing relating to the work signed by the Municipal Engineer.

Chief Officer Municipal Committee made payments amounting to Rs 1.227 million during FY 2017-19 to different contractors against bituminous items whereas quality of the bitumen utilized in the work was not got tested from RR&MTI. Further, no evidence provided for procurement of bitumen from National Refinery Ltd. Karachi, and without certifying that the work was executed as per standard specification in terms of clause 11 of contract agreement. The detail is as under:

(Amount in Rupees)

Name of work	Name of Contractor	Quantity of TST/DST	Expenditure
Construction/reconstruction of metaled road etc. Ward No.4	Malik Saeed Ahmad	6,394 %Sft	201,591
Construction of sewer line Sheikh Chowk to Ismail Petrol Pump	Mehar Riaz Ahmad	8,250 %Sft	315,264
Construction/reconstruction of metaled road etc. Jamaia Sultania Masjid Noori old Lorry adda	Ijaz Ahmad Nadeem	7,555 %Sft	248,830
Construction/reconstruction of metalled road Bahngoo road shop Falik Sher to Bhagoo bridge	M. Saeed Zaki	14,116% Sft	461,748
Total			1,227,433

Audit is of the view that due to lack of supervision on the part of MC authorities, quality of the bitumen did not get assessed from the relevant department/ institute.

Non-testing of bituminous items from RR&MTI might have resulted in substandard execution of development works amounting to Rs 1.227 million.

The matter was reported to DDO in February, 2020. It was said that detailed reply would be submitted after consulting relevant record.

Audit recommends to probe the matter for fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 12]

55.5.9 Utilization of bricks without ensuring standard specifications and testing – Rs 1.165 million

According to Clause 11 and 14 of Contract Agreement for Civil works, the contractor shall execute the whole and every part of work according to the specifications. In addition, if it appears that work has been executed with unsound, imperfect, or with materials of any inferior description, the contractor shall remove the materials or articles so specified. Further, according to Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum). Furthermore, according to Market Rate System issued from 2005-06 to 2015-16 by the Government of Punjab Finance Department, (i) The composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

Chief Officer, Municipal Committee Shorkot executed 20 works for construction of drain, soling, etc. during 2017-19. Bricks costing Rs 1.165 million were used in these works but no methodology was adopted to measure the strength, standard and specification for the bricks utilized. Therefore, in the absence of proper testing of bricks at the time of execution, the authenticity of utilization of first class bricks could not be proved. **(3/SHKT)**

Audit is of the view that due to weak internal controls, works were executed without specifications, standards and testing of bricks.

Utilization of bricks costing Rs 1.165 million without ensuring the required strength, quality and standard of bricks resulted in execution of substandard works.

The matter was reported to DDO in February, 2020. It was replied that detailed reply would be submitted after consulting relevant record.

Audit recommends that the matter may be brought to appropriate level for fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para: 6]

55.5.10 Non-recovery of Punjab Sales Tax on Services – Rs 1.162 million

According to Rule 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.

Chief Officer, Municipal Committee Shorkot leased out different collection rights at an agreement amount of Rs 7.265 million during 2018-19. Contrary to the above referred rule, Punjab Sales Tax on Services amounting to Rs 1.162 million was not recovered from the concerned. The detail is as under:

(Amount in Rupees)

Sr. No.	Name of Lease	Name of Lessee	Total Lease Amount	16 % PST
1	Parking Fee	M. Farooq	4,100,000	656,000
2	Car Parking	M. Farooq	475,000	76,000
3	Advertisement Fee	Naveed Ahmad Khan	1,050,000	168,000
4	Tanga Fee	M. Farooq	1,350,000	216,000
5	Slaughter House	M. Farooq	230,000	36,800
6	Parking stand Bahoo Park	M. Farooq	60,000	9,600
Total			7,265,000	1,162,400

Audit is of the view that due to weak financial management, PSTS was not recovered.

Non-recovery of PSTS amounting to Rs 1.162 million resulted in violation of rule and less collection of receipts to the Government.

The matter was reported to DDO in February, 2020. It was responded that detailed reply would be submitted after consulting relevant record.

Audit recommends recovery of Rs 1.162 million from the concerned at the earliest, under intimation to Audit.

[AIR Para: 30]

Municipal Committee, Gojra

CHAPTER 56.1

Sectoral Analysis of Municipal Committee, Gojra

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of targets and achievements

Data of targets and achievements of municipal committee, Gojra were not maintained in terms of predefined key performance indicators. However, following analysis in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, development plans (implementation), asset management, anti-encroachment activity, human resource management etc. is carried out on the available data provided during course of audit.

Analysis regarding Revenue targets and achievements

(Rupees in million)

Description	2016-17		2017-18		2018-19	
	Budget	Actual	Budget	Actual	Budget	Actual
Arrears of Tehbazari Fee	-	-	-	-	12.714	-
Rent of shops Recoverable from Board of Revenue Punjab	-	-	-	-	9.926	-
Chappar Tax	-	-	1.100	0.890	0.800	-
Sewerage Fee	0.200	0.166	0.050	-	0.050	-
Advertisement Fee	-	-	-	-	3.500	3.030
Arrears of commercial rent	-	-	5.000	0.765	1.500	2.344
Sale of water (Residential)	9.050	7.948	10.000	9.042	11.000	8.361

The above information depicts that outstanding dues on account of Tehbazari fee and rent of shops were not recovered from defaulters. Further, in many cases tax/fee levied by the Council on account of Chappar Tax, Sewerage Tax, Advertisement Fee, water Rate Charges and Rent of shops were either not recovered or less recovery was made in comparison to budget targets. It shows the week monitoring mechanism regarding revenue collection which led to leakage / loss of revenue.

Analysis regarding funds utilization for municipal infrastructure

(Rupees in million)

Description	2016-17		2017-18		2018-19		Unutilized (%)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase of Transport	3.995	2.947	1.000	0.250	-	-	64%
Purchase of Plant and Machinery	0.500	0.475	7.680	2.220	3.200	1.232	35%
Machinery and Equipment	5.945	4.758	2.000	1.771	3.520	3.044	83%
Maintenance of gardens	-	-	-	-	-	-	0%
Maintenance of Playgrounds	-	-	-	-	-	-	0%
Ongoing schemes ADP (Previous year)	5.000	4.754	60.000	3.723	28.862	25.089	35%
Purchase of Street Lights	0.500	0.113	1.500	0.657	1.300	0.726	45%

MC, Gojra could not ensure optimal utilization of funds for purchase of vehicles, plant & machinery, equipment for waste collection & management and sanitation. Funds earmarked for construction / improvement of roads, streets, street lights and maintenance of parks / gardens were also not utilized according to need assessment of the community. Non-optimal utilization of funds allocated for municipal structure development and improvement resulted in inefficient services delivery.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee, Gojra failed to set targets/key performance indicators regarding provision of municipal services. However, scrutiny of record and reports depicted that the performance of MC regarding municipal services delivery was very poor and described as below:

Sr. No.	Municipal Service	Status / Remarks
1	Water supply	Existing water supply facility was inadequate/insufficient for a targeted population of 183,000 inhabitants because there were only 7,940 water connections for household purpose. Further, no new scheme of water supply was launched during the period of 2016-19.
2	Clean drinking water facility / plants	There were only 6 water filtration plants in the city which were too insufficient for above mentioned population. No new plant was installed by municipal authorities and not any other arrangement was made for provision of clean drinking water to the residents.
3	Maintenance of Parks	There were only three parks in the whole municipality which were properly maintained by the MC and 21 other small parks also available but their condition was miserable even without water arrangement, gates, boundary wall, street lights etc.
4	Play grounds	Municipal Committee was not maintaining any playground.
5	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC. It was assessed that almost 20% of the total households were not provided with the drainage / sewerage facility by MC.
6	Street Lighting	MC authorities had no emphasis on provision of street light facility in newly developed towns as no new scheme was launched in this regard. Large area of the Municipal Committee was not provided with street lighting facility.

Analysis regarding Sanitation and waste management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	178,957	180,000	183,000
2	Number of sanctioned posts of sanitary workers	167	167	167
3	Number of filled posts of sanitary workers	98	97	77
4	Number of vacant posts of sanitary workers	69	70	90
5	Number of sanctioned posts of sewer man	5	5	5
6	Number of filled posts of sewer man	5	5	5

Sr. No.	Description	2016-17	2017-18	2018-19
7	Expenditure incurred on repair and maintenance of existing sewerage line	-	-	-
8	Expenditure incurred on laying new sewerage lines	-	-	-
9	Number of existing solid waste dumping sites	2	2	2
10	Construction of new solid waste dumping sites	-	-	-
11	Number of existing landfill sites	-	-	-
12	Development of new landfill sites	-	-	-

No reliable data regarding total waste generation and its collection / disposal was maintained by MC. The human resources of the MC concerning solid waste management and sanitation were inadequate and could not meet the standard requirements. However, efforts were not being made by the stakeholders and authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Non-improvement of solid waste dumping site or landfill site portray an unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard and even existing structure was also not maintained properly.

Analysis regarding Municipal Infrastructure

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	178,957	180,000	183,000
2	Number of existing roads	38	38	38
3	Expenditure incurred on repair, improvement and construction of roads	Rs 0.997 million	Rs 4.136 million	-
4	Number of schemes of roads included in ADP	1	6	-
5	Expenditure incurred on repair, improvement and construction of streets	-	37.225	
6	Number of schemes of streets included in ADP	-	45	-

Statistics regarding improvement of municipal infrastructure depicted that MC authorities had a very little emphasis on improvement of municipal infrastructure. As far as maintenance & development of roads and streets is concerned schemes in this regard were initiated only in FY 2017-18. However, in

case of roads structure no new road was constructed and a nominal expenditure was incurred on patch work and maintenance of existing roads. Further, data regarding construction of new streets and repair / maintenance of existing streets was not maintained.

Analysis regarding Asset Management

Assets management by the administration of Municipal Committee was very weak. Municipal Committee, Gojra owned 507 shops and buildings, these properties were leased out at a nominal rent since decades. Despite the Government instructions authorities of MC did not make efforts to increase the rent of these properties to bring it to market rent rates which resulted in loss of revenue amounting to Rs 117.341 million during 2017-19. Furthermore, the authorities do not seem serious about safeguarding the public assets as 109 shops/buildings were handed over to tenants since decades without auction and written agreements. The MC has no record of ownership and title of these properties.

Analysis regarding Spatial Planning

Management of Municipal Committee was responsible to prepare spatial plans for the local government including plans for land use and zoning after due process of conducting survey and dissemination but no spatial plan was prepared. Furthermore, the MC received 846 cases for approval of building plans and land subdivisions during 2016-19 out of which 192 were processed and finalized. The remaining 654 cases and pended which enhances the chances of illegal construction of buildings and non-recovery of fee from the owners of buildings.

Analysis of Human Resource Management:

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Chief / Municipal Officers	5	5	0	5	0	5	0
2	Engineering Staff	3	3	0	3	0	3	0
3	Officials including clerical	41	32	9	29	12	27	14

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
	staff, assistants etc.							
4	Sanitary Inspector	1	1	0	1	0	1	0
5	Class-IV	143	100	43	95	48	89	54
6	Sanitary Supervisor	4	4	0	4	0	4	0
7	Garden Supervisor	1	1	0	1	0	1	0
8	Sewer men	5	5	0	5	0	5	0
9	Operator de-silting machine	2	2	0	0	2	0	2
10	Sanitary Worker	167	98	69	97	70	77	90
Total		372	251	121	240	132	212	160

There was an acute shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning etc.

Anti-encroachment activities

Sr. No.	Description	2016-17	2017-18	2018-19
1	Total Land in the ownership of MC	A-K-M 14-7-18	A-K-M 14-7-18	A-K-M 14-7-18
2	Total Land of MC encroached	-	-	-
3	Total encroached land recovered	-	-	-

The anti-encroachment activities of MC Gojra are significant to mention as no land was encroached by the illegal occupants. However, detailed information regarding title of ownership of municipal properties was not provided.

Conclusion

In view of the above analysis, it is concluded that MC did not achieve its planned targets due to shortage of staff which hampers its ability to function effectively. The authorities failed to spend in development schemes, up-gradation of

existing facilities etc. as it did not up-grade any new infrastructure. No improvement was brought in municipal services delivery and revenue sources were also not optimally exploited which due to which loss of potential revenue was sustained by the MC. Further, organization could not achieve its intended targets during the financial years 2016-19.

CHAPTER 56.2

Municipal Committee, Gojra

56.2.1 Introduction:

Municipal Committee, Gojra manages following offices:

Description	No. of Offices/ DDOs
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Gojra:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formation(s)	01	01	395.402	516.318
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

56.2.2 Comments on Budget & Accounts (Variance Analysis):

To achieve the targets as assigned to the Municipal Committee, Gojra following financial resources were allocated to Chief Officer / PAO of the Municipal Committee during Financial Years, 2016-19. The detail is as under:

(Rupees in million)

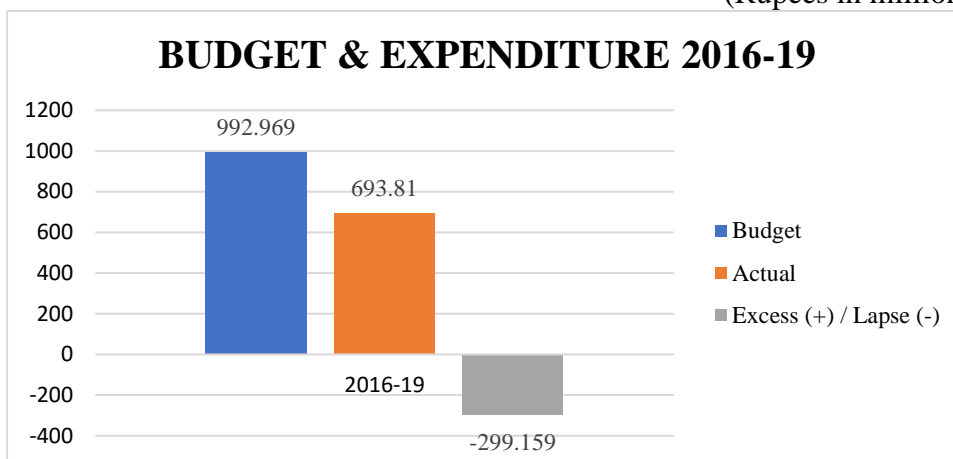
Financial Year	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-17	Non-Development (Salary+ Non-Salary)	236.154	181.605	(54.549)	(23.099%)
	Development	47.36	12.748	(34.612)	(73.083%)
	Total	283.514	194.353	(89.161)	(31.449%)

Financial Year	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2017-18	Non-Development (Salary+ Non-Salary)	260.131	214.393	(45.738)	(17.583%)
	Development	93.155	29.522	(63.633)	(68.309%)
	Total	353.286	243.915	(109.371)	(30.958%)
2018-19	Non-Development (Salary+ Non-Salary)	292.307	227.91	(64.397)	(22.031%)
	Development	63.862	27.632	(36.230)	(56.732%)
	Total	356.169	255.542	(100.627)	(28.253%)
Grand Total	Non-Development (Salary+ Non-Salary)	788.592	623.908	(164.684)	(20.883%)
	Development	204.377	69.902	(134.475)	(65.798%)
	Grand Total	992.969	693.810	(299.159)	(30.128%)

- a) Analysis of Non-development budget and expenditure revealed that funds of Rs 788.592 million were allocated in annual budget estimates and funds of Rs 623.908 million were utilized by the authorities, resultantly sum of Rs 164.684 million remained unutilized which was 21% of the allocated budget.
- b) Analysis of development budget and expenditure revealed that amount of Rs 204.377 million was allocated in annual budget estimates. The authorities could utilize amount of Rs 69.902 million and sum of Rs 134.475 million stood lapsed which was 65% of the allocated budget.
- c) Analysis of receipts depicted that total budgeted receipts for the Financial Years, 2016-19 were Rs 894.719 million against which amount of Rs 779.584 million was collected during this period. There was a shortfall of Rs 115.135 million observed in revenues of the Municipal Committee which in terms of percentage was 12.87%.

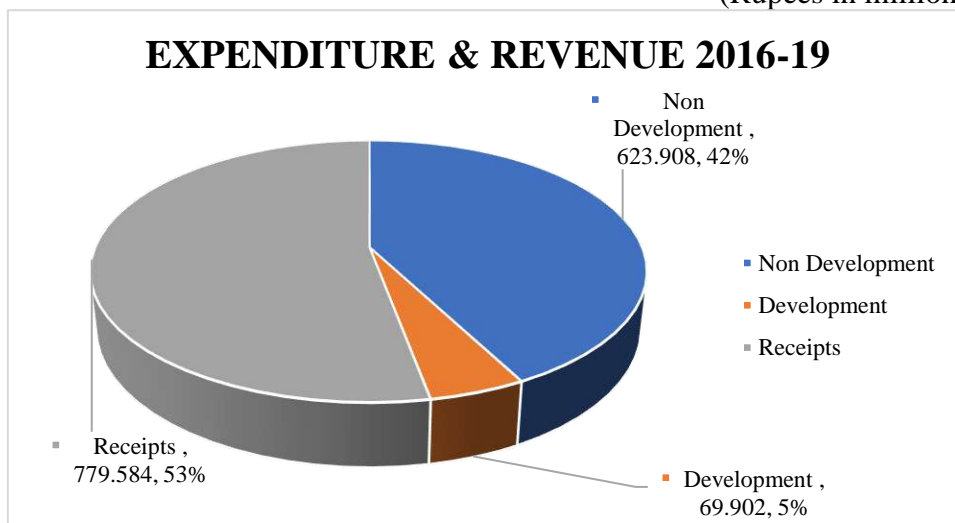
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure and revenue is as under:

(Rupees in million)



56.2.3 Classified Summary of Audit Observations:

Audit observations amounting to Rs 166.713 million were raised as a result of this audit. This amount also includes recoverable of Rs 48.893 million as pointed out by the audit. Summary of the audit observations classified by nature is given in following table:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	-
B	Procurement related irregularities	3.321
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	128.951
5	Others	34.441
Total		166.713

56.2.4 Comments on the Status of Compliance with PAC Directives:

This is the 1st Audit Report on the accounts of Municipal Committee, Gojra. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

56.3 Procedural Irregularities

56.3.1 Non-completion of civil works – Rs 1.869 million

According to clause 3(a) and (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. Municipal Engineer on the behalf of the Municipal Committee shall have power to adopt any of the following sources as he may deem 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.

Municipal Committee Gojra awarded three civil works for construction of soling, resoling, sewerage line, water supply costing Rs 3 million to the different contractors during April, 2018 with a completion period of two months. However, the contractors executed the works up to the cost of Rs 1.131 million leaving the remaining portion of works of Rs 1.869 million incomplete. Contrary to the above, MC Authorities did not take action to award the work at risk and expense of the original contractors. The detail is given below:

(Rupees in million)

Sr. No.	Name of Scheme	Approved Cost	Expenditure	Balance
1	Construction of soling, sewerage & tuff tile Ward No. 14	1.000	0.697	0.303

Sr. No.	Name of Scheme	Approved Cost	Expenditure	Balance
2	Construction of drain, re-soling, sewerage & water supply Ward No.18	1.000	0.063	0.937
3	Construction of drain, soling, re-soling etc. Ward No.26	1.000	0.371	0.629
Total		3.00	1.131	1.869

Audit is of the view that due to negligence and weak internal controls, works were not completed by the contractors.

Non-completion of works within stipulated time period resulted in violation of contract agreement besides depriving the public from envisaged benefits.

The matter was reported to the concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility besides awarding the works at risk and expense of the original contractors, under intimation to Audit.

[AIR Para: 22]

56.3.2 Execution of civil works without identification of sites – Rs 1.452 million

According to Rule 40(d)(i) of the Punjab Local Government (Accounts) Rules, 2017, the DDO, Head of Offices and Chief Officer shall ensure that the claims submitted are valid claims for the works actually executed at the site in accordance with the specifications and agreed quantity or the services actually rendered to the entire satisfaction of DDO or the supply of goods actually made in accordance with the agreed quality and entered in the relevant books or register of accounts.

Municipal Committee Gojra executed two works of providing/fixing of road direction signboards and raising manhole, providing/ fixing manhole covers, RCC sewer pipes, slabs, construction of drains etc. in City Gojra during 2016-18. An expenditure of Rs 1.452 million was incurred on these works. Contrary to the

above provisions, estimates were prepared and MBs were recorded without identification of sites. Resultantly, in the absence of complete details of actual work done authenticity of expenditure could not be ascertained. The detail is as under:

(Rupees in million)

Sr. No.	Name of Work	Observation	Amount
1	Providing/fixing of road direction signboards	Sites of installation of direction boards were neither provided in estimate nor recorded in MB	0.499
2	Raising manhole, providing/fixing manhole covers, RCC sewerage pipes, slabs, construction of drains, soling, gully grating, manholes etc. in City Gojra	Sites of execution of works neither identified in estimate nor recorded in MB	0.953
Total			1.452

Audit is of the view that due to weak monitoring and internal controls, works were executed without identification of sites.

Expenditure without identification of sites and complete details of actual work done resulted in unauthentic expenditure of Rs 1.452 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 20]

56.4 Value for Money and Service Delivery Issues

56.4.1 Loss due to non-assessment of market rate rent of shops/properties – Rs 82.439 million

According to Rule 7 of the Punjab Local Government (Budget) Rules, 2017, the collecting officer shall make assessment of tax, fee or levy by the local government, on periodical basis for evaluating its potential and new tax proposals. 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 personally take the physical stock of property. 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 property to fresh auction after assessment of market rent.

Municipal Committee Gojra rented out 350 shops and buildings situated at different sites of the municipality to different lessees. Scrutiny of record revealed that these shops/properties were rented out during 2001 to 2007 at 10% annual increase. Contrary to the above provisions, the rent was not reassessed according to prevailing rent based on competitive market rates. Resultantly, loss of potential revenue amounting to Rs 82.439 million was sustained due to non-reassessment.

Audit is of the view that due to negligence and violation of Government instructions, efforts were not made to reassess the rent of shops.

Non-compliance of Government instructions resulted in less realization of revenue and loss of Rs 82.439 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to justify the matter besides fixing responsibility on the incumbent(s) at fault, under intimation to Audit.

[AIR Para: 5]

56.4.2 Loss due to occupancy of MC properties without written agreement – Rs 27.886 million

According to Rule 7 of the Punjab Local Government (Budget) Rules, 2017, the collecting officer shall make assessment of tax, fee or levy by the local government, on periodical basis for evaluating its potential and new tax proposals. 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 personally take the physical stock of property. 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 property to fresh auction after assessment of market rent.

Municipal Committee Gojra owned 106 shops and 2 buildings situated at different sites under the jurisdiction of MC. The said property was under the tenancy/occupancy of various persons without formal agreements since long. Contrary to the above provisions, no efforts were made for fresh auction and execution of formal agreements with the tenants on market based rent. Resultantly, due to non-assessment of market based rent and execution of formal agreements, MC sustained loss of potential revenue amounting to Rs 27.886 million.

Audit is of the view that due to negligence, no efforts were made to reassess the MC property and fresh agreements were not made.

Non-reassessment of rent of MC property and illegal occupancy of properties without formal agreements resulted in misuse of public resources and loss of Rs 27.886 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends re-auction of shops on market based rent and execution of fresh agreements, under intimation to Audit.

[AIR Para: 7]

56.4.3 Non-transfer of UIP Tax share – Rs 9.093 million

According to Section 100 of PLGA, 2013, a local government shall establish a Local Fund and all the revenues received by the local government from grants made to or monies received by the local government from the Government or other sources shall be credited to the fund. The Government shall transfer the grants of a local government in the shape of share of the local government in the Punjab Finance Commission Award and share in the proceeds of taxes of the local government collected by the Government, to the Local Fund of the local government on monthly basis.

Contrary to the above provisions UIP Tax / PFC award share of Rs 9.093 million of defunct TMA, Gojra released by Government of the Punjab during December, 2016 was not actually received by the TMA. Resultantly, revenue pertaining to the months of September to October, 2016 was short/not realized by the defunct TMA, Gojra.

Audit is of the view that due to weak internal controls, UIP Tax / PFC award share was not actually released to defunct TMA, Gojra.

Non-receipt of PFC award share resulted in short realization of revenue of Rs 9.093 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to ensure realization of revenue not actually released to the defunct TMA, Gojra, under intimation to Audit.

[AIR Para: 2]

56.4.4 Loss due to non-leasing of shops as per market rent rate – Rs 5.751 million

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 personally take the physical stock of property. 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 property to fresh auction after assessment of market rent.

Municipal Committee Gojra auctioned 34 shops situated at Mongi Road in 2007, ranging from Rs 800 to Rs 2,000 with 10% annual increase. However, after expiry of lease period no efforts were made to re-auction the shops. It is pertinent to mention that shop No. 7 and 8 were re-auctioned in December, 2018 @ Rs 10,000 per month. Resultantly, due to non-revision/reassessment of rent, MC sustained a loss of Rs 5.751 million during 2017-19.

Audit is of the view that due to negligence at the part of MC authorities, efforts were not made to fetch maximum revenue from local government property.

Non-compliance of Government instructions resulted in loss of Rs 5.751 million to the Municipal Committee.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to re-auction of the properties after assessment on market based rent besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 6]

56.4.5 Non-transfer of funds to MC Accounts – Rs 3.782 million

According to Section 3(c) of the Punjab Local Government Act, 2013, a Municipal Committee shall succeed the rights, assets and liabilities of the City District Government, District Government, Town/Tehsil Municipal Administration and Union Administration which fall within the area of the Municipal Committee.

During audit of Municipal Committee Gojra it was observed that six Union Administrations of Gojra City were merged in Municipal Committee upon promulgation of PLGA, 2013. However, funds available in bank accounts of these defunct UAs as on 31.12.2016 amounting to Rs 3.782 million were not got

transferred to MC funds being successor. Resultantly, the amount remained blocked in the bank accounts of UAs since January, 2017. The detail is given below:

(Rupees in million)

Sr. No.	UA No.	Amount
1	20	2.178
2	23	0.289
3	24	1.315
Total		3.782

Audit is of the view that due to weak internal controls, funds were not transferred to the MC and remained blocked.

Non-transfer of funds to the MC resulted in depriving the local populace from envisaged benefits and blockage of funds amounting to Rs 3.782 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to transfer of funds into MC account besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 10]

56.5 Others

56.5.1 Non-recovery of arrears of Tehbazari Fee – Rs 12.714 million

According to Rule 11(2)(c) 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. Further, according to Rule 14(d) of *ibid*, the collecting officer shall collect receipts of the local government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement or compromise.

Municipal Committee Gojra did not recover arrears of Tehbazari Fee amounting to Rs 12.714 million from various tenants during 2016-19. Resultantly, a huge amount of revenue remained unrecovered from the defaulters.

Audit is of the view that due to negligence and weak monitoring, arrears of Tehbazari Fee were not recovered from the defaulters.

Non-recovery of revenue from the defaulters resulted in loss of Rs 12.714 million to the Municipal Committee.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to recover the amount of arrears from the defaulters, under intimation to Audit.

[AIR Para: 4]

56.5.2 Non-recovery of revenue collected by the Board of Revenue Punjab – Rs 9.926 million

According to Board of Revenue Punjab clarification issued vide letter No. 276-2017/639-CS.II dated 26.05.2017, on state land where the Local Government Institutions i.e. Municipal Corporations/Committees/District Councils shown in cultivation column as occupant in the revenue record shall receive the rent of shops/commercial structure established on said land. Further according to Rule 11(2)(c) 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.

Board of Revenue, Punjab collected rent of shops occupied by Municipal Committee Gojra amounting to Rs 9.926 million for the period 2011-17. Contrary to the above provisions, Board of Revenue, Punjab did not refund collected amount of rent to the Municipal Committee, Gojra.

Audit is of the view that due to weak managerial controls, revenue was not recovered from the Board of Revenue, Punjab.

Non-recovery of rent from the Board of Revenue resulted in short realization of revenue of Rs 9.926 million to Municipal Committee.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of revenue from the department concerned, under intimation to Audit.

[AIR Para: 1]

56.5.3 Non-recovery of miscellaneous fees from owners of illegal buildings – Rs 5.629 Million

According to Rule 60(1)(a) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be: less than one million rupees @ 5 per cent of cost of land and from one million rupees to ten million rupees @ 10 percent of cost of land and for cost of land more than ten million rupees @ 20 per cent.

During audit on the accounts of Municipal Committee Gojra it was observed that four commercial entities were established in jurisdiction of municipal Gojra during 2016-19. However, these entities were established without approval of building plan and payment of miscellaneous fees including conversion fee amounting to Rs 5.629 million. The detail is given on next page:

(Rupees in million)

Sr. No.	Description of Entity	Amount
1	Al-Nakhal Marquee	5.469
2	Commercial Hall Toba Road	0.049
3	Commercial Hall Pensera Road	0.053
4	Commercial Hall Pensera Road	0.058
Total		5.629

Audit is of the view that due to weak financial controls, commercial entities were established without deposit of miscellaneous fees.

Non-deposit /recovery of miscellaneous fees resulted in less realization of Local Government revenue amounting to Rs 5.629 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of miscellaneous fees amounting to Rs 5.629 million from the owners of illegal buildings, under intimation to Audit.

[AIR Para: 11]

56.5.4 Non-recovery of Punjab Sales Tax on Services – Rs 1.907 million

According to Rule 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.

Municipal Committee Gojra leased out different collection rights at an agreement amount of Rs 11.920 million during 2018-19. Contrary to the above, Punjab Sales Tax on Services amounting to Rs 1.907 million was not recovered from the concerned contractors. The detail is as under:

(Rupees in million)

Sr. No.	Name of Collection Right	Auction Price	PST
1	Advertisement Fee	3.500	0.560
2	Parking Fee Auto/Motorcycle Rickshaw	2.350	0.376

Sr. No.	Name of Collection Right	Auction Price	PST
3	Cycle stand NADRA Office	0.300	0.048
5	Canteen Jinnah Park	0.420	0.067
6	GBS Parking Fee	5.00	0.080
7	Parking / Cycle stand Pearl Marriage hall	0.350	0.056
Total		11.920	1.907

Audit is of the view that due to financial mismanagement, PSTS was not recovered from the contractors.

Non-recovery of PSTS amounting to Rs 1.907 million resulted in violation of rule and loss to the public exchequer.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of Rs 1.907 million from the concerned at the earliest, under intimation to Audit.

[AIR Para: 9]

56.5.5 Less recovery of salaries of employees from the contractors – Rs 1.857 million

According to Rules 20 and 25 of Punjab Local Government (Auctioning of Collection Rights) Rules, 2016, the contractor shall be responsible for deposit of salaries, pension contribution, premium of group insurance, leave salary, all allowances and other fringe benefits permissible to the employees of a local government attached with him for administration and collection of respective income. The contractor shall supervise, monitor and control the collection staff entrusted to him for purpose of collection and not appoint his personal staff for collection of income without the prior approval of local government and all collections shall be carried out by him through the staff of local government concerned assigned to him for this purpose.

Municipal Committee Gojra auctioned three collection rights to different contractors during 2016-19. However, in one case half pay and allowances were recovered from the contractor instead of full pay and allowances. In other

two cases no employee was entrusted to contractors. Resultantly, pay & allowances of Rs 1.857 million were short/less recovered from the contractors.

Audit is of the view that due weak financial management, less amount of pay and allowances were recovered from the contractors.

Short recovery of pay & allowances from the contractors resulted in loss to the Municipal Committee amounting to Rs 1.857 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to recover the balance amount from the contractors concerned, under intimation to audit.

[AIR Para: 3]

56.5.6 Loss due to non-leasing of local government property as per market rate – Rs 1.265 million

According to Rule 7 of the Punjab Local Government (Budget) Rules, 2017, the collecting officer shall make assessment of tax, fee or levy by the local government, on periodical basis for evaluating its potential and new tax proposals. 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 personally take the physical stock of property. 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 property to fresh auction after assessment of market rent.

Municipal Committee Gojra leased property situated at Toba road at nominal monthly rent of Rs 4,789 to M/s Ch. Saleem & Co. The land was used for the establishment of petrol pump. Contrary to the above provisions, no efforts were made to reassess the rent based on market rate of adjacent buildings of MC i.e. Jung Gher NADRA office @ Rs 39,951 and Rs 35,000 per month. Resultantly, due to

non-reassessment MC sustained loss of Rs 1.266 million during 2016-19. The detail is as under:

(Rupees in million)

Sr. No.	Name of Property	Monthly Rent	Difference	Period	Amount
1	Ch. Saleem & Co. Petrol Pump	4,789	35,162	July-2016 to June-2019	1.266
2	Ammarat Jung Ghar	39,951			

Audit is of the view that due to negligence, local Government property was not rented out on prevailing market rates.

Non-reassessment of rent on prevailing market rate resulted in loss of Rs 1.266 million to the Municipal Committee.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility besides reassessment of rent on market prevailing rate, under intimation to Audit.

[AIR Para: 8]

56.5.7 Short realization of revenue on account of Chappar Tax and Sewerage Tax – Rs 1.143 million

According to Rule 4 (3) (ix) of Punjab Local Government Budget Rules 2003, TMO and TO (I&S) being the head of offices is responsible for guarding against waste and loss of public money.

During audit of Municipal Committee Gojra it was observed that MC authorities set the target of Rs 2.200 million on account of Chappar Tax and Sewerage Tax. However, collecting staff could collect Rs 1.057 million during 2016-19. Resultantly, short revenue of Rs 1.143 million was realized than budget estimates. The detail is as under:

(Rupees in million)

Financial Year	Description	Annual Demand	Current year Collection	Short Realization
2016-17	Sewerage Tax	0.200	0.166	0.034

Financial Year	Description	Annual Demand	Current year Collection	Short Realization
2017-18	Chappar Tax	1.100	0.891	0.209
	Sewerage Tax	0.050	-	0.050
2018-19	Chappar Tax	0.800	-	0.800
	Sewerage Tax	0.050	-	0.050
Total		2.200	1.057	1.143

Audit is of the view that due to weak monitoring mechanism, MC authorities realized a short revenue against budget targets.

Short realization of revenue than budget estimates resulted in loss to MC amounting to Rs 1.143 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 15]

Municipal Committee, Kamalia

CHAPTER 57.1

Sectoral Analysis of Municipal Committee, Kamalia

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Administration of Municipal Committee, Kamalia failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, following analysis has been made on the basis of available information and observation during filed audit.

Status regarding Revenue Collection targets and achievements 2017-19

(Rupees in million)

Sr. No.	Head of Income	Budget 2017-18	Actual 2017-18	% (Shortage) / Excess	Budget 2018-19	Actual 2018-19	% (Shortage)/ Excess
1	License Fee (Dangerous)	0.200	0.160	-20%	0.450	0.426	-5%
2	Approval of Construction Building Fee	0.500	0.682	36%	0.800	1.222	53%
3	Conversion Fee	2.000	2.888	44%	3.000	3.222	7%
4	Slaughter Fee	0.200	0.272	36%	0.300	0.254	-15%
5	Water Rate Charges	17.400	5.708	-67%	9.953	6.524	-34%

Sr. No.	Head of Income	Budget 2017-18	Actual 2017-18	% (Shortage) / Excess	Budget 2018-19	Actual 2018-19	% (Shortage)/ Excess
6	Sale Sulluge Water (Lease)	0.522	0.548	5%	0.550	0.404	-27%
7	Registration Fee Contractors	0.100	0.570	470%	0.200	0.144	-28%
8	Renewal Fee Contractors	0.100	0.008	-92%	0.100	0.015	-85%
9	Advertisement Fee/Board Tax (Lease)	0.750	1.832	144%	1.300	1.439	11%
10	Road Cut Charges	0.200	0.771	286%	0.800	0.382	-52%
11	Copying fee	0.300	0.748	149%	0.800	0.790	-1%
12	Other Fee	0.600	2.027	238%	2.000	1.191	-40%
	Total	22.872	16.214	-29%	20.253	16.013	-21%

From the analysis of revenue collection targets and achievements of Municipal Committee Kamalia, it was observed that MC could not achieve revenue collection targets against License fee, Water Rate Charges and Renewal Fee Contractors during 2017-18 and against Water Rate Charges, Sale Sludge Water (Lease), Registration / Renewal Fee Contractors, Road Cut Charges and Other Fee in 2018-19. Furthermore, internal controls and monitoring mechanism regarding revenue collection especially from licensing, TTIP collections and recovery of development charges and cost of land form resident of kachi abadis, were very weak and even periodical surveys were not conducted / demand & collection registers were not maintained / updated which lead to vulnerability to leakage of revenue.

Moreover, audit pointed out that less collection of tender fee was made due to non-application of prescribed rate amounting to Rs 0.850 million, Loss due to non-issuance of Completion Certificate against approved maps amounting to Rs 2.068 million, Loss of Rs 1.070 million due to less collection of rent of shop than market rates, less recovery of water rate charges amounting to Rs 4.451 million was sustained by the MC.

Organization of sports, cultural, recreational events, fairs and shows

Municipal Committee failed to achieve objective of organizing sports, cultural, recreational events, fairs and shows as 'Nil' budget was allocated during 2018-19.

Spatial Planning

Management of Municipal Committee, is responsible for preparing spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Execution of Development Plans

One of the objective of Municipal Committee, Kamalia is to execute and manage development plans which was not achieved as fund of Rs 69.325 million was allocated for Schemes included in Annual Development Plan for the financial year 2017-18 but only 55.487 million was utilized, resultantly fund of Rs 13.838 million was remained unutilized / blocked which was 20% of total fund allocated. Moreover, fund of Rs 46.972 million was allocated for Schemes included in Annual Development Plan for the financial year 2018-19 but only 7.796 million was utilized, resultantly fund of Rs 39.176 million was remained unutilized / blocked which was 83.403% of total fund allocated.

(Rupees in Million)

Sr. No.	Description	2017-18				2018-19			
		Budget	Expenditure	(Saving)	%	Budget	Expenditure	(Saving)	%
1	Ongoing schemes ADP (Current)	45.000	35.969	9.031	20%	26.602	0	26.602	100%
2	Ongoing schemes ADP (Previous Year)	24.325	19.518	4.807	20%	20.370	7.796	12.574	62%
Total		69.325	55.487	13.838	20%	46.972	7.796	39.176	83.403

Human Resource Management

While analyzing the sanctioned, filled and vacant post it was observed that almost 34% of posts remained vacant which directly affects the performance of the Municipal committee. The detail is given below:

2017-18				2018-19			
Sanctioned	Filled	Vacant	% Vacant Posts	Sanctioned	Filled	Vacant	% Vacant Posts
276	182	94	34%	263	174	89	34%

Water Supply

Municipal Administration did not install / maintain any filtration plants during 2017-18 and 2018-19. Further, no expenditure was incurred on maintenance of existing water supply lines and for lying new lines. moreover, increase in number of residential and commercial connection and annual receipts was also observed.

Sr. No.	Description	2017-18	2018-19
1	Targeted population	140,000	150,000
2	Existing Filtration Plants	-	-
3	Newly constructed Filtration Plants	-	-
4	Expenditure on existing Filtration Plants	-	-
5	Expenditure on existing newly constructed Filtration Plants	-	-
6	Number of Domestic Water Connections	6400	7229
7	Number of Commercial Water Connections	3	4
8	Expenditure on existing water supply lines	-	-
9	Expenditure on new water supply lines	-	-
10	Revenue Collected	Rs 5.708 million	Rs 6.524 million

Sanitation

Sanitation service was also not satisfactory as almost 80% of sanctioned post of sewer man and 41% of sanitary workers remained vacant, no expenditure was incurred on lying new sewage lines, only one dump site and one land fill site is available. The detail is given on next page:

Sr. No.	Description	2017-18	2018-19
1	Targeted population	160,000	175,000
2	Number of sanctioned posts of sewer man	10	10
3	Number of filled posts of sewer man	2	2
4	Number of vacant posts of sewer man	8	8
5	Expenditure incurred on repair and maintenance of existing sewage line	--	--
6	Expenditure incurred on laying new sewage lines	--	--
7	Number of sanctioned posts of sanitary workers	150	150
8	Number of filled posts of sanitary workers	88	88
9	Number of vacant posts of sanitary workers	62	62
10	Number of existing dump sites	-	-
11	Number of new dump sites	1	1
12	Number of existing land fill sites	-	-
13	Number of new land fill sites	-	-

Conclusion

The overall financial management regarding achievement of revenue collection targets, utilization of funds, provision of municipal services and asset management was not satisfactory. The performance of MC Kamalia was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue collection.

CHAPTER 57.2

Municipal Committee, Kamalia

57.2.1 Introduction:

Municipal Committee, Kamalia manages following offices:

Description	No. of Offices/ DDOs
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Kamalia:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	168.809	243.899
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

57.2.2 Comments on Budget & Accounts (Variance Analysis):

To achieve the targets as assigned to the PAO, following financial resources were given to Chief Officer, Municipal Committee, Kamalia during 2016-19. The detail is as under:

(Rupees in million)

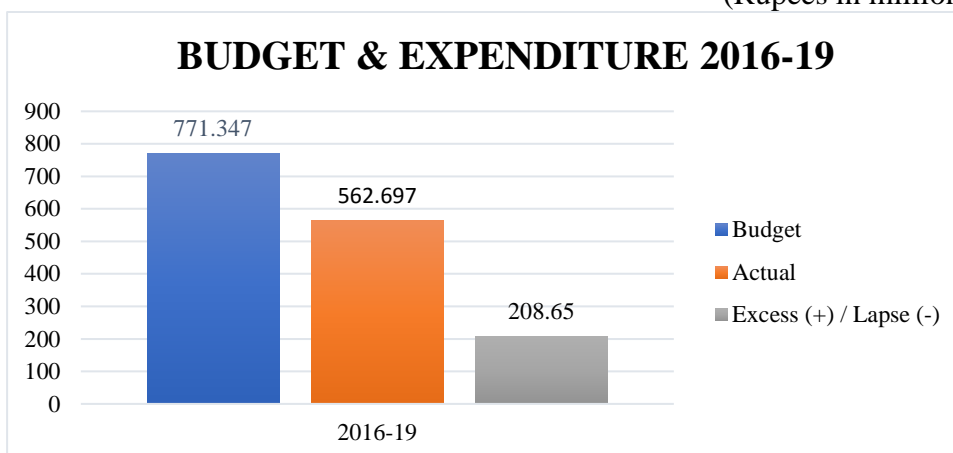
Financial Year	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-17	Non-Development (Salary+Non-Salary)	277.808	150.142	127.666	45.95%
	Development	127.496	62.766	64.730	50.77%
	Total	405.304	212.908	192.396	47.47%

Financial Year	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2017-18	Non-Development (Salary+Non-Salary)	110.022	108.836	1.186	1.08%
	Development	87.729	81.587	6.142	7.00%
	Total	197.751	190.423	7.328	3.71%
2018-19	Non-Development (Salary+Non-Salary)	132.367	130.869	1.498	1.13%
	Development	35.925	28.497	7.428	20.68%
	Total	168.292	159.366	8.926	5.30%
Grand Total	Non-Development (Salary+Non-Salary)	520.197	389.847	130.350	25.06%
	Development	251.150	172.850	78.300	31.18%
	Grand Total	771.347	562.697	208.650	27.05%

- a) Analysis of Non-development budget and expenditure for the financial years, 2016-19 revealed that an amount of Rs 520.197 million was allocated and expenditure of Rs 389.847 million was incurred, resultantly fund of Rs 130.350 million which in terms of percentage were 25.06% remained unutilized.
- b) Analysis of development budget and expenditure depicted that funds of Rs 251.150 million were allocated and expenditure of Rs 172.850 million was incurred, resultantly funds of Rs 78.300 million which in terms of percentage were 31.18% remained unutilized.
- c) Analysis of receipts depicted that total budgeted receipts for the financial years, 2016-19 were Rs 685.805 million against which amount of Rs 541.998 million was collected. There was a shortfall of Rs 143.807 million observed in revenues of the Municipal Committee, Kamalia which in terms of percentage was 20.97%.

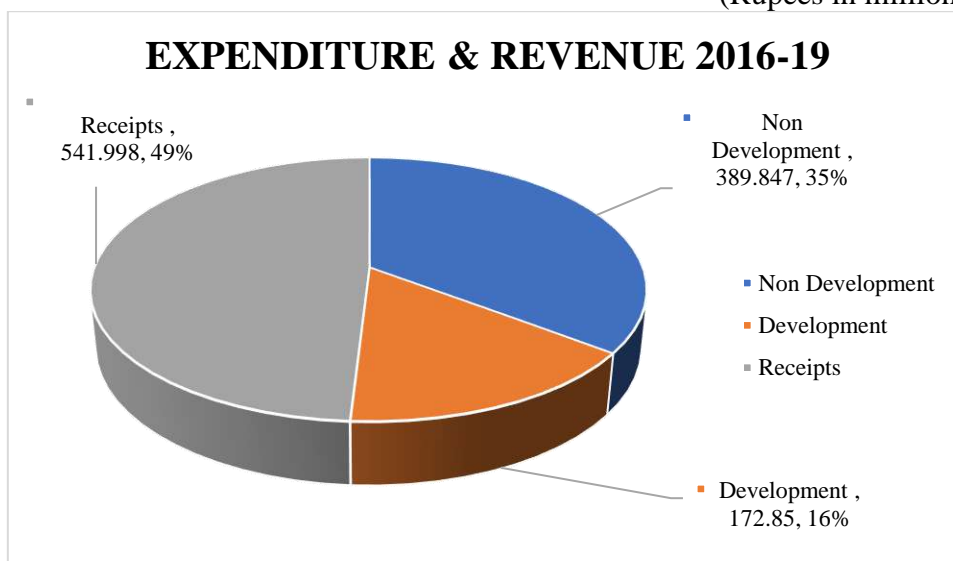
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure and revenue is as under:

(Rupees in million)



57.2.3 Classified Summary of Audit Observations:

Audit observations amounting to Rs 31.850 million were raised as a result of this audit. This amount also includes recoverable of Rs 9.020 million as pointed

out by the audit. Summary of the audit observations classified by nature is given below:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	15.027
B	Procurement related irregularities	4.873
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	3.313
5	Others	8.637
Total		31.850

57.2.4 Comments on the status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Kamalia. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

57.3 Procedural Irregularities

57.3.1 Irregular expenditure on daily wages staff – Rs 15.027 million

According to Second Schedule Part II Section (3)(3)(d), “Method of recruitment Terms & conditions prescribed in the preface of schedule of Wages Rates, 2008 shall be followed i.e. post(s) shall be advertised properly in the leading newspapers, recruitment shall be made on the basis of merit etc. Further, according to Para 2 of Government of the Punjab, Local government & Community Development Department letter No.SO.ADMN.III(LG)MISC/2015(P) dated 24.08.2017, the Local Governments are allowed to hire janitorial staff afresh for further period nor exceeding 89 days with the gap of not less than three days between each time, from the list attached with interim Schedule of Establishment. No new person shall be hired other than that. Moreover, training of all supervisory staff and sanitary workers will be arranged by the concerned local Government for all such staff working in that Local Government. No further extension shall be granted without successful completion of the said training.

Municipal Committee Kamalia incurred expenditure on daily wage employees amounting to Rs 15.027 million during the financial years 2016-19. Scrutiny of record revealed that daily wage employees were hired without adoption of Schedule of Wages Rates, 2008, i.e. without advertisement etc., Further, no evidence regarding training of supervisory staff and sanitary workers was produced.

Audit is of the view that due to weak internal controls, daily wage employees were hired without adoption of defined procedure.

Hiring of daily wage employees without adoption of prescribed procedure resulted in irregular expenditure amounting to Rs 15.027 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of expenditure from the Competent Authority, under intimation to Audit.

[AIR Para: 1]

57.3.2 Irregular/un-authentic expenditure without record entry – Rs 2.442 million

According to Rule 18(3) of the Punjab Local Government (Works) Rules 2017, any payment either for work done or procurement made for more than rupees fifty thousand shall be entered in the measurement book. Further, according to Rules 18(11) of *ibid*, in case of supply of moveable good or materials, the security shall be retained for three months. Further, according to Rules 15.1 of Punjab Financial Rules, Volume-I, the departmental officers entrusted with the care, use or consumption of stores are responsible for maintaining correct records and preparing correct returns in respect of the stores entrusted to them. They are also responsible for keeping them in proper custody and in good and efficient condition and for protecting them from their deterioration. They should also take proper precautions to prevent loss of public stores by fire or other accidents. Any loss of or damage to Government stores should forthwith be reported by to their immediate superiors.

Municipal Committee Kamalia incurred expenditure of Rs 2.442 million on procurement of furniture, tyres, electric material, sports material, Pena flex, However, payment was made without entry in stock register, measurement books and without deduction of security @10% amounting to Rs 0.244 million.

Audit is of the view that due to weak internal controls, expenditure was incurred without stock entry, maintenance of measurement books and payment without deduction of security.

Payment to the suppliers without stock entry, maintenance of measurement books and without deduction of security resulted in unauthentic expenditure of Rs 2.442 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of expenditure from the Competent Authority, under report to Audit.

[AIR Para:11]

57.3.3 Procurement in violation of procurement rules – Rs 2.431 million

According to Rule 12 of the Punjab Procurement 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 but if deemed in public interest, the procuring agency may also advertise the procurement in at least one National Daily Newspaper. Further, according to Rule 4 *ibid*, 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 9 *ibid*, 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.

Municipal Committee Kamalia incurred expenditure on procurement of chairs, table, tyres, repair of motors, electric material etc. amounting to Rs 2.431 million. Scrutiny of record revealed that the expenditure was incurred by splitting of expenditure to avoid calling quotation, advertisement on PPRA. **(1/KAM)**

Audit is of the view that due to weak internal controls, procurement was made by splitting to avoid (calling) quotations and advertisement on PPRA.

Procurement by splitting to avoid calling quotations and advertisement on PPRA resulted in irregular expenditure of Rs 2.431 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of expenditure from the Competent Authority, under report to Audit.

[AIR Para: 9]

57.4 Value for Money and Service Delivery Issues

57.4.1 Non-obtaining of Additional Performance Security – Rs 2.243 million

According to clarification of Punjab Finance Department vide letter No. RO(Tech)FD-1-283/VI(P) dated 24-01-2006, Additional Performance Security is required to be deposited by the contractor subsequent percentage below the sanction limit of technical estimate of the work.

Municipal Committee Kamalia awarded eight civil works costing Rs 22.500 million to various contractors. The works were awarded on rates below than T.S. estimates ranging from 9.75% to 24%. However, the works were awarded without obtaining Additional Performance Securities, to facilitate the contractors on the risk of the Government. The detail is as under:

(Rupees in million)

Sr. No.	Name of Scheme	Estimated Cost	%age Below	Amount of APS
1	Improvement of Nawaz Shareef Park, Kamalia	2.000	21.50%	0.430
2	Construction of table Tennis Hall, city Kamalia	5.000	13.91%	0.696
3	Providing and fixing of sign board, TMA, Kamalia	0.500	16.50%	0.083
4	Construction of General Bus Stand, Kamalia	2.500	13.51%	0.338
5	Laying of tuff tiles remaining part Iqbal Town, Kamalia	4.250	9.75%	0.414
6	Construction of manhole, gully grating/ providing of manhole cover, TMA, Kamalia	0.700	24.00%	0.168
7	Renovation of hall, office TMA, Kamalia	0.600	15.76%	0.095
8	Construction of drain, culvert street Rai Niaz Wali, Kamalia	.125	16.12%	0.020
Total		5.675		2.243

Audit is of the view that due to weak internal controls, Additional Performance Security was not obtained from the contractors.

Non-obtaining of Additional Performance Securities resulted in undue favour to the contractors on risk of the Government amounting to Rs 2.243 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 10]

57.4.2 Loss due to less collection of rent of shops than prevailing market rates – Rs 1.070 million

According to Rule 4(d&k) of the Punjab Local Government (Property) Rules 2018, the manager shall ensure that the rented property fetches the maximum rent and to maintain the prescribed register. Further, according to Rule 16(e&f) of ibid, the lease may be extended with the mutual consent of the local government and the lessee for any period not exceeding ten years subject to the revised rent assessment by the District Rent Assessment Committee. The proceeding with regard to the extension of the period of lease, on the application of the lessee, shall be initiated at least three months before the expiry of the period of lease and shall be completed within such period of lease.

Municipal Committee Kamalia leased out various shops under its jurisdiction to the lessees since 1960. However, the shops were handed over without maintenance of supporting record and without reassessment of rent. Resultantly, loss of Rs 1.070 million was sustained by the Municipal Committee due to non-reassessment on the basis of prevailing market rent. Further, property manager did not maintain the prescribed record i.e. files of lease of shops / property, register of immovable property, Nazul property, demand and collection of the arrears.

Audit is of the view that due to negligence on the part of property manager, efforts were not made for reassessment to fetch maximum rent.

Non-maintenance of proper record and non-reassessment of rent of shops resulted in loss of Rs 1.070 million to the Municipal Committee.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends fixing responsibility on the person(s) at fault besides reassessment of rent of shops, under intimation to Audit.

[AIR Para: 7]

57.5 Others

57.5.1 Less recovery of water rate charges – Rs 4.451 million

According to Rule 11(2)(c) 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. Further, according to Rule 14(d) of ibid, the collecting officer shall collect receipts of the local government in a transparent manner beyond any doubt of misappropriation, fraud, embezzlement or compromise.

Scrutiny of demand and collection register of Municipal Committee Kamalia revealed that water rate charges of Rs 4.451 million from 1,873 connection holders were not recovered up to June, 2019. No efforts were made by the MC authorities to ensure recovery of water rate charges from defaulter connection holders.

Audit is of the view that due to negligence on the part of collecting staff, water rate charges were not recovered from defaulter connection holders.

Less recovery of water rate charges against actual demand resulted in less realization of revenue of Rs 4.451 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility besides recovery of remaining amount, under intimation to Audit.

[AIR Para: 13]

57.5.2 Non / Less recovery of taxes – Rs 2.118 million

According to Rule 5 read with Sub-Rule (2) of Rule 1 of the Punjab Sales Tax on Services (Withholding) Rules, 2012, a withholding agent shall, on receipt of taxable services from an unregistered service provider, deduct Sales Tax @ 16% of the value of taxable services provided to him. 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 tax to be deducted from a payment for goods or services shall be 4.5 percent of gross amount payable, if the person is a filer and 7.75 percent if the person is a non-filer. In the case of rendering of or providing of services, Income Tax shall be deducted @ 10 percent of the gross amount payable, if the person is a filer and 17.5 percent if the person is non-filer. Further, according to section 153(1)(b) of Income Tax Ordinance, 2001, Every prescribed person making a payment in full or part including a payment by way of advance to a resident person for the rendering of or providing of services shall, at the time of making the payment, deduct tax from the gross amount payable at the rate specified in Division III of Part III of the First Schedule.

Municipal Committee Kamalia auctioned the collection rights for advertisement fee, parking fee, sludge water during FY 2018-19. Further, expenditure of Rs 4.500 million was incurred on procurement of Pena flex, sports material, repair of motors, walk through gate, tentage material etc. during 2016-19. However, Income Tax Rs 0.593 million, Punjab Sales Tax on Services of Rs 1.331 million and General Sales Tax Rs 0.204 million was recovered less from the contractors/suppliers. Furthermore, Income Tax on honorarium to the Chairman and Vice Chairman amounting to Rs 0.323 million was not deducted at source. Resultantly, Taxes amounting to Rs 2.118 million were not/less recovered. The detail is as under:

(Rupees in million)

Sr. No.	Description	Financial Year	Income Tax	Punjab Sales Tax	General Sales Tax	Total
1	Sale of Sludge Water	2017-18	0.026	-	-	0.026
2	Parking Fee	2018-19	-	0.750	-	0.750
3	Advertisement Fee	2018-19	0.065	0.139	-	0.204
4	Parking Fee-Rickshaw, etc.	2018-19	0.075	0.160	-	0.235
5	Sale of Sludge Water	2018-19	0.028	0.059	-	0.087
6	Honorarium to Chairman/ Vice Chairman	2017-19	0.323	-	-	0.323
7	Pena flex, sports material, repair of motors	2017-19	0.066	0.223	0.204	0.493
Total			0.593	1.331	0.204	2.118

Audit is of the view that due to negligence on part of the collecting staff taxes were not/less recovered.

Non/less recovery of Income Tax, General Sales Tax and Punjab Sales Tax on Services resulted in loss of Rs 2.118 million to the Government exchequer.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of taxes from the concerned, under intimation to Audit.

[AIR Paras: 2, 5, 8]

57.5.3 Loss due to non-issuance of completion certificate against approved maps – Rs 2.068 million

According to Section 6 (i&ii) of Part-III-B of Building By-Laws of Municipal Committee, Kamalia, period of sanction of map for approved housing scheme will be for the period fixed in approval letter and in other cases period of approval will be for one year. Applicant may obtain extension for further one year on payment of whole amount of map fee. Further, according to section 7 of *ibid*, after completion of period or sale of site fresh approval will be required according to by-laws. Further, according to Section 4 of Part-III-D of *ibid*, the applicant will inform to municipal committee on completion of construction through notice along with certification of contractor / engineer / supervisor. Further, according to Section 1 of Part-III-e of *ibid*, it is necessary for architect to get registered in municipal committee to submit map for approval bearing prescribed qualification and experience.

Municipal Committee Kamalia received 357 applications for approval of map for construction of residential / commercial purposes during 2016-19 and provisional sanctions of 211 applications were granted for fee of Rs 2.068 million, and 146 applications remained pending. Concerned authority did not take steps for verification of constructions according to building by-laws and issuance of Completion Certificates. Further, architects did not get registered in the Municipal Committee.

Audit is of the view that due to negligence on the part of Municipal authorities, Completion Certificates were not issued.

Non-issuance of Completion Certificates resulted in loss to MC amounting to Rs 2.068 million because fee for time extension was not received.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends fixing responsibility on the person(s) at fault besides issuance of Completion Certificates, under intimation to Audit.

[AIR Para: 6]

Municipal Committee, Pir Mahal

CHAPTER 58.1

Sectoral Analysis of Municipal Committee, Pir Mahal

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of Targets and Achievements

Targets and achievements in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, asset management, and human resource management are given below:

Analysis regarding Revenue Collection targets and achievements

(Rupees in million)

Source of Income	2018-19		2016-18		Total		Shortage (%)
	Target	Actual	Target	Actual	Target	Actual	
UIP share	10.000	12.260	17.000	6.329	27.000	18.589	-31%
Car Parking Fee	0.350	0.336	0.580	0.545	0.930	0.881	-5%
Sale of water through Tanker	0.010	0.006	0.020	0.003	0.030	0.009	-70%
Rent of Shop	5.000	4.269	46.000	5.412	51.000	9.681	-81%
Canteen Benazir Park	0.350	0.097	0.200	0.414	0.550	0.511	-7%

From the analysis of revenue collection targets and achievements of Municipal Committee Pir Mahal, it was observed that MC could not achieve revenue collection targets against rent of shops, UIP share, sale through water tanker and canteen Benazir Park. Furthermore, periodical surveys were not conducted / demand

& collection registers were not maintained which lead to vulnerability to leakage of revenue.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee Pir Mahal failed to set targets / key performance indicators due to which proper and reliable evaluation regarding achievement of objectives in terms of economy, efficiency and effectiveness in incurrence of expenditure and service delivery could not be assessed. However, from the field visits, discussions with administration, scrutiny of financial record, it was also observed that the performance of Municipal Committee Pir Mahal in respect of service delivery was very poor as described below:

Sr. No.	Municipal Service	Status / Remarks
1	Maintenance of Parks	There were only two parks in the whole municipality and their condition was also miserable. One out of these two parks was even without water arrangement, gates, boundary wall, street lights etc.
2	Water Filtration Plant	Supply of clean drinking water was inadequate as MC could not manage the provision of water filtration plants on all the water works. Existing water filtration plants were not being maintained properly.
3	Play grounds	Municipal Committee did not establish new play grounds in its jurisdiction after constitution of MC. Condition of existing play ground was miserable as no expenditure was incurred for its improvement/maintenance.
4	Drainage / sewerage	No Sucker jetting machine was available in the MC so it had to borrow the same from MC Toba Tek Singh & MC Gojra for opening main lines of drainage system. No reliable data regarding provision of drainage / sewerage facility was being maintained by MC Pir Mahal. It was assessed that almost 30% of the total households were not provided with the drainage / sewerage facility by MC. Further, shortage of capacity of disposal works was also observed during field visits.
5	Waste Collection	No reliable data regarding total waste generation and its collection / disposal was maintained by MC Pir Mahal. It was claimed that average waste generation was 15 metric

Sr. No.	Municipal Service	Status / Remarks
		ton per day out of which 9 metric ton waste was being collected / removed which indicates 60% waste collection efficiency in terms of percentage. However, during visits heaps of waste were found on different locations of MC.
6	Street Lighting	Almost 60% area of the Municipal Committee was not provided with street lighting facility by the administration of MC Pir Mahal. During field visits it was found that most of poles were standing without lights and in some cases poles were misplaced. It was observed that 100% funds remained unutilized in the FY 2016-17.

Analysis of sports, cultural, recreational events

Municipal Committee failed to achieve objectives of organizing sports, cultural, recreational events, fairs and shows as no major event was held during the period 2016-19 by the management of MC.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	39,000	45,000	66,000
2	Number of sanctioned posts of sewer man	3	3	3
3	Number of filled posts of sewer man	-	-	-
4	Number of vacant posts of sewer man	3	3	3
5	Expenditure incurred on repair and maintenance of existing sewage line	Rs 0.150 million	Rs 0.450 million	Rs 0.500 million
6	Expenditure incurred on lying new sewage lines	-	-	-
7	Number of sanctioned posts of sanitary workers	63	63	63
8	Number of filled posts of sanitary workers	38	35	33
9	Number of vacant posts of sanitary workers	25	28	30
10	Number of existing dump sites	23	23	23
11	Number of new dump sites	-	-	-
12	Number of existing land fill sites	1	1	2
13	Number of new land fill sites	-	-	1

The human resources of the MC concerning solid waste management and sanitation were inadequate. Almost 50% posts sanitary staff were lying vacant which worsen the condition of cleanliness. Non-improvement of solid waste dumping site or landfill site portray unhealthy environment of the city. There was no emphasis on

sanitation as no improvement was made in this regard and even existing structure was also not maintained properly.

Analysis regarding Asset Management

Assets management by the administration of Municipal Committee, Pir Mahal was very weak. One hundred and sixty two shops situated at Grain market and General Bus Stand were leased out at nominal rent since long. No efforts were made for reassessment of rent of these shops to fetch maximum possible/market based rent. Further, 109 commercial land/sites were leased out @ Rs 4.40 per cft/month. The rent of the said shops was not revised instead of approval from the Competent Authority. Resultantly, MC sustained loss of Rs 4.913 million due to non-revision of rent. Furthermore, physical verification of properties was not being carried out by the administration of MC Pir Mahal.

Analysis regarding Spatial Planning

Management of Municipal Committee, is responsible for preparation of spatial plans for the local government including plans for land use and zoning, after due process of dissemination and public enquiry, incorporating modifications on the basis of such inquiry but no spatial plan was prepared / produced before Audit.

Analysis regarding Human Resource Management

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Chief / Municipal Officers	5	4	1	4	0	4	1
2	Engineering Staff	1	1	0	1	0	1	0
3	Officials including clerical staff, assistants etc.	17	16	1	13	4	13	4
5	Class-IV	42	31	11	32	10	33	9
6	Sanitation Staff	67	39	28	35	32	33	34
	Total	132	91	41	85	46	84	48

There was shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning and deteriorated municipal infrastructure etc.

Conclusion

The overall financial management and performance of the Municipal Committee regarding achievement of revenue collection targets, utilization of funds meant for infrastructure development / improvement, provision of municipal services, spatial planning, execution of development plans, asset management, and human resource management was not satisfactory. The performance of MC Pir Mahal was also not satisfactory in compliance of rules and regulations in incurrence of expenditure and revenue.

CHAPTER 58.2

Municipal Committee, Pir Mahal

58.2.1 Introduction:

Municipal Committee, Pir Mahal manages following offices:

Description	No. of Offices/ DDOs
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Pir Mahal:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formations	01	01	113.154	127.196
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

58.2.2 Comments on Budget & Accounts (Variance Analysis):

To achieve the targets assigned to the PAO, following financial resources were given to the Chief Officer, Municipal Committee, Pir Mahal for the period from 01.01.2017 to 30.06.2019. The detail is as under:

(Rupees in million)

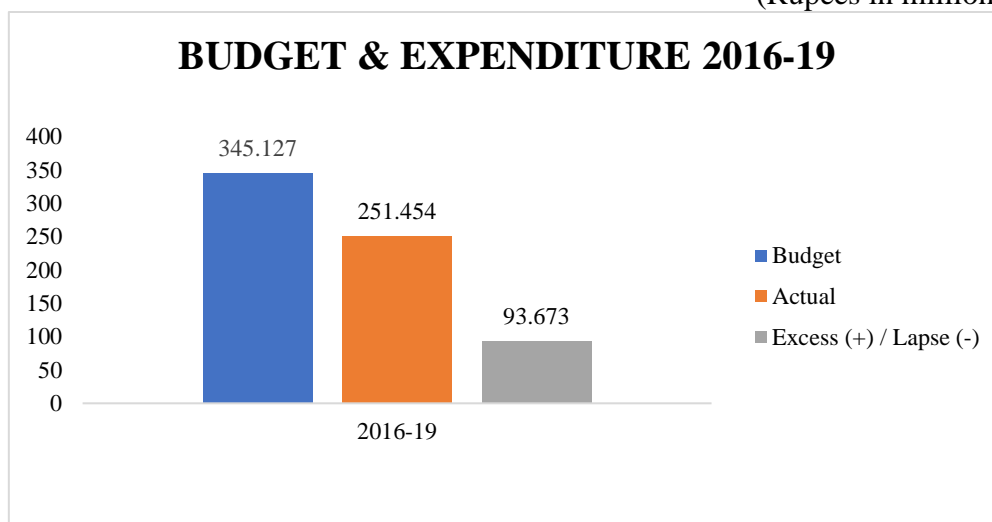
Financial Year	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-17	Non-Development (Salary+ Non-Salary)	39.739	18.679	(21.060)	(53.000)
	Development	12.171	3.361	(8.810)	(72.390)
	Total	51.910	22.040	(29.870)	(57.540)

Financial Year	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2017-18	Non-Development (Salary+ Non-Salary)	89.021	62.490	(26.531)	(29.803)
	Development	59.100	55.043	(4.057)	(6.865)
	Total	148.121	117.533	(30.588)	(20.651)
2018-19	Non-Development (Salary+ Non-Salary)	108.826	85.989	(22.837)	(20.985)
	Development	36.270	25.892	(10.378)	(28.613)
	Total	145.096	111.881	(33.215)	(22.892)
Grand Total	Non-Development (Salary+ Non-Salary)	237.586	167.158	(70.428)	(29.640)
	Development	107.541	84.296	(23.245)	(21.620)
Grand Total		345.127	251.454	(93.673)	(101.083)

- a) Analysis of Non-development budget and expenditure depicted that funds of Rs 237.586 million were allocated and expenditure of Rs 167.158 million was incurred, resultantly funds of Rs 70.428 million which in terms of percentage were 29.64% remained unutilized.
- b) Analysis of development budget and expenditure depicted that funds of Rs 107.541 million were allocated and expenditure of Rs 84.296 million was incurred, resultantly funds of Rs 23.245 million which in terms of percentage were 21.62% remained unutilized.
- c) Analysis of receipts depicted that total budgeted receipts for the financial years, 2016-19 were Rs 305.946 million against which amount of Rs 282.658 million was collected. There was a shortfall of Rs 23.288 million observed in revenues of the Municipal Committee, Pir Mahal which in terms of percentage was 7.61%.

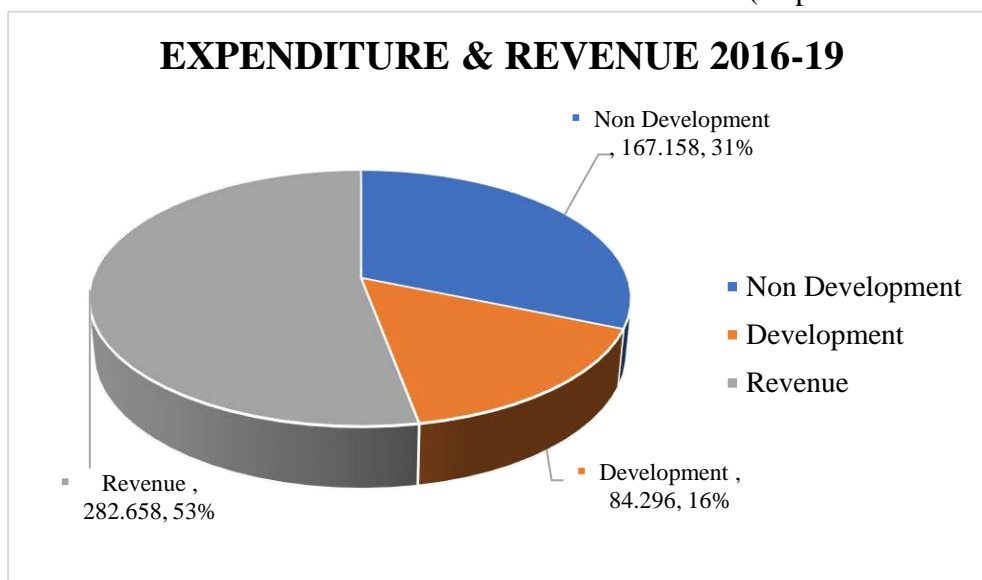
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure and revenue is as under:

(Rupees in million)



58.2.3 Classified Summary of Audit Observations:

Audit observations amounting to Rs 47.038 million were raised as a result of this audit. This amount also includes recoverable of Rs 6.449 million as pointed out by the Audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	1.411
3	Irregularities	-
A	HR/Employees related irregularities	-
B	Procurement related irregularities	12.354
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	29.652
5	Others	3.621
Total		47.038

58.2.4 Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Pir Mahal. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

58.3 Fraud and Misappropriations

58.3.1 Embezzlement of Local Government receipts – Rs 1.411 million

According to Rule 2.33 of Punjab Financial Rules Volume-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 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 on the accounts of Municipal Committee Pir Mahal it was revealed that collecting staff of Planning Branch embezzled an amount of Rs 1.411 million. The said amount was embezzled either by generating bogus receipts on carbon copies or presenting/issuing bogus receipts. Further no survey was conducted by the relevant department/staff to work out the number of illegal buildings being constructed in the jurisdiction of Municipal Committee. The detail is as under:

(Rupees in million)

Sr. No.	Name of Owner/Location	Receipt No.	Plan No.	Date of deposit	Original Receipt	Fake Receipt	Difference
1	M Irfan, Mian Abdula Hameed Makka Block Sadar Bazar	41/661	32/2017	12.07.2017	165,000	36,372	0.129
2	Muhammad Asghar Mohalla Ghousia Abad	46/661	33/2017	18.08.2017	321,825	3,203	0.319
3	Muhammad Sadiq Gordawara road	47/661	22/2017	31.08.2017	334,175	3,785	0.330
4	Abdul Gaffar Mundar Block	49/661	39/2017	23.09.2017	105,000	2,105	0.103
5	Rasheed Ahmed Main Bazar Pir Mahal	50/661	40/2017	11.09.2017	309,121	10,188	0.299
6	Different receipts in various occasions						0.232
Total							1.411

Audit is of the view that due to weak internal controls and fraudulent practices, embezzlement in Government receipts was made by the collecting staff.

Embezzlement by presenting bogus/forged receipts resulted in fraud and loss to the local Government amounting to 1.411 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility besides recovery of embezzled amount, under intimation to Audit.

[AIR Paras: 1, 2]

58.4 Procedural Irregularities

58.4.1 Irregular expenditure on POL of vehicles – Rs 4.893 million

According to Government of the Punjab, Services & General Administration Department (Transport Pool) letter No.MTO(S&GAD)AT-II/2-9/2006 dated 26.12.2008, necessary arrangements be made for sealing of speedometers/milometers of all the vehicles used in Government offices to minimize the chances of pilferage/misappropriation of fuel.

Municipal Committee Pir Mahal incurred expenditure of Rs 4.893 million on POL of four tractors of Municipal Committee during 2018-19. However, following discrepancies were observed in consumption of POL:

- i. Speedometers/hours' meters of tractor were out of order and not sealed.
- ii. Meter reading was recorded on assumption basis because the reading recorded in log book did not correspond with hours' meters of the tractors.
- iii. Overall consumption of POL increased from 31,703 liters to 40,777 liters (29%) from 2017-18 to 2018-19.
- iv. Complete description was not mentioned in the log books. Further, record entries were not initialed on daily basis.

Audit is of the view that due to weak internal controls, unauthentic meter reading/utilization of POL was recorded in log books.

Consumption of POL by meter reading on assumption basis resulted in irregular expenditure of Rs 4.893 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends sealing of speedometers/hour meters besides regularization of expenditure from the Competent Authority, under intimation to Audit.

[AIR Para: 4]

58.4.2 Utilization of bricks/tuff tiles without ensuring standard specifications and testing – Rs 2.400 million

According to Clause 11 and 14 of Contract Agreement for Civil works, the contractor shall execute the whole and every part of work according to the specifications. In addition, if it appears that work has been executed with unsound, imperfect, or with materials of any inferior description, the contractor shall remove the materials or articles so specified. Further, according to Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum). Furthermore, according to Superintending Engineer Provincial Buildings Circle, Faisalabad letter No.44-M/109-G/1021-25/G-II, dated 13.03.2001, due to non-availability of bricks of 2000 pounds per square inch (PSI), the utilization of the bricks having crushing strength 1700 PSI was allowed with recovery @ Rs 0.30 per brick from all running/final bills of the contractors.

Municipal Committee Pir Mahal awarded three works to the different contractors for construction of watercourse and p/l tuff tiles. Bricks/tuff tiles costing Rs 2.400 million were used in these works but no methodology was adopted to measure the strength, standard and specification for the bricks utilized. Therefore, in the absence of testing of bricks, the authenticity of utilization of first class bricks could not be proved. Further, all the works exist at the sites according to the provisions estimate, however, it is recommended that the quality/quantity of sub-base material be authenticated through independent technical experts/committee.

Audit is of the view that due to weak internal controls, works were executed without specifications, standards and testing of bricks/tuff tiles.

Utilization of bricks/tuff tiles without ensuring the required strength, quality and standard of bricks resulted in execution of likely substandard works amounting to Rs 2.400 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends that the matter may be brought to appropriate level for fixing of responsibility, under intimation to Audit.

[AIR Para: 11]

58.4.3 Unauthorized expenditure through quotations – Rs 2.077 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 2 (f) of Punjab Procurement Rules 2009, corrupt & fraudulent practices includes the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official or the supplier or contractor in the procurement process or in contract execution to the detriment of the procuring agencies; or misrepresentation of facts in order to influence a procurement process or the execution of a contract, collusive practices among bidders designed to establish bid prices at artificial, non-competitive levels and to deprive procuring agencies from benefit of free and open competition.

Municipal Committee Pir Mahal incurred expenditure amounting to Rs 2.077 million for construction of drain, p/f of manhole covers, repair of different items, lifting of garbage from different sites of city. The expenditure was held unauthorized on the following grounds:

- i) Unsealed quotations were accepted/obtained from the bidders.
- ii) Specifications of items purchased/services provided were not obtained from the suppliers/bidders.
- iii) Quotations were accepted on photo copies instead of original letter pads.
- iv) Tender opening committee was not constituted.
- v) Physical verifications of items purchased/ services provided were not conducted.

- vi) Record entries in the Measurement Books (where required) were not made. (2/PML)

Audit is of the view that due to negligence and financial indiscipline, unauthorized expenditure was incurred without observing rules.

Incurrence of expenditure without observing rules resulted in unauthorized expenditure amounting to Rs 2.077 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 3]

58.4.4 Unauthorized expenditure on plantation – Rs 1.746 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 2 (f) of Punjab Procurement Rules 2009, corrupt & fraudulent practices includes the offering, giving, receiving, or soliciting of anything of value to influence the action of a public official or the supplier or contractor in the procurement process or in contract execution to the detriment of the procuring agencies; or misrepresentation of facts in order to influence a procurement process or the execution of a contract, collusive practices among bidders designed to establish bid prices at artificial, non-competitive levels and to deprive procuring agencies from benefit of free and open competition.

Municipal Committee Pir Mahal incurred expenditure amounting to Rs 1.746 million on purchase of plants during the financial years 2017-19. The expenditure was unauthorized due to following discrepancies:

- i. No site/location of plantation was planned/prepared.
- ii. Physical verifications were not conducted before and after plantation.

- iii. Open quotations were obtained from the General Order Suppliers, no particular nursery submitted rates.
- iv. Rates were quoted without mentioning specifications, height, and age of the plants.
- v. Quotations were accepted on photo copies instead of original letter pads.
- vi. No stock entry was made/available in the stock register besides current status of the plants.
- vii. Tax deduction was made without ensuring filer/non-filer status.

The detail is as under:

(Rupees in million)

Sr. No.	Name of Work	WO No./Date	Amount
1	Plantation in moon soon	47/01.09.2018	0.748
2	Plantation in different parks	32/12.03.2018	0.998
Total			1.746

Audit is of the view that due to negligence and financial indiscipline, unjustified expenditure was incurred on plantation.

Expenditure on plantation without observing legal formalities resulted in violation of rules / Government instructions.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 6]

58.4.5 Irregular expenditure without open competition – Rs 1.238 million

According to Rules 9 and 12 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. 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.

Municipal Committee Pir Mahal incurred expenditure of Rs 1.238 million for purchase of furniture & fixture, electric material, execution of development works, plantation etc. during 2018-19. However, expenditure was incurred by splitting and keeping the cost of each object below the financial limit of Rs 100,000 to avoid tendering. Further, open quotations were obtained instead of sealed.

Audit is of the view that due to weak internal controls and financial indiscipline, procurements were made without open competition and advertisement.

Procurements without open competition and advertisement resulted in irregular/uneconomical expenditure amounting to Rs 1.238 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of expenditure from the Competent Authority, under intimation to Audit.

[AIR Para: 13]

58.5 Value for Money and Service Delivery Issues

58.5.1 Loss to Municipal Committee due to lease without assessment of market rate – Rs 13.117 million

According to Rule 16(a) of the Punjab Local Governments (Property) Rules, 2018, the shops and commercial property shall be given on lease through competitive bidding.

Municipal Committee Pir Mahal created demand of rent of 162 shops at different sites of city amounting to Rs 4.961 million to different lessees. The leases were awarded before the establishment of Municipal Committee. Scrutiny of record revealed that rent of shops was being collected ranging from Rs 1,210 to Rs 7,500 at prominent sites i.e. General Bus Stand, Grain Market without reassessment on the basis of prevailing market rate by the Competent Authority. No efforts were made to work out prevailing market rates of rent of shops.

Audit is of the view that due to weak financial controls, shops were not leased out on the basis of fresh assessment by the Competent Authority.

Non-leasing of shops on fresh assessment resulted in irregular creation of demand of rent amounting to Rs 13.117 million and less realization of revenue to the Municipal Committee.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault besides reassessment of rent, under intimation to Audit.

[AIR Para: 8]

58.5.2 Loss to local government due to non-award of lease of shops – Rs 10.473 million

According to Rule 4(1)(a) 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. Further, according to Rule 2.33 of Punjab Financial Rules, 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.

Municipal Committee Pir Mahal auctioned/leased out 221 shops at model bazar to different lessees during 2017-18 at total monthly rent of Rs 608,530. Security fee was deposited by the lessees and auction was finalized. However, the lease was cancelled and security was refunded by Municipal Committee due to the reasons best known to the municipal authorities. Resultantly, local government was deprived of from the rent of Rs 10.473 million for the above mentioned period. The detail is as under:

(Rupees in million)

Sr. No.	Shops No.	No. of Shops	Period	Months	Rent	Amount
1	76 to 150	75	07.09.2017 to 30.06.2019	21	279,130	5.862
2	01 to 75	75	20.03.2018 to 30.06.2019	14	138,650	1.941
3	151 to 221	71	20.03.2018 to 30.06.2019	14	190,750	2.671
Total				49	608,530	10.473

Audit is of the view that due to weak internal controls and negligence, loss was sustained by the Municipal Committee due to cancellation of leases.

Cancellation the leases after determination of monthly rent resulted in loss to the local Government amounting to Rs 10.473 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 5]

58.5.3 Loss due to non-revision of rent of commercial sites – Rs 4.913 million

According to Para 2 of Government of the Punjab, Local Government & Community Development Department letter No.SO. TAX(LG)2-45/2008 dated 31st August 2009, TMO was directed to recover outstanding amount, get the shops vacated from encroachers/Tehbazari holders and lease out the property in accordance with law and rules. Further, according to Section 4 (d) of Punjab Local Government (Property) Rules, 2003, the manager shall ensure that the rented property fetches the maximum rent.

Municipal Committee Pir Mahal owned 109 commercial sites situated at Railway Road, Pir Mahal. These sites have been rented out @ Rs 4.40/sft since long without reassessment. The House of Municipal Committee proposed the revised rent of commercial sites @ Rs 20 vide its resolution dated 10.04.2017. However, no efforts were made to notify the revised rates. Resultantly, Municipal Committee sustained a loss of Rs 4.913 due to non-revision. (1/PML). The detail is as under:

(Rupees in million)

Sr. No.	Location	No. of Shops	Area (sft)	Period	Current rate	Revised rate	Variance	Amount
1	Railway Road	109	12114	26	4.40	20	15	4.913
Total		109	12114		4.40	20	15	4.913

Audit is of the view that due to weak internal controls and negligence, revised rent of commercial sites was not notified.

Non-revision of rent of commercial sites resulted in loss amounting to Rs 4.913 million to the Municipal Committee.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends revision of rent of commercial sites besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 9]

58.5.4 Undue favour to the contractors due to non-obtaining of Additional Performance Security – Rs 1.149 million

According to the letter (Tech)FD-1-2/83(VI)(P) dated 06.04.2005 read with Notification of even number dated 24.01.2006, if total tender amount is less than 5% of the approved estimated amount, the lowest bidder will have to deposit Additional Performance Security from the scheduled bank, ranging from 5% to the extent lowest quoted rate, within 15 days of issuance of notice or within expiry period of bid.

Tehsil Municipal Administration Kamalia awarded three works costing Rs 5.500 million to various contractors. These works were awarded to the contractors below the estimates ranging from 15% to 29 %. However, Additional Performance Security amounting to Rs 1.148 million was not obtained from the contractors in violation of the Government instructions and undue favour was granted. The said schemes were transferred to the Municipal Committee Pir Mahal after establishment of MCs. The detail is as under:

(Rupees in million)

Sr. No.	Name of Work	Work Order No./ Date	TS Amount	Agreement Amount	Below %	Performance Security
1	Improvement of General Bus Stand	1310/01.10.2016	2.500	2.135	15.86	0.397
2	Construction of nali soling Sahulat Bazar	316/05.01.2015	2.000	1.409	29.56	0.591
3	Improvement of bed Minton hall	1305/01.10.2016	1.000	0.839	16.10	0.161
Total			5.500	4.383		1.149

Audit is of the view that due to weak internal controls and negligence, Additional Performance Security was not obtained.

Non-obtaining of Additional Performance Security amounting to Rs 1.149 million resulted in violation of standing instructions of the Government.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 10]

58.6 Others

58.6.1 Non-recovery of conversion and building plan approval fees – Rs 1.552 million

According to Rule 60(1)(a) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be as under: -

- i. Less than one million rupees @ 5 per cent;
- ii. From one million rupees to ten million rupees @ 10 percent; and
- iii. More than ten million rupees @ 20 per cent.

Owners of ten residential buildings converted the land for commercial use without depositing or less depositing the conversion and building plan approval fee to the Municipal Committee Pir Mahal. Notices were issued for recovery of conversion and building plan approval fees amounting to Rs 1.552 million to the defaulters but no recovery was made from the defaulting owners of the commercial buildings.

Audit is of the view that due to weak internal controls, strenuous efforts were not made for recovery of conversion & building plan fee.

Non-recovery of conversion and building plan approval fee amounting to Rs 1.552 million resulted in loss to the public exchequer.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of conversion and building plan approval fee amounting to Rs 1.552 million besides action against defaulters, under intimation to Audit.

[AIR Para: 7]

58.6.2 Non-recovery of water rate charges – Rs 1.069 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.

Municipal Committee Pir Mahal did not recover arrears of Water Rate charges from domestic and commercial connection holders amounting to Rs 1.069 million for the year 2017-18. Demand of Rs 7.200 million was raised against water connections. However, collecting staff could recover an amount of Rs 6.131 million leaving a balance of Rs 1.069 million unrecovered. Further, no efforts were made to evaluate/register the Commercial connections under the jurisdiction of Municipal Committee.

Audit is of the view that due to financial indiscipline, arrears of water rate charges were not recovered.

Non-recovery of water rate charges amounting to Rs 1.069 million resulted in less collection of receipts by the Municipal Committee.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to recover the amount of arrears besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 14]

58.6.3 Non-recovery of conversion fee from the owner of land subdivision – Rs 1 million

According to Rule 60(1)(a) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

- i. Less than one million rupees @ 5 per cent;

- ii. From one million rupees to ten million rupees @ 10 percent; and
- iii. More than ten million rupees @ 20 per cent.

Owner of Ali Town started development activities and converted the agricultural land for land subdivision without depositing the conversion and building plan approval fee to the Municipal Committee Pir Mahal. Resultantly, conversion and building plan approval fee amounting to Rs 1 million was not recovered from the owner of the land sub-division.

Audit is of the view that due to weak internal controls and negligence, strenuous efforts were not made for recovery of fee.

Non-recovery of conversion and building plan approval fees resulted in loss to the local Government amounting to Rs 1 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of conversion and building plan approval fee from concerned besides action against defaulters, under intimation to Audit.

[AIR Para: 12]

Municipal Committee, Toba Tek Singh

CHAPTER 59.1

Sectoral Analysis of Municipal Committee, Toba Tek Singh

The sectoral analysis of Municipal Committee is based on performance of the the MC in different sectors during financial years 2017-19. It includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness. It also includes analysis of efficiency regarding targeted achievements and revenue collection, performance regarding delivery of municipal services, execution of municipal functions and development / improvement of municipal infrastructure and services. Furthermore, analysis regarding optimum utilization of human resources, asset management, spatial planning etc. is also carried out during course of audit.

Analysis of targets and achievements

Data of targets and achievements of municipal committee, Toba Tek Singh were not maintained in terms of predefined key performance indicators. However, following analysis in respect of revenue collection, utilization of funds meant for infrastructure development, municipal services delivery, spatial planning, development plans (implementation), asset management, anti-encroachment activity, human resource management etc. is carried out on the available data provided during course of audit.

Analysis regarding Revenue targets and achievements

(Rupees in million)

Description	2016-17		2017-18		2018-19		%
	Budget	Actual	Budget	Actual	Budget	Actual	
Arrears of Rent of Shops	-	-	-	-	84.504	-	(100)
Building Rent	1.000	0.299	-	-	0.800	0.100	(78)
General Bus Stand (GBS) Parking Fee	7.700	3.927	9.247	9.247	9.300	8.988	(16)
Rickshaw, Motorcycle, Bicycles Stand Fee	1.225	0.557	1.112	1.112	1.500	1.345	(21)

Description	2016-17		2017-18		2018-19		%
	Budget	Actual	Budget	Actual	Budget	Actual	
Fee for Approval of Building Plan	4.000	2.663	1.477	1.477	1.800	1.498	(23)
Fee for change in Land use	14.000	6.243	5.704	5.704	9.975	9.975	(26)
Land Rent	8.700	6.027	15.234	15.234	15.573	15.573	(7)
Receipts Sale of Water Residential	25.382	9.108	27.943	12.358	27.714	14.581	(27)
Rent of Thara Jaat Sabzi Mandi	1.028	1.028	1.500	1.315	1.500	1.148	(13)

The above information depicts that outstanding dues on account of rent of shops were not recovered from defaulters. Further, MC authorities failed to complete the budget targets of tax/fee levied by the Council on account of Rent of properties, GBS/Rikshaw Fee, Motorcycle Parking Fee, Approval of Building Plan Fee, water Rate Charges etc. It shows weakness of the management and monitoring mechanism regarding revenue collection.

Analysis regarding funds utilization for Municipal Infrastructure

(Rupees in million)

Description	2016-17		2017-18		2018-19		Unutilized (% age)
	Budget	Actual	Budget	Actual	Budget	Actual	
Purchase/repair of Transport	1.500	0.929	1.290	1.194	3.357	2.429	35%
Purchase of Plant and Machinery	5.100	1.198	-	-	-	-	32%
Machinery and Equipment	2.500	-	2.514	2.470	2.475	1.356	95%
Purchase of Street Lights	0.500	0.393	0.576	0.575	1.400	0.584	59%
Maintenance of parks and grounds	2.000	0.695	-	-	0.700	-	28%
Other Sports activities	2.000	0.210	-	-	-	-	8%
Recreational Sporting services youth affairs	2.000	-	-	-	-	-	0%
Ongoing schemes ADP (Current year)	11.000	4.410	34.000	23.272	26.680	6.797	52%

MC, Toba Tek Singh could not ensure optimal utilization of funds for purchase / repair of vehicles, plant & machinery, equipment for waste collection, management and sanitation. Funds earmarked for construction / improvement of roads, streets, street lights and maintenance of parks / gardens were also not utilized

according to need assessment of the community. Non-optimal utilization of funds allocated for municipal structure development and improvement resulted in inefficient service delivery. Furthermore, recreational services and youth affairs including sports were not prioritized and funds allocated in this regard were not utilized.

Analysis regarding provision of Municipal Services

Administration of Municipal Committee, Toba Tek Singh failed to set targets/key performance indicators regarding provision of municipal services. However, scrutiny of record and reports depicted that the performance of MC regarding municipal services delivery was very poor and described as below:

Sr. No.	Municipal Service	Status / Remarks
1	Water supply	Existing water supply facility was inadequate/insufficient for a targeted population of 92,504 inhabitants because there were only 13,250 water connections for household purpose. Further, no new scheme of water supply was launched during 2016-19.
2	Clean drinking water facility / plants	There were 6 water filtration plants existent in the city during 2016-17 and 3 new water filtration plants were installed during 2018-19. Facility of clean drinking water was increased but it is still insufficient for above mentioned population. Further, municipal authorities did not make other arrangement for provision of clean drinking water to the residents.
3	Maintenance of Parks	There were only seven parks in the whole municipality which were maintained by the MC and no other small park was developed during 2016-19.
4	Play grounds	There is only one play ground maintained by the Municipal Committee. However, the ground is in deteriorated condition even without water arrangement, gates, boundary wall, street lights etc.
5	Drainage / sewerage	No reliable data regarding provision of drainage / sewerage facility was being maintained by MC. It was assessed that almost more than 20% of the total

Sr. No.	Municipal Service	Status / Remarks
		households were not provided with the drainage / sewerage facility by MC.
6	Street Lighting	MC authorities had no emphasis on provision of street light facility in newly developed towns as no new scheme was launched in this regard. A large area of the Municipal Committee was not provided with street lighting facility.

Analysis regarding Sanitation and Waste Management

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	87210	89599	92054
2	Number of sanctioned posts of sewer man	22	22	22
3	Number of filled posts of sewer man	14	14	13
4	Expenditure incurred on repair and maintenance of existing sewage line	Rs 1.500 million	Rs 2.500 million	Rs 1.000 million
5	Expenditure incurred on lying new sewage lines	-	-	-
6	Number of sanctioned posts of sanitary workers	128	128	128
7	Number of filled posts of sanitary workers	72	70	65
8	Number of vacant posts of sanitary workers	56	58	63
9	Number of existing dump sites	1	1	1
10	Number of new dump sites	-	-	-
11	Number of existing land fill sites	-	-	-
12	Number of new land fill sites	-	-	-

No reliable data regarding total waste generation and its collection / disposal was maintained by MC. The human resources of the MC concerning solid waste management and sanitation were inadequate and could not meet the standard requirements. However, efforts were not made by the stakeholders and authorities of the MC to enhance and improve the resources for provision of better municipal services to the local populace. Non-improvement of solid waste dumping site or landfill site portray an unhealthy environment of the city. There was no emphasis on sanitation as no improvement was made in this regard and even existing structure was also not maintained properly.

Analysis regarding Municipal Infrastructure

Sr. No.	Description	2016-17	2017-18	2018-19
1	Targeted population	178,957	180,000	183,000
2	Number of existing roads	-	-	-
3	Expenditure incurred on repair, improvement and construction of roads	Rs 8.770 million	Rs 5.850 million	-
4	Number of schemes of roads included in ADP	4	4	-
5	Expenditure incurred on repair, improvement and construction of streets	Rs 2.072 million	Rs 10.248 million	-
6	Number of schemes of streets included in ADP	4	21	-

Statistics regarding improvement of municipal infrastructure depicted that MC authorities had a very little emphasis on improvement of municipal infrastructure. As far as development of new roads are concerned no new scheme was initiated during the period. However, only 8 schemes for maintenance of roads were initiated only in FYs 2016-18 and a nominal expenditure was incurred on patch work and maintenance of existing roads. In case of streets no data was made available to identify that whether it is new structure or existing streets were re-modeled. However, 21 schemes regarding streets were executed. Data regarding construction of new streets and repair / maintenance of existing streets was not maintained.

Analysis regarding Asset Management

Assets management by the administration of Municipal Committee was very weak. Municipal Committee, Toba Tek Singh owned 1,147 shops and buildings, these properties were leased out at a nominal rent since decades. Despite the Government instructions authorities of MC did not make efforts to increase the rent of these properties to bring it to market rent rates which resulted in loss of revenue amounting to Rs 75.895 million during 2017-19. Furthermore, the authorities are not serious about safeguarding the public assets as shops/buildings were handed over to tenants since decades without auction and written agreements. The MC has no record of ownership and title of these properties.

Analysis regarding Spatial Planning

Management of Municipal Committee was responsible to prepare spatial plans for the local government including plans for land use and zoning after due process of conducting survey and dissemination but no spatial plan was prepared. Furthermore, the MC received 348 cases for approval of building plans and land subdivisions during 2016-19 out of which 126 were processed and finalized. The remaining 222 cases were pending which enhances the chances of illegal construction of buildings and non-recovery of fee from the owners of buildings.

Analysis of Human Resource Management

Sr. No.	Designation	Sanctioned Posts	2016-17		2017-18		2018-19	
			Filled	Vacant	Filled	Vacant	Filled	Vacant
1	Officers / Officials	282	138	144	130	152	108	174
2	Sanitary Inspector	1	1	0	1	0	1	-
3	Sanitary Supervisor	3	2	1	3	0	3	-
4	Sewer men	22	22	-	21	1	19	3
5	Sanitary Worker	128	128	-	110	18	106	22
Total		436	291	145	265	171	237	199

There was an acute shortage of staff which is one of the main reasons of short realization of revenue, lack of provision of municipal services, poor spatial planning etc.

Conclusion

In view of the above analysis, it is concluded that MC did not achieve its planned targets due to shortage of staff which hampers its ability to function effectively. There was lapse in both non-development and development budget which showed that the authority failed to spend in development schemes, up-gradation of existing facilities etc. as it did not up-grade any new infrastructure. No improvement was brought in municipal services delivery and revenue sources were also not optimally exploited due to which financial loss was sustained by the MC. Further, organization could not achieve its intended targets during the financial year 2016-19.

CHAPTER 59.2

Municipal Committee, Toba Tek Singh

59.2.1 Introduction:

Municipal Committee, Toba Tek Singh manages following offices:

Description	No. of Offices/ DDOs
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formations of Municipal Committee, Toba Tek Singh:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2016-19	Revenue/Receipts Audited FY 2016-19
1	Formation(s)	01	01	396.402	577.318
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

59.2.2 Comments on Budget & Accounts (Variance Analysis):

To achieve the targets as assigned to the PAO, following financial resources were given to Chief Officer, Municipal Committee, Toba Tek Singh during Financial Years, 2016-19. The detail is as under:

(Rupees in million)

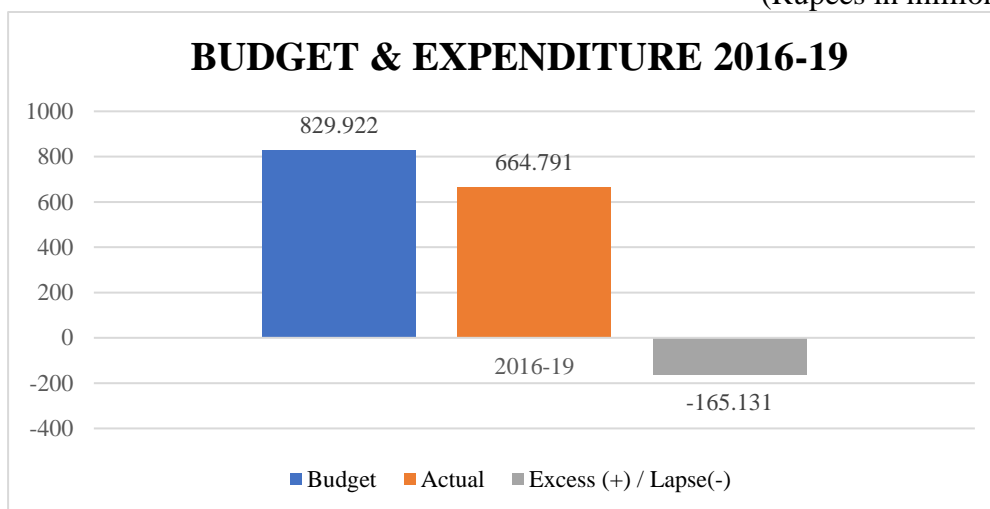
Financial Year	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2016-17	Non-Development (Salary + Non-Salary)	245.87	165.757	(80.113)	(32.583%)
	Development	104.07	43.666	(60.404)	(58.042%)
	Total	349.94	209.423	(140.517)	(40.155%)

Financial Year	Description	Budget	Actual	Excess/ (Savings)	(Savings%)
2017-18	Non-Development (Salary + Non-Salary)	165.683	165.096	(0.587)	(0.354%)
	Development	71.448	60.664	(10.784)	(15.093%)
	Total	237.131	225.76	(11.371)	(4.795%)
2018-19	Non-Development (Salary + Non-Salary)	202.598	201.15	(1.448)	(0.715%)
	Development	40.253	28.458	(11.795)	(29.302%)
	Total	242.851	229.608	(13.243)	(5.453%)
Grand Total	Non-Development (Salary + Non-Salary)	614.151	532.003	(82.148)	(13.376%)
	Development	215.771	132.788	(82.983)	(38.459%)
	Grand Total	829.922	664.791	(165.131)	(19.897%)

- a. Analysis of Non-development budget and expenditure revealed that funds of Rs 614.151 million were allocated in annual budget estimates and funds of Rs 532.003 million were utilized by the authorities, resultantly sum of Rs 82.148 million remained unutilized which was 21% of the allocated budget.
- b. Analysis of development budget and expenditure revealed that amount of Rs 215.771 million was allocated in annual budget estimates. The authorities could utilize amount of Rs 132.788 million and sum of Rs 82.983 million stood lapsed which was 38% of the allocated budget.
- c. Analysis of receipts depicted that total budgeted receipts for the financial years, 2016-19 were Rs 876.563 million against which amount of Rs 861.452 million was collected during this period. There was a shortfall of Rs 21.089 million observed in revenues of the Municipal Committee.

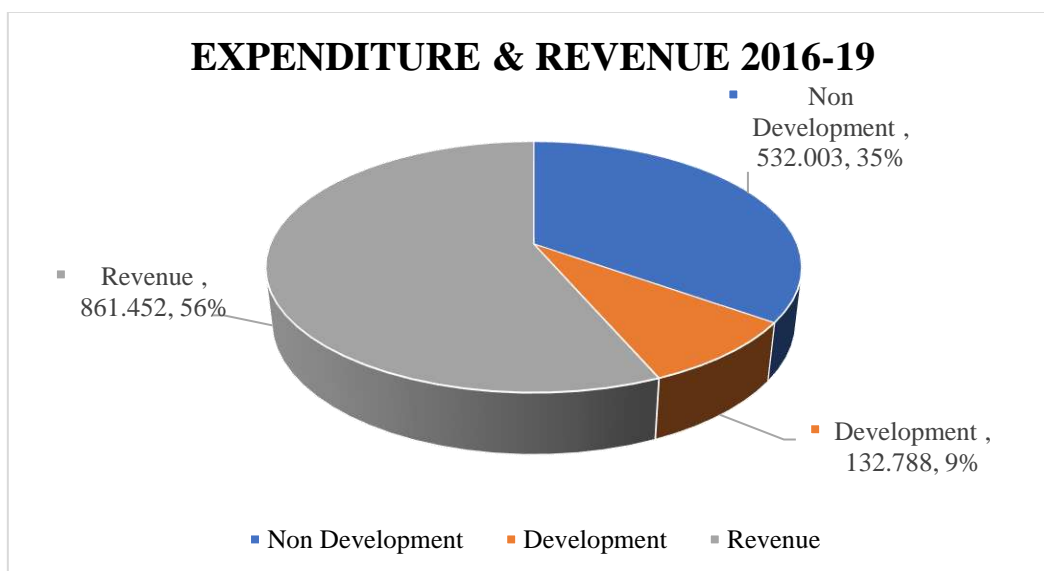
Graphical presentation of budget & expenditure is as under:

(Rupees in million)



Graphical presentation of expenditure and revenue is as under:

(Rupees in million)



59.2.3 Classified Summary of Audit Observations:

Audit observations amounting to Rs 229.659 million were raised as a result of this audit. This amount also includes recoverable of Rs 11.519 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR/Employees related irregularities	-
B	Procurement related irregularities	26.046
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	100.128
5	Others	103.485
Total		229.659

59.2.4 Comments on the Status of Compliance with PAC Directives:

This is the 1st Audit Report on the accounts of Municipal Committee, Toba Tek Singh. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the Provincial Assembly.

AUDIT PARAS

59.3 Procedural Irregularities

59.3.1 Irregular expenditures on POL of sanitation vehicles – Rs 14.798 million

According to Section 49 (Appendix-14) of Punjab Financial Rules- Volume-II, record of petrol, oil, lubricants and spare parts should be maintained separately for each vehicle. Full particulars of journey, distances between two places and purpose of journey indicating the brief particulars of the journey performed should be recorded in log book. Average consumption of petrol, oil and lubricants should be worked out and recorded in the Log Books at the close of each month. The logs of running of vehicles should be signed by the relevant in-charge.

Municipal Committee Toba Tek Singh incurred expenditure of Rs 14.798 million on POL of sanitation and solid waste vehicles during 2016-19. However, the authorities did not assign routs to the vehicles used for sanitation/solid waste collection. Further, running of vehicles was recorded in log books on assumption basis. Audit noticed following discrepancies in the log books of vehicles:

1. Distances between the places of travelling or name of points from where the vehicles collected the waste or provided other municipal services were not exhibited in log books and only following narrations were written in log books:
 - a) In case of vehicles used for solid waste collection,
”شہر بھر سے کوڑا اٹھایا گیا“
 - b) In case of sanitation vehicles,
”شہر بھر سے روکوٹیں دور کی گئیں“.
2. Average consumption of fuel was not properly worked out. However, for the purpose of issuance of average fuel consumption certificates the motor vehicle examiner only narrated no. of kilometer covered in one liter of fuel without describing distance covered / travelled on vehicles during examination. Same in case of tractors, per hour consumption of

fuel was written in certificates without describing No. of hours a tractor remained in working during estimation of average fuel consumption.

Audit is of the view that due to weak internal controls, expenditure was incurred without fulfilling legal formalities.

Expenditure without fulfilling legal formalities, resulted in irregular expenditure amounting to Rs 14.798 million and chances of pilferage of fuel cannot be ruled out.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 25]

59.3.2 Unauthorized execution of asphalt work on roads without job mix formula – Rs 3.602 million

According to Section 641-3 of the Book of Specifications, “There are a wide variety of design methods for designing premixed bituminous materials which are suitable for bituminous base courses and wearing courses. The general compaction and temperature limits prescribed in the specification for each specific type are extreme ranges of tolerance that must not be executed regardless of formula that may be setup”. Further, according to C&W Department, Government of Punjab, 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 RR&MTI. After its approval, it must be strictly followed at site and no deviation be allowed under any circumstances”. Furthermore, according to the Government of the Punjab, Finance Department Notification No.RO.(Tech)FD.2-3/2004 dated 2nd August, 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.

Municipal Committee Toba Tek Singh got executed two works of patchwork at different roads and construction of metaled road during financial years, 2017-19. Execution of works include p/l of asphalt work of premixed carpeting amounting to Rs 3.602 million. Contrary to the above, premixed carpeting was laid on different roads without approval of pavement design and ensuring Job Mix Formula. The detail is as under:

(Rupees in million)

Sr. No.	Name of Work	Date of Award	Amount
1	Patchwork at different roads of City Toba Tek Singh	16/MO(I)//MC/TTS dated 02.03.2019	2.788
2	Construction of metaled road and tuff paver Mohallah Mustafabad Toba Tek Singh	MOI/445 dated 24.10.2017	0.814
Total			3.602

Audit is of the view that due to weak internal controls, expenditure was incurred without approval of Job Mix Formula.

Execution of works without approval of Job Mix Formula resulted in implementation of substandard works costing Rs 3.602 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing of responsibility on the incumbent(s) at fault, under intimation to Audit.

[AIR Para:11]

59.3.3 Irregular expenditure through splitting to avoid tenders – Rs 1.984 million

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. Further, according to Rule 14 ibid, 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 but if deemed in public interest, the procuring agency may also advertise the procurement in at least one national daily newspaper.

Municipal Committee Toba Tek Singh incurred expenditure on procurement of Pena flexes, repair of transformers, green plants, improvement of chairman's office amounting to Rs 1.984 million through quotations during FY 2016-19. Contrary to the above, procurements were made by splitting the cost of items and keeping below the financial limit of Rs 100,000 to avoid tendering.

Audit is of the view that due to weak internal controls, procurements were made without inviting tender and competitive bidding.

Incurrence of expenditure without open competition resulted in irregular expenditure amounting to Rs 1.984 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of expenditure from the Competent Authority, under intimation to Audit.

[AIR Para:17]

59.3.4 Execution of civil works without identification of sites – Rs 1.653 million

According to Rule 40(d)(i) of the Punjab Local Government (Accounts) Rules, 2017, the DDO, Head of Offices and Chief Officer shall ensure that the claims submitted are valid claims for the works actually executed at the site in accordance with the specifications and agreed quantity or the services actually rendered to the entire satisfaction of DDO or the supply of goods actually made in accordance with the agreed quality and entered in the relevant books or register of accounts.

Municipal Committee Toba Tek Singh got executed three works for providing/laying water supply pipe lines, providing fixing manhole covers and

patch work on different roads of city during FY 2016-19 and incurred expenditure of Rs 1.653 million. Contrary to the above, works were executed and MBs were recorded without identification of sites. Resultantly, authenticity of expenditure could not be ascertained in the absence of detail/location of sites. The detail is given below:

(Rupees in million)

Sr. No.	Name of work	Observation	Amount
1	Providing/laying of water supply pipe lines different areas City Toba Tek Singh	Sites of laying of pipelines were neither provided in estimate nor recorded in MB	0.327
2	Providing / fixing manhole covers City Toba Tek Singh	Sites of execution of works neither identified in estimate nor recorded in MB	0.475
4	Patch work on different roads of City Toba Tek Singh		0.851
Total			1.653

Audit is of the view that due to weak monitoring, works were executed without furnishing complete details and identification of sites.

Expenditure without identification of sites/complete details resulted in unauthentic expenditure of Rs 1.653 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 8]

59.3.5 Irregular procurement/repair of vehicles – Rs 1.636 million

According to Rules 30, 31 and 32 of the Punjab Local Governments (Accounts) Rules 2017, the DDO shall raise a sequentially numbered purchase order (on Form-4A) for all contingent expenditures. The payment of an amount exceeding the value of rupees one thousand for supplies made, services rendered, work done under a contract or other agreement, the DDO shall follow the following

process, claim voucher shall be prepared (on Form-4B), complete the claim voucher (bill) with details of the officer making the claim, name of supplier or firm with NTN, STRN, bank account number, full postal address and the registered title. Contract reference, actual date of supply or period of service or work, location and particulars of supply, service or work in respect of which expenditure is being incurred. The officer making the claim shall provide a statement, under his signature, that the supplies have been received in good order and condition and have been counted and entered in the assets/stock register, and/or the services have been satisfactorily carried out, as provided for in the contract or purchase order.

Chief Officer Municipal Committee Toba Tek Singh incurred expenditure amounting to Rs 1.636 million for purchase of tyres and repair of different vehicles during FY 2018-19. Audit observed that procurement of tyres and repair works got executed from the civil works contractors instead of directly from suppliers / service providers. The detail is as under:

(Rupees in million)

Sr. No.	Vr. No.	Date	Contractor Name	Description	Amount
1	163	28.11.18	Nayab Corporation	Repair of tractor TS-9154	0.148
2	164	28.11.18	Ch Shahid Hameed	Purchase of tyres for Tractors, Water Bowser	0.495
3	165	28.11.18	Ch Shahid Hameed	Purchase of tyres and repair of Tractor TSF-527	0.495
4	176	29.11.18	Ch Shahid Hameed	Repair of jetting machine	0.497
Total					1.636

Audit is of the view that due to weak internal controls, procurement/repair works were executed by civil works contractors.

Procurement/repair of vehicles from civil works contractors resulted in irregular expenditure amounting to Rs 1.636 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends regularization of expenditure from the Competent Authority, under intimation to Audit.

[AIR Para: 21]

59.3.6 Execution of substandard works – Rs 1.198 million

According to Rules 16 &17 of Punjab Local Governments (Works) Rules 2017, the local government engineer and his staff shall be responsible to ensure that the work is executed in accordance with the specifications in the technically sanctioned estimates and provisions of the rules. The terms of the contract are strictly enforced and nothing is done to nullify or vitiate the contract. The authority may from time to time inspect the project and convey its observations for rectification to the engineer in-charge. Further, if the contractor is found guilty of breach of any term of a contract the penal provisions shall be enforced against him after approval of the Mayor or Chairman.

Municipal Committee Toba Tek Singh executed two works for p/f turbine with 25-HP motor for water works and laying of sewerage line, PCC, tuff tile and resoling, and incurred expenditure of Rs 1.198 million. Contrary to the above, the contractors did not execute the work according to approved specifications of technically sanctioned estimates and provisions of the rules. Resultantly, substandard and defective work was executed by the contractors. The detail is as under:

(Rupees in million)

Sr. No.	Name of Work	Date of Award	Observations/ Defects	Amount
1	Providing/lying of RCC sewerage line, soling, at Mohalla Jinnah Colony, disposal colony and providing and fixing turbine with 25-HP Motor water works No. 3 Ward No. 15	443/MC/TTS dated 24.10.2017	Shrouding with graded pea gravel around tube well, borehole was not utilized properly and turbine was pumping sand contents along with water which required new borehole.	0.274
2	Providing/lying of tuff tile paver and resoling Mohallah Sarhand colony Kachi abadi Ward No. 29	1436/MOI dated 24.10.2017	Tuff tile work was not according to specifications	0.924
Total				1.198

Audit is of the view that due to weak monitoring and violation of standard specifications; substandard works were executed by the contractors.

Execution of substandard works due to violation of approved specifications resulted in wastage of resources and loss of Rs 1.198 million to the public exchequer.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 14]

59.3.7 Utilization of bricks without ensuring standard specifications and testing – Rs 1.175 million

According to Clause 11 and 14 of Contract Agreement for Civil works, the contractor shall execute the whole and every part of work according to the specifications. In addition, if it appears that work has been executed with unsound, imperfect, or with materials of any inferior description, the contractor shall remove the materials or articles so specified. Further, according to Composite Schedule Rates (CSR)-1964, the standard specification for 1st class bricks is 2000 PSI (minimum). Furthermore, according to Market Rate System issued from 2005-06 to 2015-16 by the Government of Punjab Finance Department, (i) The composite rate is to be reduced by 7% and 14%, if 2nd or 3rd class bricks are used.

Municipal Committee Toba Tek Singh executed four works for construction of drain, soling etc. during 2017-19. Bricks costing Rs 1.175 million were used but no methodology was adopted to measure the strength, standard and specifications. Therefore, in the absence of proper testing, the authenticity of first class bricks could not be proved. The detail is as under:

(Rupees in million)

Sr. No.	Name of Work	Amount
1	Construction of RCC sewer, PCC, tuff tile, soling and resoling Mohallah Shujaa Colony Ward No. 27	0.481
2	Providing/lying water supply pipe lines, RCC sewer, PCC, soling and resoling Mohallah Noor Park Ward No. 7.	0.584

Sr. No.	Name of Work	Amount
3	Providing/laying water supply, RCC sewer line, PCC, soling/resoling and tuff tile Mohalla New Islam pura Ward No. 2	0.058
4	Construction of soling, resoling, sewerage and improvement of metalled road Mohala New Islam Pura	0.052
Total		1.175

Audit is of the view that due to weak internal controls, works were executed without specifications, standards and testing of bricks.

Execution of brick work without ensuring the required strength, quality and standard of bricks resulted in execution of substandard works costing Rs 1.175 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 12]

59.4 Value for Money and Service Delivery Issues

59.4.1 Loss due to non-assessment of market based rent of shops/properties – Rs 75.895 million

According to Rule 7 of the Punjab Local Government (Budget) Rules, 2017, the collecting officer shall make assessment of tax, fee or levy by the local government, on periodical basis for evaluating its potential and new tax proposals. 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 personally take the physical stock of property. 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 property to fresh auction after assessment of market rent.

Municipal Committee Toba Tek Singh owned 1,147 shops and buildings situated at different locations of municipality under the tenancy of various persons. However, these shops/properties were auctioned since long at ten percent annual increase. However, the rent was neither reassessed according to market based rent nor re-auction was made. Resultantly, MC sustained a loss of potential revenue of Rs 75.895 million (approximate) during 2017-19.

Audit is of the view that due to negligence and violation of Government instructions, reassessment of rent was not made.

Non-compliance of Government instructions resulted in misuse of public resources and loss of Rs 75.895 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the incumbent(s) at fault besides reassessment of rent, under intimation to Audit.

[AIR Para: 2]

59.4.2 Non-transfer of UIP Tax share – Rs 11.422 million

According to Section 100 of PLGA, 2013, a local government shall establish a Local Fund and all the revenues received by the local government from grants made to or monies received by the local government from the Government or other sources shall be credited to the fund. The Government shall transfer the grants of a local government in the shape of share of the local government in the Punjab Finance Commission Award and share in the proceeds of taxes of the local government collected by the Government, to the Local Fund of the local government on monthly basis.

Contrary to the above provisions UIP Tax / PFC award share of Rs 11.422 million of defunct TMA Toba Tek Singh and newly established MC Toba Tek Singh released by Government of the Punjab during September, 2016 to April, 2018 pertaining to different months was not actually received to MC Toba Tek Singh. Resultantly, short revenue was realized due to non-transfer of share.

Audit is of the view that due to weak internal controls, UIP Tax / PFC award share was not actually released to MC Toba Tek Singh.

Non-receipt of PFC Award share resulted in short realization of revenue of Rs 11.422 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to realize the revenue not actually released to the MC, Toba Tek Singh., under intimation to Audit.

[AIR Para:4]

59.4.3 Non-completion of civil works - Rs 6.273 million

According to clause 3(a) and (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. Municipal Engineer on the behalf of the Municipal Committee shall have power to adopt any of the following sources

as he may deem 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.

Municipal Committee Toba Tek Singh awarded ten civil works for construction of soling, resoling, sewerage line, water supply, tuff tile, repair of buildings etc. costing Rs 13.375 million to the different contractors during 2016-18 with a completion period of two to three months. However, the contractors failed to complete the remaining of Rs 6.273 million. Contrary to the above, no action was initiated to award the works at risk and expense of the original contractors.

Audit is of the view that due to negligence and weak internal controls, works remained incomplete.

Non-completion of works costing Rs 6.273 million resulted in violation of contract agreement besides depriving the public from envisaged benefits.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility besides awarding the works at risk and expense of original contractors, under intimation to Audit.

[AIR Para: 10]

59.4.4 Blockage of local government funds – Rs 5.022 million

According to Section 3(c) of the Punjab Local Government Act, 2013, a Municipal Committee shall succeed the rights, assets and liabilities of the City District Government, District Government, Town/Tehsil Municipal Administration and Union Administration which fall within the area of the Municipal Committee.

Cash books/bank statements of three defunct Union Administration of Toba Tek Singh city revealed that an amount of Rs 5.022 million was available in the bank accounts of defunct UAs. However, being the successor of defunct UAs, Municipal Committee Toba Tek Singh did not transfer the amount in consolidated fund. Resultantly, the amount remained blocked in the bank accounts of defunct UAs. The detail is as under:

(Rupees in million)

Sr. No.	UA No.	Available Amount
1	54	1.295
2	55	1.620
3	56	2.107
Total		5.022

Audit is of the view that due to weak internal controls, funds of defunct UAs remained blocked in the banks.

Non-transfer of funds of UAs to the Municipal Committee account resulted in blockage of public resources of Rs 5.022 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para:20]

59.4.5 Infuctuous expenditure on civil works – Rs 1.516 million

According to Rule 16 of Punjab Local Governments (Works) Rules 2017, the local government engineer and his staff shall be responsible to ensure that

the work is executed in best interest of the local government and in accordance with the specifications in the technically sanctioned estimates and provisions of the rules.

Municipal Committee Toba Tek Singh executed two works for patch work and improvement of green belts, plantation, beautification and installation of ornamental lights of different roads costing Rs 1.516 million during 2017-18. However, following discrepancies were noticed in execution of works:

- In case of patch work on roads two items were provided in scope of work i.e. p/l base course of stone and single surface treatment of roads with 32lbs bitumen which depicted that on some portions where base course was laid on roads single surface treatment was done instead of triple surface treatment. It is pertinent to mention that either the base course was not laid on these portions or substandard work was done due to single surface treatment on base course. Resultantly, infructuous expenditure of Rs 0.852 million was incurred due to defective estimation and execution of work.
- In case of work improvement of green belts and plantation following items were executed i.e. painting on walls, installation of ornamental LED lights, installation of laser disco light, LED jugnoo (جگنو) lights, LED search light and statue of horns deer (بارہ سنگھا). It is pertinent to mention that the work executed for improvement of green belts and plantation, no work regarding scope of work i.e. plantation and green belts was carried out and expenditure of Rs 0.664 million was incurred on unnecessary / useless items.

Audit is of the view that due to defective estimation, expenditure was incurred on irrelevant/unnecessary items.

Execution of irrelevant/unnecessary items due to defective estimation in violation of approved specifications resulted in infructuous expenditure of Rs 1.516 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to probe the matter for fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 16]

59.5 Others

59.5.1 Non-recovery of rent from lessees of municipal property – Rs 84.504 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 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.

Municipal Committee Toba Tek Singh failed to recover the rent of shops from 136 occupants of municipal property and accumulated arrears up to June, 2019 amounting to Rs 84.504 million. Contrary to the above, efforts were not made for recovery of arrears from lessees.

Audit is of the view that due to financial mismanagement, local Government dues were not recovered.

Non-recovery of local Government dues from lessees resulted in less realization of revenue amounting to Rs 84.504 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of Rs 84.504 million from the concerned at the earliest, under intimation to Audit.

[AIR Para: 1]

59.5.2 Non-recovery of Water Rate Charges – Rs 13.133 million

According to Rule 4 (3) (ix) of Punjab Local Government Budget Rules 2003, TMO and TO (I&S) being the head of offices is responsible for guarding against waste and loss of public money.

Municipal Committee Toba Tek Singh could recover an amount of Rs 14.581 million on account of Water Rate charges against total demand of Rs 27.714 million leaving balance of Rs 13.133 million unrecovered. Efforts were not made for recovery of arrears of Water Rate charges from defaulting connection holders. The detail is as under:

(Rupees in million)

Financial Year	Annual Demand			Recovery	Arrears
	Current Year demand	Arrears previous year	*Total demand		
2016-17	7.355	18.027	25.382	9.108	16.274
2017-18	11.669	16.274	27.943	12.358	15.585
2018-19	12.129	15.585	27.714	14.581	13.133

Audit is of the view that due to weak monitoring mechanism; MC authorities could not recover Water Rates charges.

Non-recovery of Water Rate charges resulted in short realization of revenue amounting to 13.133 million.

Audit recommends to recover the amount of arrears besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para: 6]

59.5.3 Less recovery of Conversion Fee – Rs 3.467 million

According to Rule 60(1)(a) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be @ 5% in case of cost of land less than one million rupees, cost of land from one million rupees to ten million rupees @ 10 percent and @ 20% if cost of land is more than ten million rupees.

Owners of three residential buildings in the jurisdiction of Municipal Committee converted the land for commercial use during 2016-19. However, less conversion fee was deposited due to wrong calculation of cost of land. Resultantly, an amount of Rs 3.467 million was less deposited into the Municipal Committee's account. The detail is given on next page:

(Rupees in million)

Sr. No.	Name of owner	Area (M-Sft)	Rate Per Marla	FY	Value of land	Conversion fee due	Conversion fee deposited	Difference
1	Ghulam Hussain	4-217	2.237	2016-17	10.733	2.147	0.236	1.911
2	Imran Ahmad S/o Noor Muhammad	07-0	0.550	2017-18	3.850	0.192	0.154	0.039
3	Zafar Iqbal S/o Sain Ditta	20-0	0.610	2018-19	12.200	2.440	0.922	1.518
Total					26.783	4.779	1.312	3.467

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

Less recovery of conversion fee due to wrong calculation resulted in loss to the Local Government amounting to Rs 3.467 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of conversion fee amounting to Rs 3.467 million from concerned at the earliest, under intimation to Audit.

[AIR Para:3]

59.5.4 Less recovery of salaries of employees from the contractors – Rs 1.215 million

According to Rules 20 and 25 of Punjab Local Government (Auctioning of Collection Rights) Rules, 2016, the contractor shall be responsible for deposit of salaries, pension contribution, premium of group insurance, leave salary, all allowances and other fringe benefits permissible to the employees of a local government attached with him for administration and collection of respective income. The contractor shall supervise, monitor and control the collection staff entrusted to him for purpose of collection and not appoint his personal staff for collection of income without the prior approval of local government and all collections shall be carried out by him through the staff of local government concerned assigned to him for this purpose.

Authorities of Municipal Committee Toba Tek Singh auctioned collection rights of parking fee of General Bus stand for the period 2018-19 to the contractor for 6.340 million and collected salaries of employees amounting to Rs 1.863 million in addition to auction price, whereas the collected amount of salaries during 2017-18 was Rs 3.079 million. Resultantly, pay & allowances amounting to Rs 1.215 million were less realized.

Audit is of the view that due to weak financial management, short recovery of pay and allowances was made from the contractor.

Short recovery of pay & allowances from the contractor resulted in loss to the MC amounting to Rs 1.215 million.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends to recover the balance amount from the concerned, under intimation to audit.

[AIR Para:5]

59.5.5 Non-deduction of Social Security Contribution – Rs 1.166 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. Further, according to the Punjab Employees Social Security Institution letter No.SS.(C&B)/Cont(1)/14/899 dated 17.07.2014 duly endorsed by Government of the Punjab LG&CD Department vide letter No.SO.DG-DEV(LG)4-1/2014 dated 19.08.2014, in case of default of private contractors to get their employees

registered with PESSI the contribution equal to 6% of the wages of such employees may be deducted at source and deposited with the concerned PESSI office.

Municipal Committee Toba Tek Singh executed different development works through eleven contractors during 2017-19 but payment was made without obtaining certificate regarding payment of Social Security Contribution of workers employed by the contractors. Further, Chief Officer did not make efforts to deduct the Social Security Contribution @ 6 percent amounting to Rs 1.166 million from claims of the contractors before making payments. The detail is as under:

(Rupees in million)

DDO	FY	No. of Contractors	No. of Employees	Average wage rate/Annum	Total Wages	Amount @ 6%
CO, MC, TT Singh	2017-19	11	108	15,000x12 = 180,000	19.440	1.166

Audit is of the view that due to weak internal controls, deduction of Social Security Contribution was not made.

Non-deduction of Social Security Contribution amounting Rs 1.166 million resulted in excess payment to the contractors.

The matter was reported to the DDO concerned in February, 2020. No DAC meeting was held till the finalization of this report.

Audit recommends recovery of Social Security Contribution from the concerned, under intimation to Audit.

[AIR Para: 24]

60. Municipal Committee Jahanian

CHAPTER 60.1

Sectoral Analysis of Municipal Committee Jahanian

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Jahanian for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	215.581	170.157	(45.424)	-21.07%
Non-salary	44.936	24.376	(20.560)	-45.75%
Development	95.476	30.680	(64.796)	-67.87%
Sub Total	355.993	225.213	(130.780)	-36.74%
Receipts	349.940	276.720	(73.220)	-20.92%

- An amount of Rs 215.581 was provided for pay and allowance out of which Rs 170.157 million was utilized resulting in lapse of Rs 45.424 million (21.07%).
- An amount of Rs 44.936 million was provided for non-salary component out of which Rs 24.376 million was utilized resulting in lapse of Rs 20.560 million (45.75%).
- An amount of Rs 95.476 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 30.680 million was utilized resulting in non utilization of funds of Rs 64.796 million (67.87%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Jahanian was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given on next page:

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess + /less () achievement	%age
B01313 - Tax on Transfer of Immovable Property	16.100	19.371	3.271	20.320
C0388002 - License fee (Dangerous and Offensive Trade)	0.270	0.319	0.049	18.222
C0388016 - General Bus Stand fee	1.665	1.621	(0.044)	(2.613)
C0388020 - Riksha/Motorcycle/ Bicycle Stand fee	1.870	1.915	0.045	2.431
C0388027 - Fee for approval of Building/ Construction Plan	4.500	2.726	(1.774)	(39.414)
C0388029 - Conversion Fee for change in building use	5.000	4.507	(0.493)	(9.869)
C0388033 - Fee for Land Use Tehbazari	11.100	10.503	(0.597)	(5.375)
C0388042 - Fee for slaughtering of animals	1.045	1.099	0.054	5.177
C0388047 - Receipts on account of sale of water - residential	0.054	0.010	(0.044)	(81.083)
C0388054 - Sewerage Fee/ Charges/ Nali Tax	0.146	0.115	(0.031)	(21.233)
C0388057 - Sanitation Fee/ Safai Tax	0.045	0.032	(0.013)	(28.222)
C0388071 - Registration/ Enlistment of Contractors	0.370	0.374	0.004	1.081
C0388072 - Renewal of Registration	0.125	0.090	(0.035)	(28.000)
C0388074 - Contractor Advances/Deposits	1.500	0.357	(1.143)	(76.187)
C0388076 - Advertisement Fee on billboards/ hoardings	0.984	0.700	(0.284)	(28.815)
C0388081 - Rent of municipal Property - Shops	57.000	50.859	(6.141)	(10.774)
C0388084 - Rent of municipal Property - agricultural land	0.250	0.090	(0.160)	(64.000)
C0388087 - Copying fee	0.362	0.322	(0.040)	(10.925)
C0388089 - Sale of trees and plants	0.600	-	(0.600)	(100.000)
C0388090 - Sale of stocks and stores	0.200	0.023	(0.177)	(88.450)
C0388091 - Others Miscellaneous Fee	0.375	0.311	(0.064)	(17.028)
C0388092 - Magisterial Fee (Fine and Penalties by Judicial Magistrate)	0.085	0.016	(0.069)	(80.941)
C0388093 - Arrears of Water Rate	1.700	0.005	(1.695)	(99.707)
C0388094 - Miscellaneous Arrears	36.067	7.471	(28.597)	(79.287)
C0388095 - Income from Cattle Pond	0.005	0.026	0.021	421.000
C0388096 - NOC Fee	0.250	0.102	(0.148)	(59.160)
C0388098 - Arrears of Shop	25.672	11.609	(14.063)	(54.779)
C03725 - Others (Marriage Registration Fee)	0.220	0.169	(0.051)	(22.984)
Total Receipts	349.940	276.720	(73.220)	(20.924)

The above table of receipts heads shows that an amount of Rs 349.940 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 276.720 million was realized resulting in less receipt of Rs 73.220 million (20.924%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the house.

CHAPTER 60.2

Municipal Committee Jahanian

60.2.1 Introduction

Municipal Committee, Jahanian manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Jahanian:

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19 (Rs in million)	Revenue / Receipts audited FY 2018-19 (Rs in million)
1	Formations	01	01	77.945	83.016
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

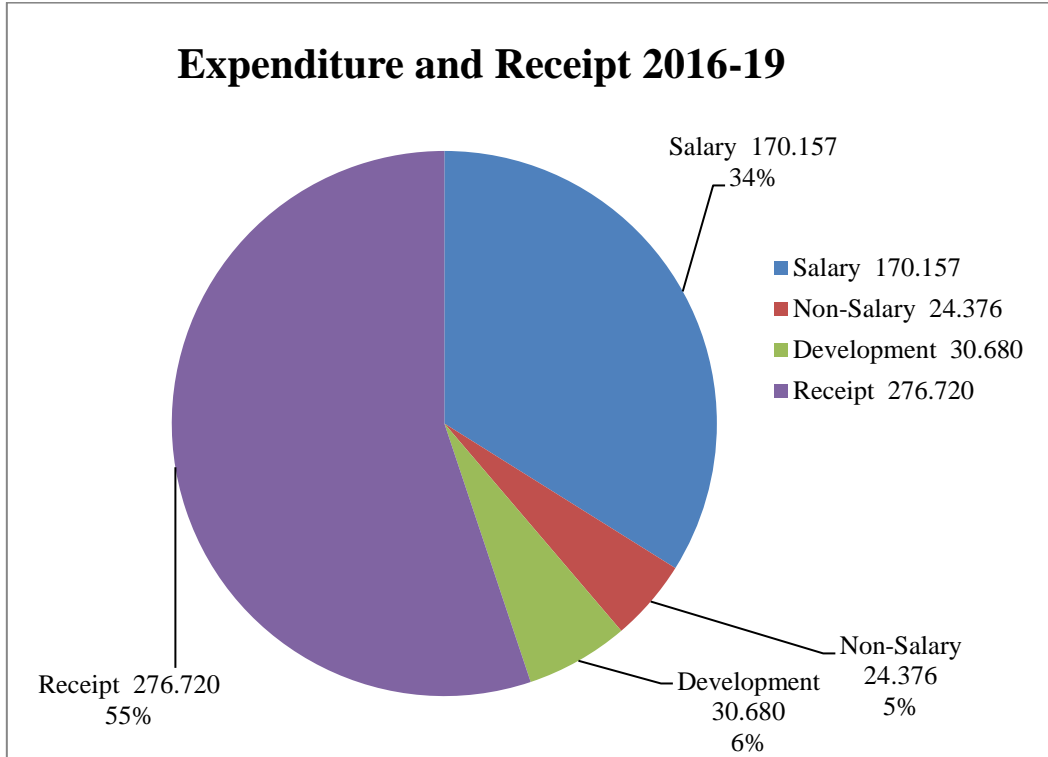
60.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the period 2016-19 is given on next page in tabulated form:

(Rupees in Million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	215.581	170.157	(45.424)	-21.07%
Non-salary	44.936	24.376	(20.560)	-45.75%
Development	95.476	30.680	(64.796)	-67.87%
Sub Total	355.993	225.213	(130.780)	-36.74%
Receipts	349.940	276.720	(73.220)	-20.92%

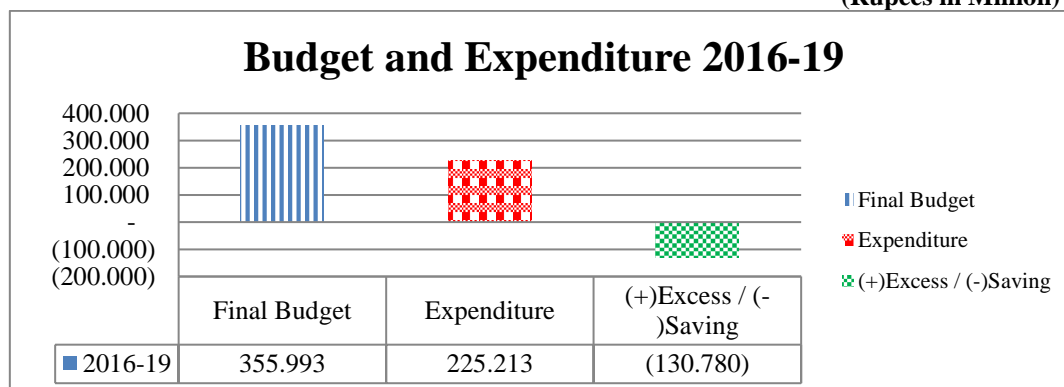
(Rupees in Million)



As per the Annual Accounts of the Municipal Committee Jahanian for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 355.993 million. Against the budget, total expenditure of Rs 225.213 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 130.780 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to

the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Jahanian. (Annexure-B)

(Rupees in Million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 20.560 million (45.75 percent).

60.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 695.543 million were raised as a result of this audit. This amount also includes recoverable of Rs 15.948 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural irregularities	-
A	HR / employees related irregularities	-
B	Procurement related irregularities	49.492
C	Management of Accounts with Commercial Banks	397.810
4	Value for money and service delivery issues	248.241
5	Others	-
Total		695.543

60.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Jahanian established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

60.3 Procedural Irregularities

60.3.1 Non-maintenance of separate books of accounts by each DDO – Rs 397.81 million

According to accounts Rules 2017 vide Para 15 (1)(2) Responsibility of the drawing and disbursing officer: the drawing and disbursing officer shall: a) prepare estimates of expenditure for each head of account of expenditure; d) maintain cash book and promptly necessary entries in the cash book as soon as the monies are withdrawn, disbursed or credited to the local fund of public account of the local government. E) prepare monthly and annual statements of expenditures and reconcile the figures with the accounts of the accounts officer and the bank concerned, remove any discrepancy pointed out in reconcile with the account officer and the bank, and bring the matter of any discrepancy to the notice of the chief officer indicating the amount involved and the employees from whom the amount shall be recovered.

DDOs of Municipal committee Jahanian incurred expenditure of Rs 397.81 million on account of salaries, non-salary and development projects during 2016-19 as detail below but did not maintain separate books of accounts i.e. Cash Book, Contingent Register, and Budget Control Register, works register. Passed copy of bills voucher either relating to pay, contingency or development expenditure were not retained in the office of each DDO during the financial year 2016-19. Neither book of accounts was maintained nor reconciliations of expenditures being carried out with the accounts of local fund audit despite the fact that each DDOs were allocated separate budget under specified head of accounts as prescribed under relevant rules.

(Rupees in million)

Sr. No.	Description	2016-17	2017-18	2018-19	Total
1	Salary	26.46	57.61	86.09	170.16
2	Non salary	30.62	66.90	97.36	194.88
3	Development	2.00	22.92	7.86	32.78
	Total	59.09	147.42	191.30	397.81

Due to weak internal and financial management control separate books of accounts were not prepared.

Non-maintenance of separate books of accounts resulted in non-observance of government rules and regulations.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends preparation of separate books of accounts as per government's rules and regulations besides provision of same to audit.

[AIR Para No.33]

60.3.2 Unlawful opening of tenders because of incomplete tender committee for the schemes – Rs 30.8 million

According to section (9) of Government of the Punjab Local Government Works Rules, 2017 the tender committee shall comprise of:

- | | |
|--|----------|
| 1. Chief Officer | Convener |
| 2. Representative of Deputy Commissioner | Member |
| 3. Assistant Engineer, concerned Local Government | -do- |
| 4. District Officer Finance, Municipal Officer (Finance) | -do- |
| 5. District Officer/Municipal Officer (Infrastructure) | -do- |

Management of Municipal committee, Jahanian opened tenders of 15 development schemes having administrative approval / technical sanction valuing Rs 30.8 million without complete tender committee in violation of above rule. Members at serial No. 1, 2 and 3 of the tender opening committee were not present at the time of tender opening for the year 2016-17. While the record pertaining to tender opening for the year 2017-18 and 18-19 was not available of schemes as detail attached.

Due to financial indiscipline of the department, tenders were opened by incomplete tender committee.

Opening of tenders by incomplete tender committee indicated non-transparent tendering which resulted in awarding the contracts of Rs 30.8 million to favourite contractors.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends inquiry into the matter and appropriate action against the concerned besides fixing of responsibility, under intimation to Audit.

[AIR Para No.1]

60.3.3 Irregular approval of development schemes valuing Rs 10.900 million

According to clause 3 of Punjab Local Government works Rules 2017, the work costing Rs 1.500 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.

Management of Municipal Committee, Jahanian did not ensure to approve the projects costing over of 1.500 million having total estimated cost of Rs 10.900 million on the prescribe format of PC-I, as detailed below:

Sr. No.	Name of Schemes 2016-17	Estimated Cost
1	Construction of soling, tuff tile sewerage, Christian Colony, Ghalla Mandi, Water Filtration plant Ward No 2	2.600
3	Construction of Water Filtration Plant Jinnah Colony A Ward No.5	1.600
4	Construction of Water Filtration Plant Jinnah Colony B	1.600
5	Construction of Tuff Tile Sewerage Jalal Abad &and Water Filtration Plant Ward No.10	2.600
6	Construction and Repair of Offices of Municipal Committee Jahanian	2.500
Total		10.900

Due to weak financial and internal control the irregularity occurred.

Weak financial control resulted irregular approval of development scheme valuing Rs 10.900 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixing of responsibility on the person(s) at fault and approval of scheme by the competent authority on prescribed performa of PC-I, under intimation to Audit.

[AIR Para No. 3]

60.3.4 Irregular approval of execution of development schemes without approval of house valuing Rs 5.200 million

According to clause 6 (3) of Punjab Local Government works Rules 2017, the annual development plan shall be placed before the house for the budget allocation in its ordinary meeting for consideration and approval, with or without modification.

Management of Municipal Committee, Jahanian issued work order of the following schemes of Rs 5.200 million without ensuring the approve of house.

Sr. No.	Name of Schemes 2016-17	Estimated Cost
1	Construction of soling, tuff tile sewerage, Christian colony, Ghalla Mandi, Water Filtration plant Ward No 2	2,600,000
2	Construction of Tuff Tile Sewerage Jalal Abad &and Water Filtration Plant Ward No.10	2,600,000
Total		5,200,000

Due to weak financial and internal control the irregularity occurred.

Weak financial control resulted irregular execution of development scheme valuing Rs 5.200 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not

convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 6]

60.3.5 Irregular expenditures in violation of PPRA rules on national, religious and other event - Rs 2.592 million

According to rule 9 of PPRA, 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. Further, according to rule 12 (1) of PPR, 12 Procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

Management of Municipal committee, Jahanina incurred expenditure of Rs 2.592 million during 2016-19 on Independence Day, Eid-ul-Azah, Eid Milad-un-Nabi and other sports event for printing of panaflexes, lighting, sweet, tentage etc. The expenditure was incurred irregularly by splitting the indents in order to avoid the tendering process in order to give benefit of supplier of own choice. Further, most of bills were paid on simple dateless applications rather than printed bills of suppliers as copy of bills not provided to audit. Furthermore, stock entries were not made for the panaflexes etc. and no further issuance was on record.

Annexure-1/JHN

Due to weak internal controls, irregular heavy expenditure was incurred by violating the PPRA rules 2014.

Irregular expenditure resulted in non-transparent expenditure in violation of the Government instructions.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 34]

60.4 Value of Money and Service Delivery Issues

60.4.1 Undue benefit to developers due to non-mortgage of land / plots – Rs 198.825 million

According to Section 17 (f) (I) & (II) and Section 42 (h) of the Punjab Private Housing Schemes and Land Sub Division Rules 2010, “A developer shall submit in the name of a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority a mortgage deed of twenty percent of the saleable area, in accordance with Form C, as security for completion of development works; or submit a performance bond, in accordance with Form D and D1, consisting of a performance agreement and a bank guarantee respectively and the amount of bank guarantee shall be equivalent to total cost of development works”.

Management of Municipal Committee, Jahanian neither mortgage 20% of saleable area valuing Rs 198.825 million of following LSDs nor get performance bond of the said amount as security for completion of development works. This shows that undue benefit has been granted to the developer of the LSD by allowing them to sales the plot without development, as detailed below:

(Rupees in million)									
Sr. No	Name of Private Housing Scheme	Name of owner	Location	Area of LSD in acre	Date of approval	Total saleable area	Rate of area per acre	Total value of saleable area	20% of saleable area
1	Usman City (Land Sub Division) Near Jinnah Abaadi Second Bai Paas Jahanian	Owner: Asif Ali, Muhammad Yousaf Developer: Malik Waheed	111/10-R	24	12.09.2013	12	4.400	52.800	10.560
2	Gulshan-E-Karachi Town (Land Sub Division) Super Highway Road Opposite Disposal Station	Owner: Abdul Rehman Sifi	112/10-R	48	25.06.2015	24	4.400	105.600	21.120
3	Al-Mustafa Town (Land Sub Division) Masjid Quddas Road Near Jinnah Colony	Owner: Haji Mehmood Akhtar	111/10-R	24	13.09.13	12	4.400	52.800	10.560

Sr. No	Name of Private Housing Scheme	Name of owner	Location	Area of LSD in acre	Date of approval	Total saleable area	Rate of area per acre	Total value of saleable area	20% of saleable area
4	Ibrahim Town (Land Sub Division) Opposite Housing Scheme Jahanian	Owner: Ghulam Serwar	112/10-R	64	27.06.2016	32	4.400	140.800	28.160
5	New Jahanian (Land Sub Division) Near Shell Petrol Pump Khanewal Road	Owner: Khadim Hussain Muhammad Razaq S/O Nawab Din	110/10-R	64	27.0.2016	32	3.300	105.600	21.120
6	Qazi Town (Land Sub Division) Raheem Shah Road	Owner: Muhammad Aslam, Arshad Ali Developer: Riaz Ali Chatha	110/10-R	20	29.02.2012	10	3.300	33.000	6.600
7	Al-Jannat Block (Land Sub Division) Old Khanewal Road Chak No.110/10-R	Owner: Shahid Jamal Developer: Shaikh Irfan	110/10-R	68	22.12.2012	34	3.300	112.200	22.440
8	Modal City Town (Land Sub Division) Raheem Shah Road Jahanian	Owner: Ghulam Serwar	110/10-R	50	27.08.2013	25	3.300	82.500	16.500
9	Al-Haram Villaz (Land Sub Division) Khanewal Road Jahanian	Owner: Ch. Yameen	110/10-R	84	06.12.2014	42	3.300	138.600	27.720
10	Kashaf Villaz (Land Sub Division) Khanwal Road Jahanian	Owner: Ishfaq Ahmad	110/10-R	64	23.06.2016	32	3.300	105.600	21.120
11	Rehmat Villaz (Land Sub Division) Canal Road Chak No.115/10-R Railway Bridge	Owner: Asif Mughal	115/10-R	47	15.03.14	23.5	2.750	64.625	12.925
Total									198.825

Due to weak internal controls, property was not transferred to Municipal Committee.

Non transfer of property in the name of Municipal Committee resulted in loss of Rs 198.825 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends for mortgage of land and to make sure the completion of development work well in time besides action against the person (s) at fault, under intimation to Audit.

[AIR Para No. 15]

60.4.2 Non-transfer of property to Municipal committee – Rs 33.468 million

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

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

Management of Municipal Committee, Jahanian provisionally approved three (03) land sub divisions/ Housing Schemes during 2016-19 but area of roads, parks, open space, solid waste management and public buildings valuing Rs 33.468 million was not got transferred in the name of MC uptill now, as detailed below:

(Amount in Rupees)						
Sr. No.	Name of LDD	Owner	Location	Area to be transferred	Value per Marlas	Value of Property
1	Ibarhim Town	Ch. Ghulam server	112/10R	323	27,500	8,882,500

Sr. No.	Name of LDD	Owner	Location	Area to be transferred	Value per Marlas	Value of Property
2	New Jahanian Town	Ch. Ghulam server	110/10R	588	20,625	12,127,500
3	Singa Pur Town	Ch. Ghulam server	111/10R	453	27,500	12,457,500
Total						33,467,500

Due to weak internal controls, property was not transferred to Municipal Committee.

Non-transfer of property in the name of Municipal Committee may result in sale of TMA property valuing Rs 33.468 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends for transferring of land in the name of Municipal Committee besides initiating action against the person (s) at fault besides transfer of property in the name of MC, under intimation to Audit.

[AIR Para No.21]

60.4.3 Non-realization of conversion fee from private school and hospital – Rs 6.636 million

According to Chapter VIII (60) (1) (e) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules 2009, “A City District Government or a Tehsil Municipal Administration shall levy the conversion fee for the conversion of land use to educational or healthcare institutional use @ ten percent of the value of the commercial land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available

Management of Municipal Committee, Jahanian did not collect conversion fee of Rs 6.636 million from the owners of the buildings who had converted the buildings into educational and healthcare institutions in violation of

above rule. Neither notices were issued to the educational and health institutes nor any survey was conducted to document such buildings. **Annexure-2/JHN**

Due to weak internal control and poor vigilance commercialization fee was not recovered from these institutes.

Non-collection of conversion fee resulted in loss of Rs 6.636 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixation of responsibility on the persons at fault besides recovery of conversion fee Rs 6.636 million from the concerned on the basis of actual area, under intimation to Audit.

[AIR Para No.17]

60.4.4 Non-recovery of municipal committee dues – Rs 3.842 million

According to Rule 7 of Punjab Local Governments (Budget) Rules 2017, The Collecting officer is responsible to ensure timely recovery against each demand. According to Rule 47(1) of PLG (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. Furthermore, according to Rule 2017 a demand and collection register/ Taxpayers account shall be maintained by the collecting officer/Assistant collecting Officer of the revenue officer of a Local Government. Further according to the Rule 13 of the Punjab Local Government (Budget Rules) 2017, The Local Government to ascertain the revenue potential shall conduct a review of tax base.

Management of Municipal Committee, Jahanian did not recovered municipal committee dues of Rs 3.842 million and no any serious efforts were made by the department to recover the arrears, as detail given on next page:

(Rupees in million)

Sr. No.	Detail Receipt Head	Amount to be recovered	Actual recovery	Short Recovery
1	C0388081 - Rent of municipal Property – Shops	23.000	22.482	0.518
2	C0388093 - Arrears of Water Rate	0.100	0.021	0.079
3	C0388098 - Arrears of Shop	10.672	7.427	3.245
Total		33.772	29.93	3.842

Due to weak internal and financial controls municipal committee due were not recover by the management.

Non-recovery of municipal committee due resulted in loss of revue Rs 3.842 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides recovery of Rs 3.842 million, under intimation to Audit.

[AIR Para No.27]

60.4.5 Non-recovery of municipal committee dues from the illegal land sub divisions – Rs 2.922 million

According to Rule 39 of Punjab Private Housing Schemes and Land Sub-division Rules, 2010 a developer shall deposit fee for conversion of pri-urban area to scheme use at the rate of one percent of the value of the residential land as per valuation table or owner percent of the average sale price of preceding twelve months of residential land in the vicinity, if valuation table is not available. Moreover, according to Rule 43 (a) a developer shall submit an application for sub-division of a plot or a land to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority along with rupees one thousand as a scrutiny fee. Further The Punjab Private Housing Schemes and Land Sub-division Rules, 2010 Vide Rule 37 (1) (2) A developer shall deposit a preliminary planning

permission fee along with application at the rate of (a) rupees five thousand for scheme having area up to two thousand kanal; and (b) rupees ten thousand for scheme having area above two thousand kanal A developer shall deposit a fee for:

- (a) Sanction of a scheme at the rate of rupees one thousand per kanal;
- (b) Approval of design and specifications for water supply, sewerage and drainage at the rate of rupees five hundred per kanal;
- (c) Approval of design and specifications for road, bridge and footpath of a scheme at the rate of rupees five hundred per kanal;
- (d) Approval of design and specifications for electricity and street light at the rate fixed by WAPDA or other agency responsible for electricity supply.

Management of Municipal Committee, Jahanian did not recover map fee, conversion fee and security fee amounting Rs 2.922 million from the owners of private housing societies situated in its jurisdiction. The owners were running their business without approval of schemes and no legal action has been taken by the management against the developers/owner of LSDs, as detailed below:

Sr. No.	Name of scheme	Name of Developer / owner	location	Estimated areas in Acre	Kanal	Marlas	Minimum DC rate in the area per acre	Total Estimated Value	Conversion fee	Map fee @ 400 per marla of saleable area	scrutiny Fee	Total Recoverable (Rs in million)
1	Canal Garden (Land Sub Division)	Hafiz Randawa	112/10 R	9	72	1,440	3,000,000	27,000,000	270,000	288,000	1,000	0.559
2	Waris Town (Land Sub Division)	Malik Ishfaq Jatt	110/10 R	3	24	480	3,000,000	9,000,000	90,000	96,000	1,000	0.187
3	Zafar City (Land Sub Division)	Malik Jaffar	110/10 R	5	40	800	3,000,000	15,000,000	150,000	160,000	1,000	0.311
4	Ghufoor City (Land Sub Division)	Ghulam Muhammad	111/10 R	4	32	640	3,000,000	12,000,000	120,000	128,000	1,000	0.249
5	Taybba town	Malik Mudasir	109/10 R	5	40	800	3,000,000	15,000,000	150,000	160,000	1,000	0.311
6	Arsalan city	Afzal randawa	111/10 R	7	56	1,120	3,000,000	21,000,000	210,000	224,000	1,000	0.435
7	Golf city	ImraN Gill	115/10 R	10	80	1,600	3,000,000	30,000,000	300,000	320,000	1,000	0.621
8	Alfaisal town	Abdul Khaliw khqi	111/10 R	4	32	640	3,000,000	12,000,000	120,000	128,000	1,000	0.249
Total									1,560,000	1,664,000	9,000	2.922

Due to weak financial management, illegal housing schemes were running their business without approval and payment of Scrutiny fee, map fee & conversion fee.

Non-recovery of government revenues resulted in loss of Rs 2.922 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery from concerned besides taking legal action against the developers and fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 16]

60.4.6 Non-recovery of commercialization fee for illegal construction of commercial buildings – Rs 2.548 million

According to Rule 60 of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 as amended in 2012 a City District Government or a Tehsil Municipal Administration shall levy fee for conversion of land use from agricultural, residential, industrial, peri-urban area or intercity service area to commercial use conversion fee at the rate of 5% of the value of the land up to 1 million, 10% of the value of the land up to 10 million and 20% of the value of the land if value of the land value exceeds 10 million.

Management of Municipal Committee, Jahanian allowed illegal construction of commercial buildings in the jurisdiction of Municipal Committee, Jahanian without obtaining government dues amounting to Rs 2.548 million. The management neither received the government dues nor take solid steps to stop the illegal construction. **Annexure-3/JHN**

Due to weak internal controls, illegal constructions of buildings were allowed without recovering of Municipal Committee dues.

Non-recovery of municipal committee dues resulted in loss of Rs 2.548 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of the Government dues amounting to Rs 2.548 million, besides taking prescribed penal action and fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 14]

61. Municipal Committee Kabirwala

CHAPTER 61.1

Sectoral Analysis of Municipal Committee Kabirwala

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Kabirwala for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	332.778	171.755	(161.023)	-48.39%
Non-salary	156.602	71.306	(85.296)	-54.47%
Development	67.430	9.856	(57.574)	-85.38%
Sub Total	556.810	252.917	(303.893)	-54.58%
Receipts	200.518	141.638	(58.880)	-29.36%

- An amount of Rs 332.778 was provided for pay and allowance out of which Rs 171.755 million was utilized resulting in lapse of Rs 161.023 million (48.39%).
- An amount of Rs 156.602 million was provided for non-salary component out of which Rs 71.306 million was utilized resulting in lapse of Rs 85.296 million (54.47%).
- An amount of Rs 67.430 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 9.856 million was utilized resulting in non utilization of funds of Rs 57.574 million (85.38%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Kabirwala was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given on next page:

Major / Minor Detailed Object of Receipts	Budgeted 2016-17	Actual 2016-17	Excess (+) / less (-) achievement	%age
B01313 - Tax on Transfer of Immovable Property	8.000	6.194	(1.806)	(22.57)
C0388007 - License fee - others	0.560	0.111	(0.449)	(80.18)
C0388020 - Riksha/Motorcycle/Bicycle Stand fee	0.600	0.400	(0.200)	(33.41)
C0388027 - Fee for approval of Building/ Construction Plan	1.500	0.650	(0.850)	(56.70)
C0388029 - Conversion Fee for change in building use	2.000	0.937	(1.063)	(53.14)
C0388046 - Water connection/disconnection/ re-connection fee	0.250	0.123	(0.127)	(50.80)
C0388054 - Sewerage Fee/ Charges/ Nali Tax	0.100	0.064	(0.036)	(36.25)
C0388057 - Sanitation Fee/ Safai Tax	0.050	0.039	(0.011)	(22.00)
C0388058 - Sale of sullage/ wastewater	0.500	0.225	(0.275)	(55.08)
C0388072 - Renewal of Registration	0.500	0.397	(0.103)	(20.64)
C0388076 - Advertisement Fee on billboards/ hoardings	1.000	0.727	(0.273)	(27.25)
C0388090 - Sale of stocks and stores	0.225	0.057	(0.168)	(74.71)
C0388095 - Income from Cattle Pond	0.100	-	(0.100)	(100.00)
C0388096 - NOC Fee	0.050	-	(0.050)	(100.00)
C0388004 - License Fee (Junk Yard)	0.030	-	(0.030)	(100.00)
Total:	15.465	9.923	(5.542)	(35.84)
Major / Minor Detailed Object of Receipts	Budgeted 2017-18	Actual 2017-18	Excess (+) / less (-) achievement	%age
B01313 - Tax on Transfer of Immovable Property	12.000	8.740	(3.260)	(27.17)
C0388007 - License fee - others	0.300	0.115	(0.185)	(61.80)
C0388016 - General Bus Stand fee	5.000	4.585	(0.415)	(8.31)
C0388027 - Fee for approval of Building/ Construction Plan	3.000	1.530	(1.470)	(48.99)
C0388042 - Fee for slaughtering of animals	0.200	0.175	(0.025)	(12.44)
C0388057 - Sanitation Fee/ Safai Tax	0.100	0.058	(0.043)	(42.50)
Total	20.600	15.202	(5.398)	(26.20)
Major / Minor Detailed Object of Receipts	Budgeted 2018-19	Actual 2018-19	Excess (+) / less (-) achievement	%age
B01302 - UIP Tax / Share of net proceeds assigned to Districts/TMAs etc.	11.000	5.295	(5.705)	(51.87)

B01313 - Tax on Transfer of Immovable Property	13.000	8.142	(4.858)	(37.37)
C03555 - Car parking fee	0.060	-	(0.060)	(100.00)
C0388001 - License fee (Articles of Food and Drink)(professional Tax)	0.300	0.117	(0.183)	(61.07)
C0388002 - License fee (Dangerous and Offensive Trade)	0.050	0.013	(0.037)	(74.00)
C0388003 - License Fee (Dogs and other Domestic Animals)	0.050	0.012	(0.038)	(76.00)
C0388020 - Riksha/Motorcycle/ Bicycle Stand fee	0.900	0.092	(0.808)	(89.78)
C0388027 - Fee for approval of Building/ Construction Plan	2.000	1.905	(0.095)	(4.75)
C0388042 - Fee for slaughtering of animals	0.200	0.177	(0.023)	(11.57)
C0388046 - Water connection/ disconnection/ re-connection fee	0.200	0.167	(0.033)	(16.35)
C0388057 - Sanitation Fee/ Safai Tax	0.100	0.047	(0.054)	(53.50)
C0388072 - Renewal of Registration	0.700	0.180	(0.521)	(74.36)
C0388087 - Copying fee	0.300	0.181	(0.119)	(39.53)
C0388090 - Sale of stocks and stores	0.500	0.102	(0.398)	(79.53)
C0388096 - NOC Fee	0.100	0.048	(0.052)	(51.83)
Nikah Fee	0.300	0.191	(0.109)	(36.40)
Total	29.760	16.668	(13.092)	(43.99)
Grand Total	65.825	41.793	(24.032)	(36.51)

The above table of receipts heads shows that an amount of Rs 65.825 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 41.793 million was realized resulting in less receipt of Rs 24.032 million (36.51%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the house.

CHAPTER 61.2

Municipal Committee Kabirwala

61.2.1 Introduction

Municipal Committee, Kabirwala manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Kabirwala:

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19 (Rs in million)	Revenue / Receipts audited FY 2018-19 (Rs in million)
1	Formations	01	01	63.229	35.409
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

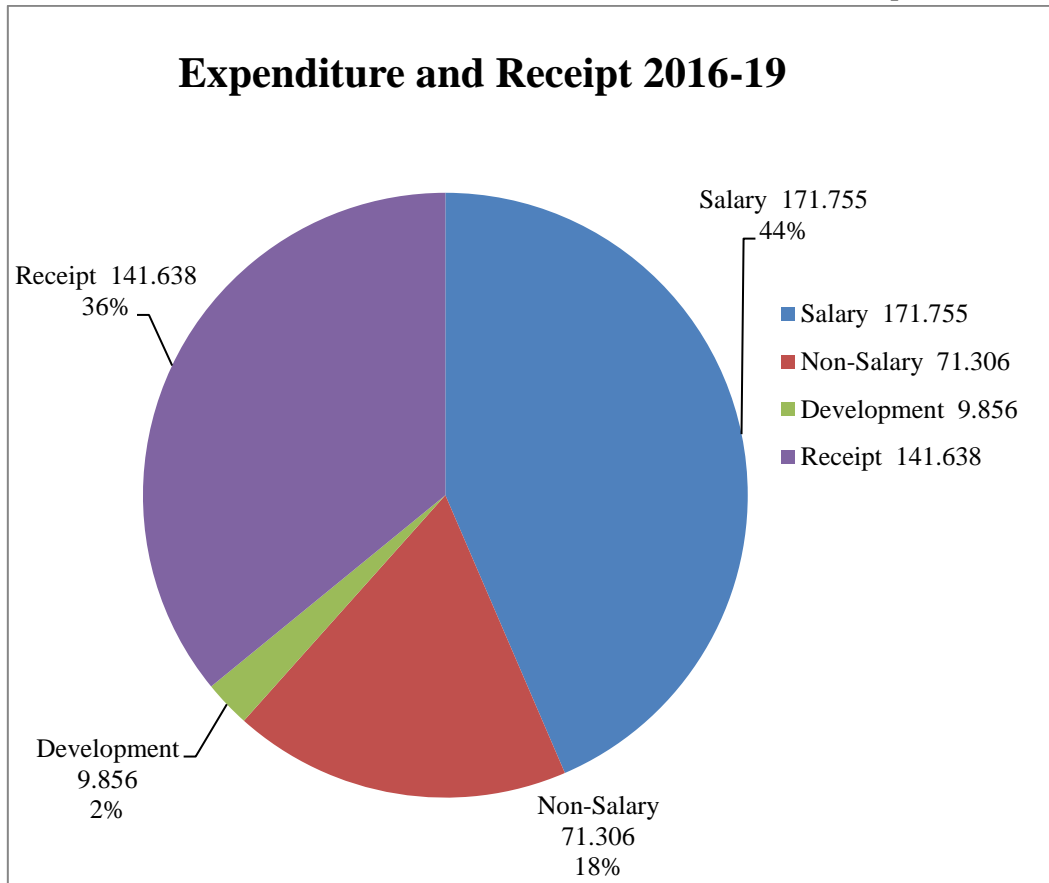
6.1.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the period 2016-19 is given below in tabulated form:

(Rupees in million)

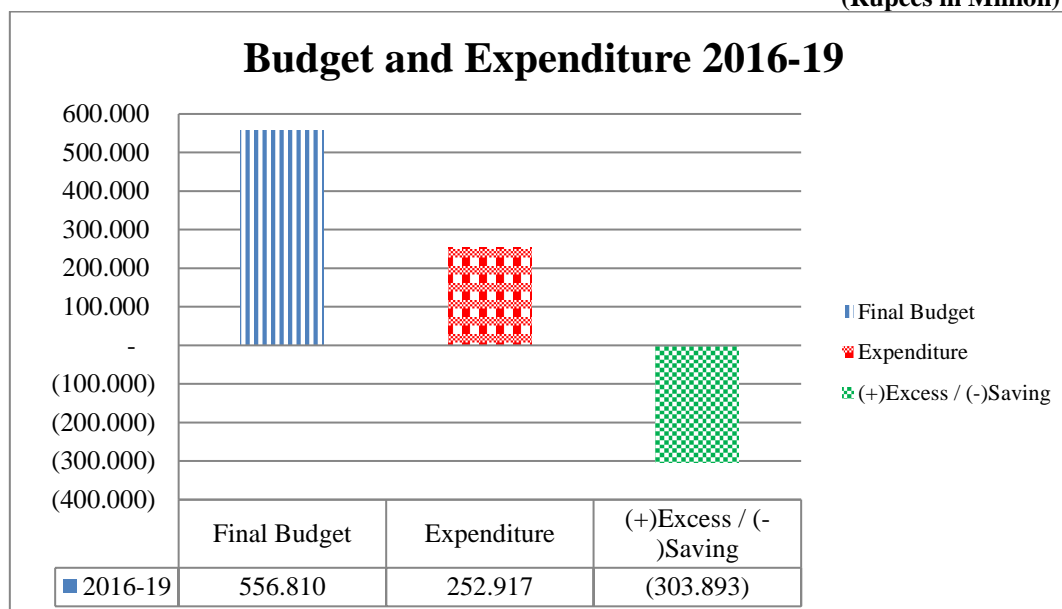
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	332.778	171.755	(161.023)	-48.39%
Non-salary	156.602	71.306	(85.296)	-54.47%
Development	67.430	9.856	(57.574)	-85.38%
Sub Total	556.810	252.917	(303.893)	-54.58%
Receipts	200.518	141.638	(58.880)	-29.36%

(Rupees in Million)



As per the Annual Accounts of the Municipal Committee Kabirwala for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 556.810 million. Against the budget, total expenditure of Rs 252.917 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 303.893 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Kabirwala. **(Annexure-B)**

(Rupees in Million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 85.296 million (54.47 percent).

61.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 25.386 million were raised as a result of this audit. This amount also includes recoverable of Rs 13.202 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs in million)
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural irregularities	-
A	HR / employees related irregularities	-
B	Procurement related irregularities	10.295
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	15.091
5	Others	-
Total		25.386

61.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Kabirwala established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

61.3 Procedural Irregularities

61.3.1 Irregular expenditure due to splitting – Rs 8.936 million

As per Rule 15.2 (b) II “a class of similar articles as stores be procured, at one time without splitting the indent during a period of one year unless the requisite stores are controlled or covered by a Rate and Running Contract or are of such a special nature as can not easily be procured or are exempted under special or general order of Government or by any other officer authorized on their behalf”. Moreover, as per Rule 12 (1) of PPRA 2014 “Procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA’s website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency”.

Management of Municipal Committee Kabirwala incurred expenditure of Rs. 8.936 million on various items during F.Y 2018-19. All the expenditure held irregular/ unjustified with reservation that the department did not follow the condition of above quoted rules. The department splitted the vouchers to remain below Rs 100,000 to avoid PPRA Rules to avoid sanction from next authority. Furthermore, it was observed that wasteful expenditure on refreshment, panaflex, rent of tentage, sports items and on various events was made without requirement. Quotations were not properly received as per rule. **Annexure-1/KBR**

Audit is of the view that due to weak internal control, expenditure was made in splitting.

Splitting of expenditure resulted in violation of rule.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommended that the matter may be got regularized from the competent authority under intimation to audit.

[AIR Para No.14]

61.3.2 Irregular procurement of motor cycle rikshaw trolley – Rs 1.359 million

According to 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.

Management of Municipal Committee, Kabirwala purchased motor cycle rikshaw trolley beyond approved specification by the chief engineer Lahore amounting Rs 1.359 million during F.Y 2016-18. The detail is as under:

(Amount in Rupees)

Contractor	Type of items purchased	Model	No. of quantity	Per unit rate	Amount
Hafeez trader Kabirwala	Motor cycle rikshaw trolley	2017 United 100 CC	4	149,900	599,600
Javed & Company Mian Chanu	Motor cycle rikshaw trolley	Qinchi 2018	4	190,000	760,000
Total					1,359,600

Audit observed following irregularities during physical inspection:

1. During 2016-17, 4 No. Motor cycle rikshaw trollys were purchased through contractor @Rs149,000 each. The motor cycles were of United Company having size of 48*50*21 instead of 48*54*23 as per approved specification by the chief engineer Lahore out of which 1 motor cycle was out of order since procurement. Furthermore, name of company of motor cycle was not mentioned in advertisement, in approved estimate, in rate quotation / bid document. There were no dates mentioned on quotations and invoice.
2. During 2017-18, 4 No. Motor cycle rikshaw trollys were purchased through contractor of Qinchi company @ Rs 190,000 each without preparation of rate analysis. Furthermore, name of company of motor cycle was not mentioned in advertisement, in rate quotation / bid

document. There were no dates mentioned on invoices and on quotation. Motor bikes were purchased @ Rs 49,500 each and after then got prepared / attached with trolley. Procurement was made on quotation without rate analysis, approved by chief engineer Lahore.

Audit is of the view that due to weak internal control, procurement was made without observing approved specification.

Procurement without observing approved specification resulted in violation of rule.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure and recovery of excess payment, under intimation to audit

[AIR Para No.20]

61.4 Value of Money and Service Delivery Issues

61.4.1 Non-recovery of rent of shops – Rs 6.695 million

According 112 of Punjab Local Government (Budget) Rules 2001, it shall be the duty of the Collecting Officer and Assistant Collecting Officer to see that all income claimable is claimed, realized and credited to the Local Fund of the Local Government.

Management of Municipal Committee, Kabirwala did not recover of Rs.6.695 million on account of rent of shops during the F.Y 2016-19. On the basis of 10% annual increase, calculation of rent of shops showed less recovery of Rs 6.695 million from the tenants. Neither authorities imposed fine to the lessee nor the efforts were made to recoup the Government revenue timely.

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

Non-recovery of rent of shops resulted in loss to Government.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends immediate recovery of rent of shops besides taking action against the defaulters, under intimation to Audit.

[AIR Para No.4]

61.4.2 Overpayment due to non deduction of government taxes – Rs 2.433 million

According to Finance Department letter No. FD SO (Tax) 1-11/97 dated 19-09-1998, requires that all purchases should be made from the firms registered with Sale Tax Department and payment of GST be made on submission of sales tax Invoices showing the sale tax registration number. According to Government of the Punjab instructions vide letter No.D.O.No.5(21)L&D/97-4910/FS dated 03/10/1997, the proof of general sales tax deposited into Government treasury is necessary.

During the scrutiny of record of Municipal Committee Kabirwala, it was observed that Resident Assistant Director Audit made payments of Rs 17.497 million to chief officer during F.Y 2016-19, without deduction of general sales tax, income tax and provincial sales tax of Rs 2.433 million at source, in violation of rules. The gross amount of bills of Rs 17.497 million was paid.

(Rupees in million)

F.Y	Total amount of payment	General Sales tax	Income tax	Provincial sales tax	Net payment to be paid	Recovery of overpayment
2017-19	17.347	1.240	0.664	0.541	14.914	2.433

Audit is of the view that due to weak financial management, overpayment was made without deduction of government taxes and gross amount was paid.

Non deduction of government taxes resulted in loss to Government of Rs 2.433 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of government tax from the concerned suppliers and same may be deposited into government treasury, under intimation to audit.

[AIR Para No.6]

61.4.3 Recovery of payment of arrears on account of pay and allowances due to illegal regularization of staff- Rs 2.369 million

According to Rule 2.31(a) of PFR Vol-I, a drawer of bill of pay, allowances, contingent and other expenses will be held responsible for any over charges.

Management of MC Kabirwala withdrawn of Rs 2.369 million on account of arrears of pay and allowances on regularization of contract staff from the date of initial appointment mentioned against each employee during 2017-19 and later on, on

02.11.2019 all were reverted into previous pay scale but no recovery of Rs2.369 million was made from the concerned staff withdrawn as arrear. Rs 2.369 million withdrawn and payment was made to cashier instead of concerned employees in cash. The necessary detail is as under:

(Amount in rupees)

No. of employees	Date of regularization	Office Letter No.	Date of revision	Pay withdrawn
60	24.11.2017	CO.MC/KBA/996-17 dated 24.11.2017	02.11.2019	2,369,862

Following irregularities were observed during detailed scrutiny of record:

1. Chairman, Municipal committee Kabirwala regularized 60 employees without observing rules and regulation and issued promotion orders mentioned above.
2. Pay fixation was made by the Resident Assistant Director Audit and released pay and allowances of Rs 2.519 million to cashier instead of concerned employees.
3. Later on, matter was taken up with Administrator of the committee and he wrote a letter to the Divisional Director Local Fund Audit, Multan vide letter No.499-19 dated 16.09.2019. The Divisional Director Local Fund Audit, Multan issued a letter to the Director LG&CD Multan vide letter No.1166 dated 23.10.2019 on the subject matter.
4. Administrator, Municipal Committee Kabirwala withdrawn order no. CO.MC/KBA/996-17 dated 24.11.2017.

Audit is of the views that due to weak internal control irregular payment was made

Irregular payment of pay resulted in violation of rule and loss to government.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not

convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of arrears of pay and allowances due to illegal regularization of staff and disciplinary action against the person responsible, under intimation to audit.

[AIR Para No.10]

61.4.4 Non deposit of general sales tax and income tax on various procurement and services – Rs 1.889 million

According to Finance Department letter No. FD SO (Tax) 1-11/97 dated 19-09-1998, requires that all purchases should be made from the firms registered with Sale Tax Department and payment of GST be made on submission of sales tax Invoices showing the sale tax registration number. According to Government of the Punjab instructions vide letter No.D.O.No.5(21)L&D/97-4910/FS dated 03/10/1997, the proof of general sales tax deposited into Government treasury is necessary.

Management of MC Kabirwala did not deposit of Rs 1.889 million on account of general sales tax and income tax during F.Y 2016-19, on various types of procurement and services. During the course of audit it was observed that gross amount of bills were paid to the DDOs of Municipal Committee Kabirwala and the DDOs did not deposit Rs 1.240 million on account of General Sales Tax and Rs 0.649 million on account of Income tax, in violation of rules.

(Rupees in million)

F.Y	Total amount of payment	General Sales tax not deposited	income tax not deposited	Net payment to be paid	Amount not deposited
2017-19	11.759	1.240	0.649	11.178	1.889

Audit is of the view that due to weak financial management, government taxes were not collected and paid into government treasury.

Non deposit of government taxes resulted in loss to Government of Rs1.889 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends payment of government taxes into government treasury, under intimation to audit.

[AIR Para No.9]

61.4.5 Illegal construction of various buildings without submission of application and building plan, recovery thereof – Rs 1.705 million

According to para.4, notification dated 16.06.2012 of Local Government and community development department, Government of Punjab, conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Provided that incase of non-availability of valuation table, the value of the land shall be as per average sale price of the preceding twelve months of the land in the vicinity.

Management of Municipal Committee, Kabirwala allowed illegal construction of various buildings without collection of map fee, conversion fee and NOC fee from the owners. During the field / site inspection, it was noticed that commercial activities were made without deposit of government dues of Rs 1.705 million during financial year 2016-19. Physical inspection report is placed in file.
Annexure-2/KBR

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

Non-collection of conversion fee and map fee resulted in loss to government

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery besides fixing of responsibility under intimation to audit

[AIR Para No.3]

62. Municipal Committee Khanewal

CHAPTER 62.1

Sectoral Analysis of Municipal Committee Khanewal

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Khanewal for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	526.931	421.684	(105.247)	-19.97%
Non-salary	351.287	227.060	(124.227)	-35.36%
Development	219.554	162.186	(57.368)	-26.13%
Sub Total	1,097.772	810.930	(286.842)	-26.13%
Receipts	1,074.724	831.122	(243.602)	-22.67%

- An amount of Rs 526.931 was provided for pay and allowance out of which Rs 421.684 million was utilized resulting in lapse of Rs 105.247 million (19.97%).
- An amount of Rs 351.287 million was provided for non-salary component out of which Rs 227.060 million was utilized resulting in lapse of Rs 124.227 million (35.36%).
- An amount of Rs 219.554 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 162.186 million was utilized resulting in non utilization of funds of Rs 57.368 million (26.13%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Khanewal was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given in the following table:

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess (+) / less (-) achievement	%age
B01302 - UIP Tax / Share of net proceeds assigned to Districts/TMAs etc.	43.000	45.499	2.499	5.81
B01313 - Tax on Transfer of Immovable Property	92.500	90.479	(2.021)	(2.18)
C03683 - Grant from Provincial Government (PFC Share)	401.024	379.415	(21.609)	(5.39)
C03684 - Grant from Provincial Government (Performance / Conditional Grant)	21.076	22.338	1.262	5.99
C0388001 - License fee (Articles of Food and Drink)	3.465	2.548	(0.917)	(26.45)
C0388016 - General Bus Stand fee	50.997	26.446	(24.551)	(48.14)
C0388018 - Wagon Stand fee	7.720	15.254	7.534	97.59
C0388027 - Fee for approval of Building/ Construction Plan	16.695	13.421	(3.274)	(19.61)
C0388029 - Conversion Fee for change in building use	11.410	11.112	(0.298)	(2.61)
C0388042 - Fee for slaughtering of animals	4.500	4.890	0.390	8.67
C0388047 - Receipts on account of sale of water - residential	8.500	7.704	(0.796)	(9.37)
C0388058 - Sale of sullage/ waste-water	3.250	1.716	(1.534)	(47.21)
C0388071 - Registration/ Enlistment of Contractors	1.200	1.066	(0.134)	(11.19)
C0388072 - Renewal of Registration	2.450	0.514	(1.936)	(79.01)
C0388073 - Tender Fee	4.639	6.300	1.662	35.82
C0388076 - Advertisement Fee on billboards/ hoardings	8.450	2.603	(5.847)	(69.20)
C0388087 - Copying fee	1.800	0.570	(1.230)	(68.31)
C0388091 - Others Miscellaneous Fee	5.750	2.649	(3.101)	(53.93)
C0388096 - NOC Fee	0.223	0.042	(0.181)	(81.22)
C03683 - Grant from Provincial Government (PFC Development Share)	83.303	14.588	(68.714)	(82.49)
ADVANCE AND DEPOSIT	2.500	0.614	(1.886)	(75.43)
Profit Bank	2.600	11.161	8.561	329.29
C0388096 - NOC Fee	1.050	0.909	(0.141)	(13.43)
C0388091-ADVANCE AND DEPOSIT	1.800	0.017	(1.783)	(99.08)
Total	779.901	661.855	(118.046)	(15.14)

The above table of receipts heads shows that an amount of Rs 779.901 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 661.855 million was realized resulting in less receipt of Rs 118.046 million (15.14%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the house.

CHAPTER 62.2

Municipal Committee Khanewal

62.2.1 Introduction

Municipal Committee, Khanewal manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Khanewal:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	243.279	249.337
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

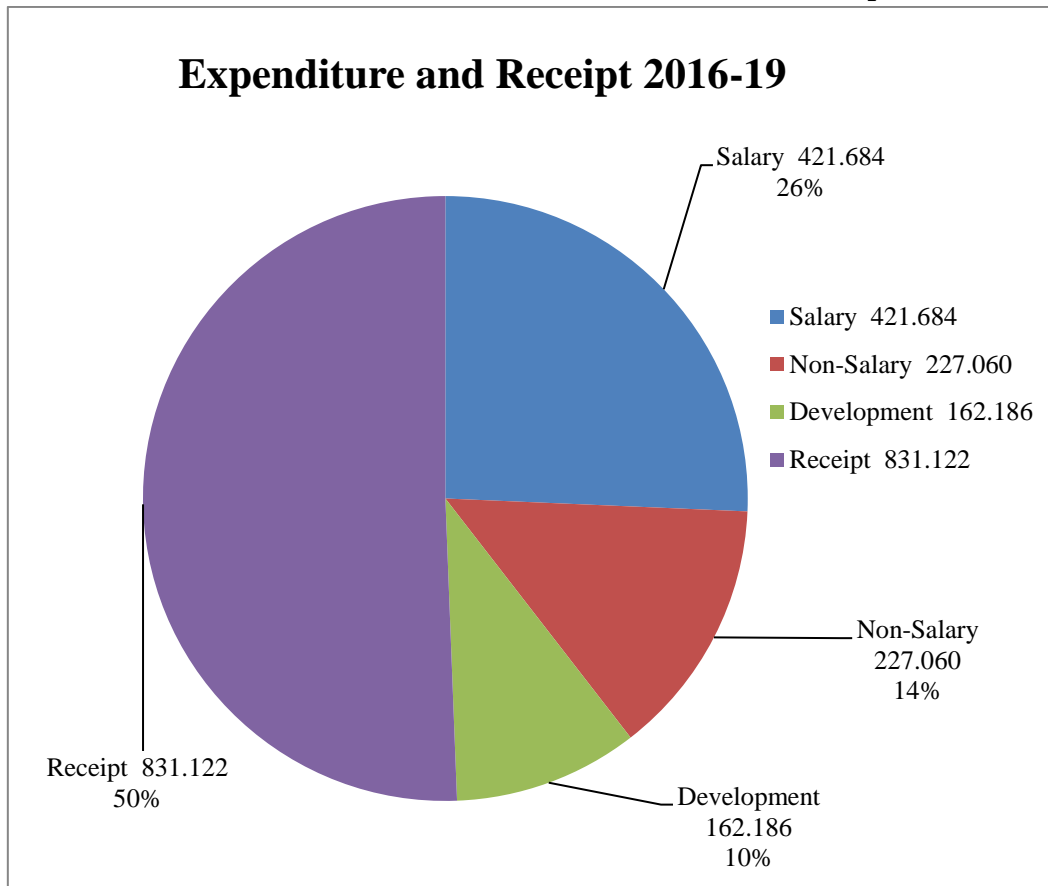
62.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the period 2016-19 is given below in tabulated form:

(Rupees in million)

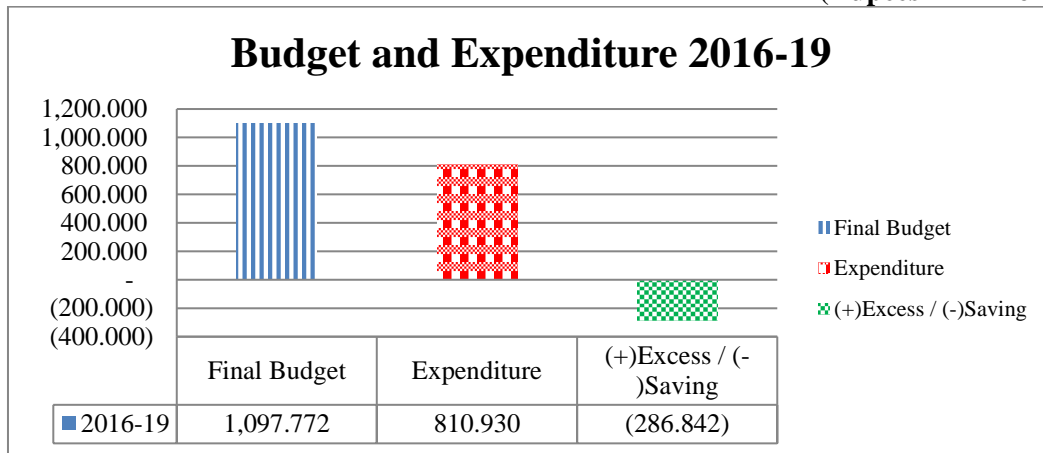
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	526.931	421.684	(105.247)	-19.97%
Non-Salary	351.287	227.060	(124.227)	-35.36%
Development	219.554	162.186	(57.368)	-26.13%
Sub Total	1,097.772	810.930	(286.842)	-26.13%
Receipts	1,074.724	831.122	(243.602)	-22.67%

(Rupees in million)



As per the Annual Accounts of the Municipal Committee Khanewal for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 1,097.772 million. Against the budget, total expenditure of Rs 810.930 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 286.842 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Khanewal. **(Annexure-B)**

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 124.227 million (35.36 percent).

62.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 321.113 million were raised as a result of this audit. This amount also includes recoverable of Rs 51.731 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	2.043
3	Procedural Irregularities	0
A	HR / employees related irregularities	27.720
B	Procurement related irregularities	29.816
C	Management of Accounts with Commercial Banks	41.370
4	Value for money and service delivery issues	161.535
5	Others	58.629
Total		321.113

62.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Khanewal established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

62.3 Fraud / Misappropriation

62.3.1 Misappropriation of POL in generators installed at disposals recovery thereof – Rs 2.043 million

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

Management of MC Khanewal, consumed POL of Rs 2.111 million on doubtful 'Fuel Consumption Per Hour' (FCPH) for a 75KVA generators @ 16 liter per hour whereas a 100KVA capacity generator was working with 10.25 liter per hour in MC Lodhran at disposal. Moreover, the fiber lines of sewer towards disposal water treatment plant are outdated so old and not in position to operate all the 3 motors installed at main disposal tariqabad only one motor is usually operated at a time at tariqabad disposal but a generator of 200 KVA @ 34 liter per hour is being operated in the log books whereas only one motor is being operated at a time on it. Operating these generators at doubtful rate was in order to misappropriate the POL. FCPH of 200 KVA generator installed at tariqabad is quite doubtful as with full load of DHQ Hospital Khanewal a 200 KVA generator is operated on 32 Liter per hour but here only one or two motors load is not comparable with the load of entire DHQ Hospital hence the FCPH of this generator should not be more than 24 liter per hour in any case. Hence FCPH of these generators was unjustified because resulting in misappropriation of POL of Rs 681,116 annually which become misappropriation of POL for last three years amounting to Rs 2.043 million. Moreover, log books of all disposal generators for the period 2016-17 and 2017-18 are not provided to Audit which also materialize the doubt of misappropriation of POL in disposal generators. **Annexure-1/KWL**

Audit is of the view that due to malafied intention generators were being operated on excess rate of fuel consumption.

Operation of generator on excess rates resulted in misappropriation of POL of Rs 2.043 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 2.043 million from in-charge of generators concerned besides removal from service for this act of forgery/mal-administration/fraud.

[AIR Para No.17]

62.4 Procedural Irregularities

62.4.1 Unauthorized re-appropriation of funds – Rs 41.370 million

According to Rule 43(3) of PLG (Budget) Rules, 2017 in case the re-appropriation is beyond the limit set by the House, it shall require approval of the House and, for the purpose, the head of the offices shall prepare a proposal for re-appropriation of funds and forward it, through the head of finance office, to the Chief Officer, Mayor or chairman for approval of the House.

DDOs of MC Khanewal re-appropriated funds to the tune of Rs 41.370 million during the period 2017-19 without the approval of house. Furthermore, house has not delegated / determined the powers of various officers in the entire period of house of MC Khanewal. Hence all the re-appropriations require the approval of the house. The summary of re-appropriations is given below:

(Rupees in million)

Date of re-appropriation	Re-appropriation approved By	Amount	Remarks
24.11.17	Chairman	3.650	These irregular re-appropriations were made, expenditure was incurred and payments were made prior to revision of budget / proper approval of house/administrator. Hence all re-appropriations without the approval of house and booking of expenditure held irregular.
24.11.17	Chairman	1.600	
22.02.18	Chairman	13.000	
25.04.18	Chairman	1.650	
15.10.18	Chairman	1.800	
15.10.18	Chairman	0.430	
04.02.18	Chairman	3.200	
00.02.19	Chairman	10.100	
00.03.19	Chairman	2.600	
09.01.19	Chairman	3.340	
Total		41.370	

Audit is of the view that due to weak financial control the funds were re-appropriated beyond powers.

Re-appropriation of funds beyond powers resulted in un-authorized re-appropriation of funds.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not

convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends strict disciplinary action against responsible(s) besides regularization.

[AIR Para No.16]

62.4.2 Irregular appointment of daily wagers / contingent paid staff – Rs 27.720 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.

Management of MC Khanewal made payment of Rs 27.720 million (approx.) on account of salaries of daily wages / contingent paid staff during 2016-19. No advertisement for appointment of daily wages staff was published in the newspapers. No need assessment for requirement of staff was prepared and got approved from competent authority before recruitment of contingent paid staff. No vacancy position was available nor produced to assess the vacant seats of employees. No detail of total applications received and merit list prepared before appointment was produced to Audit. No proceedings of recruitment committee was produced to Audit which depicts that staff was appointed without approval of any committee. The details are given on next page:

(Rupees in million)

Period	No. of Employees	Rate of Daily Wages	No. of Months	Amount
2016-17	55	12000	12	7.920
2017-18	55	15000	12	9.900
2018-19	55	15000	12	9.900
Total				27.72

Audit is of the view that due to weak internal controls, irregular appointments of contingent paid staff was made.

Irregular appointment and payment on account of contingent paid staff resulted in violation of rules.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or regularization from the competent authority.

[AIR Para No.21]

62.4.3 Irregular expenditure by calling quotations instead of request for tender – Rs 9.203 million

According to rule 22 and 69 of the Punjab Procurement Rules 2014, the procuring agencies shall use open competitive bidding or publication of request for tender as the principal method of procurement for the procurement of goods, services and works. Any violation of these rules shall be treated as mis-procurement. According to rule 9 (5) of the Punjab Local Governments (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 consisting of Chief Officer as convener, representative of the Deputy Commissioner concerned, Assistant Engineer, concerned Local Government, DO / MO (Finance) as members and DO / MO (Infrastructure) as member / secretary of the committee.

Management of MC Khanewal incurred expenditure amounting to Rs 9.203 million during 2017-19 on procurement of different items including parts of tractors, trolley, car and machinery, frequent bills of sewer repair and electric material. The expenditure was incurred by calling quotation/without quotation instead of tender by splitting up the indent despite the cost of procurement was more than the prescribed financial limit of Rs 0.100 million. The tenders were required to be open by the committee including external members of the committee for fair competition in the bidding process. All the quotation were open and works were awarded by the committee consisting of officers of MC Khanewal.

Annexure-2/KWL

Audit is of the view that due to weak internal controls, expenditure was incurred on procurement of different items by calling quotation instead of request for tender through purchase committee of MC Khanewal instead of tender committee consisting of external members.

Violation of rules resulted in irregular expenditure amounting to Rs 9.203 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or regularization of expenditure from the competent authority under intimation to Audit.

[AIR Para No.19]

62.4.4 Misclassification of expenditure – Rs 6.473 million

According to Rule 12 (b)(ii) read with Rule 16 (1) (a) of Punjab Local Government (Accounts) Rules, 2017 the head of finance office shall be responsible for monitoring of receipts and expenditure against the budget as approved by the House and to ensure the expenditure is charged to relevant object code and remains within allocation. The Accounts officer shall maintain accounts of the local government on Chart of Accounts (CoA).

Management of MC Khanewal booked an expenditure of Rs 6.473 million by misclassification during 2018-19. DDOs did not ensure the booking of expenditure to relevant object code as prescribed in the Chart of Accounts (CoA). Mostly purchase items were booked under repair head in order to avoid adoption of purchase process under rules. **Annexure-3/KWL**

Audit is of the view that due to weak financial control the expenditure was booked in books of accounts without observing the prescribed CoAs.

Booking of expenditure against the nature of expenditure resulted in misclassification of expenditure.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides action under rules under intimation to Audit.

[AIR Para No.7]

62.4.5 Unauthorized floating of tender for works without availability of funds – Rs 4 million

According to Rule 5 (5)(a) of Punjab Local Government Works Rules, 2017 as estimate on the basis of which a work is to be undertaken shall be subject to:

- (a) the availability of funds for the work;
- (b) administrative approval; and
- (c) Technical sanction by the competent authority in the prescribed manner.

Management of MC Khanewal floated tender for following development works / schemes costing Rs 4 million without availability of funds at the time of advertisement during 2018-19. The schemes were approved as part of ADP Schemes but paid from current budget irregularly under sub-head A09501-purchase of transport, as summarized in the following table:

(Amount in Rupees)

Sr. No.	Particulars	Head of Account of Chief Officer	Original Allocation	Advertisement Date / Tender opening Date	TS Amount	Funds Re-appropriation Date
1	Supply of venching machine set	A09501 – Purchase of Transport	0	15.09.2018 / 02.10.2018	700,000	04.12.2018
2	Purchase of two tractors MF-260	A09501 – Purchase of Transport	0	15.09.2018 / 02.10.2018	2,000,000	04.12.2018
3	Purchases of two trollies	A09501 – Purchase of Transport	0	15.09.2018 / 02.10.2018	1,300,000	04.12.2018
Total					4,000,000	

Audit is of the view that due to weak internal control the works were executed without ensuring availability of funds.

Works were approved from ADP budget and paid from current budget and tender for works were floated without availability of funds which resulted in irregular execution of works.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends strict disciplinary action against responsible(s) besides regularization under intimation to Audit.

[AIR Para No.14]

62.4.6 Unauthorized expenditure on procurement of tractors, trollies and venching machine – Rs 3.633 million

According to Rule 30 (1)(a) the main source of funding of a new development projects shall be total receipts of the local government, including own source revenue and Punjab Finance Commission Award's share less the current expenditure, on-going expenditure of the development projects and other liabilities. According to Rule 42, 43(2)(3) of PLG (Budget) Rules, 2017 the Local government functionaries shall re-appropriate in accordance with the re-

appropriation powers delegated to them by the House. If the re-appropriation involves two different grants, the head of finance office shall process the re-appropriation on the request of concerned heads of offices. In case the re-appropriation is beyond the limit set by the House, it shall require approval of the House and, for the purpose, the head of the offices shall prepare a proposal for re-appropriation of funds and forward it, through the head of finance office, to the Chief Officer, Mayor or chairman for approval of the House.

Chief Officer MC Khanewal incurred expenditure of Rs 3.633 million during 2018-19 by misclassification. The development works were paid from the non-development funds contrary to above Rule which clearly describes that development projects can only be executed from the funds from own source revenue, PFC award's share less current expenditure and other liabilities. The payment of these ADP schemes were made from non-development funds irregularly. The ADP schemes were paid by re-appropriation of funds without the approval of House from major head A03, A04, A13 to A09. In fact, the funds of MO (I&S) sub-heads were shifted to Chief Officer' cost center sub-heads but in re-appropriation no such identification was made in summary presented to the chairman for approval. The details are as under:

(Amount in Rupees)

Sr. No.	Particulars	Head of Account of Chief Officer	Original Allocation	Advertisement Date / Tender opening Date	Amount Paid	GST Amount	Re-appropriation of Funds	Re-appropriation Date
1	Supply sewer jetting pipe	A09601 – Purchase of Machinery & Equipment	500,000	15.09.2018 / 02.10.2018	420,000	61,025	500,000	04.12.2018
2	Supply of venching machine set	A09501 – Purchase of Transport	0	15.09.2018 / 02.10.2018	560,000	95,200	700,000	04.12.2018
3	Purchase of two tractors MF-260	A09501 – Purchase of Transport	0	15.09.2018 / 02.10.2018	1,743,000	83,000	2,000,000	04.12.2018
4	Purchases of two trollies	A09501 – Purchase of Transport	0	15.09.2018 / 02.10.2018	817,240	38,916	1,300,000	04.12.2018
5	Purchase of Front Blade	A09601 – Purchase of Machinery & Equipment	500,000	15.09.2018 / 02.10.2018	93,000	4,429	250,000	04.12.2018
Total					3,633,240	282,570	4,750,000	

Audit is of the view that due to weak internal control the works were executed without ensuring availability of funds.

Works were approved from ADP budget and paid from current budget and tender for works were floated without availability of funds which resulted in irregular execution of works.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends strict disciplinary action against responsible(s) besides regularization under intimation to Audit.

[AIR Para No.15]

62.4.7 Irregular issuance of cheques of contingencies in the name of MC employees instead of suppliers – Rs 3.376 million

According to Rule 4 (1)(a,b) of Punjab Local Government (Account) 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; the payments exceeding rupees ten thousand shall be made through crossed non-negotiable cheque.

Chief Officer MC Khanewal issued cheques of Rs 3.376 million during the period 03/2017 to 09/2018 in the name of employees of MC against the contingent bills of miscellaneous suppliers irregularly. These employees further made payments in cash to the end suppliers from whom the work was got executed / supplies received / repair work executed in violation of above rule. Moreover, it is pertinent to mention that cheque register of rest of the audit period was not provided to ascertain total doubtful payments through MC employees. The detail is given in **Annexure-4/KWL**

Audit is of the view that payment was eventually made in cash to the actual payee by issuing cheques in the name of MC employees.

Payment made in cash instead cheque to actual payees resulted in irregular payment of Rs 3.376 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends strict disciplinary action against persons at fault besides regularization of irregular payments followed by an inquiry that why such practice is being adopted to favor the MC employees by involving cash under intimation to Audit.

[AIR Para No.22]

62.4.8 Below specifications construction of soling works – Rs 3.131 million

According to section 521-2 of book of specification describing ‘Material’ of Sub-base course of Brick pavement (solings) is the size of brick shall be as per section 1041. They shall be without frog, slightly over burnt without being vitrified. They shall be of uniform colour with reasonably square corners and parallel faces. They must be homogenous in colour and emit a clear ringing sound when struck. They shall be free from lime, air pockets and laminations. They should not absorb more than 1/6th of their weight of water when soaked for one hour, and shall show no sign of efflorescence on drying. Compressive strength shall not be less than 2000 lb. /sq. in. when tested in accordance AASSHO T 32. They shall be burnt from suitable soil which shall not contain detrimental quantities of salts. Moreover, according to section 521-2.2 of book of specification describing ‘Material’ of Sub-base course of Brick pavement (solings) is the sand on which the bricks are bedded and for filling the joints shall be free flowing and show no plasticity. The sub-grade shall be constructed in accordance with the Section 411.

Municipal Officer (I&S) made payment of Rs 3.131 million during 2016-19 for substandard / below specifications work of brick pavement having frog in bricks to various contractors. (**Annexure-5/KWL**) Audit physically visited numerous sites of works and observed the following discrepancies:

- i. All bricks used for brick pavement were not without frog. As per specifications of soling the bricks used should be without frog. Picture of brick obtained from site during inspection is given below:



- ii. The quality of bricks was not standardized as required in specifications of soling as bricks used were not slightly over burnt, nor homogenous in color, not of uniform colour with reasonably square corners and parallel faces and not emitting a clear ringing sound when struck while inspection at site.
- iii. Compressible strength of the bricks used was less than 2000 lb./sq. inches. In mostly files doubtful / fake test reports were placed showing that these bricks were of 2000 lb. PSI.
- iv. Audit has pointed out certain works rest of the works may be checked by department. Sand filling under floors was also not found up to the mark at site.

Audit is of the view that due to negligence of engineer in charge substandard bricks against the specifications were used in soling works.

Use of below specification bricks resulted in payment of Rs 3.131 million for below specification works.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends strict disciplinary action against person at fault besides remedial measures under intimation to Audit.

[AIR Para No.26]

62.5 Value of Money and Service Delivery Issues

62.5.1 Illegal establishment of housing colonies in agricultural areas against the master plan – Rs 58.764 million

According to Rules 14 (a)(b)(c) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 a local government shall ensure that the following land use provisions under permitted, permissible and prohibited uses are to be followed strictly in an agricultural area: **(a) permitted use:** (i) crop;(ii) orchard;(iii) pasture land;(iv) livestock such as dairy or poultry farm;(v) forest;(vi) nursery or a green house;(vii) tube well;(viii) rural settlement or village;(ix) place of worship or prayer;(x) place of burial or cremation; and(xi) corner shop: **(b) permissible use:** (i) agricultural machinery workshop;(ii) brick kiln;(iii) basic health unit;(iv) animal husbandry clinic;(v) country club;(vi) farm house;(vii) public or private recreational park; and(viii) zoo or wildlife park: and **(c) prohibited use:** a local government shall not allow a person to use a property in a agricultural area for a purpose which is neither permitted nor permissible. Hence, the use of agricultural land for residential use is neither permitted nor permissible.

MO (Planning) allowed the establishment of housing colonies/land sub divisions in an agricultural land as per approved “master plan of Khanewal 1975 and valid till preparation of next ODP/ Master Plan vide letter No. 1013 dated 18.09.2012 and in violation of land use rules mentioned above. As per rules the residential use of agricultural land is prohibited but following colonies/ LSDs having land valuation of Rs 58.764 million were established in violation of above rules.

(Rupees in million)

Sr. No.	Name of housing scheme/ LSD	Location address of the scheme	Name of Developer	Total area of land purchased / in possession (kanals)	Rate of DC	Land Valuation	Classification of land	Audit Remarks
1	Tasawar City	Chak No. 168/10R	Syed Saqib Hussain Shah	35.65	8250000 per Acre	36.764	Apricultural but used for residential use	LSD was irregularly processed in agricultural

Sr. No.	Name of housing scheme/ LSD	Location address of the scheme	Name of Developer	Total area of land purchased / in possession (kanals)	Rate of DC	Land Valuation	Classification of land	Audit Remarks
								land and as per land use rules agricultural land cannot be permitted / permissible for conversion in to residential use.
2	Sabza Zar Colony	Chak No. 168/10R	Mahr M. Aslam Sargana	80	2200000 per Acre	22.000	Apricultural but used for residential use	LSD was irregularly processed in agricultural land and as per land use rules agricultural land cannot be permitted / permissible for conversion in to residential use.
Total						58.764		

Audit is of the view that due to weak monitoring control illegal colonies were established with the consent of planning branch in agricultural land.

Weak monitoring control resulted in illegal establishment of LSDs in agricultural land.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends strict disciplinary action for non-enforcement of laws in the area of jurisdiction besides remedial measures to regularize the violations.

[AIR Para No.32]

62.5.2 Non-transfer of area of public buildings, open spaces, parks and roads – Rs 44.127 million

According to Rule 41(g) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010 a developer shall transfer through deed the area under roads, open spaces, parks, graveyards and solid waste management in the name of development authority / TMA.

MO (Planning) sanctioned / processed various LSDs without ensuring the transfer of area valuing Rs 44.127 million concerned TMA/MC. Audit noted that neither the land was transferred in the name of defunct TMA/MC by the developer nor the possession of public area was taken by the authority concerned and nor recorded in property register. The necessary detail of area and LSDs is given below:

(Amount in Rupees)

Sr. No.	Name of Scene / LSD	Road/ location	Name	Total Area in Kanal	Date of Application	Map Approval No. & date	Area to be transferred of Open spaces and Public Buildings, roads	Rate as per Valuation table	Area as per Unit of Valuation Table	Amount
1	Sabza Zar Colony LSD	Chak No. 168/10R	Mahar M. Aslam Sargana	42.00	03.06.17	Not approved	35.00	7,500,000	4.38	32,812,500
2	Jamil Garden	Chak No. 88/10R	Mangti Bibi etc	67.10	21.07.18	Not approved	22.63	4,000,000	2.83	11,315,000
Total							57.63	11,500,000.00		44,127,500

Moreover, since devolution none of the property of colonies/LSDs transferred was recorded in property register of TMA/MC

Audit is of the view that due to weak internal controls private housing colonies/LSDs were processed without ensuring the completion of pre-requisites.

Non-transfer of area of public buildings parks and roads etc Govt may sustain a loss of Rs 44.127 million and may create chances of sale of open spaces, and area of PBs.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends immediate transfer of requisite area in the name of sanctioning body besides recording of state land in properly register under intimation to audit.

[AIR Para No.31]

62.5.3 Non-recovery of arrears of water rate – Rs 16.559 million

According to Rule the Punjab Gazzett (Extraordinary) Notification No. TMA/KWL/1074 dated 16.07.2011 vide clause 3(i&ii) sewerage and drainage rate will be charged as notified.

Municipal Officer (Finance) did not recover the arrears of water rate charges against 3,064 currently non-functional connections amounting to Rs 16,559,143 during 2016-19.

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

Non-recovery of sewer and drainage rate resulted in loss to the Government amounting to Rs 16.559 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends action against responsible for non-recovery of water rates, besides recovery under intimation to Audit.

[AIR Para No.3]

62.5.4 Loss to Government due to non-recovery of dues from illegally established commercial buildings – Rs 16.529 million

According to Rule 60 of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 as amended in 2012 a City District Government or a Tehsil Municipal Administration shall levy fee for conversion of land use from agricultural, residential, industrial, peri-urban area or

intercity service area to educational/health care institutional use conversion fee at the rate of 5% of the value of the land up to 1 million, 10% of the value of the land up to 10 million and 20% of the value of the land if value of the land value exceeds 10 million. Moreover, according to schedule of rates vide Notification No. 1074/TMA/KWL dated 16.07.2011 published vide Gazette dated 19.05.2012 of MC Khanewal the map fee regarding construction of Commercial buildings is Rs 32.32 per Sft.

MO (Planning) of MC Khanewal allowed the illegal establishment of Marquees without proper recovery of prescribed dues on account of conversion fee, map fee and sustained a minimum loss of Rs 16.529 million to Government Exchequer during 2016-19. Necessary detail is given below:

(Amount in Rupees)

Sr. No.	Name of Business / Building	Name & Address	Area (approx)	Less Recovery of Conversion Fee	Less Recovery of Map Fee	Total short Recovery
1	Attari Morquee on Jahania Bypass sarrounded by Payara Town 168/10 R	Shahzad Raza	9K-16M	4,792,000	-	4,792,000
2	Dhanak Marquee 168/10R	Irfan Sher	4K	2,160,000	307,040	2,467,040
3	Babu Marquee 168/10 R	Babu Talib	4K	2,160,000	307,040	2,467,040
4	Hassan Marquee 89/10R	Civil Lines Khanewal	3K	2,236,080	307,040	2,543,120
5	Rathor Marquee	Rana M. Latif address Khanewal Kohna Opp. Total Petrol Pump	180.5 M	4,259,800	-	4,259,800
Total						16,529,000

Audit is of the view that due to weak monitoring and law enforcement in field illegal marquees were established without payment of dues prescribed by government.

Non-payment of dues by illegally established marquees resulted in violation of Rules and loss to government for Rs 16.529 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends for taking immediate action against developers/owners, besides recovery of Government dues under intimation to Audit.

[AIR Para No.18]

62.5.5 Likely misappropriation of income and non-recovery of auction amount – Rs 7.589 million

According to Rule 18,20 & 21 of Punjab Local Governments (Auction of Collection Rights) Rules, 2016 a bidder shall deposit pay order equivalent to the amount of ten percent of the reserve price as an earnest money in the funds of the local government before taking part in an auction. The contractor shall deposit other charges such as rent of buildings under his possession, cost of books, stationery, furniture and fixtures or any other property provided by the local government for use of collection of income, in the funds of local government in advance by the fifth day of each month. The contractor shall be responsible for deposit of salaries, pension contribution, premium of group insurance, leave salary, all allowances and other fringe benefits permissible to the employees of a local government attached with him for administration and collection of respective income before the start of each month in advance. A contractor shall keep the record relating to accounts of the income as well as other documents in proper order as provided in the respective rules, bye laws and procedures. The above mentioned record shall be the property of respective local government.

MO (Finance) of MC Khanewal auctioned various collection rights for Rs 23.147 million during 2016-17. As per D&C provided to audit an amount of Rs 5.874 is still recoverable from the contractors on account of water treatment pound and advertisement fee. Audit seems that remaining amount has been misappropriated as receipt books were not provided to Audit. The contractor did not deposit an amount of Rs 1.716 million on account of salaries, pension contribution, premium of group insurance, leave salary, all allowances and other fringe benefits permissible to the employees of a local government for administration and collection of respective income before the start of each month in advance, as detailed in the following table:

(Amount in Rupees)

Auction Head	No. of Employees Approx.	Rate of Pay	Pay	Pen. contr.	Leave salary	Total
Water water treatment pound sale of sullage water	2	35,000	840,000	192,000	112,032	114,4032
Advertisement Fee	2	20,000	480,000	60,000	32,016	572,016
Total			1,320,000	252,000	144,048	1,716,048

Moreover, the contractor did not keep the record relating to accounts of the income as well as other documents in proper order as provided in the respective rules, bye laws and procedures. The summary of auction of collection rights awarded to various contractors is given below:

(Amount in Rupees)

Period	Head of Account	Contractor Name	Earnest Money	Successful Bid Amount	Adv. I. Tax Amount	Total Recoverable Amount	Amount Recovered	Amount of balance recoverable
2016-17	Water water treatment pound sale of sullage water	Inamullah	249,533	2,510,000	251,000	2,761,000	1,509,675	1251325
2016-17	Advertisement Fee	Ahmed Hassan	644,733	9,005,000	900,500	9,905,500	5,247,740	4657760
Total			894,266	21,043,000	2,104,300	23,147,300	17,273,541	5,873,759

Due to weak internal controls over revenue the auction amounts were not collected and credited to TMA fund.

Non-collection of auction amount / non-deposit of auction amount resulted in loss to TMA fund.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends enquiry of the matter at appropriate level besides recovery and action against responsible under intimation to audit.

[AIR Para No.5]

62.5.6 Non-obtaining of mortgage deed of 20% saleable area – Rs 6.146 million

According to rule 42(i) of the Punjab Private Housing Schemes and Land Sub-Division Rules, 2010, a developer shall submit in the name of a TMA 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.

Administration of MC Khanewal did not obtain mortgage deed of 20% saleable area amounting to Rs 6.146 million during 2018-19 from the developer of following land sub-divisions. On the other hand the business of the land sub-division was running without approval and completion of formalities / requirements. The detail is as under:

(Amount in Rupees)

Sr. No.	Name of Sceme / LSD	Road/ location	Name	T. Area Kanals	Date of Application	Map Approval No. & date	Area of Saleable Plots Kanals	20% of Area of Saleable Plots	Area actually mortgaged	Area less Mortgaged	Rate per Kanal	Amount of land less mortgaged
1	Tasawar City	Chak No. 168/10 R	Syed Saqib Hussain Shah	35.65	02.07.12	383 10.04.19	25.55	5.11	5.05	0.06	412,500	24,750.00
2	Jamil Garden	Chak No. 88/10 R	Mangti Bibi etc	67.10	21.07.18	Not approved	42.4	8.48	0	8.48	500,000	4,240,000
3	Sabza Zar Colony	Chak No. 168/10 R	Mahr M. Aslam Srgan a	42.90	03.06.17	Not approved	34.2	6.84	0	6.84	275000	1,881,000
Total												6,145,750.00

Audit further observed that:

1. NOC that land is not prone to flooding was not obtained from the Revenue Department.
2. NOC that the land is not notified by the Government for acquisition for any public purpose was not obtained from the Revenue Department.
3. Certificate from relevant department that the land is locked because it is surrendered by an existing build up area or an approved housing scheme and separated from the built up area by physical barriers.
4. NOC was not obtained from Environment Department.

Audit is of the view that due to weak internal controls the business of the land sub-division was running without approval and completion of requirements.

Non-compliance of rules resulted in non-obtaining of mortgage deed for the land of Rs 6.146 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or appropriate action under intimation to Audit.

[AIR Para No.23]

62.5.7 Loss to Government due to non-recovery of dues from illegally established commercial buildings – Rs 5.966 million

According to Rule 60 of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 as amended in 2012 a City District Government or a Tehsil Municipal Administration shall levy fee for conversion of land use from agricultural, residential, industrial, peri-urban area or intercity service area to educational/health care institutional use conversion fee at the rate of 5% of the value of the land up to 1 million, 10% of the value of the land up to 10 million and 20% of the value of the land if value of the land value exceeds 10 million. Moreover, according to schedule of rates vide Notification No. 1074/TMA/KWL dated 16.07.2011 published vide Gazzette dated 19.05.2012 of MC Khanewal the map fee regarding construction of Commercial buildings is Rs 32.32 per Sft.

MO (Planning) of MC Khanewal allowed the illegal establishment of commercial buildings without proper recovery of prescribed dues on account of conversion fee, map fee and sustained a minimum loss of Rs 5.966 million to Government Exchequer during 2016-19. Necessary detail is given below:

(Amount in Rupees)

Sr. No.	Name of Business / Building	Name & Address	Area (approx)	Less Recovery of Conversion Fee	Less Recovery of Map Fee	Total short Recovery
1	UCMS	Pakistan Education Services on kabirwala road Khanewal	32K	-	1,458,957	1,458,957

Sr. No.	Name of Business / Building	Name & Address	Area (approx)	Less Recovery of Conversion Fee	Less Recovery of Map Fee	Total short Recovery
2	commercial hall Near Attari Morquee on jahania bypass Road near Payara Town	Waqas Malik s/ o malik afzal chak no. 168/10R khanewal	3K-8M-6S	755,625	-	755,625
3	Marriage Hall at Chak No. 168/10R Khanewal	Sheikh Muhammad Akmmal	4K	2,160,000	307,040	2,467,040
4	Commercial Building/ Hall / Market same khewat khattoni on jahania bypass near pyara town 168/10R	Shahzad Ahmed s/o M. Saeed	2k-19m-2s	516,700	-	516,700
5	Bus Stand at Khanewal Kohna	Nisar Ahmed etc s/o Khurshed Ahmed	2K	654,860	113,120	767,980
Total						5,966,302

Audit is of the view that due to weak monitoring and law enforcement in field illegal commercial buildings were established without payment of dues prescribed by government.

Non-payment of dues by illegally established commercial buildings resulted in violation of Rules and loss to government for Rs 5.966 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends for taking immediate action against developers/owners, besides recovery of Government dues under intimation to Audit.

[AIR Para No.29]

62.5.8 Unauthorized payment of integrated allowances to sanitary workers and recovery thereof – Rs 3.045 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, Freashes, Chowkidars, Sweepers, Sweepresses & 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.

Management of MC Khanewal withdrew and paid Rs 3.045 million during 2016-19 on account of integrated allowance (as Jharoo Allowance) and Tokri Allowance to sanitary workers without admissibility. The said allowance was only admissible those employees whose designation were mentioned in above referred letter. Audit just calculated recovery wef 01.07.2016 to 30.06.2019. The actual recovery since their appointment and payment is the responsibility of DDO. The brief detail is an under:

(Amount in Rupees)

No. of Employees	Rate of Integrated Allowance (Jharoo Allowance) drawn Period	Rate of Tokri Allowance withdrawn	Total of allowances withdrawn per month	No. of Month	Amount of Recovery
141	450	150	600	36	3,045,600

Audit is of the view that due to weak financial control, integrated allowance was paid to sanitary workers irregularly.

Payment of integrated allowance and tokri allowance Rs 3.045 million without admissibility resulted in loss to Government.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery besides immediate stoppage of such inadmissible allowances under intimation to Audit.

[AIR Para No.01]

62.5.9 Non-imposing of penalty due to non-completion of works within time limit – Rs 1.549 million

As per Clause 2 of Condition of Contract, the time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor. The work shall throughout the stipulated period of the contract be proceeded with all due diligence in accordance with the program of work and the contractor shall pay as compensation an amount equal to one percent of the amount of contract subject to maximum of 10% or such smaller amount as the engineer in-charge (whose decision in writing shall be final) may decide, on the amount of the estimated cost stated in item(b) of the memorandum of work annexed hereto for every day the work remains un-commenced or unfinished after the proper date.

MO (I&S) MC Khanewal did not observe the time limits granted to the contractors during 2016-19. Contractors neither completed the work within time limit nor applied for time extension before the expiry period of work. Penalty @ 10% amounting to Rs 1.549 million was required to be imposed due to non-completion of work despite lapse of several months. It was further observed that security deposit of such contractor was also not forfeited. The detail is as under:

(Amount in Rupees)

Sr No.	Name of Scheme	WO. No. & Date	Duration/ Due Date	tender Rate % Below	Est. cost	Agreemnt Amount	Completion Date	Penalty @ 10%
1	Construction of Mettelled Road, Tuff Tile, Sewer Lines Jamia Abad, Baiwa Colony, Mujahid Abad Khanewal.	488 07.12.17	31.05.18	27	1100,000	803000	running	80,300
2	Construction of Drain and Soling Basti Allama Iqbal Aadhi Wala and Bhaini Imam Bakhsh Khanewal.	445 24.11.17	30.04.18	26.00	2,000,000	1,480,000	running	148,000
3	Construction of Soling and Drain Chak No.90/10-R Farid Kot Khanewal.	107 20.01.18	31.03.18	19.56	1,250,000	1,005,563	running	100,556
4	Construction of Tuff Tile Colony No.3 Khanewal.	449 28.11.17	31.03.18	24.786	1,400,000	1052,996	running	105,297
5	Construction of Tuff Tile and Soling Tariq Abad Khanewal.	451 28.11.17	31.03.18	18.786	1,100,000	893,354	running	89,335
6	Construction of Soling Gulistan Colony Kot Haq Nawaz Ward No.4 Tehsil Khanewal.	45 06.01.18	1	17.05	500,000	414,750	running	41,475
7	Providing / Laying of Sewerage Line Ward No.5 Tehsil Khanewal.	46 06.01.18	1	At par	500,000	500,000	running	50,000

Sr No.	Name of Scheme	WO. No. & Date	Duration/ Due Date	tender Rate % Below	Est. cost	Agreement Amount	Completion Date	Penalty @ 10%
8	Construction of Drain, Tuff Tile & Sewerage Ward No.20 Tehsil Khanewal.	61 06.01.18	1	20.11	500,000	394,450	running	39,445
9	Construction of Tuff Tile, Drains Street Master Anwer wali Ward No.35 Tehsil Khanewal.	76 06.01.18	1	21.11	500,000	394,450	running	39,445
10	const. and repair ;manhole supply manhole cover and iron rings RCC slab city khanewal	498 22.06.15	30.08.15	At Par	600,000	600,000	running	60,000
11	const. of tuff tile soling resonling earth filling remaining portion street sumra sports wali street muner battery wali lal masjed chowk bilal colony khanewal	465 26.05.14	1	1.00	1,200,000	1,188,000	running	120,000
12	const. of sewer line remaining poriton from sludge pond jaswant nagar and kamran colony kahnewal	597 2.04.13	4	35	2,000,000	1,300,000	running	130,000
13	const. of Metal road shamkot to tila nankpur tehsil khanewal	384 15.06.16	31.12.16	33.05	8,150,000	5,456,000	running	545,600
Total								1,549,453

Audit is of the view that due to weak internal controls, penalty for non-completion of works was neither imposed nor security deposit was forfeited.

Non-imposing of penalty or forfeiture of security resulted in loss amounting to Rs 1.549 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or recovery of penalty from the concerned under intimation to Audit.

[AIR Para No.25]

62.5.10 Loss to MC fund due to less departmental collection of advertisement fee – Rs 1.261 million

According to Rule 14 (d) of Punjab Local Government (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.

Management of MC Khanewal did not ensure the collection of advertisement fee in a transparent manner due to which the shortfall of Rs 1.261 million during 2017-18 was recorded than the reserve price by departmental collection of fee, as summarized in the following table:

(Amount in Rupees)

Period	Head of Account	No of times auction efforts made	Reserve Price for 2017-18	Departmental Collection	Loss to MC Fund
2017-18	Advertisement Fee	3 times	3,600,000	2,339,000	1,261,000

Due to weak internal controls over revenue advertisement fee was not properly collected and credited to TMA fund.

Non-collection / non-deposit of advertisement fee resulted in loss to TMA fund.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends enquiry of the matter at appropriate level besides recovery and action against responsible under intimation to Audit.

[AIR Para No.06]

62.6 Others

62.6.1 Doubtful consumption of POL in sanitation branch inquiry thereof – Rs 58.629 million

According to Rule 32 of the PLGO, 2001, read with Rule 2.10(a)(1) of the PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of expenditure of his own money. Further, there shall be maintained, in respect of every Government vehicle, a logbook in Form 'A' wherein shall be entered in the journeys performed by a Government vehicle. The logbook maintained under sub-rule (1) shall remain in the custody of the driver in-charge of the vehicle and shall be examined and signed by the Officer in charge everyday at the time the driver is relieved from duty, according to Rule 9 (1) and (20) of the West Pakistan Government Staff Vehicles (Use and Maintenance) Rules, 1969. 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.

Management of MC Khanewal incurred an expenditure of Rs 58.629 million on account of POL during the period 2016-19. The entire expenditure was doubtful on the following grounds:

- i. It was astonishing to note that meter reading as mentioned in the log books normally mismatch with the vehicles meters and some of the meters were found out of order in absence of same the utilization of vehicle (tractors) cannot be authenticated.
- ii. Speedo-meter of the vehicles was shown as out of order since long in-fact meter is not retained as operative to conceal the facts from audit and to oblige political persons at the cost of MC and to misappropriate the POL funds.
- iii. Fake maintenance of log books is evident as exegrated use of tractors is being recorded in log books on daily basis whereas the entire radius of the city is less than 3KMs surroundings but in log books 8-12 hours working was recorded without mentioning the time from and to on the log books to work out the

hours worked. Actually POL was less used but funds were drawn on fake bills.

- iv. Only collection of solid waste was recorded and 5 Hours were being recorded daily basis in KWE-8747 as in June 2019 which is quite unjustified whereas no approved route was produced to audit.
- v. Only manual slips were available along with bills which were being issued with the initial.
- vi. No time of departure from and arrival in MC office was recorded in the log book despite the availability of columns in the log book.
- vii. All sucker machines & Sewer Jetting Machines are used for addressing the complaints of different sites regarding blockade of sewer lines. It was astonishing to note that no complaint register was maintained on record neither produced to audit in conformity of each visit of sucker nor jetting as recorded in the log books.
- viii. In absence of complaint register running of vehicles was unjustified and recording the movement of the vehicles was doubtful. Similarly reports of Sewer man, over sears and acknowledgements of complainants were also not available.
- ix. No meters were operative only fake record entries were being recorded in the log books just to consume the POL in papers only. For every visit of jetting there should b report of sewer men duly verified by over sears than the use of jetting can be ascertained as genuine but in this MC no concept of complaint recording and tracking system was being adopted?
- x. Bogus maintenance of log books resulted in misappropriation of MC Fund by showing only paper purchase and consumption of POL.

(Amount in Rupees)

Period	Budget POL	Expenditure POL
01.07.16-31.12.16	11,100,000	9,390,430
01.01.17-30.06.17	7,750,000	7,511,958
01.07.17-30.06.18	20,000,000	19,999,481
01.07.18-30.06.19	22,000,000	21,727,770
Total	60,850,000	58,629,639

Weak financial management resulted in misappropriation of POL.

Misappropriation of POL and misuse of vehicle resulted in loss to MC fund.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends enquiry of the matter at appropriate level for non-repairing the Speedo-meters of almost all vehicles and recovery of POL being misappropriated under intimation to audit.

[AIR Para No.12]

63. Municipal Committee Mian Channu

CHAPTER 63.1

Sectoral Analysis of Municipal Committee Mian Channu

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Mian Channu for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	275.471	245.616	(29.855)	-10.84%
Non-salary	325.283	232.477	(92.806)	-28.53%
Development	51.362	33.249	(18.113)	-35.27%
Sub Total	652.116	511.342	(140.774)	-21.59%
Receipts	509.893	493.139	(16.754)	-3.29%

- An amount of Rs 275.471 was provided for pay and allowance out of which Rs 245.616 million was utilized resulting in lapse of Rs 29.855 million (10.84%).
- An amount of Rs 325.283 million was provided for non-salary component out of which Rs 232.477 million was utilized resulting in lapse of Rs 92.806 million (28.53%).
- An amount of Rs 51.362 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 33.249 million was utilized resulting in non utilization of funds of Rs 18.113 million (35.27%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Mian Channu was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given in the following table:

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess (+) / less (-) achievement	%age
B01302 - UIP Tax / Share of net proceeds assigned to Districts/TMAs etc.	43.000	27.563	(15.437)	(35.90)
B01313 - Tax on Transfer of Immovable Property	76.800	122.531	45.731	59.54
C03683 - Grant from Provincial Government (PFC Share)	211.820	183.130	(28.689)	(13.54)
C0388001 - License fee (Articles of Food and Drink)	1.120	0.817	(0.303)	(27.08)
C0388016 - General Bus Stand fee	11.810	12.741	0.931	7.88
C0388018 - Wagon Stand fee	1.705	1.962	0.257	15.06
C0388020 - Riksha/Motorcycle/Bicycle Stand fee	0.648	0.724	0.076	11.73
C0388026 - Fee for approval of Housing Colony	3.200	2.671	(0.529)	(16.54)
C0388027 - Fee for approval of Building/ Construction Plan	8.200	8.503	0.303	3.69
C0388029 - Conversion Fee for change in building use	12.000	14.372	2.372	19.77
C0388034 - Fine for Encroachments	0.110	0.075	(0.035)	(31.87)
C0388042 - Fee for slaughtering of animals	0.485	0.665	0.180	37.13
C0388051 - Receipts on account of sale of water - through tankers	0.165	0.152	(0.013)	(7.69)
C0388056 - Receipts from public latrines	0.135	0.145	0.010	7.44
C0388058 - Sale of sullage/ waste-water	0.680	0.613	(0.067)	(9.84)
C0388071 - Registration/ Enlistment of Contractors	1.150	0.916	(0.234)	(20.37)
C0388072 - Renewal of Registration	0.170	0.034	(0.136)	(80.24)
C0388073 - Tender Fee	0.450	0.280	(0.170)	(37.71)
C0388077 - Advertisement Fee on sign boards of shops/ commercial places	6.090	4.634	(1.456)	(23.91)
C0388081 - Rent of municipal Property - Shops	24.568	28.617	4.049	16.48
C0388086 - Road cutting charges	21.150	21.983	0.833	3.94
C0388087 - Copying fee	7.550	8.145	0.595	7.89
C0388088 - Machinery charges	0.625	0.711	0.086	13.77
C0388089 - Sale of trees and plants	0.450	0.406	(0.044)	(9.78)
C0388090 - Sale of stocks and stores	1.600	0.937	(0.664)	(41.47)
C0388091 - Others Miscellaneous Fee	0.900	0.845	(0.055)	(6.09)
C0388096 - NOC Fee	1.925	1.682	(0.243)	(12.62)

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess (+) / less (-) achievement	%age
C0388098 - Arrears of Shop	6.129	0.409	(5.720)	(93.33)
C03683 - Grant from Provincial Government (PFC Development Share)	41.380	0.274	(41.106)	(99.34)
C0388064 - Entry fee for parks and playgrounds	18.828	37.016	18.188	96.60
ADVANCE AND DEPOSIT	3.300	3.994	0.694	21.03
Profit Bank	0.750	4.621	3.871	516.17
	1.000	0.972	(0.028)	(2.80)
Total	509.893	493.139	(16.754)	(3.29)

The above table of receipts heads shows that an amount of Rs 509.893 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 493.139 million was realized resulting in less receipt of Rs 16.754 million (3.29%).

CHAPTER 63.2

Municipal Committee Mian Channu

63.2.1 Introduction

Municipal Committee, Mian Channu manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Mian Channu:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	128.221	147.942
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

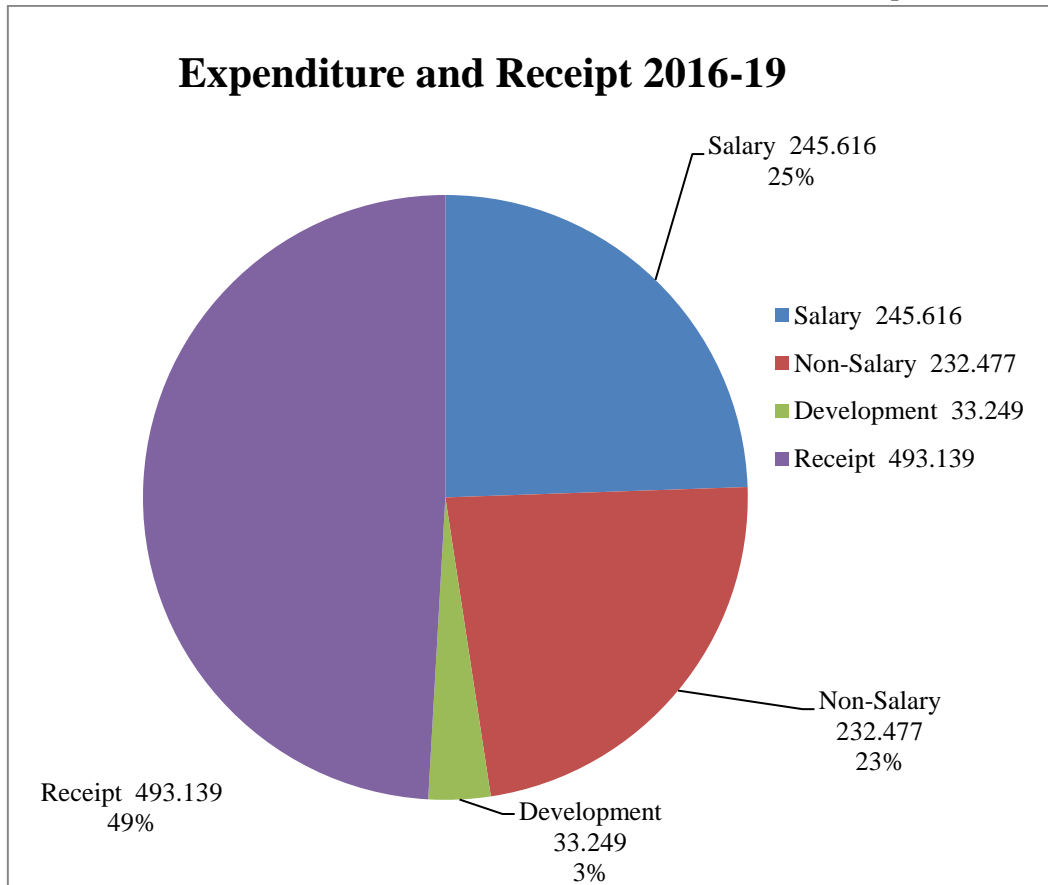
63.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the peiord 2016-19 is given below in tabulated form:

(Rupees in million)

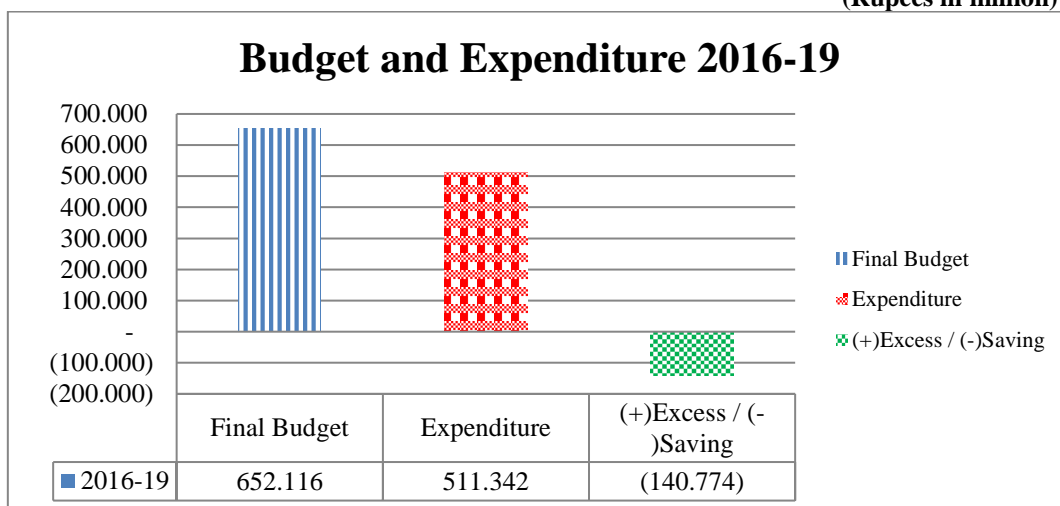
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	275.471	245.616	(29.855)	-10.84%
Non-salary	325.283	232.477	(92.806)	-28.53%
Development	51.362	33.249	(18.113)	-35.27%
Sub Total	652.116	511.342	(140.774)	-21.59%
Receipts	509.893	493.139	(16.754)	-3.29%

(Rupees in million)



As per the Annual Accounts of the Municipal Committee Mian Channu for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 652.116 million. Against the budget, total expenditure of Rs 511.342 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 140.774 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Mian Channu. **(Annexure-B)**

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 92.806 million (28.53 percent).

63.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 143.598 million were raised as a result of this audit. This amount also includes recoverables of Rs 58.393 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural Irregularities	-
A	HR / employees related irregularities	-
B	Procurement related irregularities	85.205
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	58.393
5	Others	-
Total		143.598

63.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Mian Channu established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

63.3 Procedural Irregularities

63.3.1 Misclassification of expenditure – Rs 56.575 million

According to Rule 12 (b)(ii) read with Rule 16 (1) (a) of Punjab Local Government (Accounts) Rules, 2017 the head of finance office shall be responsible for monitoring of receipts and expenditure against the budget as approved by the House and to ensure the expenditure is charged to relevant object code and remains within allocation. The Accounts officer shall maintain accounts of the local government on Chart of Accounts (CoA).

Management of MC Mian Chanu booked an expenditure of Rs 56.575 million by misclassification during 2016-19. DDOs did not ensure the booking of expenditure to relevant object code as prescribed in the Chart of Accounts (CoA). Mostly purchase items were booked under irrelevant head in order to avoid adoption of purchase process under rules. **Annexure-1/MCN**

Audit is of the view that due to weak financial control the expenditure was booked in books of accounts without observing the prescribed CoAs.

Booking of expenditure against the nature of expenditure resulted in misclassification of expenditure.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides action under rules.

[AIR Para No.17&24]

63.3.2 Unauthorized collection map and conversion fee without the approval of maps Rs 25.254 million

As per schedule 1 of Punjab Local Government Conduct Rules 2017, Chief Officer shall take action against the violators of Act, Rules or By Laws. Further Planning Officer is responsible to exercise control over land use. Land sub division, land development, site development schemes and zoning for public and private sector for any purpose.

Chief Officer MC Mian Chanu did not take action against the planning branch of his office who violated the Punjab Local Government Model Building Bye Laws and did not approved the maps of residential and commercial submitted by the owners. Total maps received during the last three years were 725 Nos out of which only 498 Nos residential maps were approved whereas not a single commercial map was approved.

Year	Total Maps Received	Approved Non-commercial Maps	Approved Commercial Maps	Unapproved Maps	% Approval
2016-17	295	12	0	283	4.07
2017-18	187	93	0	94	49.73
2018-19	243	122	0	121	50.21
Total	725	227	0	498	31.31

Total fee of Rs 33.533 million was collected from the owners of buildings deposited maps for approval. Map of owners who deposited fee amounting to Rs 25.234 million were not approved. In most of the cases even the site was not inspected by the building inspectors nor submitted any report. Detail is as under:

(Rupees in million)

Year	Total Fee Collected	Fee of Passed Files	Fee of unapproved files
2016-17	11.595	0.710	10.885
2017-18	8.517	2.312	6.205
2018-19	13.421	5.257	8.164
Total	33.533	8.279	25.254

Audit is of the view that due to weak internal controls, planning branch after the receipt of government fee allowed illegal constructions at sites without approval of maps in violation of building by laws.

Non-approval of maps resulted in unauthorized receipt of map and conversion fee Rs25.254 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixation of responsibility against person(s) at fault.

[AIR Para No.25]

63.3.3 Irregular issuance of cheques of contingencies in the name of MC employees instead of suppliers – Rs 3.376 million

According to Rule 4(1)(a,b) of Punjab Local Government (Account) 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; the payments exceeding rupees ten thousand shall be made through crossed non-negotiable cheque.

Management of MC Mian Chanu issued cheques of Rs 3.376 million during the period 2017-2019 in the name of employees of MC against the contingent bills of miscellaneous suppliers irregularly. These employees further made payments in cash to the end suppliers from whom the work was got executed/ supplies received / repair work executed in violation of above rule. Moreover, it is pertinent to mention that cheque register of rest of the audit period was not provided to ascertain total doubtful payments through MC employees.

Audit is of the view that payment was eventually made in cash to the actually payee by issuing cheques in the name of MC employees.

Payment made in cash instead cheque to actual payees resulted in irregular payment of Rs 3.376 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends strict disciplinary action against persons at fault besides regularization of irregular payments followed by an inquiry that why such practice is being adopted to favor the MC employees by involving cash.

[AIR Para No.26]

63.4 Value of Money and Service Delivery Issues

63.4.1 Non recovery of arrears of rent of shops – Rs 19.586 million

Accordinging 112 of Punjab Local Government (Budget) Rules 2001, it shall be the duty of the Collecting Officer and Assistant Collecting Officer to see that all income claimable is claimed, realized and credited to the Local Fund of the Local Government.

Management of Municipal Committee Mian Channu did not recover of Rs 19.586 million on account of rent of shops during the F.Y 2016-2019. Neither authorities imposed fine to the lessee nor the efforts were made to recoup the Government revenue timely. **Annexure-2/MCN**

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

Non-recovery of rent of shops resulted in loss to the Government amounting to Rs 19.586 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends immediate recovery of rent of shops besides taking action against the defaulters.

[AIR Para No.10]

63.4.2 Illegal award of collection rights – Rs 19.517 million

As per Rule 20(2) of Punjab Local Governments (Auctioning of Collection Rights) Rules 2016, the contractor shall be responsible for deposit of salary, pension contribution, premium of group insurance, leave salary, all allowances and other fringe benefits permissible to the employees of a local government attached with him for administration and collection of respective income before the start of each month in advance of employees attached with him

for collection of receipt and will pay all taxes leviable. Furthermore, as per Rule 25 (e) the contractor shall not appoint his personal staff for collection of income without the prior approval of local government concerned and all collections shall be carried out by him through the staff local government concerned assigned for this purpose.

Management of MC Mian Chanu auctioned the collection rights of following fees for the financial year 2016-18 for Rs19.517 million. The Chairman illegally approved the conditions by violating the Punjab Local Governments (Auctioning of Collection Rights) Rules 2017 by allowing the contractor to collect the MC fee through its own workers, whereas in advertisement the contractor was bound to abide the conditions of Auctioning of Collection Rights Rules 2016. This resulted into the payment of salary, pension contribution, premium of group insurance, leave salary, all allowances and other fringe benefits from the MC account instead of collection from the contractor along with the contract amount. The details are given below:

(Rupees in million)

Year	Name of Contract	Auction Amount including Income Tax
2016-17	Advertisement Fee	3.152
2016-17	Car Parking Fee	0.486
2016-17	Electric Jhoola Jat	0.286
2016-17	Cycle Stand	0.154
2016-17	Disposal works No.2	0.251
2017-18	Advertisement Fee	4.732
2017-18	Car Parking Fee	0.770
2017-18	Cycle Stand	0.333
2017-18	Disposal works No.2	0.191
2017-18	Mulba Slaughter House	0.222
2017-18	Mulba Old Quarter Shami House	0.156
2018-19	Advertisement Fee	5.940
2018-19	Car Parking Fee	0.886
2018-19	Disposal works No.2	0.260
2018-19	Latrine Fee Bus Stand	0.110
2018-19	Joy Land Jadeed Children Park	0.403
2018-19	Old Room at Bura Road	0.066
2018-19	Malba Old Meat Market	1.119
Total		19.517

Audit is of the view that due to weak internal control, favour was given to the contractor by making illegal amendments in the offer letters by violating government rules.

Non-observance of rules resulted in loss to the government on account of salary of staff.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of loss sustained by the MC due to illegal award of contract from the person(s) at fault.

[AIR Para No.01]

63.4.3 Short deduction of map fee – Rs 7.395 million

As per gazette notification of Municipal Committee Mian Chanu bearing number MC/MO/(F)MUC1846 Dated 2.6.2017 the rate of map fee of housing colony / land subdivision will be Rs600 per marla and previously it was Rs1000 and Rs500 per marla respectively.

Management of Municipal Committee Mian Chanu charged the map fee from the owner of land subdivisions and / housing colonies on total area under plots instead of total area of land sub-division / housing colonies as approved in the bylaws. This resulted in short collection of map fee amounting to Rs 7.395 million as detailed below:

(Rupees in million)

Name of Building	Total Area	Map fee for land sub-division	Total fee due	Fee deducted	Conversion Fee
Royal Garden Land Sub Division	52 kanal 01 marla 3 sasai	1000 per marla	1.041	0.578	0.463
Land sub division Arif Block	28 kanal 10 Marla	600 per marla	0.342	0.186	0.156
Land sub division Qaid Azam Block	17 kanal	1000 per marla	0.340	0.210	0.130
Gulshan Hameed Phase ii	97 kanal	1000 per marla	1.940	0.665	1.275
Latief Bagh Housing Scheme	460 kanal	500 per marla	4.600	-	4.600
Umar Farooq Land Sub Division	75 kanal	500 per marla	0.750	0.478	0.273

Name of Building	Total Area	Map fee for land sub-division	Total fee due	Fee deducted	Conversion Fee
Gulshan Ahmed land sub division Tulumba Road	75 kanal	600 per marla	0.750	0.573	0.178
kanal view land sub division	16 kanal	1000 per marla	0.320	-	0.320
Grand Total					7.395

Audit is of the view that in order to give undue benefit to the owner of the land subdivision / housing colonies map fee was charged on saleable area of land instead of total area of land against rules.

Short recovery of fee resulted in loss to the government amounting to Rs7.395 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends matter should be referred to the higher authorities for further fixing of responsibility against person(s) at fault besides recovery of amount.

[AIR Para No.12]

63.4.4 Short deduction of map fee – Rs 4.295 million

As per gazette notification of Municipal Committee Mian Chanu bearing number MC/MO/(F)MUC1846 Dated 2.6.2017 the rate of map fee of housing colony / land subdivision will be Rs600 per marla and previously it was Rs1000 and Rs500 per marla respectively.

Management of Municipal Committee Mian Chanu charged the map fee from the owner of land subdivisions and / housing colonies on total area under plots instead of total area of land subdivision / housing colonies as approved in the bylaws. This resulted in short collection of map fee amounting to Rs 4.295 million.

Annexure-3/MCN

Audit is of the view that in order to give undue benefit to the owner of the land subdivision / housing colonies map fee was charged on saleable area of land instead of total area of land against rules.

Short recovery of fee resulted in loss to the government amounting to Rs 4.295 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends matter should be referred to the higher authorities for further fixation of responsibility against person(s) at fault besides recovery of amount.

[AIR Para No.18]

63.4.5 Approval of map without site inspection and receipt of Government dues – Rs 2.9 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.

Management of MC Mian Chanu approved the commercial map of protein farm situated at Chak No.133 16/L owned by Mr. Farooq Malik S/O Muhammad Ashraf. Rs82358 was obtained from the owner on account of map fee without assessment of actual fee due as per government approved rates. Map was approved without any site inspection by concerned building inspector and planning officer. The details are given below:

(Rupees in million)

Name of work	Total Area	Rate	Value of land	Amount
Protein farm situated at Chak No.133 16/L owned by Mr. Farooq Malik S/O Muhammad Ashraf	523 Marlas	Rs 142,141/ Marla	20 million	2.000
	26 Kanal	Rs 35,000 per kanal for industrial unit		0.914
Total				2.914

Audit is of the view that due to weak internal control map was approved without any site inspection report by any authority and without receipt of government dues.

Non receipt of government dues resulted in loss amounting to Rs 2.90 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of amount besides fixation of responsibility against person(s) at fault.

[AIR Para No.9]

63.4.6 Non recovery of advertisement fee – Rs 1.852 million

As per Rule 27 of Punjab Local Governments (Auctioning of Collection Rights) Rules 2016, the contractor shall not be entitled to rebate on any grounds what so ever. As per condition No.10 of the lease agreement of advertisement fee, if any person, company, or department refused to pay the advertisement fee and on written application of contractor MC will take action against the concerned. However, the contractor will not stop any payment of lease amount and will not file a suit in the court of law.

Chief Officer MC Mian Chanu auctioned the collection rights of advertisement fee to M/S Zeshan Khan Baber S/o Dost Muhammad Khan for Rs 4.302 million for the period 1.07.2017 to 30.06.2018. The contractor stops the payment of monthly installments and did not pay Rs1.85 million on the plea that the banks did not pay the advertisement fee. The contractor by violating the clauses of the contract, filed the suit in the court of law and that case was never heard. The securities cheques deposited by the contractor also dishonored due to non-availability of bank balance. The details are given on next page:

(Rupees in million)

Year	Name of Contract	Auction Amount Including Income Tax	Amount Collected	Balance
2017-18	Advertisement Fee	4.732	2.879	1.853

Audit is of the view that due to weak internal control, advertisement fee was not collected from the contractor.

Non collection of advertisement fee resulted in loss to the MC amounting to Rs 1.85 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of amount and filing of FIR against the contractor due to submission of bogus cheques.

[AIR Para No.5]

63.4.7 Short deduction of map fee – Rs 1.75 million

As per gazette notification of Municipal Committee Mian Chanu bearing number MC/MO/(F)MUC1846 Dated 2.6.2017 the rate of map fee of housing colony / land subdivision will be Rs600 per marla and previously it was Rs1000 and Rs500 per marla respectively.

Management of Municipal Committee Mian Chanu charged the map fee from the owner of land subdivisions and housing colonies on total area under plots instead of total area of land subdivision / housing colonies as approved in the bylaws. This resulted in short collection of map fee amounting to Rs 1.754 million as detailed below:

(Rupees in million)

Name of Building	Total Area	Schedule Rate	Value of Land	Conversion Fee due	Conversion fee collected
Green Town	480 Marlas	Rs 1,000 per Marla	0.480	0	0.480
K.H Town	1151 Marlas	Rs 1,000 per Marla	1.551	0.488	1.063
Garden Town	553 Marlas	Rs 1,000 per Marla	0.533	0.322	0.211
Grand Total					1.754

Audit is of the view that in order to give undue benefit to the owner of the land subdivision / housing colonies map fee was charged on saleable area of land instead of total area of land against rules.

Short recovery of fee resulted in loss to the government amounting to Rs 1.75 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends matter should be referred to the higher authorities for further fixation of responsibility against person(s) at fault besides recovery of amount.

[AIR Para No.20]

63.4.8 Illegal construction / usage of marriage hall without approval and payment of MC dues – Rs 1.098 million

As per Town Planning and Building Bye Laws 2002, in case of violation of Tehsil Municipal Administration by laws Tehsil which includes construction without approval of map, utilization of building without approval of building etc council can imposed fine as per schedule fee.

Management of MC Mian Chanu allowed the construction of marriage hall out at an area of 5 Kanal along-with the Rehman CNG station situated at By Pass Road. Matter was pointed during the audit for the financial year 2011-2012 but despite the passage of considerable time no further progress shown. Neither any map was submitted nor map, conversion and form fee deposited into the MC/

TMA account. This resulted into loss to the TMA amounting to Rs 1.098 million as detailed below:

(Rupees in million)

Particulars	Area
Rehman Marriage Hall	5 kanal
Conversion Fee	0.413
Map Fee	0.136
Form Fee	0
Total Fee	0.549
Penalty %	0.549
Total Fee due from Illegal constructed building owner	1.098

Audit is of the view that the TMA authorities obliged the owner of the building and did not take any notice against the illegal construction nor recovered the government dues. This resulted into loss to the MC / TMA.

Due to weak internal control government fee was not recovered which resulted into loss of Rs1.098 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends the recovery of amount by using the current rates besides approval of building plan and fixation of responsibility against persons at fault.

[AIR Para No.29]

64. Municipal Committee Tulamba

CHAPTER 64.1

Sectoral Analysis of Municipal Committee Tulamba

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Tulamba for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	66.484	53.192	(13.292)	-19.99%
Non-salary	92.571	43.264	(49.307)	-53.26%
Development	125.654	36.695	(88.959)	-70.80%
Sub Total	284.709	133.151	(151.558)	-53.23%
Receipts	178.648	224.276	45.628	25.54%

- An amount of Rs 66.484 was provided for pay and allowance out of which Rs 53.192 million was utilized resulting in lapse of Rs 13.292 million (19.99%).
- An amount of Rs 92.571 million was provided for non-salary component out of which Rs 43.264 million was utilized resulting in lapse of Rs 49.307 million (53.26%).
- An amount of Rs 125.654 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 36.695 million was utilized resulting in non utilization of funds of Rs 88.959 million (70.80%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Tulamba was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given in the following table:

Detail Receipt Head	Target 2016-17	Achievement 2016-17	Excess (+) / less (-) achievement	%age of Variation
B01313 - Tax on Transfer of Immovable Property	2.500	1.818	(0.682)	(27.27)
C0388001 - License fee (Articles of Food and Drink)	0.050	0.037	(0.013)	(25.10)
C0388029 - Conversion Fee for change in building use	0.200	0.152	(0.048)	(24.00)
C0388091 - Others Miscellaneous Fee	0.015	0.004	(0.011)	(71.73)
Total	2.765	2.012	(0.753)	(27.23)
Detail Receipt Head	Target 2017-18	Achievement 2017-18	Short Recovery	%age of Variation
C0388001 - License fee (Articles of Food and Drink)	0.700	0.113	(0.587)	(83.86)
C0388016 - General Bus Stand fee	0.300	0.276	(0.024)	(8.16)
C0388016 - General Bus Stand fee	0.300	0.238	(0.062)	(20.80)
C0388027 - Fee for approval of Building/ Construction Plan	1.000	0.950	(0.050)	(5.03)
C0388027 - Fee for approval of Building/ Construction Plan	0.800	0.587	(0.213)	(26.59)
C0388029 - Conversion Fee for change in building use	0.500	0.291	(0.209)	(41.83)
C0388042 - Fee for slaughtering of animals	0.300	0.122	(0.178)	(59.37)
C0388058 - Sale of sullage/ waste-water	0.300	0.037	(0.263)	(87.63)
C0388081 - Rent of Municipal Property - Shops	0.250	0.246	(0.004)	(1.54)
C0388095 - Income from Cattle Pond	0.200	0.020	(0.180)	(90.03)
C0388077-80 - Advertisement fee	0.200	0.065	(0.135)	(67.50)
C-0388086 - NADRA Share (Form fee)	0.200	0.039	(0.161)	(80.40)
Total	5.050	2.983	(2.067)	(40.92)
Detail Receipt Head	Target 2018-19	Achievement 2018-19	Short Recovery	
C0388001 - License fee (Articles of Food and Drink)	0.150	0.079	(0.071)	(47.33)
C0388029 - Conversion Fee for change in building use	0.500	0.214	(0.286)	(57.11)
C0388042 - Fee for slaughtering of animals	0.150	0.099	(0.051)	(33.90)
C0388091 - Others Miscellaneous Fee	0.150	0.121	(0.029)	(19.11)

Detail Receipt Head	Target 2016-17	Achievement 2016-17	Excess (+) / less (-) achievement	%age of Variation
C0388095 - Income from Cattle Pond	0.050	0.021	(0.029)	(58.00)
C-0388086 - NADRA Share (Form fee)	0.050	0.015	(0.035)	(69.40)
C-0388072 - Renewal of Registration Contractors	0.050	0.008	(0.042)	(84.00)
Total	1.100	0.558	(0.542)	(49.25)
Grand Total	8.915	5.554	(3.361)	(37.71)

The above table of receipts heads shows that an amount of Rs 8.915 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 5.554 million was realized resulting in less receipt of Rs 3.361 million (37.71%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the house.

CHAPTER 64.2

Municipal Committee Tulamba

64.2.1 Introduction

Municipal Committee, Tulamba manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Tulamba:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	33.288	69.526
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

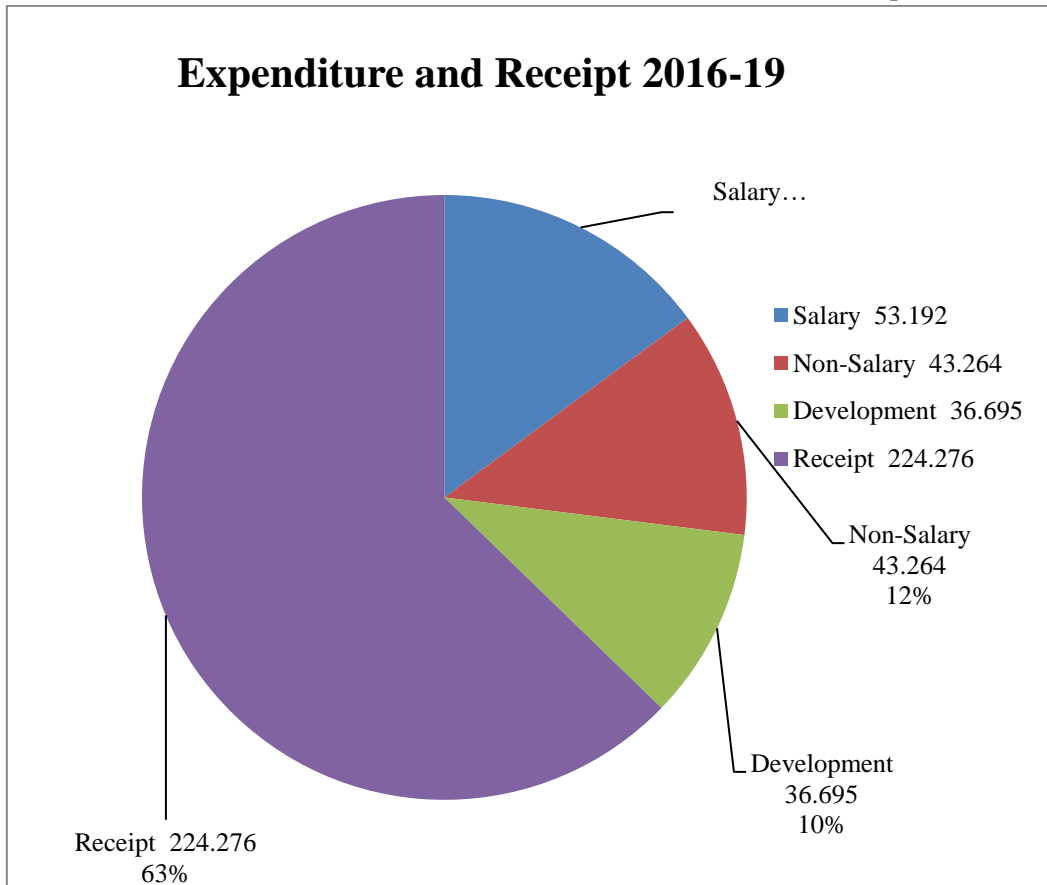
64.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the peiord 2016-19 is given below in tabulated form:

(Rupees in million)

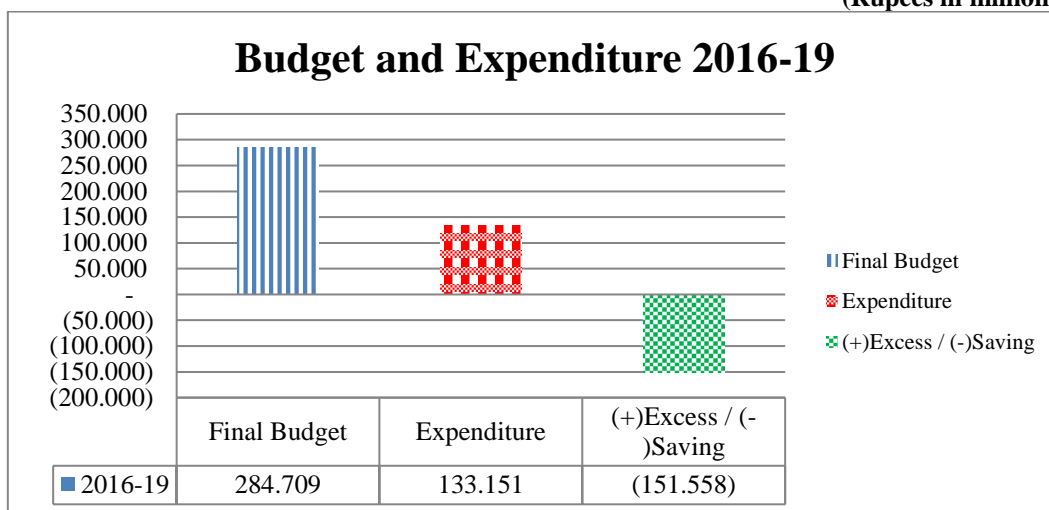
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	66.484	53.192	(13.292)	-19.99%
Non-salary	92.571	43.264	(49.307)	-53.26%
Development	125.654	36.695	(88.959)	-70.80%
Sub Total	284.709	133.151	(151.558)	-53.23%
Receipts	178.648	224.276	45.628	25.54%

(Rupees in million)



As per the Annual Accounts of the Municipal Committee Tulamba for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 284.709 million. Against the budget, total expenditure of Rs 133.151 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 151.558 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Tulamba. **(Annexure-B)**

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 49.307 million (53.26 percent).

64.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 20.067 million were raised as a result of this audit. This amount also includes recoverables of Rs 14.595 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural irregularities	-
A	HR / employees related irregularities	-
B	Procurement related irregularities	2.294
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	14.595
5	Others	3.178
Total		20.067

64.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Tulamba established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

64.3 Procedural Irregularities

64.3.1 Non-recovery of deduction for substandard tuff tile and bricks without obtaining of lab test report – Rs 1.260 million

According to Input rates of material for Bi-Annual period (1st July, 2017 To 31st Dec, 2017) the rate for Pre-cast PCC paver / grey tuff tiles of 60mm thickness (As per approved manufacturer) (7000 PSI) is Rs 95.25 and in case of bricks not of standard quality then 7 to 10 % deductions is required.

The administration of Municipal Committee, Tulamba made payment against substandard tuff tiles and bricks during 2016-19 without obtaining the laboratory test reports of tuff tiles and bricks as proof of use of standard quality in works as defined in MRS. Furthermore, the deduction of Rs 1.260 million was not made from the bills of the contractors. **Annexure-1/TLB**

Due to weak internal control and financial management the payment was made without obtaining of lab test reports.

Irregular payment resulted in loss to the government.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends enquiry into the matter for fixing the responsibility on the person(s) at fault.

[AIR Para No.4]

64.3.2 Unauthorized expenditure without tendering – Rs 1.034 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 one hundred thousand rupees to 2 million rupees.

The administration of Municipal Committee Tulamba incurred expenditure amounting to Rs 1.034 million to purchase machinery from supplier during the year 2016-19. Procurement was made without tendering, just calling simple quotations. No proof was provided that proposed expenditure was advertised on the PPRA's web site. In the absence of advertisement on PPRA website and without tendering process healthy competition was not conducted. Technical and financial bids were not obtained as per rule and favorite contractor was obliged.

(Rupees in million)

V. No.	Voucher Date	Name of Supplier	Description of item	Gross Amount	GST	Total Amount
22	22/1/2019	Ayyan Enterprises	Purchase of 3 loader Rickshaws 150 CC	1.000	0.034	1.034
Total						1.034

Due to weak internal financial controls irregular expenditure was incurred by the department.

Irregular expenditure resulted in violation of rules.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixing of responsibility against the concerned besides regularization of the expenditure from competent authority.

[AIR Para No.20]

64.4 Value of Money and Service Delivery Issues

64.4.1 Illegal construction of various buildings without submission of application and building plan, recovery thereof – Rs 7.722 million

According to para.4, notification dated 16.06.2012 of Local Government and community development department, Government of Punjab, conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Provided that in case of non-availability of valuation table, the value of the land shall be as per average sale price of the preceding twelve months of the land in the vicinity.

The administration of Municipal Committee, Tulamba allowed illegal construction of various buildings without collection of map fee, conversion fee and NOC fee from the owners during 2016-19. During the field/ site inspection, it was noticed that commercial activities were made without deposit of government dues of Rs 7.722 million during F.Y 2016-19. Physical inspection report is attached. The detail is as under:

(Amount in Rupees)

Name of Owner	Location address of the scheme	File No. / dated	Total area of land purchased / in possession Marlas	Rate as per Valuation Table	Land Valuation	Conversion Fee	Map Fee Rs 4000 per Marla	Total Fee recoverable
Dream Land commercial Market	Near bus Stand Abdul Hakim Tulamba Road	Nil	243	137,093	33,313,599	6,662,720	994,393	7,657,113
Khizar Kharral Adda No.02 (Shop)	Ada No.02 Tulamba	Nil	2	137,093	274,186	13,709	8,000	21,709

Name of Owner	Location address of the scheme	File No. / dated	Total area of land purchased / in possession Marlas	Rate as per Valuation Table	Land Valuation	Conversion Fee	Map Fee Rs 4000 per Marla	Total Fee recoverable
Umair Saleem S/o Muhammad Aslam (Shop)	Ada No.02 Tulamba	Nil	4	137,093	548,372	27,419	16,000	43,419
Total								7,722,241

Due to weak internal controls, government dues were not collected.

Non-collection of government dues resulted in loss to government.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery besides action against the concerned.

[AIR Para No.06]

64.4.2 Loss due to non-imposing of penalty for late completion of works – Rs 5.362 million

As per clause of contract agreement, the contractor shall pay, as compensation, an amount equal to one percent of the amount of the contract subject to the maximum of 10% or such smaller amount as the Engineer In charge may decide, for delay in completion of work. Further, as per clause 37 of the contract agreement, the contractor shall apply in writing for time extension, thirty days before the due date of completion, if there are unavoidable circumstances and the work may be delayed.

The administration of Municipal Committee, Tulamba extended undue favour to the contractor and did not impose and recover penalty of Rs. 5.362 million from the contractor for delay in completion of work of ADP of FY 2017-18. Further, progress report revealed that in some cases the work is still in progress but neither penalty has been imposed on the contractor nor securities were

forfeited by the authority which showed that undue favour had been extended. The detail is in **Annexure-2/TLB**

Due to weak internal controls penalty for not completing the work within stipulated period was not deducted.

Non deduction of penalty resulted in loss to public exchequer.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery besides taking actions against the concerned.

[AIR Para No.03]

64.4.3 Loss to Government due to non-recovery of dues from illegally established land sub-division – Rs 1.511 million

According to rule 39 of the Punjab Private Housing Schemes and Land Sub Division 2010, circulated vide Government of Punjab, LG& CD department letter No. No.SOR(LG)38-2/2004-P dated 13.03.2010, 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.

The administration of Municipal Committee, Tulamba allowed illegal establishment of housing colony (Land Sub Division), without recovery of prescribed dues on account of conversion fee, sanction fee, approval of design and specification fee and sustained a minimum loss of Rs 1.511 million to Government Exchequer. Developers/owners/property dealers are running their business of sale/purchase but no record / files of these LSDs were available on record with Municipal Committee. The detail of fee recoverable is as under:

(Amount in Rupees)

Name of housing scheme	Location address of the scheme	Total area of land purchased / in possession (Sft)	Total area of land purchased / in possession (Marlas)	Rate as per Valuation Table per Marla	Land Valuation	Conversion Fee @1%	Map Fee [after 2010 Rs 1000 per Marla	Scrutiny Fee	Total Fee Recoverable
Abdullah Town, LSD	Mian Chanuu Road Tulamba in front of Sadiq Filling station	173,491	637.249	137.093	87,362,357	873,624	637,249	1,000	1,511,873
Total									1,511,873

Due to weak internal controls, prescribed fees were not collected.

Non-collection of prescribed fees resulted in loss to government.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery besides fixing of responsibility.

[AIR Para No.01]

64.5 Others

64.5.1 Unjustified and unauthentic drawl on account of POL – Rs 3.178 million

According to rule 2.20 and 2.21 of PFR Vol-1, the claim submitted by the supplier should be supported by voucher setting forth full and clear particular of the claim. The voucher must bear a pay order, signed or initialed, and dated by the responsible disbursing officer. Rule 32 (C) of Punjab Local Government (Account) Rules 2017 states that the sanctioning authority shall put the official stamp on the claim voucher as token of the approval of the claim for payment. Moreover, according to rule 16(1)(b) of the Punjab Local Government (Account) Rules 2017, the accounts officer shall perform pre-audit of all the payments from local fund and public account before authorizing disbursement of the monies.

The administration of Municipal Committee Tulamba produced POL bills for the amount of Rs 3.178 million for the period 01.01.2017 to 30.6.2019 to audit. Scrutiny of the bill and logbooks revealed following shortcomings due to which the bills could not be considered as genuine:

1. The vouchers, against which payment was made, did not have a valid “PAY ORDER” as these were not stamped as “PAID & CANCELED”. The double drawal of voucher cannot be over ruled.
2. All the log books i.e. tractors, generators of disposals, rickshaw, jetting and sucker machine and pitter were written in same handwriting. So it shows the log books were not written by the actual drivers/operators. Rather the logbooks were written on assumption basis just as adjustment of POL expenditure.
3. Neither the meters of the machines / vehicle were working nor were the readings mentioned on logbooks. So all the logbooks were maintained just as entry, rather showing actual utilization.
4. Sucker machine continued to run on the road during the period. However, none of the machine replaced tyre.
5. All POL bills were without bill No.

6. No entries were in logbooks on account of fuel consumption and saving in Tank of different machine/ vehicle on daily basis
7. No entries were on account of date of departure and arrival of Machinery/ vehicle
8. Change of Mobil Oil occurred without estimation of consumption of Mobil oil used per hour running of machinery i.e. there exist no column of running of machinery per hour in respect of some machines including Tractors, Jetting and sucker machines etc.

Due to weak internal controls, the government funds were drawn on account of POL without proper/authentic proof of utilization.

Drawl of POL expenditure without proper vouchers resulted in unauthentic expenditure.

Audit recommends that the matter may be investigated and responsibility may be fixed on the person(s) at fault besides recovering the loss.

[AIR Para No.13]

65. Municipal Committee Dunyapur

CHAPTER 65.1

Sectoral Analysis of Municipal Committee Dunyapur

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Dunyapur for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	187.680	128.035	(59.645)	-31.78%
Non-salary	117.210	78.504	(38.705)	-33.02%
Development	75.003	37.371	(37.632)	-50.17%
Sub Total	379.893	243.910	(135.982)	-35.79%
Receipts	129.440	81.754	(47.685)	-36.84%

- An amount of Rs 187.680 was provided for pay and allowance out of which Rs 128.035 million was utilized resulting in lapse of Rs 59.645 million (31.78 %).
- An amount of Rs 117.210 million was provided for non-salary component out of which Rs 78.504 million was utilized resulting in lapse of Rs 38.405 million (33.02%).
- An amount of Rs 75.003 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 37.371 million was utilized resulting in non utilization of funds of Rs 37.632 million (50.17%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Dunyapur was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given in the following table:

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess (+) / less (-) achievement	%age
General Bus Stand fee	1.130	1.078	(0.052)	(4.62)
Fee for approval of Housing Colony	0.050	-	(0.050)	(100.00)
Fee for change in land use(Conversion Fees)	0.800	0.752	(0.048)	(6.02)
Fine for construction without approval of building plan	0.010	0.009	(0.001)	(10.00)
Fine for encroachment	0.050	0.043	(0.007)	(13.60)
Water connection/ disconnection/ re-connection fee	0.005	0.001	(0.004)	(80.00)
Receipts on account of sale of water - residential	1.827	0.550	(1.277)	(69.91)
Receipts on account of sale of water - commercial	0.022	0.004	(0.018)	(83.33)
Receipts on account sale of water Departmental Connection	0.044	0.036	(0.008)	(18.18)
Sale of sullage water	0.048	0.021	(0.027)	(55.73)
Fee for Fire Brigade	0.005	-	(0.005)	(100.00)
Contractor Advance	0.200	0.106	(0.095)	(47.25)
Advertisement Fee on billboards/ hoardings	0.900	0.251	(0.649)	(72.11)
Copying fee	0.010	0.006	(0.004)	(41.00)
Sale of stocks and stores	0.010	-	(0.010)	(100.00)
Arrear water rate	5.749	1.155	(4.594)	(79.91)
Total	10.860	4.011	(6.849)	(63.07)
Major / Minor Detailed Object of Receipts	Budgeted 2017-18	Actual 2017-18	Excess (+) / less (-) achievement	%age
License fee - others	0.300	0.243	(0.057)	(18.92)
Fee for approval of Housing Colony	0.050	-	(0.050)	(100.00)
Fee for approval of Building/ Construction Plan	0.500	0.285	(0.215)	(42.92)
Fine for encroachment	0.600	0.594	(0.006)	(0.95)
Receipts on account of sale of water - residential	3.419	0.908	(2.511)	(73.43)
Receipts on account of sale of water - commercial	0.018	-	(0.018)	(100.00)
Receipts on account sale of water Departmental Connection	0.096	-	(0.096)	(100.00)
Fee for Fire Brigade	0.001	-	(0.001)	(100.00)
Contractor Advance	1.200	1.089	(0.112)	(9.29)
Others Fee - Miscellaneous Fee	0.200	0.158	(0.042)	(21.06)
Arrear water rate	8.054	1.903	(6.151)	(76.37)
Total	14.438	5.181	(9.257)	(64.12)
Grand Total	25.298	9.192	(16.107)	(63.67)

The above table of receipts heads shows that an amount of Rs 25.298 million was targeted for various revenue sources during financial years 2016-18. Out of which Rs 9.192 million was realized resulting in less receipt of Rs 16.107 million (63.67%). It was evident that these targets were poorly monitored during the financial years 2016-18 by the house.

CHAPTER 65.2

Municipal Committee Dunyapur

65.2.1 Introduction

Municipal Committee, Dunyapur manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Dunyapur:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	60.978	20.439
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

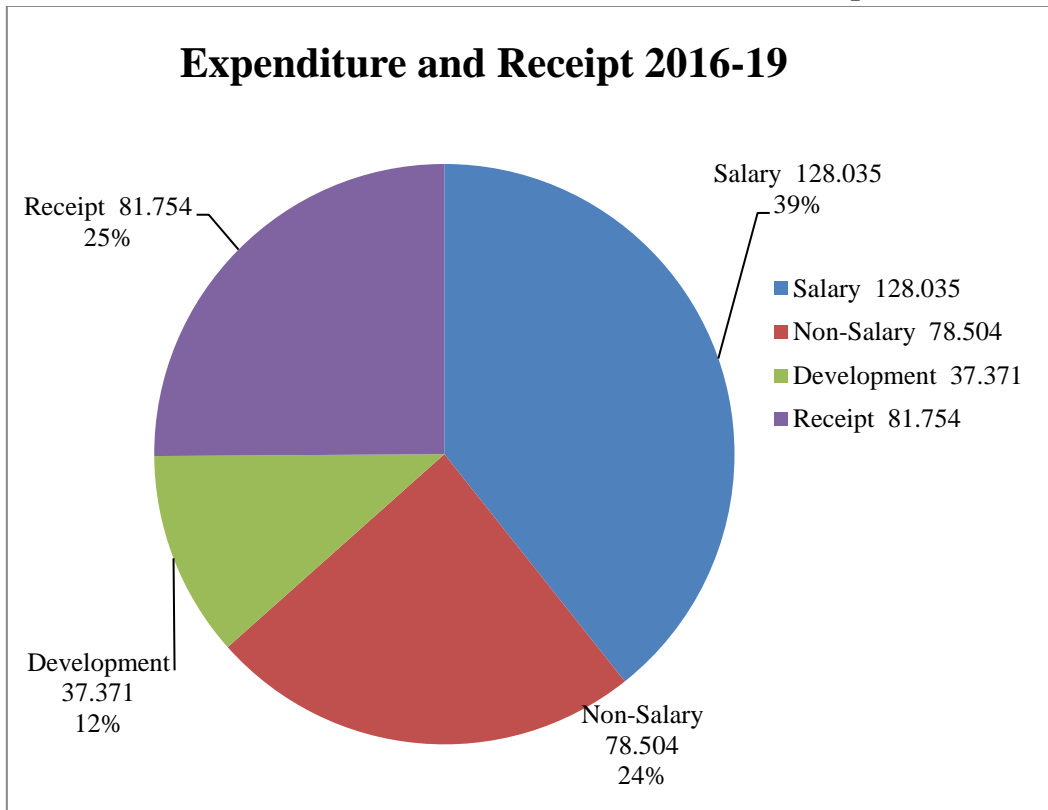
65.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the peiord 2016-19 is given below in tabulated form:

(Rupees in million)

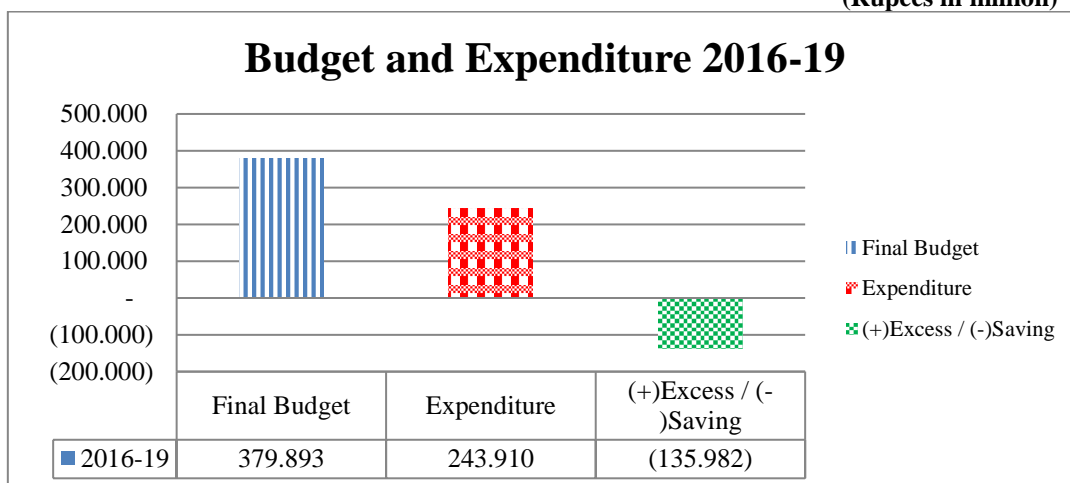
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	187.680	128.035	(59.645)	-31.78%
Non-Salary	117.210	78.504	(38.705)	-33.02%
Development	75.003	37.371	(37.632)	-50.17%
Sub Total	379.893	243.910	(135.982)	-35.79%
Receipts	129.440	81.754	(47.685)	-36.84%

(Rupees in Million)



As per the Annual Accounts of the Municipal Committee Dunyapur for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 379.893 million. Against the budget, total expenditure of Rs 243.910 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 135.982 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Dunyapur. (Annexure-B)

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 38.705 million (33.02 percent).

65.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 279.052 million were raised as a result of this audit. This amount also includes recoverables of Rs 15.011 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural irregularities	-
A	HR / employees related irregularities	-
B	Procurement related irregularities	222.311
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	32.318
5	Others	24.423
Total		279.052

65.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Dunyapur established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

65.3 Procedural Irregularities

65.3.1 Non-obtaining of mortgage deed from developer and entry in revenue record – Rs 43.250 Million

According to Rule 17(i)(ii)(iii) of Punjab Private Housing Schemes and Land Sub-division Rules, 2010 a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall, prior to issuance of sanction for scheme, require a developer to submit in the name of a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority a mortgage deed, in accordance with form C, twenty percent for housing scheme and ten percent for farm housing scheme of saleable area as security for completion of development works; or a performance bond, in accordance with form D and D1, consisting of a performance agreement and a bank guarantee respectively. Amount of bank guarantee shall be equivalent to total cost of development works:

Municipal Officer (P&C) of Municipal Committee, Dunyapur sanctioned various maps of Housing Schemes & Land Sub Divisions without obtaining the mortgage deed of 20% of saleable area of LSDs valuing Rs 43.250 million. This undue favour was given to the developer to sale those plots (to be mortgaged) before completion of development work at site. The detail is given in **Annexure-1/DPR**

Audit is of the view that due to weak internal controls LSDs were processed without obtaining the 20% of saleable area in the form of mortgage deed.

Non-mortgage of area may cause non-completion of development work in respective LSD and sale of all plots.

The matter was reported to the Chief Officer of Municipal Committee Dunyapur and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends immediate mortgage of requisite area besides recording of such deed in revenue record under intimation to audit.

[AIR Para No. 01]

65.3.2 Irregular tender process of development schemes by irrelevant committee – Rs 107.101 million

According to rule 9 (3) the tendering process and procurement shall be in accordance with PP Rules 2014. Further, according to According to Rule 12(2) of PPRA rules, all procurement opportunities over two million rupees should be advertised on the PPRA's 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 (5) of 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 following committee:

- | | | |
|----|---|----------|
| 1. | Chief Officer | Convener |
| 2. | Representative of Deputy Commissioner | Member |
| 3. | Assistant Engineer, concerned Local Government | -do- |
| 4. | District Officer Finance, Municipal Officer (Finance) | -do- |
| 5. | District Officer/Municipal Officer (Infrastructure) | -do- |

Chief Officer of Municipal Committee, Dunyapur executed development schemes costing Rs 40.593 million during 2016-18 without floating tenders in English newspapers. The tender of these development schemes were also opened by irrelevant committee instead of committee constituted in rules. Neither representative of Deputy Commissioner was available at the time of tendering opening nor Assistant Engineer, Local Government Lodhran. The detail is as under.

(Rupees in million)			
Sr. No	Financial Year	No. of Schemes	Amount
1	2016-.17	25 (11+14)	22.706
2	2017-18	36 (22+12+2)	17.887
Total		61	40.593

Audit is of the view that due to weak financial management, tenders were not floated as per PPRA rules and tenders were opened by incomplete tender opening committee.

Non-observing of PPRA rules and opening of tenders by incomplete tender opening committee resulted in irregular tendering process of works costing Rs 40.593 million.

The matter was reported to the Chief Officer of Municipal Committee Duniyapur and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends appropriate action against the concerned besides fixing of responsibility, under intimation to Audit.

[AIR Para No. 06]

65.3.3 Expenditure beyond competency due to irregular technical sanction – Rs 14.915 Million

According to Government of the Punjab LG & CD department letter No. SOR(LG)38-3/2017 dated 04.04.2017 read with Rule 9 (d) of PLG (works) Rules, 2017 an engineer in BS-17 working as independent engineer in charge in a Local Government shall have the powers to accord technical sanction up to rupees one million.

Municipal Officer (Infrastructure & Services) of Municipal Committee, Duniyapur executed works costing Rs 14.915 million during 2016-19 without obtaining technical sanction from concerned competent authority ie Chief Engineer and sanctioned by MO (I&S) beyond delegated powers as summarized below:

(Rupees in million)			
Sr. No.	Scheme	Year	Amount
1	Shifting of sewerage line near k.p chowk, lodhran rd, Duniyapur	2017-18	1.700
2	Shifting water supply line general bus stand lodhran road, duniyapur	2017-18	1.650
3	Rehabilitation of sewerage line gali Hanan school wali	2016-17	2.212
4	Rehabilitaion soling & sewerage govt.girls college	2016-17	3.066

Sr. No.	Scheme	Year	Amount
5	Improvement of sewerage line faizan e madina rd	2016-17	1.498
6	Rehabilitation of sewerage line kazmi chowk	2016-17	1.119
7	Rehabilitation of soling and sewerage gali khawaja basher	2016-17	2.398
8	Rehabilitation of soling gali madarsa madina tul Aloom	2016-17	1.272
Total			14.915

Audit is of the view that due to weak internal control, technical sanction was granted by irrelevant authority.

Granting of technical sanction by irrelevant authority resulted in irregular expenditure of Rs 14.915 million.

The matter was reported to the Chief Officer of Municipal Committee Dunyapur and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 04]

65.3.4 Unjustified expenditure by splitting through quotations instead of adopting tender process – Rs 15.251 million

According to Rule 9 and 12(1) of the Punjab Procurement Rules 2014, “procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s web site. Further according to rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as a case may be, when delivery is taken and they should be kept in charge of a responsible Government servant. When materials are issued a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or dispatched.

Chief Officer of Municipal Committee Dunyapur executed various works costing Rs 13.916 million and incurred expenditure of Rs 1.335 million on Sports Gala during FY 2017-19 by splitting up the works through quotations instead of adopting tender process as summarized below:

(Rupees in million)			
Sr. No.	Particulars	Irregularity	Amount
1	Development works	Splitting to avoid tender process	13.916
2	Sports Gala expenditure	Splitting through quotations and consumption record was not maintained	1.335
Total			15.251

Audit is of the view that due to weak financial control the works were executed through quotations instead of tender.

Execution of works by splitting resulted in irregular expenditure of Rs 15.251 million.

The matter was reported to the Chief Officer of Municipal Committee Dunyapur and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends for fixing responsibility against the concerned under intimation to audit.

[AIR Para No. 09, 27]

65.3.5 Loss due to non-auctioning of shops at market rates – Rs 3.884 million

According to section 130 of PLGA 2013, a local government grant lease of an immovable property through public auction and in case of expiry of contract, immediately take back possession of property and put it to fresh auction, after assessment of market rent.

Municipal Officer (Finance) of Municipal Committee Dunyapur did not re-auction shops during 2018-19 despite the expiry of valid period of lease agreement. The rent of shops was less than the current market rates or the rates

assessed by the district rent assessment committee. Committee sustained a minimum loss of Rs 3.884 million due to this negligence.

Due to non-auctioning of shops at market rates, the MC realized less rent of shops amounting to Rs 3.884 million

Non auction of shops resulted in less realization of rent of shops and loss to MC fund.

The matter was reported to the Chief Officer of Municipal Committee Duniyapur and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends appropriate efforts to fetch possible revenue besides action against responsible under intimation to audit.

[AIR Para No. 17]

65.3.6 Less transfer of public amenities area besides no entry in property register – Rs 34.712 million

According to rule 48(1) & (2) of the Punjab Private Housing Schemes and Land Sub-Division Rules 2010, a sanctioning authority not before twelve months of sanction of scheme and not later than eighteen months of sanction of scheme, get the scheme land transferred in the revenue record within nine months of sanction, get land transferred in its name in revenue record as per transfer deed. According to sanction letter possession of transferred land was also to be taken over by the sanctioning authority. Further, according to Rule 7.16 of the Land Records Manual, the transfer deeds were required to be entered in mutation register/revenue record.

Municipal Officer (P&C) of Municipal Committee, Duniyapur did not get transfer the area of public amenities valuing Rs 34.712 million to concerned sanctioning authorities during the period 2016-19. Moreover, the transferred area of various LSDs was also not recorded in the property register. The detail is given on next page:

(Rupees in million)

Sr. No.	Name	Area in Marlas	Area to Be Transferred	Area transferred	Area Less transferred	Value per Marla	Total
1	Hammad City, LSD	46	16	4 M	12 M	0.250	3.000
2	Ghulshen e Wahab Land Sub Division Dunyapur	1260	346	0	346	0.012	4.325
3	Rehman Garden land Sub Division	1000	400	0	400	0.012	5.000
4	Modren Land Sub Division	1970	631	0	631	0.012	7.887
5	Joyia Land Sub Division	2000	600	0	600	0.012	7.500
6	Al-Karam city, land Sub Division	1600	560	0	560	0.012	7.000
Total							34.712

Audit is of the view that due to improper monitoring control / defective law enforcement by authority concerned public amenities areas were not recorded properly.

Violation of rules ibid resulted in less entry of transfer deeds in mutation register / revenue record for the area worth Rs 34.712 million.

The matter was reported to the Chief Officer of Municipal Committee Dunyapur and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends immediate transfer of land in the name of MC besides action against person(s) at fault, under intimation to Audit.

[AIR Para No. 18, 02]

65.3.7 Non-obtaining of additional performance security – Rs 1.698 million

According to Para 9(9)(d) of Punjab Local Government (Works) Rules, 2017 in case the rates of the lowest bidders are equal to or less than 5% of the estimated cost, the lowest bidder 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 a notice as under which shall be refunded after issuance of completion certificate by the in charge of the engineering branch.

Chief Officer of Municipal Committee Dunyapur issued work orders to the contractors during 2016-18 who offered 5% or more below rates than estimated cost, but additional performance security of Rs 1.698 million was not obtained from them. The detail is given below.

(Rupees in million)

Sr. No.	ADP No.	Name of Scheme	Contractor Name	TS Amount	% below TS	10% Addl. Perf. Security
1	2016-17	Rehabilitaion of soling -sewerage line at gali rafiq kangu	Kamran ghuri	1.055	34	0.106
2	2016-17	Rehabilitation of soling, drainage line from girls college rd	Abdullah &co	3.066	33.3	0.307
3	2016-17	Rehabilitation of sewerage line gali Hanan school wali	Abdullah &co	2.212	33.3	0.221
4	2016-17	Improvement of sewerage line faizan e madina rd	Abdullah &co	1.498	30	0.150
5	2016-17	Improvement of sewerage line dukota road	Abdullah &co	1.013	21	0.101
6	2016-17	Rehabilitation of sewerage line kazmi chowk		1.119	23	0.112
7	2016-17	Rehabilitation of soling, madrasa madina tul aloom	kamran ghuri	1.272	37	0.127
8	2016-17	Rehabilitation of soling, drainage line at gali khawaja basher	kamran ghuri	2.398	39	0.240
9	2017-18	Shifting of Sewerage Line Near Kehror Pacca Chowk Lodhran Khanewal rd	M & I	1.700	19.2	0.170
10	2017-18	Shifting Water Supply Pipeline G. Bus Stand to Abbas pump Lodhran Khanewal Rd Dunyapur	Khalid Hussain	1.650	29.7	0.165
Total				16.983		1.698

Due to weak financial indiscipline of the department, Development works did not recover additional performance guarantee.

Non recovery of additional performance guarantee from contractors resulted in a loss to state amounting to Rs 1.698 million.

The matter was reported to the Chief Officer of Municipal Committee Dunyapur and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery & action against the concerned besides fixing of responsibility, under intimation to Audit.

[AIR Para No. 11]

65.3.8 Unauthorized award of development work – Rs 1.500 million

According to Serial No. X under Schedule-1 of the Punjab Local Governments (Works) Rules 2017, a contractor of category 'E' is entitled to execute work up to Rs 1 million.

Chief Officer of Municipal Committee, Dunyapur awarded work for shifting of water supply line costing Rs 1.500 million to Mr. Khalid Hussain Contractor of class-E during 2017-18. The contractor was listed with the Municipal Committee; Dunyapur in Class-E which depicts that contractor was not authorized for award of this work costing Rs 1.500 million.

Due to weak internal controls, work was awarded to a below category contractor.

Unauthorized award of development work amounting to Rs 1.500 million resulted in irregular expenditure.

The matter was reported to the Chief Officer of Municipal Committee Dunyapur and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 26]

65.4 Value for Money and Service Delivery Issues

65.4.1 Poor performance due to short collection of government receipt – Rs 16.036 million

According to Rule 4(f) Punjab Local Government Budget Rules 2017, the Chief Officer shall monitor the receipts and expenditures of the Local Government to be carried out in accordance with the approved budget and rules.

Chief Office Municipal Committee Dunyapur failed to monitor the receipt targets which resulted in short collection of government receipt Rs 16.036 million during 2016-18 as summarized below:

(Rupees in million)			
Year	Budgeted Receipts	Actual Receipts	Difference
2016-17	40.581	35.468	5.113
2017-18	93.742	82.819	10.923
Total	-	-	16.036

Audit is of the view that due to poor performance, receipts targets could not achieve which resulted loss to the government.

Non achievement of receipt targets resulted in loss to the government amounting to Rs16.036 million.

The matter was reported to the Chief Officer of Municipal Committee Dunyapur and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends fixation of responsibility against person(s) at fault under intimation to Audit.

[AIR Para No. 07]

65.4.2 Loss to government due to non-recovery of water rates – Rs 7.848 million

According to Chapter –IV Rule 4.7(1) of Punjab Financial Rules, Vol-I, it is primarily the responsibility of the departmental authorities to see all revenue or

other debts due to Government, which have to be brought to account, are correctly and properly assessed, realized and credited to Government account.

Chief Officer of Municipal Committee Duniyapur did not recover water rate charges of Rs 7.848 million during 2016-19 as summarized below:

(Rupees in million)				
Description	2016-17	2017-18	2018-19	Total
Total Demand on account of sale of water	3.735	3.419	3.397	10.552
Recovery	0.826	0.908	0.970	2.704
Short Recovery	2.909	2.511	2.427	7.848

Audit is of the view that due to weak management, targets for recovery of arrears of water charges were not achieved.

Less recovery of water charges amounting to Rs 7.848 million resulted into loss to the Government.

The matter was reported to the Chief Officer of Municipal Committee Duniyapur and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of water rate Rs 7.848 million besides fixation of responsibility against persons at fault under intimation to Audit.

[AIR Para No. 13]

65.4.3 Non-recovery of conversion fee and map fee – Rs 3.758 million

According to rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Municipal Officer (P&C) of Municipal Committee, Dunyapur did not take any action against the illegal constructions in the jurisdiction of municipal committee without recovery of conversion fee. The notices were served to the owners of the illegal constructions but recovery of conversion fee amounting to Rs 3.758 million has not been made. The detail is given in **Annexure-2/DPR**

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

Non-recovery of conversion fee resulted in loss of Rs 3.758 million.

The matter was reported to the Chief Officer of Municipal Committee Dunyapur and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends proper justification or recovery from concerned besides appropriate action against concerned under intimation to Audit.

[AIR Para No. 10, 24]

65.4.4 Loss to Government due to non-auction of vacant shops – Rs 2.275 million

According to Rule 146 (d) of PLG (accounts) Rules, 2017 the Collecting Officers shall ensure collection of local Government in a transparent manner beyond any doubt misappropriation, fraud, embezzlement or compromise.

Municipal Officer (Finance) of Municipal Committee Dunyapur did not auction vacant shops during 2016-19. MC fund sustain a loss of Rs 2.275 million due to non-auction of vacant shops. The necessary detail is as under:

(Rupees in million)

Sr. No.	Name of Market	Shop No	Vacant Period	Total Month	Last Rent P.M	Total Amount
1	Old Bus Stand Basti Malok Chowk Dunyapur	01	01-07-19 to 01.02.20	07	0.041	0.287
2	Old Bus Stand Basti Malok Chowk Dunyapur	03	01.01.17 to 01.01.20	36	0.0069	0.247

Sr. No.	Name of Market	Shop No	Vacant Period	Total Month	Last Rent P.M	Total Amount
3	Old Bus Stand Basti Malok Chowk Dunyapur	05	01.07.19 to 01.02.20	07	0.056	0.392
4	Old Bus Stand Basti Malok Chowk Dunyapur	10	01.07.19 to 01.02.20	07	0.070	0.490
5	Old Bus Stand BastiMalok Chowk Dunyapur	11	01.08.18 to 01.02.18	18	0.007	0.1386
6	Old Bus Stand Basti Malok Chowk Dunyapur	15	01.07.15 to 30.06.17	24	0.030	0.720
				Total		2.275

Audit is of the view that due to weak internal controls, shops were remains vacant for last three years.

Non auction of vacant shops resulted in less realization of rent of shops and loss to MC fund.

The matter was reported to the Chief Officer of Municipal Committee Dunyapur and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends appropriate efforts to fetch possible revenue besides action against responsible under intimation to audit.

[AIR Para No. 20]

65.4.5 Unauthorized construction of buildings for hospitals & schools – Rs 1.370 Million

According to Rule 60(1) (e) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2010, the conversion fee for the conversion of land use to educational or healthcare institutional use shall be ten percent of the value of land as per valuation table or ten percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available.

Municipal Officer (P&C) of Municipal Committee, Dunyapur did not recover MC dues from the owners of buildings constructed for healthcare &

educational use. The buildings were constructed without payment of the Government fee of Rs 1.370 million and submission of building plans. The detail is as under:

(Rupees in million)

Name	Location	Area	Map fee	Conversion Fee	Total
Hannan Public school	Hannan Road	20 Marla	0.027	0.333	0.360
Ibn e Sina school	Dukota Road	10 Marla	0.0122	0.150	0.162
Abdullah High School	Committee Road	10 Marla	0.012	0.150	0.162
Lahore Poly Clinic	Railway Road	15 Marla	0.020	0.250	0.262
Ghori General Hospital	Mailsi Road	10 Marla	0.032	0.400	0.424
		Total	0.103	1.283	1.370

Audit is of the view that due to weak controls on the buildings, the buildings were constructed without approval of building plan and payment of the Government fee.

Non-payment of Government dues resulted in loss to Municipal fund Rs 1.370 million.

The matter was reported to the Chief Officer of Municipal Committee Dunyapur and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 1.370 million besides action against person(s) at fault under intimation to Audit.

[AIR Para No. 28]

65.4.6 Non-collection of Government dues from developers of Land Sub-divisions – Rs 1.031 million

According to rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, “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.

Municipal Officer (P&C) of Municipal Committee, Dunyapur did not take any action against the illegal establishment of land sub-divisions nor recovered government dues amounting to Rs 1.031 million.

(Rupees in million)

Sr. No	Name of Land Sub Division	Area in Kanal	Map Fee	Conversion Fee	Total
1	Ghulshan e Wahab Land Sub Division Meewati Rd, Dunyapur	63	0.204	0.158	0.362
2	Rehman Gardens, Land Sub Division, Meewati Rd, Dunyapur	50	0.118	0.126	0.243
3	Illegal Land Sub Division, Near Yousaf Children Hospital, Karor pacca Rd, Dunyapur	50	0.120	0.126	0.246
	Illegal Land Sub Division, Bypass Rd, Dunyapur	40	0.080	0.100	0.180
	Total				1.031

Audit is of the view that the due to weak internal control government dues remained unrecovered.

Due to non-collection of dues resulted in loss to MC fund for Rs 1.031 million.

The matter was reported to the Chief Officer of Municipal Committee Dunyapur and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends proper justification or recovery from concerned besides appropriate action against concerned under intimation to Audit.

[AIR Para No. 31]

65.5 Others

65.5.1 Undue benefit to developers of housing schemes – Rs 11.125 million

According to Para 10(2) of the Punjab Private Housing scheme and Land Sub Division Rules 2010, the developer while planning a Housing Scheme shall adhere to following requirements.

- (a) Open space or park, Seven percent and above
- (b) Graveyard, two percent and above
- (c) Commercial area, fixed five percent
- (d) Public buildings, five to ten percent

Municipal Officer (P&C) of Municipal Committee, Dunyapur gave undue benefit to different housing scheme developers by not restricting above mentioned areas for public use, rather allowing them to sale this area and keep less area for public purposes, resulted in providing undue benefit to developers amounting to Rs 11.125 million as detailed in below.

(Rupees in million)

Sr. No.	Name of Scheme	Total Area in kanal	Minimum Area of Public Building/ open space 9%	Actual Area of Public Building/ Open Spaces	Total Less Area of Public Building/ Roads	Rate as per valuation table 2019-20 per kanal	Total
1	Gulshan e Mehdi Housing Scheme, Phase 1 ,Dunyapur	188	17	3	14	0.250	3.500
2	Gulshan e Mehdi Housing Scheme, Phase 2 ,Dunyapur	262	23	4	19	0.250	4.750
3	Jawad Housing Society	160	14	2.5	11.5	0.250	2.875
Total							11.125

Audit is of the view that due to weak monitoring control over LSDs area of public amenities was sold out.

Sale of open spaces & public buildings by developers resulted in undue benefit to the developers.

The matter was reported to the Chief Officer of Municipal Committee Dunyapur and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends action against the person(s) at fault and remedial measures be taken, under intimation to Audit.

[AIR Para No. 08]

65.5.2 Doubtful consumption of POL funds – Rs 7.284 million

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

Chief Officer Municipal committee, Dunyapur withdrew Rs 7.284 million on account of POL charges during the year 2017-19. Neither the log books of vehicles were maintained nor shown to Audit. In absence of log books and proper justification of expenditure, the expenditure cannot be treated as valid expenditure as summarized below:

(Rupees in million)			
Major / Minor Detailed Function	Total expenditure for year 2016-17	Total expenditure for year 2017-18	Total expenditure
A-03807 POL Charges	2.500	4.784	7.284

Audit is of the view that due to weak internal controls, no log books were maintained.

Incurring of POL funds without maintenance of log books may cause misuse of funds of Rs 7.284 million

The matter was reported to the Chief Officer of Municipal Committee Dunyapur and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends appropriate action against the concerned besides justification of expenditure or recovery of Rs 7.284 million under intimation to Audit.

[AIR Para No. 14]

65.5.3 Unjustified Payment of tuff tile works – Rs 5.010 million

According to Technical Sanction of Chief Engineer (HQ) Punjab Local Government Board Lahore letter No. CE (HQ) PLGB-TS/2005 issued in different dates for different works, the tuff tile was required to be used manufactured by the Government approved manufacturer.

Chief Officer Municipal committee, Dunyapur made payment of Rs 5.010 million on account of tuff tile work in the different development works during the year 2016-19. The payment was unjustified as the name of the manufacturer was not mentioned in the record entries and on the test report. Further no evidence was available in the record that tuff tile has been used which was manufactured by the Government approved manufacturer.

Due to weak financial control, payment was made to unapproved govt. manufacturer.

Not buying of tuff tile from approved manufacturer resulted in loss to state amounting to Rs 5.010 million.

Audit recommends regularization of expenditures and inquiry against concerned for procuring sub-standard goods under intimation to Audit.

[AIR Para No. 15]

65.5.4 Overpayment to contractor due to excessive measurement – Rs 1.004 million

According to the provisions of compendium of technical standards design of Planning and Development Government of Punjab “the criteria for water supply, sewerage and drainage schemes, adopted by the Public Health Engineering Department, spacing of manholes in straight lines shall be as under:

Size of sewer	Spacing
9 inches- 12 inches dia	100 feet- 150 feet
15 inches- 24 inches dia	200 feet- 250 feet
27 inches - 42 inches	300 feet
42 inches - 60 inches	400 feet
Above 60 inches dia	500 feet

Municipal Officer (Infrastructure & Services) of Municipal Committee Dunyapur approved the estimate of works “lying of sewerage at different locations in Dunyapur”. For this work quantity of manholes claimed in bill were more than the number of manholes required at site as per above criteria which resulted into excess withdrawal from MC funds amounting to Rs 1.004 Million.

(Rupees in million)

Year	Name of Contractor	Amount of contract	RCC Pipe Dia	Length RFT	Manholes 9" to 12"=100 to 150 feet paid	Quantity of manholes to be paid	Excess Qty	Rate	Amount
2017-18	Shukat Hussain	1.700	12" dia	1540	16	38 Nos	22 Nos	0.020	0.434
2016-17	kamran ghor	2.398	12" dia	981	20	10	10	0.017	0.166
2016-17	kamran ghor	1.055	12" dia	360	10	5	5	0.014	0.070
2016-17	M&I	0.400	12" dia	530	15	6	9	0.013	0.114
2017-18	Mahboob Ali	0.500	12" dia	615	19	7	12	0.009	0.114
2017-18	Shoukat Ali Hashmi	0.500	12" dia	410	10	5	5	0.013	0.067
2017-18		0.500	12" dia	175	6	2	4	0.010	0.040
Total									1.004

Audit is of the view that due to weak internal control excess quantity was claimed in the bill to give benefit to the contractors.

Payment of excess quantities resulted in excess payment of Rs 1.004 million.

The matter was reported to the Chief Officer of Municipal Committee Dunyapur and the DDO concerned in February, 2020; but no reply was submitted.

However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends either the recovery be made or excess quantity be vetted from Planning Department under intimation to audit.

[AIR Para No. 29]

66. Municipal Committee Kehror Pacca

CHAPTER 66.1

Sectoral Analysis of Municipal Committee Kehror Pacca

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Kehror Pacca for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	321.243	246.494	(74.749)	-23.27%
Non-salary	127.891	67.151	(60.740)	-47.49%
Development	183.940	131.333	(52.607)	-28.60%
Sub Total	633.074	444.978	(188.096)	-29.71%
Receipts	177.136	122.862	(54.274)	-30.64%

- An amount of Rs 321.243 was provided for pay and allowance out of which Rs 246.494 million was utilized resulting in lapse of Rs 74.749 million (23.27 %).
- An amount of Rs 127.891 million was provided for non-salary component out of which Rs 67.151 million was utilized resulting in lapse of Rs 60.740 million (47.49%).
- An amount of Rs 183.940 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 131.333 million was utilized resulting in non utilization of funds of Rs 52.607 million (28.60%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Kehror Pacca was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given in the following table:

Sr. No.	Name of Head	Budget Estimates for the Year 2016-17	Actual Income From 01.07.2016 to 31.12.2016	Excess (+) / less (-) achievement	%age of Variation
2	Property Tax (Excise)	4.500	4.104	(0.396)	(8.81)
3	Immoveable Property / TTIP	17.500	15.290	(2.210)	(12.63)
4	Building Fee	2.500	1.011	(1.489)	(59.57)
6	Water Rate Charges	0.500	0.116	(0.384)	(76.78)
7	Slaughtering Fee	0.100	0.078	(0.022)	(22.06)
8	Copying Fee	0.013	0.011	(0.002)	(14.48)
10	Rent of Property	3.750	3.454	(0.296)	(7.89)
11	Sludge Water	0.800	0.673	(0.127)	(15.88)
12	Interest/ Profit	0.300	0.169	(0.131)	(43.70)
14	Sanitation Fee	0.325	0.291	(0.034)	(10.60)
18	Water Rate	0.500	0.403	(0.097)	(19.31)
20	Tyre Shop	0.004	-	(0.004)	(100.00)
21	Sanitation Fee	0.050	0.013	(0.037)	(74.00)
Total		30.842	25.612	(5.230)	(16.96)
Sr. No.	Name of Head	Budget Estimates from January 2017 to June 2017	Actual Income From 01.01.2017 to 30.06.2017	Shortfall	%age
2	Property Tax (Excise)	5.000	1.090	(3.910)	(78.20)
3	Immoveable Property / TTIP	6.000	3.812	(2.188)	(36.47)
4	Building Fee	3.000	1.178	(1.822)	(60.74)
5	Entertainment & Advertisement Tax	0.430	0.284	(0.147)	(34.07)
6	Water Rate Charges	0.850	0.223	(0.627)	(73.79)
7	Slaughtering Fee	0.080	0.071	(0.009)	(11.05)
12	Interest/ Profit	0.205	0.036	(0.169)	(82.27)
14	Sanitation Fee	0.075	-	(0.075)	(100.00)
16	Earnest Money	0.500	-	(0.500)	(100.00)
18	Water Rate	0.600	0.370	(0.230)	(38.32)
19	Tyre Shop	0.008	-	(0.008)	(100.00)
20	Sanitation Fee	0.025	-	(0.025)	(100.00)
Total		16.773	7.064	(9.709)	(57.89)
Sr. No.	Name of Head	Budget Estimates for the Year 2017-18	Actual Income From 2017-18	Shortfall	%age
2	Property Tax (Excise)	15.000	8.906	(6.094)	(40.63)
3	Immoveable Property / TTIP	8.500	6.617	(1.883)	(22.16)
6	Water Rate Charges	1.150	0.664	(0.486)	(42.27)

8	Copying Fee	0.150	0.120	(0.030)	(20.17)
11	Sludge Water	1.470	0.900	(0.570)	(38.74)
12	Interest/ Profit	0.350	0.344	(0.006)	(1.79)
13	Miscellaneous	1.000	0.959	(0.041)	(4.13)
14	Sanitation Fee	0.300	0.295	(0.005)	(1.62)
15	Tyre Shop & Kabaria)	0.030	0.026	(0.004)	(13.67)
16	Earnest Money	1.150	1.145	(0.005)	(0.48)
18	Water Rate	0.930	0.840	(0.090)	(9.63)
20	Sanitation Fee	0.075	0.015	(0.060)	(80.27)
Total		30.105	20.830	(9.275)	(30.81)
Sr. No.	Name of Head	Budget Estimates for the Year 2018-19	Actual Income From 2018-19	Shortfall	%age
2	Property Tax (Excise)	15.000	8.039	(6.961)	(46.41)
5	Entertainment & Advertisement Tax	0.750	0.578	(0.172)	(22.99)
6	Water Rate Charges	1.300	0.699	(0.601)	(46.26)
8	Copying Fee	0.150	0.136	(0.014)	(9.07)
11	Sludge Water	1.500	1.312	(0.188)	(12.55)
14	Licence Fee	0.650	0.446	(0.204)	(31.46)
15	Licence Tyre Shop & Kabaria)	0.030	0.025	(0.005)	(16.67)
18	Water Rate	0.600	0.509	(0.091)	(15.12)
19	Licence fee	0.050	-	(0.050)	(100.00)
	Total	20.030	11.743	(8.287)	(41.37)
	Grand Total 2016-2019	97.750	65.248	(32.502)	(33.25)

The above table of receipts heads shows that an amount of Rs 97.750 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 65.248 million was realized resulting in less receipt of Rs 32.502 million (33.25%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the house.

CHAPTER 66.2

Municipal Committee Kehror Pacca

66.2.1 Introduction

Municipal Committee, Kehror Pacca manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Kehror Pacca:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	93.445	30.716
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

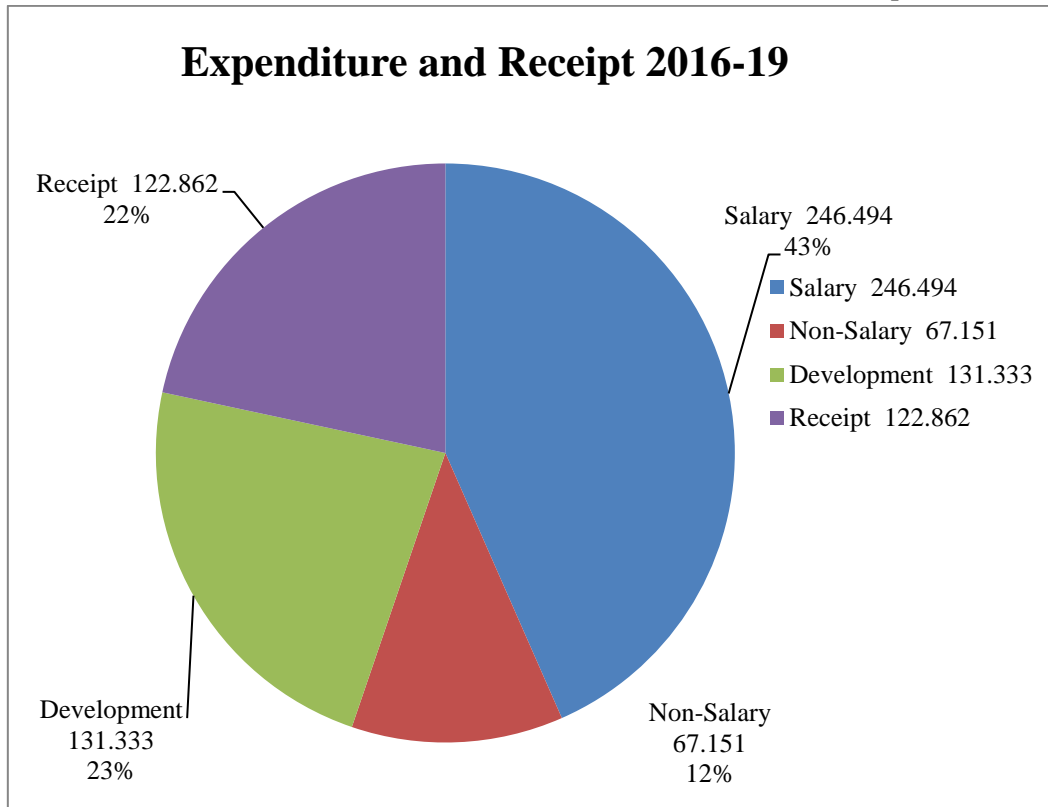
66.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the peiord 2016-19 is given below in tabulated form:

(Rupees in million)

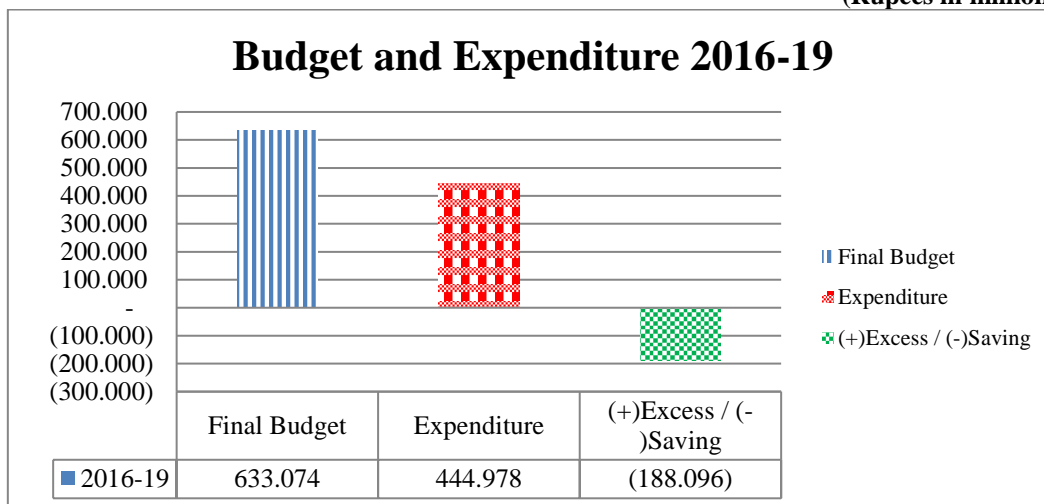
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	321.243	246.494	(74.749)	-23.27%
Non-salary	127.891	67.151	(60.740)	-47.49%
Development	183.940	131.333	(52.607)	-28.60%
Sub Total	633.074	444.978	(188.096)	-29.71%
Receipts	177.136	122.862	(54.274)	-30.64%

(Rupees in million)



As per the Annual Accounts of the Municipal Committee Kehror Pacca for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 633.074 million. Against the budget, total expenditure of Rs 444.978 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 188.096 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Kehror Pacca. **(Annexure-B)**

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 60.740 million (47.49 percent).

66.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 177.970 million were raised as a result of this audit. This amount also includes recoverables of Rs 30.517 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural irregularities	-
A	HR / employees related irregularities	7.898
B	Procurement related irregularities	42.466
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	89.037
5	Others	38.569
Total		177.970

66.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Kehror Pacca established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

66.3 Procedural Irregularities

66.3.1 Unauthorized execution of works through quotations instead of open tenders – Rs 10.173 million

According to Rule 12 of the Punjab Procurement Rules, 2014 procurements of goods, services or works over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA website / print media. Further according to Rule 46 of the Punjab Tehsil/Town Municipal Administration (Works) Rules, 2003, where a quotation of a contractor has been accepted for piece work, the Engineer- in-charge shall issue a work order for the execution of the work in the form and in the manner prescribed under the West Pakistan Building and Road Works Code.

Municipal Officer (Infrastructure & Services) of Municipal Committee Kehrorpacca issued work orders of Rs 10.173 million for execution of works through calling the short tenders/quotations without any urgency.

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

Unauthorized issuance of work orders of Rs 10.173 million for the works executed through quotations instead of open tenders resulted in violation of Government rules.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of expenditure from the competent authority under intimation to Audit.

[AIR Para No. 05]

66.3.2 Irregular appointment of daily wages staff–Rs 7.898 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 through advertisement in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment. Further 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, directed that in future no work charge / daily wages employee will be appointed in the local Governments without the approval of LG&CD Department.

Chief Officer of Municipal Committee Kehrorpacca paid Rs 7.898 million during 2016-19 from non-development budget on account of daily wages to the staff appointed without any advertisement / approval of LG & CD Department. The detail is given in **Annexure-1/KP**

Audit is of the view that due to non-compliance of Government instructions, daily wages staff was appointed without observing the prescribed procedure.

Appointment of staff without observing the prescribed procedure resulted in irregular payments of Rs 7.898 million.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 07]

66.3.3 Mis-procurement of sewer sucker machine and unauthorized advance payment of Rs 6.230 million

According to Rule 4 of PPRA Rules, 2009 as amended 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 42 (b) of PPRA Rules, 2009 a procuring agency may request for quotations when the cost of object of procurement is below the prescribed limit of one hundred thousand rupees.

Chief Officer of Municipal Committee Kehrorpacca made mis-procurement of sewer sucker machine costing Rs 6.230 million during 2017-18. The entire process of procurement followed by payment for 'sewer sucker machine' was open to following audit observations:

- i. Bid document was neither prepared nor issued to the interested bidders to participate in the bidding process. No record of sale of bid documents was maintained.
- ii. Tender notice for inviting bids was void as pointed out by the PPRA vide their letter dated 23.09.2017 that the published quotations invitation is contrary to the Rule 27 of PPRA.
- iii. No corrigendum was issued in compliance of PPRA's directions despite the fact that they warned that procurement shall be considered as mis-procurement if compliance of above query was not entertained.
- iv. Specifications mentioned in the advertisement were contrary to PPRA Rule 10.1
- v. Applications were not available showing that how many firms applied to participate in competition. Technical Evaluation Committee neither constituted nor minutes were recorded. Neither grievance redressal committee was constituted. Neither technical bid nor financial bid was available showing the participation Ghandhara Industries in the purchase process.

- vi. Beyond the terms and conditions of the bid document, advertisement, procurement terms and conditions the procuring agency entered into an agreement with the lowest bidder that procuring agency will pay 2,800,000 in advance to the manufacturing company M/s Ghandhara Industries Limited for supply of Isuzu chesis.
- vii. Advance withdrawal of funds was made and paid to the Ghandhara Industries Limited without prior approval of Finance Department on simple pre-receipt bill of Ghandhara Industries Ltd.

Audit is of the view that due to weak internal controls PPRA rules were violated while making procurement of sucker machine.

Procurement of sucker machine in violation of PPRA rules resulted in mis-procurement of sucker machine.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends strict action against persons responsible for mis-procurement and regularization of irregularity under intimation to Audit.

[AIR Para No. 27]

66.3.4 Irregular expenditure by calling quotations instead of request for tender – Rs 5.023 million

According to Rule 22 and 69 of the Punjab Procurement Rules 2014, the procuring agencies shall use open competitive bidding or publication of request for tender as the principal method of procurement for the procurement of goods, services and works. Any violation of these rules shall be treated as mis-procurement. According to rule 9 (5) of the Punjab Local Governments (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 consisting of Chief Officer as convener, representative of the

Deputy Commissioner concerned, Assistant Engineer, concerned Local Government, DO / MO (Finance) as members and DO / MO (Infrastructure) as member / secretary of the committee.

Chief Officer of Municipal Committee Kehrorpacca incurred expenditure amounting to Rs 5.023 million during 2016-19 on procurement of different items including parts of tractors, trolley, car and machinery, frequent bills of sewer repair and electric material. The expenditure was incurred by calling quotation/without quotation instead of tender by splitting up the indent despite the cost of procurement was more than the prescribed financial limit of Rs 0.100 million. The tenders were required to be open by the committee including external members of the committee for fair competition in the bidding process. All the quotations were open and works were awarded by the committee consisting of officers of MC Kehror Pacca.

Audit is of the view that due to weak internal controls, expenditure was incurred on procurement of different items by calling quotation instead of request for tender through purchase committee of MC Kehror Pacca instead of tender committee consisting of external members.

Violation of rules resulted in irregular expenditure amounting to Rs 5.023 million.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends proper justification or regularization of expenditure from the competent authority under intimation to Audit.

[AIR Para No. 20]

66.3.5 Unauthorized retention and refund of performance securities – Rs 4.623 million

According to the Government of the Punjab, Finance Department Notification No.RO (Tech) FD 1-2/2010 dated 04.09.2012, the performance security deposit /

additional performance security deposit lodged by a contractor (in cash or /other form) shall be refunded to him after the expiry of three months after the issue of the certificate of completion of work under Clause 40 hereof by the Engineer-in-charge, or along with the final bill if it is prospered after that period on account of some unavoidable circumstances. Further, according to Section (107)(3)(b) of PLGO 2001, all refundable deposits received by a Local Government shall be credited to Public Account of the respective Local Government, in State Bank, Government Treasury, a Post Office or a bank as specified by the Government from time to time.

Chief Officer of Municipal Committee Kehrorpacca obtained performance securities amounting to Rs 4.623 million from different contractors. The performance securities were received in shape of CDRs from the contractors and were kept in hand instead of depositing the same into Government Treasury / Bank Account.

Audit is of the view that due to weak internal controls, security deposits were kept in hand instead of depositing the same into Government Treasury / Bank Account.

Unauthorized retention of security deposits amounting to Rs 4.623 million in hand instead of depositing the same into Government Treasury / Bank Account resulted in violation of Government rules.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 13]

66.3.6 Mis-procurement of items besides uneconomical and doubtful expenditure on sports gala and store for gymkhana– Rs 4.364 million

According to Rule 4 of PPRA Rules, 2009 as amended 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 42 (b) of PPRA Rules, 2009 A procuring agency may request for quotations when the cost of object of procurement is below the prescribed limit of one hundred thousand rupees.

Chief Officer of Municipal Committee Kehrorpacca uneconomically incurred Rs 4.364 million by mis-procurement on account of sports gala and store for gym khana during 2017-18. The entire expenditure was open to following Audit observations:

- i. The advertisement of inviting tenders/bids floated on PPRA website or in press was without mentioning the estimated cost of procurement as pointed out by PPRA as a void advertisement. Amount of bid security cannot be ascertained without mentioning the estimated cost of procurement.
- ii. The tender was not floated in two national daily newspapers having wide circulation one in Urdu and one English. The supply of imported kits was approved without its inclusion in tender
- iii. Tender floated was for services but procurement of goods was also made.
- iv. The bidder has quoted excess rates and same were approved without assessing the market value of these items.
- v. The sports kits were excessively purchased and shown as issued to the participants whereas the arrangement of only final event of prize distribution was the responsibility of MC but excessive kits were purchased and shown as supplied to the players.
- vi. No detail of players who played in the event was available no detail of participants who attended the event was available. As per list available

in file only 30 persons/personalities have attended that event and entertainment arrangement also does not confirm the excessive claim of chairs and sofa sets claimed for that event.

- vii. The entire expenditure was excess claimed than the occasional demand.
- viii. The proof of deduction of taxes i.e. GST/PST was not provided and expenditure was not verified by Sports Officer.
- ix. No minimum discount @ 40% to 50% on hiring of tentage was obtained.

Audit is of the view that due to weak financial management the expenditure without observing codal formalities.

Non-observing codal formalities while incurring expenditure from Public funds may cause irregular and uneconomic expenditure.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends strict disciplinary action besides regularization of irregularity under intimation to Audit.

[AIR Para No. 21]

66.3.7 Non-obtaining of additional performance securities – Rs 2.918 million

According to Government of the Punjab, Finance Department letter No. RC9Tech) FD-1-2/83 (v) (p) dated 06-04-2005, if contractor quote rate 5 % below the approved D.N.I.T. lowest bidder will have to deposit additional performance security from the schedule bank within 15 days. Furthermore, according to rule 9 (d) Punjab Local Government (Works) Rules, 201 in case if rates of the lowest bid are equal to or less than 5% of the estimated cost, the lowest bidder shall be 7 the additional performance security shall be refunded after issuance of completion certificate by the in charge of the engineering branch.

Municipal Officer (Infrastructure & Services) Kehrorpacca awarded works without obtaining of additional performance securities of Rs 2.918 million from the contractors offered more than 5% below rate in violation of above rules which resulted into irregular award of contract. The detail is given in **Annexure-2/KP**

Audit is of the view that due to weak management, performance securities were not obtained despite contracts were awarded at the rate of more than 5% below the technical estimate.

Performance securities amounting to Rs 2.918 were not obtained despite contracts were awarded at the rate of more than 5% below the technical estimate which resulted in in violation of the Government rules.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends action against concerned for non-obtaining of additional performance securities besides regularization of works from the competent authority under intimation to Audit.

[AIR Para No. 03]

66.3.8 Mis-procurement of various items on account of iron carts, iron trollies and sewing machines – Rs 2.578 million

According to Rule 4 of PPRA Rules, 2009 as amended 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 42 (b) of PPRA Rules, 2009 a procuring agency may request for quotations when the cost of object of procurement is below the prescribed limit of one hundred thousand rupees.

Municipal Officer (Infrastructure & Services) Kehrorpacca uneconomically incurred Rs 2.578 million during 2016-18 by mis-procurement of iron carts, hydraulic trolley, sewing machines, tyres tubes and electric store. The entire expenditure was open to following Audit observations:

The tender was not floated in two national daily newspapers having wide circulation one in Urdu and one English. The estimated cost of procurement was not mentioned in advertisement.

The bidder has quoted excess rates and same were approved without assessing the market value of these items and Iron carts, hydraulic trolley, sewing machines, tyres tubes and electric store were purchased from a middleman / supplier instead of directly from the manufacturer. No specification was mentioned in the purchase documents.

Audit astonished to note that these items can be directly purchased from the manufacturer at lesser rates than these are purchased from a supplier. The supplier was favoured by making payment beyond the invoice price of the manufacturer.

The proof of deduction of taxes i.e. GST/PST was not provided. The detail is given in **Annexure-3/KP**

Audit is of the view that due to weak financial management, the expenditure was made without observing codal formalities.

Non-observing codal formalities while incurring expenditure from Public funds may cause irregular and uneconomic expenditure.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends strict disciplinary action besides regularization of irregularity under intimation to Audit.

[AIR Para No. 24]

66.3.9 Unauthorized sanction of land sub divisions by splitting up the area to favour the developer – Rs 2.085 million

According to Rule 41 (e) of Punjab Private Housing Schemes and Land Sub-division Rules, 2010 a Local Government shall, after verification of ownership documents, entertain an application for sub-division of land which is less than one hundred kanal subject to requirements a developer does not own additional land in continuation of the land proposed for sub-division.

Municipal Officer (Planning & Coordination) of Municipal Committee Kehrorpacca processed maps of Sharif Garden land sub divisions Phase-I and Phase-II by splitting up the area of housing colonies beyond one hundred canals to favour the developers. The owners of both the colonies were same. The first land sub division having the area of 71 kanal was established during 2015-16 and additional land having the area of 68 kanals in continuation of the land proposed for sub-division was developed during 2018-2019 in violation of Punjab Private Housing Schemes and Land Sub-division Rules, 2010 and due to this MC sustained a loss of Rs 2.085 million.

Audit is of the view that due to poor law enforcement in the field the schemes were processed in LSDs by splitting up the area of scheme.

Irregular sanction of map of private housing colonies resulted in loss of Rs 2.085 million and violation of Government rules.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of the matter from the competent authority along with recovery of the balance amount Rs 2.085 million besides taking action against the person(s) at fault under intimation to Audit.

[AIR Para No. 30]

66.3.10 Doubtful expenditure on national celebrations – Rs 1.785 million

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

Municipal Officer (Infrastructure & Services) of Municipal Committee Kehrorpacca incurred expenditure of Rs 1.785 million under head A03918 – National day celebrations on account of arrangement of national celebrations during the financial year 2016-19 through quotations / without quotation instead of tender. The expenditure on account of refreshment without detail of participants and purchase of other items was incurred without maintenance of stock register, and consumption / issuance record. The detail is given in **Annexure-4/KP**

Audit is of the view that due to weak financial management, expenditure was incurred without adopting tender process.

Doubtful expenditure on national day celebrations resulted in irregular expenditure of Rs 1.785 million.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends action against concerned besides regularization of expenditure and production of stock entries and consumption record to Audit.

[AIR Para No. 19]

66.3.11 Non-deduction of Punjab Sales Tax on construction of original development / repair works – Rs 1.368 million

According to Punjab Sales Tax on Services (Withholding) Rules 2012, All the Government departments were instructed to strictly to follow the principle of purchasing/ buying / acquiring taxable services only from such persons/

businesses which are registered with Punjab Revenue Authority. Punjab Sales Tax on construction services was @ 1% during 2016-17 and @ 5% w.e.f 01.07.2017 whereas the same is @ 16% on repair and maintenance services during 2016-2019.

Municipal Officer (Infrastructure & Services) of Municipal Committee Kehrorpacca incurred expenditure of Rs 25.060 million on acquiring of services of various contractors for the construction of original development works and repair works during Financial Year 2016-2019 without deduction of Punjab Sales Tax of Rs 1.368 million on the acquired services.

Audit is of the view that due to weak internal controls, Provincial Sales Tax was not deducted.

Non-deduction of taxes resulted in loss amounting to Rs 1.368 million.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 1.368 million, under intimation to Audit.

[AIR Para No. 14]

66.3.12 Irregular and un-economic procurement of furniture – Rs 1.319 million

According to Rule 4 of PPRA Rules, 2009 as amended 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 12 (4) of PPRA Rules, 2009 as amended 2014 any procurement exceeding two 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.

Chief Officer of Municipal Committee Kehrorpacca purchased furniture costing Rs 1.319 million during 2016-18. Expenditure was incurred in piecemeal instead of tender/advertisement in PPRA/press. Furniture was purchased from a middleman / supplier instead of directly from the manufacturer on excess rates. Neither the specification was mentioned in the purchase documents nor specified but purchased.

Audit is of the view that due to weak internal controls and weak financial management, the procurement was made in violation of PPRA Rules.

Violation of PPRA Rules resulted in mis-procurement of furniture of Rs 1.319 million.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of the irregularity besides taking action against the person(s) at fault under intimation to Audit.

[AIR Para No. 25]

66.4 Value for Money and Service Delivery Issues

66.4.1 Non-reconciliation of mutation & registration fee with revenue department Rs 71.500 million and short recovery of Rs 23.644million

According to Para 9 under heading Finance Wing of the Government of Punjab LG & CD Department Directorate General (INSP. & MONT.) letter No.DG (I&M-Standing Committee-242/2014 dated 13.08.2014, the recovery of tax on transfer of immovable property be compared with the record of Registrar of the Revenue Department to bring transparency in the departmental collection. The violations of these instructions shall be deemed as inefficiency and misconduct attracting proceedings against delinquents under the provisions of PEEDA Act, 2006. Further according to Rule 15 of Punjab Local Government (Accounts) Rules, 2017 stipulates that the primary obligation of the Collecting Officers shall be to ensure that all revenue due is claimed, realized and credited immediately into the Local Government fund under the proper receipt head. The Head of the Offices shall supervise and take corrective measures in respect of the activities of the Collecting Officers.

Municipal Officer (Finance) of Municipal Committee Kehrorpacca neither took any serious efforts for short recovery of Rs 23.644 million nor reconciled the mutation & registration fee amounting to Rs 71.500 million collected during the Financial Year 2016-19 with the Revenue Department as both the entities collected the same revenue with different ratios. The detail is given in **Annexure-5/KP**

Audit is of the view that due to weak management, the mutation & registration fee was neither properly accounted for / reconciled with revenue department nor short recovery made good from the concerned.

Non-reconciliation of the mutation & registration fee amounting to Rs 71.500 million with Revenue Department and non-taking of serious efforts for short recovery of Rs 23.644 million may result in loss to the MC Fund.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that mutation & registration fee be reconciled with Revenue Department to make the accounting of revenues transparent and free from any suspicion besides making good the short-recovery of Rs 23.644 million from the concerned under intimation to Audit.

[AIR Para No. 09]

66.4.2 Doubtful consumption of POL in sanitation branch inquiry thereof – Rs 6.625 million

According to Rule 32 of the PLGO, 2001, read with Rule 2.10(a)(1) of the PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of expenditure of his own money. Further, there shall be maintained, in respect of every Government vehicle, a logbook in Form 'A' wherein shall be entered in the journeys performed by a Government vehicle. The logbook maintained under sub-rule (1) shall remain in the custody of the driver in-charge of the vehicle and shall be examined and signed by the Officer in charge every day at the time the driver is relieved from duty, according to Rule 9 (1) and (20) of the West Pakistan Government Staff Vehicles (Use and Maintenance) Rules, 1969. 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.

Chief Officer of Municipal Committee Kehrorpacca incurred an expenditure of Rs 6.625 million on account of POL during the period 2016-19. The entire expenditure was doubtful on the following grounds:

- i. Meter reading as mentioned in the log books normally mismatch with the vehicles meters and some of the meters were found out of order. Speedo-meter of the vehicles was shown as out of order since long in-fact meter is not

retained as operative to conceal the facts from audit and to oblige political persons at the cost of MC and to misappropriate the POL funds.

- ii. Fake maintenance of log books is evident as exaggerated use of tractors is being recorded in log books on daily basis whereas the entire radius of the city is less than 3KMs surroundings but in log books excessive hours working was recorded without mentioning the time from and to on the log books to work out the hours worked. Actually POL was less used but funds were drawn on fake bills.
- iii. Only collection of solid waste was recorded and hours were being recorded daily basis during the entire period under audit which is quite unjustified whereas no approved route was produced to audit.
- iv. No complaint register was maintained on record neither produced to audit in conformity of each visit of sucker nor jetting as recorded in the log books.
- v. In absence of complaint register running of vehicles was unjustified and recording the movement of the vehicles was doubtful. Similarly reports of Sewer man, over sears and acknowledgements of complainants were also not available.
- vi. No meters were operative only fake record entries were being recorded in the log books just to consume the POL in papers only. For every visit of jetting there should b report of sewer men duly verified by over sears than the use of jetting can be ascertained as genuine but in this MC no concept of complaint recording and tracking system was being adopted?

Audit is of the view that due to weak internal controls, the vehicles are being misused due to which the POL was misappropriated.

Misappropriation of POL and misuse of vehicle resulted in loss to MC fund. The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends enquiry of the matter at appropriate level for non-repairing the Speedo-meters of almost all vehicles and recovery of POL being misappropriated under intimation to audit.

[AIR Para No. 17]

66.4.3 Unauthorized expenditure on repair of vehicle / plant & machinery – Rs 5.117 million

According to Punjab Delegation of Financial Power, 2016 officer category-I can sanction expenditure on repair of vehicle / plant & machinery upto Rs 0.200 million or 50 percent of the un-depreciated book value (cost of purchase) in each case. Further, according to rules 2 (n) (iii) of Punjab Local Government (Accounts) Rules, 2017 financial irregularity includes extravagance or wastage of the local fund.

Chief Officer of Municipal Committee Kehrorpacca being officer Category-I got repaired various vehicle / plant & machinery costing Rs 5.117 million without calculation of depreciation cost during 2016-19. The repair work was carried out by general order supplier instead of any registered motor workshop. The CDR was not produced to audit. The quantity and quality certificate was not obtained. The report of vehicle examiner was not available.

Audit is a view that due to weak financial control, vehicle was got repaired without calculation of depreciation value and during on road.

Repair of vehicles/plant & machinery without depreciation value resulted in doubtful repair.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends inquiry of the matter besides fixing of responsibility upon the person at fault.

[AIR Para No. 23]

66.4.4 Irregular expenditure without stock entries on sports gala – Rs 3.666 million

According to Rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken and they should be kept in charge of a responsible Government servant. 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.

Chief Officer of Municipal Committee Kehrorpacca incurred expenditure amounting to Rs 3.666 million on account of sports gala without stock entries and consumption record. Further, record of payment of income tax and GST was not available on the record. The detail given as under.

(Amount in rupees)

Sr. No.	Total Budget	Head Name	Detail	Expenditure	Name of Firm	Bill No.	Date
1	6,801,020	National Days, Sports Gala, Jashn-e-Baharan, Jashn-e-Eid-Milad-un-Nabi A03918	Poster Four Colours, Hand Bill Colours, Frame Pana Flex etc. on the occasion of Sports Gala	970,026	Friends Star Traders Railway Road Lodhran	B.No. 7031 to7033	07.12.2017
2	6,801,020	National Days, Sports Gala, Jashn-e-Baharan, Jashn-e-Eid-Milad-un-Nabi A03918	Club Sandwich, Mineralwater, Juices, Tea, Chicken Pulaw on the occasion of Sports Gala	845,000	Friends Star Traders Railway Road Lodhran	B.No. 7034	07.12.2017
3	6,801,020	National Days, Sports Gala, Jashn-e-Baharan, Jashn-e-Eid-Milad-un-Nabi A03918	Purchase of Choona, Saman Atishbazi, LED lights and other store on the occasion of Sports Gala	307,295	Friends Star Traders Railway Road Lodhran	B.No. 7027	07.12.2017
4	6,801,020	National Days, Sports Gala, Jashn-e-Baharan, Jashn-e-Eid-Milad-un-Nabi A03918	Purchase of Track Suits for Players on the occasion of Sports Gala	439,920	Friends Star Traders Railway Road Lodhran	B.No. 7026	07.12.2017

Sr. No.	Total Budget	Head Name	Detail	Expenditure	Name of Firm	Bill No.	Date
5	6,801,020	National Days, Sports Gala, Jashn-e-Baharan, Jashn-e-Eid-Milad-un-Nabi A03918	Tentage and Sound System	1,103,900	Friends Star Traders Railway Road Lodhran	B.No. 7028	07.12.2017
			Total	3,666,141			

Audit is of the view that due to weak internal controls, stock entries were not maintained.

Irregular expenditure without stock entries amounting to Rs 3.666 million resulted in violation of the Government rules.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends Inquiry in the matter, besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 22]

66.4.5 Non-collection of proof of deposit of general sales tax – Rs 2.129 million

According to Notification No. D.O No.5 (21) L&P/97-4910(S)-FS dated 3rd Sales Tax return cum payment challan along with supporting documents required (S.R) under the provision of sales Tax Act, 1990 in proof of payment/deposit of Sales Tax into Government treasury be received from the supplier.

Chief Officer of Municipal Committee Kehrorpacca did not obtain the proof of deposit of general sales tax amounting Rs 2.129 million during the year 2016-19 from the supplier which creates doubts of non-deposits of general sales tax into Government account.

Audit is of the view that due to weak internal controls, deposit proof of general sales tax was not obtained from the firms.

Non-obtaining of deposit proof of general sales tax Rs 2.129 million may cause loss to the Government.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that the deposit proof of General Sales Tax be obtained from the concerned firms otherwise the amount under observation be made good from the concerned and credit to Government account besides fixation of responsibility against person(s) at fault under intimation to Audit.

[AIR Para No. 26]

66.5 Others

66.5.1 Non-achievement of budgeted targets of revenue – Rs 32.502 million

According to clause 3(d) part II of (Budget) Rules, 2017 the chairman shall determine the key performance indicator and evaluate progress against them the purpose of achieving economy and effectiveness in the expenditure and efficiency in collection of revenue services. Further as per clause 7 the collecting officer shall be responsible to a) prepare estimates of receipts for each head of income and timely submission to head of finance office. b) make assessment of tax, fee of levy by the local government, on periodical basis, for evaluating its potential and new tax proposal. d) ensure timely recoveries of each demand. e) ensure that all revenue collected against a demand is credited into the Local Fund.

Municipal Officer (Finance) of Municipal Committee Kehrorpacca did not prepare the realistic budget estimates of various receipt heads as the income of the year was less than the budgeted targets amounting to Rs 32.502 million. It is either due to fictitious figures provided in the budget or there is a leakage in income due to lack of supervision. No concrete efforts were made towards the recovery of these dues by the concerned officers/officials. The matter needs justification and the amount of loss may now be recovered from the concerned officers/officials after fixing responsibility to save MC funds from loss. The detail is given in **Annexure-6/KP**

Audit is of the view that due to weak management, unrealistic budget estimates of various receipt heads were prepared either fictitious figures were shown or there was leakage in income.

Preparation of unrealistic budget estimates of various receipt heads may result in loss to the Government Fund amounting to Rs 32.502 million.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends for the fixation of responsibility and action under E&D rules against the person(s) under intimation to Audit.

[AIR Para No. 08]

66.5.2 Non recovery of the Government dues for illegal construction of commercial buildings – Rs 3.420 million

According to Rule 60 of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 as amended in 2012, a City District Government or a Tehsil Municipal Administration shall levy fee for conversion of land use from agricultural, residential, industrial, peri-urban area or intercity service area to commercial use conversion fee at the rate of 5% of the value of the land up to 1 million, 10% of the value of the land up to 10 million and 20% of the value of the land if value of the land value exceeds 10 million.

Municipal Officer (Planning & Coordination) of Municipal Committee Kehrorpacca neither collected the conversion fee and map fee amounting to Rs 3.420 million during Financial Year 2016-19 from the owners who illegally constructed the commercial / residential buildings nor took action to stop the illegal constructions. The detail is given in **Annexure-7/KP**

Audit is of the view that due to weak financial management, commercial/residential were illegally constructed without approval of maps and payment of the Government dues.

Non recovery of dues amounting to Rs 3.420 million resulted in loss to the Government and illegal construction of commercial buildings.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends inquiry, fixing of responsibility on the person(s) at fault besides recovery of Rs 3.420 million, under intimation to Audit.

[AIR Para No. 06]

66.5.3 Loss to Local Government due to non-collection of license / permit fee – Rs 2.647 million

According to clause 3(d) part II of budget Rules 2017, the chairman shall determine the key performance indicator and evaluate progress against them the purpose of achieving economy and effectiveness in the expenditure and efficiency in collection of revenue services. Further as per clause 7 “responsibility of collecting officer”, the collecting officer shall: a) Prepare estimates of receipts for each head of income and timely submission to head of finance office. b) Make assessment of tax, fee of levy by the Local Government, on periodical basis, for evaluating its potential and new tax proposal. d) Ensure timely recoveries of each demand. E) Ensure that all revenue collected against a demand is credited into the Local Fund.

Municipal Officer (Finance) of Municipal Committee Kehrorpacca did not collect the license permit fee amounting to Rs. 2.647 million from the vendors/ various shops owners within its jurisdiction. The demand registers were neither maintained properly nor any responsible officer checked and signed on the demand registers. The status of license permit fee was not updated in the demand registers. Fresh survey was also not conducted. The detail is given in **Annexure-8/KP**

Audit is of the view that due to weak internal controls, performance of the recovery staff of license permit fee was poor and fee was not recovered from the vendors.

Non-recovery of license permit fee Rs 2.647 million resulted in blockage of revenue and improper maintenance of record resulted in violation of Government instructions.

The matter was reported to the Chief Officer of Municipal Committee Kehrorpacca and the DDO concerned in February, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends that matter should be investigated and responsibility be fixed on quarter concerned besides conducting a fresh survey of business being run in the jurisdiction of MC, under intimation to Audit.

[AIR Para No. 15]

67. Municipal Committee Lodhran

CHAPTER 67.1

Sectoral Analysis of Municipal Committee Lodhran

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Lodhran for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	246.559	164.432	(82.126)	-33.31%
Non-salary	293.938	163.282	(130.656)	-44.45%
Development	302.050	327.714	25.664	8.50%
Sub Total	842.547	655.428	(187.119)	-22.21%
Receipts	357.589	215.201	(142.388)	-39.82%

- An amount of Rs 246.559 was provided for pay and allowance out of which Rs 164.432 million was utilized resulting in lapse of Rs 82.126 million (33.31 %).
- An amount of Rs 293.938 million was provided for non-salary component out of which Rs 163.282 million was utilized resulting in lapse of Rs 130.656 million (44.45%).
- An amount of Rs 302.050 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 327.714 million was utilized resulting in non utilization of funds of Rs 25.664 million (8.50%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Lodhran was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given in the following table:

Year	Receipt heads	Budget	Actual collection	Excess (+) / less (-) achievement	%age
2017-18	Parking fee car dalla	0.365	0.291	(0.074)	(20.36)
	License fee	0.250	0.073	(0.178)	(71.00)
	General bus stand fee	1.600	1.233	(0.367)	(22.92)
	sale of slaughter house waste	0.010	-	(0.010)	(100.00)
	sale of slaughtering of animals	0.060	-	(0.060)	(100.00)
	Receipts on account of sales of water- Residential	0.060	0.011	(0.049)	(80.85)
	water connection fee	0.010	-	(0.010)	(100.00)
	Receipts on account of sales of water- Commercial	0.010	-	(0.010)	(100.00)
	Receipts on account of sales of water- Through Tanker	0.025	-	(0.025)	(100.00)
	severage/draingae/nali tax	0.020	-	(0.020)	(100.00)
	Receipts from public latrines	0.070	0.043	(0.027)	(38.46)
	fee for fairs, agriculture show	0.005	-	(0.005)	(100.00)
	Advertisement fee	0.800	0.716	(0.084)	(10.50)
	Arrears rent of shops	88.021	-	(88.021)	(100.00)
	Rent of shops	18.680	6.533	(12.147)	(65.03)
	sale of stock and store	0.100	-	(0.100)	(100.00)
	Misc. arrears	1.863	-	(1.863)	(100.00)
	Renewal of registration of contractors	0.575	0.135	(0.440)	(76.52)
	Registration/ enlistment of contractors	0.500	0.189	(0.311)	(62.16)
	Fee for approval of housing colonies	1.000	-	(1.000)	(100.00)
	Fee for approval of building/ constructions	3.300	2.518	(0.782)	(23.71)
	Fee for change of land use	10.000	7.000	(3.000)	(30.00)
	Fine for construction without approval	0.100	0.042	(0.058)	(57.81)
Fine for encroachment	0.100	-	(0.100)	(100.00)	
Encroachment	0.100	-	(0.100)	(100.00)	
Fine velied planning office	0.050	-	(0.050)	(100.00)	
2018-19	License fee	0.200	0.064	(0.136)	(68.00)
	sale of slaughter house waste	0.045	0.041	(0.004)	(8.89)
	Receipts on account of sales of water- Residentails	0.020	0.001	(0.019)	(95.50)
	Entry fee for park	0.077	0.074	(0.003)	(3.30)

Year	Receipt heads	Budget	Actual collection	Excess (+) / less (-) achievement	%age
	Receipts on account of sales of water- Commercial	0.005	-	(0.005)	(100.00)
	Receipts on account of sales of water- Through Tanker	0.025	-	(0.025)	(100.00)
	severage/draingae/nali tax	0.020	-	(0.020)	(100.00)
	fee for fairs, agriculture show	0.005	-	(0.005)	(100.00)
	Arrears rent of shops	20.000	4.833	(15.167)	(75.84)
	Rent of shops	20.548	5.314	(15.234)	(74.14)
	sale of stock and store	0.035	0.025	(0.010)	(28.57)
	Misc. arrears	1.863	-	(1.863)	(100.00)
	Renewal of registration of contractors	0.299	0.060	(0.239)	(79.93)
	Registration/ enlistment of contractors	0.200	0.121	(0.079)	(39.65)
	Fee for approval of housing colonies	0.500	-	(0.500)	(100.00)
	Fee for approval of building/ constructions	3.300	3.245	(0.055)	(1.68)
	Fine for encroachment	0.020	0.016	(0.004)	(18.50)
	Encroachment	0.080	-	(0.080)	(100.00)
	Fine velied planning office	0.050	-	(0.050)	(100.00)
	Total	174.965	32.578	(142.388)	(81.381)

The above table of receipts heads shows that an amount of Rs 174.965 million was targeted for various revenue sources during financial years 2017-19. Out of which Rs 32.578 million was realized resulting in less receipt of Rs 142.388 million (81.381%). It was evident that these targets were poorly monitored during the financial years 2017-19 by the house.

CHAPTER 67.2

Municipal Committee Lodhran

67.2.1 Introduction

Municipal Committee, Lodhran manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Lodhran:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	112.201	51.648
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

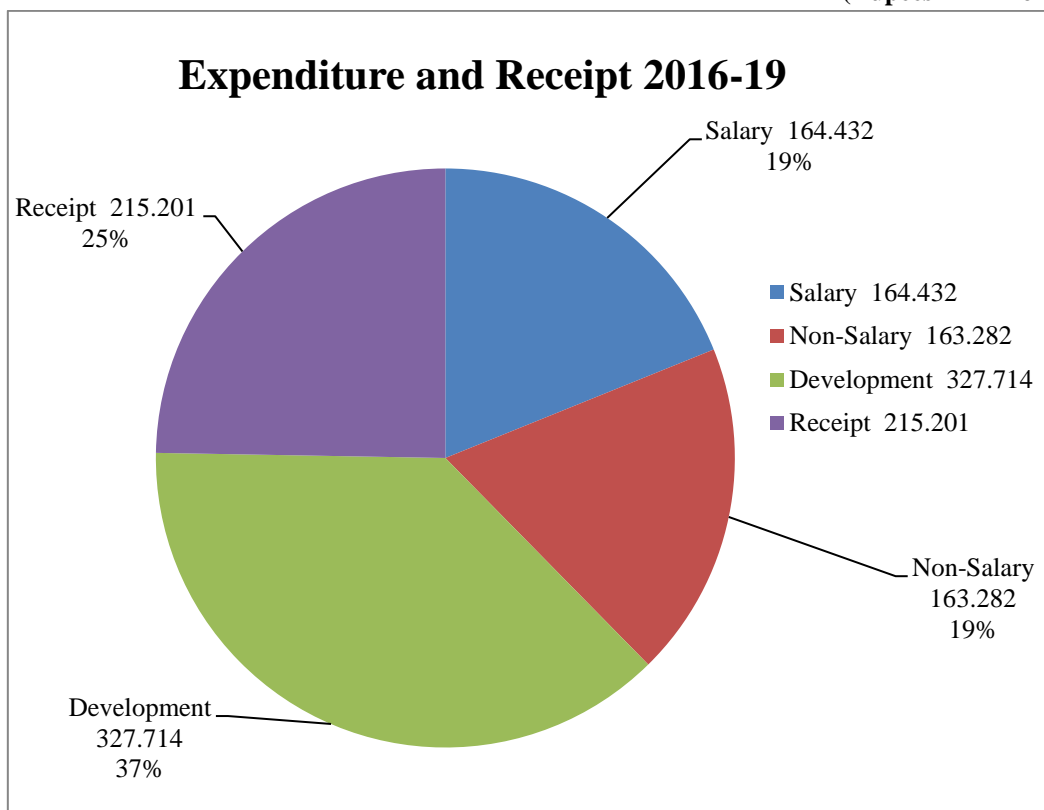
67.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the peiord 2016-19 is given below in tabulated form:

(Rupees in million)

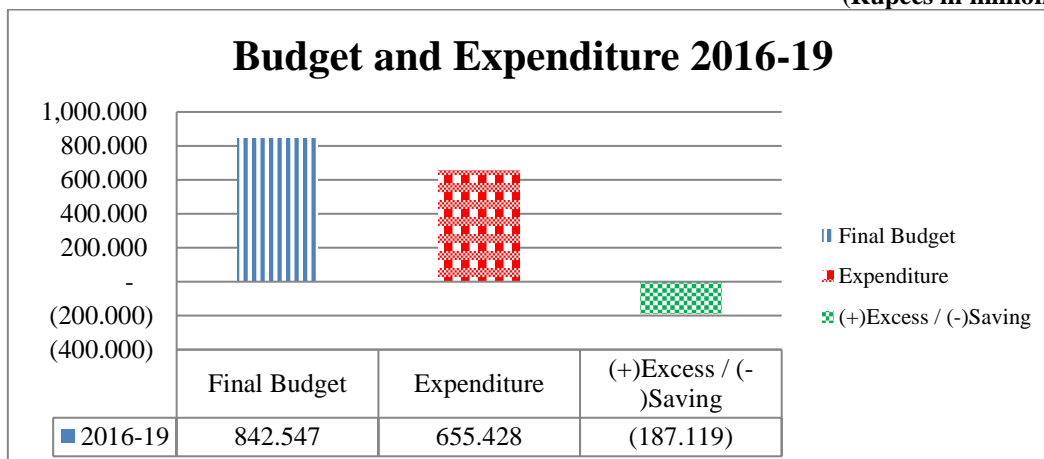
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	246.559	164.432	(82.126)	-33.31%
Non-salary	293.938	163.282	(130.656)	-44.45%
Development	302.050	327.714	25.664	8.50%
Sub Total	842.547	655.428	(187.119)	-22.21%
Receipts	357.589	215.201	(142.388)	-39.82%

(Rupees in million)



As per the Annual Accounts of the Municipal Committee Lodhran for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 842.547 million. Against the budget, total expenditure of Rs 655.428 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 187.119 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Lodhran. **(Annexure-B)**

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 130.656 million (44.45 percent).

67.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 540.193 million were raised as a result of this audit. This amount also includes recoverables of Rs 216.357 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural irregularities	-
A	HR / employees related irregularities	3.359
B	Procurement related irregularities	139.627
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	351.214
5	Others	45.993
Total		540.193

67.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Lodhran established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

67.3 Procedural Irregularities

67.3.1 Irregular tender process of development schemes by irrelevant committee – Rs 107.101 million

According to rule 9 (3) the tendering process and procurement shall be in accordance with PP Rules 2014. Further, according to According to Rule 12(2) of PPRA rules, all procurement opportunities over two million rupees should be advertised on the PPRA's 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 (5) of 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 following committee:

- | | | |
|----|---|----------|
| 1. | Chief Officer | Convener |
| 2. | Representative of Deputy Commissioner | Member |
| 3. | Assistant Engineer, concerned Local Government | -do- |
| 4. | District Officer Finance, Municipal Officer (Finance) | -do- |
| 5. | District Officer/Municipal Officer (Infrastructure) | -do- |

Chief Officer of Municipal Committee, Lodhran executed development schemes costing Rs 107.101 million during 2016-19 without floating tenders in English newspapers. The tender of these development schemes were also opened by irrelevant committee instead of committee constituted in rules. Neither representative of Deputy Commissioner was available at the time of tendering opening nor Assistant Engineer, Local Government Lodhran. The detail is as under:

(Rupees in million)				
Sr. No.	ADP/LGDP	Tender Dated	No. of scheme	Total Cost
1	ADP 2016-17	05.09.17	50	43.570
2	ADP 2017-18	23.08.17	2	2.000
3	ADP 2017-18	09.04.17	3	4.700
4	ADP 2017-18	28.09.17	2	1.700

Sr. No.	ADP/LGDP	Tender Dated	No. of scheme	Total Cost
5	ADP 2017-18	10.05.17	48	28.031
6	ADP 2017-18	11.01.17	2	1.600
7	ADP 2017-18	23.11.17	1	1.950
8	ADP 2017-18	30.12.17	9	5.600
9	LGDP 2017-18	30.12.17	30	1500
10	ADP 2018-19	28.08.18	3	2.950
		Total		107.101

Audit is of the view that due to weak financial management, tenders were not floated as per PPRA rules and tenders were opened by incomplete tender opening committee.

Non observing of PPRA rules and opening of tenders by incomplete tender opening committee resulted in irregular tendering process of works costing Rs 107.101 million.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 29]

67.3.2 Unauthorized execution of works without availability of funds issuance of valid administrative approval – Rs 11.800 million

According to rule 5 (5)(b) an estimates on the basis on which a work is to be undertaken shall be subject to administrative approval and further according to rules 5 (7)(8) The development committee of Local Government shall exercise the power of according administrative approval of work, it is approved by House and included in annual development plan. The development committee of Municipal Committee can accord administrative approval up to Rs ten million. According to note under Rule 2.4 of West Pakistan Buildings and Roads Department Code, no work shall be started without administrative approval, technical sanction and allotment of funds. Further, according to administrative approval Vide No.

DOP/LDN/P&D/427 dated 11.11.2016 condition No. ii & iii these schemes will be taken up for execution by the executing agency on receipt of funds. Incurrence of any expenditure before the receipt of funds would be serious financial irregularity; the TMO shall personally responsible for it before incurrence of any expenditure.

Chief Officer of Municipal Committee Lodhran executed a scheme of District ADP namely “Laying of sewerline from Haveli Naseer Khan Road Al-Bader Hospital via Kachi Abadi” costing Rs 11.800 during 2016-17. The funds were not received from District Government Lodhran but scheme was started irregularly by defunct TMA Lodhran. Before dissolution of District Governments and TMAs scheme were almost 100% complete but payment of Rs 331,720 was made by District Government instead of release of funds to TMA. After dissolution the scheme was approved by Municipal Committee Lodhran without issuance of Administrative Approval and payment was made. The execution of works of Rs 11.800 million pertaining to District ADP 2016-17 without availability of funds and granting approval beyond powers of ten million resulted in irregular approval as well as irregular expenditure from Municipal Fund.

Audit is of the view that due to negligence of authorities the funds were not ensured and work of beyond delegated powers was executed.

Execution of development schemes without administrative approval and availability of funds resulted in irregular incurring of municipal funds of Rs 11.800 million.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends action against concerned for unauthorized start of works without funds besides regularization of irregular expenditure from the competent authority under intimation to Audit.

[AIR Para No. 23, 34]

67.3.3 Irregular expenditure due to misclassification – Rs 6.357 million

According to rule 27 (1) (b) of Punjab Local Governments (Accounts), 2017 drawing and disbursing officer is responsible to ensure availability of funds under relevant object code of the charge.

Chief Officer of Municipal Committee Lodhran withdrew and paid Rs 6.357 million during 2017-19 by misclassification of expenditure as summarized below:

(Rupees in million)

Sr. No.	Period	Name of DDO	Head of account used	Relevant head of account	Particulars	Amount
1	2017-18	MO (Infrastructure)	A09403-purchase of tractor	A13101 repair of transport	Tractors repair	0.883
2	2017-18	MO (Services)	A09106-Plant and machinery	A09501-Purchase of Transport	Purchase of Motor Cycle Raksha	2.205
3	2018-19	MO (Services)	A09403-purchase of tractor	A13101 repair of transport	Tractors repair	0.597
4	2018-19	MO (Regulation)	A03940-Unforeseen expenses	Different head of accounts involves	Pana flexes, rent of machinery for encroachment, yellow line	1.996
5	2018-19	MO (Services)	A09106-Plant and machinery	A09106-Plant and machinery	Repair of machinery	0.500
6	2018-19	MO (Services)	A13870- Others repairs	A09101-machinery and equipment	Purchase of CCTV Camra	0.176
Total						6.357

Audit is of the view that due to weak financial control, funds were withdrawn by misclassification.

Misclassification of expenditure of Rs 6.357 million resulted in irregular expenditure.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted.

However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of expenditure besides action against person(s) at fault, under intimation to Audit.

[AIR Para No. 10]

67.3.4 Unjustified expenditure by splitting and without consumption record – Rs 6.909 million

According to Rule 9 and 12(1) of the Punjab Procurement Rules 2014, “procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA’s web site. Further according to rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted, measured and weighed, as a case may be, when delivery is taken and they should be kept in charge of a responsible Government servant. When materials are issued a written acknowledgement should be obtained from the person to whom they are ordered to be delivered or dispatched.

Chief Officer of Municipal Committee Lodhran purchased various items costing Rs 4.576 million during FY 2017-19 by splitting up the indents of purchase instead of adopting tender process. Moreover, neither proper justification to purchase nor stock entries followed by proper consumption record were available as summarized below:

(Rupees in million)		
Sr. No.	Particulars	Amount
1	Street light items	4.576
2	Water filtration plants items	2.333
Total		6.909

Audit is of the view that due to weak financial control the mis-procurement of street light items was made without maintenance of its consumption record.

Mis-procurement of street light items and non-maintenance of consumption record may cause unjustified expenditure of Rs 4.576 million.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends for fixing responsibility against the concerned under intimation to audit.

[AIR Para No. 14, 36]

67.3.5 Un-authorized expenditure on “Municipal Sports Gala” – Rs 3.492 million

According to rule 4 of PPRA rules, 2009 as amended 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 12 (4) of PPRA Rules, 2009 as amended 2014 any procurement exceeding two 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. According to Sales Tax Act, 1990 4th Schedule leather, textile, surgical and sports items were zero rated.

Chief Officer of Municipal Committee, Lodhran uneconomically incurred Rs 3.492 million by mis-procurement on account of ‘Municipal Sports Gala’ during 2017-18. The entire expenditure was open to following Audit observations:

- i. Bid document was neither prepared nor issued hence required specifications are not known to bidders and stakeholders. No tender notice on PPRA website was uploaded nor printed in two newspapers one Urdu and one English newspaper rather floated in only one the Daily Express dated 04.11.2017 without mentioning estimated cost.

- ii. No estimate cost of procurement was mentioned on tender hence amount of bid security cannot be ascertained by the bidders hence advertisement becomes void.
- iii. Technical Evaluation Committee neither constituted nor minutes were recorded. Neither grievance redressal committee constituted, nor was grievances invited from all competing bidders. Without ascertainment of responsive/non-responsive firms bid evaluation process was completed.
- iv. The supply order was issued without ascertaining the demand or numbers of teams. No performance guarantee was obtained before issuance of supply order.
- v. Neither detail of players who played in events was available on record nor winner team record. The GST was paid on sports items but sports items were zero rated which needs recovery of Rs 394,155. Non-availing discount @ 40% to 50% on tentage related expenditure also needs recovery.

Audit is of the view that due to weak financial management the expenditure was incurred without observing codal formalities.

Non-observing codal formalities while incurring expenditure from Public funds may cause irregular and uneconomic expenditure of Rs 3.492 million.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends strict disciplinary action besides regularization of irregularity under intimation to Audit.

[AIR Para No. 09]

67.3.6 Loss to government due to non-recovery of salaries of collecting staff from contractor – Rs 3.359 million

According to rules 20 (2) of Punjab Local Governments (Auction of Collection Rights), 2016 the contractor shall be responsible for deposit of salaries,

pension contribution, premium of group insurance, leave salary, all allowances and other fringe benefits permissible to the employees of local government attached with him for administration and collection of respective tax income before the start of each month in advance.

Chief Officer of Municipal Committee, Lodhran auctioned the advertisement tax and bus stand fee during 2017-19 and failed to collect Rs 3.359 million from contractor on account of salaries, pension contribution and other benefits admissible to employees. Collection of bus stand fee without payment of salaries to MC fund is irregular under auction rules.

Audit is a view that due to weak financial control, salaries and pension contribution of staff was not recovered.

Non recovery of salaries, pension contribution and other fringe benefits of employees from contractor resulted in loss to government of Rs 3.359 million.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 3.359 million besides fixing of responsibility against the person(s) at fault under intimation to Audit.

[AIR Para No. 04]

67.3.7 Loss to the Government due to less charging tender fee – Rs 2.520 million

According to rules 19 (1) of Punjab Local Government Works Rules, 2017, if any matter is not covered under the rules, the same may be dealt according to the Punjab Government Works Rules under the Building and Roads Department Works Code for Public Works department. Further, as per Government of the Punjab C&W department letter No. B-II(C&W) 2-11/78 Procurement (2014) dated 03.02.2015, tender fee rates have been revised and now shall be charged as per following schedule.

- i. For original work Rs 10,000 for each work
- ii. For M&R Rs 2,000 for each work

Chief Officer of Municipal Committee, Lodhran less recovered tender fee of Rs 2.520 million during 2016-19 as prescribed by C&W Department. Tender fee was not mentioned in Local Government Works Rules, 2017 and the same was to be received under Punjab C&W Department Rules in compliance of the above referred letter of C&W Department. The detail is as under:

(Rupees in million)

Particulars	Date of tender	Amount of tender fee received	Total No. of tenders received	C&W department fee rate	Difference of fee	Total amount of recovery
Repair work	25.05.17	100	114	10,000	9,900	1.129
Major work/ new work	07.09.17	100	21	10,000	9,900	0.208
Major work/ new work	28.09.17	100	06	10,000	9,900	0.059
Repair work	23.08.17	100	03	2,000	1,900	0.006
Major work/ new work	23.08.17	100	03	10,000	9,900	0.030
Major work/ new work	05.10.17	100	101	10,000	9,900	0.999
Major work/ new work	01.11.17	100	06	10,000	9,900	0.059
Major work/ new work	23.11.17	100	03	10,000	9,900	0.030
Total						2.520

Audit is of the view that due to weak financial control, tender fee was not received from the bidding contractors at prescribed rates.

Non-recovery of tender fee at prescribed rates resulted in loss to the Government amounting to Rs 2.520 million.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of the tender fee amounting to Rs 2.520 million, besides fixing of responsibility on the concerned, under intimation to Audit.

[AIR Para No. 25]

67.3.8 Doubtful expenditure on VVIP security arrangements – Rs 1.448 million

According to Government of the Punjab, Finance Department, Lahore letter No. FD (FR) VI-9/2000(P) dated 15.07.2008, District Coordination Officer will incur expenditure on VVIP visit on hiring of transport, furniture, tentage, lighting refreshment. The expenditure shall not be more than Rs 1.000 million. According to Rule 12 of PPRA 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.

Chief Officer of Municipal Committee Lodhran incurred expenditure of Rs 1.448 million on Chief Minister Punjab visit during 2017-18 on security arrangement without calling tender / quotations. The Municipal Committee was not allowed to incur expenditure on VVIP visit. Further expenditure was incurred excess from prescribed limit. Neither supply order was issued nor quantities verified by any authority. The security arrangement is not the function of Municipal Committee. The whole expenditure seems bogus as security arrangement is not the responsibility of Municipal Committee.

Audit is a view that due to weak financial control, expenditure on security arrangement of VVIP visit was incurred irregularly.

Incurring of expenditure worth Rs 1.448 million on VVIP security resulted in irregular expenditure.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 11]

67.4 Value for Money and Service Delivery Issues

67.4.1 Less recovery of rent of shops – Rs 181.292 million

According to clause 7 part II of Punjab Local Government (Budget) Rules, 2017 the collecting officer shall be responsible to prepare estimates of receipts for each head of income and timely submission to head of finance office, make assessment of tax, fee of levy by the local government, on periodical basis, for evaluating its potential and new tax proposal, ensure timely recoveries of each demand and ensure that all revenue collected against a demand is credited into the Local Fund.

MO (Finance) of Municipal Committee Lodhran did not recover outstanding dues on account of rent of shops worth Rs 181.292 million up to June 2019 from various shopkeepers / vendors running their businesses under the jurisdiction of MC Lodhran. Necessary detail is given below:

(Rupees in million)

Period	Arrears receivable	Arrears Received	Arrears Recoverable
Jan-17 to Jun-17	78.072	0.034	78.038
2017-18	88.021	0.000	88.021
2018-19	20.547	5.314	15.233
Total	186.64	5.348	181.292

Audit is of the view that due to financial indiscipline of the department government dues remained unrealized.

This non-realization of the rent of shops resulted in loss to MC fund.

The matter was reported to the Chief Officer of Municipal Committee, Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery besides action against person(s) at fault under intimation to Audit.

[AIR Para No. 35]

67.4.2 Non-achievement of targets of receipts – Rs 142.388 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.

Municipal Officer (Finance) of Municipal Committee, Lodhran failed to achieve the targets of receipts under various heads. Scrutiny of record showed that receipts of Rs 142.388 million of targets remained unrealized during 2018-19. Detail is given in **Annexure-1/LDN**

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

Non-achievement of receipts targets resulted in loss of Rs 142.388 million.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 07]

67.4.3 Non-recovery of dues from developer of Land Sub Divisions – Rs 12.957 million

According to Rule 8 (7) of the Punjab Private Site Development Schemes (Regulations) Rules 2005 and Chapter IV Section 20 (1) of Punjab Private Housing Schemes and Land Sub Division Rules 2010, No scheme shall be advertised or publicized in any forum, media or press nor plots or houses shall be offered for sale in any scheme prior to its sanction. According to Rule 38(2)(a,b,c) & 39 of Punjab Private Housing Schemes and Land Sub Division Rules, 2010 the developer shall deposit, fee for sanction of a scheme/LSD @ Rs 1,000 per kanal, approval of design and specification for water supply, sewerage and drainage @ Rs 500 per kanal,

approval of design and specification for road, bridge and footpath of a scheme # Rs 500 per kanal followed by a scrutiny fee of Rs 1,000 and Rs 5,000 for a LSD and a Scheme respectively. Moreover, according to Rule 60 (1)(c) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 fee for conversion of peri-urban area to scheme use/ land sub division use at the rate of one percent of the value of the 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.

Municipal Officer (P&C) of Municipal Committee, Lodhrandid not recover prescribed fee of Rs 12.957 million during January, 2017 to June 2019 from developers. The developers were developing the colonies without payment of prescribed fee. Management fail to recover and take legal action against illegal developers of illegal housing colonies. Detail is as below:

(Rupees in million)

Sr. No.	Name of Project	Address	Area	Schedule No/ Rate	Conversion Fee	Approval Fee	Total Fee
1	Awami Villaz	Multan Bahawalpur Road Chak 100-M	45-K, 01-M (industrial) 16-K, 16-M 61-K, 17-M	20/170000 (Per Marla)	8.229	0.031	8.261
2	Cannal View Garden	Near by District Stadium Lodhran	89-K, 10-M	20/129780 (Per Marla)	2.323	0.045	2.368
3	Safari Garden	Near by District Stadium Lodhran Gagan Hatta Minnor	88-K, 00-M	20/129780 (Per Marla)	2.284	0.044	2.328
Total					12.836	0.12	12.957

Audit is of the view that due to weak internal control, developers were allowed establishment of illegal housing colonies without receipt of fee.

Non recovery of prescribed fees resulted in loss of Rs 12.957 million.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 12.957 million from the concerned besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 30]

67.4.4 Non-recovery of conversion fee from the owners of commercial buildings – Rs 7.240 million

According to Rule 60(1)(a) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be 5 percent if value of land is less than one million rupees, 10 percent if value of land is from one million rupees to ten million rupees and 20 percent if value of land is more than ten million rupees.

Municipal Officer (P&C) of Municipal Committee, Lodhran did not take any action against the illegal constructions in the jurisdiction of municipal committee without recovery of conversion fee. The notices were served to the owners of the illegal constructions but recovery of conversion fee amounting to Rs 7.240 million has not been made. Moreover, record of Lodhran Shadi Hall and Buzdar Hospital and Trauma Centre situated on Lodhran Multan Road were not provided. The detail is given in the following below:

(Rupees in million)

Sr. No.	Name of Project	Address	Area	Avg Sale price	Total value of land	Conversion fee	Building fee	Total
1	Yummy Fresco Hotel/ Marriage Hall	Lodhran Multan Road	80	0.450	36.000	7.200	0.040	7.240

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

Non-recovery of conversion fee resulted in loss of Rs 7.240 million.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends proper justification or recovery from concerned besides appropriate action against concerned under intimation to Audit.

[AIR Para No. 37]

67.4.5 Non-deposit of conversion fee by the owner of commercial building – Rs 5.740 million

According to Rule 60(1)(a) of the Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of residential, industrial, peri-urban area or intercity service area to commercial use shall be 5 percent if value of land is less than one million rupees, 10 percent if value of land is from one million rupees to ten million rupees and 20 percent if value of land is more than ten million rupees.

Municipal Officer (P&C) of Municipal Committee, Lodhran did not take any action against the illegal constructions in the jurisdiction of municipal committee without recovery of conversion fee. The notices were served to the owners of the illegal constructions but recovery of conversion fee amounting to Rs 5.740 million has not been made. The detail is given below:

(Rupees in million)

Sr. No.	Name of Project	Address	Area	Schedule No/ Rate	Total value of land	Conversion fee	Approval fee	Total Fee
1	Shaikh Naeem Ajum Faheem Anjum	Mouza Mandi Near by Sumbal Bakers	25	0.389	9.734	0.973	0.004	0.977
2	Bilal Ahmad S/o Shair Mohammad	Jalalpur Peer Wala Road Mouza Lodhran	9	0.343	3.090	0.309	0.061	0.370
3	Ch Tariq	Multan Bahawalpur Road Mouza Sandhi Wala	7	0.487	3.407	0.341	0.029	0.369
4	Malik Sadeeq	Mohallah Eid Gah Street Cannal Colony	7	0.324	2.271	0.227	0.022	0.249
5	Mahar Shobaan	Sardar Shah Town Main Bazaar Lodhran	11	0.243	2.677	0.268	0.245	0.513
6	Jam Market	Street Khuwaja Cotton Factory Wali	5	0.243	1.217	0.122	0.027	0.149

Sr. No.	Name of Project	Address	Area	Schedule No/ Rate	Total value of land	Conversion fee	Approval fee	Total Fee
7	Nassar Ullah	Sadrar Shah Town	5	0.243	1.217	0.122	0.027	0.149
8	Commercial Hall	Near by Goal Masjid Galla Mandi Lodhran	4	0.243	0.973	0.097	0.002	0.100
9	Commercial Shops	Street Kumhara Wali	2	0.324	0.649	0.065	0.011	0.076
Total				-	-	2.523	0.428	2.951

Sr. No.	Name of Project	Address	Area	Schedule No/ Rate	Total value of land	Conversion Fee	Approval Fee	Total Fee
1	Dr Gulam Nabi	Mouza Mandi Near by Al.Rehman Hospital	17.56	0.389	6.837	0.684	0.126	0.810
2	Dr Sameena Matloob	Mouza Lodhran Jewan Wala Chowk Lodhran	20	0.173	3.461	0.346	0.018	0.364
3	Gulam Nazik Ghallo	Khaynaywal Road Lodhran	60	0.173	10.382	1.038	0.022	1.060
4	Educator Homeo Medical College	Basti Mehram Wala Lodhran	30	0.173	5.191	0.519	0.036	0.555
Total				0.908	25.871	2.587	0.202	2.789
Grand Total								5.740

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

Non-recovery of conversion fee resulted in loss of Rs 5.740 million.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends proper justification or recovery from concerned besides appropriate action against concerned under intimation to Audit.

[AIR Para No. 31, 32]

67.4.6 Non / less recovery of various fees/taxes – Rs 1.597 million

According to 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.

Municipal Officer (P&C) of Municipal Committee, Lodhran failed to recover/less recover various fees and taxes amounting to Rs 1.597 million under various heads during 2016-18. The detail is given below:

(Rupees in million)

Period	Name of auction	Name of contractors	Auction amount	Income Tax	Total recoverable	Recovered	Balance
2016-17	Parking fee bus wagen stand	Muhammad Dilshad S/O Haji Muhammad	1.740	0.174	1.914	0.818	1.096
	Parking fee car and Dalla	Muhammad Dilshad S/O Haji Muhammad	0.355	0.036	0.391	0.259	0.132
	Sludge water disposal Masoodabad	Rao Tasawar Ali S/o Rana Dewan Ali	0.560	0.056	0.616	0.444	0.172
	Sludge water disposal 97/M	Muhammad Dilshad S/O Haji Muhammad	0.103	0.010	0.113	0.063	0.050
2017-18	Parking fee Chand Gari	Tassam Masood Butt s/o Abdul Majeed	0.930	0.093	1.023	0.876	0.147
	Total		-	-	-	-	1.597

Audit is of the view that due to weak financial control, revenue was not recovered.

Non realization of receipt resulted in loss of Rs 1.597 million.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery amounting to Rs 1.597 million from the concerned at the earliest besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 02]

67.5 Others

67.5.1 Doubtful consumption of POL and repair of sanitation branch vehicles – Rs 23.708 million

According to rule 2.10 (a)(1) of the PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of expenditure of his own money. Furthermore, according to rule 9 (1) and (20) of the West Pakistan Government Staff Vehicles (Use and Maintenance) rules 1969, there shall be maintained, in respect of every Government vehicle, a logbook in Form 'A' wherein shall be entered in the journeys performed by a Government vehicle. The logbook maintained under sub-rule (1) shall remain in the custody of the driver in-charge of the vehicle and shall be examined and signed by the officer in charge every day at the time the driver is relieved from duty.

Chief Officer Municipal Committee, Lodhran incurred an expenditure of Rs 23.708 million on account of POL for sanitation branch vehicles & generators and repair of vehicles & generators during 2017-19. Speedo-meters of these vehicles were not got repaired intentionally in order to misappropriate the POL. Fake maintenance of log books is evident as exaggerated use of tractors is being recorded in log books on daily basis whereas the entire radius of the Municipal Committee is less than 5 KM surroundings but in log books 8-12 hours working was recorded without mentioning the time of departure from and arrival back in office on the log books to work out hours worked. Detail of expenditure incurred on POL and repair of vehicles of services branch is given below:

(Rupees in million)		
Particulars	FY 2017-18	FY 2018-19
A-15103 POL Charges for fire bridge	0.250	0.000
A-15104 POL Charges for street water lari	1.433	0.702
A-15105 POL Charges for general vehicle truck/ trolley	2.621	3.414
A-15108 POL Charges Sanitation D-Watering Generator	4.328	5.944
A-13101 Repair of machinery and equipment	2.703	2.313
Sub-Total	11.335	12.373
Total of 2017-19		23.708

Audit is of the view that mal-administration in utilization of POL resulted in misappropriation of POL.

Misappropriation of POL Rs 23.708 million and misuse of vehicle resulted in loss to government fund.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends enquiry of the matter at appropriate level for non-repairing the Speedo-meters of almost all vehicles and recovery of POL being misappropriated under intimation to audit.

[AIR Para No. 17]

67.5.2 Irregular execution of development works without approval of House – Rs 6.300 million

According to Rule 5(7) of the Punjab Local Governments (Works) Rules, 2017, the development committee of the Local Government exercise the power of according administrative approval, if it has been approved by House and including in annual development programme. an estimate on the basis of which a work is to be undertaken shall be subject to the availability of funds for the work, administrative approval and technical sanction by the competent authority in the prescribed manner.

Chief Officer Municipal Committee, Lodhran executed five development works costing Rs 6.300 million during 2017-18 without approval of House as summarized below:

(Rupees in million)		
Sr. No.	Name of Scheme	Amount
1	Construction of metal road Rana Dewan School No.3	3.000
2	Provision of main hole	0.900
3	Repair of metal road CIA staff	0.800
4	Construction of toilets general bus stand	0.800
5	Construction of toilets old municipal stadium	0.800
Total		6.300

Due to weak internal controls and negligence, works were executed without approval of House.

Award of works in violation of rules resulted in irregular expenditure amounting to Rs 6.300 million.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of irregularity from competent authority besides action against person(s) at fault under intimation to Audit.

[AIR Para No. 24]

67.5.3 Non-deposit of CDRs in Government treasury – Rs 5.354 million

According to Government of the Punjab, Finance Department letter No.IT(FD)3-6/98 dated 16.03.1998, the amounts furnished as securities by contractors/suppliers for services rendered/goods supplied etc. to Government through various banking instruments including call deposits are not immediately deposited into Government treasury. The above practice has led to misuse of such moneys besides cases of fake banking instruments have also been identified causing loss to the public exchequer. It should be ensured that banking instruments including call deposits be deposited immediately into Government treasury in the prescribed manner as Revenue Deposits.

Chief Officer Municipal Committee, Lodhran did not ensure deposit of CDRs amounting to Rs 5.354 million during 2018-19 received from various contractors. These CDRs were not immediately deposited into the bank accounts of Municipal Committee, Lodhran and retained by officers/officials without any authority. The detail is given on next page:

(Rupees in million)

Sr. No.	Name of Development Programme	No. of Schemes	Approved Cost	Amount of CDR (5%)
1	ADP 2016-17	50	43.570	2.178
2	ADP 2017-18	67	45.581	2.279
	LGDP 2017-18	30	15.000	0.750
3	ADP 2018-19	3	2.950	0.147
Total		150	107.101	5.354

Audit is of the view that due to weak internal controls, instructions issued by the Government of Punjab, Finance Department were not implemented in letter and spirit that may lead to misuse.

Non-deposit of securities furnished by contractors/suppliers for services rendered/ goods supplied may result in receiving fake banking instruments and loss to the public exchequer.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of irregularity and action against person(s) at fault under intimation to Audit

[AIR Para No. 05]

67.5.4 Doubtful expenditure on national celebrations without maintaining proper record – Rs 4.910 million

According to Rule 2.31(a) of Punjab Financial Rules, Volume-I, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any overcharges, frauds and misappropriations. Further, 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. Furthermore, according to Rule 8.27 of the Punjab Financial Rules Volume-I, it is the duty of a countersigning officer to see that the charges made in a contingent bill are of

obvious necessity, and are at fair and reasonable rates According to rule 30 (1) of Punjab Local Government (Accounts) Rules, 2017 a sequentially numbered purchase order in Form-AR-1 shall be raised for contingent expenditure, excluding salaries and utilities, by the drawing and disbursing officer.

Chief Officer, Municipal Committee withdrew Rs 4.910 million on the eve of Janshn-e- Azadi, purchase of waste shoppers for Eid ul-Azha, Quaid day, chrismes day, during 2018-19 by splitting up the indents and without calling tender. Neither stock entries of shoppers' purchase were made nor consumption record maintained. The quantities hired neither were verified by any official or official at site.

Audit is a view that due to weak financial control, funds were drawn in doubtful manner.

Withdrawal of funds amounting to Rs 4.910 million without observing the codal formalities resulted in doubtful expenditure.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends inquiry of the matter besides fixing of responsibility against person(s) at fault under intimation to Audit.

[AIR Para No. 18]

67.5.5 Irregular issuance of work order without obtaining additional performance security – Rs 2.575 million

According to rule 9 (d) Punjab Local Government (Works) Rules, 2017 in case if rates of the lowest bid are equal to or less than 5% of the estimated cost, the lowest bidder shall be 7 the additional performance security shall be refunded after issuance of completion certificate by the in charge of the engineering branch.

Municipal Officer (Infrastructure) of Municipal Committee Lodhran issued work order to those contractors whose bid offers were equal to or more than

5% less from estimated cost without obtaining additional performance security of Rs 2.575 million. Neither additional performance security was obtained nor deposited in bank. The detail is given in **Annexure-2/LDN**.

Audit is of the view that due to weak financial control, work order was issued without obtaining additional performance security.

The issuance of work order without obtaining additional performance security of Rs 2.575 million resulted in irregular issuance of work orders.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization, besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para No. 33]

67.5.6 Unauthorized payment of integrated allowances to sanitary workers – Rs 1.652 million

According 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, Freashes, Chowkidars, Sweepers, Sweeperesses & Security Guard.

Chief Officer Municipal Committee, Lodhran withdrew and paid Rs 1.652 million during 2016-19 on account of integrated allowance to sanitary workers without admissibility. The said allowance was only admissible those employees whose designation were mentioned in above referred letter. The actual recovery is the responsibility of DDO as audit has just calculated recovery w.e.f. 1.7.2016 to 30.06.2019, as summarized in the following table:

(Rupees in million)				
No. of Employees	Rate of integrated allowance drawn	Period	No. of Month	Amount of Recovery
102	450	1.7.16 to 30.6.19	36	1.652

Audit is of the view that due to weak financial control, integrated allowance was paid to sanitary workers irregularly.

Payment of integrated allowance of Rs 1.652 million without admissibility resulted in loss to government.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery besides stoppage of unlawful practice in future under intimation to Audit.

[AIR Para No. 27]

67.5.7 Doubtful repair of vehicles – Rs1.494 Million

According to Punjab delegation of Financial Power Rules 2016, Powers to sanction and incur expenditure on addition to or repairs / replacement of parts and overhauling, etc. of the machinery, tools and plants and motor vehicles subject to the restrictions that Powers to sanction repairs, replacement, overhauling etc. of light machinery, motor vehicles and other tools and plants subject to the restrictions:

- (i) that the repairs are carried out in the Government Workshop;
- (ii) in the absence of Government Workshop open tenders are invited; and
- (iii) the expenditure is economical with reference to the service period of the tools, plants or machinery.

Further the extent of amount of repair was up to Rs.0.300 million or 10 percent of the book value of the machinery/vehicle whichever less is.

Chief Officer of Municipal Committee Lodhran incurred expenditure of Rs 1.494 million on repair of sucker and jetting machine during 2018-19 without tender inquiry. The repair of sucker and jetting machine was not carried out at Government Workshop; the assets register showing book values of vehicles was not available. Old parts were neither entered in dead stock register nor auctioned. According to log books vehicles were in working condition but shown as repaired on the same dates. The expenditure was drawn from two different head of accounts. The detail is given below:

(Rupees in million)		
Sr. No.	Description	Amount
1	Repair of sucker machine LD-20 & LD-22 and repair of jetting machine ld-21	0.661
2	Repair of sucker machine LD-21	0.447
3	Repair of Jetting machine	0.386
Total		1.494

Due to weak internal controls, doubtful expenditure on repair of sucker and jetting machine was incurred.

Unauthorized expenditure resulted in violation of Government Rules and irregular expenditure of Rs 1.494 million.

The matter was reported to the Chief Officer of Municipal Committee Lodhran and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends action against concerned for unauthorized expenditure on repair of sucker and jetting under intimation to Audit.

[AIR Para No. 21]

68. Municipal Committee Jalalpur Pirwala

CHAPTER 68.1

Sectoral Analysis of Municipal Committee Jalalpur Pirwala

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Jalalpur Pirwala for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	197.364	138.407	(58.956)	-29.87%
Non-salary	248.424	103.559	(144.865)	-58.31%
Development	175.280	95.500	(79.780)	-45.52%
Sub Total	621.068	337.466	(283.601)	-45.66%
Receipts	470.725	356.084	(114.641)	-24.35%

- An amount of Rs 197.364 was provided for pay and allowance out of which Rs 138.407 million was utilized resulting in lapse of Rs 58.956 million (29.87 %).
- An amount of Rs 248.424 million was provided for non-salary component out of which Rs 103.559 million was utilized resulting in lapse of Rs 144.865 million (58.31%).
- An amount of Rs 175.280 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 95.500 million was utilized resulting in non utilization of funds of Rs 79.780 million (45.52%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Jalalpur Pirwala was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given in the following table:

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess (+) / less (-) achievement	%age
B01301 - Ordinary Collection	9.950	8.107	(1.843)	(18.53)
B01313 - Tax on Transfer of Immovable Property	12.100	13.791	1.691	13.97
C03683 - Grant from Provincial Government (PFC Share)	197.876	179.474	(18.402)	(9.30)
C0388001 - License fee (Articles of Food and Drink)	47.879	48.844	0.965	2.02
C0388002 - License fee (Dangerous and Offensive Trade)	2.250	1.863	(0.387)	(17.20)
C0388016 - General Bus Stand fee	4.560	3.311	(1.249)	(27.38)
C0388027 - Fee for approval of Building/ Construction Plan	4.265	3.720	(0.545)	(12.77)
C0388029 - Conversion Fee for change in building use	9.900	7.310	(2.590)	(26.16)
C0388033 - Tehbazari fee	2.590	-	(2.590)	(100.00)
C0388034 - Fine for Encroachments	0.280	0.209	(0.071)	(25.53)
C0388040 - Fine levied	0.575	0.387	(0.188)	(32.64)
C0388042 - Fee for slaughtering of animals	0.752	0.272	(0.479)	(63.75)
C0388047 - Receipts on account of sale of water - residential	16.334	12.871	(3.463)	(21.20)
C0388048 - Receipts on account of sale of water - commercial	2.439	1.640	(0.799)	(32.77)
C0388049 - Receipts on account of sale of water - industrial	0.158	-	(0.158)	(100.00)
C0388050 - Receipts on account of sale of water - bulk consumers	2.729	-	(2.729)	(100.00)
C0388051 - Receipts on account of sale of water - through tankers	1.272	0.421	(0.851)	(66.92)
C0388054 - Sewerage Fee/ Charges/ Nali Tax	5.435	2.016	(3.419)	(62.90)
C0388058 - Sale of sullage/ waste-water	10.503	6.876	(3.627)	(34.53)
C0388063 - Fee for fairs, agriculture shows, industrial exhibitions, tournaments and other public events	1.920	1.962	0.042	2.17
C0388071 - Registration/ Enlistment of Contractors	0.265	0.169	(0.096)	(36.23)
C0388072 - Renewal of Registration	0.040	0.284	0.244	609.50
C0388073 - Tender Fee	0.835	0.815	(0.020)	(2.37)
C0388081 - Rent of municipal Property - Shops	11.133	5.896	(5.237)	(47.04)
C0388086 - Road cutting charges	0.220	0.254	0.034	15.36
C0388087 - Copying fee	5.338	1.292	(4.046)	(75.79)
C0388089 - Sale of trees and plants	0.045	-	(0.045)	(100.00)
C0388090 - Sale of stocks and stores	0.205	0.002	(0.203)	(98.98)
C0388091 - Others Miscellaneous Fee	1.200	4.565	3.365	280.40
C0388093 - Arrears of Water Rate	16.353	3.187	(13.166)	(80.51)

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess (+) / less (-) achievement	%age
C0388094 - Miscellaneous (Birth, Death Nikkah Branch)	0.322	0.234	(0.088)	(27.48)
C0388098 - Arrears of Shop	13.330	8.199	(5.132)	(38.50)
C01803- Intrest realized on investment of cash balance	9.439	2.843	(6.596)	(69.88)
C03683 - Grant from Provincial Government (PFC Development Share)	59.035	14.876	(44.159)	(74.80)
C0388098 - Arrears of Shop	5.447	2.141	(3.306)	(60.70)
C01803- Intrest realized on investment of cash balance	0.500	0.059	(0.441)	(88.17)
C03683 - Grant from Provincial Government (PFC Development Share)	13.253	2.209	(11.044)	(83.33)
Total	470.726	356.084	(114.642)	(24.35)

The above table of receipts heads shows that an amount of Rs 470.726 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 356.084 million was realized resulting in less receipt of Rs 114.642 million (24.35%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the house.

CHAPTER 68.2

Municipal Committee Jalalpur Pirwala

68.2.1 Introduction

Municipal Committee, Jalal Pur Pirwala manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Jalalpur Pirwala:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	70.868	89.021
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

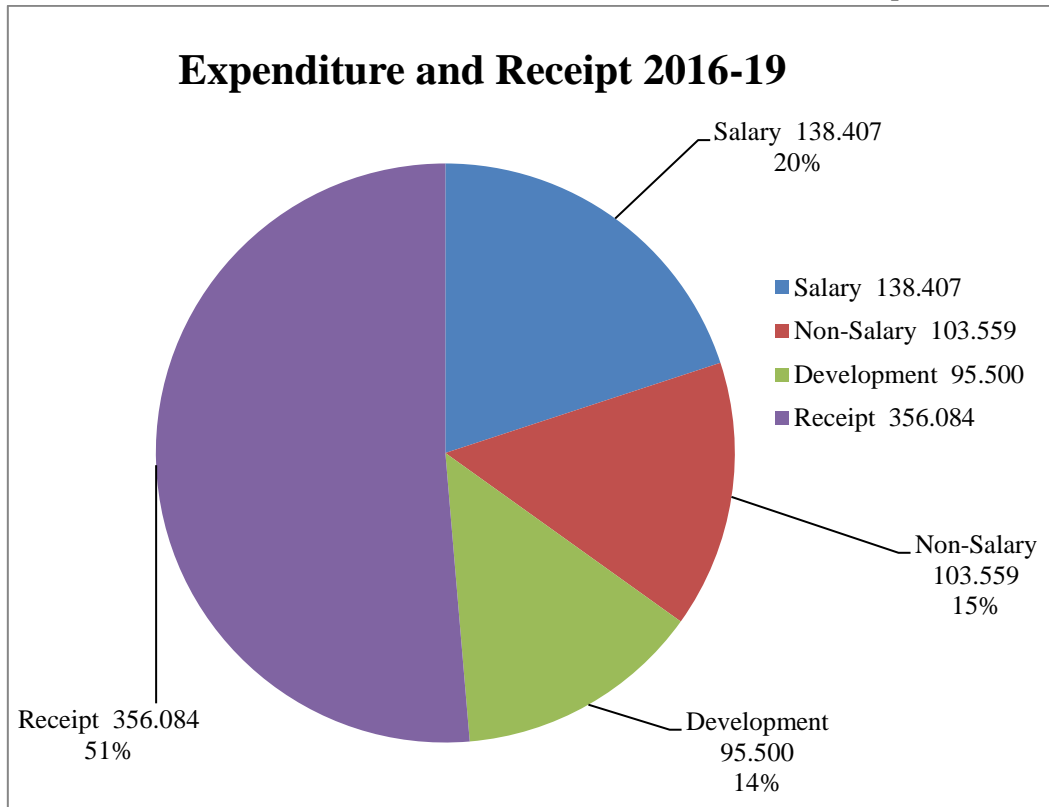
68.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the peiord 2016-19 is given below in tabulated form:

(Rupees in million)

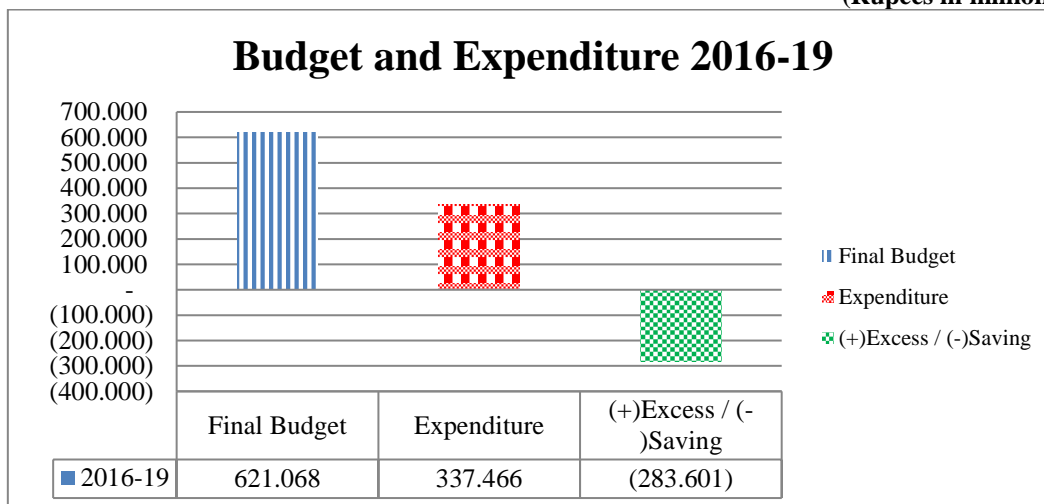
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	197.364	138.407	(58.956)	-29.87%
Non-salary	248.424	103.559	(144.865)	-58.31%
Development	175.280	95.500	(79.780)	-45.52%
Sub Total	621.068	337.466	(283.601)	-45.66%
Receipts	470.725	356.084	(114.641)	-24.35%

(Rupees in million)



As per the Annual Accounts of the Municipal Committee Jalalpur Pirwala for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 621.068 million. Against the budget, total expenditure of Rs 337.466 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 283.601 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Jalalpur Pirwala. **(Annexure-B)**

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 144.865 million (58.31 percent).

68.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 201.439 million were raised as a result of this audit. This amount also includes recoverables of Rs 61.814 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural irregularities	-
A	HR / employees related irregularities	-
B	Procurement related irregularities	9.221
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	158.160
5	Others	34.058
Total		201.439

68.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Jalalpur Pirwala established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

68.3. Procedural Irregularities

68.3.1 Non-obtaining of sureties before award of collection rights – Rs 4.711 million

According to Rule 27 of Punjab Local Governments (Auctioning of Collection Rights) Rules, 2016 the successful bidder shall, at the time of signing the agreement, furnish a surety for the due performance of the contract to the satisfaction of the local government concerned. The surety shall be a person who has a valid national tax number and is an action tax payee. The surety shall furnish bank statement for the preceding six months also showing a bank balance equivalent to the amount of the surety. In case of default of a contract to discharge his obligation under the contract for any reason, then, without prejudice to the claims of local government against the contractor, the local government shall be entitled to recover from surety, not only the amount including changes, dues and fees which may have become due under the contract, but also the cost of proceeding initiated in this regard.

Chief Officer Municipal Committee Jalalpur Pirwala awarded contracts of various collection rights of Rs 4.711 million without obtaining surety which resulted in non-compliance of rules as summarized below:

(Rupees in million)			
Name of contract	Year	Reserve Price	Auctioned Amount
Bus Terminal Fee	2017-18	1.700	1.850
Bus Terminal Fee	2018-19	1.580	1.880
Advertisement Fee	2018-19	0.450	0.455
Slaughter House	2018-19	0.250	0.270
Slaughter House	2017-18	0.140	0.256
Total			4.711

Audit is of the view that due to weak internal control government amount was put at risk by allowing contractor to collect government dues without the submission of surety bonds.

Non-collection of surety bonds resulted in non-completion of most of contracts and loss to the government.

The matter was reported to the Chief Officer of Municipal Committee Jhalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends matter must be referred to the Secretary Local Government for fixation of responsibility against officers / officials at fault under intimation to Audit.

[AIR Para No. 10]

68.3.2 Misclassification of expenditure – Rs 2.510 million

According to Rule 37 (b)(iii)(iv) of Punjab Local Government (Budget) Rules, 2017 the drawing and disbursing officer shall be responsible for ensuring incurrence of the expenditure charged against the relevant object code with adequate appropriation and in a transparent, economical and efficient manner at competitive rates which brings value for money.

Chief Officer Municipal Committee Jhalpur Pirwala did not observe proper classification of accounts and booked expenditure of Rs 2.510 million by misclassification as summarized in **Annexure-1/JPP**

Audit is of the view that due to weak internal control expenditures were incurred by misclassification.

Misclassification of expenditures resulted irregular booking of expenditures of Rs 2.510 million.

The matter was reported to the Chief Officer of Municipal Committee Jhalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of expenditures besides action against person(s) at fault under intimation to Audit.

[AIR Para No. 25]

68.3.3 Uneconomical expenditure on purchase of hand carts – Rs 1.000 million

According to Rule 37 (b)(iii)(iv) of Punjab Local Government (Budget) Rules, 2017 the drawing and disbursing officer shall be responsible for ensuring incurrence of the expenditure charged against the relevant object code with adequate appropriation and in a transparent, economical and efficient manner at competitive rates which brings value for money.

Municipal Officer (Infrastructure & Services) of Municipal Committee Jalalpur Pirwala purchased “Hand Carts” for collection of solid waste issued work order for “Providing / purchase of 32 Nos hand carts for solid waste” costing Rs 1 million. Excess rates were paid by MC Jalalpur Pirwala as compare to the rates paid by MWMC due to which an overpayment of Rs 590,400 was made to contractor. Moreover, the weight of hand cart except wheel was only 50 kg whereas as per estimate the rate was required to be of 70 kg hence inferior quality hand cart was purchased on excess rates as detailed below:

(Amount in Rupees)

Name of Item	Rats of MC JPPW	Rate of MWMC	Excess Rate	Quantity	Amount
Hand Carts	31,250	12,800	18,450	32	590,400

Audit is of the view that due to weak internal control, inferior quality hand carts were purchased at the higher rates.

Charging excess rates resulted in loss to the government of Rs 590,400.

The matter was reported to the Chief Officer of Municipal Committee Jalalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends matter should be investigated at appropriate level to recover the excess drawn amount under intimation.

[AIR Para No. 12]

68.3.4 Doubtful procurement and issuance of PVC pipes – Rs 1 million

According to Rule 37 (b)(iii)(iv) of Punjab Local Government (Budget) Rules, 2017 the drawing and disbursing officer shall be responsible for ensuring incurrence of the expenditure charged against the relevant object code with adequate appropriation and in a transparent, economical and efficient manner at competitive rates which brings value for money. According to rule 2.33 of PFR Vol-I, every government servant should realise fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

Chief Officer Municipal Committee Jalalpur Pirwala advertised in daily newspaper dated 11th August 2017 as development work, “Supply of PVC Pipes and allied items of water supply” costing Rs 1 million. These pipes were issued to councilors on the orders of Chairman without availability of acknowledgement from the councilors. Further Rs 366,000 was withheld due to non-provision of test report by the contractor, which was later on released without receipt of test reports. Full payment was made to the suppliers without deduction of GST amount of Rs 170,000 and the rates paid to the supplier did not match with the MRS rates of relevant 2nd Bi-annual of 2017.

Audit is of the view that due to weak internal control huge quantity of water pipes were shown purchased and later-on embezzled due to non-availability of consumption record.

Non availability of record of issuance of pipes might result in embezzlement of Rs1 million.

The matter was reported to the Chief Officer of Municipal Committee Jalalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends matter should be referred to investigation agencies to further probe into the matter under intimation to Audit.

[AIR Para No. 13]

68.4 Value for Money and Service Delivery Issues

68.4.1 Poor performance due to short collection of government receipt – Rs 106.751 million

As per Rule 4(f) Punjab Local Government Budget Rules 2017, the Chief Officer shall monitor the receipts and expenditures of the Local Government to be carried out in accordance with the approved budget and rules.

Chief Office Municipal Committee Jlalpur Pirwala failed to monitor the receipt targets which resulted in short collection of government receipt Rs106.751 million during 2017-19. The detail is given in **Annexure-2/JPP**

Audit is of the view that due to poor performance, receipts targets could not achieve which resulted loss to the government.

Non achievement of receipt targets resulted in loss to the government amounting to Rs106.751 million.

The matter was reported to the Chief Officer of Municipal Committee Jlalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends fixation of responsibility against person(s) at fault under intimation to Audit.

[AIR Para No. 26]

68.4.2 Illegal construction of buildings without recovery of conversion fee – Rs 13.890 million

According to rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

According to Notification No. E&A (LG)5(1)/2005 dated 30-6-2005, Town Officer (P&C) Jalal Pur Pirwala Town Multan is responsible for checking of violations of the prohibitions provided in the master plan the sanctioned site development scheme under the PLGO, cities act, or any other law for the time being in force including the plans and schemes sanctioned under the repealed enactment within their jurisdiction and recovery of commercialization charges within the jurisdiction.

MO (Planning), Municipal Committee Jlalpur Pirwala approved following buildings by taking affidavit without obtaining commercialization fee and fulfilling legal requirement of setback of 20 feet. The matter was pointed out during the audit for the year 2008-2009 but despite the passage of more than ten years no government dues collected and deposited into the government dues. Therefor recovery of Rs 13.890 is required to be effected along-with the interest from the defaulters using the net present value method. The detail is given in **Annexure-3/JPP**

Audit is of the view that due to weak internal controls, maps were approved without the receipt of conversion fee.

Non receipt of conversion fee resulted in loss of Rs 13.890 million.

The matter was reported to the Chief Officer of Municipal Committee Jlalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 13.890 million besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 06]

68.4.3 Non recovery of water rates charges – Rs 9.536 million

According to Chapter –IV Rule 4.7(1) of Punjab Financial Rules, Vol-I, it is primarily the responsibility of the departmental authorities to see all revenue or other debts due to Government, which have to be brought to account, are correctly and properly assessed, realized and credited to Government account.

Chief Officer Municipal Committee Jhalpur Pirwala failed did not recover water rate charges of Rs 9.536 million from the users of water supply during the period of 2016-19 as summarized below:

(Rupees in million)					
Year	No. of Connections	Demand	Actual Recovery	Balance	Arrear recovered
2016-2017	6,304	5.605	1.915	3.689	0.755
2017-2018	6,203	8.862	5.861	3.001	1.636
2018-2019	6,866	9.659	6.813	2.846	1.506
Total		24.126	14.589	9.536	3.896

Audit is of the view that due to poor performance water rate charges were not fully recovered from the connection holders.

Non recovery of water rate charges resulted in loss of Rs 9.530 million to the MC fund.

The matter was reported to the Chief Officer of Municipal Committee Jhalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery besides fixation of responsibility against persons at fault under intimation to audit

[AIR Para No. 22]

68.4.4 Loss to the government due to non-collection of government dues – Rs 8.082 million

According to Rule 20(2) of Punjab Local Governments (Auctioning of Collection Rights) Rules 2016, the contractor shall be responsible for deposit of salary, pension contribution, premium of group insurance, leave salary, all allowances and other fringe benefits permissible to the employees of a local government attached with him for administration and collection of respective income before the start of each month in advance. of employees attached with him for collection of receipt and will pay all taxes leviable. Furthermore as per Rule 25 (e) the contractor shall not appoint his personal staff for collection of income without the prior approval of local government concerned and all collections shall be carried out by him through the staff local government concerned assigned for this purpose. The contractor shall deposit the cost of books, rent of furniture & building. Furthermore, according to Rule 25 of Punjab Local Governments (Auctioning of Collection Rights) Rules 2016, the contractor shall receive all amount collected as income related to the contract after making proper entry into the books of accounts as a token that he has received such amount.

Chief Officer Municipal Committee Jhalpur Pirwala auctioned the collection rights of bus terminal fee, slaughter house and advertisement fee for the financial years 2017-2019. The contractors were bound to pay the salaries amounting to Rs 8.082 million of staff posted for the collection of the fee on behalf of contractor but the same was not collected from the contractor and paid out of the MC account. The contractor did not use the receipts books of TMA and did not entered receipts in the books by violating government rules. The detail is given below:

(Rupees in million)

Name of contract	Year	Reserve Price	Auctioned Amount	Income Tax	Name of Contractor	Number of Persons	Salary per year
Bus Terminal Fee	2017-18	1.700	1.850	0.185	Sardar Imran	9	3.387
Bus Terminal Fee	2018-19	1.580	1.880	0.188	Salamat Ali	9	3.387
Advertisement Fee	2018-19	0.450	0.455	0.046	Salamat Ali	1	0.436
Slaughter House	2018-19	0.250	0.270	0.027	Salamat Ali	1	0.436
Slaughter House	2017-18	0.140	0.256	0.026	Usman Saeed	1	0.436
Total							8.082

Audit is of the view that due to weak internal control, salaries were not collected from the contractors and paid out of the Municipal Committee account.

The non-collection of salaries resulted in loss of Rs 8.081 million

The matter was reported to the Chief Officer of Municipal Committee Jlalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of amount from the person(s) at fault under intimation to Audit.

[AIR Para No. 03]

68.4.5 Illegal construction of buildings without recovery of conversion fee – Rs 7.456 million

According to rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

According to Notification No. E&A (LG)5(1)/2005 dated 30-6-2005, Town Officer (P&C) Jalal Pur Pirwala Town Multan is responsible for checking of violations of the prohibitions provided in the master plan the sanctioned site development scheme under the PLGO, cities act, or any other law for the time being in force including the plans and schemes sanctioned under the repealed enactment within their jurisdiction and recovery of commercialization charges within the jurisdiction.

MO (Planning), Municipal Committee Jlalpur Pirwala allowed construction of illegal commercial buildings without the payment of conversion

fee and other government dues. This resulted in loss to the government amounting to Rs 7.456 million. The detail is given in **Annexure-4/JPP**

Due to weak internal controls, maps were approved without the receipt of conversion fee.

Non receipt of conversion fee resulted in loss of Rs 7.456 million.

The matter was reported to the Chief Officer of Municipal Committee Jhalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of Rs 7.456 million besides fixing responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 08]

68.4.6 Short assessment and less recovery of conversion fee – Rs 5.597 million

According to rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

MO (Planning), Municipal Committee Jhalpur Pirwala assessed and recovered the conversion fee Rs3.885 million instead of Rs 5.597 million during 2018-19 of a commercial marriage hall “Royal Marque” by charging the rate of Rs121,416 per marla (Sr.No.278 DC rate 2018-19) of total area of plot 160 marlas. Whereas the actual DC rates for the year 2018-19 of the same area was Rs127,197 per marla instead of Rs121,416 per marla. Further total area of plot owned by the owner was 220 marlas instead of 160 marlas. The map fee should be also calculated after imposing fine due to

construction without approval of map. This resulted in short assessment of fee amounting to Rs1.711 million as detailed below:

(Rupees in million)

Name of owner	Address	Area	Actual Area of Plot	DC Rate Charged 2018-19	Actual DC Rate 2018-19	Fee assessed	Actual Fee	Conversion Fee Charged 20%	Actual 20% Conversion Fee Charged	Less assessment of Conversion fee
Johar Abbas, Haider Abbas S/o Haji Abid Hussain Lodhran Road Noraja Bhutta Morr to Petrol Pump on road above 10 maria	Royal Marque Lodhran Road	160	220	0.121	0.127	3.888	27.983	3.885	5.597	1.711

Audit is of the view that due to weak internal control building were allowed to construct without the approval of map and payment of conversion fee.

Illegal construction without approval of map resulted in loss to the government amounting to Rs5.59 million.

The matter was reported to the Chief Officer of Municipal Committee Jlalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of government dues besides fixation of responsibility against the person(s) at fault under intimation to Audit.

[AIR Para No. 02]

68.4.7 Non recovery of arrear of rent of shops – Rs 3.080 million

According to Chapter –IV Rule 4.7(1) of Punjab Financial Rules, Vol-I, it is primarily the responsibility of the departmental authorities to see all revenue or other debts due to Government, which have to be brought to account, are correctly and properly assessed, realized and credited to Government account.

MO (Regulation) of Municipal Committee Jhalpur Pirwala did not ensure the recovery of Rs 3.080 million on account of rent of shops from the tenants during 2018-19. The detail is given in **Annexure-5/JPP**.

Audit is of the view that due to poor performance recovery of arrears of rent was not recovered from the tenants of shops.

Non recovery of rent of shops resulted in loss to the government amounting to Rs 3.080 million

The matter was reported to the Chief Officer of Municipal Committee Jhalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery besides fixation of responsibility against person(s) at fault under intimation to Audit.

[AIR Para No. 14]

68.4.8 Loss to the government due to non-collection of government dues – Rs 2.672 million

As per Rule 20(2) of Punjab Local Governments (Auctioning of Collection Rights) Rules 2016, the contractor shall be responsible for deposit of salary, pension contribution, premium of group insurance, leave salary, all allowances and other fringe benefits permissible to the employees of a local government attached with him for administration and collection of respective income before the start of each month in advance of employees attached with him for collection of receipt and will pay all taxes leviable. Furthermore as per Rule 25 (e) the contractor shall not appoint his personal staff for collection of income without the prior approval of local government concerned and all collections shall be carried out by him through the staff local government concerned assigned for this purpose.

Chairman & Chief Officer MC Jala Pur Pirwala did not recover Rs 2.672 million from successful bidders on account of bus terminal fee during the period

2017-19 The Chairman illegally approved the conditions by allowing the contractor to collect the terminal fee through its own workers, in violation of PLG Auctioning of Collection Rights Rules 2016 hence contractor was bound to pay the salaries of mutually agreed no. of employees. Total short fall is given below:

(Rupees in million)

Year	Reserve Price	Auctioned Amount	Income Tax	Total Recoverable without Salaries	Amount Deposited	Balance Amount	Salaries not recovered	Total Short Recovery	Name of Contractor
2017-18	1.700	1.850	0.185	2.035	2.035	-	0.970	0.970	Sardar Imran
2018-19	1.580	1.880	0.188	2.068	1.336	0.732	0.970	1.702	Salamat Ali
Total								2.672	

Audit is of the view that due to weak internal control, favour was given to the contractor by making illegal amendments in the offer letters by violating government rules.

Non-observance of rules resulted in loss to the government amounting to Rs 2.672 million

The matter was reported to the Chief Officer of Municipal Committee Jlalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends investigation for fixation of responsibility and recovery from responsible(s) under intimation to Audit.

[AIR Para No. 15]

68.4.9 Short collection of license fee – Rs 1.096 million

According to Rule 37 (b)(iii)(iv) of Punjab Local Government (Budget) Rules, 2017 the drawing and disbursing officer shall be responsible for ensuring incurrence of the expenditure charged against the relevant object code with adequate appropriation and in a transparent, economical and efficient manner at competitive rates which brings value for money.

Chief Officer Municipal Committee Jhalpur Pirwala did not recover Rs 1.096 million during 2017-19 on account of license fee which resulted in loss to Municipal Fund as detailed in **Annexure-6/JPP**

Audit is of the view that due to poor performance, the license fee was not collected from the owners of the business.

Non collection of license fee resulted in loss to the Municipal Committee amounting to Rs1.096 million.

The matter was reported to the Chief Officer of Municipal Committee Jhalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery of amount besides fixation of responsibility against person(s) at fault under intimation to Audit.

[AIR Para No. 11]

68.5 Others

68.5.1 Non collection of tender fee and non-maintenance of tender register – Rs 12.085 million

As per Government of Punjab LG&CD Department Lahore Notification No.SO(LG)38-3/2017 dated 04.4.2017 all the tenders shall be opened by the committee constituted as under:

Chief Officer	Convener
Representative of Deputy Commissioner	Member
Assistant LG&CD of District	Member
Municipal Officer (Finance)	Member
Municipal Officer (I&S)	Secretary / Member

Chief Officer Municipal Committee Jlalpur Pirwala advertised works costing Rs 12.085 million in newspapers only without any advertisement on PPRA website for the period 2017-18 and 2018-19. The tenders were not opened by the above tender opening committee nor any tender fee collected and deposited into the government account. Even the tender open register was not maintained. Necessary detail is given in **Annexure-7/JPP**

Audit is of the view that due to weak internal control, tender was irregularly opened by the irrelevant tender opening committee .

Opening of tenders by the irrelevant committee resulted in irregular expenditures of Rs12.085 million.

The matter was reported to the Chief Officer of Municipal Committee Jlalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of expenditure besides action against person(s) at fault under intimation to Audit.

[AIR Para No. 27]

68.5.2 Non-reconciliation of expenditure – Rs 11.568 million

According to Rule 37 (b)(iii)(iv) of Punjab Local Government (Budget) Rules, 2017 the drawing and disbursing officer shall be responsible for ensuring incurrence of the expenditure charged against the relevant object code with adequate appropriation and in a transparent, economical and efficient manner at competitive rates which brings value for money.

Chief Officer Municipal Committee Jalpur Pirwala did not ensure reconciliation of expenditures with the Assistant Director Local Fund Audit which shows the difference of Rs11.567 million when the expenditures booked in different object heads in the monthly accounts 2017-18 were compared with the expenditures booked in the budget control register for the year 2017-18. The details are given below:

(Rupees in million)

Object Head	Total Expenditures in 2017-18 as per monthly accounts	Total expenditures as per budget control register 2017-18	Difference
A-03918 Exhibition fairs and others National Celebrations	2.432	1.447	0.985
A09601 - Purchase of Plant and Machinery	3.068	1.033	2.036
064102- Street lighting	-	0.153	0.153
A13101 - Machinery and Equipment	0.335	1.584	1.248
A13305 - Works - Urban Water Supply	-	2.426	2.426
A03304 - Electricity (Disposal works)	1.150	2.487	1.336
A03305 - Electricity (Street Light)	0.234	0.315	0.082
A03306 - Electricity (Water Supply)	14.935	11.780	3.155
A03270 - Others	-	0.146	0.146
Total			11.568

Further expenditures of development works also not recorded in the cash book and expenditures entered in the cash book for the year 2017-18 does not tally with the expenditures booked in the monthly accounts for the above said year.

Non reconciliation of expenditures may cause defective preparation of books of accounts.

Illegal booking of expenditures resulted in un-reconciled expenditures of Rs 11.568 million.

The matter was reported to the Chief Officer of Municipal Committee Jhalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends proper reconciliation of books of accounts figures followed by corrective measures in books of accounts to ensure true and fair view of books of accounts under intimation to Audit.

[AIR Para No. 19]

68.5.3 Doubtful withdrawal of excess POL Funds from the government treasury – Rs 9.113 million

According to Rule 37 (b)(iii)(iv) of Punjab Local Government (Budget) Rules, 2017 the drawing and disbursing officer shall be responsible for ensuring incurrence of the expenditure charged against the relevant object code with adequate appropriation and in a transparent, economical and efficient manner at competitive rates which brings value for money.

Chief Officer Municipal Committee Jhalpur Pirwala drew Rs 13.019 million during the period 2016-19 on account of POL from Municipal fund. Audit scrutinized the log book of a generator operated at water supply turbine of Mohana Sandila which revealed that the diesel costing Rs 817,800 was excess claimed from treasury. log books of generator used at water supply turbine Mohana Sandaila was compared with the register of POL maintained by the Operator of turbine posted on water supply turbine Mohana Sandaila. The above situation revealed that almost 70% amount on account of POL was excess drawn than the actual usage of fuel. Similarly, due to shortage of time audit objected the entire population of POL funds as summarized below and working of one generator is given in **Annexure-8/JPP**

(Rupees in million)

Year	Budget	Expenditure
2016-17	5.000	3.972
2017-18	5.600	4.557
2018-19	7.300	4.490
Total	17.900	13.019
70% Excess Expenditure		9.113

Audit is of the view that due to weak internal control huge amount are being excess drawn by showing fake consumption in log books.

Doubtful withdrawal of POL funds resulted in loss to the government of Rs 9.113 million.

The matter was reported to the Chief Officer of Municipal Committee Jalalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery besides inquiry into the matter through investigation agencies to further probe into the matter under intimation to Audit.

[AIR Para No. 01]

68.5.4 Payment of excess rates and quantities to the supplier than bid rates – Rs 1.292 million

According to Rule 37 (b)(iii)(iv) of Punjab Local Government (Budget) Rules, 2017 the drawing and disbursing officer shall be responsible for ensuring incurrence of the expenditure charged against the relevant object code with adequate appropriation and in a transparent, economical and efficient manner at competitive rates which brings value for money.

Chief Officer Municipal Committee Jalalpur Pirwala paid Rs1.292 million on account of arrangements made for Jashn-e-baharan during 2019-20. DDO issued supply and services order vide letter No. MC/JPPW/542 dated 9.04.2019 to the M/S Khan Traders declaring the lowest. The supply order differs from the rates quoted by the supplier which resulted in overpayment to the suppliers. Most of the items claimed in the bill were excess claimed in the bills and the rates paid in supply order were also excess than the quoted rates by the supplier.

Audit is of the view that due to maladministration of staff the excess rates were approved than the bid quoted by the suppliers.

Excess drawl of amount from the government treasury resulted in loss to the government.

The matter was reported to the Chief Officer of Municipal Committee Jhalpur Pirwala and the DDO concerned in January, 2020, but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends referring the case to the Anti-Corruption Department for further inquiry and fixation of responsibility against person(s) at fault under intimation to Audit.

[AIR Para No. 09]

69. Municipal Committee Shujabad

CHAPTER 69.1

Sectoral Analysis of Municipal Committee Shujabad

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Shujabad for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	329.827	237.290	(92.537)	-28.06%
Non-salary	186.197	121.997	(64.199)	-34.48%
Development	87.308	45.323	(41.985)	-48.09%
Sub Total	603.331	404.610	(198.721)	-32.94%
Receipts	554.684	410.846	(143.838)	-25.93%

- An amount of Rs 329.827 was provided for pay and allowance out of which Rs 237.290 million was utilized resulting in lapse of Rs 92.537 million (28.06 %).
- An amount of Rs 186.197 million was provided for non-salary component out of which Rs 121.997 million was utilized resulting in lapse of Rs 64.199 million (34.48%).
- An amount of Rs 87.308 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 45.323 million was utilized resulting in non utilization of funds of Rs 41.985 million (48.09%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Shujabad was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given in the following table:

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess (+) / less (-) achievement	%age
B01302 - UIP Tax / Share of net proceeds assigned to Districts/TMAs etc.	8.200	3.487	(4.713)	(57.47)
B01313 - Tax on Transfer of Immovable Property	45.500	33.231	(12.269)	(26.97)
C03555 - Car parking fee	1.068	1.013	(0.054)	(5.06)
C03683 - Grant from Provincial Government (PFC Share)	340.554	281.292	(59.261)	(17.40)
C03685 - Grant from Provincial Government (Unconditional Grant)	4.024	1.347	(2.677)	(66.53)
C03686 - Grant from District Government	6.000	6.000	-	-
C0388008 - License and Permit Fee	1.350	0.818	(0.532)	(39.40)
C0388016 - General Bus Stand fee	5.741	5.486	(0.255)	(4.43)
C0388020 - Motorcycle/ Bicycle Stand fee	0.374	0.257	(0.117)	(31.24)
C0388022 - Fee from other Transport Stands/Riksha	4.117	3.786	(0.331)	(8.03)
C0388027 - Fee for approval of Building/ Construction Plan	7.700	8.809	1.109	14.40
C0388034 - Fine for Encroachments	0.500	0.630	0.130	26.05
C0388042 - Fee for slaughtering of animals	0.987	0.950	(0.036)	(3.66)
C0388050 - Receipts on account of sale of water - bulk consumers	0.220	0.183	(0.037)	(16.75)
C0388057 - Sanitation Fee/ Safai Tax	0.210	0.084	(0.126)	(60.00)
C0388058 - Sale of sullage/ waste-water	0.119	0.097	(0.022)	(18.25)
C0388060 - Fee for Fire Brigade	0.018	0.014	(0.004)	(22.78)
C0388063 - Fee for fairs, agriculture shows, industrial exhibitions, tournaments and other public events	0.011	-	(0.011)	(100.00)
C0388074 - Contractor Advances/Deposits	6.300	3.394	(2.906)	(46.13)
C0388076 - Advertisement Fee on billboards/ hoardings	0.500	-	(0.500)	(100.00)
C0388081 - Rent of municipal Property - Shops	33.266	32.314	(0.952)	(2.86)
C0388087 - Copying fee	0.758	0.885	0.127	16.74
C0388090 - Sale of stocks and stores	0.500	-	(0.500)	(100.00)
C0388094 - Miscellaneous	0.400	0.466	0.066	16.58
C0388098 - Arrears of Shop	31.900	-	(31.900)	(100.00)
C01803- Intrest realized on investment of cash balance	1.360	1.268	(0.092)	(6.73)
C03683 - Grant from Provincial Government (PFC Development Share)	53.010	11.044	(41.966)	(79.17)
Total	554.684	410.846	(143.837)	(25.93)

The above table of receipts heads shows that an amount of Rs 554.684 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 410.846 million was realized resulting in less receipt of Rs 143.837 million (25.93%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the house.

CHAPTER 69.2

Municipal Committee Shujabad

69.2.1 Introduction

Municipal Committee, Shujabad manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Shujabad:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	93.060	94.495
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

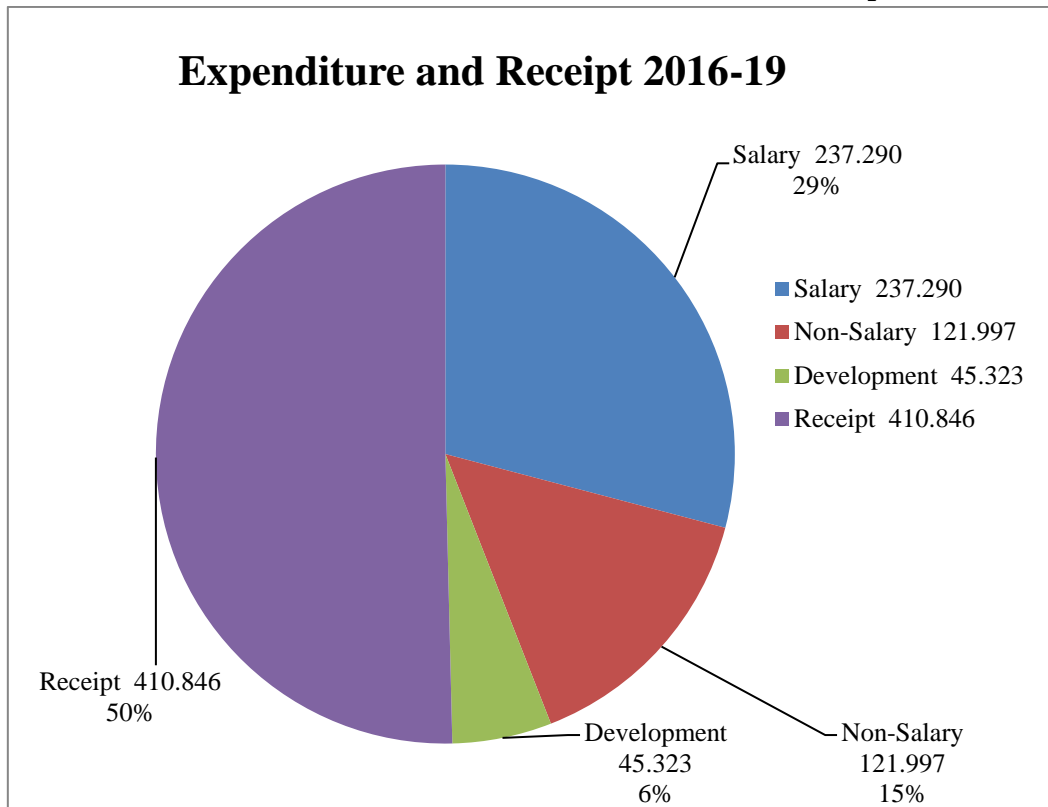
69.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the peiord 2016-19 is given below in tabulated form:

(Rupees in million)

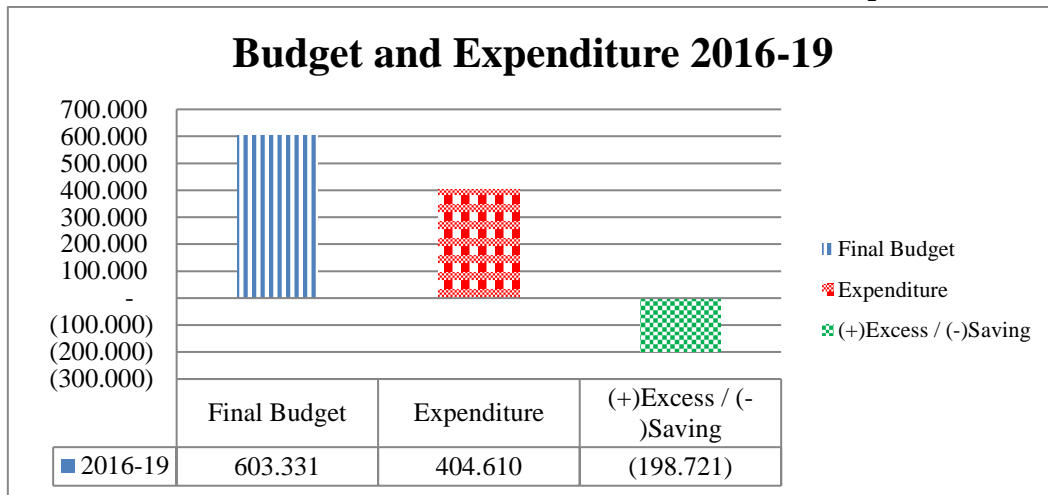
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	329.827	237.290	(92.537)	-28.06%
Non-salary	186.197	121.997	(64.199)	-34.48%
Development	87.308	45.323	(41.985)	-48.09%
Sub Total	603.331	404.610	(198.721)	-32.94%
Receipts	554.684	410.846	(143.838)	-25.93%

(Rupees in million)



As per the Annual Accounts of the Municipal Committee Shujabad for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 603.331 million. Against the budget, total expenditure of Rs 404.610 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 198.721 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Shujabad. **(Annexure-B)**

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 64.199 million (34.48 percent).

69.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 49.973 million were raised as a result of this audit. This amount also includes recoverables of Rs 15.859 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural irregularities	-
A	HR / employees related irregularities	-
B	Procurement related irregularities	32.171
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	15.859
5	Others	1.943
Total		49.973

69.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Shujabad established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

69.3 Procedural Irregularities

69.3.1 Unauthorized expenditure by splitting up the indents through quotations instead of tender – Rs 14.029 million

According to Rule 9 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 annual requirements thus determined would be advertised in advance on the PPRA's website as well as on the website of the procuring agency in case the procuring agency has its own website. According to Rule 12 of the Punjab Procurement Rules, 2014 procurements of goods, services or works over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the PPRA website / print media.

Municipal Officer (Infrastructure) of Municipal Committee, Shujabad incurred expenditure of Rs 14.029 million during 2016-19 on account of contingencies and development works without tender process by splitting up of indents below 100,000 through quotation without any urgency as summarized below:

(Rupees in million)			
Sr. No.	Description of Expenditure	Period	Amount
1	Contingent expenditure	2016-19	3.278
2	Development expenditure	2016-19	10.751
Total			14.029

Audit is of the view that due to weak financial controls, PPRA Rules were not observed.

Non-compliance of PPRA Rules resulted in irregular expenditure amounting to Rs 14.029 million.

The matter was reported to the Chief Officer of Municipal Committee Shujabad and the DDO concerned in February, 2020; but no reply was submitted.

However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization of the expenditure besides disciplinary action against the responsible(s), under intimation to Audit.

[AIR Para No. 13, 21]

69.3.2 Less-obtaining of mortgage deed then 20% saleable area of Land Sub Division – Rs 8.977 million

According to Rule 17 (ii) of Punjab Private Housing Schemes and Land Sub-division Rules, 2010 a Tehsil Municipal Administration or a Development Authority shall, prior to issuance of sanction for scheme, require a developer, a mortgage deed, in accordance with form C, twenty percent for housing scheme and ten percent for farm housing scheme of saleable area as security for completion of development works.

Municipal Officer (P&C) of Municipal Committee, Shujabad sanctioned/ processed various maps of Land Sub Divisions without obtaining the mortgage deed 20% of saleable area valuing Rs 8.977 million in the name of Municipal Committee during 2018-19. This undue favour was given to the developer to sale those plots before completion of development work at site. The detail is given below:

(Rupees in million)							
Name of Scheme	Road/ location	Date of Application	Area of Saleable Plots in Kanal	Area of Saleable Plots in Kanal	20% area to be mortgage	Rate per Kanal in PKR	Amount
Raza Town Phase-I	Shujabad	27.02.2018	48	28.47	5.69	0.813	4.626
Raza Town Phase-II	Shujabad	27.02.2019	48	26.77	5.35	0.813	4.351
Total							8.977

Audit is of the view that due to weak internal controls LSDs were processed without obtaining the mortgage deeds in the name of sanctioning authority.

Non-obtaining of mortgage deed of plots valuing Rs 8.977 million may result in sale of these plots before completion of necessary development work by the developer/owner.

The matter was reported to the Chief Officer of Municipal Committee Shujabad and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends immediate transfer of requisite area in the name of sanctioning body besides recording of state land in properly register under intimation to audit.

[AIR Para No. 09]

69.3.3 Collection of Government fees by the Contractors by hiring private staff – Rs 4.740 million

According to Rule 25(e) of Punjab Local Government (Auctioning of Collection Rights) Rules, 2016 the contractor will not appoint his personal staff for collection of income without the prior approval of local government and all collections shall be carried out by him through the staff of local government concerned assigned to him for this purpose. The contractor will be bound to pay the salaries of staff deputed for recovery.

Chief Officer of Municipal Committee Shujabad allowed the contractors of out sourced income to collect the Government receipts other than Government staff against the auction for the period of 2017-19. The record showed that no staff of MC was deputed as nothing was on the record about deputation of the employees with the contractors. In this way special favour was given to contractors to overcharge at their own will. The detail is given below:

(Rupees in million)

Particulars	Name of Contractor	Period of Auction	Date of Auction	Auction Amount
Lease of General Bus Stand	Rao M. Aamir Jamshed	2018-19	21.05.2018	2.510
Lease of General Bus Stand	Rao M. Aamir Jamshed	2017-18	27.07.2017	2.230
Total				4.740

Audit is of the view that due to weak financial management Government rules were not followed.

Non-compliance of Government instructions may result in overcharging and irregular receipts.

The matter was reported to the Chief Officer of Municipal Committee Shujabad and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends inquiry of the matter besides fixing responsibility on the person(s) at fault under intimation to Audit.

[AIR Para No. 02]

69.3.4 Irregular execution of development scheme – Rs 2.325 million

According to Rule 15 of Punjab Local Government works Rules 2017, during execution of a work, the cost of the work shall not be allowed to exceed 10% of the approved cost on account of change in design, scope or rates. Further according to Rule 16 of Punjab Local Government works Rules 2017, if the cost of work exceeds the limit mentioned in sub-rule 15, new detailed cost estimates or PC-I of the scheme shall be formulated and revised admin approval shall be obtained.

Municipal Officer (Infrastructure) of Municipal Committee, Shujabad incurred expenditure of Rs 2.325 million during 2018-19 on account of development work. The record showed that scheme was approved for Rs 1.500 million later on scheme was enhanced upto 2.325 million which was 55% increase in the original TS without revised admin approval.

Audit is of the view that due to weak internal control development work was executed without revised admin approval.

Execution of development work without revised admin approval resulted in violation of rules.

The matter was reported to the Chief Officer of Municipal Committee Shujabad and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

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

[AIR Para No. 24]

69.3.5 Irregular issuance of work order without obtaining additional performance security – Rs 2.100 million

According to rule 9 (d) Punjab Local Government (Works) Rules, 2017 in case if rates of the lowest bide are equal to or less than 5% of the estimated cost, the lowest bidder shall be bound to deposit the additional performance security 5% to 10%.

Municipal Officer (Infrastructure) of Municipal Committee, Shujabad issued work order to those contractors whose bids offers were equal to or more than 5% less from estimated cost without obtaining additional performance securities of Rs 2.100 million. Neither additional performance security was obtained nor deposited in bank.

Audit is view that due to weak financial control, work order was issued without obtaining additional performance security.

Non-obtaining of additional performance security Rs 2.100 million resulted in putting to government at risk and violation of government rules.

The matter was reported to the Chief Officer of Municipal Committee Shujabad and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends regularization, besides fixing of responsibility against the concerned, under intimation to Audit.

[AIR Para No. 18]

69.4 Value for Money and Service Delivery Issues

69.4.1 Non recovery of rent of shops – Rs 7.970 million

According to Rule 7 (c) & (d) of the Punjab Local Government (Budget) Rules 2017, the collecting officer shall maintain the demand and collection register of each head of income and shall ensure for proper custody of departmental receipt record and ensure timely recovery against each demand.

Municipal Officer (Finance) of Municipal Committee, Shujabad did not recover outstanding dues on account of rent of shops worth Rs 7.970 million up to June 2019 from various shopkeepers / vendors running their businesses under the jurisdiction of MC Shujabad.

Audit is of the view that due to financial indiscipline of the department government dues remained unrealized.

This non-realization of the rent of shops resulted in loss to MC funds.

The matter was reported to the Chief Officer of Municipal Committee Shujabad and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends recovery besides action against person(s) at fault under intimation to Audit.

[AIR Para No. 04]

69.4.2 Non-recovery of conversion fee – Rs 6.715 million

According to rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Municipal Officer (P&C) of Municipal Committee, Shujabad did not take any action against the illegal constructions in the jurisdiction of municipal committee without recovery of conversion fee. The notices were served to the owners of the illegal constructions but recovery of conversion fee amounting to Rs 6.715 million has not been made. The detail is given in **Annexure-1/SBD**

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

Non-recovery of conversion fee resulted in loss of Rs 6.715 million.

The matter was reported to the Chief Officer of Municipal Committee Shujabad and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends proper justification or recovery from concerned besides appropriate action against concerned under intimation to Audit.

[AIR Para No. 07]

69.4.3 Non-collection of Government dues from developers of Land Sub-divisions – Rs 1.174 million

According to rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Municipal Officer (P&C) of Municipal Committee, Shujabad did not take any action against the illegal establishment of land sub-divisions nor recovered government dues amounting to Rs 1.174 million. The detail is given on next page:

(Rupees in million)

Sr. No.	Name of LSD	Location address of the scheme	Name of owner	Total area of land (kanals)	Date of submission of Map	Rate as per Valuation Table	Land Valuation	Conversion Fee	Total Fee charged	Less Recovery of Fee
1	M. Arshad s/o Ghulam Rasool	Near Jamal More Bypass Road Shujabad	M. Arshad	54.1	10.10.2016	7.050	48.028	0.480	0.115	0.365
2	Ghulshan-e-Ramzan Town	Moza Sikandarabad Garbi, sikandarabad road, Shujabad	Shaukat Ali	16	22.11.2016	4.000	8.000	0.080	0.037	0.043
3	Peer Musafir Town	Moza Daira Pur, Bus stop purana Multan Road Shujabad	Khawaja M. Khalid s/o Khawaja Hassan Din	16	22.11.2016	4.000	8.000	0.080	0.037	0.043
4	Model City	Moza Ghajju Hatta Urban near New Thana Sadar, Lodhran road, Shujabad	Ghulam Sabir	32	09.03.2017	7.050	28.200	0.282	0.069	0.213
6	Hashim City	Moza Ghajju Hatta Urban near Railway Phatak road Shujabad	Irshad Ahmed s/o Sher Muhammad	26	18.08.2018	7.050	22.913	0.229	0.057	0.172
8	Khusi Al-Fareed Garden Town	Moza Shujabad, Urban Canal Road, Shujabad	Zafar Iqbal	46.1	08.03.2019	7.500	43.594	0.436	0.098	0.338
Total										1.174

Audit is of the view that the due to weak internal control government dues remained unrecovered.

Due to non-collection of government dues resulted in loss to government of Rs 1.174 million.

The matter was reported to the Chief Officer of Municipal Committee Shujabad and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends proper justification or recovery from concerned besides appropriate action against concerned under intimation to Audit.

[AIR Para No. 08]

69.5 Others

69.5.1 Doubtful use of POL in Jetting & Sucker Machine without record of complaints – Rs 1.943 million

According to Rule 37 (b)(iii)(iv) of Punjab Local Government (Budget) Rules, 2017 the drawing and disbursing officer shall be responsible for ensuring incurrence of the expenditure charged against the relevant object code with adequate appropriation and in a transparent, economical and efficient manner at competitive rates which brings value for money.

Chief Officer of Municipal Committee, Shujabad incurred an expenditure of Rs 1.943 million during 2016-19 on account of POL of jetting and sucker machine. It was astonishing to note that no complaint register was maintained on record neither produced to audit in conformity of each visit of sucker nor jetting as recorded in the log books. Similarly reports of Sewer man, over sears and acknowledgements of complainants were also not available. The detail is given in **Annexure-2/SBD**

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

Doubtful expenditure may result mis-use of funds.

The matter was reported to the Chief Officer of Municipal Committee Shujabad and the DDO concerned in February, 2020; but no reply was submitted. However, DAC meeting was not convened by the PAO despite repeated efforts made by Audit. No progress was intimated till finalization of this Report.

Audit recommends appropriate action against concerned under intimation to Audit.

[AIR Para No. 14]

70. Municipal Committee Arifwala

CHAPTER 70.1

Sectoral Analysis of Municipal Committee Arifwala

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Arifwala for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	621.333	441.016	(180.317)	-29.02%
Non-salary	311.236	186.134	(125.102)	-40.20%
Development	176.087	94.861	(81.226)	-46.13%
Sub Total	1,108.656	722.011	(386.645)	-34.88%
Receipts	839.849	738.374	(101.475)	-12.08%

- An amount of Rs 621.333 was provided for pay and allowance out of which Rs 441.016 million was utilized resulting in lapse of Rs 180.317 million (29.02 %).
- An amount of Rs 311.236 million was provided for non-salary component out of which Rs 186.134 million was utilized resulting in lapse of Rs 125.102 million (40.20%).
- An amount of Rs 176.087 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 94.861 million was utilized resulting in non utilization of funds of Rs 81.226 million (46.13%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Arifwala was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given in the following table:

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess (+) / less (-) achievement	%age
UIP Tax	75.654	42.816	(32.838)	(43.41)
Tax on Transfer of immovable property	49.000	44.981	(4.019)	(8.20)
Car parking	1.326	0.779	(0.547)	(41.25)
Licence Fee	2.150	2.803	0.653	30.37
General Bus Stand fee	8.320	7.626	(0.694)	(8.34)
Riksha	1.177	1.407	0.230	19.54
Fee for approval of building	4.500	5.216	0.716	15.91
Fee for change in land use	37.000	42.566	5.566	15.04
Rent of Slaughter house	0.592	0.450	(0.142)	(23.99)
Sale of water residential	11.697	5.872	(5.825)	(49.80)
Sale of water commercial	0.714	0.364	(0.350)	(49.02)
Advertisement fee	6.067	6.315	0.248	4.09
Rent of municipal property shops	68.002	33.879	(34.123)	(50.18)
Rent of municipal property office	3.863	6.069	2.206	57.11
Road cutting charges	1.150	0.642	(0.508)	(44.17)
Arrear of water rate	6.000	3.900	(2.100)	(35.00)
Arrear of shops	28.750	22.399	(6.351)	(22.09)
Total	305.962	228.084	(77.878)	(25.45)

The above table of receipts heads shows that an amount of Rs 305.962 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 228.084 million was realized resulting in less receipt of Rs 77.878 million (25.45%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the house.

CHAPTER 70.2

Municipal Committee Arifwala

70.2.1 Introduction

Municipal Committee, Arifwala manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Arifwala:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	257.467	627.295
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

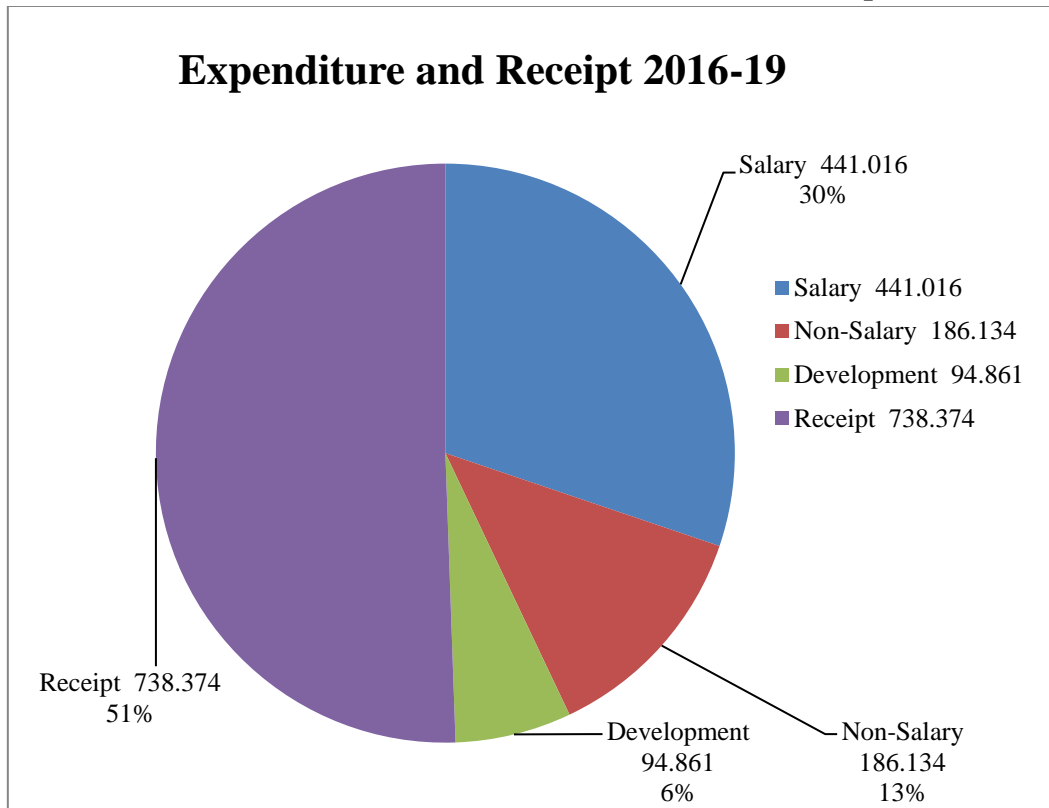
70.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the peiord 2016-19 is given below in tabulated form:

(Rupees in Million)

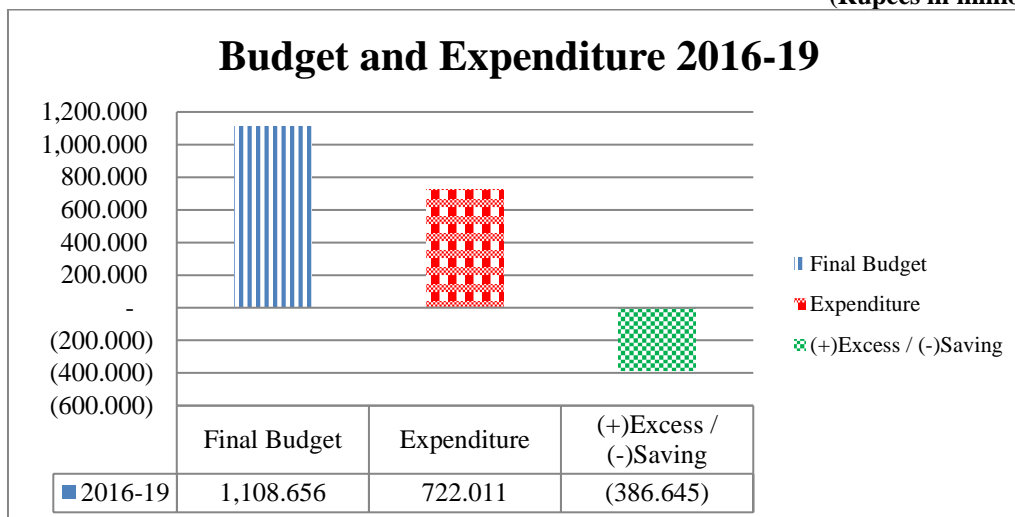
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	621.333	441.016	(180.317)	-29.02%
Non-salary	311.236	186.134	(125.102)	-40.20%
Development	176.087	94.861	(81.226)	-46.13%
Sub Total	1,108.656	722.011	(386.645)	-34.88%
Receipts	839.849	738.374	(101.475)	-12.08%

(Rupees in Million)



As per the Annual Accounts of the Municipal Committee Arifwala for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 1,108.656 million. Against the budget, total expenditure of Rs 722.011 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 386.645 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Arifwala. **(Annexure-B)**

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 125.102 million (40.20 percent).

70.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 953.028 million were raised as a result of this audit. This amount also includes recoverables of Rs 13.993 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural Irregularities	-
A	HR / employees related irregularities	-
B	Procurement related irregularities	117.701
C	Management of Accounts with Commercial Banks	794.128
4	Value for money and service delivery issues	41.199
5	Others	-
Total		953.028

70.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Arifwala established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

70.3 Procedural Irregularities

70.3.1 Non-maintenance of cash book and vouched account by the DDOs – Rs 722.012 million

According to Para (iv) of the Government of Punjab Finance Department letter No. FD (FR) II-5/82(P) dated 30.06.2009; the TAO shall be responsible for the safe custody of the paid bills / vouchers. However, the DDO shall retain the duplicate copy of the paid voucher and supporting documents for annual audit and record. According to rule 15 (d) and (f) of the Punjab Local Governments (Accounts) Rules, 2017, the drawing and disbursement officer shall maintain cash book and promptly record necessary entries in the cash book as soon as the monies are withdrawn, disbursed or credited to the local fund or public account of the local government. Submit the monthly and annual expenditure accounts to the head of finance office for record,

The DDOs of MC Arifwala withdrew Rs 722.012 million on account of different expenditure during 2016-19 without maintenance of cash book or vouched account. The requisition for production of vouched account was given to Chief Officer Municipal Committee Arifwala, but the same was not produced to Audit due to non-maintenance of record by the concerned DDOs. Hence whole of withdrawal was doubtful and likely misappropriation. The vouchers of pre-audit of Resident Audit and Accounts Officer of Local Funds Audit were obtained for scrutiny, but allied record and disbursement was not shown by the concerned DDOs. The summarized detail is as under:

(Rupees in million)

Head	Period	Expenditure			
		Salary	Non-Salary	Development	Total
Expenditure	July 2016 to Dec-2016	63.926	38.158	9.685	111.769
	Jan.2017 to June-2017	84.595	25.992	7.237	117.825
	July 2017 to June 2018	123.185	57.422	68.269	248.876
	July 2018 to June 2019	169.310	64.563	9.669	243.542
Total					722.012

Audit is of the view that due to weak internal controls vouched accounts of withdrawals was not maintained and expenditure was not reconciled with the accounts officer.

Non-compliance of the Government rules resulted in non-maintenance of vouched account of withdrawals amounting to Rs 722.012 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or action against concerned for non-maintenance of record of paid voucher and supporting documents besides corrective measures under intimation to Audit.

[AIR Para No. 20]

70.3.2 Non-reconciliation of recovery of tax on transfer of immoveable property – Rs 72.116 million

According to Para 9 under heading Finance Wing of the Government of Punjab LG & CD Department Directorate General (INSP. & MONT.) letter No.DG (I&M-Standing Committee-242/2014 dated 13.08.2014, the recovery of tax on transfer of immoveable property be compared with the record of Registrar of the Revenue Department to bring transparency in the departmental collection. The violations of these instructions shall be deemed as inefficiency and misconduct attracting proceedings against delinquents under the provisions of PEEDA Act, 2006.

Management of MC Arifwala did not compare the recovery of Rs 72.116 million with the record of Registrar of the Revenue Department on account of tax on transfer of immoveable property during the year 2016-19. Hence transparency in the departmental collection was doubtful. The detail is given on the following table:

(Rupees in million)

Sr. No.	Period	Budget Target	Recovery
1	July 2016 to December 2016 (6 Months TMA)	30.000	28.544
2	January 2017 to June 2017 (6 Months MC)	9.000	7.195
3	2017-2018	23.000	15.370
4	2018-2019	20.000	21.007
Total			72.116

Audit is of the view that due to weak internal controls, the receipt was not compared with the Revenue Department.

Violation of the Government instructions resulted in non-reconciliation of recovery of Rs 72.116 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification and reconciliation with the Revenue Department under intimation to Audit.

[AIR Para No. 03]

70.3.3 Unauthorized opening and award of contract in absence of external members of tender committee – Rs 71.752 million

According to rule 9 (5), (6), (7) and (8) of Punjab Local Governments (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 consisting of Chief Officer as convener, representative of the Deputy Commissioner concerned, Assistant Engineer, concerned Local Government, DO / MO (Finance) as members and DO / MO (Infrastructure) as member / secretary of the committee. The members of the committee shall affix their initials and date on every bid so opened and also on the comparative statement. The rates quoted by the contractors shall be written in figures and words. The absence of one members of the committee shall not vitiate the proceeding of the committee.

The Administration of MC Arifwala opened tenders of development schemes amounting to Rs 71.752 million during 2017-18 in absence of two members of the tender committee. The representative of the Deputy Commissioner and Assistant Engineer Pakpattan did not participate in the tendering process as signature of both members were not available on the comparative statement and bid sheets. Opening of tenders and award of contracts in absence of two external members was unauthorized.

Due to weak internal controls, works were awarded in absence of two external members of tender committee.

Violation of rules resulted in unauthorized opening of tenders and award of works amounting to Rs 71.752 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or regularization from the competent authority under intimation to Audit.

[AIR Para No. 08]

70.3.4 Irregular execution of works without preparation and approval of PC-I of Rs 37.398 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.

Administration of MC Arifwala executed development works of Rs 37.398 million during 2017-18 without preparation and approval of PC-I of the schemes from the competent authority. The detail is given on next page:

(Rupees in million)

Tender Date	Sr. No. of Scheme	Name of work	Estimated Cost	Amount of Work Order
13.08.17	4	Construction of sewer soling drain etc. Mushtaq Nagar and Zia Nagar	2.400	2.400
13.08.17	18	Laying of water supply pipe City Arifwala	2.500	2.495
13.08.17	19	Construction of soling and re-soling, PCC drains, RCC slab etc. City Arifwala	2.000	1.998
13.08.17	20	Patch work of M/R city Arifwala	2.000	1.999
13.08.17	21	Construction and repair of supply of manhole cover, RCC slab etc. Arifwala	2.000	2.000
13.08.17	22	Construction of sewer City Arifwala	2.000	1.999
13.08.17	26	Renovation and beautification of Parks Arifwala	2.000	1.994
13.08.17	27	S/R Offices Municipal Committee Arifwala	2.000	1.993
13.08.17	28	Up-gradation of Zia Nagar Disposal Work Arifwala	10.871	10.857
13.08.17	29	P/L of RCC sewer line Mushtaq Nagar along M/R Arifwala	9.681	9.663
Total				37.398

Audit is of the view that due to weak internal controls development schemes were executed without preparation and approval of PC-I.

Violation of rules resulted in irregular execution of development works amounting to Rs 37.398 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or regularization from the competent authority under intimation to Audit.

[AIR Para No. 22]

70.3.5 Irregular expenditure by calling quotations instead of request for tender – Rs 4.160 million

According to rule 22 and 69 of the Punjab Procurement Rules 2014, the procuring agencies shall use open competitive bidding or publication of request for tender as the principal method of procurement for the procurement of goods,

services and works. Any violation of these rules shall be treated as mis-procurement. According to rule 9 (5) of the Punjab Local Governments (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 consisting of Chief Officer as convener, representative of the Deputy Commissioner concerned, Assistant Engineer, concerned Local Government, DO / MO (Finance) as members and DO / MO (Infrastructure) as member / secretary of the committee.

Following DDOs of MC Arifwala incurred expenditure amounting to Rs 4.160 million during 2017-19 on procurement of different items including parts of tractors, trolley, car and machinery and electric material. The expenditure was incurred by calling quotation instead of tender despite the cost of procurement was more than the prescribed financial limit of Rs 0.100 million. The tenders were required to be open by the committee including external members of the committee for fair competition in the bidding process. All the quotations were open and works were awarded by the committee consisting of officers of MC Arifwala. Audit further observed that expenditure on sewer suction unit of sucker machine was incurred without any bidding process or justification. The detail is as under:

(Rupees in million)

Date of Payment	DDO	Nature	Firm	Detail of item	Amount
01.06.17	MO(I)	Supply	Feroze-Ud-Din & Co.	Trolley for carriage of safety equipment size 6'x4'	0.190
01.06.17	MO(I)	Repair	Al-Mumtaz & Co.	Hand cart with change of wheel, iron sheet 16-18 gauge etc.	0.170
21.11.17	MO (F)	Repair	Feroze-Ud-Din & Co.	Cultus car PK-11	0.180
21.11.17	MO(I)	Repair	Feroze-Ud-Din & Co.	Jeep MHA-4148	0.139
08.05.18	MO(I)	Supply	Ali Akbar Traders	Electric material	0.437
07.05.18	MO(I)	Supply	Jamil Ahmed	Electric material	0.210
03.05.19	MO(I)	Supply	Ghaus-I-Azam Construction Co.	Items for tube well water supply Tikka Colony	0.414
03.05.19	MO(I)	Repair	M. Asif Construction Co.	Tractor PK-8777	0.503
03.05.19	MO(I)	Repair	M. Asif Construction Co.	Tractor New 385 loader	0.465

Date of Payment	DDO	Nature	Firm	Detail of item	Amount
25.03.19	MO(I)	Repair	Kissan Engineering	Sewer suction unit of sucker machine	0.727
19.01.18	MO(I)	Supply	Feroze-Ud-Din & Co.	Massey loader 385 old tractor, tyres all, battery, electric work	0.358
16.10.17	MO(I)	Supply	Feroze-Ud-Din & Co.	Items for tube well water supply Muzaffarabad	0.367
Total					4.160

Audit is of the view that due to weak internal controls, expenditure was incurred on procurement of different items by calling quotation instead of request for tender through purchase committee of MC Arifwala instead of tender committee consisting of external members.

Violation of rules resulted in irregular expenditure amounting to Rs 4.160 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or regularization of expenditure from the competent authority under intimation to Audit.

[AIR Para No. 17]

70.3.6 Unauthorized payment without approved market rate analysis – Rs 3.360 million

According to the Chief Engineer (HQ) Punjab Local Government Board Lahore technical sanction No. CE (HQ) PLGB TS/2017 of different dates; the acceptance of non-schedule items will be made after getting competitive rates after observation of all financial and codal formalities by the tender accepting authority. Furthermore, according to Para 3 of the Administrative Approval issued by the Chairman Municipal Committee Arifwala vide No. MC/A 69 MO (I) dated 12.04.17 and 137 MO (I) dated 10.08.2017, provision of non-schedule items in TS estimate shall be according to the prevailing market rates supported with rate analysis and approved by the competent authority.

MO (Infrastructure) MC Arifwala made payment of different items amounting to Rs 3.360 million during 2016-19 in the different development schemes without approved rate analysis by the competent authority as the same were not available in the record. The payment of non-schedule items without approved rate analysis was unauthorized. Annexure-E

Audit is of the view that due to weak internal controls, the payment was made without approved market rate analysis.

Violation of the Government instructions resulted in irregular payment of Rs 3.360 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or provision of approved rate analysis besides regularization from the competent authority under intimation to Audit.

[AIR Para No. 13]

70.3.7 Irregular expenditure by quotations on civil works without technical sanction of competent authority – Rs 1.031 million

According to rule 22 and 69 of the Punjab Procurement Rules 2014, the procuring agencies shall use open competitive bidding or publication of request for tender as the principal method of procurement for the procurement of goods, services and works. Any violation of these rules shall be treated as misprocurement. According to rule 6 (8) and 18 (3) of the Punjab Local Governments (Works) Rules, 2017, no original work, included in the ADP, shall be executed unless the Administrative Approval and technical sanction have been accorded by the competent authorities. Any payment either for the work done or procurement made for more than rupees fifty thousand shall be entered in the measurement book.

MO (I&S) MC Arifwala incurred expenditure on civil works by calling quotations amounting to Rs 1.031 million during 2018-19. No technical sanction was obtained before execution of works and measurement book was not available at the time of Audit. Hence, the payment was doubtful. Further, the acceptance of works was not issued by the competent authority as the same scale officer in the C & W Department was competent to issue the work order up to Rs 60,000. The detail is as under:

(Rupees in million)			
Date of Payment	Firm	Detail of Expenditure	Amount
03.01.18	Riaz Ahmed	Stone dust for filling patch route Eid Milad-ul-Nabi (SWA) (Cft)	0.079
21.05.19	Mian Ehsan Builders	Gate and gate pillar at Park in from the Sahara Market MC School road	0.077
03.05.19	Kashif Kamran	Water supply pipe line street Sathi wali and school road	0.100
15.04.19	Tariq Mehmood	Laying of water supply pipe line street Ramzan Wali	0.055
09.04.19	Kashif Kamran	Earth filling Pakpattan road near VTI Arifwala	0.098
18.06.19	Syed Haider Hussain	RCC sewer pipe for connection line for Zia Nagar	0.100
23.05.19	Kashif Kamran	Earth filling Pakpattan road in front of Mudarsa Qari Abdul Rehman and Qaboola Chowk Arifwala	0.099
19.03.19	Kashif Kamran	Repair of manhole frame and cover city Arifwala	0.100
19.03.19	New Jamil Ahmed & Co.	Water supply pipe line at H-Block street Dr. Abbas wali	0.073
19.03.19	New Jamil Ahmed & Co.	Construction of manhole and sewer connection Bhatta No.2	0.062
19.03.19	Nazir Ahmed	Earth filling opposite Rescue 1122	0.099
07.05.19	Tariq Mehmood	M.S Delivery pipe of disposal Muahmmad Pura	0.089
Total			1.031

Audit is of the view that due to weak internal controls irregular expenditure was incurred on civil works.

Violation of rules resulted in irregular expenditure amounting to Rs 1.031 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or regularization from the competent authority under intimation to Audit.

[AIR Para No. 19]

70.4 Value of Money and Service Delivery Issues

70.4.1 Non-obtaining of mortgage deed of 20% saleable area – Rs 17.755 million

According to rule 42(i) of the Punjab Private Housing Schemes and Land Sub-Division Rules, 2010, a developer shall submit in the name of a TMA 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.

Administration of MC Arifwala did not obtain mortgage deed of 20% saleable area amounting to Rs 17.755 million during 2018-19 from the developer of land sub-division “Al-Haider City”. On the other hand, the business of the land sub-division was running without approval and completion of formalities / requirements. The detail is as under:

(Amount in Rupees)

Name of Land Sub-Division	Total area	Total saleable area	20% of saleable area	Rate per Marla	Value of land
Al-Haider City	20 Kanal 16 Marla	13-Kanals 05-Marlas	02-Kanals 13-Marlas	335,000	17,755,000
Total					17,755,000

Audit further observed that:

NOC that land is not prone to flooding was not obtained from the Revenue Department.

NOC that the land is not notified by the Government for acquisition for any public purpose was not obtained from the Revenue Department.

Certificate from relevant department that the land is locked because it is surrendered by an existing build up area or an approved housing scheme and separated from the built-up area by physical barriers.

NOC was not obtained from Environment Department.

Audit is of the view that due to weak internal controls the business of the land sub-division was running without approval and completion of requirements.

Non-compliance of rules resulted in non-obtaining of mortgage deed for the land of Rs 17.755 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or appropriate action under intimation to Audit.

[AIR Para No. 10]

70.4.2 Non-maintenance of record and non-recovery of rent of properties – Rs 9.451 million

According to Rule 7 (c) & (d) of the Punjab Local Government (Budget) Rules 2017, the collecting officer shall maintain the demand and collection register of each head of income and shall ensure for proper custody of departmental receipt record and ensure timely recovery against each demand.

MO (Regulation) MC Arifwala did not maintain the record of shops / properties during 2016-19. A list of arrears was produced showing non-recovery of Rs 9.451 million from the different lessee. No detail of arrears as on 01.07.2016, annual demands of each year, and closing balance was provided. Such a huge amount of arrears reflects the poor performance of the branch. The record of shops like list of total shops auctioned, auction process, agreement, demand and collection register, recovery and deposit in the bank etc. was not produced for scrutiny.

Audit is of the view that due to weak internal controls, record of shops was not maintained and recovery was not made from the lessees of the shops.

Non-maintenance of record and non-recovery of rent of shops resulted in loss of Rs 9.451 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not

convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or production of relevant record of shops and expedites the recovery under intimation to Audit.

[AIR Para No. 21]

70.4.3 Short recovery of conversion fee of Hussain Complex – Rs 4.950 million

According to rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

MO (P&C) MC Arifwala received plan of commercial building “Hussain Complex” Qaboola Road Arifwala during 2018-19 and calculated conversion fee amounting to Rs 6.612 million. The conversion fee amounting to Rs 1.662 million was received vide challan No. 309-30 dated 27.06.2019 but remaining amount of Rs 4.950 million was not recovered from the applicant / owner of land up to the date of Audit. The detail is as under:

(Amount in Rupees)									
File No.	Name of applicant	Location	Name of building	Area (Marla)	Rate	Value of land	Total conversion fee	Conversion fee received	Balance
104	Muhammad Irshad (Agreement)	M-Block	Hussain Complex	56.223	588,000	33,058,667	6,611,734	1,661,734	4,950,000
Balance recoverable conversion fee									4,950,000

Audit is of the view that due to weak internal controls, remaining conversion fee was not recovered despite lapse of several months.

Short recovery of conversion fee resulted in loss of Rs 4.950 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or immediate recovery from concerned under intimation to Audit.

[AIR Para No. 16]

70.4.4 Non-recovery of water supply fee – Rs 3.341 million

According to the Punjab Gazette (Extraordinary) March 02, 2018 notification No.MC/107-A dated 10.02.2018 water supply fee will be charged as notified.

Municipal Officer (Finance) did not recover the water supply fee amounting to Rs 3.341 million during 2016-19, as detailed below:

(Rupees in million)				
Particulars of Water Rate	Duration	Budgeted Income	Actual Recovery	Balance
Current	01.07.16 to 31.12.16	2.533	1.605	0.929
Current	01.01.17 to 30.06.17	2.533	1.605	0.929
Current	2017-18	5.096	3.332	1.764
Current	2018-19	5.418	3.661	1.756
Arrears of current demand (A)				1.756
Particulars of Water Rate	Duration	Arrears to be Recovered	Recovery	Balance
Arrears	2016-17	3.000	1.251	1.749
Arrears	2017-18	3.606	1.623	1.983
Arrears	2018-19	3.747	2.162	1.585
Balance of arrears (B)				1.585
Total arrears on 30.06.2019 (A+B)				3.341

Audit is of the view that due to weak monitoring controls, water supply fee not recovered.

Non-recovery of water supply fee resulted in loss amounting to Rs 3.341 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not

convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or expedite the recovery from the concerned under intimation to Audit.

[AIR Para No. 05]

70.4.5 Non-imposing of penalty due to non-completion of works within time limit – Rs 2.148 million

As per Clause 2 of Condition of Contract, the time allowed for carrying out the work as entered in the tender shall be strictly observed by the contractor. The work shall throughout the stipulated period of the contract be proceeded with all due diligence in accordance with the program of work and the contractor shall pay as compensation an amount equal to one percent of the amount of contract subject to maximum of 10% or such smaller amount as the engineer in-charge (whose decision in writing shall be final) may decide, on the amount of the estimated cost stated in item(b) of the memorandum of work annexed hereto for every day the work remains un-commenced or unfinished after the proper date.

MO (I&S) MC Arifwala did not observe the time limits granted to the contractors during 2016-18. Contractors neither completed the work within time limit nor applied for time extension before the expiry period of work. Penalty @ 10% amounting to Rs 2.148 million was required to be imposed due to non-completion of work despite lapse of several months. It was further observed that security deposit of such contractor was also not forfeited.

Audit is of the view that due to weak internal controls, penalty for non-completion of works was neither imposed nor security deposit was forfeited.

Non-imposing of penalty or forfeiture of security resulted in loss amounting to Rs 2.148 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not

convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or recovery of penalty from the concerned under intimation to Audit.

[AIR Para No. 09]

70.4.6 Non-recovery of conversion fee and building fee – Rs 1.953 million

According to rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

MO (P&C) MC Arifwala did not take any action against the illegal constructions of the area during 2018-19. The notices were served to the owners of the illegal constructions but no building plan was submitted by the owners and recovery of conversion fee and building fee amounting to Rs 1.953 million has not been made. The detail is as under:

(Amount in Rupees)							
Sr. No.	Name of owner	Location	Nature of Building	Area (Marla)	Conversion fee	Building fee	Total recovery
1	Muhammad Shafiq s/o Shams Din	Sahiwal road	Hall	17.223	635,500	40,870	676,370
2	Mehboob Ellahi, M. Shafique s/o M. Yousaf	Sahiwal road	Shops / Market	21	886,200	21,970	908,170
3	Qayum Gulzar s/o Gulzar Ahmed	Burewala road	Shop	0.667	12,300	1,800	14,100
4	Muhammad Irfan s/o M. Munsha	Al-Badar Colony	Reconstruction of shop	3.667	0	9,960	9,960
5	Dr. Fakhar Ahme	Rahim Town	Residential	5	0	6,800	6,800

Sr. No.	Name of owner	Location	Nature of Building	Area (Marla)	Conversion fee	Building fee	Total recovery
6	M. Imran s/o M. Islam	Opposite Muhammdi Town	Shops	3	329,100	8,160	337,260
Total							1,952,660

Audit is of the view that due to weak internal controls, no action has been taken for submission of building plan and recovery of conversion fee and building map fee has not.

Non-taking of action and non-recovery of map fee and conversion fee resulted in loss of Rs 1.953 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or recovery from concerned besides appropriate action against concerned under intimation to Audit.

[AIR Para No. 15]

70.4.7 Less recovery of fee of commercial buildings – Rs 1.601 million

According to Rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

MO (P&C) MC Arifwala less recovered conversion and building plan fee of commercial buildings amounting to Rs 1.601 million during 2016-19 from the owner of commercial buildings. The fee was required to be recovered in installments but the owner of buildings did not pay the remaining installments. The

buildings were constructed in the area without payment of prescribed fee but no action was taken by the administration of MC against such commercial constructions. The detail is as under:

(Amount in Rupees)

FY	File No.	Name of owner	Location	Area (Marla)	Rate	Value of land	Conversion fee	Total map fee	Total fee	Actual recovery	Balance
2016-17	12	Habib Arshad	Qaboola road Arifwala	20	314,000	6,280,000	628,000	106,605	734,605	604,105	130,500
2016-17	30	Skeena Bibi	79/E Arifwala	24.445	765,000	18,700,425	3,740,085	419,396	4,159,481	3,224,396	935,085
2018-19	29	Rab Nawaz	C-Block	2.834	997,500	2,826,915	282,692	18,845	301,537	207,470	94,067
2018-19	49	Mst. Rabia Khatoon	G-Block	4.778	997,500	4,766,055	476,606	56,100	532,706	399,683	133,023
2018-19	80	M. Latif	Opposite kuchey abadi Iqbal Nagar	1	351,750	351,750	17,588	3,800	21,388	6,000	15,388
2018-19	58	M. Imran	C-Block	2.778	997,500	2,771,055	277,106	23,660	300,766	231,743	69,023
2018-19	45	Amna Saeed, Hajra Saeed	Qaboola road	20	409,500	8,190,000	819,000	0	819,000	700,000	119,000
2018-19	107	Masood Ahmed Ibrahim	G-Block	0.889	997,500	886,778	44,339	7,670	52,009	19,004	33,005
2018-19	108	M. Akram	M-Block	2.445	588,000	1,437,660	143,766	14,725	158,491	86,459	72,032
Total											1,601,121

Audit is of the view that due to weak internal controls, commercial buildings were constructed without payment of prescribed fee.

Construction of commercial buildings without payment of fee resulted in loss of Rs 1.601 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or recovery from concerned besides appropriate action against concerned under intimation to Audit.

[AIR Para No. 11]

71. Municipal Committee Pakpattan

CHAPTER 71.1

Sectoral Analysis of Municipal Committee Pakpattan

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Pakpattan for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	675.460	476.530	(198.930)	-29.45%
Non-salary	703.750	476.530	(227.220)	-32.29%
Development	735.760	345.600	(390.160)	-53.03%
Sub Total	2,114.970	1,298.660	(816.310)	-38.60%
Receipts	1,778.500	1,542.170	(236.330)	-13.29%

- An amount of Rs 675.460 was provided for pay and allowance out of which Rs 476.530 million was utilized resulting in lapse of Rs 198.930 million (29.45 %).
- An amount of Rs 703.750 million was provided for non-salary component out of which Rs 476.530 million was utilized resulting in lapse of Rs 227.220 million (32.29%).
- An amount of Rs 735.760 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 345.600 million was utilized resulting in non utilization of funds of Rs 390.160 million (53.03%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Pakpattan was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given in the following table:

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess (+) / Less (-) achievement	%age
B01302 - UIP Tax / Share of net proceeds assigned to Districts/TMAs etc.	45.000	41.323	(3.677)	(8.17)
B01313 - Tax on Transfer of Immovable Property	113.800	82.672	(31.128)	(27.35)
C03683 - Grant from Provincial Government (PFC Share)	1,078.614	966.418	(112.196)	(10.40)
C0388008 - License and Permit Fee	5.500	2.226	(3.274)	(59.53)
C0388016 - General Bus Stand fee	3.403	1.765	(1.638)	(48.14)
C0388018 - Wagon Stand fee	1.877	1.225	(0.652)	(34.74)
C0388027 - Fee for approval of Building/ Construction Plan	7.935	8.349	0.414	5.22
C0388029 - Conversion Fee for change in building use	13.400	19.312	5.912	44.12
C0388033 - Tehbazari fee	5.400	6.014	0.614	11.37
C0388034 - Fine for Encroachments	9.110	3.076	(6.034)	(66.24)
C0388042 - Fee for slaughtering of animals	1.950	1.517	(0.433)	(22.23)
C0388047 - Receipts on account of sale of water - residential	10.130	4.973	(5.157)	(50.91)
C0388054 - Sewerage Fee/ Charges/ Nali Tax	8.000	2.741	(5.259)	(65.73)
C0388056 - Receipts from public latrines	0.622	0.115	(0.507)	(81.47)
C0388058 - Sale of sullage/ waste-water	5.834	3.803	(2.031)	(34.82)
C0388063 - Fee for fairs, agriculture shows, industrial exhibitions, tournaments and other public events	3.321	2.514	(0.807)	(24.29)
C0388071 - Registration/ Enlistment of Contractors	1.441	1.424	(0.017)	(1.21)
C0388076 - Advertisement Fee on billboards/ hoardings	4.703	1.667	(3.036)	(64.56)
C0388077 - Advertisement Fee on sign boards of shops/ commercial places	4.550	1.535	(3.015)	(66.27)
C0388081 - Rent of municipal Property - Shops	7.037	3.435	(3.602)	(51.18)
C0388086 - Road cutting charges	4.750	2.169	(2.581)	(54.33)
C0388087 - Copying fee	3.150	1.569	(1.581)	(50.19)
C0388095 - Income from Cattle Pond	3.500	1.798	(1.702)	(48.62)
C0388096 - NOC Fee	0.965	0.311	(0.654)	(67.79)
ADVANCE AND DEPOSIT	0.565	0.009	(0.556)	(98.44)
Nadra form Fee	66.740	38.984	(27.756)	(41.59)
Profit Bank	21.150	22.497	1.347	6.37
Nikah Fee	1.800	0.371	(1.429)	(79.36)
Other Miscellaneous/Group Insurance	18.873	18.313	(0.560)	(2.97)
Other Miscellaneous/Group Insurance	0.700	0.260	(0.440)	(62.86)
Total	1,453.819	1,242.384	(211.435)	(14.54)

The above table of receipts heads shows that an amount of Rs 1,453.819 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 1,242.384 million was realized resulting in less receipt of Rs 211.435 million (14.54%).

CHAPTER 71.2

Municipal Committee Pakpattan

71.2.1 Introduction

Municipal Committee, Pakpattan manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Pakpattan:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	129.870	539.760
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

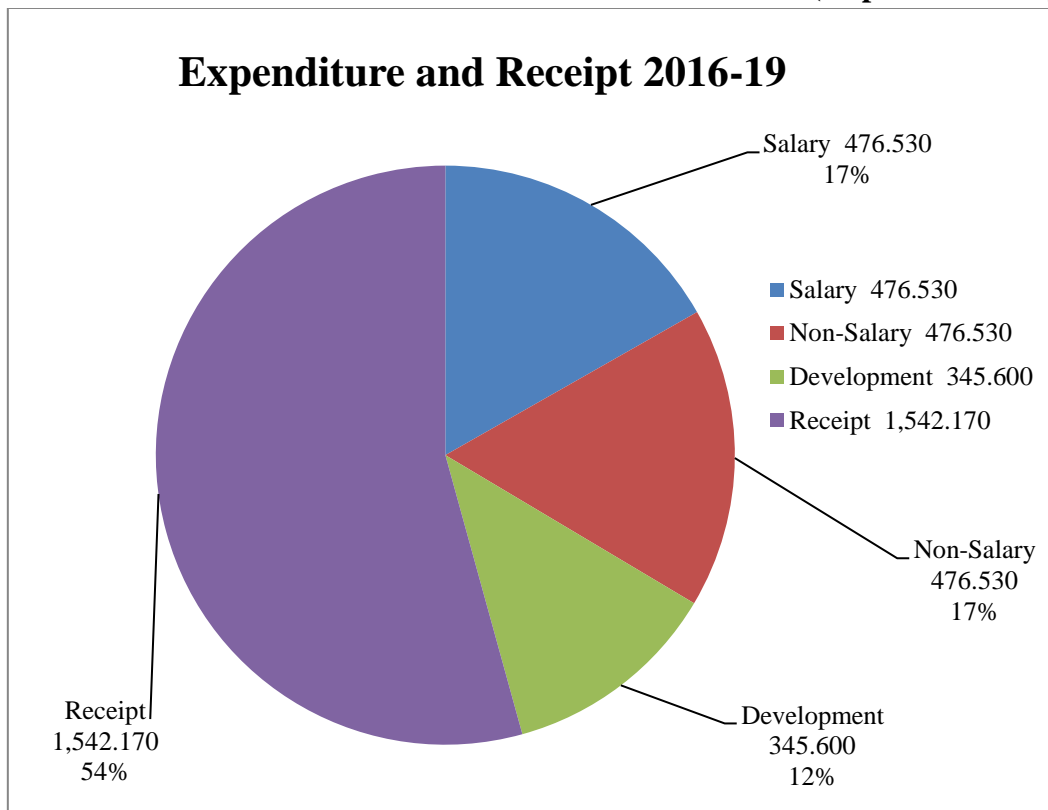
71.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the peiord 2016-19 is given below in tabulated form:

(Rupees in Million)

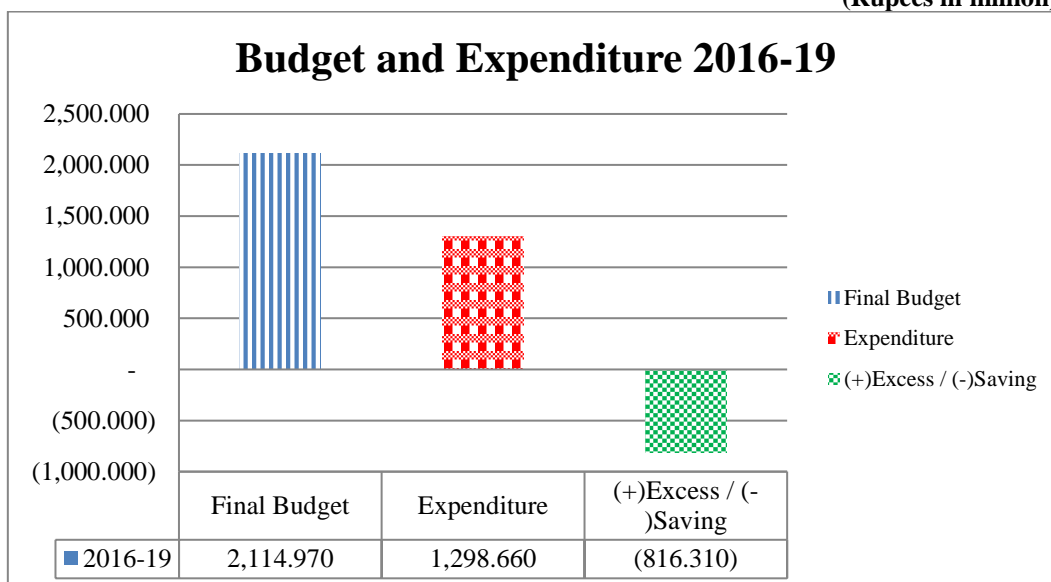
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	675.460	476.530	(198.930)	-29.45%
Non-salary	703.750	476.530	(227.220)	-32.29%
Development	735.760	345.600	(390.160)	-53.03%
Sub Total	2,114.970	1,298.660	(816.310)	-38.60%
Receipts	1,778.500	1,542.170	(236.330)	-13.29%

(Rupees in million)



As per the Annual Accounts of the Municipal Committee Pakpattan for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 2,114.970 million. Against the budget, total expenditure of Rs 1,298.660 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 816.310 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Pakpattan. **(Annexure-B)**

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 227.220 million (32.29 percent).

71.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 224.145 million were raised as a result of this audit. This amount also includes recoverables of Rs 83.663 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural Irregularities	-
A	HR / employees related irregularities	-
B	Procurement related irregularities	115.374
C	Management of Accounts with Commercial Banks	1.756
4	Value for money and service delivery issues	83.663
5	Others	23.352
Total		224.145

71.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Pakpattan established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

71.3 Procedural Irregularities

71.3.1 Irregular executions of development schemes without making PC-I – Rs 88.390 million

According to Rule No.4(3) (4) of 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. Furthermore, according to Rule No.4(5) (2) 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, Rough cost estimates, detailed estimates and PC-I shall be approved by the authority competent to do so.

Municipal administration Pakpattan did not prepared the PC-I of the schemes of Rs 88.390 million which had the value more than Rs 1.5 million each. Even estimates were made without inspection because there were no snaps of before work available with the estimates.

Audit is of view that due to weak administration detailed PC-I and estimates were prepared without photographs.

Non-compliance of Government instructions resulted into irregular execution of schemes.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends, expenditure be got regularized under intimation to Audit.

[AIR Para No. 10]

71.3.2 Irregular split up of schemes in order to avoid the administrative approval from the competent authority – Rs 13.45 million

According to Works Rule-2017, House of Municipal committee can give the administrative approval upto schemes of Rs 10.00 million.

Municipal administration of Pakpattan split up the different schemes of the Municipal corporation Pakpattan in-order to avoid the administrative approval from the competent authority. Detail is given below:

(Rupees in million)

Date of Advertisement	Name of Scheme	Period	Estimated Cost		Date of Admn Approval	Work Order No.
			Original	Revised		
28.4.2018	Construction of additional Rooms of office MC PPN, Remaining Work	2017-2018	3.000	4.900	26.03.2018	28.04.2018
6.01.2018	Construction of additional Rooms of office MC PPN	2017-2018	3.000	-	28.11.2017	10.01.2018
6.01.2018	Providing & fixing of furniture & sound System etc MC Hall, Pakpattan	2017-2018	4.950	-	28.11.2017	10.01.2018
	Const. of Rooms Machinery & Canteen Flooring MC Pakpattan Sharif	2017-2018	2.500	3.800		
Total			13.450	8.700		

Audit is of view that due to weak administration, schemes were split up.

Non-compliance of Government instructions resulted into irregular split up of schemes.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends, expenditure be got regularized under intimation to Audit.

[AIR Para No. 02]

71.3.3 Irregular expenditure on civil work – Rs 7.74 million

According to Rule 9 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 annual requirements thus determined would be advertised in advance on the PPRA's website as well as on the website of the procuring agency in case the procuring agency has its own website. Subject to Rules 13, any procurement exceeding two million rupees shall be advertised on the website, the website of the procuring agency, if any at-least two national daily newspapers of wide circulation, one in English and one in Urdu.

Municipal Administration Pakpattan advertised the development schemes on PAPRA web site of costing more than 1.5 million (Each Scheme) of same items (electric items) intentionally by splitting the indent in different months. Same natures of schemes were intentionally split up to advertise on PAPRA website in order to avoid the advertisement on newspaper and for minimizing the chances of true competition. There was no emergency need of supply of electric articles, every time before the advertisement there was sufficient stock of the store which was being procured was available as shown in the stock register. Instead of that purchases were made in hastily at higher rates without healthy competition. Due to artificial competition all the schemes were awarded at par instead below. Schemes were executed irregularly and so less competition was made which resulted into award of tenders on higher rates than the true and open completion. No photos of the sites were enclosed with the estimates before work and after work. Detail of schemes is given below:

(Rupees in million)					
Advertised on	Advertisement Date	Name of Scheme	Estimated Cost	Rate Offered	Payment to be made
PPRA	31.03.2018	Supply of treet light articles	1.8	at par	1.8
PPRA	05.03.2018	Supply of treet light articles	1.98	at par	1.98
PPRA	24.04.2018	Supply of treet light articles	1.996	0.01	1.996
PPRA	28.12.2018	Supply of treet light articles	1.998	at par	1.998
Total			7.774		7.773

Audit is of the view that due to poor financial management; expenditure was incurred from the emergency work by splitting the indent in different months to avoid the tendering process.

The expenditure was incurred by splitting the indent in different months to avoid the tendering process which resulted in non-observance of the Government instructions.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends action against concerned for unauthorized splitting of expenditure besides regularization of expenditure from competent authority under intimation to Audit.

[AIR Para No. 03]

71.3.4 Irregular execution without the administrative approval of schemes – Rs 5.794 million

According to Rule 5 (5) of Works Rules 2017, an estimate on the basis of which a work is to be undertaken shall be subject to the availability of the funds, administrative approval, technical sanction by the competent authority in the prescribed manners.

Municipal Administration MC Pakpattan executed schemes of supply of street light articles and paid an amount of Rs 5.793 million without administrative approval from the competent authority. The detail is given below:

(Rupees in million)		
Advertisement Date	Scheme Name	Estimated Cost
28.12.2018	Supply of Street light articles	1.998
24.04.2018	Supply of Street light articles	1.996
31.03.2018	Supply of Street light articles	1.800
Total		5.794

Audit is of the view that due to weak management, schemes were executed without administrative approval.

Non-compliance of the Government instructions resulted in irregular payment of Rs 5.794 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixation of responsibility and disciplinary action against the person(s) at fault beside regularization of the expenditure under intimation to Audit.

[AIR Para No. 07]

71.3.5 Irregular drawl of funds without making entry in Measurement Book – Rs 1.756 million

According to Rule No. 18(3) of 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.

Administration of general branch drew the amount of Rs 1.756 million from the account of MC for different expenses but no entry of material received was made in the measurement book. Due to non-availability of entry in measurement book, expenses on purchase of goods were doubtful and require the recovery of the amount.

Audit is of the view that due to weak management, irregular and doubtful expenditures were made without making entries in MB.

Non-compliance of Government instructions resulted in irregular and doubtful expenditure of Rs 1.756 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization or recovery of amount from the concerned under intimation to Audit.

[AIR Para No. 05]

71.4 Value for Money and Service Delivery Issues

71.4.1 Loss to Government due to non-recovery of dues from illegally established land sub-divisions / housing schemes – Rs 52.43 million

According to Rule 38(2)(a,b,c) & 39 of Punjab Private Housing Schemes and Land Sub Division Rules, 2010 the developer shall deposit, fee for sanction of a scheme/LSD @ Rs 1,000 per kanal, approval of design and specification for water supply, sewerage and drainage @ Rs 500 per kanal, approval of design and specification for road, bridge and footpath of a scheme # Rs 500 per kanal followed by a scrutiny fee of Rs 1,000 and Rs 5,000 for a LSD and a Scheme respectively. Moreover, according to Rule 60 (1)(c) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 fee for conversion of peri-urban area to scheme use/ land sub division use at the rate of one percent of the value of the 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.

MO (P) allowed the illegal establishment of housing colonies (Land Sub Divisions/Housing Schemes) without recovery of prescribed dues on account of conversion fee, sanction fee, approval of design and specification fee and sustained a minimum loss of Rs 52.43 million to Government Exchequer. Developers/ owners/property dealers are running their business of sale/purchase but no record/ files of these LSDs were available on record with MC. Pictorial evidences obtained by Audit during site inspections. However, the deputed official by MC denied signing the facts observed during inspections. Necessary detail is given below:

(Rupees in million)

Sanction Date	Name of Scheme	Total Area	Residential Area in Marlas	LSD Fee	Total
5.11.2001	Khayaban-E-Farid, Katchary Road PPN	5079	15.237	2.5395	17.78
2003-04	Rehman Town, Farid Nagar Road PPN	1720	5.16	0.86	6.02
2001-2002	Farid City, Jamal Chowk Sahiwal Road PPN	5060	15.18	2.53	17.71

Sanction Date	Name of Scheme	Total Area	Residential Area in Marlas	LSD Fee	Total
10.4.2014	Rana Tariq Hussain Near Urban Area School Pakpattan	160	0.48	0.08	0.56
10.4.2014	Sheikh Muhammad Ayoob Kharkahan Road PPN	220	0.66	0.11	0.77
2009	Zeeshan Housing Scheme Basti Charag PPN	1600	4.8	0.8	5.6
1994	Labour Colony, Farid Nagar Rakh PPN	980	2.94	0.49	3.43
2017-18	Ganj Shakar Colony, Farid Nagar Road PPN	160	0.48	0.08	0.56
Total					52.43

Audit is of the view that due to weak monitoring and law enforcement in field colonies/LSDs illegal housing colonies were established without payment of dues prescribed by the Government.

Non-payment of dues by illegally established colonies resulted in violation of Rules and loss to the Government amounting to Rs 52.43 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends for taking immediate action against developers/owners, regularization of land sub-divisions besides recovery of Government dues Rs 52.43 million under intimation to Audit.

[AIR Para No. 22]

71.4.2 Poor recovery position of water rates which resulted into blockage of revenue of Rs 8.048 million

According to clause 3(d) part II of budget Rules 2017, the chairman shall determine the key performance indicator and evaluate progress against them the purpose of achieving economy and effectiveness in the expenditure and efficiency in collection of revenue services. Further as per clause 7 “responsibility of collecting officer, the collecting officer shall: a) prepare estimates of receipts for

each head of income and timely submission to head of finance office. b) make assessment of tax, fee of levy by the Local Government, on periodical basis, for evaluating its potential and new tax proposal. d) ensure timely recoveries of each demand. e) ensure that all revenue collected against a demand is credited into the Local Fund.

Municipal Officer (Finance), MC Pakpattan, did not recover the water rate amounting to Rs 8.048 million for the period 2016-17, 2017-18 and 2018-19. No legal proceedings were made for making the recovery from the defaulters. Not a single challan was made against the defaulter, no case was sent to magistrate. No efforts were made to recoup the Government revenue by the authorities. The recovery ratio was only 3.71%. Detail is given below:

(Rupees in million)

Period	No. Connections			Demand				Recovery			Balance
	No.	Domestic	Commercial	Total	Arrear	New	Total	Arrear	Current	Total	
						Demand	Demand				
2016-17	Old	7,300	60	7,360	0.521	3,500	4,021	0.521	1,821	2,341	1,680
	New	-									
2017-18	Old	7,300	72	7,900	1.821	3,792	5,613	1.821	1,420	3,241	2,372
	New	528									
2018-19	Old	7,758	73	7,831	2.372	7,518	9,889	2.372	3,522	5,893	3,996
	New	-									
Total		22,886	205	15,260	4,713	14,810	19,523	4,713	6,763	11,476	8,048

Less recovery of the amount resulted into the loss to Government and recovery of the amount be made from the concern under intimation to Audit.

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

Less recovery resulted in loss to the Government amounting to Rs 8.048 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends responsibility be fixed and pending recovery of Rs 8.048 million be made as soon as possible under intimation to Audit.

[AIR Para No. 16]

71.4.3 Loss due to non-recovery of dues from the defaulter contractors – Rs 6.570 million

According to Rule 19 (1)a,(2)(3) of Auction Rules 2016, deposit one tenth of the amount of approved bid in the funds of respective local government within specified time period. The remaining amount of bid shall be paid by the contractor to the local Government in equal monthly installments that the Whole amount be recovered at least one month before completion of contract. The installments shall be paid by the contractors in advance by the fifth day of each month. Further, according to Rule 28 (1)b,(4) of Auction Rules 2016, the local Government shall cancel the contract if a contractor fails to pay any dues on due date and time. If the income so received is found less than the contractual amount, the difference shall be recovered from te contractor as arrears of land revenue.

Management of MC Pakpattan did not take any action against the contractors despite they did not deposit due amount of Rs 6.570 million against the auction of leases for the year 2016-19.

Audit is of the view that due to weak internal controls, neither any action was taken against contractors despite continuous defaults nor dues were recovered.

Non recovery of dues from the contractors resulted in loss to the Government amounting to Rs 6.570 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 6.570 million from the defaulting contractors, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 13]

71.4.4 Less recovery rent of shops resulting into huge amount of arrear of shops – Rs 5.179 million

According to clause 3(d) part II of budget Rules 2017, the chairman shall determine the key performance indicator and evaluate progress against them the purpose of achieving economy and effectiveness in the expenditure and efficiency in collection of revenue services. Further as per clause 7 “responsibility of collecting officer, the collecting officer shall: a) prepare estimates of receipts for each head of income and timely submission to head of finance office. b) make assessment of tax, fee of levy by the Local Government, on periodical basis, for evaluating its potential and new tax proposal. d) ensure timely recoveries of each demand. e) ensure that all revenue collected against a demand is credited into the Local Fund.

MC Pakpattan, leased out its shops for the year of 2017-19 whereas the arrear of Rs5.179 million was not recovered from the tenants. Recovery percentage is very poor, neither authorities imposed fine on them nor the efforts were made to recoup the Government revenue timely. No legal proceedings were made for making the recovery from the defaulters. Not a single challan was made against the defaulter, no case was sent to magistrate. Detail is given below:

(Rupees in million)						
	Period	Arrear	New Demand	Total	Received	Arrear
Rent of Shops	2016-17	0.8350	3.0894	3.9244	2.4048	1.5197
	2017-18	1.5197	3.3984	4.9180	1.9806	2.9374
	2018-19	2.9374	3.7382	6.6756	1.4963	5.1793

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

Less recovery of rent of shops resulted in loss to the Government of Rs 5.1793 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends responsibility be fixed and pending recovery of Rs 5.1793 million be made as soon as possible under intimation to Audit.

[AIR Para No. 18]

71.4.5 Illegal establishment of housing colony without approved map and paying conversion fee of Rs 3.846 million

According to rule 36, 39 and 42(c) of the Punjab Private Housing Schemes and Land Sub-Division Rules, 2010, a developer shall submit in the name of a TMA 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. TMA or a Development Authority shall, after verification of ownership documents, entertain an application for sub-division of land which is less than one hundred kanal subject to the requirement that a developer shall transfer area under road and open space through transfer deed to a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority. 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.

The DO (Planning) Pakpattan neither completed the legal requirements nor recovered the fee amounting to Rs 3.846 million during 2016-19 from the developers / owners of the housing colonies “Gulshmn-E-Iqbal Villas Rakh Pakpattan Behind Courts” and “Ganj Shakar Garden Farid Nagar PPN”. The developers submitted application for approval of housing colonies and deposited fee of Rs 712510 but despite the lapse of a considerable period no further action was taken by the administration of MC Pakpattan. The developers / owners of the housing colonies were running their business without payment of fee. Audit calculated the approximate amount of recoverable on the basis of available information. The department is responsible for actual recovery and requirements under rules. The detail is given on the following table:

(Rupees in million)

Submission Date	Name of Scheme	Total Area	Conversion Fees		
			Due	Paid	Less
2.12.2017	Gulshmn-E-Iqbal Villas Rakh Pakpattan Behind Courts	1657	2.850	0.713	2.138
	Ganj Shakar Garden Farid Nagar PPN	1294	1.709	-	1.709
Total					3.846

Audit is of view that due to weak management, less recovery of conversion fee was made.

Less recovery of amount resulted into loss to the Government of Rs 3.846 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends disciplinary action be taken against the responsible besides recovery of Rs3.846 million under intimation to audit.

[AIR Para No. 21]

71.4.6 Less recovery of license fee without survey -Rs. 3.84 million

According to clause 3(d) part II of budget Rules 2017, the chairman shall determine the key performance indicator and evaluate progress against them the purpose of achieving economy and effectiveness in the expenditure and efficiency in collection of revenue services. Further as per clause 7 “responsibility of collecting officer, the collecting officer shall: a) prepare estimates of receipts for each head of income and timely submission to head of finance office. b) make assessment of tax, fee of levy by the Local Government, on periodical basis, for evaluating its potential and new tax proposal. d) ensure timely recoveries of each demand. e) ensure that all revenue collected against a demand is credited into the Local Fund.

MC Pakpattan, did not conduct survey of license fee which was required to be imposed at different rates on different industrial units, shops like flour mills,

oil mills, medical halls, bakeries, pesticides dealers etc. Whereas license fee was collected without conducting surveys for accessing the total number of industrial units, shops etc. Many outlets were not covered resultantly less recovery of Rs 3.84 million was made from the different outlets. From the unpaid outlets / Business Units neither the notices were issued nor the cases were sent to magistrate. Department did not take interest to increase the recovery.

The detailed below tabulate depicts the level of interest of MC authorities. A fresh survey is required to be conducted and the targets thereof be re-fixed for actual recovery.

(Rupees in million)

Period	Demand As per Budget Book	Survey Demand	Amount Realized	Short Recovery
2017-18	1.000	-	0.335	0.665
2016-17	2.000	-	0.142	1.858
2018-19	1.500	-	0.180	1.320
			Total	3.843

Audit is of the view that due to weak financial management, targets & recovery was made without survey.

Non-conducting the survey of the potential income resulted into loss to the Government of Rs 3.84 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends that responsibility be fixed and fresh survey be made for re-fixation of targets and pending recovery of Rs 3.84 million under intimation to Audit.

[AIR Para No. 19]

71.4.7 Illegal establishment of commercial buildings without approved map and paying conversion fee – Rs 3.75 million

According to Rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

MO (P&C) MC Pakpattan did not recover conversion and building plan fee of commercial buildings amounting to Rs 3.75 million during 2018-19 from the owners of commercial buildings. They are running their business without approved building maps and had constructed the buildings. The buildings were constructed in the area without payment of prescribed fee but no action was taken by the administration of MC against such commercial constructions. The detail is as under:

(Rupees in million)					
Notice No.	Dated	Name	Nature of Building	Area	Conversion Fee
328	28.05.2019	Mehr Satar Rak Pul Road	Shops	2	0.05
347	11.06.2019	Amanat Ali S/o Noor Nabi Peer Kot By Pass Road	Pepsi Agency	60	2.4
567	30.10.2019	Sher Ali S/o Shakir Ali, Pul Peer Sultan	School	30	1.2
		Muhammad Kashif Chowk Arian	Shops	2	0.05
336	30.05.2019	Rao Sarfraz Ahmad Near Rakh Pul Pakpattan	Shops	2	0.05
Total					3.75

Audit is of the view that due to weak internal controls, commercial buildings were constructed without payment of prescribed fee.

Construction of commercial buildings without payment of fee resulted in loss to the Government of Rs 3.75 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends disciplinary action be taken against responsible besides recovery of Rs 3.75 million under intimation to audit.

[AIR Para No. 26]

71.5 Others

71.5.1 Non-mutation of public amenities besides non-recording entry in the property register – Rs 21.959 million

According to Rule 48(1) & (2) of the Punjab Private Housing Schemes and Land Sub-Division Rules 2010, a sanctioning authority not before twelve months of sanction of scheme and not later than eighteen months of sanction of scheme, get the scheme land transferred in the revenue record within nine months of sanction, get land transferred in its name in revenue record as per transfer deed. According to sanction letter possession of transferred land was also to be taken over by the sanctioning authority. Further, according to Rule 7.16 of the Land Records Manual, the transfer deeds were required to be entered in mutation register/revenue record.

Scrutiny of files of land sub-divisions and housing colonies revealed that developers of private housing schemes have provided transfer deed for transfer of the area of roads, open spaces/parks, graveyard, public buildings, solid waste management having land valuation of Rs 21.959 million in compliance of planning standards, but DO (Planning) did not get the transfer deeds entered in mutation register/revenue record in respect of 30 private schemes. Due to non-entry of transfer deeds in revenue record the area transferred to the sanctioning authority was not in the notice of revenue authorities and chances of illegal selling of allocated public area (open spaces/parks, graveyard, public buildings, solid waste management etc.) by the developers and purchasers through mutations could not be ruled out. Moreover, the defunct TMAs/MC did not record such areas in the property register of sanctioning authorities.

(Rupees in million)

Sanction No.	Sanction Date	Name of Scheme	7%		2%		Due	Actual	Value of Land
			Parks	Solid Waste	Public Building	Road Area	Transfer area of Public Parks		
22	11.02.2016	Pine Valley Housing Scheme Katchary Road PPN					1076.600	766.870	5.383
741	30.07.2011	Al-Farid Garden Housing Scheme					1234.000	1154.000	6.170

Sanction No.	Sanction Date	Name of Scheme	7%		2%		Due	Actual	Value of Land
			Parks	Solid Waste	Public Building	Road Area	Transfer area of Public Parks		
		Katchary Roadn PPN							
1666	8.12.2010	Al-Sharif Mehboob Garden Farid Nagar Rakh Pakpattan	98.660	11.770	11.050	504.880	626.360	545.077	3.132
66	9.04.2015	Star Block Jamal Chowk PPN	74.000	10.000	20.000	362.000	466.000	456.000	2.330
76	13.04.2016	Al-Janat 37/sP Sahiwal Road PPN	139.860	10.000	39.960	556.000	745.820	450.000	3.729
734	10.10.2001	Farid Nagar Block, Farid Nagar Road PPN	44.988	9.980	25.712	162.281	242.961	230.000	1.215
Total									21.959

Audit is of the view that due to improper monitoring control / defective law enforcement by authority concerned, public amenities areas were not recorded properly.

Violation of rules ibid resulted in non-entry of transfer deeds in mutation register / revenue record for the area worth Rs 21.959 million

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends early mutation of public areas in the name of Authority in the revenue record besides taking possession thereof under intimation to Audit.

[AIR Para No. 23]

71.5.2 Wrong estimations of the revised schemes due to not inclusion of 5% PRA charges – Rs 1.393 million

According to Letter No. 2-11/2017, Govt. of the Punjab Finance Department dated 28th September, 2017, 1% PST is to be deducted for construction services from the contingency of the estimates, approved and projects

launched during Financial year 2016-17 and paid to PRA, 5% PST is to be deducted as per Finance bill, 2017-18 for the construction services and PC-1 / cost estimates should be got approved by adding 5% PST for the scheme being got approved launched after June-2017 and paid to PRA.

Revised administrative approvals of the schemes 2016-17 was taken on 18.02.2019 and cost of the schemes was enhanced upto 50% but 5% PRA charges were not included in the estimates. Schemes were revised after 2016-17 in 2019, 5% PRA charges to be included in the estimates. Due to not inclusion of the 5% PRA charges resulted into loss of Rs 1.393 million.

Audit is of view that due to weak management, excess payment to the contractor was paid.

Excess payment of quantities resulted in loss to the Government of Rs 1.393 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends disciplinary action be taken besides recovery of Rs 1.393 million under intimation to Audit.

[AIR Para No. 12]

72. Municipal Committee Chichawatni

CHAPTER 72.1

Sectoral Analysis of Municipal Committee Chichawatni

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Chichawatni for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	649.294	504.858	(144.436)	-22.25%
Non-salary	413.187	281.519	(131.668)	-31.87%
Development	118.054	70.583	(47.471)	-40.21%
Sub Total	1,180.535	856.960	(323.575)	-27.41%
Receipts	1,161.196	881.807	(279.389)	-24.06%

- An amount of Rs 649.294 was provided for pay and allowance out of which Rs 504.858 million was utilized resulting in lapse of Rs 144.436 million (22.25%).
- An amount of Rs 413.187 million was provided for non-salary component out of which Rs 281.519 million was utilized resulting in lapse of Rs 131.668 million (31.87%).
- An amount of Rs 118.054 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 70.583 million was utilized resulting in non utilization of funds of Rs 47.471 million (40.21%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Chichawatni was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Details of revenue sources and achievements are given in the following table:

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess (+) / Less (-) achievement	%age
UIP Tax	28.000	35.420	7.420	26.50
Tax on Transfer of immovable property	30.650	31.735	1.085	3.54
Car parking	1.010	0.837	(0.173)	(17.13)
Licence Fee	0.398	0.144	(0.254)	(63.87)
Licence Fee others	0.326	0.236	(0.090)	(27.61)
General Bus Stand fee	17.900	13.358	(4.542)	(25.37)
Riksha	8.750	6.243	(2.507)	(28.65)
Fee for approval of building	12.300	5.585	(6.715)	(54.59)
Fee for change in land use	20.300	23.310	3.010	14.83
Rent of Slaughter house	1.720	1.441	(0.279)	(16.22)
Sale of water residential	8.940	4.921	(4.019)	(44.96)
Sale of water commercial	0.446	0.196	(0.250)	(56.05)
Sewerage fee	0.320	0.098	(0.222)	(69.38)
Receipt from public latrine	0.239	0.306	0.067	28.03
Sale of sullage water	1.186	1.066	(0.120)	(10.12)
Advertisement fee	7.938	9.041	1.103	13.90
Rent of municipal property shops	59.000	41.452	(17.548)	(29.74)
Rent of municipal property office	12.558	10.334	(2.224)	(17.71)
Road cutting charges	10.050	9.036	(1.014)	(10.09)
Copying fee	1.075	1.267	0.192	17.86
Miscellaneous fee	2.200	0.682	(1.518)	(69.00)
Arrear of water rate	4.000	1.984	(2.016)	(50.40)
Arrear of shops	29.500	28.919	(0.581)	(1.97)
Completion fee	0.600	0.360	(0.240)	(40.00)
Nikah fee	1.500	1.366	(0.134)	(8.93)
Total	260.906	229.337	(31.569)	(12.10)

The above table of receipts heads shows that an amount of Rs 260.906 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 229.337 million was realized resulting in less receipt of Rs 31.569 million (12.10%).

CHAPTER 72.2

Municipal Committee Chichawatni

72.2.1 Introduction

Municipal Committee, Chichawatni manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Chichawatni:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	195.288	205.256
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

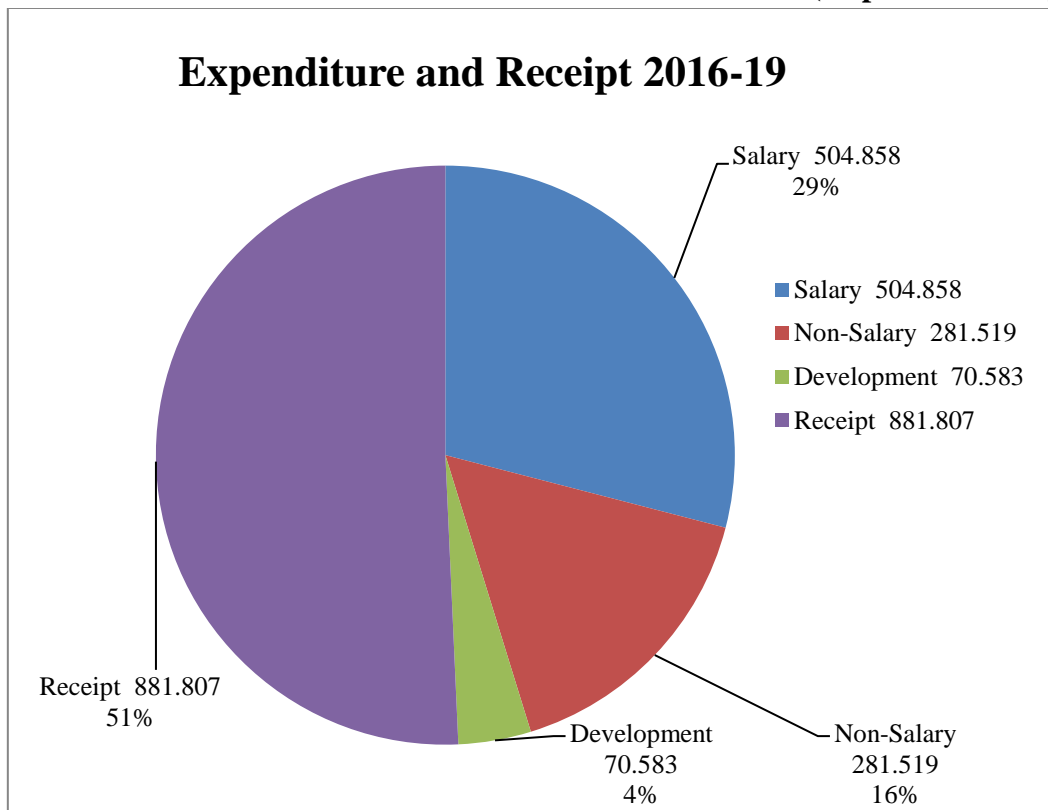
72.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the peiord 2016-19 is given below in tabulated form:

(Rupees in Million)

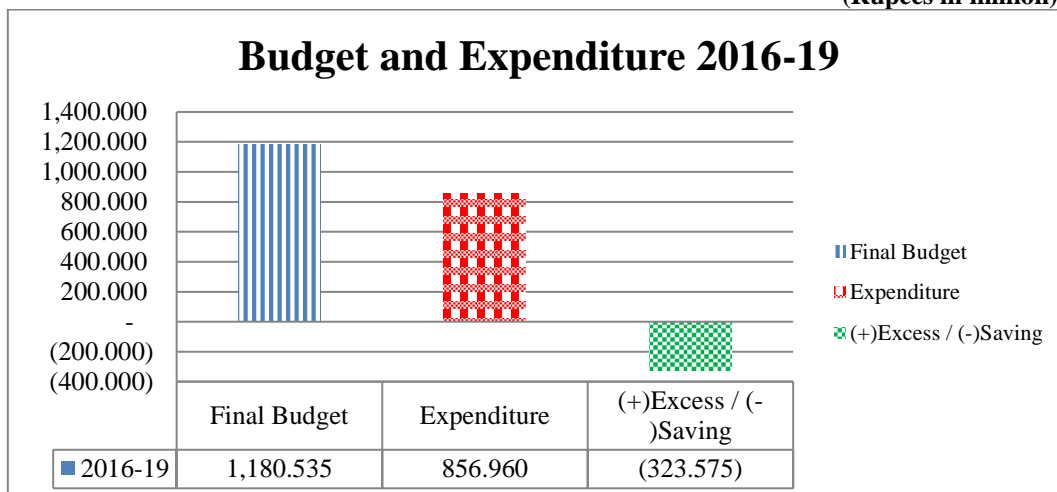
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	649.294	504.858	(144.436)	-22.25%
Non-salary	413.187	281.519	(131.668)	-31.87%
Development	118.054	70.583	(47.471)	-40.21%
Sub Total	1,180.535	856.960	(323.575)	-27.41%
Receipts	1,161.196	881.807	(279.389)	-24.06%

(Rupees in million)



As per the Annual Accounts of the Municipal Committee Chichawatni for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 1,180.535 million. Against the budget, total expenditure of Rs 856.960 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 323.575 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Chichawatni. **(Annexure-B)**

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 131.668 million (31.87 percent).

72.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 687.404 million were raised as a result of this audit. This amount also includes recoverables of Rs 197.758 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	422.401
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural Irregularities	-
A	HR / employees related irregularities	-
B	Procurement related irregularities	50.251
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	201.405
5	Others	13.347
Total		687.404

72.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Chichawatni established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

72.3 Non-Production of Record

72.3.1 Non-production of record – Rs 422.401 million

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

Administration of Municipal Committee Chichawatni did not produce the record amounting to Rs 422.401 million of various income and expenditure heads despite several repeated verbal as well as written requests for the Financial Year 2016-19.

Audit is of the view that due to weak internal controls, record under observation was intentionally not produced to conceal the facts.

Non-production of record of Rs 422.401 million created doubt regarding the legitimacy of the expenditure and income heads as well as violation of the Government instructions.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No.38]

72.4 Procedural Irregularities

72.4.1 Irregular drawl of funds without making entry in measurement book – Rs 30.916 million

According to Rule No. 18(3) of 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.

Administration of MC Chichawatni drew the amount of Rs 30.916 million from the account of MC for different expenses but no entry of material received was made in the measurement book. Due to non-availability of entry in measurement book, expenses on purchases and repairs were doubtful which needs regularization from Finance Department. (**Annexure-E**)

Audit is of the view that due to weak management, irregular and doubtful expenditures were made without making entries in MB.

Non-compliance of Government instructions resulted in irregular and doubtful expenditure of Rs 30.916 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends regularization or recovery of amount from the concerned under intimation to Audit.

[AIR Para No.34]

72.4.2 Irregular Executions of Development Schemes without making PC-1 of Rs 7.000 million

According to Rule No.4(3) (4) of Works Rules 2017, the 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) 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, Rough cost estimates, detailed estimates and PC-I shall be approved by the authority competent to do so.

Administration of Municipal Committee Chichawatni did not prepare the PC-1 of the schemes amounting Rs 7.000 million which had the value Rs 1.5 million or more. Even estimates were made without inspection because there were no snaps of before work available with the estimates. Detail of the scheme is given below:

(Rupees in million)		
Sr. No.	Name of Scheme	Amount
1	P/Lying tuff tile Gaushallah ward No.17 Chichawatni	1.500
2	P/Lying tuff tile, construction of PCC Gaushallah ward No.17 Halqa No.19, 20 Chichawatni	1.700
3	P/Lying tuff tile, construction of PCC Gaushallah ward No.17 Halqa No.18,19 Chichawatni	1.800
4	Rehabilitation/ renovation Rai Ali Nawaz showk	2.000
Total		7.000

Audit is of view that due to weak internal controls, detailed PC-1 and estimates were prepared without photographs.

Non-compliance of Government instructions resulted into irregular execution of schemes.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends, expenditure be got regularized under intimation to Audit.

[AIR Para No.25]

72.4.3 Purchase of non-schedule items without obtaining competitive rates – Rs 6.493 million

According to condition No. 4 of technical sanction by the Chief Engineer (HQ) of Punjab Local Governments Board Lahore,” the non-schedule rates as contained in the estimate are for estimate purpose only and should be taken as authority for payment. The payment of such items will be made after getting competitive rates after observation of all financial and codal formalities. Furthermore, according to the instructions issued by the Finance Department, vide No.RO (Tech) FD-18-23 / 2004, dated 21.09.2004, rate analysis for the non-standardized items shall be prepared by the Executive Engineer, clearly giving the specifications of the material used and approved by the competent authority not below the rank of Superintending Engineer on the basis of input rate of relevant quarter placed at website of FD.

Administration of Municipal Committee, Chichawatni executed following work of non-schedule item in construction of water filtration plants and other works during 2016-19 of Rs 6.493 million. No record for obtaining rates from market was available in the files of water filtration plants schemes. Detail is as under:

(Rupees in million)

Sr. No.	Name of Scheme	Description of Non-Schedule Item	Amount
1	Construction of Room & Installation of R.O. water filtration plant Halqa No. 1 Shams Pura, Chichawatni	RO Filtration plant complete Unit	0.770
2	Construction of Room & Installation of R.O. water filtration plant Halqa No. 3 G.T. Road Chichawatni	-do-	0.770
3	Construction of Room & Installation of R.O. water filtration plant Halqa No. 5 Mehr Abad, Chichawatni	-do-	0.770
4	Construction of Room & Installation of R.O. water filtration plant Halqa No. 10 Chichawatni	-do-	0.770
5	Construction of Room & Installation of R.O. water filtration plant Block No. 10 Halqa No. 14 Chichawatni	-do-	0.770
6	Construction of Room & Installation of R.O. water filtration plant Alfateh Road Halqa No. 18 Chichawatni	-do-	0.770
7	Construction of Room & Installation of R.O. water filtration plant Alfateh Town Halqa No. 21 Chichawatni	-do-	0.770
Total			5.390

Furthermore, Municipal Officer (Infrastructure), MC Chichawatni made payment of non-schedule items without approval from the competent authority. Detail is as under:

(Rupees in million)						
Sr. No.	Vr. No.	Date	Nature of Repair	Suppliers Name	Inv. Date	Amount
1	309	24/12/2016	Payment bill Purchase of Peter Engine D/Works Mehrabad	Saad Traders	488/29.10.16	0.458
2	310	24/12/2016	Payment bill Purchase of Peter Engine D/Works Pul Sheharwala	Saad Traders	487/29.10.16	0.447
3	140	19/11/2016	Payment bill supply of bowl assembly for T/well	Saad Traders	483/26.10.16	0.199
Total						1.103

Due to weak internal control, technical sanction was granted without obtaining competitive rates.

Granting of technical sanction by irrelevant authority resulted in irregular expenditure of Rs 6.493 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No.15, 47]

72.4.4 Irregular expenditure without advertisement – Rs 4.483 million

According to Rule 4 of the Punjab Procurements Rules 2014, procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical. Further, according to Rule 12 (1) of Punjab Procurements Rules 2014, procurements over one hundred thousand rupees and up to the limit of two million

rupees shall be advertised on the PPRA's website in the manner and format specified by regulation by the PPRA from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

Administration of Municipal Committee Chichawatni incurred expenditure of Rs 4.483 million by splitting on during the Financial Year 2016-17. Same nature expenditure of purchases and repairs were incurred through quotations instead tendering process.

Audit is of the view that due to weak internal controls, irregular expenditure was incurred.

Irregular expenditure of Rs 4.483 million resulted in violation of rules

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No.22]

72.4.5 Irregular/ doubtful expenditure of manhole covers through splitting – Rs 1.359 million

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.

MO (Infrastructure), MC Chichawatni incurred an expenditure of Rs 1.359 million through quotations during 2016-19 for purchase of manhole covers without proper advertisement through splitting of expenditure. No consumption / utilization record of manhole covers was maintained. Expenditure was also incurred through schemes more than Rs 3.827 million for repairing of manholes

and providing manhole covers. On the other hand, in some cases two bill below one lac were drawn in a month just to utilize the funds, which seems bogus.

Audit is of the view that due to weak internal controls, expenditure was made in violation of PPRA Rules.

Violation of PPRA Rules resulted in irregular expenditure amounting to Rs 1.359 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

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

[AIR Para No.41]

72.5 Value of Money and Service Delivery Issues

72.5.1 Loss due to non-leasing rent of shops on market rates – Rs 106.089 million

According to Rule 4 of the Punjab Local Government (Property) Rules 2003, Manger of the property is responsible to manage the TMA property in such a way that property fetches maximum rent, prevent the impairment of the value and utility of the rented property and prevent the property against nuisance, damages or misuse.

Municipal Officer (Finance), MC Chichawatni did not lease out 1831 shops on market rates and less recovered the rent of shops amounting to Rs 106.089 million during Financial Year 2018-19. The Administrator Municipal Committee Chichawatni requested to Deputy Commissioner / Convener, District Rent Assessment Committee, Sahiwal vide letter No.MC/CCI/252 dated 27.09.2019 to lease out the properties / shops in accordance vide Rule No. 16 of the Punjab Local Government (Property) Rules, 2018. The allottees were allotted land on rent in 1995 for 5 years. After that no lease was made and 10% of nominal rent was increased only. Government sustained a loss per year as per survey amounting to Rs 106.089 million.

Audit is of the view that due to weak internal controls, rent of shops was not leased out on market rates.

Non-leasing rent of shops on market rates resulted in loss amounting to Rs 106.089 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 106.089 million, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No.11]

72.5.2 Loss due to establishment of Marky, Petrol Pumps, and Banks without prescribed fee – Rs 30.916 million

According to Rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Municipal Officer (Planning), MC Chichawatni allowed the construction of commercial buildings within the jurisdiction of MC during the Financial Year 2016-17 to 2018-19 without collection of conversion and map fee amounting Rs 30.916 million. The detail is as under:

(Rupees in million)										
Sr. No.	Name of Building	Location	Name of Owner	Area of Land	No. of Floor	Schedule Rate	Value of Land	Map Fee	Conversion Fee	Total Demand of dues
1	Golden Pearl Marky	Bye Pass	Sheikh Abid	120	1	0.689	82.677	0.368	8.268	8.635
2	Hascol Petrol Pump	Bye Pass	Rana Adnan	40	1	0.689	27.559	0.041	5.512	5.553
3	Attock Petrol Pump	Bye Pass	Rao Aslam	40	1	0.689	27.559	0.041	5.512	5.553
4	Faisal Bank	GT Road	Rai Hassan Nawaz	20	1	1.377	27.530	0.082	5.506	5.588
5	UBL Bank	GT Road	Rai Hassan Nawaz	20	1	1.377	27.530	0.082	5.506	5.588
Total										30.916

Audit is of the view that due to weak internal controls, illegal constructions were allowed without collection of conversion and map fee.

Non-collection of prescribed fee resulted in loss to the MC funds amounting to Rs 30.916 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 30.916 million or appropriate action against the illegal constructions, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No.03]

72.5.3 Blockage of Government income due to non-recovery water rate – Rs 14.466 million

According to clause 3(d) part II of budget Rules 2017, the chairman shall determine the key performance indicator and evaluate progress against them the purpose of achieving economy and effectiveness in the expenditure and efficiency in collection of revenue services. Further as per clause 7 “responsibility of collecting officer, the collecting officer shall: a) prepare estimates of receipts for each head of income and timely submission to head of finance office. b) make assessment of tax, fee of levy by the Local Government, on periodical basis, for evaluating its potential and new tax proposal. d) ensure timely recoveries of each demand. e) ensure that all revenue collected against a demand is credited into the Local Fund.

Municipal Officer (Finance), MC Chichawatni did not recover the water rate amounting to Rs 14.466 million for the period 2016-17, 2017-18 and 2018-19. No efforts were made to recoup the Government revenue by the authorities. The detail is as under:

(Rupees in million)					
2016-17			Total Recoverable	Total Recovery	Difference Recoverable
	Domestic	Commercial			
No. of connections	2,756	67			
Annual Rate	1,200	2,400			
Current Year Demand	3.307	0.161	3.468		
Recovery	1.744	0.078	-	1.744	1.724
Arrears			1.000	0.570	0.430

2017-18			Total Recoverable	Actual Recovery	Difference Recoverable
No. of connections	2,469	62			
Annual Rate	1,200	2,400			
Current Year Demand	2,963	0.149	3.112		
Recovery	2.023	0.070	-	2.023	1.089
Arrears			2.154	1.024	1.130
2018-19			Total Recoverable	Actual Recovery	Difference Recoverable
No. of connections	2,407	67			
Annual Rate	1,200	2,400			
Current Year Demand	2,888	0.161	3.049		
Recovery	1,926	0.085	-	1,926	1,454
Arrears			2,219	0,649	1,570
Total					3,024
					3,023
Arrears as per last Audit Report 2015-16					11,443
Grand Total					14,466

Audit is of the view that due to financial indiscipline, huge amount of water rates remained un-recovered.

Non-recovery of water rates resulted in loss to MC funds amounting to Rs 14.466 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends appropriate action against the concerned, besides recovery.

[AIR Para No.08]

72.5.4 Loss due to establishment of educational and hospital buildings without prescribed fee – Rs 10.096 million

According to Rule 60 (e) of the Punjab Land use (Classification, Reclassification and Redevelopment) Rules 2009, the conversion fee for the conversion of land use to educational or healthcare institutional use shall be ten percent of the value of the land as per valuation table or ten percent of the average

sale price of preceding twelve months of land in the vicinity, if valuation table is not available.

Municipal Officer (Planning), MC Chichawatni allowed the construction of educational and hospital buildings within the jurisdiction of MC during the Financial Year 2016-17 to 2018-19 without collection of conversion and map fee amounting to Rs 10.096 million. The detail is as under:

(Rupees in million)

Name of Owner	Location	Area	Marla	Rate per Marla	Value of Property	Conversion Fee	Map Fee	Completion Fee	Total	Collected	Less collection
The smart School, M. Adnan, M. Irfan S/o M. Hussain	Begum Shahnaz Road	3 K 10M	70	0.341	23.870	2.387	0.391	0.002	2.780	1.493	1.287
The Crest School Sheikh Javed Rafiq S/o Sheikh Abdul Haq	Begum Shahnaz Road	6K, 12 M, 4.5S	136.5	0.544	74.276	7.428	0.436	0.002	7.865	-	7.865
Ali Hader etc. Millat Hospital	Block No.8 Street No. 2	3M	3	0.741	2.222	0.222	0.025	0.002	0.249	-	0.249
Mian Javed Sohail, Hospital Dama Alerji Control + Shop	Block no 13	9		0.689	6.201	0.620	0.074	0.002	0.696	-	0.696
Total											10.096

Audit is of the view that due to weak internal controls, illegal constructions were allowed without collection of conversion and map fee.

Non-collection of prescribed fee resulted in loss to the MC funds amounting to Rs 10.096 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not

convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 10.096 million or appropriate action against the illegal constructions, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No.01]

72.5.5 Loss due to construction of commercial buildings without prescribed fee – Rs 8.560 million

According to Rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Municipal Officer (Planning), MC Chichawatni allowed the construction of commercial buildings within the jurisdiction of MC during the Financial Year 2016-17 to 2018-19 without collection of conversion and map fee amounting to Rs 8.560 million. **Annexure-H**

Audit is of the view that due to weak internal controls, illegal constructions were allowed without collection of conversion and map fee.

Non-collection of prescribed fee resulted in loss to the MC funds amounting to Rs 8.560 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 8.560 million or appropriate action against the illegal constructions, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No.05]

72.5.6 Loss due to establishment of industrial unit without prescribed fee – Rs 8.094 million

According to Rule 60 (1) (d) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of peri-urban area or intercity service area to industrial use shall be five percent of the value of the land as per valuation table or five percent of the average sale price of preceding twelve months of commercial land in the vicinity, if valuation table is not available.

Municipal Officer (Planning), MC Chichawatni allowed the construction of industrial building of Golden Pearl Manufacturers within the jurisdiction of MC during the Financial Year 2018-19 without collection of conversion and map fee amounting Rs 8.094 million. The detail is as under:

(Rupees in million)										
Sr. No.	Name of Building	Location	Name of Owner	Area of Land	No. of Floor	Schedule Rate	Value of Land	Map Fee	Conversion Fee	Total Demand of dues
1	Golden Pearl Factory	Burewala Road	Sheikh Abid	216 M	1	0.689	148.818	0.653	7.441	8.094

Audit is of the view that due to weak internal controls, illegal constructions were allowed without collection of conversion and map fee.

Non-collection of prescribed fee resulted in loss to the MC funds amounting to Rs 8.094 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 8.094 million or appropriate action against the illegal constructions, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No.04]

72.5.7 Non-recovery of huge amount of arrears of rent of shops – Rs 6.922 million

According to clause 3(d) part II of budget Rules 2017, the chairman shall determine the key performance indicator and evaluate progress against them the purpose of achieving economy and effectiveness in the expenditure and efficiency in collection of revenue services. Further as per clause 7 “responsibility of collecting officer, the collecting officer shall: a) prepare estimates of receipts for each head of income and timely submission to head of finance office. b) make assessment of tax, fee of levy by the local government, on periodical basis, for evaluating its potential and new tax proposal. d) ensure timely recoveries of each demand. e) ensure that all revenue collected against a demand is credited into the Local Fund.

Municipal Officer (Finance), MC Chichawatni did not recover the huge amount of arrears of rent of shops amounting to Rs 6.922 million for the period 2016-17, 2017-18 and 2018-19. No efforts were made to recovery the Government revenue by the authorities. The detail is attached.

Audit is of the view that due to financial indiscipline, huge amount of rent of shops remained un-recovered.

Non-recovery of rent of shops resulted in loss to MC funds amounting to Rs 6.922 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends appropriate action against the person(s) at fault, besides recovery of Rs 6.922 million under intimation to Audit.

[AIR Para No.09]

72.5.8 Less collection of installments of conversion and map fee from owners of commercial buildings – Rs 4.788 million

According to Rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Municipal Officer (Planning), MC Chichawatni less collected installments of conversion and map fee from the owner of commercial buildings during the Financial Year 2017-18 and 2018-19 amounting to Rs 4.788 million. The detail is as under:

(Rupees in million)						
Name of Owner	Address	Name of Building	Total Fee	Recovered	Balance Receivable	Date of Receipts
Parveez Iqbal	By Pass	Al-Zawaj Marriage Hall	6.344	1.600	4.744	21-12-17 24-1-2018 03-05-2018 09-04-2018 30-4-2018 31-10-2018 04-12-2018 17-12-18 27-12-18 09-01-19 14-02-19
Zia Muhayou Din S/o Ghulam Muhayou Din	Block No. 4	Commercial Building	0.074	0.030	0.044	24-4-18
Total					4.788	

Audit is of the view that due to weak internal controls, illegal constructions were allowed without collection of conversion and map fee.

Non-collection of prescribed fee resulted in loss to the MC funds amounting to Rs 4.788 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 4.788 million or appropriate action against the illegal constructions, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No.06]

72.5.9 Less deposit of income tax and sales tax deducted at source into treasury – Rs 2.601 million

According to Section 153(a) of Income Tax Ordinance 2001, Income Tax at source required to be deducted from the firms concerned.

Administration of MC Chichawatni deducted Income Tax and Sales Tax of Rs 2.601 million from various suppliers / contractors during 2016-17. Amounts were required to be deposited into the Government treasury whereas the same were not deposited up to the date of close of Audit. Detail is as under:

(Rupees in million)						
GST Due	GST Deposited	Less Deposit	Income Tax Due	I/Tax Deposited	Less Deposited	Remaining Total of GST and I/Tax
1.753	0.587	1.166	2.154	0.719	1.435	2.601

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

Non-deposit of GST and Income Tax Rs 2.0601 million resulted in unauthorized retention of Government revenue outside the treasury.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends deposit of Income Tax and Sale Tax amounting to Rs 2.601 million into the Government treasury under intimation to Audit.

[AIR Para No.37]

72.5.10 Unauthorized auction of Advertisement Tax on fake registration of bidder – Rs 2.450 million and less collection than reserve price – Rs 1.038 million

As per Clause 10 of the Local Government auctioning of Collection Rights) Rules 2003” Atleast three attempts shall be made to award the contract of collection rights of an income through open bid by the administration of Local Government concerned before the commencement of financial year.

Municipal Officer (Finance), MC Chichawatni auctioned the Advertisement Tax during 2016-17 to Raja Tahir Rehman Khalid having fake registration. It was astonishing that his registration certificate was issued from District Government Gujrat vide No.128/TO dated 12.05.2004 for ending on 30.06.2017, which is absolutely fake as issuance almost 13 years earlier needs clarification from quarter concerned. Self favoured contractor was given benefit by 4 month self-collection and lease was reduced for 8 months by reducing the 3 year average income, whereas advertisement tax was to be collected for the whole year. Detail is as under:

(Rupees in million)			
Year	Reserve Price	Auction Price	Short Fall
2016-17	3.488	2.450	1.038

Audit is of the view that due to weak internal control self favoured contractor was accommodated on fake registration.

Auction to self favoured contractor on fake registration resulted in unauthorized auction of Rs 2.450 million and loss to the Government amounting to Rs 1.038 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends enquiry of the matter at appropriate level and recovery of loss from the concerned under intimation to Audit.

[AIR Para No.10]

72.5.11 Loss due to auction of Motorcycle Rikshaw fee on very low price than previous year – Rs 2.235 million

According to Rule 14 (d) of Punjab Local Government (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.

Administration of MC Chichawatni auctioned the Motorcycle Rikshaw Fee during 2016-17 and 2017-18 on very low price than previous year. The auction head was started in the year 2015-16 and reserve price was not fixed for the year 2016-17. However, a slab of previous year was not observed and auction was made on very low price resulting in loss of Rs 2.235 million. The detail is as under:

(Rupees in million)

Sr. No.	Financial Year	Head of Income	Name of Contractor	Auction Amount	Slab Income of 2015-16	Loss
1	2016-17	Motorcycle Rikshaw Fee	Ahmad Yar	1.840	3.050	1.210
2	2017-18	Motorcycle Rikshaw Fee	Abid Hussain	2.025	3.050	1.025
Total						2.235

Audit is of the view that due to financial indiscipline; less reserve price was used for auction of Motorcycle Rikshaw Fee.

Auction of Motorcycle Rikshaw Fee on less reserve price resulted in loss to the Government funds of Rs 2.235 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends enquiry for fixing of responsibility against the concerned, besides recovery.

[AIR Para No.40]

72.5.12 Less collection of conversion and map fee from owners of commercial buildings – Rs 2.186 million

According to Rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Municipal Officer (Planning), MC Chichawatni less collected conversion and map fee from the owner of commercial buildings during the Financial Year 2017-18 amounting to Rs 2.186 million. In Sr. No.1 kitchen area of marriage hall was not measured when collected conversion and map fee. In Sr. No.2, where conversion not applicable on Outline Development Plan (ODP) but upto 60 feet width is exempted being already commercial but width was beyond 60 feet. The building inspector hide the fact and total measurement at site not reported in the file which shows his malafied intention to benefit the owner and less collection of Government dues. The detail is given on next page:

(Rupees in million)

Name of Building	Location	Name of Owner	Area of Land	Schedule Rate	Value of Land	Map Fee	Conversion Fee	Total Demand of dues	Collected Amount	Less Collected
Golden Palace Marriage Hall	Bye Pass at Zargham Chowk	Mushtaq Ahmed S/o Ghulam Nabi	2 K 14.5M	0.185	10.072	0.142	2.014	2.158	0.864	1.295
Fatima Jinnah Post Graduate College	GT Road	Nisar Ahmad S/o Muhammad Rafique	6.5M (Other than ODP)	1.377	8.947	0.208	0.895	1.105	0.214	0.891
Total										2.186

Audit is of the view that due to weak internal controls, illegal constructions were allowed without collection of conversion and map fee.

Non-collection of prescribed fee resulted in loss to the MC funds amounting to Rs 2.186 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 2.186 million or appropriate action against the illegal constructions, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No.02]

72.5.13 Loss due to auction of advertisement fee on 30% reduced reserve price – Rs 2.002 million

According to Rule 14 (d) of Punjab Local Government (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.

Administration of MC Chichawatni auctioned the advertisement fee during 2017-18 by reducing the reserve price 30% than actual without approval of

Finance Department. The reserve price reduced, MO (Finance) himself showing reasons 30% area of Municipal Committee. No approval was obtained to reduce the reserve price (average income of previous three years). The affect was also observed in the Financial Year 2018-19. Total loss of both years comes to Rs 2.002 million, which needs recovery from the concerned. The detail is as under:

(Rupees in million)

Sr. No.	Financial Year	Head of Income	Name of Contractor	Actual Reserve Price	Reduced Reserve Price	Auction Amount	Loss
1	2017-18	Advertisement Tax	Khuda Bakhsh	3.572	2.500	2.710	0.862
2	2018-19	-do-	Ashfaq Ahmad	3.691	2.463	2.550	1.141
Total							2.002

Audit is of the view that due to financial indiscipline, less reserve price was used for auction of Advertisement Tax.

Auction of Advertisement Tax on less reserve price resulted in loss to the Government funds amounting to Rs 2.002 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends disciplinary action against the person(s) at fault, besides recovery of Rs 2.002 million under intimation to Audit.

[AIR Para No.39]

72.6 Others

72.6.1 Doubtful repair of tube well motors, disposal motors, transformers and other equipment – Rs 9.670 million

As per Rule 2.10(a) (I) of Punjab Financial Rules Vol-I, while incurring expenditure, the same vigilance shall be exercised in respect of expenditure from the Local Fund as a person of ordinary prudence would exercise in respect of his own money. According to rule 15.4(a) and 15.5 of the PFR, Vol-I, all materials received should be examined, counted when delivery is taken and they should be kept in charge of a responsible Government servant. 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. 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.

TMO Chichawatni incurred expenditures of Rs 9.670 million for repair of vehicles, tractor, transformer, motors of tube well and disposal pumps during 2016-19 but the history sheets of same were not maintained which resulted in doubtful repair of machinery. As per log books machinery doing the routine work whereas heavy repair bills upto Rs 99,000 were prepared and claimed from Government funds. Costly old parts of pumps and tube well replaced were not got returned which created doubt of purchase of replaced parts. Repair was not carried out under the supervision of a committee who certify that repair was done. Rates charged were very much excess from prevailing market rate. Batteries and generators of vehicles, tyres and tubes were also replaced whereas vehicles were on road and consuming POL on the reporting date of repair, previous replacement mileage of tyres were also not mentioned. Repairs were carried out on quotations in shape of small bills to avoid open tender process. All these points revealed that repair was not actually done and the amount was misappropriated.

Audit is of the view that due to weak internal controls, unjustified amounts of repair were drawn.

Unjustified drawl may result in misappropriation of TMA/MC Funds of Rs 9.670 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixing of responsibility, besides regularization of the expenditure form the competent authority, under intimation to audit.

[AIR Para No.17]

72.6.2 Doubtful expenditure on account of Ramzan Bazar – Rs 3.677 million

As per Rule 2.10(a) (I) of Punjab Financial Rules Vol-I, while incurring expenditure, the same vigilance shall be exercised in respect of expenditure from the Local Fund as a person of ordinary prudence would exercise in respect of his own money.

The administration of MC Chichawattni drew Rs 3.677 million on account of arrangements of Ramzan Bazar during 2016-17 (Annexure-K). The expenditure was unjustified on the following grounds:

Advertisement was without details of works and quantities of items required for Ramzan Bazar. Hiring of generator of bill was paid Rs 368,000. Needs recovery of 2 excessive days Rs 23000, as per work order 30 days was to be paid whereas the bill was claimed for 32 days. In the CCTV bill of Rs 248,000, 4 hard drive of 1000 GB each was also charged in the bill amounting Rs 68,000 whereas no proof of hard drive was shown in the record of Ramzan Bazar, which needs recovery. Work was awarded on quotation instead of tender. Bids received not entered in Diary Register with date. No proof of advertisement on PPRA website. Very high rates were charged for items hired and purchased for Ramzan Bazar. Almost once contractor M/s Saad Traders was selected for all items / bills

of Ramzan Bazar.No competition was observed for allotting the works / purchases. 16% PST on services was not deducted in labour / service bills.

Audit is of the view that due to weak internal controls, unjustified amounts of Ramzan Bazar were drawn.

Unjustified drawl may result in misappropriation of TMA/MC Funds.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends fixing of responsibility, besides recovery of misappropriated amount form the concerned, under intimation to audit.

[AIR Para No.20]

73. Municipal Committee Kameer

CHAPTER 73.1

Sectoral Analysis of Municipal Committee Kameer

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Kameer for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	59.476	31.967	(27.509)	-46.25%
Non-salary	143.325	12.654	(130.671)	-91.17%
Development	263.050	70.407	(192.643)	-73.23%
Sub Total	465.851	115.028	(350.823)	-75.31%
Receipts	268.227	198.670	(69.557)	-25.93%

- An amount of Rs 59.476 was provided for pay and allowance out of which Rs 31.967 million was utilized resulting in lapse of Rs 27.509 million (46.25%).
- An amount of Rs 143.325 million was provided for non-salary component out of which Rs 12.654 million was utilized resulting in lapse of Rs 130.671 million (91.17%).
- An amount of Rs 263.050 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 70.407 million was utilized resulting in non utilization of funds of Rs 192.643 million (73.23%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Kameer was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given in the following table:

Major / Minor Detailed Object of Receipts	Budgeted 2016-17	Actual 2016-17	Excess (+) / Less (-) Achievement	%age
B01313 - Tax on Transfer of Immovable Property	0.750	0.123	(0.627)	(83.56)
C0388002 - License fee (Dangerous and Offensive Trade)	0.125	0.043	(0.082)	(65.40)
C0388020 - Riksha/Motorcycle/ Bicycle Stand fee	0.025	-	(0.025)	(100.00)
C0388027 - Fee for approval of Building/ Construction Plan	0.275	0.061	(0.214)	(77.86)
C0388042 - Fee for slaughtering of animals	0.025	0.004	(0.021)	(83.37)
C0388058 - Sale of sullage/ waste-water	0.025	-	(0.025)	(100.00)
C0388081 - Rent of municipal Property - Shops	0.235	0.039	(0.196)	(83.43)
C0388087 - Copying fee	0.005	0.006	0.001	20.00
C0388091 - Others Miscellaneous Fee	0.100	-	(0.100)	(100.00)
Total	1.565	0.277	(1.288)	(82.33)
Major / Minor Detailed Object of Receipts	Budgeted 2017-18	Actual 2017-18	Excess (+) / Less (-) achievement	%age
B01313 - Tax on Transfer of Immovable Property	1.850	0.210	(1.640)	(88.64)
C02706 - Others	2.350	0.005	(2.346)	(99.81)
C03555 - Car parking fee	0.066	0.011	(0.054)	(83.12)
C0388002 - License fee (Dangerous and Offensive Trade)	0.125	0.097	(0.028)	(22.64)
C0388020 - Riksha/Motorcycle/ Bicycle Stand fee	0.051	0.004	(0.046)	(91.68)
C0388027 - Fee for approval of Building/ Construction Plan	0.325	0.194	(0.131)	(40.41)
C0388028 - Fee for change in land use	2.050	1.636	(0.414)	(20.20)
C0388030 - Fine for construction without approval of building plan	0.075	0.007	(0.068)	(90.67)
C0388041 - Rent/ Lease income of Slaughter House	0.045	0.005	(0.040)	(88.54)
C0388054 - Sewerage Fee/ Charges/ Nali Tax	0.066	-	(0.066)	(100.00)
C0388071 - Registration/ Enlistment of Contractors	0.050	-	(0.050)	(100.00)
C0388072 - Renewal of Registration	0.250	-	(0.250)	(100.00)
C0388073 - Tender Fee	0.250	-	(0.250)	(100.00)
C0388077 - Advertisement Fee on sign boards of shops/ commercial places	0.050	0.039	(0.011)	(21.72)
C0388087 - Copying fee	0.125	0.017	(0.108)	(86.60)
C0388096 - NOC Fee	0.035	0.001	(0.034)	(96.66)
C01803- Intrest realized on investment of cash balance	1.725	-	(1.725)	(100.00)
C0388037- completion Fee	0.008	0.013	0.006	73.33
Total	9.494	2.238	(7.256)	(76.42)

Major / Minor Detailed Object of Receipts	Budgeted 2018-19	Actual 2018-19	Excess (+) / less (-) achievement	%age
B01313 - Tax on Transfer of Immovable Property	1.800	2.089	0.289	16.04
C02706 - Others	0.500	0.259	(0.241)	(48.13)
C03555 - Car parking fee	0.066	0.073	0.007	10.79
C0388002 - License fee (Dangerous and Offensive Trade)	0.125	0.073	(0.052)	(41.80)
C0388020 - Riksha/Motorcycle/ Bicycle Stand fee	0.055	0.076	0.021	37.67
C0388027 - Fee for approval of Building/ Construction Plan	0.300	0.506	0.206	68.79
C0388028 - Fee for change in land use	2.500	7.385	4.885	195.40
C0388030 - Fine for construction without approval of building plan	0.050	0.012	(0.039)	(77.00)
C0388041 - Rent/ Lease income of Slaughter House	0.045	0.048	0.003	6.70
C0388054 - Sewerage Fee/ Charges/ Nali Tax	0.075	0.017	(0.058)	(77.60)
C0388071 - Registration/ Enlistment of Contractors	0.050	0.112	0.062	124.00
C0388072 - Renewal of Registration	0.250	0.016	(0.234)	(93.60)
C0388073 - Tender Fee	0.250	-	(0.250)	(100.00)
C0388077 - Advertisement Fee on sign boards of shops/ commercial places	0.085	-	(0.085)	(100.00)
C0388087 - Copying fee	0.150	0.135	(0.015)	(9.93)
C0388090 - Sale of stocks and stores	0.050	-	(0.050)	(100.00)
C0388096 - NOC Fee	0.035	0.050	0.015	42.86
C01803- Intrest realized on investment of cash balance	1.500	4.654	3.154	210.26
C0388037- completion Fee	0.015	0.015	0.000	0.07
C0388097 - Fine / Contrator Penalties	0.050	0.014	(0.036)	(72.92)
Total	7.951	15.532	7.582	95.36
Grand Total	19.010	18.047	(0.962)	(5.06)

The above table of receipts heads shows that an amount of Rs 19.010 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 18.047 million was realized resulting in less receipt of Rs 0.962 million (5.06%).

CHAPTER 73.2

Municipal Committee Kameer

73.2.1 Introduction

Municipal Committee, Kameer manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Kameer:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	2.135	1.334
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

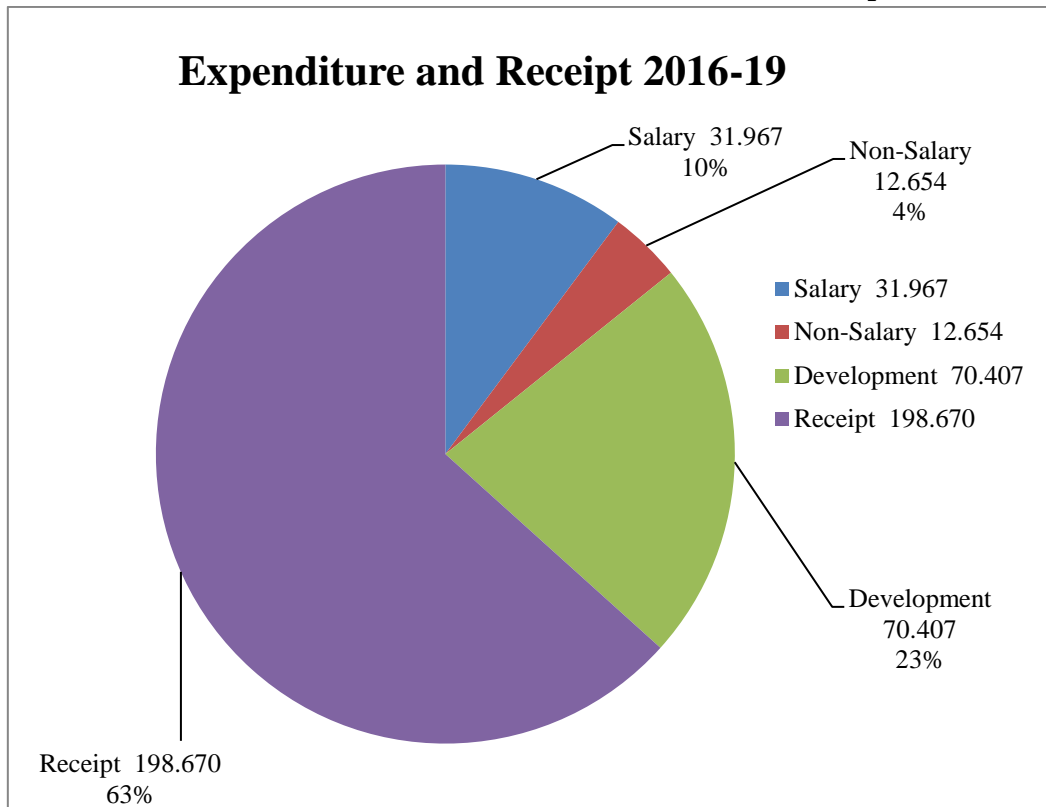
73.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the peiord 2016-19 is given below in tabulated form:

(Rupees in million)

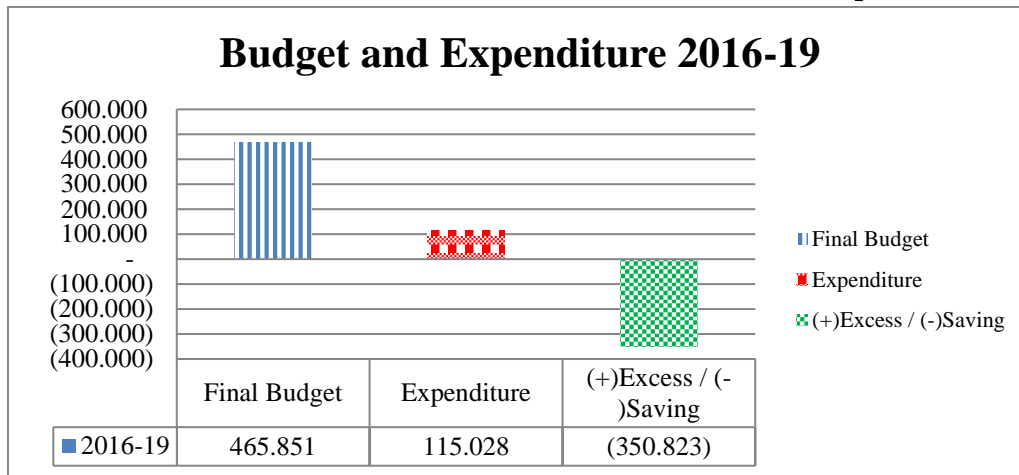
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	59.476	31.967	(27.509)	-46.25%
Non-salary	143.325	12.654	(130.671)	-91.17%
Development	263.050	70.407	(192.643)	-73.23%
Sub Total	465.851	115.028	(350.823)	-75.31%
Receipts	268.227	198.670	(69.557)	-25.93%

(Rupees in million)



As per the Annual Accounts of the Municipal Committee Kameer for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 465.851 million. Against the budget, total expenditure of Rs 115.028 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 350.823 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Kameer. **(Annexure-B)**

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 130.671 million (91.17 percent).

73.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 790.899 million were raised as a result of this audit. This amount also includes recoverables of Rs 1 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	498.363
2	Reported cases of fraud, embezzlement and misappropriation	2.196
3	Procedural Irregularities	0
A	HR / employees related irregularities	0
B	Procurement related irregularities	135.950
C	Management of Accounts with Commercial Banks	83.832
4	Value for money and service delivery issues	1
5	Others	69.558
Total		790.899

73.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Kameer established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

73.3 Non-Production of Record

73.3.1 Non-production of record of expenditures and receipts – Rs 498.363 million

According to Clause 14 (1) (b) of the Auditor General’s (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, “the Auditor General shall in connection with the performance of his duties under this Ordinance, have authority to inspect any office of accounts, under the control of Federation or of the Province or of District including Treasuries and such offices responsible for the keeping of initial and subsidiary accounts”. Furthermore, according to Section 108 (2) of the Punjab Local Government Act 2013, “The Auditor-General shall audit the accounts of a Local Government in such form and manner as may be deemed appropriate”.

MC Kameer, Sahiwal did not provide involving an amount of Rs 498.363 million during the Financial Year 2016-2019 on account of different expenditures & receipts. If provided some record then other supporting record was not produced for example if provided development scheme then no relevant MB was provided. If MB of any other scheme was provided then no payment bills/passed bills were provided. If provided file purchase of assets then no copy of cheque, no stock register was provided. All relevant record was required to be provided instead of piece meal record. The necessary detail of record is given below:

(Rupees in million)

Sr. No.	Financial Year	Expenditure	Receipts	Total	Remarks
1	2018-19	62.906	117.168	180.074	These figures were taken from annual accounts which were not tally with monthly accounts and bank statements
2	2017-18	68.890	158.321	227.212	
3	2016-17	14.298	76.779	91.077	
Total		146.094	352.269	498.363	

All Budget Control Registers, Stock Registers for durables, consumables and permanent assets, dead stock register and property register and tender sale register. Stock register of receipt books FYs 2016-19 regarding A-V books and TS-

11. All Receipt books used during FYs 2016-19 by different recovery clerks under different receipt heads. Record relating to the auctioning of collection rights for the period FYs 2016-19. Demand & collection registers of all receipt heads auctions of Bus Stand, Taxi stand, Advertisement fee for FYs 2016-19.

Following receipt heads record was totally not produced:

- i. License Fee, Teh-bazari fee, Slaughtering Fee, NOC Fee, Bakar Mandi, Renewal Fee, Enlistment Fee, Sanitation Fee, Water Rate, Sewer Rate, Rent of Shops, Sub lease of MC land, Sale of MC property, tree, stores and stock, Advances and deposits recovery. The detail of all receipts. Copy of by-laws of MC applicable for collection various fee, fine.
- ii. Attendance Register, Complaint Register, of all branches of audit period.
- iii. Scheme wise detail of development schemes executed by any DDO showing the budgeted amounts, Technical Sanction, MBs and expenditure incurred and copy of MRS of MC was also not provided. Detail of works awarded @ below 5% were also not provided. History sheets of all vehicles of MC e.g., Tractors, Motor Car, Jetting Machine, Sucker Machine, Generators etc.
- iv. List of working Staff branch wise, along with Sanction's strength. Service Books & Personnel files of all staff. Personal files of Transferred & retired staff. Record of all permanent & time scale promotions in various cadres of MC employees during the entire period of devolution. Copies of minutes of meetings of all Departmental Promotion Committee meetings.
- v. All Map Files of approved & Unapproved during FYs 2016-19. All Map files of approved & unapproved housing schemes during FYs 2016-19.
- vi. Due to the suspected fraud and to conceal the embezzlement intentionally the record was not produced to audit.

Non-production of record resulted in violation of government instructions and concealment of facts.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not

convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends disciplinary action against responsible(s) besides production of record under intimation to audit.

(AIR Para No.44)

73.4 Fraud and Misappropriation

73.4.1 Likely misappropriation of funds and chances of double drawl on account of purchases of moveable assets – Rs 2.196 million

According to Rule 15.4(a) and 15.5 of the PFR, Vol.-I, all materials received should be examined, counted, measured and weighed, as the case may be, when delivery is taken and they should be kept in charge of a responsible Government servant. 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. Further, according to rule 9 of PPRA, 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.

MC Kameer, Sahiwal withdrawn amounting to Rs 2.196 million during the Financial Year 2016-2019 vide voucher number 23/05-2017 for purchases of Tractor 385MF 4WD massy furgosan (85HP) with all accessories and baket millat commercial loader (for MF-385-4WD) and same items were again shown purchased vide voucher number 23/7-2017. When physical inspection was conducted with focal person of formation then only one item of each was found physically available as mentioned above. The physical verification certificate in this regard of focal person was issued. The stock entry was not found made in stock register and the registration certificates thereof were also not available in the record. Audit recommends FIR/appropriate action against concerned for fraud besides corrective measures and recovery under intimation to Audit.

Audit is of the view that due to weak financial controls, double payments were withdrawn and chances of fraud were also there.

Double drawl resulted in loss to the Government amounting to Rs 2.196 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends FIR/appropriate action against concerned for fraud besides corrective measures and recovery under intimation to Audit.

(AIR Para No.6)

73.5 Procedural Irregularities

73.5.1 Likely misappropriation of funds by the DDOs without maintenance of cash book and vouched account – Rs 83.832 million

According to Para (iv) of the Government of Punjab Finance Department letter No. FD (FR) II-5/82(P) dated 30.06.2009; the TAO shall be responsible for the safe custody of the paid bills / vouchers. However, the DDO shall retain the duplicate copy of the paid voucher and supporting documents for annual audit and record. According to rule 15 (d) and (f) of the Punjab Local Governments (Accounts) Rules, 2017, the drawing and disbursement officer shall maintain cash book and promptly record necessary entries in the cash book as soon as the monies are withdrawn, disbursed or credited to the local fund or public account of the local government. Submit the monthly and annual expenditure accounts to the head of finance office for record,

The DDOs of MC Kameer, Sahiwal withdrew Rs 83.832 million (14297945+67243008+2290627) on account of different expenditure during 2016-19 without maintenance of cash book or vouched account. The requisition for production of vouched account was given to Chief Officer Municipal Committee Kameer, but the same was not produced to Audit due to non-maintenance of record by the concerned DDOs. Hence whole of withdrawal was doubtful and likely misappropriation. The vouchers of pre-audit of Resident Audit and Accounts Officer of Local Funds Audit were obtained for scrutiny, but allied record and disbursement was not shown by the concerned DDOs. Audit is of the view that due to weak internal controls vouched accounts of withdrawals was not maintained and expenditure was not reconciled with the accounts officer.

Non-compliance of the Government rules resulted in non-maintenance of vouched account of withdrawals amounting to Rs 83.832 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not

convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends proper justification or action against concerned for non-maintenance of record of paid voucher and supporting documents besides corrective measures under intimation to Audit.

(AIR Para No.2)

73.5.2 Illegal/unauthorized using of DDO powers by accountant of BPS-14 for incurring expenditure – Rs 83.832 million

According to PDG & TMA (Budget) Rules, 2003 vide Para 65 (1)(2) Responsibility of relevant local government Functionaries is the Heads of Offices shall be responsible for controlling and managing expenditure from the Grants placed at their disposal and Each Drawing and Disbursing Officer (DDO) shall be responsible for the expenditure actually incurred against the funds allotted to him. The expenditure shall be sanctioned in accordance with the delegation of Financial Power Rules.

MC Kameer, Sahiwal did not observe the relevant rules and allowed illegal/unauthorized look after of charge of MOF (Municipal Officer Finance) to Mr. Adnan Faridi being a non gazzetted official could not hold the charge of the post of MOF (Municipal Officer Finance). He was not authorized for DDO powers for incurring expenditure on account of development and non-development expenditures whereas an amount of Rs 83.832 million (14,297,945 + 67,243,008 + 2,290,627=83.832/2) were incurred by him during the Financial Year 2016-2019.

Weak financial management resulted in the illegal/unauthorized working of accounts.

Illegal/unauthorized working of accounts resulted in non-observance of relevant rules.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not

convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends stopping Illegal/unauthorized working of Mr. Adnan Faridi accountant besides ensuring action against the official/officers under intimation to Audit.

(AIR Para No.62)

73.5.3 Irregular executions of development schemes without making PC-1 of Rs 52.118 million

According to Rule No.4 (3) (4) of Works Rules 2017, the 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) 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, Rough cost estimates, detailed estimates and PC-I shall be approved by the authority competent to do so.

MC Kameer, Sahiwal did not prepare the PC-1 of the schemes amounting to Rs 52.118 million which had the value of Rs 1.5 million or more during the Financial Year 2016-2019. Even estimates were made without inspection because there were no snaps of before work available with the estimates.

Audit is of view that due to weak internal controls, detailed PC-1 and estimates were prepared without photographs.

Non-compliance of Government instructions resulted into irregular execution of schemes.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends, expenditure be got regularized under intimation to Audit.

(AIR Para No.55)

73.6 Value for Money and Service Delivery Issues

73.6.1 Non-recovery of professional tax – Rs 1.000 million

According to Section 3 (second schedule 2000) the Punjab Finance Act 1977, all the contractor who during the preceding year supply goods, commodities, and services of the following value are required to pay professional Tax at the Rates mentioned against each.

- | | |
|---|---------------------|
| 1. Exceeding Rs 1 million but not exceeding 10 million | Rs 3,000 per annum |
| 2. Exceeding Rs 10 million but not exceeding 50 million | Rs 5,000 per annum |
| 3. Exceeding Rs 50 million | Rs 10,000 per annum |

MC Kameer, Sahiwal did not deduct trade / professional tax or provide the proof of payment of professional tax of Rs 1.000 million from the contractors who were allotted the contract of work amounting to Rs 51.383 million during 2016-19.

Audit is of the view that due to weak controls, the professional tax was not received from the contractors.

Non-production of proof of deduction / receipt of professional tax may result in loss to the Local Government of Rs 1.000 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends the recovery of professional tax Rs 1.000 million from the contractor otherwise the proof of deposit of the same be produced for verification under intimation to Audit.

(AIR Para No.33)

73.7 Others

73.7.1 Non-maintenance of realistic survey/budget of various receipts of Rs 69.558 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.

MC Kameer, Sahiwal did not ensure the maintenance / update of annual survey of various fees like license / permit fee, slaughter fee, rikshaw fee, adda fee, water rate, sewer rate and income from cattle pound during the Financial Year 2016-2019. Under this gray area MC is suffering annually a minimum loss of Rs 69.558 million. No efforts on record for seal and desal of defaulters. The so-called entry register maintained was scrutinized and revealed the following shortcomings.

(Rupees in million)			
Financial Year	Target Receipts	Actual Receipts	Difference
2017-18	123.671	88.887	34.785
2018-19	144.557	109.783	34.773
Total	268.228	198.670	69.558

Weak financial management resulted in non-maintenance of realistic survey register and non-realization of maximum possible revenue on account of various fees.

Non-maintenance of realistic survey registers and non-realization of maximum possible revenue on account of various fees resulted in loss to the Government amounting to Rs 69.558 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends enquiry of the matter at appropriate level besides recovery of misappropriated revenue the under intimation to audit.

(AIR Para No.51)

74. Municipal Committee Burewala

CHAPTER 74.1

Sectoral Analysis of Municipal Committee Burewala

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Burewala for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	556.762	519.415	(37.347)	-6.71%
Non-salary	344.635	242.800	(101.835)	-29.55%
Development	310.151	110.804	(199.347)	-64.27%
Sub Total	1,211.548	873.019	(338.529)	-27.94%
Receipts	1227.382	1045.500	(181.882)	-14.82%

- An amount of Rs 556.762 was provided for pay and allowance out of which Rs 519.415 million was utilized resulting in lapse of Rs 37.347 million (6.71 %).
- An amount of Rs 344.635 million was provided for non-salary component out of which Rs 242.800 million was utilized resulting in lapse of Rs 101.835 million (29.55%).
- An amount of Rs 310.151 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 110.804 million was utilized resulting in non utilization of funds of Rs 199.347 million (64.27%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Burewala was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given in the following table:

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess (+) / Less (-) achievement	%age
B01302 - UIP Tax / Share of net proceeds assigned to Districts/TMAs etc.	84.281	80.821	(3.460)	-4.11
B01313 - Tax on Transfer of Immovable Property	87.500	93.301	5.801	6.63
C03555 - Car parking fee	0.570	0.541	(0.029)	-5.12
C03683 - Grant from Provincial Government (PFC Share)	562.374	525.394	(36.980)	-6.58
C0388001 - License fee (Articles of Food and Drink)	19.750	19.772	0.022	0.11
C0388016 - General Bus Stand fee	18.025	18.049	0.024	0.14
C0388026 - Fee for approval of Housing Colony	17.250	17.065	(0.185)	-1.07
C0388029 - Conversion Fee for change in building use	50.000	58.084	8.084	16.17
C0388042 - Fee for slaughtering of animals	42.100	45.731	3.631	8.62
C0388046 - Water connection/ disconnection/ re-connection fee	6.657	4.992	(1.665)	-25.01
C0388048 - Receipts on account of sale of water - commercial	3.700	3.307	(0.393)	-10.62
C0388053 -Sewerage connection/ Disconnection/ Reconnection Fee	0.745	0.475	(0.270)	-36.24
C0388058 - Sale of sullage/ waste-water	0.692	0.659	(0.033)	-4.80
C0388076 - Advertisement Fee on billboards/ hoardings	12.653	11.357	(1.296)	-10.24
C0388077 - Advertisement Fee on sign boards of shops/ commercial places	12.750	13.336	0.586	4.59
C0388081 - Rent of municipal Property - Shops	10.465	10.575	0.110	1.05
C0388087 - Copying fee	0.565	0.610	0.045	8.01
C0388090 - Sale of stocks and stores	2.035	2.124	0.089	4.36
C0388094 - Miscellaneous	26.716	1.997	(24.719)	-92.52
C0388080 - Others Arrear	85.373	20.246	(65.127)	-76.29
C03683 - Grant from Provincial Government (PFC Development Share)	92.696	30.041	(62.655)	-67.59
E02501 - House building advance	2.280	1.672	(0.608)	-26.65
ADVANCE AND DEPOSIT	13.300	10.043	(3.257)	-24.49
Nadra form Fee	65.830	65.804	(0.026)	-0.04
Profit Bank	9.075	9.503	0.428	4.72
Total	1,227.382	1,045.500	(181.882)	-14.82

The above table of receipts heads shows that an amount of Rs 1,227.382 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 1,045.500 million was realized resulting in less receipt of Rs 181.882 million (14.82%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the house.

CHAPTER 74.2

Municipal Committee Burewala

74.2.1 Introduction

Municipal Committee, Burewala manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Burewala:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	183.334	261.375
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

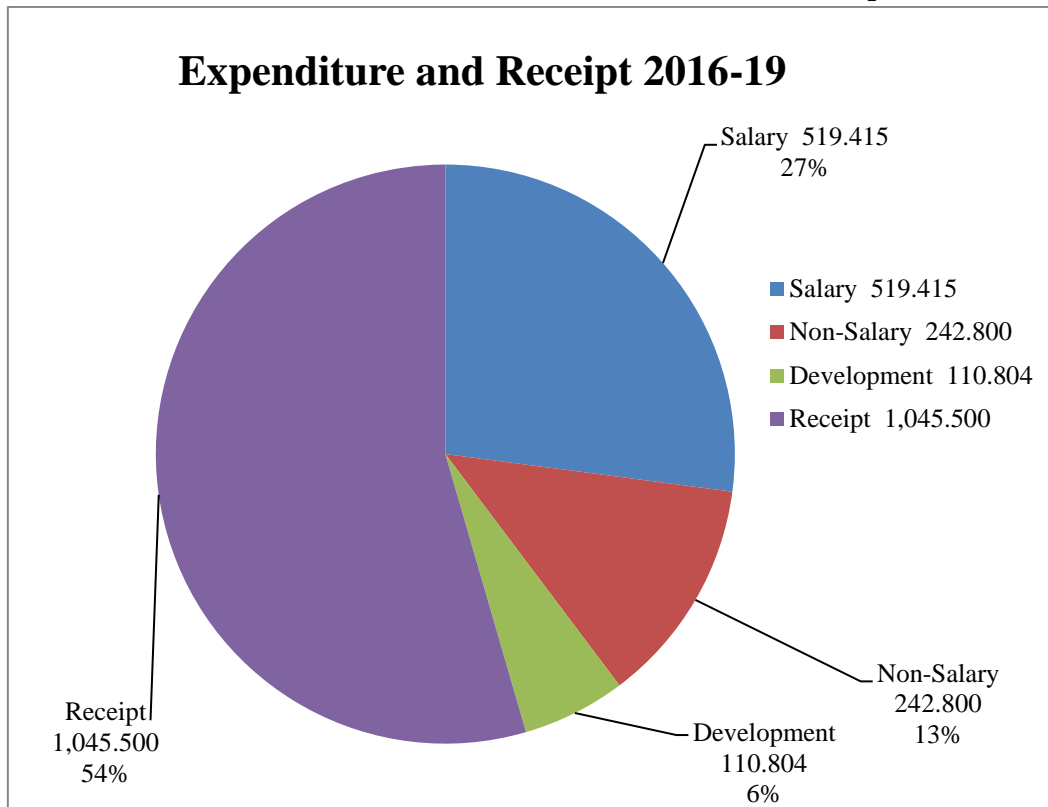
74.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the peiord 2016-19 is given below in tabulated form:

(Rupees in million)

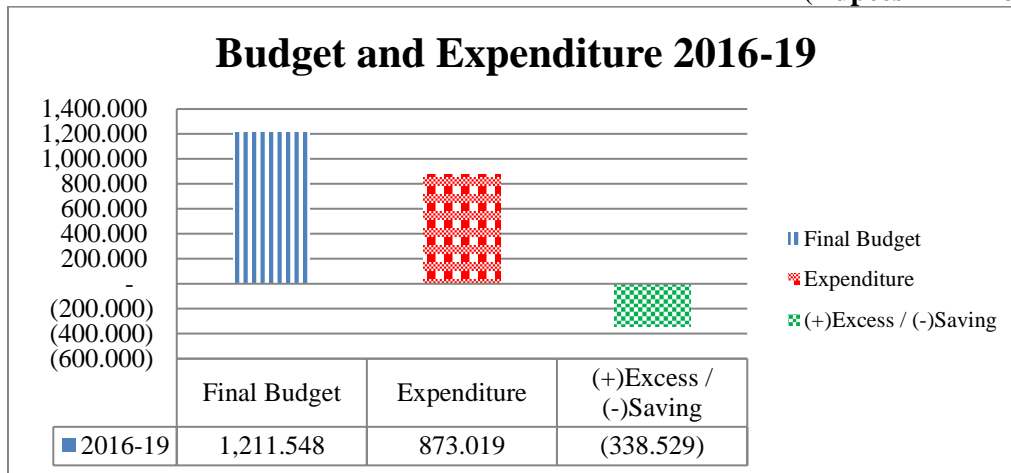
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	556.762	519.415	(37.347)	-6.71%
Non-salary	344.635	242.800	(101.835)	-29.55%
Development	310.151	110.804	(199.347)	-64.27%
Sub Total	1,211.548	873.019	(338.529)	-27.94%
Receipts	1227.382	1045.500	(181.882)	-14.82%

(Rupees in million)



As per the Annual Accounts of the Municipal Committee Burewala for the financial year 2016-19, total original budget (Development and Non-Development) was Rs 1,211.548 million. Against the budget, total expenditure of Rs 873.019 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 338.529 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Burewala. **(Annexure-B)**

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 101.835 million (29.55 percent).

74.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 159.759 million were raised as a result of this audit. This amount also includes recoverables of Rs 47.130 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	HR / employees related irregularities	-
B	Procurement related irregularities	103.226
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	34.832
5	Others	21.701
Total		159.759

74.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Burewala established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

74.3 Procedural Irregularities

74.3.1 Non-transfer of area of public buildings, open spaces, parks and roads in the name of Municipal Committee– Rs 24.40 million

According to Rule 41(g) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010 a developer shall transfer through deed the area under roads, open spaces, parks, graveyards and solid waste management in the name of development authority.

Municipal Officer (P&C) Burewala approved a housing scheme namely Lala Zaar Canal Veiw Housing Scheme without ensuring the transfer deed of public buildings, open spaces, park and roads area of 87 Kanal and 12 Marla valuing Rs 24.40 million during 2001. This lapse may result in sale of the public area. The detail is given below:

(Rupees in million)							
Sr. No.	Name of Housing Scheme	Road/ location	Total Area in Kanal	Sanction No. & Date	Approx. Area to be transferred of Open spaces and Public Buildings, roads in Marlas	Rate per Marla as per Valuation table	Amount
1	Lala Zaar Canal Veiw Housing Scheme	Chak No. 437 EB Canal Road, Burewala	256	2525 dated 26.12.2001	200	0.122	24.400
Total							24.400

Audit is of the view that due to weak internal controls NOC was granted to private housing colony without ensuring transfer of area of public buildings, park, open spaces and roads in the name of MC Burewala (i.e defunct TMA Burewala).

Non-transfer of area of public buildings parks and roads etc. they may result in extending undue benefit of Rs 24.40 million through sale of open spaces, and area of Public Buildings and depriving the buyers of plots from the requisite amenities and facilities guaranteed by the Government.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends taking effective corrective action to ensure immediate transfer of requisite area in the name of MC Burewala besides fixing of the responsibility under intimation to Audit.

[AIR Para No.01]

74.3.2 Loss due to establishment of illegal housing schemes without fulfilment of legal requirements – Rs 21.399 million

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

MO (P&C) and CO Municipal Committee, Burewala did not recover conversion fee, map fee and other Government dues of minimum Rs 21.399 million during 2018-19 from the developers of illegal residential colonies / land sub-divisions situated in the jurisdiction of Municipal Committee, Burewala. Audit visited the sites and observed that land sub-divisions / housing colonies were being established without grant of NOC by MC. Audit was apprised that the Municipal Committee did not receive files of maps of these land sub-divisions. Audit observed that all legal requirements were violated including payment of Government dues, submission of mortgage deed, transfer of area of public buildings in the name of MC, submission of development plan and map of colony and NOCs from concerned Government Departments etc.

Audit is of the view that due to weak internal controls and negligence on the part of the executive, illegal LSDs / housing colonies were established without payment of conversion fee, map fee and other Government dues and without fulfilment of legal requirements.

Non-recovery of conversion fee, map fee and other Government dues resulted in minimum loss of Rs 21.399 million and non-fulfilment of legal requirement resulted

in violation of the Government rules / instructions meant for security of potential buyers of the plots.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends recovery of Rs 21.399 million by taking penal action against the owners / developers of the illegal land sub-divisions, besides fixing of the responsibility against the responsible, under intimation to Audit.

[AIR Para No. 05 & 07]

74.3.3 Non-execution of mortgage deed / non obtaining of bank guarantee for completion of development works – Rs 13.104 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 twenty percent of the saleable area, in accordance with Form C, as security for completion of development works and a performance bond, in accordance with Form D and D1, consisting of a performance agreement and a bank guarantee respectively and the amount of bank guarantee shall be equivalent to total cost of development works.

MO (P&C) and CO, Municipal Committee, Burewala granted NOC for establishment of following Land Sub Divisions / housing schemes having an area 69 Kanals during 2003-04. The developer illegally extended the area by 78 Kanals without executing mortgage deed equal to 20% of the saleable area in violation of above cited rules besides defying all other legal requirements and payment of the Government dues. MO (P&C) and CO neither took penal action against the owner / developer of the colony nor ensured execution of the mortgage deed equal to 20% of saleable area of illegal extension valuing 13.104 million nor ensured obtaining

of bank guarantees equal to the said amount as security for completion of development work. The detail is given in below:

(Rupees in millions)

Sr. No.	Name of Housing Scheme	Road / location	Total Area in Marlas for which NOC Granted	Sanction No. & Date	Illegal Extension in Marlas Approx.	Approx. Saleable Area	Mortgage Deed required @20% of saleable area	Estimated Rate per Marla	Total Value of Extended Area in million
1	Gulberg Housing Scheme	Chak No. 439 Luddan Road, Burewala	1380	2003	1560	936	187.2	0.070	13.104
Total									13.104

Audit is of the view that due to negligence and weak internal controls on the part of the executive, neither mortgage deed was executed nor was bank guarantee obtained as a security for completion of the development works besides defiance of all other legal requirements.

Non-execution of mortgage deed and non-obtaining of bank guarantee besides defiance of all other legal requirements resulted in threat of non-completion of development work in time by the developer.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends forthwith execution of mortgage deed or obtaining of performance guarantee amounting at least Rs13.104 million or the actual amount as per area and rate of valuation table to ensure early completion of development works besides fixing of the responsibility on the concerned, under intimation to Audit.

[AIR Para No.04]

74.3.4 Irregular payment of tuff tiles without obtaining evidence of purchase from approved manufacturer and lab test reports – Rs 11.811 million

According to input rates of material for Bi-Annual period (1st February, 2016 to 31st July, 2016), the rate for Pre-cast PCC paver / grey tuff tiles of 60mm thickness (as per approved manufacturer) (7000 PSI) at site is as given in MRS plus other relevant cost. And in case the bricks are not of standard quality, 7% to 10% deduction is required.

MO (I&S) and CO MC Burewala incurred an irregular expenditure of Rs 11.811 million on execution of development schemes involving provision and fixing of tuff tiles during 2016-19. The payment was made without obtaining evidence of purchase from approved manufacturer (i.e., gate pass of the approved factory in the name of MC Burewala) and laboratory test reports of tuff tiles. Audit stressed that without obtaining results of laboratory test reports crushing strength as well as standard of the tuff Tiles could not be ascertained.

Audit is of the view that due to weak internal controls, laboratory test reports were not obtained to ensure the use of standard material as specified in the MRS.

Non-obtaining of laboratory test reports and evidence for use of tuff tiles of approved manufacturer resulted in suspected use of sub-standard material in violation of the Government instructions and an irregular expenditure amounting to Rs 11.811 million.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends inquiry of the matter at an appropriate forum and obtaining laboratory test reports of samples taken from all the schemes to ensure quality of the works besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No.13]

74.3.5 Irregular payment of earth work – Rs 11.547 million

According to Condition No. 03 of Technical Sanction of Superintending Engineer of LG&CD, Punjab Lahore vide letter No.SE / LG & CD / 5 (25) / 2015-16 dated 24.07.15, the exact quantity of earth work will be worked out after conducting levelling before execution of earth work in order to avoid possibility of any wrong payment besides preparation of lead chart of earth work showing borrowing areas.

MO (I&S) and CO, Municipal Committee, Burewala got executed different development works through different contractors and made payment of royalty of earth amounting to Rs 11.547 million during 2016-19 without recording cross section (X-Section and L-Section) and Natural Surface Levels (NSL). It was further observed that lead charts showing borrowing areas specifying exact khasra and khatoni numbers were not available as lead of earth was paid up to 3 miles.

Audit is of the view that due to negligence on the part of the executive irregular payment was made on account of earthwork.

Non-compliance of the Government's instructions resulted in irregular payment of earth work amounting Rs 11.547 million.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends regularization of expenditure amounting Rs 11.547 million besides disciplinary action against concerned under intimation to Audit.

[AIR Para No.17]

74.3.6 Irregular payment of bricks without obtaining lab test reports – Rs 5.844 million

According to TS bricks having 2000 PSI crushing strength were to be used. Further, according to According to input rates of material for Bi-Annual in case the bricks are not of standard quality, 7% to 10% deduction is required.

MO (I&S) and CO MC Burewala incurred an irregular expenditure of Rs 5.844 million on execution of development works involving brick works during 2016-19. The payment was made without obtaining laboratory test reports of bricks and deduction @ 7% amounting to Rs 0.409 million on account of use of substandard material. Audit stressed that without obtaining results of laboratory test reports, crushing strength could not be ascertained.

Audit is of the view that due to weak internal controls, laboratory test reports were not obtained to ensure the use of standard material as specified in the MRS.

Non-obtaining of laboratory test reports as an evidence of use of standard material in violation of rules / the Government instructions resulted in doubts regarding quality of works and an irregular expenditure amounting to Rs 5.844 million.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends inquiry of the matter at an appropriate forum and obtaining laboratory test reports of samples taken from all the schemes to ensure quality of the works or deduction @7% amounting Rs 0.409 million besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No.12]

74.3.7 Loss due to illegal construction of commercial buildings without payment of map fee and conversion fee – Rs 4.732 million

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

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

Furthermore, according to ibid rules conversion fee for use of any kind of land to educational or healthcare institutional use shall be 10%.

MO (P&C) and CO Municipal Committee, Burewala neither recovered conversion fee and map fee amounting Rs 4.732 million nor took any action against the owners of illegally constructed buildings in the jurisdiction of Municipal Committee, Burewala. Audit conducted physical inspection of buildings in the area under jurisdiction of Municipal Committee, Burewala in the presence of field staff being representative of MO (P&C) and CO and observed that following buildings were illegally constructed without payment of map fee and conversion fee and without approval of maps as there was no record or file of these buildings in P&C branch. The owners of these buildings were conducting their business and neither the buildings were sealed nor demolished. The detail is given in **Annexure-1/BRW**

Audit is of the view that due to negligence and inefficiency on the part of the executive, conversion fee and map fee was not realized.

Non-realization of conversion fee and map fee resulted in loss amounting to Rs 4.732 million to the Government.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends immediate recovery of Rs 4.732 million besides taking disciplinary action against the responsible(s), under intimation to Audit.

[AIR Para No. 06]

74.3.8 Loss due to illegal extension in converted area of commercial buildings – Rs 4.205 million

According to approval of building plan no illegal extension in the converted area for commercial or industrial land use will be allowed without approval of District Planning and Design Committee (DPDC) and payment of conversion fee, map fee and any other fee leviable from time to time. Furthermore, according to Rule 60(1) (a)(b)(c)(d)(e) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009 a City District Government or a Tehsil Municipal Administration shall levy following fee for conversion of land use as per Punjab Gazette June 06, 2012:

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

MO (P&C) and CO Municipal Committee, Burewala neither recovered conversion fee and map fee amounting Rs 4.205 million nor took any action against the owners of illegally extended commercial buildings without approval of DPDC and payment of the Government dues in its jurisdiction during 2016-19. Audit conducted physical inspection of buildings in the area under jurisdiction of MC, Burewala in the presence of field staff being representative of MO (P&C) and CO and observed that following commercial buildings were illegally extended without payment of map fee and conversion fee and without approval of revised maps as there was no record or file in P&C branch for revision of building plans and payment of conversion fee in regard to these buildings. The details are given in the **Annexure-2/BRW**

Audit is of the view that due to negligence and inefficiency on the part of the executive, nor conversion fee and map fee was not realized for illegally extended area nor was any penal action taken against the defaulting owner(s).

Non-realization of conversion fee and map fee and non-initiation of any penal action resulted in loss amounting Rs 4.205 million to the Government.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends immediate recovery of Rs 4.205 million besides taking disciplinary action against the responsible(s), under intimation to Audit.

[AIR Para No. 08]

74.3.9 Irregular expenditure by splitting up the schemes / indents to avoid advertisement in the newspaper - Rs 3.532 million

According to Rule 9 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 annual requirements thus determined would be advertised in advance on the PPRA's website as well as on the website of the procuring agency in case the procuring agency has its own website. Subject to Rules 13, any procurement exceeding two million rupees shall be advertised on the website of the procuring agency, if any and at least two national daily newspapers of wide circulation, one in English and one in Urdu.

MO (I&S) and CO, Municipal Committee, Burewala did not advertise the development schemes in news papers or on PPRA web site. Schemes of Rs 1.604 million were split up to avoid advertisement. Schemes were executed irregularly by avoiding proper competition which resulted in award of works on higher rates as compared to situation when proper open competition was actually made in MC Burewala. Furthermore, MO I&S and CO, MC Burewala incurred contingent expenditure amounting Rs 1.928 million during 2017-19 on procurement of lights, electric material and leasing of teantage and sound system. The expenditure was incurred without making annual planning and by splitting up the indents without advertisement on PPRA website or in the newspaper.

Audit is of the view that due to weak internal controls, expenditure was incurred on civil works and contingency by splitting up the schemes and indents without advertisement in the newspaper or on the PPRA website and by avoiding proper tendering process in violation of the PPRA Rules.

Non observance of PPRA Rules resulted irregular and uneconomical expenditure and in loss to the Government in terms of receiving bids at higher rates besides depriving potential competitors from reaping the benefits of the competition.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends action against concerned for unauthorized splitting of expenditure besides regularization of expenditure from competent authority under intimation to audit.

[AIR Para No.20 & 22]

74.3.10 Illegal extension in the approved area of Housing Scheme and non-recovery of Conversion Fee – Rs 2.652 million

According to NOC granted by the defunct TMA Burewala to Gulberg Housing Schemes, “This office has no objection for construction of new housing colony namely Gulberg Housing Scheme at Chak No. 439 EB Luddan Road, Burewala at the land measuring 69 Kanal 10 Marla”.

Municipal Officer (P&C) Burewala approved a housing scheme namely Gulberg Housing Scheme on the land measuring 69 Kanal 10 Marla during 2003. The developer illegally extended the area without payment of conversion fee amounting Rs 2.652 million and obtaining NOC from competent authority after fulfilling all legal requirements. This lapse resulted in loss to MC Burewala minimum amounting Rs 2.652 million in terms of non-realization of conversion fee only and other Government dues were also outstanding which may be calculated by the department itself. The detail is given on next page:

(Rupees in millions)

Sr. No.	Name of Housing Scheme	Road / location	Total Area in Marlas for which NOC Granted	Sanction No. & Date	Illegal Extension in Marlas Approx.	Estimated Rate per Marla	Total Value of Extended Area	Conversion Fee to be recovered
1	Gulberg Housing Scheme	Chak No. 439 Luddan Road, Burewala	1390	2003	1560	0.170	265.200	2.652
Total								2.652

Audit is of the view that due to weak internal controls MC Burewala failed to recover conversion fee amounting Rs 2.652 million and other Government dues and fulfillment of the legal requirements.

Non-recovery of conversion fee amounting Rs 2.652 million and other Government dues resulted in loss to the Government.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends taking effective corrective action to ensure immediate recovery of conversion fee and other Government dues minimum amounting Rs 2.652 million besides fixing of the responsibility under intimation to Audit.

[AIR Para No.02]

74.4 Value for Money and Service Delivery Issues

74.4.1 Non-Recovery and non-taking of actions against defaulters of rent of shops amounting Rs 28.434 million

According to 112 of Punjab Local Government (Budget) Rules 2001, it shall be the duty of the Collecting Officer and Assistant Collecting Officer to see that:

- a. All income claimable is claimed, realized and credited to the Local Fund of the Local Government.
- b. According to Chapter-IV Rule 4.7(1) of Punjab Financial Rules, Vol-I, it is primarily the responsibility of the departmental authorities to see all revenue or other debts due to Government, which have to be brought to account, are correctly and properly assessed, realized and credited to Government account.

MO (Regulations) and Chief Officer MC Burewala did not recover rent of shop amounting Rs 28.434 million which is pending during 2016-19 as arrears. Neither authorities imposed fine on the defaulting tenants nor any other concerted efforts were made to recover the Government revenue timely. Audit stressed that all out efforts be made in order to recover the Government revenue expeditiously besides taking action against the defaulters for blockage of the Government revenue accordingly under intimation to Audit. Furthermore, most of the tenants of these shops have constructed double storeyed shops and enjoying the benefits of double storeyed shops without payment of the rent of additional storey estimated amounting Rs 17.460 million based on the assumption that all these lessees have constructed second storeies.

Audit is of view that due to weak financial management rent of shops amounting Rs 28.434 million and additional rent of second storey of each shop amounting Rs 17.460 million could not be recovered.

Non-recovery of rent of shops, arrears thereof and non-recovery of rent of second storey of each double storeyed shop resulted in blockage of the Government revenue amounting Rs 28.434 million and estimated Rs 17.460 million respectively.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends forthwith recovery of the Government revenue amounting Rs 28.434 million and Rs 17.460 million besides taking action against the defaulters responsible for blockage of the Government revenue under intimation to Audit.

[AIR Para No. 31 & 32]

74.4.2 Non-recovery of auction amount – Rs 4.314 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. According to Rule 18,20 & 21 of Punjab Local Governments (Auction of Collection Rights) Rules, 2016. The contractor shall be responsible for deposit of salaries, pension contribution, premium of group insurance, leave salary, all allowances and other fringe benefits permissible to the employees of a local government attached with him for administration and collection of respective income before the start of each month in advance. A contractor shall keep the record relating to accounts of the income as well as other documents in proper order as provided in the respective rules, bye laws and procedures. The above-mentioned record shall be the property of respective local government.

MO (Finance) and CO of MC Burewala auctioned various collection rights for Rs 11.546 million during 2016-19. As per D&C provided to audit an amount of Rs 4.314 million is still recoverable from the contractors on account of Sludge Water and advertisement fee as detailed below:

(Rupees in millions)									
Sr. No.	Financial Year	Description	Name of Contractor	Amount of Agreement	Income Tax	Salaries of employees	Total Recoverable Amount	Amount Recovered	Difference
1	2016-17	Auction of Sludge Watter 451 / EB	Muhammad Saleem S/O Abdul Latif R/O 451 EB, Burewala	0.480	0.048	0	0.528	0.390	0.138
2	2017-18	Auction of Advertisement Fee	Safdar Ali S/O Qutab Deen R/O Amaan Wala, Hujra Shah Muqem, Tehsil Depalpur, Okara	4.901	0.490	0	5.391	3.789	1.602

Sr. No.	Financial Year	Description	Name of Contractor	Amount of Agreement	Income Tax	Salaries of employees	Total Recoverable Amount	Amount Recovered	Difference
3	2018-19	Auction of Advertisement Fee	Umar Saeed S/O Saeed Ahmad R/O Marzipura Burewala	6.165	0.617	0.223	7.004	4.430	2.574
Total				11.546	1.155	0.223	12.923	8.609	4.314

Audit is of the view that due to weak internal controls over revenue the auction amounts were not collected and credited to TMA fund.

Non-collection of auction amount / non-deposit of auction amount resulted in loss amounting Rs 4.314 million to TMA fund.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends recovery of Rs 4.314 million besides action against responsible under intimation to audit.

[AIR Para No. 35]

74.4.3 Non-recovery of water rate – Rs 2.084 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.

Municipal Officer (Finance) did not recover the water rate charges amounting Rs 2.084 million against functional residential and commercial connections during 2016-19 as detailed below:

(Rupees in millions)						
Sr. No	Year	Description of Water Connections	No. of Connections	Demand	Recovery	Balance
1	2016-2017	Domestic	2986	2.150	0.787	1.363
Sub-Total				2.150	0.787	1.363
2	2017-2018	Domestic	4210	3.536	3.222	0.314
3	2017-2018	Commercial	44	0.064	0.042	0.022
Sub-Total				3.600	3.264	0.336
4	2018-2019	Domestic	4502	3.782	3.409	0.373
5	2018-2019	Commercial	38	0.055	0.043	0.012
Sub-Total				3.837	3.452	0.385
Grand Total				9.587	7.503	2.084

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

Non-recovery of water rate resulted in blockage of the Government revenue amounting Rs 2.084 million.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends action against responsible for non-recovery of water rates amounting Rs 2.084 million, besides recovery under intimation to Audit.

[AIR Para No.27]

74.5 Others

74.5.1 Irregular repair of machinery and equipment Rs 11.025 million

According to Rule 4 of Punjab Delegation of Financial power 2006, repair charges were admissible up to 50% of the un-depreciated book value (cost of purchase) of machinery and equipment in each case subject to the following conditions:

- i. that the repairs are carried in the Departmental Workshop;
- ii. in absence of Department's own Workshop, quotations and open tenders may be invited in the following manner:
 - (a) Small order up to Rs 10,000;
 - (b) Limited tender enquiry, up to Rs.0.150 million;
 - (c) Open tender enquiry, when the estimate of repair exceeds the limit of Rs 0.150 million;
- iii. the expenditure is economical with reference to the service period of the tools, plants, machinery, vehicle

MO (I&S) and CO MC Burewala incurred a huge expenditure of Rs 11.025 million on repair of machinery and equipment during the period 2016-19 which was carried out from the local market. The expenditure was incurred on single case basis without tendering / calling quotations. The expenditure was open to following observations:

- a. Expenditure was of huge amount which creates doubts regarding authenticity of the expenditure
- b. Cumulative need for repair was not worked out by the MC even once during the entire period of three years although MC has large number of vehicles and machinery and equipment
- c. No tender process was adopted to get the repair work done even once in entire three-year period
- d. No report of repair requirement or certificate of satisfactory repair / fitness certificate was obtained from Motor Vehicle Examiner

- e. Old parts were neither available in the store nor entered in the concerned dead stock register.
- f. Further no auction of sale of replaced parts was on the record.

Audit is of the view that unauthorized expenditure on repair of machinery and equipment was incurred without fulfilling statutory requirements which not only resulted in violation of the Government Rules but also in non transparent expenditure.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends regularization of the expenditure besides action against concerned for unauthorized expenditure on repair of machinery and equipment under intimation to Audit.

[AIR Para No. 15]

74.5.2 Unjustified expenditure on POL of Generators – Rs 6.584 million

According to para 20 of West Pakistan staff vehicles (use & maintenance) Rules, 1969, log book, history sheet and petrol account register shall be maintained for each Government owned vehicle. Further, according to rule 2.31(a) of the PFR Vol-1, a drawer of bill for pay, allowances, contingent and other expenses will be held responsible for any over charges, fraud and misappropriation. Furthermore, average of 200 KVA generators came to be 24 liters per hour as was established by Mr. Muhammad Sadiq, Audit Officer along with sanitation Superintendent Mr. Muhammad Shahid during physical verification of the generators during previous Audit of this office for the financial year 2015-16. Physical verification report duly signed by the said Audit Officer and Superintendent was enclosed by the Audit Officer as mentioned in the Audit Para.

MO (I&S) and CO, Municipal Committee, Burewala did not properly maintain log books of generators operative at the Disposal Pumps Lorry Adda, Multan Raod and Chak 451 EB. Funds amounting Rs. 6.584 million were incurred on POL for

generators while timings of running of generator were not mentioned in log books i.e for which specific hours did the generators were run could not be ascertained from the log book or any other record. Expenditure was incurred without obtaining fresh fuel consumption certificates from concerned competent authority. Maintenance of log books was inappropriate without recording timing of generator operation as authenticity of the expenditure could not be verified by comparison of log book and actual load shedding schedule. Furthermore, MO (I&S) and CO MC Burewala incurred excess expenditure of Rs 0.709 million during 2016-19 by charging excess average consumption of diesel for two 200 KVA generators installed at disposal pumps Marzipura Multan Road and Chak No. 451 EB. Department drew diesel of both generator @ 30 liters per hours whereas the actual average of 200 KVA generator came to be 24 liters per hour as was established by Mr. Muhammad Sadiq, Audit Officer along with sanitation Superintendent Mr. Muhammad Shahid during physical verification of the above mentioned both generators during previous Audit of this office for the financial year 2015-16. Audit was astonished to observe that despite physical verification of Audit officer in presence of the Superintendent of the concerned branch and submission of the physical verification report duly signed by the Audit Office and Superintendent of the concerned branch excess average of the generators was charges for three years which resulted in excess expenditure amounting Rs 0.709 million.

Audit is of the view that due to weak internal control unjustified expenditure was incurred and log book was maintained in an inappropriate manner besides charging excess expenditure amounting Rs 0.709 million by charging excess per hour consumption of the generators.

Incurrence of expenditure on account of POL with inappropriate maintenance of log books resulted in apprehensions of misuse of POL funds and charging of excess per hour consumption of diesel resulted in loss to the MC Fund amounting Rs 0.709 million.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends fixing of responsibility through departmental inquiry against the person(s) at fault and recovery of excess expenditure charges by claiming excess per hour consumption of the generator amounting Rs 07.09 million for 2.5 years besides taking immediate further corrective measures, under intimation to Audit.

[AIR Para No. 26 & 28]

74.5.3 Doubtful consumption of POL in sucker and jetting machines— Rs 2.478 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. Furthermore, according to Rule 32 of the PLGO, 2001, read with Rule 2.10(a)(1) of the PFR Vol-I, same vigilance should be exercised in respect of expenditure incurred from Government revenues as a person of ordinary prudence would exercise in respect of expenditure of his own money.

MO (I&S) and CO, Municipal Committee, Burewala incurred an expenditure of Rs 2.478 million on account of POL charges during the period 2016-17. Entire expenditure was doubtful on the following grounds:

- i. Sucker machine and Sewer Jetting Machine were used for addressing the complaints of different sites regarding blockage of sewer lines. It was astonishing to note that no complaint register was maintained on record neither produced to Audit in support of each visit of sucker nor jetting as recorded in the log books. In absence of complaint register running of vehicles was unjustified and movement of the vehicles was doubtful.
- ii. Similarly reports of sewer man, sub engineer and acknowledgements of complainants were also not available. For every visit of jetting machine, there should be a report of sewer man duly verified by sub engineer to ascertain the authenticity of the expenditure on this account. On the contrary, there is no concept of complaint recording and tracking system in the Municipal Committee.

Audit is of the view that due to weak internal controls, funds were withdrawn by in a non transparent manner by making arbitrary entries in the log books without proper record in justification of movement of machinery.

Doubtful withdrawal of funds resulted in suspected inflating of the expenditure amounting Rs 2.478 million.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends proper justification of the expenditure supported with documentary evidence or fixing of responsibility of the matter at an appropriate forum and recovery of the loss involved under intimation to Audit.

[AIR Para No. 25]

74.5.4 Doubtful repair of Transformer – Rs 1.614 million

According to rule 59 (B) of PPRA Rules 2014, a procuring agency may provide for purchases through at least three quotations where the cost of the procurement is more than fifty thousand rupees but less than one hundred thousand rupees the procuring agency shall, however, ensure that such procurement is in conformity with the principles of procurement.

MO (I&S) and CO MC Burewala incurred a huge expenditure of Rs 1.614 million on repair of transformers of disposal units, water supply, tube wells etc during 2016-19. The expenditure was doubtful and open to following observations:

- iv. A huge expenditure was incurred on the repair of transformers which seemed quite unrealistic and it was suspected that the expenditure was inflated by a huge amount by booking bogus expenditure to misappropriate the MC funds. This suspicion was strengthened by following facts:
 - a. MEPCO had improved their infrastructure and technology a lot and fluctuations in voltage for a dedicated transformer were almost nil.

- b. These transformers were dedicated for a specific MC machinery and equipment had a fixed and well within limit load and were not supposed to go out of order frequently and were supposed to work smoothly for years
 - c. These repairs followed a set design as every transformer was shown repaired every year and only once. Almost no transformer was shown repaired twice or thrice a year. And similarly, there was almost no transformer which was not repaired once a year.
 - d. It was a strange coincidence and seemed as if fake and planned repairs were shown
 - e. Repair of transformer was a big job and required at least one to two complete days where operations of disposal units, water supply motors and tube well could not be suspended for such period and extraordinary working of the generators was an essential factor
 - f. But astonishingly log books of the generators installed as alternate for MEPCO supply at these places did not show extra operations to meet with the supply need of electricity during the period when transformers went out of order and were gotten repaired
 - g. No report for transformer going out of order of the MEPCO department was on record.
 - h. The amounts for repair of transformers were paid to private persons without getting estimates or repair or NOC from MEPCO.
 - i. Old coils of copper were neither available in stores nor were auctioned
- Audit is of the view that unauthorized expenditure on repair of transformer was incurred in a non-transparent manner.

Non-transparent repairs of transformers resulted in doubtful expenditure in violation of the Government Rules.

The matter was reported to the CO of Municipal Corporation Burewala and DDOs concerned in March, 2020, but no reply was submitted. DAC meeting was not convened by PAO, despite repeated efforts made by Audit. No progress was intimated till the finalization of this report.

Audit recommends inquiry to ascertain authenticity of the expenditure and fixing of responsibility against concerned for non-transparent expenditure on repair of transformer under intimation to Audit.

[AIR Para No. 14]

75. Municipal Committee Mailsi

CHAPTER 75.1

Sectoral Analysis of Municipal Committee Mailsi

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Mailsi for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	244.406	205.170	(39.236)	-16.05%
Non-salary	130.630	104.336	(26.294)	-20.13%
Development	110.775	52.970	(57.805)	-52.18%
Sub Total	485.811	362.476	(123.335)	-25.39%
Receipts	422.055	378.011	(44.044)	-10.44%

- An amount of Rs 244.406 was provided for pay and allowance out of which Rs 205.170 million was utilized resulting in lapse of Rs 39.236 million (16.05 %).
- An amount of Rs 130.630 million was provided for non-salary component out of which Rs 104.336 million was utilized resulting in lapse of Rs 26.294 million (20.13%).
- An amount of Rs 110.775 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 52.970 million was utilized resulting in non utilization of funds of Rs 57.805 million (52.18%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Mailsi was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given in the following table:

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess (+) / Less (-) Achievement	%age
B01302 - UIP Tax / Share of net proceeds assigned to Districts/TMAs etc.	26.000	22.545	(3.455)	-13.29
B01313 - Tax on Transfer of Immovable Property	34.500	25.661	(8.839)	-25.62
C03683 - Grant from Provincial Government (PFC Share) + (Transational Grant)	149.156	140.005	(9.151)	-6.14
C0388001 - License fee (Articles of Food and Drink) (professional Tax)	37.210	37.751	0.542	1.46
C0388027 - Fee for approval of Building/ Construction Plan	4.250	5.131	0.881	20.72
C0388028 - Fee for change in land use	9.000	11.050	2.050	22.78
C0388042 - Fee for slaughtering of animals	3.000	1.862	(1.138)	-37.94
C0388047 - Receipts on account of sale of water - residential	8.735	8.775	0.040	0.45
C0388058 - Sale of sullage/ waste-water	3.200	2.656	(0.544)	-17.01
C0388063 - Fee for fairs, agriculture shows, industrial exhibitions, tournaments and other public events	0.260	0.310	0.050	19.29
C0388076 - Advertisement Fee on billboards/ hoardings	3.215	2.558	(0.657)	-20.43
C0388081 - Rent of municipal Property - Shops	30.500	34.303	3.803	12.47
C0388087 - Copying fee	8.800	8.103	(0.697)	-7.92
C0388091 - Others Miscellaneous Fee	1.215	1.463	0.248	20.41
C0388093 - Arrears of Water Rate	5.700	0.699	(5.001)	-87.74
C03683 - Grant from Provincial Government (PFC Development Share)	53.440	12.875	(40.565)	-75.91
ADVANCE AND DEPOSIT	10.514	10.114	(0.400)	-3.80
Profit Bank	5.200	1.893	(3.307)	-63.59
Others	28.161	50.258	22.097	78.47
Total	422.055	378.011	(44.043)	-10.44

The above table of receipts heads shows that an amount of Rs 422.055 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 378.011 million was realized resulting in less receipt of Rs 44.043 million (10.44%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the house.

CHAPTER 75.2

Municipal Committee Mailsi

75.2.1 Introduction

Municipal Committee, Mailsi manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Mailsi:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	37.638	94.503
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

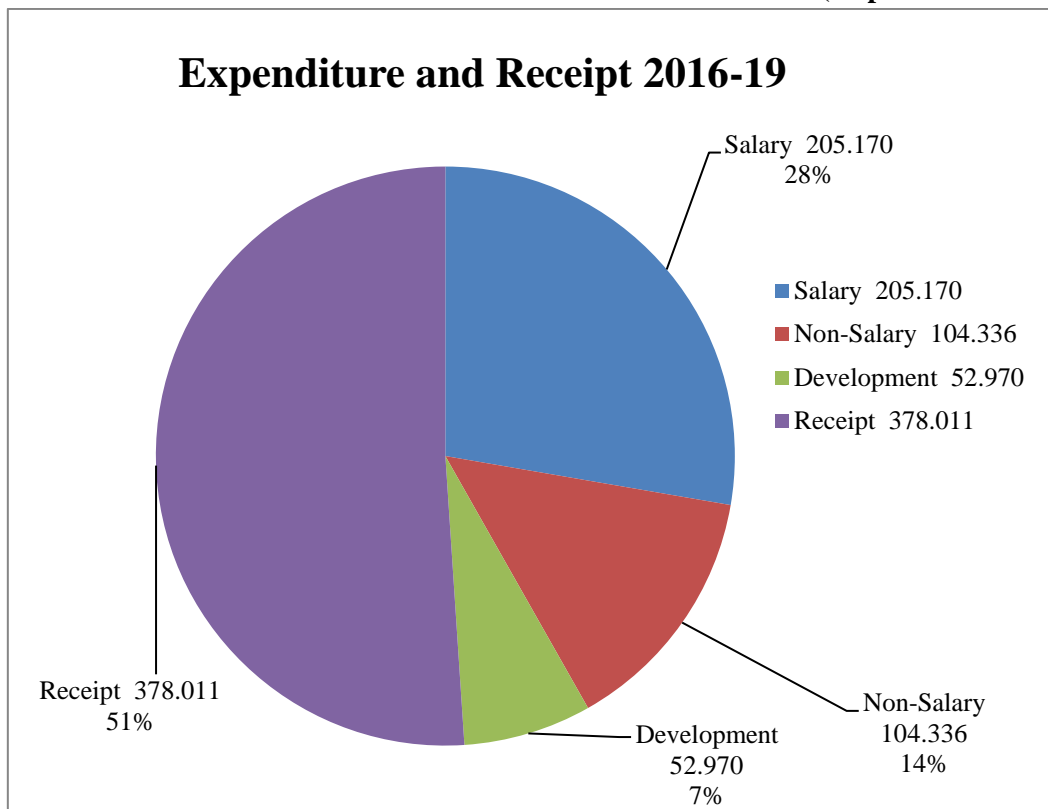
75.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the peiord 2016-19 is given below in tabulated form:

(Rupees in million)

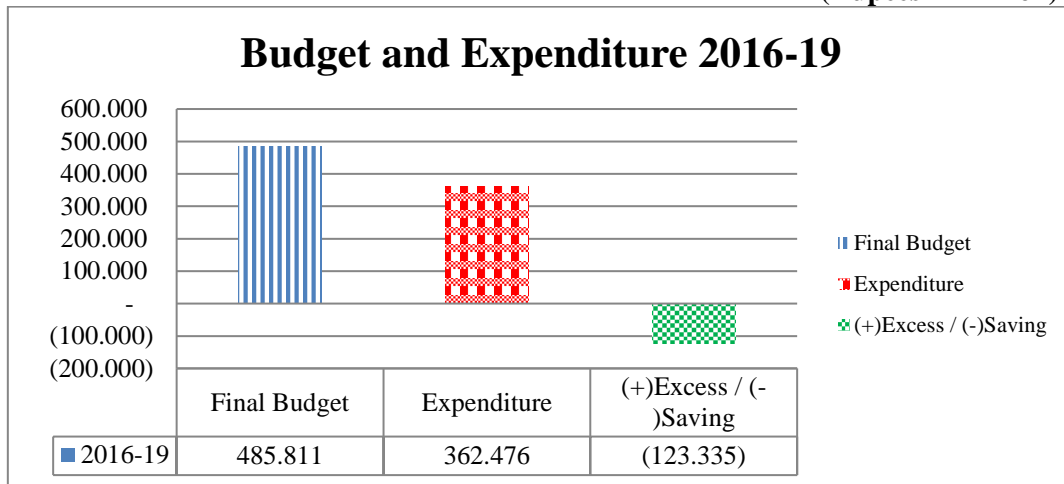
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	244.406	205.170	(39.236)	-16.05%
Non-salary	130.630	104.336	(26.294)	-20.13%
Development	110.775	52.970	(57.805)	-52.18%
Sub Total	485.811	362.476	(123.335)	-25.39%
Receipts	422.055	378.011	(44.044)	-10.44%

(Rupees in million)



As per the Annual Accounts of the Municipal Committee Mailsifor the financial year 2016-19, total original budget (Development and Non-Development) was Rs 485.811 million. Against the budget, total expenditure of Rs 362.476 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 123.335 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Mailsi. **(Annexure-B)**

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 26.294 million (20.13 percent).

75.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 120.218 million were raised as a result of this audit. This amount also includes recoverables of Rs 21.551 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural Irregularities	-
A	HR / employees related irregularities	-
B	Procurement related irregularities	6.208
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	114.010
5	Others	-
Total		120.218

75.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Mailsi established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

75.3 Procedural Irregularities

75.3.1 Irregular award of civil works, purchase of goods and acquiring of services form the blacklisted firm – Rs 6.208 million

As per Rule 7(1) of PLG Works Rules 2017, a work shall be executed in a manner specified and approved in approved cost estimate. Further as per Rule 5(17) of PLG Works Rules 2017, “In case the site of work, nomenclature is changed, fresh administrative approval shall be obtained, from the respective development committee”

The administration of Municipal Committee Mailsi made payment of Rs 6.208 million during 2016-19 for civil works and purchase of goods and services form the sales tax blacklisted firm. It was confirmed from official website of FBR regarding registration status of NTN/STRN of M/s TMJ Enterprises. As per details, company has been declared as Sales Tax Blacklist w.e.f 30.06.2008. The amount of GST deducted from bill of M/s TMJ Enterprises misappropriated and not deposit into Govt. treasury. Audit calculated the amount of GST on test check basis. However, the responsibility for complete recovery lies with department. **Annexure-1/MLS**

Due to malpractices, civil work contracts were awarded and purchases of good and services were made from sales tax blacklisted firm.

Award of work and purchase of goods and services from sales tax blacklisted firm resulted in misappropriation of amount of GST and loss to government.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends strict disciplinary action against person at fault besides recovery of GST.

[AIR Para No.27]

75.4 Value of Money and Service Delivery Issues

75.4.1 Loss due to non re-auction of shops at market rates – Rs 58.177 million

According to Rule 146 (d) of PLG (accounts) Rules, 2017 the Collecting Officers shall ensure collection of local Government in a transparent manner beyond any doubt misappropriation, fraud, embezzlement or compromise.

The administration of Municipal Committee Mailsi did not re-auction shops despite the expiry of valid period of lease agreement. The rent of shops was less than the current market rates or the rates assessed by the district rent assessment committee. Due to non re-auction of shops of below mentioned markets, the MC realized less rent of shops amounting to Rs 58.177 million during 2018-19 and the tenant gives undue favour. The necessary detail is as under:

(Rupees in million)						
Sr. No.	Name of Market	No. of Shops	Date of Last Auction	Current Annual Demand (2018-19)	Current / Approved Annual Demand by District Rent Assessment Committee	Loss due to non re-auction at current / District Rent Assessment Committee
1	Jinnah Market	55	01.07.1991	3.996	7.320	3.324
2	Allama iqbal Market	48	01.07.1993	2.710	16.668	13.958
3	Qaid E Azam Road (A)	37	01.07.1978	2.098	16.668	14.570
4	Qaid E Azam Road (B)	78	30.06.1973	3.775	15.120	11.345
5	Razaq Bazar	42	20.12.2014	1.273	1.155	(0.118)
6	Shoping Center (Thana Bazar)	9	01.07.2005	0.254	1.728	1.474
7	Railway Road (A-Block)	18	01.04.1987	0.497	1.404	0.907
8	Railway Road (B-Block)	35	01.04.1987	0.966	2.520	1.554
9	Railway Road (C-Block)	25	01.04.1987	0.690	1.360	0.669
10	Colony Road	32	10.03.1993	1.649	12.144	10.495
					Total	58.177

Due to weak internal control shops were not auctioned at competitive market rates in open market.

Less realization of rent of shops resulted in loss to MC fund.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not

convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends action against responsible besides appropriate efforts to fetch possible revenue.

[AIR Para No.01]

75.4.2 Non-transfer of area of public buildings, open spaces, parks and roads in the name of Municipal Committee – Rs 30.507 million

According to Rule 41(g) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010 a developer shall transfer through deed the area under roads, open spaces, parks, graveyards and solid waste management in the name of development authority.

The administration of Municipal Committee Mailsi accepted application of Serene Village Land Sub Division for processing of map approval without ensuring the transfer deed of area valuing Rs 30.507 million during 2017-18. The necessary is given below:

(Rupees in million)

Case. No.	Name of Scheme / LSD	Road/ location	Total Area in Kanal	Date of Application	Map Approval No. & date	Area to be transferred of Open spaces and Public Buildings, roads	Rate as per Valuation table	Area as per Unit of Valuation Table	Amount
103	Serene Village/ LSD	Multan Road	50.08	23.05.2018	Under Process	34.25	0.079860 per Marla	382	30.507

Due to weak internal controls Land Sub Division was processed without ensuring the completion of pre-requisites.

Non-transfer of area of public buildings parks and roads, the Government may sustain a loss of Rs 30.507 million and may create chances of sale of open spaces, and area of public buildings.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not

convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends immediate provision of transfer deed of requisite area in the name of sanctioning body besides processing the same for approval.

[AIR Para No.03]

75.4.3 Less recovery position of arrears of rent of shops – Rs 13.582 million

According to Rule 146 (i) of PLG (accounts) Rules, 2017 the Collecting Officers shall prepare statement of arrears at each financial year by carrying forward and include the same in the demand of the following financial year.

The administration of Municipal Committee Mailsi did not recover outstanding dues on account of rent of shops worth Rs 13.582 million up to 30th June 2019 from various shopkeepers. The outstanding balance at the end of financial year was increased than the opening outstanding balance except for the year 2018-19. However, the overall position of opening balance of arrears of rent of shop increased every year which shows the weak recovery position of staff deputed for recovery of rent of shops. Necessary detail is as under:

(Rupees in million)

Financial Year	No. of Shops	Opening Balance	Demand Current	Total Demand	Recovery	Closing Balance
2016-17	379	12.637	14.801	27.438	14.019	13.419
2017-18	379	13.419	15.662	29.081	14.811	14.269
2018-19	379	14.269	17.369	31.638	18.057	13.582

Due to weak internal control over realization of revenue, arrears of rent of shops were not recovered.

Non-recovery of arrears of rent of shops resulted in loss to Municipal Committee fund.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends complete recovery of arrears of rent of shops, besides fixing of responsibility against the concerned.

[AIR Para No.06]

75.4.4 Illegal construction of commercial buildings without payment of map and conversion fees – Rs 5.435 million

According to Rule 60 (1) (a) of Punjab Land Use (Classification, Reclassification and Redevelopment) Rules, 2009, the conversion fee for the conversion of a residential, industrial, peri-urban area or intercity service area to commercial use shall be as under:

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

Furthermore, according to Rule 60 (e) of the Punjab Land use (Classification, Reclassification and Redevelopment) Rules 2009, the conversion fee for the conversion of land use to educational or healthcare institutional use shall be ten percent of the value of the land as per valuation table or ten percent of the average sale price of preceding twelve months of land in the vicinity, if valuation table is not available.

The administration of Municipal Committee Mailsi did not recover map fee and conversion fee Rs 5.435 million from the listed below owner during 2016-19. Notices were issued and Rs 2.160 million was recovered till the finalization of this report. Owners were doing their business without payment of complete government dues. **Annexure-2/MLS**

Due to weak internal controls illegal construction of commercial buildings allowed without payment of map and conversion fees.

Non /less recovery of map and conversion fees, the Government sustain a loss of Rs 5.435 million.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends immediate action to recover outstanding dues from illegal owners of illegal construction of commercial buildings.

[AIR Para No.08]

75.4.5 Less-obtaining of mortgage deed then 20% saleable area of housing colony – Rs 3.775 million

According to Rule 17 (ii) of Punjab Private Housing Schemes and Land Sub-division Rules, 2010 a Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall, prior to issuance of sanction for scheme, require a developer, a mortgage deed, in accordance with form C, twenty percent for housing scheme and ten percent for farm housing scheme of saleable area as security for completion of development works.

The administration of Municipal Committee Mailsi sanctioned / processed maps of Ahmed Garden by less obtaining the mortgage deed then 20% of saleable area valuing Rs 3.775 million in the name of Municipal Committee during 2016-19 in violation of above rules. This undue favour was given to the developer to sale those plots before completion of development work at site. The necessary detail is given below:

(Rupees in million)

Case No.	Name of Scheme	Road/location	T. Area Kanals	Date of Application	Area of Saleable Plots Kanals	20% area to be mortgage	Actual Area Mortgage	Difference	Rate per Kanal in PKR	Amount
151	Ahmed Garden	Muza Bahadar Balouch	84.3	15.06.2017	50.23	10.046	6.9	3.146	1.200	3.775

Due to weak internal controls private housing colony was processed without ensuring required area of mortgage in the name of sanctioning authority

Less area valuing Rs 3.775 million was mortgaged which may result in sale of land before completion of necessary development.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends immediate transfer of requisite area in the name of sanctioning body besides recording of state land in properly register.

[AIR Para No.10]

75.4.6 Non-recovery of rent of shops from the defaulters Rs 2.534 million

According to Rule 146 (d) of PLG (accounts) Rules, 2017 the Collecting Officers shall ensure collection of local Government in a transparent manner beyond any doubt misappropriation, fraud, embezzlement or compromise.

The administration of Municipal Committee Mailsi did not taken any action against the tenant who did not deposit a single penny against the arrears and current year demand of rent of shops amount to Rs. 2.534 million during 2018-19. Further, performance of the section was poor as the opening balance of arrears reflects payable amount of Rs 2.312 million against tenants but these shops was not get vacated from defaulter even the demand of 2018-19 was also become due. The detail is as under:

(Rupees in million)						
Shop No.	Name of Tenant / Occupant	Location of Site	Arrears up to 30.06.2018	Current Demand 2018-19	Total	
27	Gulzar Ahmad S/o Ghulam Farid	Jinnah Market Near Railway Crossing	0.275	0.033	0.308	
29	Mian Riaz Ahmad	Jinnah Market Near Railway Crossing	0.350	0.030	0.380	
30	Fiaz Ahmad S/o Muhammad Nawaz	Jinnah Market Near Railway Crossing	0.278	0.025	0.303	
31	Nizam Din	Jinnah Market Near Railway Crossing	0.346	0.029	0.375	
44	Ghulam Muhammad S/o Muhammad Bukhsh	Jinnah Market Near Railway Crossing	0.315	0.028	0.343	

Shop No.	Name of Tenant / Occupant	Location of Site	Arrears up to 30.06.2018	Current Demand 2018-19	Total
49	Walayat Hussain S/o Abdul Ghaffar	Jinnah Market Near Railway Crossing	0.355	0.027	0.382
51	Naseem Akhtar Khan	Jinnah Market Near Railway Crossing	0.358	0.028	0.386
1	Muhammad Ibrahim S/o Shah Muhammad	Razaq Bazar Mailsi	0.035	0.022	0.057
Total			2.312		2.534

Due to weak internal controls, appropriate action was not taken to recover the outstanding balance from the tenants or to vacate the shops.

Non-recovery of rent of shops resulted in loss to government.

The matter was reported to the PAO and DDO concerned in March, 2020. No reply was submitted till the finalization of this report. DAC meeting was not convened despite efforts made by Audit. No progress was intimated till the finalization of this Report.

Audit recommends action against the concerned for non-recovery of rent of shops besides recovery and corrective measures.

[AIR Para No.14]

76. Municipal Committee Vehari

CHAPTER 76.1

Sectoral Analysis of Municipal Committee Vehari

Analysis of Financial Resources

Financial resources as given below were made available to CO MC Vehari for the period 2016-19 to achieve the targets as assigned by the House.

(Rupees in million)

2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	628.320	408.850	(219.470)	-34.93%
Non-salary	654.630	335.470	(319.160)	-48.75%
Development	280.700	87.070	(193.630)	-68.98%
Sub Total	1,563.650	831.390	(732.260)	-46.83%
Receipts	2432.200	1525.460	(906.740)	-37.28%

- An amount of Rs 628.320 was provided for pay and allowance out of which Rs 408.850 million was utilized resulting in lapse of Rs 219.470 million (34.93%).
- An amount of Rs 654.630 million was provided for non-salary component out of which Rs 335.470 million was utilized resulting in lapse of Rs 319.160 million (48.75%).
- An amount of Rs 280.700 million was provided for development projects (civil works and installations of filtration plants) out of which Rs 87.070 million was utilized resulting in non utilization of funds of Rs 193.630 million (68.98%).

Analysis of Targets and Achievements

Sectoral analysis of Municipal Committee Vehari was made on the basis of achievement of targets of various revenue sources of important branches of Municipal Committee for the period 2016-19. These targets were monitored through year by the house. Detail of revenue sources and achievements are given in the following table:

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess (+) / Less (-) Achievement	%age
B01302 - UIP Tax / Share of net proceeds assigned to Districts/TMAs etc.	80.000	56.367	(23.633)	(29.54)
B01313 - Tax on Transfer of Immovable Property	90.000	67.362	(22.638)	(25.15)
C01605 - Others	10.300	9.546	(0.754)	(7.32)
C02705 - Collection of payments for services rendered	0.700	0.324	(0.376)	(53.69)
C02742 - Fire Services	0.193	0.124	(0.068)	(35.54)
C02863 - Development Charges of Housing Schemes	125.160	78.804	(46.356)	(37.04)
C03683 - Grant from Provincial Government (PFC Share)	322.607	278.196	(44.411)	(13.77)
C0388001 - License fee (Articles of Food and Drink)	11.301	5.537	(5.764)	(51.00)
C0388016 - General Bus Stand fee	31.340	30.433	(0.907)	(2.89)
C0388017 - Truck Stand Fee	1.891	0.027	(1.864)	(98.57)
C0388020 - Riksha/Motorcycle/ Bicycle Stand fee	8.630	5.540	(3.090)	(35.80)
C0388027 - Fee for approval of Building/ Construction Plan	9.000	3.025	(5.975)	(66.39)
C0388028 - Fee for change in land use	15.500	14.925	(0.575)	(3.71)
C0388029 - Conversion Fee for change in building use	15.050	12.648	(2.402)	(15.96)
C0388030 - Fine for construction without approval of building plan	0.080	0.014	(0.066)	(82.50)
C0388031 - Fine for building violations (irregular land use/ building use)	0.100	0.134	0.034	33.86
C0388035 - Enforcement	1.800	0.444	(1.356)	(75.31)
C0388040 - Fine levied	2.090	2.674	0.584	27.94
C0388042 - Fee for slaughtering of animals	1.600	0.932	(0.668)	(41.76)
C0388043 - Sale of slaughter house waste	4.610	0.276	(4.334)	(94.01)
C0388046 - Water connection/ disconnection/ re-connection fee	9.186	0.582	(8.604)	(93.66)
C0388054 - Sewerage Fee/ Charges/ Nali Tax	1.010	0.126	(0.885)	(87.57)
C0388056 - Receipts from public latrines	1.925	1.838	(0.087)	(4.54)
C0388063 - Fee for fairs, agriculture shows, industrial exhibitions, tournaments and other public events	0.825	0.363	(0.462)	(56.03)
C0388071 - Registration/ Enlistment of Contractors	0.601	0.576	(0.025)	(4.14)
C0388073 - Tender Fee	0.780	1.167	0.387	49.59
C0388076 - Advertisement Fee on billboards/ hoardings	4.200	2.977	(1.223)	(29.12)
C0388077 - Advertisement Fee on sign boards of shops/ commercial places	7.050	4.042	(3.008)	(42.66)

Major / Minor Detailed Object of Receipts	Budgeted 2016-19	Actual 2016-19	Excess (+) / Less (-) Achievement	%age
C0388081 - Rent of municipal Property - Shops	34.744	13.813	(20.931)	(60.24)
C0388085 - Other rents	9.450	6.777	(2.673)	(28.28)
C0388087 - Copying fee	21.078	7.654	(13.424)	(63.69)
C0388089 - Sale of trees and plants	1.425	0.733	(0.692)	(48.58)
C0388090 - Sale of stocks and stores	1.800	1.204	(0.596)	(33.09)
C0388091 - Others Miscellaneous Fee	0.425	0.533	0.108	25.37
C0388093 - Arrears of Water Rate	9.225	1.662	(7.563)	(81.98)
C0388094 - Miscellaneous	0.313	0.277	(0.036)	(11.40)
C0388098 - Arrears of Shop	29.025	11.143	(17.882)	(61.61)
C01803- Intrest realized on investment of cash balance	2.860	3.008	0.148	5.18
C03683 - Grant from Provincial Government (PFC Development Share)	62.755	28.065	(34.690)	(55.28)
C0388097 - Fine / Contrator Penalties	10.025	5.576	(4.449)	(44.38)
Total	1,017.237	659.600	(357.636)	(35.16)

The above table of receipts heads shows that an amount of Rs 1,017.237 million was targeted for various revenue sources during financial years 2016-19. Out of which Rs 659.600 million was realized resulting in less receipt of Rs 357.636 million (35.16%). It was evident that these targets were poorly monitored during the financial years 2016-19 by the house.

CHAPTER 76.2

Municipal Committee Vehari

76.2.1 Introduction

Municipal Committee, Vehari manages following offices:

Description	No. of Offices/ DDOs
Council Secretariat	01
Chairman / Vice Chairman	01
Chief Officer	01
Municipal Officer (Finance)	01
Municipal Officer (Regulation)	01
Municipal Officer (Infrastructure & Services)	01
Municipal Officer (Planning)	01

The following table shows detail of total & audited formation of Municipal Committee Vehari:

(Rupees in million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	124.701	610.180
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

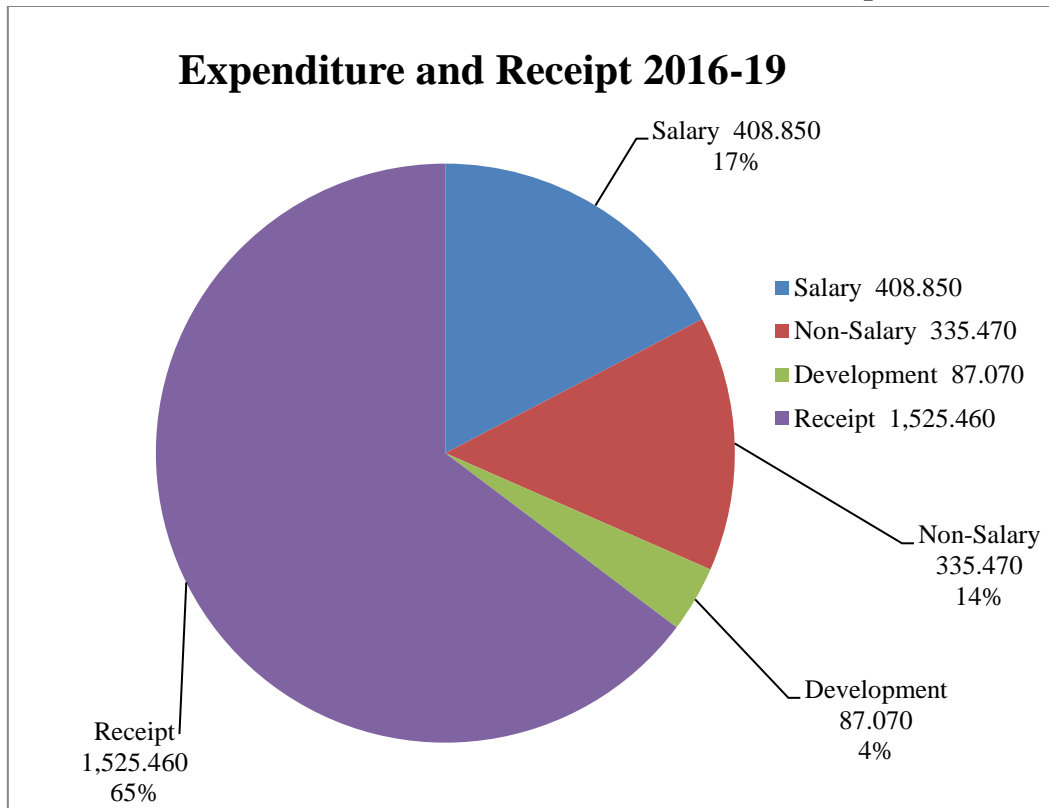
76.2.2 Comments on Budget and Accounts

The detail of budget and expenditure for the peiord 2016-19 is given below in tabulated form:

(Rupees in million)

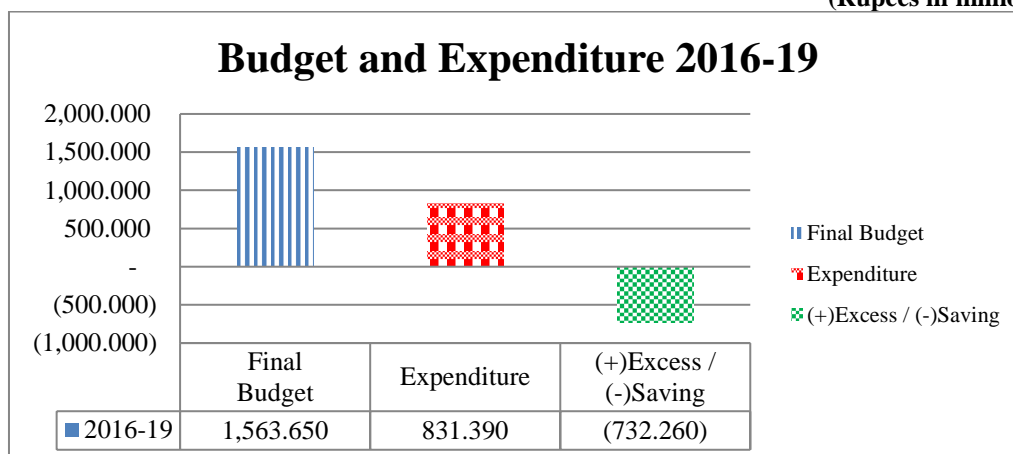
2016-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	628.320	408.850	(219.470)	-34.93%
Non-salary	654.630	335.470	(319.160)	-48.75%
Development	280.700	87.070	(193.630)	-68.98%
Sub Total	1,563.650	831.390	(732.260)	-46.83%
Receipts	2432.200	1525.460	(906.740)	-37.28%

(Rupees in Million)



As per the Annual Accounts of the Municipal Committee Veharifor the financial year 2016-19, total original budget (Development and Non-Development) was Rs 1,563.650 million. Against the budget, total expenditure of Rs 831.390 million was incurred by the Municipal Committee during financial year 2016-19. Lapse of funds amounting to Rs 732.260 million, due to inefficient financial management in release of budget by Municipal Officer (Finance) came to the notice of audit. No plausible explanation was provided by PAO and management of the Municipal Committee, Vehari. **(Annexure-B)**

(Rupees in million)



Due to inefficient financial management in release of budget by Municipal Officer (Finance), excessive budget was blocked by allocating heavy amounts in non-salary portion which resulted in lapse of Rs 319.160 million (48.75 percent).

76.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 5,822.604 million were raised as a result of this audit. This amount also includes recoverables of Rs 181.367 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rupees in million)

Sr. No.	Classification	Amount
1	Non-production of record	55.520
2	Reported cases of fraud, embezzlement and misappropriation	0
3	Irregularities	0
A	HR / employees related irregularities	3.377
B	Procurement related irregularities	7.627
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	251.530
5	Others	5,504.550
Total		5,822.604

76.2.4 Brief Comments on the Status of Compliance with PAC Directives

This is the 1st Audit Report on the accounts of Municipal Committee, Vehari established in January, 2017. No Audit Report pertaining to the preceding years was submitted to the Governor of Punjab to be laid before the provincial assembly.

AUDIT PARAS

76.3 Non-Production of Record

76.3.1 Non-production of various record – Rs 55.52 million

According to Section 115 (6) Punjab Local Government Ordinance 2001, the official shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

Administration of MC Vehari did not produce the consumption record of POL (Log Books), recovery record and record of receipts books of auction of different taxes from the contractors during 2016-19 of Rs 55.52 million instead of many verbal & written requests.

Audit is view that due to poor administration record was not produced.

Non production of vouched account resulted into misappropriation or chance of fraud.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends responsibility be fixed and production of record under intimation to Audit.

[AIR Para No. 17, 32, 33]

76.4 Procedural Irregularities

76.4.1 Unjustified quotation work by splitting – Rs 5.41 million

According to Rule 9 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 annual requirements thus determined would be advertised in advance on the PPRA's website as well as on the website of the procuring agency in case the procuring agency has its own website. Further, according to Rule No.4(5) (2) of Works Rules 2017, 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, Rough cost estimates, detailed estimates shall be approved by the authority competent to do so.

Administration of Municipal Committee Vehari made expenditure of Rs 5.41 million on the civil work on quotations from the budgeted head of emergency work by splitting vouchers by just taking the excuse of emergency work. i.e., construction of soling, construction of sewerage and tuff tile and construction of drain etc. No photos of the sites were enclosed with the estimates before work and after work.

Audit is of the view that due to poor financial management civil work expenditure used to be conduct from the emergency work and used to be split up to avoid the tendering process.

Non-compliance of Government instructions resulted into uneconomical and irregular expenditure of Rs5.41 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides fixing of responsibility on persons at fault under intimation to audit.

[AIR Para No. 11]

76.4.2 Excess payment of salaries due to illegal promotions – Rs 3.377 million

According to letter dated 10.01.2014, of Government of the Punjab, Local Government & Community Development Department and member of one cadre of service shall not be appointed to a post borne on any other cadre of the Service. Further, according to letter of the Govt. of the Punjab, services & general administration, Department, dated, 20th Feb-2018, the method of recruitment, minimum, qualifications, age, limit and other incidental matters for the posts of the functional unit shall be such as are given in the Schedule, Driver can be recruited only by initial recruitment, no in-service employee against the post of driver can be promoted.

Administrations of the MC Vehari illegal promoted Class-IV employees as driver in BS-05 during 2016-19 by ignoring the above policy letter. Illegal excess payment of Rs 3.377 million was made on account of salary. Detail is given below:

(Rupees in million)

Date of Promotion	Name	Working Designation	Promoted Designation	Salary Drawn
6.09.2019	Muhammad Khalid, Mashki	BS-02	Driver BS-05	0.087
11.05.2019	Nadeem Mashee, Sanitary Worker	BS-02	Driver BS-05	0.214
11.05.2019	Mazhar Islam, Sanitary Worker	BS-02	Driver BS-05	0.180
11.05.2019	Kamran Rafique, SW	BS-02	Driver BS-05	0.183
11.05.2019	Abdul Shakoor, SW	BS-02	Driver BS-05	0.182
11.05.2019	Mushtaq Ahmad, SW	BS-02	Driver BS-05	0.215
11.05.2019	Muhammad Tahir Pehlwan, SW	BS-02	Driver BS-05	0.207
7.06.2018	Muhamamd Hassan, SW	BS-02	Driver BS-05	0.426
14.10.2017	Abdul Rasheed, Chowkidar	BS-01	Driver BS-05	0.568
30.08.2016	Jaffar Hussain, Water Carrier	BS-02	Driver BS-05	1.115
Total				3.377

Audit is of the view that due to weak management irregular promotions were made.

Non-compliance of Government instructions resulted into irregular promotions and loss to Government due to excess payments of Rs 3.377 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends responsibility be fixed and recovery of the excess payment be made beside reversion of the employees under intimation to Audit.

[AIR Para No. 01]

76.4.3 Unjustified civil work without advertisement – Rs 2.217million

According to Rule 9 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 annual requirements thus determined would be advertised in advance on the PPRA's website as well as on the website of the procuring agency in case the procuring agency has its own website.

Administration of Municipal Committee Vehari incurred expenditure on civil work of Rs 2.217 million from the Head of unseen expenditure by splitting the value of schemes in order to avoid the advertisement in newspaper. No administrative approval of schemes was obtained. Separate budget was not allocated to the development head and M&R head while the expenditure on civil work was made from the head of A03970-unseen expenditure. Detail of schemes is given below:

(Rupees in million)			
Name of Scheme	Estimated Cost	Revised Cost	Actual Expenditure
Construction / Repair of Metal Road, Soling, Resoling, PCC, Tuff Tile, patch work, for Muharram Road City VRH	1.00	1.450	1.442
Purchase of light items for Muharram Route	5.00	5.00	0.775
Construction / Repair of Main hole, base ring, Sewerage Water Supply City VRH	5.00	5.00	
Total			2.217

Audit is of the view that due to poor financial management irregular expenditures were made without advertisement in newspaper.

Non observance of government instructions resulted into irregular expenditure of Rs 2.217 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends action against concerned for unauthorized expenditure besides regularization of expenditure from competent authority under intimation to audit.

[AIR Para No. 05]

76.4.4 Irregular promotions of different officials without the signature of full DPC members and irrelevant DPC members

According to notification of dated 8.08.2017 issued by the government of the Punjab, local Government and community development, the appointing authorities shall make the appointments or promotions as the case may be on the recommendation of the selection committee. Members of selection committee (In case of Municipal Committee) be in case of BS-12 and above, Chairman, chief officer, Municipal officer (Finance) & Municipal officer Regulation .Further, according to letter of the Govt. of the Punjab, Services & General Administration, Department, requirement for the recruitment of Head clerk post is 50% from initial appointment 50% by promotion on the basis of seniority cum fitness, five years regular service as Senior Clerk and who have successfully completed the prescribed promotion training from Punjab Local Government Academy Lala-Musa.

Administration of MC Vehari, promoted different officials as driver, superintendent, Head Clerk without signature of full DPC members during 2016-19. In some cases, members of the selection committee were doubtful because Irregular charge of Municipal officer was granted to the officials of Basic pay scale-14 and he was members of the promotion committee. In some cases,

members of the selection committee were not complete and were found three instead of four. In many cases, many posts were on charge basis. In case of promotion in BS-16 and BS-17, recommendations of promotion committees were not sent to appointing authority (Secretary local Government) for final approval. Employees were promoted without training from the Lala Musa academy as per mention criteria of promotion. Detail of promoted employees is given in **Annexure-1/VHR**

Audit is of view that due to weak financial management irregular & doubtful promotions were made.

Non-compliance of Government instructions resulted into irregular and doubtful promotions.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends responsibility be fixed and corrective measures be taken under intimation to Audit.

[AIR Para No. 02]

76.5 Value for Money and Services Delivery Issues

76.5.1 Less recovery of water rates- Rs 116.610 million

According to Chapter –IV Rule 4.7(1) of Punjab Financial Rules, Vol-I, it is primarily the responsibility of the departmental authorities to see all revenue or other debts due to Government, which have to be brought to account, are correctly and properly assessed, realized and credited to Government account.

Municipal administration Vehari, less recovered of Rs116.610 million on account of water rates during 2016-19. Recovery ratio was only 3.71%. Neither challans were made nor sent to court against defaulters. No realistic efforts were made to recover the amount. Detail of recovery is given in **Annexure-2/VHR**

Audi is of view that due to weak financial management less recovery of water rates was made.

Less recovery resulted into loss to Government of Rs116.610 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends responsibility be fixed and pending recovery be made as soon as possible under intimation to audit.

[AIR Para No. 37]

76.5.2 Less recovery of arrear of rent of shops- Rs 40.180 million

According to Chapter –IV Rule 4.7(1) of Punjab Financial Rules, Vol-I, it is primarily the responsibility of the departmental authorities to see all revenue or other debts due to Government, which have to be brought to account, are correctly and properly assessed, realized and credited to Government account.

Municipal administration Vehari less recovered on account of arrear of rent of shops of Rs 40.18 million during 2016-19 from the tenants. Recovery

percentage was very poor. Neither authorities imposed fine on tenants nor efforts were made to recoup the Government revenue well in time. Detail is given below:

(Rupees in million)

	Period	Arrear	New Demand	Total	Received	Arrear
Rent of Shop	2016-17	8.00	16.07	24.07	19.13	4.94
	2017-18	19.00	17.68	36.68	19.02	17.66
	2018-19	22.00	19.44	41.44	23.86	17.58
	Total					
Rent of Land	Period	Demand			Received	Arrear
	2016-17	-	-	-	-	-
	2017-18	-	12,000	12,000	12,000	-
	2018-19	-	48,000	48,000	48,000	-
Total						-
Grand Total						40.180

Audit is of view that due to weak financial management less recovery of rent fee was made.

Less recovery of rent result into loss to Government of Rs 40.180 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends responsibility be fixed and pending recovery be made immediately, under intimation to audit.

[AIR Para No. 35]

76.5.3 Irregular opening of tenders by irrelevant committee – Rs 20.64 million

According to Rule 9 (5) of 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 following committee:

i	Chief Officer	Convener
ii	Representative of the Deputy Commissioner concerned	Member
iii	Assistant Engineer, concerned Local Government	-do-

iv	District Officer/ Municipal Officer (Finance)	-do-
v	District Officer/ Municipal Officer (Infrastructure)	Secretary

Administration of Municipal Committee Vehari issued, received and opened tenders of Rs 20.64 million in the presence of irrelevant committee instead of committee constituted as per rule during 2016-17. All tenders were opened irrelevant committee. Members of tender opening committee were Sub Engineer of MC VRH, MO (I) MC Vehari, Chief Officer MC Vehari opening of tenders by irrelevant committee resulted in irregular opening of tenders and expenditure of Rs 20.64 million. Detail is as under:

(Rupees in million)		
Tender Opening Date	No. of tenders	Value of Tenders
22.06.2017	28.00	20.64

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

Non-compliance of Government instructions resulted into irregular expenditure of Rs 20.64 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure besides action against the person(s) at fault under intimation to Audit.

[AIR Para No. 53]

76.5.4 Illegal collection of Government fees by contractors on hiring of private staff – Rs 20.33 million

According to Rule 25(e) contractor not appoint his personal staff for collection of income without the prior approval of local government and all collections shall be carried out by him through the staff of local government concerned assigned to him for this purpose.

Municipal Administration Vehari allowed collection of recovery of income of Rs 20.33 million through private staff instead of Government staff during the period of 2016-19. The contractors were allowed to cover charge at their own will. Allowing private staff resulted in irregular auction of Rs 20.33 million.

Annexure-3/VHR

Audit is of the view that due to weak financial management Government rules were not followed.

Non-compliance of Government instructions resulted in overcharging and irregular auctions of Rs20.33 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends regularization of the matter besides fixation of responsibility on person(s) at fault under intimation to Audit.

[AIR Para No. 28]

76.5.5 Irregular sanction of expenditure – Rs 15.918 million

According to Rule 6(6) of Business 2017 of Punjab local Government, in the absence of a municipal officer, the Mayor or chairman may, in consultation with the Chief Officer, assign additional charge of such office to any other Municipal officer of the local Government.

Chief Officer of MC Vehari issued order in favour of Sub-engineer for the charge of the post of MO (Infrastructure) and MO (Services) during the different periods of 2017-19. He gave irregular sanction of the expenditure of Rs15.918 million. Granting the charge to the official was against the above mention directions of the Government. The details are given on next page:

(Rupees in million)

Name	Actual Designation	Worked As	Period	Expenditure Sanctioned
Eng. Muhammad Shoaib Iqbal (M. Phil, Engineering Management)	Sub-Engineer (BS-14)	MO (Infrastructure)	3.03.2018 to 6.03.2018	0.006
		-do-	11.03.2018 to 31.03.2018	4.206
		-do-	11.04.2018 to 22.05.2019	8.539
		Chief Officer	26.02.2019 to 19.04.2019	0.056
		MO (Services)	May-2019 to June-2019	3.054
Total				15.918

Audit is of view that due to weak management irregular charge was given to official.

Non-compliance of Government instructions resulted into irregular expenditure.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends responsibility be fixed and condonation of expenditure be made under intimation to Audit.

[AIR Para No. 09]

76.5.6 Irregular drawl of funds without making entry in measurement books – Rs 11.955 million

According to Rule No. 18(3) of 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.

Administration of Municipal Committee Vehari withdrawn of Rs 11.955 million from the account of MC for different expenses but no entry of material received was made in the measurement book. Due to non-availability of entry in measurement book, expenses on purchase of goods were doubtful.

Audit is of the view that due to weak financial management irregular and doubtful expenditure was made without making entries in MB.

Non-compliance of Government instructions resulted in irregular and doubtful expenditure of Rs 11.955 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends regularization of expenditure from the competent authority under intimation to Audit.

[AIR Para No. 10]

76.5.7 Loss to Government due to less receiving of tender fee – Rs 9.891 million

According to Rules 19 (1) of Punjab Local Government (Works) Rules, 2017, if any matter is not covered under the rules, the Punjab Government Works rules under the Building and Roads Department Works Code for Public Works department. Further, according to Government of Punjab C&W department letter No.B-II(C&W) 2-11/78 Procurement (2014) dated 03.02.2015, tender fee rates have been revised and now shall be charged for original work Rs 10,000 for each work, for M&R Rs.2000/- for each work.

Municipal administration Vehari did not receive tender fee of Rs 9.891 million as prescribed by C& W department during 2016-19. Chief Officer received tender fee at lesser rates. Receipt of tender fee at lesser rates resulted in loss to government Rs 9.891 million. **Annexure-4/VHR**

Audit is view that due to weak financial management, tender fee was received less from prescribed rates.

Less collection of tender fee resulted in loss to Government Rs 9.891 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends recovery, besides fixing of responsibility against the person(s) at fault, under intimation to Audit.

[AIR Para No. 56]

76.5.8 Unjustified rejection of higher bid of advertisement tax – Rs 6.10 million

According to Rule 20(2) of Auction Rules 2016, the contractor shall deposit other charges such as rent of buildings under his possession, cost of books, stationary, furniture and fixture or any other property provided by the local Government for use of collection of income in the funds of local government in advance by the fifth day of each month.

Municipal Administration Vehari rejected highest auction bid of Rs 6.10 million on account of advertisement fee for period of 2017-18 without mentioning solid reasons. Moreover, refund of bid security of Rs 0.4 million was also made to contractor. Same head of advertisement was leased again of Rs 2.15 million to the new contractor i.e., Muhammad Umar Saeed. Due to rejection of higher bid without mentioning solid reason, Government suffered a loss of Rs 3.95 million.

Audit is of the view that due to weak management irregular rejection of higher bid was made.

Due to rejection of higher bid by the Administration, Government suffered a loss of Rs 3.95 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

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

[AIR Para No. 34]

76.5.9 Un-justified defective personal / bank guarantee on outsourcing of income and non-recovery – Rs 3.340 million

According to rule 27(1) (2) (3) (4) of Auction Rules 2016, the successful bidder shall at the time of signing the agreement, furnish a surety for the due performance of the contract to the satisfaction of the local Government concerned. The surety shall be a person who has a valid national tax number and is an action tax payee. The surety shall furnish a bank statement for the preceding six months also showing a bank balance equivalent to the amount of the surety. In case of default of contractor to discharge his obligations under the contract for any reason, then, without prejudice to the claims of local Government against the contractor, the local Government shall be entitled to recover from the surety, not only the amount including charges, dues and fees which may have become due under the contract, but also the cost of proceedings initiated in this regard.

Municipal administration Vehari took the defective personal bank guarantees against the auction right of income of Rs 19.261 million during 2016-19. No proof of guarantor about the valid national tax number and active tax payer was taken. Worth of the guarantor was not determined by taking the last six months bank statements or by taking registry of the property. Due to non-assessment of the worth of the guarantors, contractor defaults of Rs 3.340 million. Detail is given below:

(Rupees in million)

Head of Income	Name of Contractor	Period	Auction Amount	Income Received	Income Short	Income Tax Not Paid
Advertisement Fee	Muhammad Umar Saeed	2017-18	0.2150	2.152	-	0.069
Parking Fee General Bus Stand	Muhammad ShahidPervaiz	2016-17	1.080	10.801	-	1.080
Advertisement Fee	Muhammad ShahidPervaiz	2016-17	6.310	4.750	1.56	0.631
Total					1.56	1.780
Grand Total						3.340

Audit is of the view that due to weak management outsource income contract were awarded by taking defective personal / bank guarantees.

Non-compliance of Government instructions resulted into irregular auction of Rs 3.340 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends complete enquiry of the matter besides recovery of default amount besides fixation of responsibility on person(s) at fault under intimation to Audit.

[AIR Para No. 27]

76.5.10 Illegal established of commercial buildings without payment of conversion fee – Rs 2.75 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.

Municipal administration Vehari did not collect the arrear of conversion fee of Rs 2.75 million from defaulters on illegal construction of buildings. Owners of Illegal buildings had constructed the buildings without approved building plans. Building inspectors did not survey the sites and owners were not served notices for outstanding conversion fee was Rs 2.75 million. **Annexure-5/VHR**

Audit is of the view that due to weak management less recovery of conversion fee was made.

Less recovery from illegal builders resulted in violation of rules and loss to Government of Rs 2.75 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various

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

Audit recommends recovery of the amount besides disciplinary action against person(s) at fault under intimation to audit.

[AIR Para No. 38]

76.5.11 Non-recovery of dues from the defaulter contractors –Rs 2.579 million

According to Rule 19 (1)a,(2)(3) of Auction Rules 2016, deposit one tenth of the amount of approved bid in the funds of respective local government within specified time period. The remaining amount of bid shall be paid by the contractor to the local Government in equal monthly installments that the Whole amount be recovered at least one month before completion of contract. The installments shall be paid by the contractors in advance by the fifth day of each month. Further, according to Rule 28 (1)b,(4) of Auction Rules 2016, the local Government shall cancel the contract if a contractor fails to pay any dues on due date and time. 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.

Municipal administration Vehari did not recover the amount of Rs 2.579 million from the defaulting contractors of the outsourced income during 2016-19. Municipal administration neither cancel the lease contract nor were necessary steps taken to recover the amount under Land Revenue Act. Detail is given below:

(Rupees in million)

Head of Income	Name of Contractor	Period	Income to be Received	Income Received	Income Short
Municipal saraye	RizwanAslam	2018-19	1.075	0.762	0.313
Silage water Peer Murad	ShabeerHussain	2018-19	0.271	0.061	0.210
Parking Fee General Bus Stand	AmjadJaved	2017-18	16.100	15.690	0.409
Municipal saraye	AmjadJaved	2017-18	0.950	0.887	0.064
Sullage Water People Colony	Faisal Shehzad	2017-18	0.105	0.082	0.023
Advertisement Fee	ShahidPervaiz	2016-17	6.310	4.750	1.56
Total					2.579

Audit is of the view that due to weak internal controls, neither any action was taken against contractors despite continuous defaults nor dues were recovered.

Non-recovery of dues from the contractors resulted in loss amounting to Rs 2.579 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Rs 2.579 million from the defaulting contractors, besides fixing of responsibility on the person(s) at fault, under intimation to Audit.

[AIR Para No. 22]

76.5.12 Less collection on account of salary from contractor – Rs 1.237 million

According to Rule 25(e) contractor not appoint his personal staff for collection of income without the prior approval of local government and all collections shall be carried out by him through the staff of local government concerned assigned to him for this purpose. Further, according to rule 20(2) of Auction Rules 2016, the contractor shall be responsible for deposit of salaries, pension contribution, premium of group insurance, leave salary, all allowances and other fringe benefits permissible to the employees of a local Government attached with him for administration and collection of respective income before the start of each month in advance.

Municipal administration Vehari less collected on account of salary of employees of Rs 1.237 million. Salary of the one employee was collected from the contractor of general bus stand, while GB work for twenty-four hours. One employee could not work for twenty-four hours. Moreover, record of the MC also showed that three employees for three shifts were working. Recovery of salary of the one employee was unfair. Amount of recovery of the other two employees of

Rs 1.237 million to be made from the contractors or the expenditure of two employees be regularized / condoned under the intimation to Audit.

(Rupees in million)

Head of Income	Name of Contractor	Period	Salary of One employee was taken	Salary of other Two Employees
Parking Fee General Bus Stand	Amjad Javed	2017-18	0.314	0.632
Parking Fee General Bus Stand	Muhammad Shahid Pervaiz	2016-17	0.302	0.605
Total				1.237

Audit is of the view that due to weak financial management, favour was given to the contractor and salary of the other two employees was not charged.

Non-taking of the employee's salary resulted loss to Government Rs 1.237 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends recovery of the amount besides fixation of responsibility on person (s) at fault under intimation to Audit.

[AIR Para No. 29]

76.6 Others

76.6.1 Illegal approval of housing colonies without obtaining of NOC from Environmental Protection Agency– Rs 3,655.77 million

According to Punjab Private Housing Schemes and Land Sub-division Rules, 2010 vide Rule 43 stipulates the Additional requirements for sub-division of a land of forty to less than hundred kanal in area other than an approved scheme.– A Town Municipal Administration, a Tehsil Municipal Administration or a Development Authority shall, after verification of ownership documents, entertain an application for sub-division of land of forty to less than one hundred kanal subject to following requirements in addition to the provisions under rule 41(a)(III) No Objection Certificate from the Environmental Protection Department:

Municipal administration Vehari approved the various land Sub division scheme's maps without obtaining of NOC from Environmental Protection Agency having land value of Rs 3,655.77 million during 2011-19. Irregular sanction of the housing schemes was made without obtaining certificates from Environmental Protection Agency. Detail is given in **Annexure-6/VHR**

Audit is of the view that due to weak financial management the housing schemes planning standards were not kept in mind while processing land sub divisions.

Non-compliance of Government instructions resulted in illegal procession of housing colonies having land value of Rs. 3,655.77 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends regularization of irregularity from competent authority besides strict disciplinary action against the field staff as well as map

approving authorities for committing such illegal functions under intimation to Audit.

[AIR Para No. 40]

76.6.2 Unauthorized approval of LSDs without transfer of area of public buildings, open spaces, parks and roads – Rs 1,806.96 million

According to Rule 41(g) of the Punjab Private Housing Schemes and Land Sub-division Rules 2010 a developer shall transfer through deed the area under roads, open spaces, parks, graveyards and solid waste management in the name of development authority / TMA.

Municipal administration Vehari sanctioned various housing colonies without ensuring the transfer of public area, open spaced etc of valuing Rs 1,806.96 million to concerned TMA/DCM during 2011-19. Transfer deeds were available, but transfer deeds were not authenticating because there was no signature of witness. No mutation deed was available or even Fard malkiat in favour of TMA/MC were available. Even there was no entry of the property in the property register of TMA / MC. Undue favour was given to the specific developers. The necessary detail of area and colonies is given in **Annexure-7/VHR**

Audit is of the view that due to weak management private housing colonies/LSDs were sanctioned without ensuring the completion of pre-requisites.

Non-transfer of area of public buildings parks and roads to Government may sustain a loss of Rs 1806.96 million and may create chances of sale of open spaces, and area of PBs.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends immediate transfer of requisite area in the name of sanctioning body besides recording of state land in properly register under intimation to audit.

[AIR Para No. 41]

76.6.3 Irregular execution of development schemes-Rs 33.91million

According to Rule No.4 (3) (4) of Works Rules 2017, the 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) for the preparation of rough cost estimates the engineering staff shall inspect the site and work out the feasibility of the wok 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.

Municipal administration Vehari did not prepare the PC-1 of the schemes valuing Rs 33.91 million during 2017-19 while each scheme had the value more than Rs 1.5 million. Even `estimates were made without inspection because there were no images of before work available with the estimates. Detail of the scheme is given in **Annexure-8/VHR**

Audit is of view that due to weak administration detailed PC-1 & estimates were prepared without Photographs.

Non-compliance of Government instructions resulted into irregular execution of schemes.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends, expenditure be got regularized under intimation to Audit.

[AIR Para No. 20]

76.6.4 Non-deposit of advance income tax – Rs 5.27 million

According to Para 32 of Circular No.6 of 2013 of Government of Pakistan Revenue Division Federal Board of Revenue issued vide circular No. C.No.4 (36) ITP/2013 dated 19.07.2013 an amendment made in Section 236A of Income Tax Ordinance, 2001 that the rate of collection of income tax under section 236A (imposition of income tax on sales by auction) has been increased from 5% to 10%. Further, according to Rule 20 (3) of Auction 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.

Municipal administration Vehari failed to take the recovery of advance income tax of Rs 5.27million from the contractors on out sourcing of various income during 2016-19. As per demand register, income tax of Rs 1.36 million was paid, but proof of payment of income tax to FBR in form of computerized Pay receipts (CPR) was not produced to Audit. Detail of outstanding amount is mentioned in **Annexure-9/VHR**

Audit is of the view that due to weak management income tax was not paid by the contractor.

Non-payment of tax resulted in loss to Government.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends recovery of income tax besides action person(s) at fault under intimation to Audit.

[AIR Para No. 23]

76.6.5 Irregular purchase without deduction of security and taxes – Rs 2.64 million

According to Rule 2.1 (a) (b) of B & R Code, security should in all cases be taken for the due" fulfillment of a contract. This security may be the earnest

money deposited and deduction of 10 per cent from the monthly payments to be made on account of work done

Municipal administration Vehari purchased hydraulic trollies, water bowsers and dust bins of Rs 2.64 million without deduction of securities and income tax of Rs 0.341 million during 2018-19. No entry was made in the measurement book. Detail is given below:

(Rupees in million)								
Cheque No.	Date	Description of Charges	Net Payable	Gross Amount	Actual Income tax	Income tax to be Deducted	Less Income Tax Deducted	Security
6979557122	23-04-2019	Bill Payment Purchase of 02 Nos Hydraulic Trolley for Services Branch	1,194,201	1.299	49,961	97,425	0.047	0.13
6979568709	28-06-2019	Bill Payment Purchase of Dust Bin 70 Nos for City Vehari	745,753	0.78	30,760	59,981	0.029	0.080
6979544300	21-02-2019	Obaidullah Enterprises (Fabrication of Water Bouzer) 2	Bill Payment for Making of 02 Nos. Water Bowser Tank	0.545	584870	58487	-	0.055
Total				2.64	-	-	0.077	0.264

Audit is of view that due to weak financial management irregular expenditure was made.

Irregular expenditure and non-deduction of securities and taxes resulted into loss to Government.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. No reply was submitted by the DDO. Despite various efforts, DAC meeting was not convened. No progress was intimated till the finalization of this Report.

Audit recommends recovery / regularization of expenditure besides fixation of responsibility on person(s) at fault, under intimation to Audit.

[AIR Para No. 57]

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Annexure-2/KBR	1805
Annexure-1/KWL	11806 to 1807
Annexure-2/KWL	1808 to 1811
Annexure-3/KWL	1812 to 1817
Annexure-4/KWL	1818 to 1819
Annexure-5/KWL	1820
Annexure-1/MCN	1821 to 1823
Annexure-2/MCN	1824 to 1825
Annexure-3/MCN	1826
Annexure-1/TLB	1827 to 1828
Annexure-2/TLB	1829 to 1830
Annexure-1/DPR	1831
Annexure-2/DPR	1832
Annexure-1/KP	1833
Annexure-2/KP	1834 to 1836
Annexure-3/KP	1837
Annexure-4/KP	1838 to 1839
Annexure-5/KP	1840
Annexure-6/KP	1841 to 1842
Annexure-7/KP	1843 to 1844
Annexure-8/KP	1845 to 1846
Annexure-1/LDN	1847 to 1848
Annexure-2/LDN	1849 to 1851
Annexure-1/JPP	1852
Annexure-2/JPP	1853 to 1855
Annexure-3/JPP	1856 to 1857
Annexure-4/JPP	1858
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Annexure-2/SBD		1871 to 1872
Annexure-1/BRW		1873 to 1874
Annexure-2/BRW		1875
Annexure-1/MLS		1876 to 1877
Annexure-2/MLS		1878
Annexure-1/VHR		1879
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Annexure-3/VHR		1881
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Annexure-A**Part-I****Memorandum for Departmental Accounts Committee Paras
Pertaining to Current Audit Year 2019-20****BAHAWALPUR REGION****(Rupees in million)**

Sr. No.	DDO	Para No.	Subject	Amount
1	MC	2	Non conducting of annual stock taking	-
2	Bahawalnagar	5	Non recovery of penalties from the contractors	0.059
3		6	Non-collection of cost of land & development charges from dwelling units of Kachi Abadies	0.155
4		12	Unauthorized executions and payment of items in excess of TS estimate	0.091
5		14	Doubtful expenditure on repair of vehicles	4.279
6		17	Unjustified expenditure on repair of Sucker Machine	1.275
7		18	Less receiving of map fee	0.687
8		19	Less deposit of PLGB share	1.632
9		20	Doubtful expenditure on repair of machinery	5.619
10		23	Loss in license / permit fee due to non-conducting survey and less recovery	0.248
11		24	Non deduction of pst on labor charges and record of other taxes	0.147
12		25	Non deposit of taxes on auctioned amount of advertisement fee	0.221
13		27	Loss due to non-recovery of different nature receipts	190.756
14		28	Doubtful expenditure on development items and street lights	1.037
15		29	Loss to Govt. due to payment of integrated allowance to irrelevant designations	0.275
16		30	Non-recovery of arrears of receipts	11.606
17		31	Doubtful expenditure on arrear of repair and maintenance charges	1.645
18		34	Excess / Overpayment due to non-observing the OGRA rates	0.386
19		37	Doubtful and unauthorized expenditure on self-publicity	0.526
20		38	Doubtful expenditure for vehicle BNF-4	0.759
21		39	Irregular payment of SSB to employees of 17-A –	0.514
22		40	Doubtful expenditure on national days / events	2.065
23		42	Doubtful Expenditure due to variation in serial No. of bills	5.239
24		45	Irregular expenditure on renovation of chairman office	0.495

Sr. No.	DDO	Para No.	Subject	Amount
25		48	Over payment to contractor due to use of below specifications bricks	0.209
26		50	Overpayment due to non-deduction of shrinkage	0.055
27		51	Noncompliance of audit /DAC directives on preceding audit reports	-
28	MC Chishtian	3	Irregular payment of pension contribution out of development fund	80.796
29		8	Loss due to less achievement of target of receipts	24.606
30		13	Less payment of Local Government Board fee	3.551
31		14	Irregular expenditure through splitting of indents to avoid open tendering	2.24
32		16	Irregular expenditure on repair of tractors	1.873
33		17	Loss due to non-recovery of rent of encroached property	1.665
34		18	Un-authorized Repair of transformers	1.57
35		19	Unjustified payment of earth work without recording of levels and cross section area	1.507
36		20	Loss due to Non-Recovery of income tax and professional tax from contractors	1.481
37		21	Loss due to non-recovery of cost of land	1.03
38		22	Loss to Government due to Non-imposing of Fine on Late Completion	0.558
39		23	Excess / Overpayment due to non-observing the OGRA rates	0.524
40		24	Loss to Government by Ignoring the Destruction of motor vehicles	0.445
41		25	Loss to MC fund by non-auctioning of canteen at bus stand	0.18
42		26	Loss to Government due to Defective Rate Analysis	0.166
43		27	Overpayment due to Non-deduction of Shrinkage in the Earth Work for Bank Measurements	0.067
44		28	Irregular execution of works and excess payment in violation of TS estimate	0.061
45		29	Excess payment due to recording of excess thickness of bricks	0.044
46		30	Non-obtaining of Map fee, Development charges and Conversion fee for Commercial use of land	-
47		31	Non – compliance of recovery against previous audit Paras	-
48		32	Non-Preparations/non provision of reconciled expenditure Statements and Receipt Statements	-
49		33	Charging of expenditure without observing Chart of Accounts	-
50		34	Non-maintenance of Separate Books of accounts and classified accounts of expenditure	-
51		36	Non submission of monthly progress report by MO (I) regarding development Schemes	-

Sr. No.	DDO	Para No.	Subject	Amount
52	MC Donga Bonga	1	Loss due to non / less achievement of targets of receipts	50.179
53		2	Irregular payment of additional charge allowance	0.147
54		3	Un-authorized sanctioning of expenditure	0.178
55		4	Purchase of POL from unregistered Pump	2.661
56		5	Doubtful expenditure on POL of generator	2.698
57		6	Excess / overpayment due to non-observing OGRA Rates	0.038
58		8	Un-authorized expenditure on contingent paid staff	1.086
59		9	Loss due to excessive expenditure on holiday allowance	0.257
60		11	Irregular payment to Legal Advisor	0.36
61		12	Un-authorized payment of legal fee	0.035
62		13	Un-justified expenditure on different events	0.645
63		14	Irregular expenditure due to non-compliance of the Punjab Procurement Rules	0.775
64		15	Loss due to non-deduction of provincial sales tax	0.075
65		16	Irregular expenditure on purchase of machinery	0.377
66		17	Doubtful expenditure on purchase and consumption of different consumable items –	1.008
67		18	Payment of leave encashment without provision of leave account	1.287
68		19	Irregular issuance of cheques in the names of employees instead of suppliers	0.406
69		20	Receipt on account of Transfer of Immovable Property without backup record	4.943
70		21	Loss due to less recovery of different fees from Land Sub Division housing schemes	0.394
71		24	Payment of pension to pensioners without verification of existence	26.248
72		25	Realization of income without observing auction of collection rights rules	6.808
73		27	Loss due to non-deduction of Shrinkage from earthwork	0.069
74		28	Over payment to contractor due to use of below specifications bricks	0.523
75		29	Overpayment due to non-reduction of composite rates of concrete	0.069
76		31	Loss due to non-recovery of water rates	1.816
77		MC Fort Abbs	1	Loss to the Government due to non-achievement of targets
78	2		Non-collection arrears of different revenue head	4.628
79	3		Loss due to non-recovery of risk and cost amount	59.5
80	5		Non utilization / less allocation of prescribed ratio of funds to youth culture and sports activities	1.692
81	9		Non-auction of different items	0.068

Sr. No.	DDO	Para No.	Subject	Amount
82		11	Loss due to non-deduction of PST on repair and maintenance of work	1.119
83		12	Loss due to non-recovery of professional tax	0.028
84		13	Non realization revenue of permit Fee from Petrol Pumps	0.21
85		16	Irregular expenditure on plantation	0.196
86		18	Irregular purchase of different items by splitting	3.97
87		19	Non realization / less collection of revenue of Permit Fee-	0.83
88		20	Illegal construction of houses / shops and loss to MC due to non-recovery of map fee	0.759
89		21	Non recovery of conversion fee	0.889
90		22	Loss due to non-deduction of PST	0.346
91		23	Non-deduction of HRA and repair charges	0.22
92		24	Loss to Government due to unauthorized occupant of Government residence	5.889
93		25	Unauthorized withdrawal of conveyance allowance	0.245
94		26	Excess / Overpayment due to non-observing the OGRA rates	0.248
95		27	Loss due to non-deposit of sale proceed of used Mobil oil	0.061
96		29	Doubtful expenditure of POL	8.535
97		30	Unjustified / doubtful payment on repair of fire brigade and recovery thereof	0.037
98		31	Unjustified / misappropriation of different head of accounts	3.027
99	MC Haroon Abad	1	Loss to the Government due to non-achievement of targets	49.454
100		2	Non-collection arrears of different revenue head	4.602
101		3	Non recovery of pension contribution fund	2.099
102		4	Non realization revenue of Sewerage Tax	3.61
103		5	Non utilization / less allocation of prescribed ratio of funds to youth culture and sports activities	9.027
104		6	Loss to MC fund by non-auctioning of canteen at bus stand	1.834
105		8	Irregular payment to work charge / contingent paid staff	0.516
106		10	Non realization revenue of permit Fee from Petrol Pumps	0.36
107		11	Non-auction of different items	0.579
108		13	Non / less collection of revenue of Permit Fee	0.58
109		14	Doubtful expenditure on Repair & Maintenance	0.731
110		16	Excess / Overpayment due to non-observing the OGRA rates	0.344
111		17	Less payment of Local Government Board fee	4.564
112		18	Loss due to non-deduction of PST	0.401
113		19	Loss due to excessive expenditure on holiday allowance	0.147

Sr. No.	DDO	Para No.	Subject	Amount
114		20	Expenditure on POL without tour program	0.68
115		21	Loss due to non / less deduction of taxes	0.057
116		22	Loss to government due to unjustified payment of electricity charges	0.103
117		23	Loss due to Non Deposit of Sale Proceed of Used Mobil	0.193
118		27	Unauthorized / fraudulent drawl of funds	1.506
119		28	Unauthorized re-fund of additional performance securities before prescribed period	0.57
120		29	Non transfer of security honest money and additional performance security into MC account and loss to MC as bank profit	1.253
121		30	Loss due to non-deduction of PST on repair and maintenance of work	0.89
122		31	Loss due to non-recovery of professional tax	0.031
123		32	Unjustified payment of repair and maintenance	1.795
124		33	Loss due to non-recovery of risk and cost amount	67.185
125	MC Minchin	6	Loss due to less achievement of target of receipts	8.54
126	Abad	12	Utilization of tuff tile without ensuring standard specifications and testing	2.9
127		14	Loss to MC fund by non-realization of income from general bus stand – Rs 2,500,000	2.5
128		16	Less payment of Local Government Board fee – Rs 1,871,622	1.872
129		18	Utilization of bricks without ensuring standard specifications and testing	1.179
130		19	Non-recovery of salary of staff from the contractor	0.884
131		20	Loss to Government due to Non-Recovery of Tender Fee	0.84
132		21	Illegal construction of shops / markets without map fee	0.771
133		22	Non-recovery of rent of shops	0.426
134		23	Non-recovery of auctioned amount from the contractor	0.319
135		24	Unjustified payment of earth work without recording of levels and cross section area	0.273
136		25	Loss due to Non Recovery of income tax and professional tax from contractors	0.192
137		26	Excess / Overpayment due to non-observing the OGRA rates	0.153
138		27	Excess payment due to recording of excess thickness of bricks	0.11
139		28	Loss due to less receipts of conversion fee	0.068
140		29	Irregular execution of works and excess payment of tuff tile in violation of TS estimate	0.027
141		30	Overpayment due to Non-deduction of Shrinkage in the Earth Work for Bank Measurements	0.024
142		31	Non-realization of income and loss to MC fund	-

Sr. No.	DDO	Para No.	Subject	Amount
143		32	Non-conducting of realistic survey and imposing of License or Permit Fee	-
144		33	Non – compliance of recovery against previous audit Paras	-
145		34	Non-maintenance of Separate Books of accounts and classified accounts of expenditure	-
146		35	Non submission of monthly progress report by MO (I) regarding development Schemes	-
147		36	Non-Preparations/non provision of reconciled expenditure Statements and Receipt Statements	-
148		37	Charging of expenditure without observing Chart of Accounts	-
149		MC Ahmadpur East	2	Overpayment of electricity charges
150	3		Non accountal into stock.	0.357
151	4		Non deposit of receipts.	0.182
152	5		Non imposing of penalty for late completion of development works	1.845
153	11		Unjustified expenditure on POL.	0.642
154	15		Irregular execution of works without obtaining NOC from district government	2.82
155	19		Illegal construction of houses / shops and loss to MC due to non recovery of map / conversion fee.	0.212
156	20		Non / less deduction of income tax and sales tax	1.167
157	22		Irregular / unauthorized approval of maps and submission of fee	4.432
158	24		Irregular payment of bricks without obtaining lab test reports	9.1
159	26		Unjustified expenditure on purchase of electricity material	1.054
160	27		Irregular expenditure due to non-compliance of PPRA Rules.	0.66
161	28		Unjustified consumption of POL	17.113
162	31		Loss due to involvement of MC staff in illegal approval of maps	19.12
163	MC Hasilpur		2	Loss to Local fund treasury due to Unjustified payment of E/bill.
164		5	Unjustified Less Fixation of Targets of Income.	0.494
165		6	Loss due to non recovery of income heads	8.861
166		13	Doubtful excess consumption of POL	7.622
167		14	Loss to govt. due to purchase of POL at higher rates than the rates fixed by OGRA.	0.321
168		15	Loss to Govt. due to Misappropriation of Used Mobil Oil.	0.172
169		18	Non utilization of funds on sports activities	17.677

Sr. No.	DDO	Para No.	Subject	Amount
170		19	Non transfer profit / unclaimed security account into general account	2.038
171		20	Loss to Government due to less recovery of License / Permit Fee.	0.222
172		21	Loss due to less realization of sewerage tax	14.205
173		23	Irregular execution of works without obtaining NOC from district government	1.999
174		24	Non / less collection of revenue of Permit Fee.	0.611
175		25	Non conduction / provision of annual inspection report of PLGC.	-
176		26	Loss due to non deduction of shrinkage charges.	0.704
177		27	Loss due to non deductions / utilization of dismantled material in sub base.	0.174
178		28	Loss due to non-recovery of professional tax.	0.153
179		30	Excess payments due to payment of excess rate of tuff tiles.	0.773
180		31	Unjustified Expenditure on "Repair of Transformers".	0.374
181		32	Doubtful expenditure on account of earth filling.	0.748
182		33	Unauthorized expenditure on repair without maintenance of History Sheet.	0.371
183		35	Doubtful / unjustified expenditure without any demands	1.040
184		36	Doubtful Purchase of Insecticide.	0.027
185		37	Non-compliance of observations issued in previous year Audit.	-
186		38	Non-verification /deposit of GST into Government Treasury.	0.080
187		39	Non-Deduction of Punjab Sales Tax on repair & maintenance work.	0.410
188		40	Doubtful utilization of Funds on Account of Street Lights purchase.	0.974
189		42	Irregular expenditure on repair of machinery and equipment	2.561
190		43	Non preparation of excess / surrender statement	134.172
191		44	Unjustified payment of Honorarium.	0.053
192		46	Unauthorized Suspension and re-instate in service of terminated staff.	0.189
193		47	Non auctioning of dry trees and old machinery.	0.500
194		48	Non finalization of enquiry / complaints cases.	-
195		49	Unjustified expenditures on (Penaflex) advertisement.	0.135
196		51	Incorrect reporting of financial information	26.409
197		52	Unjustified decrease in revised budget	3.077
198		56	Doubtful Expenditure on Plantation.	0.048

Sr. No.	DDO	Para No.	Subject	Amount
199		57	Irregular payment of TA/DA without Tour program.	0.069
200		58	Loss of profit due to non-deposit of CDRs in bank account.	0.849
201		59	Loss due to illegal cycle stands	1.500
202	MC Khairpur Tamewali	1	Loss to Local fund treasury due to Unjustified payment of E/bill.	0.162
203		5	Unjustified Less Fixation of Targets of Income.	0.616
204		6	Loss due to Non / Dead recovery of Income Head.	0.890
205		7	Loss due to Misuse of Fire Brigade.	0.547
206		8	Loss to Government due to Non-Recovery of Rent of shops.	0.434
207		9	Doubtful excess consumption of POL	6.787
208		10	Non preparation of excess / surrender statement	124.858
209		11	Loss due to Non-Realization of Conversion fee from Educational Institutes.	0.893
210		14	Loss to MC due to Non Recovery of Map Fee.	0.715
211		15	Non allocation and utilization of funds for sports and youth activities	12.328
212		16	Loss to Government due to less recovery of License / Permit Fee.	0.481
213		17	Loss due to less realization of sewerage tax	57.275
214		18	Unauthorized expenditure on repair without maintenance of history sheet register	4.049
215		19	Non conduction / provision of annual inspection report of PLGC.	-
216		21	Non-compliance of observations issued in previous year Audit.	-
217		22	Non-Deduction of Punjab Sales Tax on repair & maintenance.	0.871
218		24	Irregular expenditure on repair of machinery and equipment	1.394
219		25	Non Action of MC Management for theft of wooden trees / dry trees.	1.100
220		26	Loss due to realization of general bus stand fee through self-collection	2.929
221		27	Unjustified expenditure on establishment of cattle markets.	0.250
222		28	Non verification of stores and property by the Local Government.	
223		32	Non accountal of receipt into demand & collection register	1.477
224	33	Loss due to non-deduction of HRA & CA despite designated residences and vehicle.	0.095	

Sr. No.	DDO	Para No.	Subject	Amount
225		36	Irregular Payments of Arrears without Additional Budget.	0.726
226		37	Irregular appointment of overage candidates and unjustified payment of salaries	12.619
227		39	Loss of profit due to non-deposit of CDRs into bank account	2.472
228		40	Irregular execution of works without obtaining NOC from district government	5.173
229		43	Loss due to non-recovery of professional tax.	0.072
230		45	Excess payments due to payment of excess rate of tuff tiles.	0.590
231		46	Loss to govt. due to purchase of POL at higher rates than the rates fixed by OGRA.	0.360
232		47	Loss due to less deposit slaughter house fee.	0.609
233		48	Non transfer Profit account into General Account.	0.397
234		49	Unauthorized Suspension and re-instate in service of terminated staff.	0.710
235		50	Incorrect reporting of financial information	4.444
236		51	Unjustified decrease in budget	15.084
237		53	Loss to Government in millions due to Non classification of land.	-
238	MC Uch Sharif	2	Non realization revenue of Advertisement Fee.	0.136
239		3	Non allocation of prescribed ratio of funds for youth culture and sports activities	4.221
240		4	Loss due to non auctioning / lease of plots.	0.270
241		5	Non-collection arrears of rent of shops.	0.555
242		7	Unauthorized payment of holiday / extra duty allowance.	0.315
243		8	Non realization revenue of permit Fee from Petrol Pumps.	0.150
244		10	Non recovery of pension contribution fund.	0.816
245		12	Doubtful expenditure on Repair & Maintenance.	0.941
246		14	Excess / Overpayment due to non observing the OGRA rates.	0.109
247		15	Non-auction of different items.	0.034
248		16	Irregular purchase of Stationery by splitting.	0.440
249		18	Irregular expenditure without preparing of PC-1	14.186
250		20	Loss due to non deduction of PST.	0.511
251		21	Loss due to non-recovery of professional tax.	0.028

Sr. No.	DDO	Para No.	Subject	Amount
252		24	Non imposition of penalty for late completion of development work	1.706
253		25	Loss due to non / less collection of fees from unapproved housing schemes.	0.616
254		26	Unjustified / misappropriation of different head of accounts	2.059
255		27	Non production of record	-
256	MCYazman	8	Unjustified expenditure on establishment of Ramzan Bazar	2.403
257		10	Irregular refunding of securities without physical inspections of sites	3.109
258		14	Construction without approval of maps	8.426
259		20	Irregular execution of works without obtaining of NOC from district government	3.981
260		21	Execution of development works without PC-I	5.826
261		22	Unjustified expenditure on repair of machinery and vehicles	5.996
262		23	Non Imposing of Penalty on schemes valuing.	0.340
263		24	Doubtful repair of transformer and motors.	0.263
264		26	Non production of record	-
265		27	Irregular payment of works without observing requirement	10.312
266		28	Non / less collection of revenue of Permit Fee.	0.551
267		30	Excess payment of earth work.	0.972
268		31	Purchase of POL without observing OGRA rates	16.673
269	MC Khan Pur	11	Loss due to non-recovery of professional tax.	0.058
270		12	Loss due to non / less realization of revenue and arrears.	6.883
271		13	Loss due to Non Deposit of Sale Proceed of Used Mobil.	0.296
272		14	Non imposition of penalty for late completion of development work.	0.170
273		15	Loss due to Purchase of POL at Higher Rates than the Rates Fixed by OGRA.	0.340
274		23	Loss due to unauthorized payment of conveyance allowance during leave.	0.030
275		24	Loss due to non allotment of designated residences.	0.593
276		27	Loss due to payment of unnecessary development expenditure.	0.453
277	MC Kotsamaba	1	Loss due to non serious attitude.	1.351
278		2	Loss due to non achievement of revenue targets.	3.076
279		4	Non accountal of property by the MC.	107.061
280		5	Loss due to non/ less recovery of conversion and other fees.	0.943

Sr. No.	DDO	Para No.	Subject	Amount
281		8	Advance Payment to supplier without prior approval of the competent authority.	0.694
282		9	Unauthorized cutting and auction of trees.	2.850
283		11	Overpayment to contractors.	1.066
284		12	Non-obtaining of additional performance securities	2.143
285		13	Irregular expenditure on construction of work.	4.05
286		15	Execution of development works without PC-I .	54.746
287		16	Loss due to excess payment on account of non deduction of Shrinkage from earthwork.	0.121
288		17	Expenditure without rate analysis.	5.00
289		18	Non imposing of penalty for late completion of development works	-
290		19	Non taking actions against the contractors for late start of works	3.325
291		20	Unjustified expenditure on various national days / events.	2.170
292		21	Irregular expenditure due to non-compliance of PPRA rules.	1.068
293		22	Non-collection / maintenance of record of assets from erstwhile local governments.	-
294		23	Loss due to non-deduction of LD charges for late supplies.	0.011
295	MC Liaqat Pur	4	Loss due to non / less collection of fees from unapproved housing schemes.	0.791
296		11	Loss due to non-recovery of professional tax.	0.097
297		12	Loss due to non / less realization of revenue and arrears	25.179
298		13	Loss due to non deposit of sale proceed of used mobil oil.	0.143
299		15	Loss due to purchase of POL at higher rates than the rates fixed by OGRA.	0.149
300		19	Doubtful consumption of store items by maintaining improper disbursement record.	4.033
301	MC Rahim Yar Khan	2	Loss due to non recovery of different nature receipts.	428.126
302		3	Non conducting of annual stock taking.	
303		6	Overpayment due to charging excess rates of bitumen.	0.565
304		7	Irregular expenditure due to non-compliance of PPRA rules.	2.912
305		8	Loss to government due unfair lease agreement.	
306		13	Doubtful and unauthorized expenditure on self-publicity.	3.033
307		15	Wasteful and irregular expenditure on plantations.	1.147
308		16	Loss in conversion / commercialization fee due to non classification of land.	-

Sr. No.	DDO	Para No.	Subject	Amount
309		17	Over payment to contractor due to use of below specifications bricks.	0.166
310		18	Doubtful expenditure on national days / events.	8.309
311		19	Doubtful expenditure on repair of machinery.	3.583
312		22	Non-recovery of water rates.	16.415
313		23	Non deduction and payment of group insurance.	1.359
314		24	Excess payment of carriage due purchase of T.S.T material from far quarry.	0.115
315		25	Irregular payment of arrears of pay and allowance without allocation of additional budget.	2.126
316		26	Doubtful expenditure on repair of vehicles.	3.520
317		28	Overpayment due to non deduction of shrinkage.	0.102
318		30	Irregular / unjustified expenditure on purchase of electricity items.	3.501
319		31	Loss due to non-conducting survey and less recovery under the head of license permit fee.	30.271
320		32	Irregular purchase of hand carts.	0.470
321		34	Non-recovery of sewerage tax.	28.006
322		38	Non recovery of penalties from the contractors.	0.495
323		39	Misappropriation under the head of water rates through concealing actual figures.	32.400
324		40	Doubtful preparation of annual accounts due to overstatement of receipts and closing balances	23.553
325		41	Less deposit of PLGB share.	9.849
326		42	Loss due to non-recovery of professional tax.	0.795
327		43	Loss due to illegal occupation of designated residence and non recovery of penal rent.	1.298
328		46	Irregular payment due to irregular promotion and time scale promotion.	0.271
329		47	Useless expenditure on wireless system.	1.972
330		48	Irregular expenditure on different rental items.	3.536
331		49	Loss to Govt. due to payment of integrated allowance to irrelevant designations.	0.243
332		50	Irregular purchase of sever safety equipment.	1.216
333		53	Irregular advance payment on sports.	1.610
334		55	Mis-procurement of uniform.	0.325
335		57	Non compliance of audit /DAC directives on preceding audit reports.	-
336	MC Sadiq Abad	5	Non conducting of annual stock taking.	-
337		7	Non-maintenance of DDO wise annual accounts and books of accounts	1.119

Sr. No.	DDO	Para No.	Subject	Amount
338		8	Irregular expenditure due to non-compliance of PPRA rules	1.271
339		11	Doubtful expenditure on POL of vehicle and machinery.	40.860
340		14	Irregular purchase of front bucket due to specifications.	0.250
341		15	Loss due to non recovery of different nature receipts.	1362.492
342		17	Overpayment due to non deduction of shrinkage.	0.029
343		18	Irregular purchase of cameras and walk through gates.	0.738
344		19	Overpayment due to charging excess rates of bitumen.	0.430
345		21	Irregular purchase of insecticides.	0.762
346		23	Irregular expenditure on sports.	2.641
347		25	Irregular purchase of tyres.	0.478
348		26	Less receiving of map fee.	0.610
349		27	Irregular purchase of iron sheds.	0.679
350		30	Irregular purchase of electricity items for street lights.	2.008
351		32	Irregular purchase of generators and rickshaws.	1.753
352		34	Doubtful expenditure on road / development scheme.	2.181
353		36	Irregular purchase of water bowsers.	1.800
354		38	Ambiguous payment of allowances to employees.	33.054
355		42	Unjustified expenditure on purchase of newspapers and periodicals for library.	1.227
356		44	Irregular expenditure on repair of donkey carts	0.928
357		45	Non-recovery of sewerage tax.	19.690
358		48	Non-recovery of water rates.	36.107
359		50	Less deposit of PLGB share.	9.849
360		51	Non recovery of penalties from the contractors.	0.130
361		52	Less recovery of license permit fee.	1.406
362		53	Over payment to contractor due to use of below specifications bricks.	0.074
363		56	Irregular sanctioning of leave due to misstatement and without production of record.	-
364		57	Excess payment of carriage due purchase of T.S.T material from far quarry.	0.067
365		58	Non compliance of audit /DAC directives on preceding audit reports.	-
366	MC Taranda	2	Loss due to non-recovery of building map fee.	0.809
367	Sawey Khan	3	Loss due to less recovery of different fees from Land Sub Division housing schemes.	0.092
368		9	Payment of pension to pensioners without verification of existence.	5.466
369		10	Loss due to non-recovery of water rates.	0.346
370		13	Irregular payment of additional charge allowance.	0.058
371		14	Un-authorized sanctioning of expenditure.	0.310

Sr. No.	DDO	Para No.	Subject	Amount	
372		15	Purchase of POL from unregistered pump.	1.755	
373		16	Loss due to excessive expenditure on holiday allowance.	0.248	
374		17	Payment of leave encashment without provision of leave account.	2.771	
375		18	Loss due to non-recovery of sewerage tax.	0.056	
376		19	Loss due to non-recovery of rent of cabins.	0.238	
377		20	Loss due to non-recovery of license & permit fee.	0.263	
378		21	Irregular payment of honorarium.	0.225	
379		23	Over payment to contractor due to use of below specification bricks.	0.119	
380		24	Irregular payment without production of BOQ and possible loss to government.	0.998	
481		25	Loss due to non-imposition of penalty for late completion of works.	0.282	
382		26	Non-collection / maintenance of record of assets from erstwhile local governments.	-	
383		MC Zahir Pir	2	Loss due to fictitious purchase of sweets & hash (qeema) for killing dogs.	0.063
384			5	Loss due to unjustified payment of contractor's profit and over head charges.	0.681
385			7	Loss due to non achievement of revenue targets.	1.223
386	8		Loss due to non auction of shops / plots.	0.740	
387	11		Loss due to non-recovery of professional tax.	0.075	
388	13		Loss due to non deposit of sale proceed of used mobil oil.	0.036	
389	14		Non imposition of penalty for late completion of development work.	0.298	
390	15		Loss due to Purchase of POL at Higher Rates than the Rates Fixed by OGRA.	0.002	
391	17		Loss due to doubtful / fake repair of machinery.	0.160	

DERA GHAZI KHAN REGION

(Rupees in million)

Sr. No.	DDOs	Para No.	Subject	Amount
1	MC Taunsa	3	Un-authentic expenditure on Sports	1.205
2		4	Overpayment due to wrong calculation of TST	0.134
3		5	Unauthentic Expenditure	34.226
4		6	Unjustified payment against pacca brick work other than buildings	0.710
5		7	Un-authentic expenditure	0.588
6		8	Un-authentic expenditure	0.978
7		9	Un-authentic expenditure for cutting of tree	0.348
8		10	Unauthentic payment for Sanitation by rented tractor	0.977

Sr. No.	DDOs	Para No.	Subject	Amount
9		11	Unjustified and unauthentic drawl on account of operational expenditure	3.390
10		14	Unauthentic payments due to non-maintenance of DDO's cash book CM Bail out package	50
11		15	Non-reconciliation of immoveable property tax with revenue department	14.026
12		18	Overpayment due to payment of higher rates of POL than notified by OGRA	0.184
13		20	Loss on account of conveyance allowance	0.180
14		24	Unauthentic payment for illegal encroachment	0.897
15		25	Loss to Government due non achievement of receipt targets	17.149
16		26	Unauthentic expenditure on main hole covers	0.997
17		27	Overpayment on cleaning of drain	0.766
18		28	Un-justified payment for excavator rent	0.320
19		30	Unauthentic payments due to non-maintenance of DDO's cash book	583.648
20		32	Irregular expenditure on ADP 2018-19 without house approval	34.226
21		MC Kot Chutta	1	Unjustified incurrence of expenditure on maintenance of roads
22	6		Unauthentic payment of salaries without verification of LPC	1.743
23	7		Unjustified payment on account of labour charges	0.836
24	8		Unjustified payment on account of janitorial charges	2.792
25	11		Unauthorized splitting of schemes	8.257
26	12		Unauthorized purchase of ACs without approval of Austerity Committee	0.360
27	14		Non-recovery of penalty due to delay in completion of works	0.108
28	15		Unauthentic procurements of machinery, equipment and furniture without specifications	11.415
29	16		Loss due to non deduction of conveyance allowance	0.150
30	17		Loss due to adding of Provincial Sales Tax in development bills	0.162
31	25		Overpayment due to non reducing of brick rate	0.363
32	26		Overpayment due to utilization of local billet tuff tile pavers	0.345
33	27		Overpayment due to non-deduction of shrinkage of earth	0.039
34	28		Doubtful payment against schemes without any location	9.603
35	29		Unauthorized payment of Adhoc Releif Allowance 2010	0.030
36	MC Chawbara	3	Non-reconciliation of Immoveable Property Tax with Revenue Department	11.667

Sr. No.	DDOs	Para No.	Subject	Amount	
37		4	Unauthorized expenditure on the visits of Prime Minister and Chief Minister	6.475	
38		10	Unjustified and unauthentic drawl on account of POL	8.925	
39		11	Overpayment due to payment of higher rates of POL than notified by OGRA	0.178	
40		13	Unauthorized expenditure on repair of machinery and equipment	1.125	
41		15	Unauthorized purchased and non accountal of store and stock	1.789	
42		16	Unauthorized payments of arrears of pay and allowance	0.582	
43		17	Unauthorized withdrawl of arrears of social security benefits	0.174	
44		18	Misappropriation due to un-justified lying of manhole covers and RCC labs	0.732	
45		20	Unauthorized payment in cash	13.866	
46		21	Unjustified release of security deposits	1.302	
47		23	Unauthorized splitting of works	8.921	
48		27	Overpayment due to non reducing of brick rate	0.525	
49		MC Chowk Azam	1	Loss on account of conveyance allowance	0.155
50			2	Loss due to adding of Provincial Sales Tax on Services in TS estimates	0.673
51			3	Doubtful drawl against M&R and chances of misappropriation	7.124
52			4	Unauthorized retention of 1% Civil Deffence share	0.41
53			5	Unauthentic release and payment of security deposits	0.749
54			9	Non-reconciliation of immoveable property tax	18.896
55	10		Irregular allocation resulting blockage of development budget	12.331	
56	12		Unjustified and doubtful consumption of POL of tractor	8.665	
57	13		Overpayment due to payment of higher rates of POL than notified by OGRA	0.215	
58	14		Unjustify consumption of POL for disposal work	1.492	
59	15		Doubtful Consumption of POL by showing fake visits in log books	0.188	
60	20		Uneconomic and doubtful expenditure on account sports material	1.977	
61	22		Unjustified expenditure on purchase of machinery	0.805	
62	23		non-recovery of conversion fee from urban schemes	0.191	
63	24		non-recovery of conversion fee from urban schemes	0.151	
64	26		Un authorized payment of additional salary to regular staff during Sunday	1.196	
65	27		Unauthorized Payments in cash	3.892	
66	30		Non reduction of brick rate	0.102	
67	31	Overpayment Due to non-Deduction of shrinkage in Earth Work	0.018		
68	32	Recovery due non deduction of cost of old material	0.075		

Sr. No.	DDOs	Para No.	Subject	Amount	
69	MC Fatehpur	5	Irregular allocation resulting blockage of development budget	7.465	
70		8	Irregular and uneconomic incurrence of expenditure	0.924	
71		9	Unjustified expenditure on purchase of machinery	0.795	
72		11	Unauthorized retention of Govt. tax and lump sum Payments without any reconciliation	1.202	
73		12	Doubtful drawl against M&R	0.788	
74		13	Unauthorized retention of 1% Civil Defense & PHA share	0.747	
75		14	Unauthentic expenditure on development work	19.675	
76		16	Unauthorized payment in cash	15.507	
77		19	Unauthentic procurements of store items without specification	1.241	
78		20	Non-reconciliation of immoveable property tax	15.788	
79		21	Overpayment due to payment of higher rates of POL than notified by OGRA	0.141	
80		22	Unjustified expenditure on repair of disposals	0.822	
81		23	Unjustified expenditure on repair of vehicles / M&E	0.642	
82		24	Misappropriation due to un-justified lying of manhole covers	0.297	
83		25	Unauthorized Payment in excess of quantities provided in TSE	0.028	
84		26	Loss to government due to non relaying and non recovery cost of dismantled material	0.067	
85		28	Overpayment Due to Less Deduction of shrinkage in Earth Work	0.092	
86		29	Overpayment due to non-deduction on account of marble patti	0.097	
87		30	Overpayment due to allowing of unjustified rate of ramming of earthwork	0.022	
88		MC Karor	2	Non-reconciliation of immoveable property tax	17.660
89			6	Loss due to self collection and non-auction of advertisement lease	0.41
90			7	Unjustified and doubtful expenditure on POL of tractor	5.683
91			8	Unjustified and doubtful expenditure on POL of Machinery	4.592
92			9	Overpayment due to payment of higher rates of POL than notified by OGRA	0.208
93			10	Irregular procurement and consumption of electric items	1.653
94			11	Irregular and Unjustified expenditure on account of National days	2.471
95			12	Unjustified and irregular expenditure against repair of vehicles and machinery	1.286
96			13	Incurrence of expenditure through quotations by split up	3.681

Sr. No.	DDOs	Para No.	Subject	Amount
97		17	Unjustified releases of security deposits	4.549
98		23	Unjustified payment of tuff tile pavers	0.548
99		25	Overpayment due to non deduction of shrinkage	0.084
100		26	Overpayment due to non-deduction on account of marble patti	0.092
101		28	Unjustified and doubtful payment of overtime against close day	4.074
102		29	Unauthorized payment due to change of cadre	2.496
103		30	Irregular payments against arrears of pay and allowances	0.46
104		32	Unjustified expenditure on account of culverts	2.437
105		33	Non achievement of receipt target	4.357
106	MC Layyah	4	Unjustified and unauthentic drawl on account of operational expenditure	0.8
107		6	Overpayment due to applying of excessive rate 7/0.29 cable	0.112
108		7	Un-authentic drawl of work without any location	0.494
109		9	Unjustified drawl on account of repair of vehicles	0.55
110		10	Overpayment of excessive rate SMD light	0.332
111		11	Un-authentic payment	0.096
112		12	Un-Justified measurement of work	0.13
113		13	Un-authentic expenditure on Purchase of Jacket	0.196
114		14	Non-achievement of receipt target	5.688
115		15	Unauthorized incurrence of legal charges	0.09
116		16	Irregular expenditure on 14 th August 2016 at Chowk Azam	0.297
117		17	Unauthentic expenditure on POL for tractors, working without proper location	2.394
118		18	Unjustified and unauthentic drawl on account of POL	2.767
119		19	non-rationalization of rent of shops	0.9
120		21	Unauthentic expenditure without detail measurement of cable	0.347
121		22	Overpayment due to excessive rate energy savers	0.294
122		23	Loss to Government due to non-deduction of Sales Tax	0.418
123		24	Less recovery of water rate	0.346
124		26	Collection Immoveable Property Tax without Reconciliation	21.404
125		27	Less recovery of water rate	0.412
126		29	Loss to Government due non achievement of receipt target	20.029
127		30	Overpayment due to payment of higher rates of POL than notified by OGRA-	0.391
128		36	Un-Justified expenditure of civil work	0.17
129		37	Un-Justified expenditure on civil work	0.321
130		38	Overpayment to contractor due to allowing of unauthorized brick soling	0.018

Sr. No.	DDOs	Para No.	Subject	Amount
131		39	Drawal of money without any proper location of work in TS estimate and in MB resulting Misappropriation	0.098
132	Municipal Committee Alipur	3	Unauthorized award of leases	4.342
133		5	Loss due to non auction of shops	0.868
134		6	Unauthorized auction of lease of shops and consumption of security deposit	4.500
135		7	Non recovery of water rate charges	0.077
136		8	Fake maintenance of logbooks against tractors	1.947
137		9	Unjustified and doubtful expenditure on POL of Jetting Machines	0.898
138		10	Unjustified and doubtful expenditure on POL of disposal work	0.492
139		11	Less-Recovery against leases of collection of rights	0.521
140		14	Non-reconciliation of tax on transfer of immoveable property	18.059
141		15	Non maintenance of stock registers of consumable items	2.402
142		16	Unjustified procurement of lights and electric item	9.628
143		18	Unauthorized development expenditure without tender advertisement	4.974
144		30	Loss due to Less Recovery on Account of Old Material and non-deduction of income tax	0.219
145		31	Loss due to non-adjustment of excavated earth	0.143
146		34	Irregular execution of development schemes without advertisement	3.850
147		35	Overpayment on account of use of local sand	0.069
148		36	Non maintenance of security deposits register	3.788
149		38	Overpayment due to payment of higher rates of POL than notified by OGRA	0.124
150		39	Non achievement of receipt targets	2.097
151		42	Unauthorized payment of Conveyance Allowance	0.093
152	43	Unjustified payment against slaughter House	0.111	
153	Municipal Committee Chowk Sarwar Shaheed	5	Misappropriation due to un-justified lying of manhole covers	0.400
154		6	Defective Tendering and Doubtful and Payment of Works	12.069
155		7	Doubtful expenditure on supplying Fixing of street lights	0.431
156		8	Expenditure without detailed measurement	6.500
157		9	Non achievement of receipt targets	7.669
158		12	IRREGULAR payment for rent of excavator	0.757
159		13	Irregular purchase of plants	0.145
160		14	IRREGULAR purchase of strychnene	0.080
161		15	Misappropriation of Government Fund	0.247
162		16	Irregular Drawl of T.A / D.A.	0.141
163		17	Irregular payment of rent of building	0.675

Sr. No.	DDOs	Para No.	Subject	Amount
164		18	Unjustified payment on account of POL	4.060
165		20	Unauthorized incurrence of legal charges	0.748
166	Municipal Committee Daira Din Panah	1	Loss to Govt. due to non-Recovery of Conversion Fee from the Commercial Buildings	0.474
167		3	Loss to MC due to self collection of bus stand fee	1.085
168		4	Non recovery of advance income tax	0.092
169		7	Unauthorized expenditure on account of Jashn-e-Azadi	0.800
170		8	Unauthorized expenditure on repair of machinery and equipment	2.243
171		9	Loss to govt. due to purchase of POL at higher rates than the rates fixed by OGRA	0.171
172		11	Unauthorized expenditure on POL	5.854
173		12	Unauthorized expenditure without calling of tender and on PPRA website	6.366
174		13	Unjustified release of security deposits	0.018
175		14	Unauthorized clearance of outstanding liabilities	0.819
176		15	Unauthorized expenditure without tender advertisement & measurement	2.082
177		16	Overpayment due to non reducing of brick rate	0.195
178		19	Non-reconciliation of tax on transfer of immoveable property	3.310
179		20	Un-justified payment of salary due to Irregular promotions	0.756
180		21	Unauthorized drawl on account of refreshment charges	0.384
181		22	Unauthorized award of lease less than the reserve price	0.080
182		24	Stock found short	0.060
183		25	Unauthorized purchase of furniture without tender advertisement	0.250
184		26	Less deposit of tender money	0.033
185		27	Overpayment due to non fixation of basic pay after regularization	0.066
186		28	Overpayment due to non adjustment of allowances after regularization	0.017
187		30	Unauthorized expenditure without competency	39.893
188		31	Overpayment of Pension contribution to LCS cadre official	0.007
189	32	Unauthorized payments to employees against contingent	2.136	
190	Municipal Committee Jatoi	12	Unauthorized payment of conveyance allowance during leave on full pay	0.025
191		13	Non-recovery of House Building Advances	0.589
192		15	Irregular and unjustified change of cadre and irregular payment	0.070
193		16	Unjustified transfer of holiday allowance and POL charges in irrelevant account instead of concerned person	0.105

Sr. No.	DDOs	Para No.	Subject	Amount
194		17	Misuse of Govt. Vehicle and Un-authorized expenditure of POL	0.145
195		18	Unjustified drawl of POL for watering/filling Pump	0.243
196		19	Unauthorized consumption of POL for Dewatering Set Disposal	0.526
197		22	Non maintenance of security deposits register	3.213
198		23	Unjustified drawl of POL for Generator during Ramzan Bazar without log book entry	0.060
199		24	Unauthorized payment of pay and allowances during absent period	0.317
200		25	Non-reconciliation of tax on transfer of immoveable property	23.258
201		27	Mis-procurement of store items	11.679
202		28	Unjustified payments of legal fee and non appointment of legal advisor	0.173
203		29	Non maintenance of stock registers of consumable items	4.930
204		30	Non reducing of brick rate and loss to Govt.	0.977
205		31	Overpayment due to allowing unjustified rate of ramming of earthwork	0.898
206		32	Unauthorized expenditure without tender advertisement and measurement	4.280
207		33	Overpayment on account of use of local sand	0.011
208		34	Overpayment due to non deduction of shrinkage in Earth Work	0.211
209		35	Non execution of Contract resulting loss to Government	0.047
210		36	Non Deposit of Tender Sale Money	0.68
211		37	Non collection of professional tax	0.090
212		38	Less collection of Renewal Fee from the Contractors	0.390
213	Municipal Committee Khan Garh	2	Loss to Govt. Due to Non-Collection of Building Plan Approval /Map Fee	0.367
214		3	Non-collection and less collection of NOC Fee	0.060
215		5	Non achievement of receipt targets	8.466
216		6	Unauthentic Budgeting due to difference of Opening balances	12.026
217		7	Unauthentic final accounts valuing	98.560
218		11	Unauthorized cash payment	11.171
219		12	Expenditure without detailed measurement	7.800
220		17	Non Deduction of Sales Tax at Source	0.013
221		18	Overpayment due to payment of excessive rates of tuff tiles	0.081
222		19	Overpayment due to unjustified payment of brick work	0.285
223		20	Recovery due to Less deduction of Income Tax	0.208
224		21	Non maintenance of record security deposits	0.745
225		22	Less Recovery on Account of Old Material	0.037
226		24	Unjustified expenditure of Refreshment	0.739

Sr. No.	DDOs	Para No.	Subject	Amount
227		25	Unauthorized expenditure without tender advertisement & measurement	1.023
228		27	Unjustified expenditure on repair of disposals	0.898
229		28	Loss due to Less Recovery of Provincial Sales (Withholding Tax)	0.512
230		31	Overpayment due to payment of higher rates of POL than notified by OGRA	0.077
231		33	Unauthorized payment of pending liabilities	1.567
232		35	Non-reconciliation of tax on transfer of immovable property	2.566
233		36	Loss due to non-recovery of conveyance allowance	0.101
234		37	Unauthorized Drawl of Pay	0.255
235		38	Loss due to unauthorized payment of Conveyance allowance during Leaves	0.012
236	Municipal Committee Kot Addu	5	Non recovery and deposit of advance income tax	0.483
237		6	Loss due to non-recovery of risk and cost from the contractors	0.365
238		7	Overpayment to contractor on account of PST	0.674
239		10	Loss due to non recovery of Provincial Sales Tax from contractors	0.117
240		12	Misappropriation due to un-justified lying of manhole covers and iron cross	0.717
241		14	Unauthorized payment due to utilization of local billet tuff tile pavers	0.335
242		15	Overpayment due to non reducing of brick rate	0.103
243		19	Non-reconciliation of tax on transfer of immovable property	17.592
244		22	Non maintenance of stock registers of consumable items	1.436
245		25	Unauthorized drawal of 50% Pension contribution	0.147
246		28	Unjustified payment on account of POL	13.833
247		30	Overpayment due to payment of higher rates of POL than notified by OGRA	0.139
248		31	Unauthentic purchase and consumption of electric items	0.347
249		32	Unauthorized and irregular purchase of Rickshaw	0.320
250		34	Loss due to non deputing of employees to leases and non-recovery of employees' salaries from contractors	0.240
251		36	Unauthorized payments of arrears of pay and allowance	0.100
252		37	Unauthorized payment of pending liabilities	5.147
253		38	Unjustified release of security deposits	0.955
254		40	Unauthorized Cash withdrawal	0.898
255		41	Unjustified payment of contractor profit and overhead charges	0.014
256	52	Unauthorized payment of legal charges	1.572	

Sr. No.	DDOs	Para No.	Subject	Amount	
257	Municipal Committee M.Garh	3	Unauthentic Budgeting due to difference of opening balances	46.889	
258		5	Non-collection and less collection of NOC Fee	0.260	
259		7	Loss to Govt. Due To Non-Collection of Building Plan Approval /Map Fee	0.067	
260		8	Loss to Govt. due to less recovery of Tender fee, expected misappropriation of Revenue	0.300	
261		10	Irregular expenditure without monitoring and evaluation of development scheme	72.258	
262		11	Unauthorized expenditure due to unapproved revised budget	768.506	
263		13	Non maintenance of important record	0	
264		14	Non conducting of stock taking	0	
265		Municipal Committee Shaher Sultan	6	Non achievement of receipt targets	1.543
266			12	Loss due to non-recovery of conveyance allowance from employees allotted Motorcycle	0.143
267	13		Unauthorized Payment of Conveyance Allowance During Leave On Full Pay	0.016	
268	14		Unjustified expenditure on POL for Beeco dewatering pump Rs 579,927	0.580	
269	15		Unjustified and Un-authorized drawl of Conveyance/Mobility Allowance	0.570	
270	16		Unjustified expenditure on account of installation of 2HP Electric Motor without electricity connection	0.025	
271	17		Unjustified transfer of amount into irrelevant account instead of concerned person/ supplier	0.075	
272	18		Unjustified expenditure on account of POL	0.045	
273	21		Unauthorized payment of Pay and Allowances During Absent Period	0.253	
274	22		Non-reconciliation of tax on transfer of immoveable property	3.189	
275	24		Irregular expenditure due to defective tendering process	4.580	
276	26		Unjustified payments of legal fee and payment of harjana	0.250	
277	27		Non maintenance of stock registers of consumable items	2.313	
278	28		Non- forfeiture of earnest money due to non start of work	0.036	
279	29		Non reducing of brick rate and loss to Govt.	0.173	
280	30		Overpayment due to allowing unjustified rate of ramming of earthwork	0.079	
281	32		Loss to Govt. due to non deduction of quantity of drain from earth work and tuff tile	0.043	
282	33		Non execution of Contract resulting loss to Government	0.035	
283	36		Less collection of Renewal Fee from the Contractors	0.273	
284	5	Unauthorized expenditure on account of Jashn-e-Azadi	0.537		

Sr. No.	DDOs	Para No.	Subject	Amount	
285	Municipal Committee Sinawan	6	Unauthorized expenditure on repair of machinery and equipment	0.772	
286		7	Loss to govt. due to purchase of POL at higher rates than the rates fixed by OGRA	0.118	
287		8	Unjustified payment on account of POL	2.766	
288		9	Mis-procurement of store items	7.434	
289		10	Non maintenance of security deposits register	3.005	
290		11	Unauthorized clearance of outstanding liabilities	0.087	
291		12	Unauthorized expenditure without tender advertisement and measurement	4.394	
292		13	Overpayment Due to non Deduction of shrinkage in Earth Work	0.078	
293		14	Non-recovery of departmental charges from deposit work	0.935	
294		16	Overpayment due to non reducing of brick rate	0.384	
295		17	Non deduction of PST on Services & Sales Tax	0.163	
296		19	Doubtful technical sanction of estimates	4	
297		20	Loss due to Non Recovery of Provincial Sales Tax on Services and Contractor Security	0.199	
298		24	Non-reconciliation of tax on transfer of immoveable property	5.972	
299		25	Non-auction of shops after the expiry period and Loss	0.459	
300		26	Unauthorized opening of tenders for development schemes	1.800	
301		28	Non maintenance of important record	0	
302		MC Fazilpur	7	Overpayment due to utilization of local billet tuff tile pavers	0.247
303			9	Non maintenance of security deposit register	3.509
304			11	Overpayment due to payment of higher rates of pol than notified by OGRA	0.184
305	12		Unjustified payment due to non-approval of non-schedule items from authority	0.491	
306	13		Unauthorized award of leases	0.234	
307	14		Non deposit of advance income tax		
308	16		Unjustified expenditure on repair of machinery & equipment	0.108	
309	20		Loss of govt. due to theft of Govt. motorcycle	0.063	
310	22		Overpayment due to grant of annual increment without completing six month service and recovery thereof	0.063	
311	23		Irregular drawl of additional charge allowance	0.285	
312	24		Loss of rs.316,500/- due to non imposition of penalty	0.316	
313	27		Overpayment of rs.246,466/- due to non deduction of shrinkage	0.246	
314	28		Unjustified RCC work	0.264	
315	29		Overpayment due to less construction of culverts	0.996	
316	30		Non-forefiet of earnest money	0.225	

Sr. No.	DDOs	Para No.	Subject	Amount	
317		32	Overpayment due to non-adjustment of 30%ssb after regularization of services	0.466	
318		35	Irregular expenditure on repair of vehicle	0.662	
319	MC Jampur	1	Loss due to non deputing MC employees on leases	3.360	
320		2	Loss due to non-auction of shops after the expiry period	0.771	
321		5	Unauthentic purchase of electric items for muharram	0.837	
322		9	Doubtful expenditure due to un-justified lying of manhole covers and iron janglely	0.969	
323		10	Execution of schemes without obtaining of NOC from other departments	6.500	
324		12	Payments without detailed measurement	1.220	
325		13	Overpayment due to utilization of local billet tuff tille pavers	0.694	
326		14	Overpayment due to non reducing of brick rate	0.188	
327		15	Non maintenance of security deposit register	3.335	
328		16	Unjustified expenditure on street clearance	1.312	
329		17	Overpayment due to payment of higher rates of pol than notified by OGRA	0.575	
330		18	Unjustified payment due to non-approval of non-schedule items from authority	0.242	
331		19	Mala fide carrying farward of figures of arrear of rent of shops	0.760	
332		20	Unauthorized award of leases	5.551	
333		21	Non deposit of advance income tax	0.555	
334		29	Unauthorized consumption of POL	15.280	
335		30	Expenditure without calling tenders	3.436	
336		33	Unauthorized payment of pending liabilities	5.725	
337		34	Expenditure beyond competency and without tender advertisement	0.193	
338		35	Loss on account of conveyance allowance	0.110	
339		36	Loss due to non deduction of house rent and 5% maintenance charges	0.117	
340		42	Overpayment due to non deduction of shrinkage	0.025	
341		43	Unjustified RCC work	0.049	
342		44	Irregular tendering of works	12.200	
343		49	Irregular expenditure on repair of vehicle	2.935	
344		MC Kot mithan	4	Loss due un-authorized inclusion of provincial sales tax from contractors	0.148
345			7	Overpayment due to utilization of local billet tuff tille pavers	0.540
346			8	Overpayment due to non reducing of brick rate	0.316
347			9	Non maintenance of security deposit register	1.860
348	11		Overpayment due to payment of higher rates of pol than notified by OGRA	0.314	
349	17		Non deposit of advance income tax- rs 12,100	0.012	

Sr. No.	DDOs	Para No.	Subject	Amount
350		19	Unjustified expenditure on repair of machinery & equipment	0.177
351		24	Overpayment due to grant of annual increment without completing six month service and recovery thereof	0.019
352		25	Irregular drawl of additional charge allowance	0.036
353		26	Loss due to non imposition of penalty	0.100
354		27	Overpayment due to non deduction of shrinkage	0.089
355		28	Unjustified rcc work	0.083
356		29	Un-justified payment of penalty on low load power factor through electricity bills	0.053
357		30	Un-authorized clearance of outstanding liabilities	0.520
358		31	Overpayment due to non-adjustment of 30%ssb after regularization of services	0.742
359		33	Irregular expenditure on repair of vehicle	0.620
360	MC Rajanpur	2	Unauthorized incurrence of legal charges	0.486
361		3	Misappropriation due to un-justified lying of main hole covers	0.500
362		5	recovery of un-authorized payment of conveyance allowance	0.797
363		6	Irregular purchase of tractor	1.408
364		8	Unauthorized payment of pending liabilities	9.221
365		11	Unauthorized payment of Arrears of pay and allowances.	0.904
366		12	Likely misappropriation on account of Insecticides	0.159
367		15	Doubtful consumption of POL	14.687
368		16	Doubtful execution of works	1.390
369		21	Irregular drawl of T. A / D. A	0.223
370		22	Unjustified payment on account of operational expenditure	7.305
371		23	Unauthorized Payment of GPF and BF	0.936
372		24	Loss due to defective budgeting and self collection	8.564
373		25	Non achievement of receipt targets	45.443
374		26	Less recovery from contractors	0.192
375	MC Rojhan	2	Unauthorized expenditure on development schemes by splitting through calling quotations	4.339
376		4	Unauthorized and Non accountal, Consumption of Store	0.922
377		5	Irregular expenditure on repair of vehicle	0.927
378		8	Loss Due to Less Valuation of Petrol Pumps Land	0.205
379		9	Overpayment due to non-reducing of bricks rate and Shrinkage on earth work	0.261
380		10	Overpayment due to payment of higher rates of POL than notified by OGRA	0.804
481		12	Unjustified expenditure on POL	1.310
382		14	Irregular expenditure without advertisement on PPRA website	2.544

Sr. No.	DDOs	Para No.	Subject	Amount
383		15	Recovery due to Less deduction of PST on Services & Sales Tax	0.606
384		16	Irregular and Doubtful Expenditure Through Calling Quotations and Recovery of overpayments	0.346
385		18	Irregular Cash Payment/Drawal without Acknowledgement	0.393
386		19	Non auctioning of machinery & old materials	1.370
387		21	Unauthorized payment of tuff tile pavers	0.276
388		22	Loss due to Non-Recovery of Provincial Sales Tax on Contractor bill	0.054
389		23	Non-reconciliation of immoveable property tax	1.955

FAISALABAD REGION

(Rupees in million)

Sr. No.	Name of Formation	Para No.	Subject	Amount
1	Municipal Committee Bhowana	2	Non-reconciliation of Tax on Transfer of Immoveable Property	11.016
		3	Difference in receipt figures between classified cash book and annual accounts	3.165
		5	Lapse of funds due to poor financial management	2.352
		9	Non-deposit of CDRs in the MC's bank account	0.495
		10	Irregular payment for execution of earthwork	0.449
		11	Irregular provision of non-scheduled items without rate analysis	0.405
		12	Blockage of local funds	0.402
		13	Non-recovery of Income Tax	0.302
		14	Less recovery of auctioned amount from the contractor	0.265
		15	Non-recovery of advertisement fee	0.146
		16	Non-imposition of penalty on delay in renewal of enlistment	0.139
		17	Undue retention of Advance Income Tax collected on behalf of Federal Government	0.173
		18	Non-imposition of penalty and non-forfeiture of call deposit for non-commencement of work	0.030
19	Less-recovery of Tender Fee	0.005		
2	Municipal Committee Chenab Nagar	1	Non-reconciliation of Tax on Transfer of Immoveable Property	22.629

Sr. No.	Name of Formation	Para No.	Subject	Amount
		2	Irregular expenditure without preparation of PC-1	3.800
		3	Non-imposition of penalty for delay in completion of works	0.100
		5	Irregular payment for execution of earthwork	0.626
		8	Non-recovery of slaughter house fee	0.427
		9	Non-recovery of advertisement fee	0.342
		10	Non-recovery of rent of shops	0.091
		12	Lapse of funds due to poor financial management	7.695
		14	Non-deposit of CDRs into Government treasury	0.548
		15	Irregular / suspicious expenditure on the repair of machinery & equipment	0.570
		16	Defective maintenance of accounts	-
		18	Non-maintenance of record	-
3	Municipal Committee Chiniot	4	Less recovery of auctioned amount from the contractors	0.485
		8	Non-imposition of penalty on delay in renewal of enlistment	0.113
		17	Less charging / collection of Advance Income Tax	0.095
4	Municipal Committee Lalian	3	Lapse of fund due to poor financial management	19.549
		4	Non-reconciliation of Tax on Transfer of Immoveable Property	7.689
		11	Unjustified payment for execution of earthwork	1.499
		13	Non-imposition of penalty for delay in completion of works	0.310
		14	Non-recovery of water rate	0.206
		15	Non-recovery of conversion/building plan approval fee	0.127
		16	Non-recovery of local Government dues from contractor	0.083
		17	Less payment of Stamp Duty by the suppliers	0.072
		18	Non-recovery of License Fee	0.018
		19	Defective budgeting & maintenance of accounts	-
5		4	Lapse of funds provided under PFC share	5.490

Sr. No.	Name of Formation	Para No.	Subject	Amount
	Chief Officer, Municipal Committee, Chak Jhumra	15	Irregular payment for execution of earthwork	1.011
		21	Excess payment on account of non-standardized items	0.025
		22	Defective maintenance of accounts	-
6	Chief Officer, Municipal Committee, Dijkot	5	Non-reconciliation of Tax on Transfer of Immovable Property	10.543
		8	Irregular execution of development work	22.588
		10	Provision and Payment of earthwork without detailed calculation	1.554
		12	Non-recovery of arrears of license fee	-
		13	Less obtaining of Additional Performance Security	-
		17	Non-deduction of area of crust	0.248
		18	Non-deduction of shrinkage	0.186
		19	Non-disposal of scrap	0.150
		20	Overpayment due to non-reduction of composite rates of concrete	0.051
7	Chief Officer, Municipal Committee, Jaranwala	2	Irregular execution of works without maintaining history	36.888
		3	Lapse of funds due to non-utilization	26.926
		5	Irregular creation of demand without assessment of market rate	-
		18	Irregular payment for execution of earthwork	1.145
		19	Excess expenditure due to award of work on unhealthy competition	0.940
		20	Utilization of bricks without ensuring standard specifications and testing	0.787
		21	Non-recovery of rent of shops rent	0.281
		22	Non-recovery of local Government dues	0.263
		23	Less charging/payment of Stamp Duty by the contractors	0.227
		24	Overpayment to contractors	0.133
		25	Unknown whereabouts of License Fee	0.099
8	Chief Officer, Municipal Committee, Khurrianwala	1	Irregular execution of works without maintaining history	21.900
		3	Non-reconciliation of Tax on Transfer of Immoveable Property	12.643
		10	Irregular payment for execution of earthwork	1.141
		11	Non-verification of General Sales Tax	0.914

Sr. No.	Name of Formation	Para No.	Subject	Amount
		12	Blockage of local funds	0.868
		13	Non-imposition of penalty on delay/non-payment of renewal of enlistment	0.386
		14	Loss due to non-recovery of license fee	0.243
		15	Less charging/collection of Advance Income Tax	0.223
		16	Less-recovery of Tender Fee	0.182
		17	Non-recovery of conversion and building plan approval fees	0.116
		18	Defective budgeting & maintenance of accounts	-
9	Chief Officer, Municipal Committee, Mamunkanjan	13	Non-deposit of receipt into Municipal Committee Account	0.012
		20	Irregular expenditure on improvement of residential building	1.720
		21	Non-reconciliation of TTIP receipts with Revenue Department	5.588
		25	Non-obtaining of additional performance security	0.325
		26	Unauthorized occupation of building of Municipal Committee Office	-
10	Chief Officer, Municipal Committee, Sammundari	1	Undue lapse of funds	24.106
		2	Non-recovery of risk & expense amount from defaulting contractors	0.387
		3	Irregular payment for execution of earthwork	1.309
		8	Non-verification of General Sales Tax	0.988
		9	Difference in receipts reported in classified cash book and annual accounts	1.056
		11	Irregular award of collection rights	5.110
		17	Irregular creation of demand without assessment of market rate	-
		19	Non-recovery due to use of steel other than Pakistan Steel	0.060
		20	Non-imposition of penalty for delay in completion of works	0.988
		21	Less recovery of conversion fee	0.082
		22	Defective budgeting & maintenance of accounts/Non-setting of Key Performance Indicators	-
11		8	Excess payment to the contractors on account of dismantling	0.200

Sr. No.	Name of Formation	Para No.	Subject	Amount
	Chief Officer, Municipal Committee, Tandlianwala	10	Unauthorized expenditure on street light material	0.737
		13	Undue favor to the contractors due to non-obtaining Additional Performance Security	0.663
		14	Unjustified reduction in reserve price for collection rights of Advertisement Fee	0.700
		15	Infructuous expenditure on online system	0.986
		16	Non-recovery of Local Government dues	0.401
		17	Non-recovery of Punjab Sales Tax on Services	0.362
		18	Non-auction of collection rights	0.614
		20	Non-reconciliation of TTIP receipts with Revenue Department	12.372
		22	Overpayment due to charge of less shrinkage	0.067
		23	Non-deduction of cost of old batteries	0.012
12	Municipal Committee, 18 Hazari	1	Non-reconciliation of Tax on Transfer of Immoveable Property	5.841
		3	Non-deposit of CDRs into Government treasury	0.445
		9	Irregular payment for execution of earthwork	0.713
		10	Doubtful expenditure for purchase of durable goods	0.180
		11	Non-imposition of penalty for delay in completion of works	0.430
		12	Irregular expenditure on account of purchase of furniture	0.555
		13	Unauthorized execution of development works without entering into formal agreements	0.500
		14	Defective maintenance of accounts	-
		6a	Non-recovery of License Fee	0.187
		6b	Non-recovery of conversion / building plan approval fee	0.042
13	Municipal Committee, Ahmad Pur Sial	1	Irregular expenditure due to defective tendering process	21.700
		2	Non-reconciliation of Tax on Transfer of Immoveable Property	19.763
		5	Irregular payment for execution of earthwork	1.374

Sr. No.	Name of Formation	Para No.	Subject	Amount
		6	Non-deposit of CDRs into Government Treasury	1.017
		8	Unauthorized execution of development works without entering into formal agreements	1.000
		9	Less-recovery of Tender Fee	0.711
		10	Less deduction of Income Tax from contractors	0.155
		11	Non-recovery of local Government dues	0.037
		12	Non-recovery of Punjab Sales Tax on Services	0.024
		13	Non deduction of Punjab Sales Tax on development schemes	0.017
14	Municipal Committee, Garh Maharaja	1	Non-reconciliation of Tax on Transfer of Immoveable Property	7.507
		2	Irregular expenditure due to defective tendering process	6.500
		6	Irregular payment for execution of earthwork	1.427
		8	Non-deposit of CDRs into Government Treasury	1.025
		9	Non-recovery of Water Rate	0.199
		10	Non-recovery of rent of shops	0.178
		11	Less deduction of Income Tax from contractor	0.064
		12	Non-recovery of Punjab Sales Tax on Services	0.024
15	Municipal Committee, Jhang	6	Unauthorized negotiation in award of work	10.748
		9	Loss due to less fixation of reserve price	1.012
		11	Non-imposition of penalty on delay in renewal of enlistment	0.112
		18	Non-maintenance of record	0.000
16	Municipal Committee, Shorkot	1	Undue lapse of funds	51.036
		2	Non-recovery of local Government dues from contractor/Lessees	0.318
		3	Irregular payment for execution of earthwork	1.113
		4	Non-reconciliation of Tax on Transfer of Immoveable Property	25.892
		5	Non-imposition of penalty for delay in completion of works	0.471

Sr. No.	Name of Formation	Para No.	Subject	Amount
		11	Defective budgeting & maintenance of accounts/Non-setting of Key Performance Indicators	0.000
		13	Irregular Technical Sanction Estimates before Administrative Approval	1.400
		14	Irregular award of work without detailed description of development scheme	1.219
		19	Unknown whereabouts of procured items	0.709
		24	Irregular expenditure due to misclassification	0.330
		25	Unauthorized payment of time barred claims without sanction	0.524
		26	Non-recovery of miscellaneous fee from the owners of land sub divisions	0.787
		27	Difference in receipt figures between classified cash book and annual accounts	24.930
		28	Unjustified execution of civil work	0.228
		29	Unjustified expenditure on the repair of vehicles	0.624
17	Municipal Committee, Gojra	12	Less realization of license Permit fee	0.459
		13	Loss due to non-leasing of Tehbazari on competitive market rate	-
		14	Non-recovery of Water Rate charges	0.976
		16	Less realization of income due to non-auction of income sources	0.948
		17	Overpayment to the contractor due to wrong estimation of civil works	0.652
		18	Payment to the contractors beyond estimates of civil works	0.230
		19	Overpayment to the contractors due to less/non-deduction of cost of old material	0.042
		21	Irregular utilization of development funds	2.449
		23	Doubtful repair of sucker machine from suspected firm	0.994
		24	Excess payment of contractor's profit and overhead charges	0.160
		25	Less-deduction of Punjab Sales Tax on Services	0.201
		26	Irregular expenditure through splitting to avoid tenders	0.299
		27	Doubtful departmental collection of receipts	-

Sr. No.	Name of Formation	Para No.	Subject	Amount
18	Municipal Committee, Kamalia	3	Less recovery of Tender fee	0.850
		4	Excess drawl of transfer grant	0.057
		12	Irregular expenditure after expiry of Admin Approval and without time extension	2.006
		14	Non-recovery of cost of land and development charges from Kachi Abadies	0.392
		15	Irregular promotion of computer personnel	-
		16	Excess payment on purchase of tyres	0.047
		17	Non-maintenance of record	-
19	Municipal Committee, Pir Mahal	15	Non-imposition of penalty for non-completion of schemes	0.191
		16	Non-recovery of income of TTIP Share	0.256
		17	Less recovery of conversion, building plan approval fee	0.088
		18	Less application of stamp duty from contractors	0.010
		19	Irregular provision of non-schedule items	0.608
		20	Irregular expenditure on purchase of electric material	0.400
		21	Unjustified expenditure on POL	0.067
		22	Unjustified payment of re handling of earth from park site	0.028
		23	Overpayment to the contractors due to non-deduction of shrinkage	0.027
		24	Loss to the District Council due to theft	0.205
		25	Overpayment to the on account of POL	0.005
		26	Non-recovery of Local Government dues	0.643
		27	Non-recovery of License Fee	0.084
20	Municipal Committee, Toba Tek Singh	7	Excess payment to the contractors on account of thickness of tuff tiles	0.904
		9	Irregular utilization of development funds	6.661
		13	Excess payment on account of lead of disposal of earth	0.264
		15	Non-availability of executed work at site	0.357
		18	Non/less deduction of Income Tax & Sales Tax	0.098
		19	Excess payment of Contractor profit & overhead charges	0.120
		22	Non-deduction of General Sales Tax from unregistered suppliers	0.125

Sr. No.	Name of Formation	Para No.	Subject	Amount
		23	Unjustified payment of carriage and labor charges	0.047
		26	Non-issuance of Completion Certificates against approved maps	0.623
		27	Less realization of revenue from License permit fee	-

MULTAN REGION

(Rupees in million)

Sr. No.	Para No.	Subject	Amount
MC Jahanian			
1	2	Non preparation of monthly progress report of works	30.778
2	4	Non-surrendering of saving of fund transferred for Local Government Package 2017-18.	0.830
3	5	Purchase of filtration plant and other non-schedule items without obtaining competitive rates	4.624
4	7	Non-recovery of penalty for delay in completion of works.	0.580
5	8	Irregular Payment of Tuff tile without obtaining of Lab test report and recovery thereof.	0.724
6	9	Irregular issuance of work order without technical sanction	2.500
7	10	Irregular execution of works due to non-obtaining of additional performance security	1.168
8	11	Irregular issuance of work orders and expenditure thereof	7.506
9	12	Expenditure beyond competency due to irregular technical sanction.	0.829
10	13	Non-auction of dried trees and machinery/material – Rs 1 million	1.000
11	18	Non mutation of public amenities besides no entry in property register	73.645
12	19	Less transfer of land of parks area in the name of Municipal Committee.	24.420
13	20	Less deposit of conversion fee.	0.356
14	22	Loss to the municipal committee fund due to less charging of tender fee.	0.580
15	23	Non-Deduction of Professional tax.	0.016
16	24	Weak budgeting and non surrendering of savings	20.231
17	25	Non achievement of Budgeted Targets	56.760
18	26	Collection of various taxes, fee etc. without gazette notification under Accounts Rules 2017	27.111
19	28	Non auction of collection right of various source of income	6.314
20	29	Loss due to non re-auction of shops after expiry of lesse period annual	7.800
21	30	Non reconciliation of receipts between DDOs and Resident Assistant Director	276.719
22	31	Non realization of income from land of municipal committee.	0.825
23	32	Difference of receipt and expenditure	1.577
24	35	Irregular and doubtful expenditure on repair of vehicle and machinery	3.200
25	36	Excess expenditure incurred by misclassification.	0.536

Sr. No.	Para No.	Subject	Amount
26	37	Doubtful consumption of POL	2.692
27	38	Irregular payment of holiday/overtime allowance	1.447
28	39	Non production / maintenance of record	-
MC Kabirwala			
29	1	Illegal construction without approval and less collection of conversion fee from the owners	1.102
30	2	Illegal construction of housing colony and college, recovery on account of setback area, conversion fee and map fee	1.072
31	5	Unjustified expenditure on winching and de-silting of sewerage lines	5.045
32	7	Recovery of Conveyance Allowance having official car and motorcycles	0.115
33	8	Recovery on account of house rent allowance	0.058
34	11	Irregular promotion of employees and recovery of arrears of pay and allowances	0.249
35	12	Recovery of excess payment on account of repair, renovation & up-gradation of Akber hall	0.839
36	13	Doubtful/ unjustified expenditure on electricity of street light	16.618
37	15	Less recovery of Rent of Shops due to non-auctioning and loss to Government	18.570
38	16	Poor performance of municipal committee due to non-achievement of various receipts targets	24.031
39	17	Non verification of record of tax on transfer of immoveable property and Less collection	23.074
40	18	Less collection of conversion fee from the owner of school	0.580
41	19	Non- recovery of water rate and Loss to TMA Funds due to poor recovery position of	0.098
42	21	Unjustified expenditure on repair of sewer Jetting and services	1.748
43	22	Non-Recovery of Professional Tax	0.180
44	23	Non-completion of development schemes within time period and non recovery of penalty from the contractors	0.189
45	24	Non-conducting of Post Completion Evaluation of development Schemes	67.429
46	25	Unjustified payment to contractor and excess payment due to charging of rates of shuering and timbering	0.530
47	26	Irregular clearance of pending liabilities without allocation of funds -	1.383
48	27	Irregular procurement of low-quality lap top on higher rates without requirement	0.581
49	28	Less recovery on account of sales of water of disposal works	0.695
50	29	Unrealistic fixing of target of General bus stand fee and less collection	5.000
MC Khanewal			
51	2	Non-recovery of water rate	0.680
52	4	Non-reconciliation of recovery of tax on transfer of immoveable property	119.766
53	8	Loss to government due to less recovery of tender fee	18.553
54			

Sr. No.	Para No.	Subject	Amount
55	9	Overpayment of Excess Lead in Carriage of Stone as compare to leads approved by Planning & Design Directorate	0.085
56	10	Recovery of Below Specification Sub-Base against the Standard Specification	0.095
57	11	Pilferage of revenue in MC share of death and birth fee inquiry thereof	-
58	13	Loss to MC due to payment of excess rates of POL to Petrol Pump owner recovery thereof	0.599
59	20	Doubtful expenditure on national celebrations	5.034
60	24	Unjustified payment of earth work without recording of levels and cross section area	1.209
61	27	Overpayment due to payment of excess rates of tuff tile	0.282
62	28	Overpayment of earthwork as compare to work done at site recovery thereof	0.785
63	30	Loss to Government due to non-recovery of dues from illegally established petrol pumps	0.694
64	33	Illegal approval of maps of commercial malls against the provisions of Building and town planning Model By-laws	
65	34	Irregular adjustment of earnest money and non-maintenance of proper record of auction of collection rights	5.240
66	35	Non-maintenance of record and non-recovery of rent of properties	-
MC Mian Channu			
67	2	Non-collection of advance tax	1.914
68	3	Non availability of sufficient funds in accounts against the cheques submitted by contractor as surety	9.200
69	4	Non deposit of advertisement fee	2.171
70	6	Non recovery of tax on transfer of immoveable property	0.192
71	7	Purchase of excess quantity than requirement at site	0.538
72	8	Drawl of amount without the sanction of competent authorities	0.232
73	11	Short receipt of conversion fee	0.290
74	13	Loss to government due to less recovery of tender fee	7.899
75	14	Short receipt of conversion fee	0.698
76	15	Short receipt of conversion fee and map fee	0.184
77	16	Non deduction of LD Charges due to late supply	0.022
78	19	Loss to MC due to payment of excess rates of POL to Petrol Pump owner recovery thereof	0.238
79	21	Illegal receipt of short conversion fee	0.417
80	22	Non-reconciliation of recovery of tax on transfer of immoveable property	46.990
81	23	Non maintenance of meters of vehicles and generators involved consumption of POL	12.039
82	27	Illegal construction of commercial buildings without paying map and conversion fee involved recovery of millions.	-
83	28	Overpayment due to charging of excess rates	0.060
MC Tulamba			
84	2	Doubtful Technical Sanction Estimates	53.620

Sr. No.	Para No.	Subject	Amount
85	5	Irregular execution of development works without clear identification of projects	33.397
86	7	Illegal construction of commercial building besides the recovery on account of conversion fee and map fee and setback area	0.856
87	8	Non achievement of Budgeted Targets	3.361
88	10	Unjustified expenditure due to splitting	0.279
89	9	Unauthorized splitting of works	4.699
90	11	Loss due to less/ non deduction of income tax on repair and purchase items	0.038
91	12	Loss due to non/ less recovery of withholding tax on services	0.119
92	14	Loss to Government due to less deduction of Sales Tax and Income Tax	0.160
93	15	Loss to Government due to less receipt than previous year receipts	4.377
94	16	Loss due to non-auction of vacant shops	0.334
95	17	Less-estimation of various revenue heads	0.150
96	18	Less recovery of lease money	0.060
97	19	Non recovery and deposit of advance income tax	0.110
98	21	Recovery due to Less-deduction of Income Tax for Civil work	0.184
99	22	Loss to government due to non recovery of professional tax Rs 3,000	0.003
100	23	Non/ improper maintenance of stock registers of permanent assets	4.390
MC Dunyapur			
101	3	Irregular execution of development works without obtaining administrative approval	15.965
102	5	Irregular approval of development schemes without PC-I	12.526
103	12	Non-Reconciliation of Mutation & Registration Fee	12.700
104	16	Loss due to non reduction of cost of bricks and 7% Cost of Bricks	0.250
105	19	Non-imposing of penalty due to non-completion of works within time limit	2.296
106	21	Irregular Sanction of Financial Assistance Beyond Delegated Financial Powers	2.200
107	22	Unjustified payment of earthwork without recording levels and cross section	1.937
108	23	Loss to the Government due to less charging tender fee	2.099
109	25	Doubtful use of POL in fire brigade, jetting and sucker machines	1.465
110	30	Improper pursuance the case of rent of shops in the court of law and blockade of revenue	1.998
111	32	Irregular / Unjustified Heavy Repair of Fire Brigade Amounting	0.716
112	33	Non recovery of departmental charges	0.569
113	34	Loss to Government due to non-deposit of professional tax	0.540
114	35	Irregular payment on construction of culverts	0.398
115	36	Unauthorized expenditure on contingent paid staff	0.474
MC Kehror Pacca			
116	1	Unjustified payment of earth work without recording of levels and cross section area	1.921
117	2	Non-imposition of penalty due to non-completion of works within time limit	2.991

Sr. No.	Para No.	Subject	Amount
118	4	Loss to Government due to less recovery of tender fee	3.693
119	10	Non-reconciliation of accounts of receipts and expenditure	-
120	11	Non-maintenance of cash book for expenditure and receipt	-
121	12	Non-forfeiture of security deposits despite non- execution of works	3.522
122	16	Non collection of record of various heads of receipt from the contractors leased out during 2016-19	-
123	18	Misappropriation of Local Government receipts	-
124	28	Loss to Local Government due to non-recovery of arrear as land revenue	0.651
125	29	Poor performance of recovery staff due to non-recovery of water charges	0.692
126	31	Deterioration of Government property due to non-auction thereof	0.375
127	32	Pilferage of revenue in MC share of death and birth fee inquiry thereof	-
MC Lodhran			
128	1	Less charging / collection of advance Income Tax	0.510
129	3	Loss to government due to less receipt of call deposit	0.296
130	6	Mis-procurement of furniture	3.918
131	8	Irregular payment of holiday allowance	2.254
132	12	Unauthorized purchase of vehicles	4.575
133	13	Unauthorized advance payment for purchase of vehicles	1.392
134	15	Unjustified expenditure on Jashan-e-Azadi	1.985
135	16	Non submission of performance reports to House	-
136	19	Irregular hiring of machinery for anti-encroachment of land	-
137	20	Irregular withdrawal of funds without valid claims	2.000
138	22	Irregular approval of development schemes without PC-I	25.450
139	26	Non reconciliation of mutation & registration fee	142.135
140	28	Non-imposing of penalty due to non-completion of works within time limit	1.180
MC Jalalpur Pirwala			
141	4	Non recovery of license fee from gold smith shops	0.729
142	5	Bogus preparation of estimates and bogus tender process	1.000
143	7	Illegal construction of buildings by violating building by laws and without payment of government dues	0.738
144	16	Fake estimation, fake award letter, fake tender process and fake billing resulted in embezzlement government	1.000
145	17	Overpayment due to payment for works without preparation of estimate	1.200
146	18	Excess drawl of amount due less supply of quantity ordered and charging excess rates	0.331
147	20	Illegal expenditures of development work out of object head A03918	0.965
148	21	Bogus preparation of estimates and change of bid after comparative statement approval and excess payment of rates in the work purchase of furniture	0.700
149	23	Non deposit of lease amount of land being cultivated at water disposal and water treatment plant and rent of land used by nursery	3.100
150	24	Non maintenance of log book of water tank	3.900

Sr. No.	Para No.	Subject	Amount
MC Shujaabad			
151	1	Non-Collection of Advance Tax	0.959
152	3	Less recovery of water rates	0.042
153	5	Non-auctioning of shops to actualize recovery of rent at competitive rates	-
154	6	Non-Conducting Survey of New Shops regarding "License Permit Fee" Head	-
155	9	Irregular payment of tuff tiles without obtaining lab test reports	6.104
156	10	Unjustified Delay in Approval of Maps and Processing of Applications	-
157	11	Mis-procurement of Motor bike loader riksha	0.604
158	12	Blockage of Government funds	0.910
159	15	Doubtful repair of vehicles	1.468
160	16	Deterioration of Government Properties	1.386
161	17	Irregular payment of earth work without recording of cross section area	1.202
162	20	Non-recovery of professional tax	0.027
163	22	Irregular approval of development schemes	3.825
164	23	Loss to government due to charging of excess rate of earth filling	0.300
165	25	Irregular tenders without advertisement in English newspaper	38.775
166	26	Loss due to less recovery of tender fee	1.501
MC Arifwala			
167	1	Doubtful cancellation of bid despite in excess of reserve price	0.482
168	2	Non-deposit of advance income Tax on auctions	0.276
169	4	Irregular payment without measurement book	2.485
170	6	Non-recovery of license / permit fee on professions	0.141
171	7	Irregular auction of collection rights	10.427
172	12	Less recovery of conversion fee by charging less rate of land	0.247
173	14	Unjustified payment of earth work without recording of levels and cross section area	1.762
174	18	Loss due to less recovery of tender fee	1.029
175	23	Doubtful expenditure by calling quotations on repair of transformers	0.644
MC Pakpattan			
176	1	Irregular payment of sub-standard electric items without mentioning of brand name in MB & in stock register value	1.304
177	4	Less payment of PRA Charges and not inclusion in the Rough Cost estimates	0.157
178	6	Unauthorized payment of Non schedule items without Detail estimates, Valid TS & Administrative approval, non availability of entry in Measurement book	0.900
179	8	Excess Payment to self favoured Contractor Due to Excess Rates & Quantities of Earth work	0.274
180	9	Loss to the Government due to purchase of electric store items from the contractor	7.735
181	11	Excess payment to Contractor by paying Higher Rates of False Ceiling	0.370
182	14	Non-payment of advance income tax in Government treasury	2.073

Sr. No.	Para No.	Subject	Amount
183	15	Irregular award of outsource income contracts due to late agreement with contractors	20.729
184	17	Less Recovery of Sewerage Fee Due to Unrealistic Survey & Non serious Attitude of Finance Branch	0.061
185	20	Illegal processing of map application & approval without obtaining NOC from Environmental Protection Agency (EPA)	3,018.600
186	24	Loss of stamp duty/MC tax due to non-execution /registration of sale deeds	154.650
187	25	Less receive of Conversion Fee of Commercial Building	0.673
188	27	Excess Drawl of Transfer TA Grant	0.134
189	28	Non deduction of Conveyance allowance instead of designated vehicle	0.324
190	29	Unauthorized Extra ordinary high & repeated expenditure on purchase of same type of Crockery for General branch	0.168
191	30	Misappropriation of Funds on bogus Repair of Suzuki Cultus due to bogus repair of repeated items	0.840
192	31	Bogus drawl of POL of vehicle PKA-786 by recording bogus consumption	1.546
193	32	Bogus drawl of POL of vehicle SLE-7722 by recording bogus consumption	1.245
194	33	Unauthorized expenditure on Repair of Residential Buildings Beyond Delegation Powers and payment without completion certificate	0.437
195	34	Irregular purchase of higher quantity of Revolving Chairs & Furniture on higher price	0.377
196	35	Unauthorized appointment of contingent paid staff	43.160
197	36	Irregular payment to contingent paid staff without appointment letter	22.840
198	37	Unauthorized Repair of Transformer	0.664
199	38	Irregular purchase of Stickney from the unapproved Dealer of the Government and without DTL	0.291
200	39	Loss to Government due non-receiving of tender fee	12.660
201	40	Excess payment to contractor due to charging of less income tax, charging high rates, charging less PST	0.422
202	41	Substandard execution of work, besides Recovery	1.021
203	42	Irregular executions of development schemes without dates and without writing of rates in words on the tender form and on comparative statement	18.000
204	43	Non Deduction of surplus earth work	0.481
205	44	Irregular payment of tuff tile due to non-providing proof of approved manufacture	16.498
206	45	Non maintenance of cash book	8.985
MC Chichawatni			
207	7	Unauthorized processing and approval of Maps	0.384
208	12	Loss to Government due to non-auction of shops	50.580
209	13	Loss to the Government due to self-collection of general bus stand fee	0.975
210	14	Non recovery of electricity bills and cost of receipts books from the contractor of slaughter house	0.190

Sr. No.	Para No.	Subject	Amount
211	16	Non-deduction of 16% punjab sales tax and overpayment to supplier	0.366
212	18	Embezzlement on account of Repair of Tents and labour for standing tents	0.830
213	19	Unauthorized expenditure on provision of CCTV cameras	0.248
214	21	Doubtful expenditure on account of sports festival	1.579
215	23	Unauthorized expenditure of local newspapers – Recovery thereof	0.215
216	24	Non-verification of deposit of GST	0.771
217	26	Substandard supply of LED lights and recovery due to short supply	0.400
218	27	Recovery of overpayment due to excess rate paid for the purchase of dust bin	0.089
219	28	Uneconomical Civil Work without having Photographs before TS	53.800
220	29	Non-availability of detail entries in measurement book by the Sub Engineer	0.127
221	30	Substandard execution of works costing	4.500
222	31	Non-collection of proof of deposit of General Sales Tax on water filtration plants	0.916
223	32	Irregular payment for disposal of excavated material rather deduction from contractor recovery thereof	0.107
224	33	Irregular / Doubtful Executions / award of Development Schemes without Dates and without writing of rates in words on the tender form and on comparative statement	55.000
225	35	Non-availability of receipt books of fee collected by the contractor	18.290
226	36	Non-maintenance of Separate Books of Accounts by Each DDO	-
227	42	Bogus expenditure on hiring of tents despite having own tents	0.156
228	43	Chances of embezzlement in the heavy expenditure of POL of sanitation and disposal	21.970
229	44	Misappropriation in purchase of tents	0.899
230	45	Excess payment due to excess rate charged for panaflexes	1.544
231	46	Non preparation of monthly progress report of works	55.000
232	48	Non-Provision of compliance of previous Audit Paras	-
233	49	Non production of various details/record	-
MC Kameer			
234	1	Non-surrendered of savings and lapse of development & non-development budget	308.640
235	3	Doubtful preparation of single line budget for pay & allowances	31.786
236	4	Suspected bogus expenditure on the accounts of bamboos in absence of stock entry and proof of consumption	0.324
237	5	Doubtful expenditures on accounts of repair machinery & equipment	1.072
238	7	Non maintenance of complaints, inquiries, earned/ casual leave and tree register	-
239	8	Doubtful working without cancellation of transfer order of Mr. Saad Uz Zaman, Chief Officer BS-16	2.229
240	9	Doubtful expenditures on the accounts of arrear of Pay & Allowances of Mr. Naveed Ahmad Sillani Chief Officer, Havaila Lakha	0.153
241	10	Doubtful maintenance of record pay & allowances	31.786

Sr. No.	Para No.	Subject	Amount
242	11	Doubtful expenditures on the accounts of pay & allowances, Mr. Saeed Ahamd, Junior Clerk (Suspended & absented)	0.863
243	12	Doubtful expenditures on the accounts of Aizazia/Honorarium/Bonus due to special events	1.237
244	13	Irregular drawl of pay and allowances without biometric attendance	31.786
245	14	Doubtful/Irregular expenditure on the account of financial assistance	1.600
246	15	Irregular appointment of daily wages / contingent paid staff	4.943
247	16	Non-maintenance of cash book for expenditure	498.762
248	17	Non presence at place of posting of Mr. Saad Uz Zaman, Chief Officer and recovery of unattended period with record of previous inquiries in Anti-corruption and other forums	2.229
249	18	Doubtful with drawl on the accounts of newspaper bills	0.038
250	19	Doubtful expenditure on the account of Uniform & Protective Clothing	0.096
251	20	Doubtful Payment to Contingent Paid/Daily Wages Staff	4.943
252	21	Doubtful Expenditure on the account of exhibitions, fairs and other national celebrations	1.943
253	22	Doubtful Expenditure on the accounts of monthly electricity bills	1.321
254	23	Doubtful withdrawal of cash and transfer of amounts without maintaining cheque register & cheque copies	88.104
255	24	Doubtful maintenance of diary registers	-
256	25	Non maintenance of tree registers for the tree value of million	-
257	26	Doubtful / Irregular with drawl on the accounts of Cost of Other Store	0.122
258	27	Doubtful maintenance of dispatch registers	-
259	28	Irregular expenditure on accounts of photo state	0.049
260	29	Irregular/doubtful with drawl on the accounts of repair & maintenance of different items	1.072
261	30	Fraudulent/Misappropriation and chances of double drawl on the accounts of Purchases of Moveable Assets	2.196
262	31	Fictitious tendering due to participation of contractors without purchase of tender forms for the work of	51.383
263	32	Non-provision of compliance of previous audit Paras	-
264	34	Misappropriation/Doubtful expenditure on the accounts of unforeseen expenditure	1.733
265	35	Unclaimed securities not credited to the Government account	5.138
266	36	Misappropriation/Doubtful expenditure on the accounts of telephone	0.252
267	37	Poor performance of Pre-audit/Accounts Wing and weak control on the accounts of MC Kameer, Sahiwal	498.363
268	38	Irregular payments without prescribed agreement	51.383
269	39	Misappropriation/Doubtful expenditure on the accounts of TA/DA	0.366
270	40	Doubtful/Irregular expenditure on the accounts of special event URS showing fake consumption	0.215
271	41	Unauthorized opening of tenders by irrelevant committee instead of District Tender Board	51.383

Sr. No.	Para No.	Subject	Amount
272	42	Doubtful/Irregular purchases of sports material beyond financial competence, without advertisement and showing fake competition & consumption	0.487
273	43	Doubtful/Irregular expenditure on the accounts of special event Eid Ul Fiter showing fake consumption	0.031
274	45	Concealment of Frauds through Fire and no outcome of inquiry/FIR	-
275	46	Not maintenance of cheque and budget control registers	498.363
276	47	Illegal custody of record involving of amount of millions	-
277	48	Doubtful/Irregular expenditure on the accounts of special event Eid Ul Azha showing fake consumption	0.023
278	49	Loss to the Government due to non-auctioning of dry trees and machinery	6.000
279	50	Non Production of last five years audit reports and DAC minutes	-
280	52	Non maintenance of tree registers	2.000
281	53	Doubtful maintenance of budget for receipts	15.286
282	54	Irregular payment of development expenditure of different schemes without progress report	112.487
283	56	Doubtful Expenditure on the accounts of refreshment	0.867
284	57	Doubtful expenditures on the accounts of Advertising & Publicity	0.791
285	58	Doubtful/unauthorized expenditure on the accounts of Hot & Cold weather charges	0.075
286	59	Doubtful/unauthorized expenditure on the accounts of crockery	0.012
287	60	Doubtful/Suspected bogus expenditure on the accounts of Street Lights	0.736
288	61	Doubtful/Suspected bogus expenditure on the accounts of IT Equipments	0.757
289	63	Doubtful maintenance of Postage Stamps	-
290	64	Doubtful expenditure on the accounts of Nadra share	0.066
291	65	Doubtful expenditure on account of purchase of moveable assets	15.481
292	66	Suspected bogus expenditure on the accounts of purchases of medicine-generic consumables in absence of stock entry and proof of consumption	0.250
293	67	Doubtful use of POL in jetting & sucker machines, tractor, loader and tractor water tanki needs third party enquiry thereof	2.127
294	68	Doubtful expenditures on the accounts of Pension Contribution & Pension Payments	-
295	69	Non-Collection of Proof of Deposit of Sales Tax & Income Tax	17.641
296	70	Non reconciliation/difference in cash book and bank statements	311.927
297	71	Chances of misappropriation and Doubtful maintenance of annual accounts and huge amount with drawl from accounts	314.742
298	72	Irregular/doubtful expenditures on the accounts of office stationery	0.464
299	73	Doubtful maintenance of accounts manually instead of FMS (Financial Management System) Chances of misappropriation	782.595
300	74	Doubtful purchase of POL and needs third party enquiry thereof	2.127

Sr. No.	Para No.	Subject	Amount
MC Burewala			
301	3	Non taking of penal action against defaulters of remaining Government dues i.e conversion fee and map fee	0.895
302	9	Suspected loss to the Government due to non recovery of professional tax Rs 153,000	0.153
303	10	Irregular payment without obtaining evidence of legal purchase	1.401
304	11	Excess payment to the contractor by paying excess rates of Filter Cartridge	0.089
305	16	Excess payment to the contractor by taking excess quantities of Soling	0.218
306	18	Unauthorized change of scope in the TS of the schemes by reducing items to be executed after advertisement - Rs 16.620 million	16.620
307	19	Irregular Executions of Development Schemes without preparation of PC-1	1.995
308	21	Overpayment of royalty of earth in excess of the Technical Sanction	0.282
309	23	Overpayment by taking new road edging despite dismantling instead of dismantling of soling	0.042
310	24	Loss to the Government due to less receiving of tender fee	3.316
311	29	Excess payment on account of purchase of 150 CC Hydraulic Loader Motor Bikes	0.213
312	30	Non-reconciliation of 1% Tax on Transfer of Immoveable Property (TTIP) with Revenue Department Rs 38.248 million	38.248
313	33	Non-Recovery and non-taking of actions against defaulters of license/permit fee	0.117
314	34	Non-auctioning of Revenue Heads	14.988
MC Mailsi			
315	2	Non-mutation of public amenities besides no entry in property register	43.080
316	4	Non-reconciliation of mutation and registration fee with revenue department	25.661
317	5	Less realization of income Worth	14.730
318	7	Irregular expenditure due to misclassification	11.600
319	9	Irregular auction of advertisement fee	4.596
320	11	Poor recovery position of Water Rates and blockage of revenue	3.212
321	12	Loss to Government due to less receipt than previous year receipts	2.748
322	13	Loss due to non-auction of vacant shops	2.604
323	15	Irregular approval and payment of 5% PST of TS estimate of projects costing	765,536
324	16	Irregular award of contract to non-contractor	2.260
325	17	Irregular expenditure by splitting up the indents through quotations instead of tender	3.499
326	18	Non-maintenance of stock registers of permanent assets	2.055
327	19	Irregular execution of civil works by splitting up the indents through quotations instead of tender	1.553
328	20	Irregular Expenditure on purchase of electrical material	1.399
329	21	Doubtful expenditure on consumption of POL and repair of vehicles	1.171
330	22	Irregular drawl of TA/DA bills on fake visits	0.942
331	23	Irregular technical sanction of the improvement project	0.800

Sr. No.	Para No.	Subject	Amount
332	24	Less-estimation of various revenue heads	0.700
333	25	Supply of substandard and below specifications water filtration plant	0.686
334	26	Unauthorized repair of transformer	0.601
335	28	Irregular purchase of hand carrier by calling simple quotations	0.360
336	29	Irregular Excess payment of pacca bricks work	0.265
337	30	Overpayment due to non/less deduction of shrinkage in the Earth Work for Bank Measurements	0.205
338	31	Overpayment due to non-deduction of cost of unused dismantled soling	0.077
339	32	Loss to government due to non recovery of professional tax	0.030
MC Vehari			
340	3	irregular payment to contractor instead of five years old schemes without revised administrative approval	1.895
341	4	Irregular payment to contractor instead of five years old schemes without revised administrative approval & without given the valid time extension	0.380
342	6	Unauthorized time extension by the chairman	4.031
343	7	Non availability of detail entire of sign board in measurement book by the sub engineer	0.240
344	8	Bogus payment without execution of actual work at site	0.240
345	12	Non-forfeiting of performance security and earnest money	1.000
346	13	Non imposing of plenty against the late completion of work	0.070
347	14	Irregular payment against the defective estimation and defective record entries in the measurement book	1.358
348	15	Irregular payment against the defective verification of work done in the Measurement Books	57.522
349	16	Unjustified consumption of POL due to inoperative speedo meters of vehicles	12.410
350	19	Unauthorized purchase of electric store items	1.912
351	18	Irregular payment of tuff tile due to non-providing of proof of approved manufacture	2.116
352	21	Illegal issuance of work orders without mentioning of date of completion of work resulted in non-completion of schemes.	0.363
353	24	Non-taking the pension contribution & leave salary from the contractor	0.116
354	25	Non-taking the electricity bills & cost of receipts books from the contractor of slaughter house & parking fee Ada bus stand.	0.740
355	26	Unauthorized award of outsource of income without taking the personal / bank guarantee	39.740
356	30	Irregular award of outsource income contracts due to late agreement with contractors	18.335
357	31	Irregular award of outsource income contracts due to late agreement with contractors	29.466
358	36	Less recovery of sewerage fee due to unrealistic survey	4.845
359	39	Irregular establishment of land sub divisions / housing colonies due to poor law enforcement and monitoring control.	58.482

Sr. No.	Para No.	Subject	Amount
360	42	Irregular approval of Isds without taking bank guarantee/performance bond for development work in favour of MC/TMA in revenue record.	731.150
361	43	Non-taking the registration / renewal fee of developers	0.040
362	44	Loss to government due to less recovery of enlistment fee	0.086
363	45	Less deduction of income tax	0.040
364	46	Excess drawl of pay by Munir (superintend)	0.062
365	47	Doubtful consumption of pol purchased for office	0.574
366	48	Unjustified award of development schemes	23.080
367	49	Unauthorized repair of transformer.	
368	50	Doubtful repair and maintenance of vehicles & machinery	5.549
369	51	Less deduction of income tax	0.166
370	52	Non availably of deposit proof of GST from suppliers of	1.902
371	54	Unjustified execution of civil work	1.441
372	55	Doubtful measurement as well as payment of steel in absence of steel test reports and bar-binding schedule	0.127
373	58	Fraudulent award of work to the contractors by tempering the quotation rates of costing	0.132
374	59	Irregular purchase of Stickney from the unapproved dealer of the government and without DTL	0.495
375	60	Unjustified high expenditure on repair of tractor	0.916
376	61	Irregular purchase of PVC pipe & filter cartage	0.823
377	62	Lavish & doubtful purchase of fire work items without MB verification, stock entries & consumption record	0.199
378	63	Unjustified repeated expenditure on repair of sewer jetting machine	0.576
379	64	Unjustified repeated expenditure on repair of disposal	0.946
380	65	Unjustified repeated expenditure on repair of soccer machine	0.818
381	66	Unjustified heavy expenditure on purchase of bamboos & iron wire	0.508
382	67	Unjustified repeated purchase of pipes	0.263
383	68	Unjustified heavy expenditure of purchase of plants for parks	0.504
384	69	Unjustified expensive purchase of uniforms	0.235

Annexure-B/BWP**Budget & Expenditure Statement for the Financial Year 2018-19**

(Rupees in million)

Name of MC	Budget	Actual	(+) Excess / Savings (-)
Municipal Committee, Bahawalnagar	997.636	825.677	-171.959
Municipal Committee, Chishtian	1,514.702	623.333	-891.369
Municipal Committee, Donga Bonga	198.854	104.802	-94.052
Municipal Committee, Fort Abbas	752.466	574.690	-177.776
Municipal Committee, Haroonabad	1,259.838	893.956	-365.882
Municipal Committee, Minchanabad	500.010	306.300	-193.710
Municipal Committee, Ahmadpur East	995.943	565.058	-430.885
Municipal Committee, Hasilpur	710.312	411.319	-298.993
Municipal Committee, Khairpur Tamewali	553.721	411.320	-142.401
Municipal Committee, Uch Sharif	412.614	341.073	-71.541
Municipal Committee, Yazman	644.671	384.084	-260.587
Municipal Committee, Khan Pur	1,345.639	838.765	-506.874
Municipal Committee, Kot Samaba	236.355	112.083	-124.272
Municipal Committee, Liaqat Pur	1,012.666	540.647	-472.019
Municipal Committee, Rahim Yar Khan	2,003.024	1,446.053	-556.971
Municipal Committee, Sadiq Abad	1,132.726	1,126.951	-5.775
Municipal Committee, Taranda Sawae Khan	227.379	59.065	-168.314
Municipal Committee, Zahir Peer	287.594	172.146	-115.448

Annexure-B/DGK

(Rupees in million)

Municipal Committee	Budget	Actual	Excess / Savings	%
Municipal Committee Kot Chutta	209.863	144.754	(65.109)	31
Municipal Committee Taunsa	283.045	255.785	(27.261)	10
Municipal Committee Chowbara	59.853	41.453	(18.4)	31
Municipal Committee Chowk Azam	73.198	60.703	(12.495)	17
Municipal Committee Fatehpur	77.937	77.937	-	0
Municipal Committee Karor	112.749	80.218	(32.531)	29
Municipal Committee Layyah	260.19	224.431	(35.759)	14
Municipal Committee Alipur	136.699	117.926	(18.773)	14
Municipal Committee Chowk Sarwar Shaheed	86.14	51.415	(34.725)	40
Municipal Committee Daira Din Panah	49.082	48.482	(0.6)	1
Municipal Committee Jatoi	92.025	62.328	(29.697)	32
Municipal Committee Khangarh	54.88	51.493	(3.387)	6
Municipal Committee Kot Addu	246.521	244.607	(1.914)	1
Municipal Committee Muzaffargarh	315	312.968	(2.032)	1
Municipal Committee Shehr Sultan	51.67	36.021	(15.649)	30
Municipal Committee Sinawan	49.219	47.865	(1.354)	3
Municipal Committee Fazilpur	108.977	63.434	(45.543)	42
Municipal Committee Jampur	165.003	133.681	(31.322)	19
Municipal Committee Kot Mithan	108.089	81.528	(26.561)	25

Municipal Committee	Budget	Actual	Excess / Savings	%
Municipal Committee Rajanpur	143.833	113.588	(30.245)	21
Municipal Committee Rojhan	102.403	66.76	(35.643)	35

Annexure-B/FSD

(Rupees in million)

Sr. No.	Name of MC	Budget	Expenditure	Savings/ Excess
1	Municipal Committee, Bhowana	63.950	64.81	-0.86
2	Municipal Committee, Chenab Nagar	182.151	151.522	30.629
3	Municipal Committee, Chiniot	717.502	645.951	71.551
4	Municipal Committee, Lalian	99.411	99.411	0
Total		1063.014	961.694	101.32

Municipal Committee Chak Jhumra					
Financial Year	Description	Budget	Actual	Excess (+)/ Lapse (-)	Lapse (Per Cent)
2018-19	Non-Development (Salary+ Non-Salary)	363.854	182.498	-181.356	50%
	Development	205.247	25.726	-179.521	87%
	Total	569.101	208.224	-360.877	63%
	Receipts	119.175	113.105	-6.070	5.09 %
Municipal Committee Dijkot					
Financial Years	Description	Budget	Actual	Excess (+)/ Lapse (-)	Lapse (Per Cent)
2016-19	Non-Development (Salary+ Non-Salary)	195.870	114.270	-81.600	41.66%
	Development	40.400	36.538	-3.862	9.56%
	Total	236.27	150.81	-85.462	36.17%
	Receipts	307.445	177.625	-129.820	42.23%
Municipal Committee Jaranwala					
Financial Years	Description	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
2016-19	Non-Development (Salary+ Non-Salary)	720.902	513.695	-207.207	29%
	Development	223.563	133.313	-90.250	40%
	Total	944.465	647.008	-297.457	31%
	Receipts	277.622	302.972	25.350	-9.13%

Municipal Committee Khurrianwala					
Financial Years	Description	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
2016-19	Non-Development (Salary+ Non-Salary)	95.202	82.883	-12.319	12.94%
	Development	57.302	56.072	-1.230	2.15%
	Total	152.50	138.96	-13.55	8.88%
	Receipts	257.120	257.304	0.184	0.07%
Municipal Committee Mamunkanjan					
Financial Years	Description	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
2016-19	Non-Development (Salary+ Non-Salary)	184.515	90.196	-94.319	51.12%
	Development	124.829	41.556	-83.273	66.71%
	Total	309.344	131.752	-177.592	57.41%
	Receipts	235.284	205.866	-29.417	14.29%
Municipal Committee Sammundari					
Financial Years	Description	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
2016-19	Non-Development (Salary+ Non-Salary)	573.432	296.830	-276.602	48.24%
	Development	290.596	169.939	-120.657	41.52%
	Total	864.028	466.769	-397.259	45.98%
Municipal Committee Tandlianwala					
2016-19		Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Non-Development (Salary+ Non-Salary)		300.271	218.298	-81.973	27.30%
Development		170.290	57.585	-112.705	66.18%
Total		470.561	275.883	-194.678	41.37%
Receipt		363.478	337.708	-25.770	7.09%

(Rupees in millions)

Sr. No.	Name of MC	Budget	Expenditure	Savings
51	Municipal Committee, 18-Hazari	153.745	42.379	111.366
52	Municipal Committee, Ahmad Pur Sial	269.094	190.762	78.332
53	Municipal Committee, Garh Maharaja	215.062	110.221	104.841
54	Municipal Committee, Jhang	2,547.704	1,702.544	845.160
55	Municipal Committee, Shorkot	685.001	302.791	382.21
Total		3,870.606	2,348.697	1521.909

(Rupees in million)

Sr. No.	Name of MC	Budget	Expenditure	Receipts
56	Municipal Committee, Gojra	992.969	693.81	779.584
57	Municipal Committee, Kamalia	771.347	562.697	541.998
58	Municipal Committee, Pir Mahal	345.127	251.453	282.658

Sr. No.	Name of MC	Budget	Expenditure	Receipts
59	Municipal Committee, Toba Tek Singh	829.922	664.791	861.452
Total		2939.365	2172.751	2465.692

Annexure-B/MLN

Sr. No.	District of MCs	Budget	Expenditure	Savings
1	MC Jahanian	355.993	225.213	130.780
2	MC Kabirwala	355.993	225.213	130.780
3	MC Khanewal	1,097.772	810.930	286.842
4	MC Mian Channu	652.116	511.342	140.774
5	MC Tulamba	284.709	133.151	151.558
6	MC Dunya Pur	379.893	243.910	135.982
7	MC Kehror Pacca	633.074	444.978	188.096
8	MC Lodhran	842.547	655.428	187.119
9	MC Jalalpur Pirwala	621.068	337.466	283.601
10	MC Shujabad	603.331	404.610	198.721
11	MC Arifwala	1,108.656	722.011	386.645
12	MC Pakpattan	2,114.970	1,298.660	816.310
13	MC Chichawatni	1,180.535	856.960	323.575
14	MC Kameer	465.851	115.028	350.823
15	MC Burewala	1,211.548	873.019	338.529
16	MC Mailsi	485.811	362.476	123.335
17	MC Vehari	1,563.650	831.390	732.260
Total		13,957.516	9,051.786	4,905.730

Annexure-1/Bahawalnagar

[Para 1.3.1]

Detail of auctioned receipt heads without record

Part-(a)

(Rupees in million)

Sr. No.	Year	Name of Contractor	Receipt Head	Auctioned Amount	Rupees
1	2016-17	Mr. Mahmood-ul-hassan	General Bus Stand	8,267,000	8.267
2	2017-18	Mr. Mahmood-ul-hassan	General Bus Stand	10,550,000	10.550
3	2018-19	Mr. Mahmood-ul-hassan	General Bus Stand	9,100,000	9.100
4	2016-17	Mr. Ejaz Mehmood	Advertisement	3,550,000	3.550
5	2017-18	Mr. Ejaz Mehmood	Advertisement	2,800,000	2.800
6	2018-19	Mr. Khuda Bukhash	Advertisement	3,050,000	3.050
7	2016-17	Mr. Attique Abbasi	Parking	1,205,000	1.205
8	2017-18	Self-Recovery	Parking	1,150,185	1.150
9	2018-19	Self-Recovery	Parking	1,151,620	1.152
10	2016-17	Qurban Ali	Disposal No.2 Madni Colony	200,000	0.200
11	2017-18	Mr. Rashid Sadique	Disposal No.2 Madni Colony	459,000	0.459
12	2018-19	Qurban Ali	Disposal No.2 Madni Colony	470,000	0.470
13	2016-17	Mr. Allah Dad	Dead Animal Bones	46,000	0.046
14	2017-18	Mr. Allah Dad	Dead Animal Bones	50,000	0.050
15	2018-19	Mr. Allah Dad	Dead Animal Bones	251,000	0.251
16	2017-18	Mr. Mohsan Zia	Disposal Chandrami	15,000	0.015
17	2017-18	Mr. Mohsan Zia	Disposal Kareem Town	16,000	0.016
Total				42,330,805	42.331

Part-(b)

Sr. No.	Detail of Record
1	NOC, record of registration and fee collected on advertising board.
2	Reconciled annual accounts
3	Complete record of immovable property, fine on encroachment and record of encroached property.
4	TTIP receipt record with comparison to Revenue department
5	Log books, assets register, record of group insurance B.F and GPF etc.
6	Record of pension, stock registers, consumption record, record of tender fee collected, survey reports for the period of auditable period, allotment record of official residences with name of residents, history sheet registers of Vehicles and Machinery.
7	Service Books of employees; especially appointed, promoted, retired, transferred and preceded on long leave during the period.
8	Record of any legal proceeding against any employee regarding fraud, theft or misappropriation.
9	Accounts / record of contractors were not provided to audit for scrutiny. As per verbal statement of the management, same were neither maintained by the contractors nor were submitted to MC for scrutiny and attestation in violation of above rules. In above situation the actual income of contractors could not be observed which resulted in loss of income tax for treasury.

Annexure-2/ Bahawalnagar

[Para 1.4.4]

Detail of expenditure without PPRA

Development Works

(Rupees in million)

Sr. No.	Name of Scheme	Contractor	Work Order No. & Date	T.S Amount	Exp. Amount
1	Providing, Replacement and laying pipe line Water Supply city Area Bahawalnagar	Saif Ullah Khan	1345-46 20.02.18	0.800	0.596
2	Providing, Replacement and laying pipe line Water Supply city Area Bahawalnagar	Saif Ullah Khan	1345-46 20.02.18	0.800	0.589
Total					1.185

Procurement

(Rupees in million)

Sr. No.	Bill No.	Date	Supplier Name	Amount (Rs.)	Rupees. In Million	Items Purchased
1	368		Hina Enterprises	85,975	0.086	Plants
2	1073		Al Sana Traders	61,132	0.061	Plants
3	082	02/22/2018	Salman Traders	98,280	0.098	Furniture
4	708	05/18/2017	Salman Traders	45,318	0.045	Electricity Items Electronics
5	87	05/30/2017	Hina Enterprises	49,500	0.050	Electricity Items Electronics
6	073	01/25/2018	Salman Traders	23,371	0.023	Electricity Items Electronics
7	121	05/30/2017	Hina Enterprises	99,862	0.100	Renovation Office Chairman & Side Room
8		05/28/2018	Salman Traders	38,000	0.038	Renovation Office Chairman & Side Room
9	331	11/17/2017	Chaudhary Builders	96,916	0.097	Electricity Items Electronics
10	039	11/08/2017	Salman Traders	46,320	0.046	Electricity Items Electronics
11	412	06/30/2017	Salman Traders	33,930	0.034	Lime Stone
12	397	06/30/2017	Salman Traders	47,502	0.048	Lime Stone
13	1437	08/20/2018	Chudhary Builders	49,959	0.050	Lime Stone
14	766	09/06/2017	Amin Khakwani Builders	43,080	0.043	Lime Stone
15	304	06/01/2019	Shaheen Enterprises	20,943	0.021	Lime Stone
16		12/12/2017	Salman Traders	24,570	0.025	Lime Stone
17	246	12/06/2016	Salman Traders	21,089	0.021	Lime Stone
18	12	03/26/2018	Salman Traders	99,947	0.100	Pena Flex
19	95	05/19/2018	Salman Traders	99,684	0.100	Pena Flex
20	624	03/20/2017	Salman Traders	39,733	0.040	Pena Flex
21	061	12/30/2017	Salman Traders	46,707	0.047	Pena Flex
22	261		Salman Traders	96,174	0.096	Pena Flex
23	413	06/30/2017	Salman Traders	21,100	0.021	Pena Flex
24	398	06/30/2017	Salman Traders	99,158	0.099	Pena Flex
Total				1,388,250	1.388	

Annexure-1/Chishtian

[Para 2.4.1]

Detail showing non-transfer of property in the name of MC

(Amount in Rupees)

Sr.#	Name of Colony	Total Area in 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	Rate Per Marla	Total Value of Land	Rupees in Million
1	Model Town	1836	93	500	18.5	-	611.50	26,500	16,204,750	16.205
2	Arham Town	1880	84	690	-	6	780.00	13,300	10,374,000	10.374
3	Zain City	750	53	213	7.5	10	283.50	105,000	29,767,500	29.768
4	Ahmed City	1252	275	786	12.5	15	1,088.50	88,000	95,788,000	95.788
5	Dubai Villa	910	64	224	9	19	316.00	180,000	56,880,000	56.880
6	Fazal Villas	1035	63	220	21	10	314.00	70,000	21,980,000	21.980
7	Rehmat Garden	1438	100	378	-	14	492.00	40,000	19,680,000	19.680
8	Garden Town	1333	67	397	-	2	466.00	16,600	7,735,600	7.736
9	New Garden Town	1332	67	397	-	2	466.00	16,600	7,735,600	7.736
10	Shahid Garden	986	29	228	-	3	260.00	14,400	3,744,000	3.744
11	New Rehmat Garden	1430	100	378	4	10	492.00	40,000	19,680,000	19.680
12	Mustafa town	1477	103	293	14	10	420.00	30,000	12,600,000	12.600
13	Lalazar Colony	1410	100	352	15	14	481.00	30,000	14,430,000	14.430
14	Daud City	345	24	75	7	13	119.00	55,000	6,545,000	6.545
15	Al-Madina Block	560	40	100	6	10	156.00	70,000	10,920,000	10.920
16	Fazal Villas	1989	140	560	20	10	730.00	65,000	47,450,000	47.450
17	Fahad City	480	34	148	5	10	197.00	85,000	16,745,000	16.745
18	Dream Land City	1600	112	418	16	10	556.00	110,000	61,160,000	61.160
19	Ghani Akbar Town	1600	112	503	20	2	637.00	80,000	50,960,000	50.960
20	Batool Villas	1937	163	391	-	-	554.00	97,000	53,738,000	53.738
21	Itfaq City P-II	1280	64	488	-	-	552.00	25,000	13,800,000	13.800
22	Itfaq City P-III	1040	72	263	20	10	365.00	28,000	10,220,000	10.220
23	Itfaq City	1917	95	670	10	2	777.00	28,000	21,756,000	21.756
24	Batool Garden	1877	141	414	-	-	555.00	26,600	14,763,000	14.763
25	Al-Qamar Garden	752		229	-	-	229.00	38,700	8,862,300	8.862
Total									633,518,750	633.519

Annexure-1/Donga Bonga

[Para 3.4.1]

Detail showing non-transfer of property in the name of MC

(Rupees in million)

Model City Housing Scheme, Ghulab Ali Road, Donga Bonga		
Total Area (in Kanal)	27.2	
Total Area (in Marlas)	544	
Description	Actual (In Marlas)	Area to be Transferred in the Name of MC Donga Bonga
Open Space (7%)	38.00	38
Area under plots	375.55	
Area under Roads	87.00	87
Commercial Area (5%)	27.60	
Public Buildings (2%)	10.88	11
Grave Yard	-	-
Plot for Solid Waste Management	5.00	5
Total (In Marlas)	544	141
Rate per Marla		30,000
Area Transferred in the name of MC Donga Bonga		135
Area less / not Transferred in the name of MC Donga Bonga		6
Value of Area less / not Transferred in the name of MC Donga Bonga		176,400
Irshad Housing Society, Haroonabad Road, Donga Bonga		
Total Area (in Kanal)	21.75	
Total Area (in Marlas)	435	
Description	Actual (In Marlas)	Area to be Transferred in the Name of MC Donga Bonga
Open Space (7%)	30.40	30
Area under plots	237.60	
Area under Roads	143.30	143
Commercial Area (5%)	21.70	
Public Buildings (2%)	9.10	9
Grave Yard	-	-
Plot for Solid Waste Management	13.00	13
Total (In Marlas)	455	196
Rate per Marla		87,000

Model City Housing Scheme, Ghulab Ali Road, Donga Bonga		
Area Transferred in the name of MC Donga Bonga		138
Area less / not Transferred in the name of MC Donga Bonga		58
Value of Area less / not Transferred in the name of MC Donga Bonga		5,028,600
Canal View Housing Scheme, Donga Bishnoian, Donga Bonga		
Total Area (in Kanal)	44.9	
Total Area (in Marlas)	898	
Description	Actual (In Marlas)	Area to be Transferred in the Name of MC Donga Bonga
Open Space (7%)	62.00	62
Area under plots	475.00	
Area under Roads	286.00	286
Commercial Area (5%)	44.00	
Public Buildings (2%)	18.00	18
Grave Yard	-	-
Plot for Solid Waste Management	10.00	10
Total (In Marlas)	895	376
Rate per Marla		84,700
Area Transferred in the name of MC Donga Bonga		0
Area less / not Transferred in the name of MC Donga Bonga		376
Value of Area less / not Transferred in the name of MC Donga Bonga		31,847,200
Total Value of Area not Transferred in the name of MC Donga Bonga		37,052,200

Annexure-1/Fort Abbas

[Para 4.5.4]

Detail of non-realization of revenue of rent of shops

(Amount in rupees)

Sr. #	Types of Head	Name	Location	Rent per month	Total Loss 07/16 to 06/19
1	Shop	Empty Shop	Railway Bazar Malba Wali	2,700	97,200
2	Shop	M ramzan S/o Ali Muhamamd	Railway Bazar Malba Wali	2,700	97,200
3	Shop	Abdul Latif S/o Muhammad Shafi	Chman Bazar Malba Wali	2,700	97,200
4	Shop	Empty Shop	General Bus Stand P	1,800	64,800
5	Shop	Empty Shop	General Bus Stand P	1,800	64,800
6	Shop	Empty Shop	General Bus Stand P	1,800	64,800
7	Shop	Empty Shop	General Bus Stand P	1,800	64,800
8	Shop	Empty Shop	Building Change	3,000	108,000
9	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
10	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
11	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
12	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
13	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
14	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
15	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
16	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
17	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
18	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
19	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
20	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
21	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
22	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
23	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
24	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
25	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
26	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
27	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
28	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
29	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
30	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
31	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
32	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
33	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
34	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
35	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
36	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
37	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
38	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
39	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800
40	Shop	Empty Shop	General Bus Stand Malba Wali	1,800	64,800

Sr. #	Types of Head	Name	Location	Rent per month	Total Loss 07/16 to 06/19
41	Shop	Empty Shop	Miscellaneous Malba Wali	2,000	72,000
42	Shop	Muhammad Amin	Miscellaneous Malba Wali	2,000	72,000
43	Shop	Empty Shop	Miscellaneous Malba Wali	2,000	72,000
44	Shop	Empty Shop	Miscellaneous Malba Wali	2,000	72,000
45	Shop	Empty Shop	Miscellaneous Malba Wali	2,000	72,000
46	Shop	Empty Shop	Miscellaneous Malba Wali	2,000	72,000
47	Shop	Empty Shop	Miscellaneous Malba Wali	2,000	72,000
48	Shop	Empty Shop	Haroonabad Road Malba Wali	1,800	64,800
49	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
50	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
51	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
52	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
53	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
54	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
55	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
56	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
57	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
58	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
59	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
60	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
61	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
62	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
63	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
64	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
65	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
66	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
67	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
68	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
69	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
70	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
71	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
72	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
73	Shop	Empty Shop	Haroon Abad Road Malba Wali	1,800	64,800
Total					4,921,200

Annexure-1/ Haroonabad

[Para 5.5.3]

Detail of non-recovery of map fee from illegally constructed houses/ shops

(Amount in rupees)

SR. #	Name of Business	Owner Name	Square feet (Area)	Category commercial / Residential	Pass / Not Pass	Total Fee	No tice if any
1	JINNAH CADIT SCHOOL	Muhammad Tahir Riaz s/o Riaz Ahmad	14 M	Commercial	Not Pass	475,800	Nil
2	BRIGHT COLLEGE	Abdul Haq Taseer	12 M	Commercial	Not Pass	499,750	Nil
3	HAROONABAD SINCE COLLEGE	Qaisar Amin s/o Muhammad Amin	20 M	Commercial	Not Pass	702,475	Nil
4	THE PUNJAB COLLEGE	Muhammd Nadim Naz	20 M	Commercial	Not Pass	782,400	Nil
5	THE PUNJAB COLLEGE OF GIRLS	Muhammad Shabaz s/o Abdul Ghafoor	20 M	Commercial	Not Pass	689,740	Nil
6	EMAN MUMORIAL ACADEMY	Malik Ghalib s/o Muahammad Sarafraz	10 M	Commercial	Not Pass	347,290	Nil
7	HAROONABAD SINCE COLLEGE	Qaisar Amin s/o Muhammad Amin	5 M	Commercial	Not Pass	130,956	Nil
8	BECON ENGLISH MODEL SCHOOL	Rao Shafiq s/o Abdul Rehman	20 M	Commercial	Not Pass	782,000	Nil
9	ELAT MODEL SCHOOL	Muhammad Azam fraz s/o Muhammad Ajmal	5 M	Commercial	Not Pass	130,900	Nil
10	JINNAH BUBLIC SCHOOL	Muhammad Ashfaq Anwar	5 M	Commercial	Not Pass	130,900	Nil
11	EFA PUBLIC SCHOOL	Rashid Khan s/o Muhammad Arshad Khan	5 M	Commercial	Not Pass	130,900	Nil
12	MAQBOOL MODEL SCHOOL	Ch. Maqbool Ahmad s/o Qutab Din	6 M	Commercial	Not Pass	682,400	Nil
13	WELL BRED ENGLISH MODEL SCHOOL	Muhammad Azam	5 M	Commercial	Not Pass	477,400	Nil
14	THE CRATIV SCHOOL	Mustafa Kamal s/o Kamal Ahmad	5 M	Commercial	Not Pass	477,400	Nil
15	OXFORD BUBLIC SCHOOL	Habib Ghori s/o Muhammad Hussain	5 M	Commercial	Not Pass	477,400	Nil
16	TAMEER MILLAT MODEL SCHOOL	Shabir Ahmad Insari , Abdul Hamid	5 M	Commercial	Not Pass	394,750	Nil
17	KHALID BUBLIC SCHOOL	Abdul Jabbar s/o Nawab Din	5 M	Commercial	Not Pass	686,964	Nil
18	FAIMA JINNAH CADIT SCHOOL	Abdul Jabbar s/o Hashmat Ali	4 M	Commercial	Not Pass	447,800	Nil
19	ASHBILIA GIRLS SCHOOL	Muhammah Tahir Iqbal s/o Muhammad Akram	5 M	Commercial	Not Pass	657,880	Nil
20	FAIMA JINNAH CADIT SCHOOL	Abdul Jabbar	5 M	Commercial	Not Pass	449,764	Nil
21	HAMID FOUNDATION SCHOOL	Tariq Nazir s/o Nazir Ahmad	7 M	Commercial	Not Pass	774,875	Nil
22	A Q KHAN CADIT SCHOOL	Liaqat Ali s/o Barkat Ali	10 M	Commercial	Not Pass	562,998	Nil
23	ALI MODEL SCHOOL	Aqeel Ahmad s/o Muhamma Hanif	8 M	Commercial	Not Pass	485,700	Nil

SR. #	Name of Business	Owner Name	Square feet (Area)	Category commercial / Residential	Pass / Not Pass	Total Fee	Notice if any
24	YASEEN MODEL SCHOOL	Abidullah Ameer Moavia	10 M	Commercial	Not Pass	677,888	Nil
25	MD MODEL SCHOOL	Abdul Sattar	5 M	Commercial	Not Pass	325,942	Nil
26	SIR SYED GRAMER SCHOOL	Ejaz s/o Ahmad Ali	5 M	Commercial	Not Pass	397,852	Nil
27	SIR SYED GRAMER SCHOOL	Ejaz s/o Ahmad Ali	5 M	Commercial	Not Pass	397,852	Nil
28	AL SARAT COLLEGE	Pro. Shaikh Muhammad Naeem s/o Muhammad Saleem	10 M	Commercial	Not Pass	987,890	Nil
29	ALLAMA IQBAL TECHNICAL COLLEGE	Muhammad Asif	10 M	Commercial	Not Pass	1,179,798	Nil
30	OXFORD GRAMER SCHOOL	Zafar Hussain s/o Ghulam Nabi	7 M	Commercial	Not Pass	886,980	Nil
31	MUHAMMADAN EDUCATION	Muhammad Tariq s/o Muhammad Hussain	8 M	Commercial	Not Pass	1,017,690	Nil
32	SUPRIME COLLEGE	Muhammad Saqib s/o Farzand Ali Asam	6 M	Commercial	Not Pass	468,430	Nil
33	AWAIS PUBLIC SCHOOL	Hafiz Aslam Aredi	5 M	Commercial	Not Pass	1,118,230	Nil
34	SAHARA PUBLIC SCHOOL	Dr. Muhammad Anwar s/o Haji Nazir Ahmad	7 M	Commercial	Not Pass	97,680	Nil
35	ORINTIAL PUBLIC SCHOOL	Rao Abdul Waheed s/o Khursheed Ahmad	12 M	Commercial	Not Pass	115,786	Nil
36	DAR UL ARQAM MODEL SCHOOL	Hamadul Din , Zainul Abdin	11 M	Commercial	Not Pass	785,940	Nil
37	SAILVI MODEL SCHOOL	Fida Hussain s/o Muhammd Yar	5 M	Commercial	Not Pass	3,849,400	Nil
38	IQRA ROZATUL ATFAL SCHOOL	Imran Ashraf s/o Ghulam Nabi	5 M	Commercial	Not Pass	366,870	Nil
39	TAHIR MODEL SCHOOL	Muhammad Tahir s/o Muhammad Charagh	5 M	Commercial	Not Pass	399,400	Nil
40	AL SOFA ISLAMIC MODEL SCHOOL	Hafiz Muhammad Rasheed s/o Nazir Ahmd	5 M	Commercial	Not Pass	387,960	Nil
41	LLITTEL ENGEL HICH SCHOOL	Abdul Razzaq Shakar s/o Namat Ali	6 M 3 S	Commercial	Not Pass	1,284,900	Nil
42	LLITTEL ENGEL HICH SCHOOL	Abdul Razzaq Shakar s/o Namat Ali	6 M 3 S	Commercial	Not Pass	1,284,900	Nil
43	LITTLE ENGEL SCHOOL	Abdul Razzaq Shakar s/o Namat Ali	6 M 3 S	Commercial	Not Pass	1,284,900	Nil
44	ENOVATED SCHOOL	Mrs. Shagufta Javeed	6 M 3 S	Commercial	Not Pass	1,284,900	Nil
45	NEW BEKAN MODEL SCHOOL	Muqqadas Jabeen w/o Parvaiz Akhtar	6 M 3 S	Commercial	Not Pass	1,284,900	Nil
46	MAQBOOL MODEL SCHOOL	Ch. Maqbool Ahmad s/o Qutab Din	6 M 3 S	Commercial	Not Pass	1,284,900	Nil
47	ISLAMIC MODEL SCHOOL	Muhammad Zia ullah s/o Muhammad Anwar Ghazi	6 M 3 S	Commercial	Not Pass	1,284,900	Nil
48	BABY DAY CAIR SCHOOL	Rao Akhtar s/o Khushi Muhammad	6 M 3 S	Commercial	Not Pass	1,284,900	Nil
49	HIGH TAC COLLEGE	Asif Ghori s/o Sardar Muhammad	9 M	Commercial	Not Pass	1,349,100	Nil
50	DANISH SCHOOL OF SINCE	Asif Ghori s/o Sardar Muhammad	6 M	Commercial	Not Pass	736,118	Nil
51	MUSLIM MODEL SCHOOL	Rafiq Tareen s/o Badar Din	4 ½ M	Commercial	Not Pass	684,810	Nil

SR. #	Name of Business	Owner Name	Square feet (Area)	Category commercial / Residential	Pass / Not Pass	Total Fee	Notice if any
52	ISLAMIC MODEL SCHOOL	Dr. Zulafqar	6 M	Commercial	Not Pass	975,995	Nil
53	Shop	Shahid Jameel s/o Fateh Muhammad		Commercial	Not-Pass	35,200	-
54	Shop	Amjad Farooq s/o Shair Muhammad		Commercial	Not-Pass	30,890	-
55	House	Muhammad Aslam s/o Shair Muhammad		Residential	Not-Pass	30,404	-
56	House	Khawar Mahmood , Tahir Mahmood s/o Muhammad Ishaq		Residential	Not-Pass	13,128	-
57	House	Moas s/o Abdul Haleem		Residential	Not-Pass	7,700	-
58	House	Waeem Abba s/o Faqir Hussain		Residential	Not-Pass	8,950	-
59	House	Nasreen Koudar w/o Muhammad Arshad Tahir		Residential	Not-Pass	7,590	-
60	House	Muhammad Nawaz s/o Abdul Hmie		Residential	Not-Pass	18,290	-
61	Shop	Muhammad Asgar s/o Muhammad Rafiq		Commercial	Not-Pass	48,027	-
62	House	Muhammad Zahid Naeem, Muhammad Abid waseem s/o Muhammad Shafieh		Residential	Not-Pass	12,890	-
63	Shop	Muhammad Akram s/o Muhammad Bakhsh		Commercial	Not-Pass	25,620	-
64	Shop	Muhammad Saeed s/o Muhammad Tufail		Commercial	Not-Pass	10,262	-
65	House	Kousar Perveen w/o Muhammad Saddique		Residential	Not-Pass	17,406	-
66	Shop	waqas Muneer s/o Muneer Ahmad		Commercial	Not-Pass	25,960	-
67	Shop	Fazal Hussain s/o Wali Muhammad		Commercial	Not-Pass	12,086	-
68	Shop	Anayatullah s/o Muhammad Saddique		Commercial	Not-Pass	25,150	-
69	House	Muhammad Iqbal s/o Khan Muhammad		Residential	Not-Pass	12,125	-
70	House	Abo Hurera s/o Ghulam Murtaza		Residential	Not-Pass	13,125	-
71	House	Faiz Imdad Hussain s/o Asmatullah		Residential	Not-Pass	11,242	-
72	House	Waseem Injam s/o Naseer ul Haq		Residential	Not-Pass	16,176	-
73	Shop	Zobia Ambreen w/o Muhammad Saleem		Commercial	Not-Pass	172,027	-
74	House	Muhammad Shabir s/o Sultan Ali		Residential	Not-Pass	50,024	-
75	House	Shamshad Bibi w/o Muhammad Hsnif Abasi		Residential	Not-Pass	27,000	-
76	Shop	Zafar Iqbal s/o Fazal Din		Commercial	Not-Pass	20,204	-
77	Shop	Umair Hassan s/o Israr ul Haq		Commercial	Not-Pass	38,773	-
78	Shop	Muhammad Khalil s/o Muhammad Ishaq		Commercial	Not-Pass	25,429	-
79	House	Muhammad Nadeem s/o Muhammad Amin		Residential	Not-Pass	8,652	-

SR. #	Name of Business	Owner Name	Square feet (Area)	Category commercial / Residential	Pass / Not Pass	Total Fee	No tice if any
80	House	Muhammad Anwar s/o Abdul Sattar		Residential	Not-Pass	8,494	-
81	House	Usman Ibraheem s/o Muneer Ahmad		Residential	Not-Pass	8,560	-
82	House	Hafiz ul Rehman s/o Khalid Mahmood		Residential	Not-Pass	10,250	-
83	House	Muhammad Akram s/o Muhammad Latif		Residential	Not-Pass	14,347	-
84	Shop	Sajid Hussain s/o Faqir Hussain		Commercial	Not-Pass	8,950	-
85	House	Muhammad Nazir s/o Muhammad Shabir		Residential	Not-Pass	46,860	-
86	Shop	Nasra Perveen		Commercial	Not-Pass	22,146	-
87	House	Aqiqa Rehmand , Khalila Rehman D/o Ali Ahmad		Residential	Not-Pass	26,799	-
88	House	Saifullah s/o Muhammad Ahmad		Residential	Not-Pass	10,850	-
89	House	Muhammad Abbas s/o Sardar Muhammad		Residential	Not-Pass	8,264	-
90	Shop	Abdul Khaliq s/o Muhammad Saddique		Commercial	Not-Pass	145,790	-
Total						39,900,893	

Annexure-2/Haroonabad

[Para 5.5.4]

Detail of illegal housing schemes and calculation of fees

(Rupees in million)							
Sr. No.	Name of Business	Owner Name	Square feet (Area)	Status	Total Fee	Rupees	Notice Served
1	Khayban Sattar	Rao Awais ul Rahmadn s/o Abdul Sattar	98 K	Not Passed	1,745,097	1.745	No
2	Saad city	Muhammd Ashraf s/o Shan Ali	96 K	Not Passed	1,775,642	1.776	No
3	Paradies city	Saad Nazir s/o Nazir Ahmad	174 K	Not Passed	1,989,734	1.990	No
4	Gous e Azam	Qadar Khan , Muhammad Zaman Khan	28 K	Not Passed	687,447	0.687	No
5	Quaid-e-Azam Town	Rao Ghulam Muhammad	48 K	Not Passed	497,400	0.497	No
6	Al Hamad City	Rao Ghulam Muhammad	40 K	Not Passed	347,900	0.348	No
7	Gulshen Hameed	Javaid Iqbal s/o Abdul Waheed	72 K	Not Passed	1,489,700	1.490	No
8	Ahmed Garden	Ahmad Sukaira s/o Akbar Ali	120 K	Not Passed	4,171,000	4.171	No
9	Al Karam City	Bashir Ahmad	56 K	Not Passed	547,900	0.548	No
10	Umer Town	Molvi Ahmad etc	48 k	Not Passed	492,000	0.492	No
11	Rehmat Town	Waseem Ajmal	72 K	Not Passed	769,000	0.769	No
12	Usman Town	Asif , Atif s/o Mushtaq Ahmad	48 K	Not Passed	594,790	0.595	No
13	Gulberg Town	Malik Ghalib, Muhammad Boot Javaid etc	72 K	Not Passed	227,782	0.228	No
14	Sahara Town	Raja Asif Mahmood	64 K	Not Passed	497,600	0.498	No
15	Gulshen Hashmat	Nisar Ahmad Shafiq s/o Niaz Ahmad	56 K	Not Passed	1,485,920	1.486	No
16	Canal View Phase I,II,III	Azam Khan	40 K	Not Passed	76,400	0.076	No
17	Abdullah Town	Akhtar Khan , Raja Asif etc	72 K	Not Passed	1,174,595	1.175	No
18	Maqsood Town Phase I,II	Rao Muhammad Anees	90 K	Not Passed	774,900	0.775	No
19	Sabzazar Town	Sajid Hameed, Muhammad waqas etc	77 K	Not Passed	3,052,600	3.053	No
20	Iqra Town	Muhammad Zahid etc	36 K	Not Passed	394,700	0.395	No
21	Rajpoot Town	Muhamamd Ramzan	36 K	Not Passed	252,840	0.253	No
22	Al Nafay Colony	Faiz Ahmad	94 K 02 M	Not Passed	644,900	0.645	No
23	Malhi Town	Tariq Malhi s/o Khushi Muhammad	24 K	Not Passed	476,900	0.477	No
24	Model Town	Mushtaq Ahmad s/o Fazal Din	79 K	Not Passed	1,654,142	1.654	No
Total					25,820,889	25.821	

Sr. No.	Name of Business	Owner Name	Area	Pass / Not Pass	Total Fee
1	Abdul Razzaq Town	Abdul Razzaq s/o Abdul Malik	36 K	Under process	0.328
2	Zam Zam City	Molvi Amir	48 K		0.473
3	Karmanwal Block	Malik Latif Awan	18 K		0.228
4	Azeem Town	Moazam Ali Athar	26 K 05 M		0.038
5	Al Raheem Garden	Rao Abdul Khaliq s/o Abdul Malik	94 K 02 M		0.761
6	Al Haq City	Ch, Muhammad Azeem	72 K		1.175
Total					3.002

Annexure-3/Haroonabad

[Para 5.5.5]

Detail of non-recovery of conversion fee

(Amount in rupees)

Sr. #	FY	Name of Business	Owner Name	Square Feet (Area)	Category	Pass/	Total Fee	Paid	Pending	Notice
					Commercial / Residential	Not-Pass				
1	2016-17	Shops	Muhammad s/o Mukhtar Ali	780 sft	Commercial	Residential Passed	31,778	15,889	15,889	-
2		Shops	Atif Adrees, Muhammad Kashif s/o Muhammad Adress	660 sft	Commercial	Residential Passed	21,388	18,333	3,055	-
3		Shops	Saraj Din s/o Din Muhammad	310 sft	Commercial	Residential Passed	22,203	19,758	2,445	-
4		Shops	Arshad Hussain s/o Muhammad Saleem	786.5 sft	Commercial	Residential Passed	28,888	8,631	20,257	-
5		Shops	Adeel Saleem s/o Muhammad Saleem	1671 sft	Commercial	Residential Passed	30,000	25,000	5,000	-
6		Shops	Arshad Hussain s/o Muhammad Saleem	390 sft	Commercial	Residential Passed	14,325	4,773	9,552	-
7		Shops	Muneer Ahmad Rouf s/o Muhammad Ali	480 sft	Commercial	Residential Passed	29,333	26,667	2,666	-
8		Shops	Arfan Ahmad s/o Dusat Muhammad	600 sft	Commercial	Residential Passed	107,403	105,750	1,653	-
9	2017-18	Shops	Muhammad Muneer s/o Abdul Ghani	550 sft	Commercial	Residential Passed	17,500	15,000	2,500	-
10		Shops	Muhammad Tariq s/o Nazir Haidar	867 sft	Commercial	Residential Passed	37,333	27,223	10,110	-
11		Shops	Asif Amjid, Pervaiz, Muhammad Shahzad s/o Akbar Khan	393 sft	Commercial	Residential Passed	13,000	5,000	8,000	-
12		Shops	Mumtaz Aslam s/o Muhammad Aslam	1539.75 sft	Commercial	Residential Passed	139,407	60,000	79,407	-
13		Shops	Abdul Jabbar s/o Charg Din	330 sft	Commercial	Residential Passed	20,166	15,500	4,666	-
14	2018-19	Shops	Muhammad Muneer s/o Abdul Ghani	1220 sft	Commercial	Residential Passed	138,334	37,500	100,834	-
15		Shops	Abdul Waheed s/o Hakim Muhammad Hanif	698.75 sft	Commercial	Residential Passed	21,399	19,445	1,954	-
16		Shops	Asif Kamal s/o Lal Badshah	1089 sft	Commercial	Residential Passed	35,000	30,000	5,000	-
17		Shops	Rashid Minhas s/o Lal Badshah	1089 sft	Commercial	Residential Passed	35,000	30,000	5,000	-
18		Shops	Muhammad Shahid s/o Lal Badshah	1089 sft	Commercial	Residential Passed	35,000	30,000	5,000	-
19		Shops	Muhammad Ahmad s/o Akbar Ali	11424 sft	Commercial	Residential Passed	768,434	116,842	651,592	-
20		THE EDUCATOR	Ahmad Sukhaira s/o Akbar Ali	42 M	Commercial	Residential Passed	885,276	116,842	768,434	-
Total							2,431,167	728,153	1,703,014	

Annexure-1/Minchinabad

[Para 6.5.2]

Detail of commercial banks and calculation of conversion fee:

Table - 1

(Rupees in million)

Sr. No.	Bank Name	Owner Name	Address	Notice No. & Dated	Area	Yard Stick Value	Yard Stick Sr. #	Conversion Fee	Rupees in million
1	Zarai Tarqati Bank	M. Shoai b Paracha	Katchri Road Minchinabad	No.69 Date 07-08-2019	20	257,682	49	515,364	0.515
2	NRSP Islamic Bank	Waqar Peerzada	Near Madrasa Anwa-ul-Islam Minchinabad	No.67 Date 07-08-2019	10	298,909	49	298,909	0.299
3	NRSP Bank	Miss M. Rafique Gori	Near Boys Degree College	No.68 Date 07-08-2019	10	298,909	49	298,909	0.299
4	Finca Bank	Ch M. Thair	Near Shahi Jamia Masjid Minchinabad	No.70 Date 07-08-2019	10	267,345	49	267,345	0.267
5	Ufone Bank	Shaikh M. Zafar	Old Baldia Office Minchinabad	No.23 Date 30-07-2019	10	267,345	49	267,345	0.267
6	The Bank Of Punjab	Rana Asif	Old Baldia Office Minchinabad	No.58 Date 06-08-2019	10	267,345	49	267,345	0.267
7	Muslim Commercial Bank	Shaikh Imdad Hussain	Circular Road Minchinabad	No.26 Date 26-07-2019	10	267,345	49	267,345	0.267
8	Habib Bank	Rana Sohail	Circular Road Minchinabad	No.24 Date 30-07-2019	4	279,945	236	111,978	0.112
9	United Bank	Ijaz Ahmed	Circular Road Minchinabad	No.01 Date 23-02-2019	4	279,945	236	111,978	0.112
10	Allied Bank	M. Tariq	Circular Road Minchinabad	No.02 Date 23-07-2019	7	279,945	236	195,962	0.196
11	Apna Bank	Shaikh M. Deen	Circular Road Minchinabad	No.17 Date 30-07-2019	6	279,945	236	167,967	0.168
12	Khushali Bank	M. Atiq	Circular Road Minchinabad	No.16 Date 30-07-2019	8	279,945	236	223,956	0.224
13	Mezan Bank	M. Atiq	Circular Road Minchinabad	No.59 Date 06-08-2019	8	279,945	236	223,956	0.224
14	The First Micro Finance	Ahmed Yar	Circular Road Minchinabad	No.60 Date 06-08-2019	10	279,945	236	279,945	0.280
15	National Bank	Shazad Saeed	National Bank Raod Minchinabad	No.61 Date 06-08-2019	10	279,945	236	279,945	0.280
16	The Punjab Provincial Cooperative Bank	Shazad Saeed	National Bank Raod Minchinabad	No.63 Date 06-08-2019	10	279,945	236	279,945	0.280
17	National Saving Bank	M. Umar	Near Abubakar Choak Minchinabad	No.62 Date 06-08-2019	10	298,909	236	298,909	0.299
Total								4,357,103	4.357

Detail of hospitals and calculation of conversion fee

Table - 1

(Amount in Rupees)

Sr. No.	HOSPITAL Name	Owner Name	Address	Notice No. & Dated	Area (Marlas)	Value of land as per Yard Stick	Yard Stick Sr#	Conversion Fee	Rupees in million
1	Al-Shafa & Maternity Home	Dr Safia Cream	Eid Ghah Road Minchinabad	No.78 Date 08-08-2019	20	159,720	122	319,440	0.319
2	Ch Hospital	Dr.Nigahat	Near PTCL office Minchinabad	No.79 Date 08-08-2019	4	112,017	120	22,403	0.022
3	Children Clinic Hospital	Dr.Ghulam Mustafa	Near Nastle Mlik Ceneter Pakpattan Road Minchinabad	No.80 Date 08-08-2019	20	111,804	130	223,608	0.224
4	Baba Farid Surgical Hospital	Dr.Ibraheem	Near Darbar Baba Ali Shah Minchinabad	No.85 Date 08-08-2019	20	267,345	245	534,690	0.535
5	Naqeeb Dental Clinic	Dr.Sohail	Near Girls Highi School Minchinabad	No.81 Date 08-08-2019	6	267,345	245	160,407	0.160
6	Al-Haseeb Care Pharmacy	Dr.Khalid Hanif Bodla	Near Girls Highi School Minchinabad	No.82 Date 10-08-2019	2	267,345	245	26,735	0.027
7	Abdul-Anam Hospital	Dr.Shamsa Waheed	Circular Road Minchinabad	No.83 Date 08-08-2019	2	267,345	245	26,735	0.027
8	Sunny Clinical Laboratory	Ijaz Hussain	Circular Road Minchinabad	No.	2	267,345	245	26,735	0.027
9	Al-Rehman Clinical Laboratory	Shaikh Azmat	Circular Road Minchinabad		2	267,345	245	26,735	0.027
10	Maryam Surgical Hospital	Dr.Shahanaz	Near Shoaib Wala Bag	No.84 Date 08-08-2019	10	133,520	42	133,520	0.134
11	Sayed Surriya Memorial Trust Hospital	Dr.M Riaz	Near Canal Forad whah Minchinabad	No.10 Date 23-07-2019	10	133,520	63	133,520	0.134
12	Ayub Masood Children Hospital	Dr. M Iqbal	Naer Zarai Tarqati Bank Minchinabad	No.	10	133,520	47	133,520	0.134
13	City Hospital	Dr.Hussnain	Pakpattan Road Minchinabad	No.124 Date 10-08-2019	10	111,804	130	111,804	0.112
Total								1,879,852	1.880

Annexure-1/APE**[Para 7.4.3]****Irregular issuance of work order****(Amount in Rupees)**

Sr. No.	Financial Year	Scheme Name	Contractor or Name	Administrative Approval Date & No.	Advertisement date	T.S Cost
1	2016-17	Construction drain soling tuff tile kocha basher Ahmad bhuta / kocha master Akbar ward#14	M Adnan	26-01-2017	24.05.2017	500,000
2	2016-17	Construction sewerage soling resoling tuff tile kucha jaat Molalla abbasia mc ape	M Adnan	26-01-2017	24.05.2017	1,000,000
3	2016-17	Construction soling drain kocha manzoor Ayaz khan/Abdul star Dera Nwab sahib MC ape	M Khalid khan	26-01-2017	24.05.2017	500,000
4	2016-17	Construction soling drain tuff tile kocha kahierion kocha Riaz khan baloch DNB MC Ape	Ghulam Shabir	26-01-2017	24.05.2017	500,000
5	2016-17	Construction soling drain tuff tile kocha jaat shah wala bagh MC Ape	M Javed Durrani	26-01-2017	24.05.2017	1,000,000
6	2016-17	Construction soling drain sodagr colony / mahala fatani MC Ape	Allah Ditta	26-01-2017	24.05.2017	500,000
7	2016-17	Laying tuff tile kocha haji Abdul majeed, atta muhammad pansari mahala katra ahmad MC Ape	M Ashraf	26-01-2017	24.05.2017	500,000
8	2016-17	Laying sewerage line kocha jaat Ameer Allam colony MC APE	M Ashraf	26-01-2017	24.05.2017	1,000,000
9	2016-17	Laying sewerage line remaing porshan railway road baron Ghala mandi M.C Ape	M Ashraf	26-01-2017	24.05.2017	1,000,000
10	2016-17	Laying sewer line cross daba railway road MC Ape	M Ashraf	26-01-2017	24.05.2017	200,000
11	2016-17	Construction soling drain basti Allah wali kocha ramzan, kocha shabir Ahmad daadpotra MC Ape	M Ashraf	26-01-2017	24.05.2017	600,000
12	2016-17	Laying sewerage ,line soling kocha sheikh Nadeem Ahmad mahala lohro MC ape	M Ayub	26-01-2017	24.05.2017	500,000
13	2016-17	Laying sewerage tuff tile kocha Muhmmad zaki kocha Aasim shah mahala katra Ahmad M C Ape	M Ayub	26-01-2017	24.05.2017	500,000
14	2016-17	Laying tuff tile main street mohala madni M C Ape	Jam Naseer	26-01-2017	24.05.2017	500,000
15	2016-17	Laying sewerage line, soling word # 22 MC Ape	Jam Naseer	26-01-2017	24.05.2017	500,000
16	2016-17	Laying tuff tile, sewerage near fazlaon Wali Darbar kocha tasadoq Hussian patwari mohala Noor shah Bukari porana bakerkana MC APE	Allah Ditta	26-01-2017	24.05.2017	500,000
17	2016-17	Laying sewerage soling drain kocha fida Husain Qari saf ul rahman basti patwarion MC ape	Jam Naseer	26-01-2017	24.05.2017	500,000
18	2016-17	Laying tuff tile kocha rana Ghafoor koucha Ashiq farid mohala Aslampura MC Ape	Jam Naseer	26-01-2017	24.05.2017	500,000
19	2016-17	Laying tuff tile sewerage kocha Muhammad anwer kocha	Ghulam Shabir	26-01-2017	24.05.2017	500,000

Sr. No.	Financial Year	Scheme Name	Contractor or Name	Administrative Approval Date & No.	Advertisement date	T.S Cost
		Muhammad Asghr mohala Qarashaabad MC Ape				
20	2016-17	Laying tuff tile soling joiya colony MC Ape	M Rafiq	26-01-2017	24.05.2017	500,000
21	2016-17	Laying tuff tile, sewerage kocha mazhar taj mahmood colony Ape	M Ayub	26-01-2017	24.05.2017	500,000
22	2016-17	Laying tuff tile kocha main raheem near papal wali masjid mohala serwer shah MC Ape	M Ayub	26-01-2017	24.05.2017	500,000
23	2016-17	Laying soling, drain tuff tile kocha Affzl bhatti Ape	M javed Durrni	26-01-2017	24.05.2017	500,000
24	2016-17	Laying tuff tile kocha younis khan to saleem qurishi kocha mozafer shah mohala shikari, noor shah Bukari Ape	M javed Durrni	26-01-2017	24.05.2017	500,000
25	2016-17	Laying tuff tile sewerage kocha muhammadi masjid mohala serwer shah MC Ape	Ghulam Shabir	26-01-2017	24.05.2017	500,000
26	2016-17	Laying tuff tile kocha haji sadiq kocha professor shaheen Mohalla fatani MC Ape	M Rafiq	26-01-2017	24.05.2017	500,000
27	2016-17	Laying tuff tile kocha Riaz gorla railway road mohala shikari Ape	Jam Naseer	26-01-2017	24.05.2017	500,000
28	2016-17	Laying tuff tile kocha jaat hathi bazaar MC Ape	M Javed Durrni	26-01-2017	24.05.2017	1,000,000
29	2016-17	Laying sewer line railway road to main kocha traklay shah MC Ape	M Ashraf	26-01-2017	24.05.2017	1,000,000
30	2016-17	Laying tuff tile sewerage soling kocha muzamil prwana mohalla bakri sadiqaabad MC Ape	M Adnan	26-01-2017	24.05.2017	500,000
31	2016-17	Construction soling usman saleem colony jinah colony MC Ape	M Khalid khan	26-01-2017	24.05.2017	500,000
32	2016-17	Construction soling drain kocha khadem Husain MC Ape	M ayub chanar	26-01-2017	24.05.2017	500,000
33	2016-17	Laying sewer line ,tuff tile kocha ch Muhammad Ayub mohalla shekari MC Ape	Allah Ditta	26-01-2017	24.05.2017	300,000
34	2016-17	Laying tuff tile near girls primary school mohalla Qadira abad colony MC Ape	M Rafiq	26-01-2017	24.05.2017	300,000
35	2016-17	Laying soling drain kocha master Imam bux MC Ape	M ayub chanar	26-01-2017	24.05.2017	500,000
36	2016-17	Construction soling gali # 8 shadman shams colony MC Ape	M Rafiq	26-01-2017	24.05.2017	500,000
37	2016-17	Laying tuff tile kocha tahir mamtaaz mohalla noor shah bukhari MC Ape	M Ashraf	26-01-2017	24.05.2017	250,000
38	2016-17	Laying sewerage, soling kocha Qasim saeedi Qalander colony MC Ape	Allah Ditta	26-01-2017	24.05.2017	150,000
39	2016-17	Laying sewerage tuff tile kocha Abdul Sitar MC Ape	Awais Abdullah	26-01-2017	24.05.2017	400,000
40	2016-17	Laying tuff tile kocha palada ram near subah sadiq pump joia colony MC Ape	M Rafiq	26-01-2017	24.05.2017	300,000
41	2016-17	Repair delivery pipe , De-silting koin jaat disposals MC Ape	Awais Abdullah	26-01-2017	24.05.2017	100,000
Total						21,600,000

Annexure-2/APE

[Para 7.4.4]

Irregular expenditure by splitting the indents and non-observance of PPRA Rules

(Amount in Rupees)

Sr.#	NAME OF SCHEME	Name of contractor	Tender Date	TS Cost	Agreement cost	Work order No. & Date
2	Construction of Manhole near Al-Sadiq Public School, Mohallah Abbasia, MC APE.	Madina co,com	12/4/2017	24500	24463	No. 1280
3-	Construction & Repair of Sewer line Kocha Rab Nawaz, Municipal Committee APE.	Awais Abdullah	24-04-2017	99,900	99,150	No.1438
4-	Construction & Repair of Soling Koucha Abid Khan, near Hamza Town MC, APE	Awais Abdullah	25-05-2017	99,500	98626	No. 1478
5-	Laying Sewer line shikrani chowk, MC APE	Adnan khan	22-06-2017	50,000	49750	No.1542
6-	Laying RCC Pipe Cross /Slab /Fixing Cover Frame, limit MC APE	Adnan khan	22-06-2017	99,500	98753	No.1543
7-	Construction of Sewer line near Noor Muhammad Street MC APE	M Ashraf	24-06-2017	99,000	98257	No. 1546
8-	Construction of Drain Mohallah Fatani,MC APE	Awais Abdullah	24-06-2017	99,500	98629	No.1544
9-	Construction/repair sludge carrier Disposal Zone C basti patwarian, MC APE	Awais Abdullah	15-08-2017	18,000	17,955	No.1747
10-	Construction of Soling Koucha M, Aslam, Mohallah Safrani, MC, APE	Awais Abdullah	21-08-2017	99,500	99,301	No.1786
11-	Construction of Soling Koucha M Arshad, MC, Ape	M Ashraf	21-08-2017	99,800	98,926	No. 1793
12	Construction of sewer line koucha Chacha mani wala , Mohallah fatani MC , APE	M Ayub chanar	15-08-2017	99,500	98753	No. 1746 15-08-2017
13-	Laying of sewer line Al-Hafeez colony Near shikari chowk , MC, APE	M Ashraf	15-08-2017	98,500	97,761	No. 1749
14-	Laying sewer line koucha sadiq Faridi, Mohallah Katra Ahmed Khan, MC, APE	M Ashraf	30-08-2017	99,200	98,208	No. 1834
15-	Construction of manholes Koucha Riaz khan Balouch,DNS, APE	M Ashraf	30-08-2017	99,500	99,002	No. 1835 30-8-2017
16-	Construction of man hole Bank Al-Falah Street, M C APE.	M Ashraf	15-08-2017	25,800	25,709	No. 1748 15-08-2017
17-	Construction of soling kocha Ch Zubair near Hama Town MC APE.	M Ashraf	14-09-2017	99,500	99,003	No. 1860 14-09-2017
18-	Construction of man Hole Mohallah islam Pura and fixing of cover frame with raising man hole in Difference place MC APE.	M Ashraf	14-09-2017	99,300	98,654	No. 1861 14-09-2017
19-	Laying of sewer line satellite town near disposal station Municipal committee Ahamad pur east	M Ashraf	9/10/2017	75000	74812	No. 2043 9/10/2017
20-	Construction of Manhole / Sewer line Hadood Municipal Committee Ahmed pur east	M Ashraf	24-01-2018	99000	98851	No. 95 24-01-2018
21	Laying tuff tile kucha sheikh Rajab, mohallah Hussain Abad MC, APE	M. Ashraf	9/10/2017	99700	99450	No. 2041 9/10/2017
22		Nazir Ahmad	16-04-2017	99750	99550	No. 165

Sr.#	NAME OF SCHEME	Name of contractor	Tender Date	TS Cost	Agreement cost	Work order No. & Date
	Construction of drain / slab over drain machli bazaar ward No. 33, MC, APE					16-04-2018
23	Repair Eid gah Dera Nawab Sahab, MC APE	Ghulam Shabir	8/6/2017	77800	77411	No. 1497 8/6/2017
24	Repair of eid gah Ah-le-Hadees near Chungi peer Wah MC, APE	Ghulam Shabir	8/6/2017	42200	41989	No. 1496 8/6/2017
25	Repair / colour white wash / paint of markazi Eid Gah MC, APE	Javaid Durani	8/6/2017	99500	99002	No. 1495 8/6/2017
26	Construction of manholes Quraish Abad ward no.08 basti patwarian ward no. 01 and sewer connection at chowk Munir Shaheed, MC APE	M Ashraf	14-03-2018	99800	99400	No. 142 14-03-2018
27	Construction of sewerage line near new disposal railway phatak MC APE	M Ashraf	12/3/2018	99900	99700	No. 135 12/3/2018
28	Construction of drain Mehmood Colony Kucha M. Nawaz Ward No. 18, MC APE	M Ashraf	14-03-2018	99900	99500	No. 139 14-03-2018
29	Construction of manhole near chowk Shikrani MC APE	M Javaid Durani	15-03-2018	76500	76308	No. 142 15-03-2017
30	Construction of manhole near Ejaz Misson mohallah Abbasia MC APE	Ghulam Shabir	20-03-2018	30000	29925	No. 147 20-03-2018
31	Repair of drain and slab ward no. 27 MC APE	Ghulam Shabir	24-01-2018	30000	29850	No. 96 24-01-2018
32	Construction of manhole Quresh Abad near Khakwani street MC APE	Ghulam Shabir	18-03-2018	29000	28927	No. 145 18-03-2018
33	Construction of manhole and repair sewerline Dera Nawab Sahab, MC APE	Ghulam Shabir	28-05-2018	65000	64805	No. 215 28-05-2017
34	Repair of drain and RCC slab ward No. 20 MC APE	Javaid Durani	24-01-2018	75000	74812	No. 97 24-01-2017
35	Construction / repair of drain Hussain Abad MC APE	M. Khalid	24-01-2018	75000	74700	No. 99 24-01-2018
36	Construction / repair of soling & drain ward No. 28 MC APE	M Khalid	24-01-2018	80000	79800	No. 98 24-01-2018
37	Construction of sewer line mohallah Sarwar Shah near Masjid shareef MC APE	Javaid Durani	20-03-2018	93000	92768	No. 145 20-03-2018
38	Construction of manhole and repair sewerline near house Meno Ram chungi peer wah MC APE	Javaid Durani	28-05-2018	95000	94715	No. 215 28-05-2018
39	Construction of manhole and repair sewerline near house Shahid Bari chungi peer wah MC APE	Ghulam Shabir	28-05-2018	90000	89730	No. 216 28-05-2018
40	Repair colour wash and white wash markazi Eid Gah MC APE	Ghulam Shabir	4/6/2018	99500	99251	No. 230 4/6/2018
41	Repair colour wash white wash Eid Gah, Dera Nawab Sahab, MC APE	Javaid Durani	4/6/2018	98500	98204	No. 229 4/6/2018
42	Repair Eid Gah, Ahl-Hadees near Ghungi peer Wah, MC APE	Javaid Durani	4/6/2018	50000	49850	No. 228 4/6/2018
43	Construction of manhole near Govt. high school MC APE	Ghulam Shabir	15-10-2018	98000	97647	No. 269 15-10-2017
44	Construction & repair drain kucha Haji Khalil Ahmd Rehman Abad near Masjid Usman Ghani MC APE	Ghulam Shabir	1/11/2018	99500	99102	No. 287 1/11/2018
45	Construction and Repair of sewer line Shadman Colony, MC APE	Ghulam Shabir	12/10/2018	66000	65802	No. 262 12/10/2018
46	Construction of RCC Culvert & Sullage Carrier near basti Taili Dera Nawab Sahab, APE	Naseer Ahmad	5/3/2018	98000	97804	No. 130 5/3/2018

Sr.#	NAME OF SCHEME	Name of contractor	Tender Date	TS Cost	Agreement cost	Work order No. & Date
47	Construction of sewer line 9" dia and manhole kucha Sami Ullah Ameer Alam Colony, APE	Naseer Ahmad	4/12/2018	94000	93624	No. 470 4/12/2018
48	Repair & construction of soling & tuff tile inside adalat near jail road MC APE	Naseer Ahmed	31-08-2019	99800	99002	No. 341 3/9/2019
49	Construction of raising manhole cover quotation sewerage line MC APE	M. Khalid	17-03-2018	88000	87340	No. 141 19-03-2018
50	Construction and repair tuff tile MC APE.	M. Khalid	17-03-2018	99000	98257	No. 140 19-03-2018
51	Construction of RCC culvert near gate govt. degree college boys APE	Naseer Ahmad	2/3/2018	94000	93849	No. 128 2/3/2018
52	Construction & repair manhole near kanchi more MC APE	M. Ashraf	9/11/2018	91300	90843	No. 301 9/11/2018
53	Construction & repair manhole near Ghar Jamil Perwana, MC APE	M. Ashraf	23-11-2018	91300	90889	No. 393 23-11-2018
54	Construction of manhole Ghalla mandi road near Babo Hotal MC APE	M. Ashraf	20-11-2018	80000	79680	No. 332 20-11-2018
55	Construction of sewer line roadside near Shalimar Town MC APE	M. Ashraf	12/10/2018	99800	98902	No. 261 12/10/2018
56	Repair of drain / sullage Career near Masjid Quba, Mohallah Shikari MC APE	Nazeer Ahmad	21-11-2018	98900	98405	No. 333 21-11-2018
57	Construction of manhole Quresh Abad MC APE	M. Ashraf	2/3/2018	42000	41916	No. 128 3/3/2018
58	Construction of drain mohallah Shikari MC APE	Nazeer Ahmad	16-10-2018	98000	97608	No. 264 16-10-2018
Tota				4,827,050		

Annexure-3/APE

[Para 7.5.4]

Irregular subletting of shops

(Amount in Rupees)

Sr.#	Tenant Name/Address/ID No.	Location of Property/Area (Sq.Ft)	Possession of Properties /Sublet	Date of Agreement	Agreement Expiry Date	Rent / Lease Amount	Amount for three years
1	Muhammad Iqbal Through Ata Muhammad	Meat Market Shop No.09	ashfaq	4/2/1975	4/2/1980	1325	47,700
2	Muhammad Iqbal Through Ata Muhammad	Meat Market Shop No.10	ashfaq	4/2/1975	4/2/1980	1325	47,700
3	Muhammad Hussain S/O Muhammad Ramzan	Old Post Office Road 01	sajjad lohar	No lease	No lease	2887	103,932
4	Ghulam Hussain S/O Muhammad Anwer	Old Post Office Road 02	shoukat lohar	No lease	No lease	1754	63,144
5	Faiz Muhammad Through Bashir	Old Post Office Road 03	m.yamin			1218	43,848
6	Faiz Muhammad Through Rehmatullah	Old Post Office Road 04	m.yamin			1221	43,956
7	Haji Habibullah S/O Karim Bukhsh	Old Post Office Road 05	shabir ahmad			1325	47,700
8	Molvi Abdul Hameed S/O Abdul Aziz	Old Post Office Road 06	m.zahid	1/3/1973	1/4/1974	1760	63,360
9	Faiz Muhammad Through Habibullah	Old Post Office Road 07	m.zahid			1172	42,192
10	Abdul Waheed S/O Muhammad Rafiq	Old Post Office Road 08	shabir ahmad			1197	43,092
12	Muhammad Suleman S/O Sandhu Khan	Old Post Office Road 10	mushtaq			1302	46,872
13	Abdul Razzaq S/O Sultan	Old Post Office Road 11	m.farhan			996	35,856
14	Muhammad Afzal S/O Muhammad Jamil	Old Post Office Road 12	ghulam mustafa	14-09-2009	14-09-2014	1950	70,200
15	Ali Muhammad S/O Habib Ahmad	Old Post Office Road 13	ghulam mustafa	30-06-2010	30-06-2015	1193	42,948
16	Din Muhammad Ghulam Rasool	Old Post Office Road 15	m.tahir			1191	42,876
17	Abdul Aziz S/O Raheem Bukhsh	Eid Gah Road Market 06	son of original tenant	30-06-2005	30-06-2010	6107	219,852
18	Muhammad Amin Shah S/O Ashiq Hussain	Eid Gah Road Market 09	Amjad Mehmood	30-06-2005	30-06-2010	4497	161,892
19	Muhammad Ajmal Farooq S/O Maqboob	Eid Gah Road Market 10	doctor owais	30-06-2005	30-06-2010	6119	220,284
20	Parvaiz Ahmad S/O Haji Saeed Ahmad	Eid Gah Road Market 13	ayaz rafique	5/10/1988	5/10/1993	6107	219,852
21	Basheer Ahmad S/O Rehmatullah	Dar ul Saqafat Market 03	Usman Beryani wala	30-06-2010	30-06-2015	12485	449,460
22	Muhammad Iqbal s/o M. Yousaf	Allama Iqbal Market 07	Amjad Bhatti	1/9/2019	1/9/2024	9030	325,080
23	Muhammad Afzal S/O Muhammad Arif	Chowk Munir Shaheed 05	M. Nawaz	16-11-2000	16-11-2005	8940	321,840
24	Aslam S/O Abdul Majeed	Inside Tehsil Bazar 01	amjad	30-06-2010	30-06-2015	3894	140,184

Sr.#	Tenant Name/Address/ID No.	Location of Property/Area (Sq.Ft)	Possession of Properties /Sublet	Date of Agreement	Agreement Expiry Date	Rent / Lease Amount	Amount for three years
25	Manzoor Ahmad S/O Azeem Bukhsh	Inside Tehsil Bazar 05	m.iqbal	19-07-1971	19-07-1976	2548	91,728
26	Muhammad Arshad S/O Rasheed Ahmad	Inside Tehsil Bazar 08	abdul waheed	19-07-1971	19-07-1976	3881	139,716
27	Muhammad Kaleem S/O Ashiq Hussain	Tehsil Bazar Khokhajat 04	m.saleem	30-06-2010	30-06-2015	2244	80,784
28	Abdul Hameed S/O Shabrati	Chabotra Bazar Market 02	akbar electronic	No lease		3661	131,796
29	Muhammad Umer S/O Ghulam Rasool	Chabotra Bazar Market 03	papu cycle	No lease		2154	77,544
30	Abdul Hameed S/O Shabrati	Chabotra Bazar Market 04	shahinshah	No lease		3661	131,796
31	Muhammad Rashid S/O Jamal Nasir	General Bus Stand 01	m.saleem	31-10-2011	31-10-2016	7215	259,740
32	Muhammad Rashid S/O Jamal Nasir	General Bus Stand 02	m.saleem	31-10-2011	31-10-2016	2887	103,932
33	Ch. Muhammad Akram S/O Shah Muhammad	General Bus Stand 03	m.khalid	No lease		3204	115,344
34	Ch. Muhammad Akram S/O Shah Muhammad	General Bus Stand 04	m.khalid	No lease		2946	106,056
35	Muhammad Saleem S/O Muhammad Ismail	General Bus Stand 05	son of m.saleem	No lease		2424	87,264
36	Syed Mehmood Akbar S/O Muhammad Akbar	General Bus Stand 77	Rakib ali	7/6/2010	7/6/2015	8531	307,116
37	Jan Muhammad S/O Qadir Bukhsh	House No. 13 Moh. Sarwar Shah	widow of jan m.	No lease		528	19,008
38	Rashid S/O Muhammad Akmal Balouch	Railway Road (Different) 20	Asif Driver	24-04-2004	24-04-2009	1922	69,192
39	Muhammad Sarwar S/O Kuttub Din	Baldia Shopping Center 01	saad bhatti	30-06-2010	30-06-2015	5652	203,472
40	Muhammad Zafar Iqbal S/O M. Iqbal	Baldia Shopping Center 04	bhola gany wala	30-06-2005	30-06-2010	5866	211,176
41	Haji Muhammad Moin S/O Khair Din	Baldia Shopping Center 07	M.Asif Iqbal	30-06-2010	30-06-2015	5727	206,172
42	Muhammad Arshad S/O Siraj Ahmad	Baldia Shopping Center 09	Imran s/o gulzar	30-06-2010	30-06-2015	6023	216,828
43	Muhammad Asghar S/O Mian Ahmad Yar	Baldia Shopping Center 10	Muhammadi Dawakhana	30-06-2010	30-06-2015	6661	239,796
44	Shahzad Gill S/O Sadiq Muhammad	Baldia Shopping Center 11	rizwan	30-06-2010	30-06-2015	6345	228,420
45	Altaf Hussain S/O Mukhtiar Ahmad	Baldia Shopping Center 13	amir gany wala	30-06-2010	30-06-2015	6482	233,352
46	Muhammad Akbar S/O Khushi Muhammad	Baldia Shopping Center 14	sheikh mohsin	15-08-1988	15-08-1993	6154	221,544
47	Muhammad Ibrahim S/O Ahmad Bukhsh	Baldia Shopping Center 15	sheikh mohsin	No lease		7290	262,440
48	Muhammad Ibrahim S/O Ahmad Bukhsh	Baldia Shopping Center 16	sheikh mohsin	30-07-1988	30-07-1993	7290	262,440
49	Imran Khan S/O Sharif Khan	Baldia Shopping Center 17	fiaz baloch	30-06-2010	30-06-2015	5214	187,704
50	Iftikhar Basheer S/O Basheer Ahmad	Baldia Shopping Center 19	m.mohsin	30-06-2005	30-06-2010	5225	188,100

Sr.#	Tenant Name/Address/ID No.	Location of Property/Area (Sq.Ft)	Possession of Properties /Sublet	Date of Agreement	Agreement Expiry Date	Rent / Lease Amount	Amount for three years
51	Rafiq Ahmad S/O Qaimi Urf Bhola	Baldia Shopping Center 20	yasir chicken	30-06-2005	30-06-2010	5683	204,588
52	Muhammad Hanif S/O Qaimi Urf Bhola	Baldia Shopping Center 21	yousaf punkchur wala	30-06-2010	30-06-2015	5683	204,588
53	Mehmood Alam S/O Muhammad Yasin	Baldia Shopping Center 23	m.hanif	30-06-2010	30-06-2015	5214	187,704
54	Muhammad Ishaq S/O Basheer Ahmad	Baldia Shopping Center 25	munna sabzi wala	30-06-2010	30-06-2015	4961	178,596
55	Muhammad Ismail S/O Basheer Ahmad	Baldia Shopping Center 26	iftikhar hotel wala	30-06-2010	30-06-2015	4793	172,548
56	Muhammad Ashraf S/O Fazal Muhammad	Baldia Shopping Center 32	m.akbar	30-11-2000	30-11-2005	8607	309,852
57	Saeed Ahmad Siddiqui S/O Abdul Hameed	Baldia Shopping Center 33	M.fiaz baloch	30-06-2005	30-06-2010	10175	366,300
58	Karim Bukshs S/O Allah Bachaya	Old Committee Market 13	m.amjid	26-02-2007	26-02-2012	1382	49,752
Total							8,900,208

Annexure-4/APE**[Para 7.5.5]****Non-realization of conversion fee****(Amount in Rupees)**

Sr. No.	School Name		Yard stick Rate	Marlas	Amount	Conversion
1	Iqra Public Girls H/S Mubarkpur	Ahmadpur	93,170	15	1,397,550	139,755
2	Muslim Girls H/S APE	Ahmadpur	153,065	10	1,530,650	153,065
3	Petroalla Public School Abbasia Chowk APE	Ahmadpur	153,065	10	1,530,650	153,065
4	Filkan Public School APE	Ahmadpur	153,065	10	1,530,650	153,065
5	Al-Haider Girls Secondary School Uch Sharif	Ahmadpur	93,170	15	1,397,550	139,755
6	Oxford Public HSS Satelite Twon APE	Ahmadpur	192,995	15	2,894,925	289,493
7	The Chidlern School Uch Sharif	Ahmadpur	93,170	10	931,700	46,585
8	Al-Khizer Girls School shamas colony uch sharif	Ahmadpur	106,480	10	1,064,800	106,480
9	Jinnah Public Girls H/S Mubark pur	Ahmadpur	93,170	15	1,397,550	139,755
10	Millat Model School Near Bypass Road Mubarakpur APE	Ahmadpur	93,170	10	931,700	93,170
11	Ahmad Model Public School Boys Ram Kali Ahmadpur	Ahmadpur	93,170	10	931,700	93,170
12	Ahmad Model Public School Girls Ram Kali Ahmadpur	Ahmadpur	93,170	10	931,700	93,170
13	Paramount Public School Shadman Colony, Ahmadpur	Ahmadpur	192,995	15	2,894,925	289,493
14	Al-Rehman System of Education Uch Sharif Tehsil Ahmadpur East	Ahmadpur	113,135	10	1,131,350	113,135
15	Dar-ul-Islam Public School Darrah Chachran KLP Road Ahmadpur East	Ahmadpur	86,515	10	865,150	43,258
16	Ahmad Public School Moza Jindu Channar Tehsil Ahmedpur East	Ahmadpur	86,515	10	865,150	43,258
17	Al Muzamil English Medium Public School,Uch Sharif Tehsil APE	Ahmadpur	93,170	10	931,700	46,585
18	Al-Qadir Public School, Basti Dost Muhammad Chanar Tehsil APE	Ahmadpur	93,170	10	931,700	46,585
19	Al-Asif Islamic Public School uch Sharif Ahmedpur East.	Ahmadpur	93,170	10	931,700	46,585
20	Sadiq Public Model School Basti Bungia Mustoi p.o Gumani Tehsil Ahmedpur East.	Ahmadpur	93,170	10	931,700	46,585
21	New Islamic Model Public School New Shams Colony Uch Sharif	Ahmadpur	106,480	10	1,064,800	53,240
22	Eqan Public Science Middle School Sukhail Near Shukhail Pull Ahmadpur	Ahmadpur	79,860	10	798,600	39,930

Sr. No.	School Name		Yard stick Rate	Marlas	Amount	Conversion
23	New Educator School System, Rattur Lal Moza Bakhri Tehsil Ahmedpur East	Ahmadpur	79,860	10	798,600	39,930
24	Al-Farooq Misali Public Middle School, Mubarakpur Road Hatheji APE	Ahmadpur	79,860	10	798,600	39,930
25	Al-Qasim Public School Hatheji Tehsil Ahmedpur East	Ahmadpur	79,860	10	798,600	39,930
26	Sublime Public High School Shadman Colony APE	Ahmadpur	192,995	15	2,894,925	289,493
27	Al-Qadria Public Middle School Railway Road APE.	Ahmadpur	133,100	10	1,331,000	133,100
28	Al-Waqas Public School Uch Sharif City APE.	Ahmadpur	113,135	10	1,131,350	113,135
29	Al-Rehman System of Education Uch-Sharif Ahmedpur	Ahmadpur	93,170	10	931,700	46,585
30	Islamia Model School Khairpur Daha Tehsil APE	Ahmadpur	93,170	10	931,700	46,585
31	The English School Ramzi Chowk Mubarakpur Tehsil APE	Ahmadpur	93,170	10	931,700	46,585
32	Islamia Model School Khairpur Daha Tehsil APE	Ahmadpur	93,170	10	931,700	46,585
33	The English School Ramzi Chowk Mubarakpur Tehsil APE	Ahmadpur	93,170	10	931,700	46,585
34	Millat Model School Near Bypass Road Mubarakpur APE	Ahmadpur	93,170	10	931,700	46,585
35	Ahmad Model Public School Boys Ram Kali Ahmadpur	Ahmadpur	93,170	10	931,700	46,585
36	Ahmad Model Public School Girls Ram Kali Ahmadpur	Ahmadpur	93,170	10	931,700	46,585
37	Paramount Public School Shadman Colony, Ahmadpur	Ahmadpur	93,170	10	931,700	93,170
38	Al-Rehman System of Education Uch Sharif Tehsil Ahmadpur East	Ahmadpur	93,170	10	931,700	46,585
39	Dar-ul-Islam Public School Darrah Chachran KLP Road Ahmadpur East	Ahmadpur	93,170	10	931,700	46,585
40	Jinnah Computer Science (JCS) System of Education Khanqah sharif	Ahmadpur	93,170	10	931,700	46,585
41	Ahmad Public School Moza Jindu Channar Tehsil Ahmedpur East	Ahmadpur	93,170	10	931,700	46,585
42	Al Muzamil English Medium Public School, Uch Sharif Tehsil APE	Ahmadpur	93,170	10	931,700	46,585
43	Al-Qadir Public School, Basti Dost Muhammad Chanar Tehsil APE	Ahmadpur	93,170	10	931,700	46,585
44	Al-Asif Islamic Public School uch Sharif Ahmedpur East.	Ahmadpur	93,170	10	931,700	46,585
45	Sadiq Public Model School Basti Bungia Mustoi p.o Gumani Tehsil Ahmedpur East.	Ahmadpur	93,170	10	931,700	46,585

Sr. No.	School Name		Yard stick Rate	Marlas	Amount	Conversion
46	New Islamic Model Public School New Shams Colony Uch Sharif	Ahmadpur	93,170	10	931,700	93,170
47	Eqan Public Science Middle School Sukhail Near Shukhail Pull Ahmadpur	Ahmadpur	93,170	10	931,700	46,585
48	New Educator School System, Rattur lal Moza Bakhri Tehsil Ahmedpur East	Ahmadpur	93,170	10	931,700	46,585
49	Al-Farooq Misali Public Middle School, Mubarakpur Road Hatheji APE	Ahmadpur	93,170	10	931,700	46,585
50	Al-Qasim Public School Hatheji Tehsil Ahmedpur East	Ahmadpur	55,300	10	553,000	27,650
51	Al-Asad Public School, Mud Rasheed APE	Ahmadpur	55,300	10	553,000	27,650
52	Jinnah Public High School, Kangan Road Mubarakpur APE	Ahmadpur	55,300	15	829,500	41,475
53	Bab-ul-Ilm Girls Public School Tahir wali APE	Ahmadpur	55,300	10	553,000	27,650
54	Al-Mansoor Public Middle School, Near G.P.O Channi Goth APE	Ahmadpur	55,300	10	553,000	27,650
55	Khawaje Fareed Public School Dera Nawab Sahab.	Ahmadpur	55,300	10	553,000	27,650
56	Al-Hassan Public Middle School Billa Jholan Ahmedpur	Ahmadpur	55,300	10	553,000	27,650
57	New Al-Rehman Public School uch Sharif	Ahmadpur	55,300	10	553,000	27,650
58	The County School Uch Sharif	Ahmadpur	55,300	10	553,000	55,300
59	Al-Khair Girls & Boys High School uch Sharif	Ahmadpur	55,300	15	829,500	82,950
60	oxfor secondary school Ahmedpur	Ahmadpur	55,300	10	553,000	55,300
61	Al-Haider Girls Secondary School Uch Sharif	Ahmadpur	55,300	10	553,000	27,650
62	Qaid-E-Azam Public school Ahmedpur East.	Ahmadpur	95,000	10	950,000	47,500
63	Al-Falah Public Middle School, Khutri Banglow	Ahmadpur	55,300	10	553,000	27,650
64	Ahmedpur Public School, Kangan Road APE	Ahmadpur	55,300	10	553,000	55,300
65	Sir Syed HSS Uch Sharif.	Ahmadpur	55,300	15	829,500	82,950
66	Gillani System of Education, Noorpur	Ahmadpur	55,300	10	553,000	55,300
67	Al-Madina Public Middle School, Jageer Sadiq Abad APE	Ahmadpur	55,300	10	553,000	55,300
68	New Tameer Millat Public School, Malkani Basti APE	Ahmadpur	55,300	10	553,000	55,300
69	Al-Murtaza Public School, Panwaran Hatheji.	Ahmadpur	55,300	10	553,000	55,300
70	Al-Abbas Public Primary School, Basti Sadaat APE	Ahmadpur	55,300	10	553,000	27,650
71	Ramzan Public School Hatheji.	Ahmadpur	55,300	10	553,000	27,650
72	Al-Qasim Pulbic E/S Moza Sarwar Abad APE	Ahmadpur	55,300	10	553,000	27,650
73	Bismillah Public Primary School, Khairpur Daha APE	Ahmadpur	55,300	10	553,000	27,650

Sr. No.	School Name		Yard stick Rate	Marlas	Amount	Conversion
74	Asim Public School, Basti Malkani APE	Ahmadpur	55,300	10	553,000	27,650
75	Lariab Public Girls High School, Khanpur	Ahmadpur	55,300	15	829,500	41,475
76	Sir Syed Public School, Tibbi Hot Mahar APE	Ahmadpur	55,300	10	553,000	27,650
77	Saidq Garision Public School, Dera Nawab Sahab APE	Ahmadpur	55,300	10	553,000	27,650
78	Malik Sarwar Public School, Dear Nawab APE	Ahmadpur	55,300	10	553,000	27,650
79	Bahawalpur Grammer School, Dera Nawab Ahmadpur East	Ahmadpur	55,300	10	553,000	27,650
80	Sir Syed Model Public School, APE	Ahmadpur	55,300	10	553,000	27,650
81	Jinnah Pubic School, isra Basti Qadir Abad	Ahmadpur	55,300	10	553,000	27,650
82	The National School, APE	Ahmadpur	55,300	10	553,000	55,300
83	Al-Attique Middle School , Uch Shaif Road APE	Ahmadpur	55,300	10	553,000	27,650
84	Al-Huda Public High School, Mohallah Saddique Abad APE	Ahmadpur	55,300	15	829,500	82,950
85	Al-Siraat Public School Kotal Mousa Khan APE	Ahmadpur	55,300	10	553,000	27,650
86	Al-Rehman Public High School Kotal Mousa Khan	Ahmadpur	55,300	15	829,500	41,475
87	Laraib Public High School, Chak No. 151/NP p.o Channi Goth Tehsil APE	Ahmadpur	55,300	10	553,000	27,650
88	Assaeed Public School Channi Goth	Ahmadpur	55,300	10	553,000	27,650
89	Faiz Public School, Ali Kharak APE	Ahmadpur	55,300	10	553,000	27,650
90	Usman English Medium Public School APE	Ahmadpur	55,300	10	553,000	55,300
91	The County High School lalazar Colony APE	Ahmadpur	55,300	10	553,000	55,300
92	Iqra Model High School Hatiji	Ahmadpur	55,300	15	829,500	82,950
93	New Modren School of Science Zahirper APE	Ahmadpur	55,300	10	553,000	55,300
94	Al-Samad Public School Uch. Sharif	Ahmadpur	55,300	10	553,000	27,650
95	Falak Public School, Sojhla Tanowary Besti Allah Jawaya	Ahmadpur	55,300	10	553,000	27,650
96	Aqsa Public School, Mouza Khuda Bukhsh Channi Goth	Ahmadpur	55,300	10	553,000	27,650
97	Misali Public School, Middle Uch Sharif	Ahmadpur	55,300	10	553,000	27,650
98	Knowledge way model School APE	Ahmadpur	55,300	5	276,500	13,825
99	Al-Sriaj Public School Basti Arain Uch Sharif	Ahmadpur	55,300	10	553,000	27,650
100	Dua Public School, Basti Nonari Tehsil APE	Ahmadpur	55,300	10	553,000	27,650
101	Alqadira Public middle School Railway Road APE	Ahmadpur	55,300	10	553,000	27,650
102	Al-Taleem System of Education, Sarwar Abad APE	Ahmadpur	55,300	10	553,000	27,650

Sr. No.	School Name		Yard stick Rate	Marlas	Amount	Conversion
103	Al-Wahid Public School, Basti Shahzad Abad APE	Ahmadpur	55,300	10	553,000	27,650
104	Al-Hamra Model Public School, APE	Ahmadpur	55,300	10	553,000	27,650
105	Fatima Public School, Muhammad Yar Colony Ahmadpur	Ahmadpur	55,300	10	553,000	27,650
106	Th Sun Rise School of Computer Science, Adda Lohara Zahir peer APE	Ahmadpur	55,300	10	553,000	27,650
107	The Smart Choice School System Uch Sharif	Ahmadpur	55,300	10	553,000	27,650
108	Zainab Public Girls High School, Pipli Rajan Tehsil Ahmedpur East	Ahmadpur	55,300	15	829,500	41,475
109	al-Sajid Progressive Public School APE	Ahmadpur	55,300	10	553,000	27,650
110	Bab-Ul-Elam Education System, Basti Bashir joya APE	Ahmadpur	55,300	10	553,000	27,650
111	New Modern School Science Tibbi Hot Mahar Zahir Peer.	Ahmadpur	55,300	10	553,000	27,650
112	Pakland School Uch Sharif	Ahmadpur	55,300	10	553,000	27,650
113	Al-Mustfa Public School Power House APE	Ahmadpur	97,000	10	970,000	48,500
114	Bismillah Public School Noorpur	Ahmadpur	55,300	10	553,000	27,650
115	Al-Hira Public School Mubrakpur	Ahmadpur	55,300	10	553,000	27,650
116	AL- Madni Public school Uch sharif	Ahmadpur	55,300	10	553,000	27,650
117	Suffah Islamic Model School Chani Goth	Ahmadpur	22,000	10	220,000	11,000
118	Rashid-Munhas Model Public School Uch Sharif	Ahmadpur	55,300	10	553,000	27,650
119	Al-Mustafa Public Middle School Uch-Sharif	Ahmadpur	55,300	10	553,000	27,650
120	Adviser Childer School Goth Meharb	Ahmadpur	55,300	10	553,000	27,650
121	Dwan Public School Kagan Road APE	Ahmadpur	55,300	10	553,000	27,650
122	Al-Rehman Public Middle School Lalazar Colony APE	Ahmadpur	55,300	10	553,000	27,650
123	Al-Fallah Public School Sadqa Bad APE	Ahmadpur	55,300	10	553,000	27,650
124	Zainab Public Girls High School, Pipli Rajan Tehsil Ahmedpur East	Ahmadpur	55,300	10	553,000	27,650
125	Al-Star Public School APE	Ahmadpur	55,300	10	553,000	27,650
126	Sun Rise Montissuri School Uch Shareef APE	Ahmadpur	55,300	10	553,000	27,650
127	Kids Galazy School Satllite Town APE	Ahmadpur	55,300	10	553,000	27,650
128	Smart School System (Primary) Basti Laran Mouza Daim Wala	Ahmadpur	55,300	10	553,000	27,650
129	Al-Rehman Public School (Primary) Basti Lahari Mouza Bait Moaziz Din	Ahmadpur	55,300	10	553,000	27,650

Sr. No.	School Name		Yard stick Rate	Marlas	Amount	Conversion
130	Brith Future Public School (Primary) Basti Mohana Kachi Shikrani	Ahmadpur	55,300	10	553,000	27,650
131	Bakhtawar Public School (Middle) Jhangra Road Hatheji	Ahmadpur	55,300	10	553,000	27,650
132	Tameer-e-Seerat Public Middle School Khairpur Daha	Ahmadpur	55,300	10	553,000	27,650
133	Ohad Saeed Educational System (Middle) Basti Bhinda Chowk Bhatta	Ahmadpur	55,300	10	553,000	27,650
134	Progressive Group of Shool (Middle) Railway Road APE	Ahmadpur	55,300	10	553,000	27,650
135	Dar-Arfa School (Middle) Usman Saleem Colony	Ahmadpur	55,300	10	553,000	27,650
136	Al-Moaz Public School Basti Ghareeb Abad	Ahmadpur	55,300	10	553,000	27,650
137	Al-Falah Public School (Middle) Basti baloch UC Chanab Rasoolpur	Ahmadpur	55,300	10	553,000	27,650
138	Chanab Public School (Middle) Basti Machi Mouza chanab Rasoolpur	Ahmadpur	55,300	10	553,000	27,650
139	Tameer-e-Millat Public School (Middle) Chanab Rasoolpur	Ahmadpur	55,300	10	553,000	27,650
140	Khawaj Fareed Public School (Primary) Basti Balochan Allah Bakhash Mouza Dahay Wala	Ahmadpur	55,300	5	276,500	13,825
141	Al-Noor Public School (Middle) Basti Balochan Mauza Kotla Baqir Shah P.o Hatheji	Ahmadpur	55,300	10	553,000	27,650
142	The Smart Choice School System Uch Sharif	Ahmadpur	55,300	10	553,000	27,650
143	Al-Muzammil English Medium Public School (Middle) Rattur Nahran Wali	Ahmadpur	55,300	10	553,000	27,650
144	Bright Career System of Education (Primary) Mouza Gullan lar	Ahmadpur	55,300	5	276,500	13,825
145	Al-Habib Public School (Middle) Basti Sheikhan Mouza Ghousepur	Ahmadpur	55,300	10	553,000	27,650
146	The Nation Grammar School (Middle) Jhangra Raod Hatheji	Ahmadpur	55,300	10	553,000	27,650
147	Al-Husnian Public School (Primary) Basti Baqir Shah	Ahmadpur	55,300	5	276,500	13,825
148	Bismillah Public School Basti Mehrab Wala	Ahmadpur	55,300	10	553,000	27,650
149	Al-Aziz Public School (Middle) Moza Haiderpur	Ahmadpur	55,300	10	553,000	27,650
150	New Al-Abbas Public School (primary) Moza Wadhnor	Ahmadpur	55,300	5	276,500	13,825
151	Shaheen Model Public School (Primary) Basti Numberdar Hatheji	Ahmadpur	55,300	5	276,500	13,825
152	Um-ul-Qura Public School (Primary) Hatheji	Ahmadpur	55,300	5	276,500	13,825
153	Shaheen Public School (Middle)Kotla Shaikhan	Ahmadpur	55,300	5	276,500	13,825

Sr. No.	School Name		Yard stick Rate	Marlas	Amount	Conversion
154	The Ilm Public School (Primary) Basti Khuda Bujhsh APE	Ahmadpur	55,300	5	276,500	13,825
155	Azan Public School (Primary) Basti Chohan Moza Ismail Pur	Ahmadpur	55,300	5	276,500	13,825
156	Mohsaan Public School (Middle) Mouza Ramzan Joyia Basti Joyian	Ahmadpur	55,300	10	553,000	27,650
157	Al-Mehmood Public Middle School (Middle) Mehrab Wala	Ahmadpur	55,300	10	553,000	27,650
158	Al-Rehman Public Middle School Basti Chonian Moza Bwp Ghalwan	Ahmadpur	55,300	10	553,000	27,650
159	Asia Girls Public School (Primary) Basti Baha P.o Uch Charif	Ahmadpur	55,300	5	276,500	13,825
160	Al-Sadiq Public School (Primary) Basti Farash Dhoor Kot	Ahmadpur	55,300	5	276,500	13,825
161	Ayesha Public School (Primary) Hatheji	Ahmadpur	55,300	5	276,500	13,825
162	Dua Ilm Public school Basti Haji Khuda Baksh	Ahmadpur	55,300	10	553,000	27,650
163	Azrah System of Education Middle Chanab Rasool pur Uch Sharif	Ahmadpur	55,300	10	553,000	27,650
164	The Village Model School (Primary) Mouza Jindo Chanar Ahmadpur	Ahmadpur	55,300	5	276,500	13,825
165	Al-Zahara System of Education (Middle) Basti Bhatti Channab Rasoolpur APE	Ahmadpur	55,300	10	553,000	27,650
166	Zanaib Public School Pipli Rajan	Ahmadpur	55,300	10	553,000	27,650
167	Oxford Public Higher Secondary School Girls Satellite Town	Ahmadpur	55,300	20	1,106,000	55,300
168	Muslim Girls high School Near Degree Cologe	Ahmadpur	55,300	20	1,106,000	55,300
169	Al-Mustafa Public High School Basti Jampur Uch Sharif	Ahmadpur	55,300	15	829,500	41,475
170	Al-Sirat Public School Kotla Mousa Khan	Ahmadpur	55,300	10	553,000	27,650
171	Saad Public High School grils Kotla Mosa Khan	Ahmadpur	55,300	15	829,500	41,475
172	Ahmadpur Girls High School Kagan Road Mohalla Sarwar Sah	Ahmadpur	55,300	15	829,500	41,475
Total				1,755	123,913,175	8,005,028

Annexure-1/HSP

[Para 8.5.1]

Detail showing non collection of arrears

(Amount in Rupees)

Sr. No.	Financial Year	Major / Minor Receipt Heads	Revised Budget (Rs.)	Actual Recovery (Rs.)	Arrear Due (Rs.)	Rupees In Million
1	2016-17	B01302 UIP Ordinary Collection	700,000	-	700,000	0.700
2	2016-17	C0388047 to 51 Water Rate	11,186,670	527,691	10,658,979	10.659
3	2016-17	C0388002 Fee for license & permit	778,900	-	778,900	0.779
4	2016-17	C0388054 Sewerage fee / Charges / Nali Tax	1,367,968	-	1,367,968	1.368
5	2016-17	C0388081 Rent of Municipal property / shops (Cabins etc.)	350,781	-	350,781	0.351
6	2016-17	C0388081 Rent of Municipal property / shops (Quaid-e-Azam market)	1,269,487	-	1,269,487	1.269
7	2016-17	C0388091 Others	5,795,545	-	5,795,545	5.796
8	2016-17	C0388081 Rent of Municipal property / shops	17,671,414	475,336	17,196,078	17.196
9	2017-18	B01302 UIP Ordinary Collection	7,548,158	3,156,459	4,391,699	4.392
10	2017-18	C0388047 to 51 Water Rate	15,426,636	1,140,141	14,286,495	14.286
11	2017-18	C0388002 Fee for license & permit	875,700	1,200	874,500	0.875
12	2017-18	C0388054 Sewerage fee / Charges / Nali Tax	2,076,888	73,640	2,003,248	2.003
13	2017-18	C0388081 Rent of Municipal property / shops (Cabins etc.)	218,144	175,178	42,966	0.043
14	2017-18	C0388081 Rent of Municipal property / shops (Quaid-e-Azam market)	515,950	405,829	110,121	0.110
15	2017-18	C0388081 Rent of Municipal property / shops (Sabzi Mandi)	31,000	-	31,000	0.031
16	2017-18	C0388081 Rent of Municipal property / shops	4,403,721	1,728,170	2,675,551	2.676
17	2017-18	C0388098 Municipal property / shops (arrear)	16,366,253	2,750,285	13,615,968	13.616
18	2018-19	B01302 UIP Ordinary Collection	6,407,861	1,343,812	5,064,049	5.064
19	2018-19	C0388047 to 51 Water Rate	18,935,784	2,147,713	16,788,071	16.788
20	2018-19	C0388002 Fee for license & permit	1,143,500	25,300	1,118,200	1.118
21	2018-19	C0388054 Sewerage fee / Charges / Nali Tax	2,805,698	267,260	2,538,438	2.538
22	2018-19	C0388081 Rent of Municipal property / shops (Cabins etc.)	163,427	147,239	16,188	0.016
23	2018-19	C0388081 Rent of Municipal property / shops (Quaid-e-Azam market)	293,536	162,819	130,717	0.131
24	2018-19	C0388081 Rent of Municipal property / shops	7,327,404	3,035,008	4,292,396	4.292
Total			123,660,425	17,563,080	106,097,345	106.097

Annexure-2/HSP

[Para 8.5.2]

Detail showing non achievement of targets:

(Amount in Rupees)

Sr. No.	Financial Year	Description	Target (Rs.)	Actual Collection (Rs.)	Difference (Rs.)	Rupees In Million	Loss (%)
1	2016-17	C03515-Car Parking	522,000	208,800	313,200	0.313	60.00%
2	2016-17	C0388016-General Bus Stand Fee	5,149,000	2,496,425	2,652,575	2.653	51.52%
3	2016-17	C0388027-Fee for approval of building / construction plan	1,500,000	1,425,983	74,017	0.074	4.93%
4	2016-17	C0388046-Water connection	250,000	249,060	940	0.001	0.38%
5	2016-17	C0388047-Receipts on account of sales of water	5,594,000	391,330	5,202,670	5.203	93.00%
6	2016-17	C0388054-Sewerage Fee	924,000	86,440	837,560	0.838	90.65%
7	2016-17	C0388071-Registration /Enlistment of Contractor	300,000	75,000	225,000	0.225	75.00%
8	2016-17	C0388081-Rent of Municipal Property/shops	19,327,000	16,069,318	3,257,682	3.258	16.86%
9	2016-17	C0388094-Misc.	19,948,329	13,207,954	6,740,375	6.740	33.79%
1	2017-18	C03555-Car Parking	1,229,000	208,800	1,020,200	1.020	83.01%
2	2017-18	C0388002-License Fee (Dangerous and Offensive Trade)	500,000	231,000	269,000	0.269	53.80%
3	2017-18	C02705-Collection of payment for services	350,000	323,238	26,762	0.027	7.65%
4	2017-18	C0388016-General Bus Stand Fee	11,000,000	10,789,570	210,430	0.210	1.91%
5	2017-18	C0388042-Fee for slaughtering of animals	200,000	191,980	8,020	0.008	4.01%
6	2017-18	C0388047-Receipts on account of sales of water	6,900,000	2,271,026	4,628,974	4.629	67.09%
7	2017-18	C0388054-Sewerage Fee	1,300,000	499,590	800,410	0.800	61.57%
8	2017-18	C0388071-Registration /Enlistment of Contractor	450,000	396,000	54,000	0.054	12.00%
9	2017-18	C0388081-Rent of Municipal Property/shops	38,689,500	36,201,353	2,488,147	2.488	6.43%
11	2017-18	C0388088-Machinery Charges	50,000	34,100	15,900	0.016	31.80%
1	2018-19	C03555-Car Parking	1,505,000	1,245,720	259,280	0.259	17.23%
2	2018-19	C0388002-License Fee (Dangerous and Offensive Trade)	350,000	308,700	41,300	0.041	11.80%
3	2018-19	C0388035-Enforcement	1,420,000	1,600	1,418,400	1.418	99.89%
4	2018-19	C0388042-Fee for slaughtering of animals	200,000	194,540	5,460	0.005	2.73%
5	2018-19	C0388046-Water connection	900,000	834,210	65,790	0.066	7.31%
6	2018-19	C0388047-Receipts on account of sales of water	7,100,000	2,462,026	4,637,974	4.638	65.32%
7	2018-19	C0388054-Sewerage Fee	1,400,000	834,210	565,790	0.566	40.41%
8	2018-19	C0388071-Registration /Enlistment of Contractor	262,500	222,500	40,000	0.040	15.24%
9	2018-19	C0388081-Rent of Municipal Property/shops	46,158,404	42,550,833	3,607,571	3.608	7.82%
10	2018-19	C0388094-Misc.	9,715,678	369,469	9,346,209	9.346	96.20%
Total			183,194,411	134,380,775	48,813,636	48.814	26.65%

Annexure-3/HSP**[Para 8.5.4]****Less rent of shops as per competitive market rate:****(Amount in Rupees)**

Sr. No.	Detail of Shops	Amount
1	Water Works Bahawalpur Road	0.200
2	Bwp Road	0.250
3	Bwp Road, Railway Crossing No. 02.	0.365
4	Sabzi Mandi	0.260
5	Railway Road, (Khokha)	0.100
6	Near Ghallah mandi Gate.	0.650
7	Ghallah mandi Gate. (Khokha)	0.862
8	Chistian Road(Khokha)	0.964
9	Near Ex. Meat Market (Khokha)	0.740
10	Tehsil Bazar	0.125
11	Anar kali Bazar (Takhat Posh)	0.560
12	Near Ghallah Godam Railway Road (Khokha)	0.698
13	Near Ex. Meat Market.	0.126
14	Ex. Meat Market	0.258
15	Quid Azam Market.	0.359
16	Near office Baldia	0.264
17	Old Bus Stand	0.264
18	Old Bus Stand Bukhari Market.	0.675
19	Old Bus Stand Bukhari Market.	0.889
20	Old Bus Stand Bukhari Market.	0.624
21	Old Bus Stand Bukhari Market.	0.549
22	Chungi No.10. Near Christian Colony	0.834
23	Club Road	0.127
24	Childern Park	0.264
25	Darbar Road	0.167
26	Girls School	0.467
27	Rafiq Middle School Darbar Road	0.672
Total		12.313

Annexure-1/KPT

[Para 9.5.3]

Detail showing Non-achievement of revenue targets:

(Rupees in million)

Sr. No.	FY	Factors/Indicators	Target	Achievement	Less achieved	% non achieved
1	2016-17	Licesn and permit fee	150,000	141,500	8,500	94%
2		General Bus Stand Fee	900,000	864,505	35,495	96%
3		Riksha/ Motor Cycle stand fee	90,000	73,110	16,890	81%
4		Building Construction Fee	500,000	237,519	262,481	48%
5		Fee for slaughtering of animals	75,000	59,580	15,420	79%
6		Receipts on account of sales of water	968,540	304,445	664,095	31%
7		Sewerage Fee	157,725	128,660	29,065	82%
8		Sanitation Fee	85,000	80,970	4,030	95%
9		Sale of Sullage water	350,000	276,583	73,417	79%
10		Registration / Enlistment of contractor	200,000	155,000	45,000	78%
11		Advertisement Fee	150,000	128,805	21,195	86%
12		Rent of municipal property	3,565,801	941,073	2,624,728	26%
13		Copy fee	10,000	7,400	2,600	74%
14		Other Misc. fee	5,176,690	1,703,222	3,473,468	33%
15	2017-18	Development Charges of Housing Schemes	150,000	47,958	102,042	32%
16		License and Permit fee	450,000	189,070	260,930	42%
17		General Bus Stand Fee	1,921,012	1,780,892	140,120	93%
18		Building Construction Fee	4,000,000	3,369,208	630,792	84%
19		Receipts on account of sales of water	1,189,300	666,035	523,265	56%
20		Sewerage Fee	405,500	97,523	307,977	24%
21		Sanitation Fee	143,550	49,960	93,590	35%
22		Sale of Sullage water	573,785	384,710	189,075	67%
23		Fee for fire brigade	50,000	35,250	14,750	71%
24		Advertisement Fee	384,836	223,770	161,066	58%
25		Copy fee	348,500	93,700	254,800	27%
26		Registration /Enlistment of Contractor	200,000	60,525	139,475	30%
27	2018-19	License and Permit fee	375,000	112,950	262,050	30%
28		General Bus Stand Fee	1,921,012	1,683,435	237,577	88%
29		Receipts on account of sales of water	1,160,000	589,480	570,520	51%
30		Sewerage Fee	350,000	84,475	265,525	24%
31		Sanitation Fee	143,550	49,960	93,590	35%
32		Sale of Sullage water	573,785	318,630	255,155	56%
33		Advertisement Fee	330,000	159,320	170,680	48%
34		Copy fee	348,500	116,000	232,500	33%
35		Other Misc. fee	3,440,540	11,000	3,429,540	0%
36		Registration /Enlistment of Contractor	200,000	65,000	135,000	33%
Total			31,037,626	15,291,223	15,746,403	49%

Annexure-1/UCH

[Para 10.3.2]

Detail of bills passed through splitting

(Rupees in million)

Sr. No.	Date	Bill No.	Supplier Name	Description	Amount
1	6/19/2017	78	A.R. Enterprises	Purchase of electric items	0.199
2	28.08.18	NIL	M Shehzad	Supply material for eid ul azha	0.241
3	NIL	NIL	M Shehzad	Material for sever line	0.196
4	04.12.17	NIL	Shehzad Riaz	Material for Rabi ul awal	0.566
Total					1.202

Further Detail of bills

(Rupees in million)

Sr. No.	Year	Head	Vr. No.	Date	Supplier Name	Item Name With Description	Gross Amount	Amount
1	2018-19	A-9601	475	3/20/2019	Shehzad Shikrani	Purchase of items for Disposal & De-watering set	49,800	0.050
2	2018-19	A-9601	476	3/20/2019	Shehzad Shikrani		49,900	0.050
3	2018-19	A-9601	527	4/18/2019	Shehzad Shikrani		24,000	0.024
4	2018-19	A-9601	537	4/23/2019	Shehzad Shikrani		49,900	0.050
5	2018-19	A-13870	535	4/23/2019	Shehzad Riaz	Plantation	99,500	0.100
6	2018-19	A-13870	595	5/22/2019	Shehzad Riaz		99,450	0.099
7	2018-19	A-13570	305	12/24/2018	Shehzad Riaz	Cleaning & Dumping by Headralic	99,000	0.099
8	2018-19	A-13570	309	12/27/2018	Shehzad Riaz		99,000	0.099
9	2018-19	A-13570	557	4/26/2019	M.Akbar Contractor		97,500	0.098
10	2018-19	A-13570	594	5/22/2019	Shehzad Riaz		97,500	0.098
11	2017-18	A-13371	1266	4/12/2018	Haji G.Shabbir		97,200	0.097
12	2017-18	A-13370	132	8/29/2017	Haji Ashiq Hussain		99,750	0.100
13	2017-18	A-13370	456	10/26/2017	Haji G.Shabbir	Cleaning of disposal and routs	98,600	0.099
14	2017-18	A-13370	457	10/26/2017	Haji G.Shabbir		98,000	0.098
15	2017-18	A-13370	501	11/13/2017	Haji G.Shabbir		97,200	0.097
16	2017-18	A-13370	510	11/14/2017	Haji G.Shabbir		99,900	0.100
17	2017-18	A-09701	533	11/24/2017	Shehzad Riaz		49,000	0.049
18	2017-18	A-09701	566	12/6/2017	Shehzad Riaz	Purchase of furniture office	99,000	0.099
19	2017-18	A-09701	633	1/2/2018	Shehzad Riaz		98,050	0.098
20	2017-18	A-09410	700	2/2/2018	Shehzad Shikrani	Purchase of hand carts	88,800	0.089
21	2017-18	A-09410	1263	4/12/2018	Shehzad Shikrani		45,000	0.045
22	2017-18	A-09410	1333	5/28/2018	Shehzad Riaz		45,000	0.045
23	2017-18	A-09409	497	11/13/2017	Asgar ali	Purchase of electric items	97,110	0.097
24	2017-18	A-09409	576	12/7/2017	cashier		3,080	0.003
25	2017-18	A-09409	697	2/2/2018	Hamza electric store		14,200	0.014
26	2017-18	A-09409	1235	4/6/2018	cashier		4,600	0.005
27	2017-18	A-03918	131	8/29/2017	Shehzad Riaz		33,600	0.034
28	2017-18	A-03918	404	9/27/2017	Shehzad Riaz	Tentage and shmyana etc	16,820	0.017
29	2017-18	A-03918	405	9/27/2017	Shehzad Riaz		18,600	0.019
30	2017-18	A-03918	1401	6/27/2018	Malik tent service		49,400	0.049
31	2018-19	A-03918	108	8/20/2018	Shahid Tent House	Tentage and shmyana etc	36,500	0.037
32	2018-19	A-03918	282	12/7/2018	Shehzad Riaz		86,500	0.087
33	2018-19	A-03918	667	6/28/2019	Shehzad Shikrani		49,500	0.050
Total							2,190,960	2.191

Annexure-2/UCH**[Para 10.4.1]****Non-auctioning of shops at competitive market rates****(Rupees in million)**

Sr, #	Shop No.	Name	Location	Rent per Month	Assisment	Difference	Duration (Months)	Total
1	1	Kh. Sohail Mazahir	Chowk Al.Shams	6,677	25,000	18,323	30	549,690
2	2	Kh. Sohail Mazahir	Chowk Al.Shams	6,677	25,000	18,323	30	549,690
3	3	Ch.Munawar Hussain	Chowk Al.Shams	6,389	23,000	16,611	30	498,330
4	4	Ch.Munawar Hussain	Chowk Al.Shams	6,389	23,000	16,611	30	498,330
5	5	M.Shahid Noman	Chowk Al.Shams	7,401	10,500	3,099	30	92,970
6	6	Manazar Sabiri	Chowk Al.Shams	7,401	10,500	3,099	30	92,970
7	7	Iqbal Bhatti	Chowk Al.Shams	3,740	11,000	7,260	30	217,800
8	8	Mukhtayar Masood	chowk Al.Shams	4,890	11,000	6,110	30	183,300
9	9	Kh.Imran Raza	chowk Al.Shams	3,943	11,000	7,057	30	211,710
10	10	Baqir Hussain	chowk Al.Shams	4,716	7,500	2,784	30	83,520
11	11	Kh. Muhammad Saqlain	Chowk water works	3,762	6,000	2,238	30	67,140
12	12	Haq Nawaz	Chowk water works	3,673	6,000	2,327	30	69,810
13	13	Muhammad Irfan	Chowk water works	3,673	6,000	2,327	30	69,810
14	14	Kh.Manawar Hussain	Chowk water works	3,673	6,000	2,327	30	69,810
15	15	Muhammad Saleem	Chowk water works	4,140	5,000	860	30	25,800
16	16	Khizar Hussain	Chowk water works	4,592	6,500	1,908	30	57,240
17	17	Master M.Ramzan	Chowk water works	3,402	6,500	3,098	30	92,940
18	18	Kh. M.Sabtain	Chowk water works	2,054	6,500	4,446	30	133,380
19	19	Ghulam Yaseen	Chowk water works	3,673	6,500	2,827	30	84,810
20	20	Muhammad Asif	Chowk water works	3,795	6,500	2,705	30	81,150
21	21	Kh. Nawaz Hussain	Chowk water works	3,179	6,500	3,321	30	99,630
22	22	Adnan Majeed	Chowk water works	4,425	6,500	2,075	30	62,250
23	23	Kh. Johar Hussain	Chowk water works	3,172	6,500	3,328	30	99,840
24	24	Ghulam Raza	Chowk water works	4,904	6,000	1,096	30	32,880
25	25	Kh.Zahid Hussain	Kunda Qisab Open Plot	1,989	3,000	1,011	30	30,330

Sr. #	Shop No.	Name	Location	Rent per Month	Assisment	Difference	Duration (Months)	Total
26	26	Kh.Ijaz Hussain	X.Chongi Chanab	616	1,500	884	30	26,520
27	27	Noor Muhammad	General Bus Stand	1,630	6,000	4,370	30	131,100
28	28	Kh. Itrat Hussain	chowk Al.Shams	6,442	7,500	1,058	30	31,740
29	29	M.Nawaz Jafri	General Bus Stand	759	7,500	6,741	30	202,230
30	30	M.Nawaz Jafri	General Bus Stand	759	7,500	6,741	30	202,230
31	31	Kh. Muhammad Askari	General Bus Stand	1,137	6,800	5,663	30	169,890
32	32	Khawaja Kamran Askari	General Bus Stand	1,137	4,500	3,363	30	100,890
33	33	Sultan Mehmood	General Bus Stand	1,379	6,000	4,621	30	138,630
34	34	Sultan Mehmood	General Bus Stand	1,379	6,000	4,621	30	138,630
35	35	Sajid Hussain	General Bus Stand	1,313	6,000	4,687	30	140,610
36	36	Mureed Hussain	General Bus Stand	1,313	7,500	6,187	30	185,610
37	37	Mureed Hussain	General Bus Stand	640	7,500	6,860	30	205,800
38	38	Khawaja Nadeem Shahzad	General Bus Stand	1,278	6,000	4,722	30	141,660
39	39	Khawaja Nadeem Shahzad	General Bus Stand	1,278	6,000	4,722	30	141,660
40	40	Sheikh Sajad Hussain	General Bus Stand	639	6,000	5,361	30	160,830
41	41	Sheikh Sajad Hussain	General Bus Stand	639	6,000	5,361	30	160,830
42	42	Muhammad Akram	General Bus Stand	640	6,000	5,360	30	160,800
43	43	Muhammad Akram	General Bus Stand	640	6,000	5,360	30	160,800
44	44	Muhammad Ashraf	General Bus Stand	657	6,000	5,343	30	160,290
45	45	Khawaja Mazahar Hussain	General Bus Stand	640	6,000	5,360	30	160,800
46	46	Khawaja Abu.Zar	General Bus Stand	741	6,000	5,259	30	157,770
47	47	Laloo Ram	General Bus Stand	1,518	6,000	4,482	30	134,460
48	48	Laloo Ram	General Bus Stand	1,518	6,000	4,482	30	134,460
49	49	Mureed Ahmad Naeem	General Bus Stand	690	6,000	5,310	30	159,300
50	50	M.Qasim Jafri	General Bus Stand	640	6,000	5,360	30	160,800
51	51	Irfan Hameed	General Bus Stand	657	6,000	5,343	30	160,290
52	52	Rafeeq Ahmad	General Bus Stand	624	6,000	5,376	30	161,280
53	53	Muhammad Tariq Lodhi	General Bus Stand	657	6,000	5,343	30	160,290

Sr. #	Shop No.	Name	Location	Rent per Month	Assisment	Difference	Duration (Months)	Total
54	54	M.Qasim Jafri	General Bus Stand	640	6,000	5,360	30	160,800
55	55	Khawaja Manazar Hussain	General Bus Stand	627	6,000	5,373	30	161,190
56	56	Rashid Iqbal	General Bus Stand	705	6,000	5,295	30	158,850
Total								8,686,170

Annexure-3/UCH

[Para 10.4.3]

Detail showing non recovery of map fee

(Rupees in million)

Sr. No.	Name of Business / Building	Owner Name	Category Commercial / Residential	Status	Balance	Rupees In Million	Notice No.	Notice dated
1	The Cambridge School	M.Ayaz	Commercial	Not Passed	75,000	0.075	366	9/15/2018
2	The Country School	Imdaad Hussain	Commercial	Not Passed	75,000	0.075	367	9/15/2018
3	The Nation School		Commercial	Not Passed	66,000	0.066	375	11/22/2018
4	Al-Taleem Public School	Adnan Tattari	Commercial	Not Passed	75,000	0.075	377	11/22/2018
5	Finka bank uch sharif		Commercial	Not Passed	75,000	0.075	378	11/22/2018
6	Bank Al falah uch sharif]		Commercial	Not Passed	75,000	0.075	381	11/23/2018
7	Bank Al Habib uch sharif		Commercial	Not Passed	75,000	0.075	382	11/23/2018
8	HBL Bank uch sharif		Commercial	Not Passed	75,000	0.075	383	11/23/2018
9	Iqra rozatul atfaal Public School		Commercial	Not Passed	60,578	0.061	384	11/23/2018
10	Al-Mustafa Public School	M.Farhan	Commercial	Not Passed	75,000	0.075	385	11/23/2018
11	Oriental Public School	M.Dilshad	Commercial	Not Passed	479,333	0.479	386	11/23/2018
13	The Oxford Public School	Zikriya	Commercial	Not Passed	75,000	0.075	391	12/1/2018
14	The Comrade Public School	M.Farooq	Commercial	Not Passed	66,900	0.067	392	12/1/2018
15	The Oxford Brain Public School	M.Amjad	Commercial	Not Passed	75,000	0.075	393	12/1/2018
16	Khushhali bank	Ubaid ur rehman	Commercial	Cancel	73,150	0.073	306	12/1/2018
17	Shops	Waqas Amjad	Commercial	Not Passed / Court Case	25,000	0.025	394	12/1/2018
18	Shops	M.Irfan	Commercial	Not Passed	14,000	0.014	406	12/20/2018
19	Shops	Hassan Nawaz	Commercial	Not Passed	12,000	0.012	395	12/20/2018
20	Shops	Atique Ahmad	Commercial	Not Passed	15,400	0.015	396	12/20/2018
21	Shops	Anayat hussain	Commercial	Not Passed	22,000	0.022	397	12/20/2018
22	Shops	Haji Mureed Hussain	Commercial	Not Passed	22,000	0.022	398	12/20/2018
23	Shops	Siddique Maril	Commercial	Not Passed	14,000	0.014	399	12/20/2018
24	Shops	Master Sb	Commercial	Not Passed	12,000	0.012	400	12/20/2018
25	Shops	No Name	Commercial	Not Passed	16,000	0.016	401	12/20/2018
26	Shops	Sajjad Khera	Commercial	Not Passed	10,000	0.010	402	12/20/2018
27	Shops	Syed Fazal Hussain	Commercial	Not Passed	17,000	0.017	403	12/20/2018
28	Shops	Rabnawaz	Commercial	Not Passed	22,000	0.022	433-18	2/28/2019
29	Shops	Haji Arif	Commercial	Not Passed	12,000	0.012	443-28	3/2/2019
30	House	Ch.Ali	Residential	Not Passed	12,000	0.012	404	12/20/2018
31	House	Allah yar	Residential	Not Passed	6,000	0.006	405	12/20/2018
32	House	Tariq Naveed	Residential	Not Passed	25,000	0.025	434-19	2/28/2019
33	House	kousar Qasab	Residential	Not Passed	5,000	0.005	456-42	4/23/2019

Sr. No.	Name of Business / Building	Owner Name	Category Commercial / Residential	Status	Balance	Rupees In Million	Notice No.	Notice dated
34	House	Shakir Qasab	Residential	Not Passed	5,000	0.005	466-51	4/29/2019
35	House	Kabeer Ahmad	Residential	Not Passed	4,000	0.004	473-58	6/15/2019
Total					1,766,361	1.766		

Annexure-1/YZM

[Para 11.4.5]

Non observing of PPRA rules

(Rupees in million)

Sr. No.	Financial Year	Item Repaired	Name of Supplier	Bill	Bill	Bill	PST / GST	Total
				No.	Date	Amount		
1	2016-17	Repair and Supply of items for Ramzan Bazar	Shahzad Makhdoom	432	6/8/2016	1958176	178174	2,136,350
2	2016-17	Repair of Moter Turbine No. 4,3	S.S Traders	42	7/14/2016	39835	8351	48,186
3	2016-17	Repair of Turbine No. 23	S.S Traders		7/25/2016	42030	4670	46,700
4	2016-17	Repair of Turbine No. 3	S.S Traders		7/28/2016	42517	2983	45,500
5	2016-17	Repair of Moter Turbine No. 24	S.S Traders		8/8/2016	45383	3117	48,500
6	2016-17	Repair of Turbine No. 2,3,4,19,22,23	Khalid Mahmood	51	8/15/2016	31114	2266	33,380
7	2016-17	Repair of Turbine No. 25	Khalid Mahmood	52	8/15/2016	49500		49,500
8	2016-17	Repair of Fountain near Canal Bridge	Muhammad Sajjad Hanif		8/1/2016	30000	1870	31,870
9	2016-17	Independence day celebrations 2016	Muhammad Sarwar Shah	206	8/15/2016	219819	46451	266,270
10	2016-17	Repair of penal box Disposal works	Khalid Mahmood	53	8/25/2016	42102	4678	46,780
11	2016-17	Repair of water bouzer 6891	Khalid Mahmood	55	8/29/2016	41400	4600	46,000
12	2016-17	Repair of bib cock for Gulshan Park	Rana Muhammad Hussain		9/5/2016	9000	1000	10,000
13	2016-17	Repair of Moter for Disposal work Chak No. 56/DB	Khalid Mahmood	60	9/8/2016	35393	3918	39,311
14	2016-17	Repair of water supply line	Khalid Mahmood	58	9/8/2016	18450	2050	20,500
15	2016-17	Repair of Filtration Plant	Khalid Mahmood	2	8/6/2016	51913	11087	63,000
16	2016-17	Repair of street light	Muhammad Sarwar Shah	223	9/6/2016	7892	1201	9,093
17	2016-17	Repair of street light	Muhammad Sarwar Shah	327	9/8/2016	13855	2211	16,066
18	2016-17	Repair of Chair	Muhammad Sarwar Shah	217	8/25/2016	5832	648	6,480
19	2016-17	Repair of turbine No 15	Khalid Mahmood	63	9/29/2016	22242	3108	25,350
20	2016-17	Repair of turbine No 11	Khalid Mahmood	67	9/29/2016	21507	3843	25,350
21	2016-17	Repair of tractor 1020	Khalid Mahmood	68	9/29/2016	22023	2447	24,470
22	2016-17	Repair of water bouzer 6891	Khalid Mahmood	62	9/29/2016	37827	4203	42,030
23	2016-17	Repair of street light	Muhammad Sarwar Shah	229	9/22/2016	5519	1793	7,312
24	2016-17	Repair of Fire Brigade	Khalid Mahmood	72	10/6/2016	13860	1540	15,400
25	2016-17	Repair of water supply line	Khalid Mahmood	71	10/6/2016	41636	5972	47,608

Sr. No.	Financial Year	Item Repaired	Name of Supplier	Bill No.	Bill Date	Bill Amount	PST / GST	Total
26	2016-17	Repair of Jutter Machine	Khalid Mahmood	73	10/6/2016	17730	1970	19,700
27	2016-17	Repair of water tank	S.S Traders		10/17/2016	42390	4710	47,100
28	2016-17	Repair of Diesel pump tractor 6879	S.S Traders	66	10/17/2016	30381	2519	32,900
29	2016-17	Repair of turbine No 2	S.S Traders	63	10/13/2016	86112	10731	96,843
30	2016-17	Repair of turbine No 19	Khalid Mahmood	79	10/19/2016	15479	2578	18,057
31	2016-17	Repair of Filtration Plant	Khalid Mahmood	5	9/26/2016	73780	16720	90,500
32	2016-17	Repair of Electricity wiring office fire brigade	Khalid Mahmood	82	10/24/2016	13950	3278	17,228
33	2016-17	Repair of turbine No 20 & 24	S.S Traders		10/24/2016	30048	3708	33,756
34	2016-17	Repair of Turbine No. 11,12,13,15	Khalid Mahmood	84	10/31/2016	16520	3007	19,527
35	2016-17	Repair of De-watering Set	S.S Traders	62	10/31/2016	14225	2012	16,237
36	2016-17	Repair of Main Disposal	S.S Traders		10/31/2016	18810	2090	20,900
37	2016-17	Repair of Transformer	S.S Traders	61	10/31/2016	26775	4973	31,748
38	2016-17	Repair of Tractor	S.S Traders	65	10/31/2016	36232	6109	42,341
39	2016-17	Repair of Moter Disposal	Khalid Mahmood	88	11/14/2016	25759	5283	31,042
40	2016-17	Repair of Turbine No 3	Khalid Mahmood	87	11/14/2016	11516	1821	13,337
41	2016-17	Repair of Tractor 4048	S.S Traders	69	11/14/2016	20875	3803	24,678
42	2016-17	Repair of Transformer	S.S Traders	68	11/14/2016	39079	9846	48,925
43	2016-17	Repair of water bouzer 6891	S.S Traders	72	11/14/2016	41300	7800	49,100
44	2016-17	Repair of Disposal Christian colony	S.S Traders	70	11/14/2016	20153	3373	23,526
45	2016-17	Repair of printer	Khalid Mahmood	91	11/15/2016	8920	1068	9,988
46	2016-17	Repair of Transformer	S.S Traders	73	11/22/2016	34660	6819	41,479
47	2016-17	Repair of water supply line	S.S Traders	69	11/21/2016	8307	923	9,230
48	2016-17	P/Fixing Gate	Muhammad Zahir Ali		11/17/2016	40957	8923	49,880
49	2016-17	Repair of Fire Brigade	S.S Traders	83	11/29/2016	8280	920	9,200
50	2016-17	Repair of penal box Disposal works	S.S Traders	84	11/25/2016	38280	9315	47,595
51	2016-17	Repair of water supply line	S.S Traders	342	12/1/2016	8376	1133	9,509
52	2016-17	Repair of Transformer	S.S Traders	341	12/1/2016	41322	8541	49,863
53	2016-17	Repair of Tractor 8362	S.S Traders	91	12/19/2016	9450	1050	10,500
54	2016-17	Repair of Tractor 6879	S.S Traders	93	12/19/2016	25560	2840	28,400

Sr. No.	Financial Year	Item Repaired	Name of Supplier	Bill No.	Bill Date	Bill Amount	PST / GST	Total
55	2016-17	Repair of Fire Brigade	S.S Traders	92	12/19/2016	10530	1170	11,700
56	2016-17	Repair of water supply line	Khalid Mahmood	94	12/9/2016	8730	970	9,700
57	2016-17	Repair of water supply line	S.S Traders	98	12/21/2016	27226	1974	29,200
58	2016-17	Repair of Jutter Machine	S.S Traders	96	12/21/2016	24448	1152	25,600
59	2016-17	Repair of sucker Machine	S.S Traders	97	12/21/2016	21583	1017	22,600
60	2016-17	Repair of sucker Machine	S.S Traders		12/28/2016	6660	740	7,400
61	2016-17	Repair of turbine No 20	S.S Traders		12/28/2016	33300	3700	37,000
62	2016-17	Repair of Sullage Carrier near Disposal	S.S Traders	90	12/28/2016	43200	4800	48,000
63	2016-17	Repair of Disposal Main	S.S Traders	99	12/28/2016	42292	6149	48,441
64	2016-17	Repair of street light	Khalid Mahmood	19	12/23/2016	14866	1448	16,314
65	2016-17	Repair of Grass Cutter Machine	Khalid Mahmood	137	3/10/2017	8874	986	9,860
66	2016-17	Repair of Board Office MC Yazman	Khalid Mahmood	143	4/11/2017	9180	1020	10,200
67	2016-17	Repair of sucker Machine	Khalid Mahmood	195	4/11/2017	14400	1600	16,000
68	2016-17	Repair of Jutter Machine	Khalid Mahmood	192	4/8/2017	38369	7397	45,766
69	2016-17	Repair of motor Turbine No 9	Khalid Mahmood	194	4/11/2017	30775	6547	37,322
70	2016-17	Repair of motor Turbine No 11	Khalid Mahmood	193	4/11/2017	15220	2779	17,999
71	2016-17	Repair of water supply line	S.S Traders	18	4/17/2017	15828	1991	17,819
72	2016-17	Repair of water bouzer 6891	S.S Traders	22	4/17/2017	7113	1485	8,598
73	2016-17	Repair of sucker Machine	S.S Traders	19	4/17/2017	5742	1256	6,998
74	2016-17	Repair of Tractor 6879	S.S Traders	17	4/14/2017	3510	390	3,900
75	2016-17	Repair of lights green belt	Khalid Mahmood	36	4/12/2017	4169	980	5,149
76	2016-17	Repair of Jutter Machine	S.S Traders	15	4/14/2017	20528	4470	24,998
77	2016-17	Repair of Disposal Christian colony	S.S Traders	21	4/17/2017	25933	4282	30,215
78	2016-17	Repair of valve water supply	S.S Traders	27	4/29/2017	15085	3161	18,246
79	2016-17	Repair of water supply line	S.S Traders	25	4/27/2017	38810	5688	44,498
80	2016-17	Repair of Tractor 4048	S.S Traders	28	4/29/2017	18413	2830	21,243
81	2016-17	Repair of water tank	S.S Traders	26	4/27/2017	8936	2012	10,948
82	2016-17	Repair of turbine No 1	Khalid Mahmood	197	5/8/2017	26753	6130	32,883
83	2016-17	Repair of tractor 1020	Khalid Mahmood	101	5/9/2017	39332	6438	45,770
84	2016-17	Repair of turbine No 2	Khalid Mahmood	102	5/9/2017	13689	2899	16,588

Sr. No.	Financial Year	Item Repaired	Name of Supplier	Bill No.	Bill Date	Bill Amount	PST / GST	Total
85	2016-17	Repair of turbine No 6	Khalid Mahmood	103	5/9/2017	4854	2244	7,098
86	2016-17	Repair of Fire Brigade	S.S Traders	35	5/16/2017	40311	9474	49,785
87	2016-17	Repair of motor turbine No 8	S.S Traders	34	5/16/2017	18612	3903	22,515
88	2016-17	Repair of valve for water supply	S.S Traders	33	5/13/2017	17610	3331	20,941
89	2016-17	Repair of Fire Brigade	S.S Traders	354	5/13/2017	41345	8580	49,925
90	2016-17	Repair of Air Conditioner	Khalid Mahmood	104	5/9/2017	27034	5546	32,580
91	2016-17	Repair of water supply line	S.S Traders	38	5/18/2017	75579	10968	86,547
92	2016-17	Repair of water supply line	S.S Traders	360	5/18/2017	16670	2579	19,249
93	2016-17	Repair of Tractor 6879	S.S Traders	36	5/18/2017	32748	5645	38,393
94	2016-17	Repair of water bouzer 6891	Khalid Mahmood	107	5/19/2017	30652	6746	37,398
95	2016-17	Repair of De-watering Set	Khalid Mahmood	106	5/19/2017	42236	6550	48,786
96	2016-17	Repair of Jutter Machine 1022	S.S Traders	41	6/1/2017	22165	4234	26,399
97	2016-17	Repair of motor turbine No 3	S.S Traders	43	6/1/2017	24404	5485	29,889
98	2016-17	Repair of water supply line	S.S Traders	94	6/1/2017	10171	1328	11,499
99	2016-17	Repair of water tank	S.S Traders	45	6/1/2017	20335	3106	23,441
100	2016-17	Repair of water supply valve	S.S Traders	49	6/7/2017	34190	6809	40,999
101	2016-17	Repair of sucker Machine	S.S Traders	47	6/7/2017	39442	7052	46,494
102	2016-17	Repair of swings gulshan park	Khalid Mahmood	17	12/17/2016	34740	3860	38,600
103	2016-17	Repair of wall near digree college	S.S Traders	52	6/9/2017	15870	2124	17,994
104	2016-17	Repair of water supply line	S.S Traders	53	6/9/2017	8001	1435	9,436
105	2016-17	Repair of turbine No 1	S.S Traders	54	6/9/2017	37525	7815	45,340
106	2016-17	Repair of Tractor 8362	S.S Traders	374	6/9/2017	21706	4592	26,298
107	2016-17	Repair of water bouzer 6891	S.S Traders	373	6/9/2017	20918	4031	24,949
108	2016-17	Repair of transformer turbine No 19	S.S Traders	378	6/12/2017	74105	16728	90,833
109	2016-17	Repair of water bouzer 6891	S.S Traders	381	6/21/2017	25332	4892	30,224
110	2016-17	Repair of water supply line	S.S Traders	76	6/21/2017	15300	1700	17,000
111	2016-17	Repair of water supply line	S.S Traders	384	6/21/2017	13444	2622	16,066
112	2016-17	Repair of water tank	S.S Traders	380	6/21/2017	4016	683	4,699
113	2016-17	Repair of turbine No 15	S.S Traders	71	6/20/2017	39510	4390	43,900
114	2016-17	Repair of Filtration Plant	S.S Traders	385	6/21/2017	15341	2656	17,997

Sr. No.	Financial Year	Item Repaired	Name of Supplier	Bill No.	Bill Date	Bill Amount	PST / GST	Total
115	2016-17	Repair of Disposal housing scheme	S.S Traders	379	6/21/2017	27172	5386	32,558
116	2016-17	Repair of Motor turbine No 11	S.S Traders	77	6/21/2017	18368	3722	22,090
117	2016-17	Repair of Jutter Machine 1022	S.S Traders	75	6/21/2017	3742	768	4,510
118	2016-17	Repair of motor turbine No 8	S.S Traders	82	6/30/2017	15364	3009	18,373
119	2016-17	Repair of motor Turbine No 1	S.S Traders	387	6/30/2017	25694	5712	31,406
120	2016-17	Repair of street light	H.S Enterprises	21	12/19/2018	12506	2939	15,445
121	2016-17	Repair of Motor Filtration plant	H.S Enterprises	23	12/20/2018	9485	1960	11,445
122	2016-17	Repair of Sewer line & Man holes	S.S Traders	1493	12/31/2018	40291	7797	48,088
123	2016-17	Repair of turbine No 19	S.S Traders	29	1/3/2019	43492	4833	48,325
124	2016-17	Repair of water supply hozy	S.S Traders	1494	1/3/2019	38206	6565	44,771
125	2016-17	Repair of hand carts	H.S Enterprises	29	1/3/2019	23009	4704	27,713
Total								6,055,048

Annexure-2/YZM**[Para 11.5.3]****Detail of shop for re-auction at market rate:****(Rupees in million)**

Sr. No	Shop Nos.	Now Rent/Lease Amount	AVG. Market rent	Difference	Months from 2016 to 2019	Loss to MC
1	3	8591	10,000	1,409	36	50,724
2	4	8341	10,000	1,659	36	59,724
3	5	10196	10,500	304	36	10,944
4	6	9852	10,000	148	36	5,328
5	7	7054	8,000	946	36	34,056
6	2	3235	3,500	265	36	9,540
7	1	2178	3,000	822	36	29,592
8	2	2947	3,000	53	36	1,908
9	3	1714	3,000	1,286	36	46,296
10	4	2103	3,000	897	36	32,292
11	5	3854	5,000	1,146	36	41,256
12	6	4272	5,000	728	36	26,208
13	7	4396	5,000	604	36	21,744
14	8	3836	5,000	1,164	36	41,904
15	9	3137	5,000	1,863	36	67,068
16	10	1519	5,000	3,481	36	125,316
17	11	1519	5,000	3,481	36	125,316
18	7	3221	6,000	2,779	36	100,044
19	1	7068	7,500	432	36	15,552
20	6	1225	1,500	275	36	9,900
21	1	3834	6,000	2,166	36	77,976
22	2	3834	6,000	2,166	36	77,976
23	3	3918	6,000	2,082	36	74,952
24	4	3802	6,000	2,198	36	79,128

Sr. No	Shop Nos.	Now Rent/Lease Amount	AVG. Market rent	Difference	Months from 2016 to 2019	Loss to MC
25	5	3918	6,000	2,082	36	74,952
26	6	2208	6,000	3,792	36	136,512
27	7	2240	6,000	3,760	36	135,360
28	8	2520	6,000	3,480	36	125,280
29	9	2552	6,000	3,448	36	124,128
30	10	2574	6,000	3,426	36	123,336
31	6	4815	5,000	185	36	6,660
32	7	5575	5,000	(575)	36	(20,700)
33	8	4560	5,000	440	36	15,840
34	1	30330	30,330	-	36	-
35	2	16176	17,000	824	36	29,664
36	3	17118	18,000	882	36	31,752
37	4	24972	25,000	28	36	1,008
38	5	13646	15,000	1,354	36	48,744
39	67- الف	6827	8,000	1,173	36	42,228
40	1	10112	11,000	888	36	31,968
41	2	6430	8,000	1,570	36	56,520
42	3	7135	8,000	865	36	31,140
43	4	6430	8,000	1,570	36	56,520
44	5	7135	8,000	865	36	31,140
45	6	7355	8,000	645	36	23,220
46	7	7590	8,000	410	36	14,760
47	4	1947	2,000	53	36	1,908
48	5	1968	2,000	32	36	1,152
49	6	1944	2,000	56	36	2,016
50	7	1944	2,000	56	36	2,016
51	1	4829	10,000	5,171	36	186,156
52	2	4370	10,000	5,630	36	202,680

Sr. No	Shop Nos.	Now Rent/Lease Amount	AVG. Market rent	Difference	Months from 2016 to 2019	Loss to MC
53	3	4600	10,000	5,400	36	194,400
54	4	4600	10,000	5,400	36	194,400
55	5	4370	10,000	5,630	36	202,680
56	1	5280	5,500	220	36	7,920
57	2	5280	5,500	220	36	7,920
58	3	5280	5,500	220	36	7,920
59	4	5280	5,500	220	36	7,920
60	5	5280	5,500	220	36	7,920
61	6	5280	5,500	220	36	7,920
62	7	5280	5,500	220	36	7,920
63	8	5309	5,500	191	36	6,876
64	10	5447	5,500	53	36	1,908
65	11	12295	13,000	705	36	25,380
66	12	4796	5,000	204	36	7,344
67	13	4796	5,000	204	36	7,344
68	14	8357	8,500	143	36	5,148
69	15	4937	5,000	63	36	2,268
70	16	4798	5,000	202	36	7,272
71	17	5744	6,000	256	36	9,216
72	18	7066	7,500	434	36	15,624
73	19	4937	5,000	63	36	2,268
74	20	5431	5,500	69	36	2,484
75	21	3961	5,000	1,039	36	37,404
76	22	5188	5,500	312	36	11,232
77	23	5188	5,500	312	36	11,232
78	24	6174	6,500	326	36	11,736
79	25	9138	10,000	862	36	31,032
80	26	7409	7,500	91	36	3,276
81	27	5188	5,500	312	36	11,232

Sr. No	Shop Nos.	Now Rent/Lease Amount	AVG. Market rent	Difference	Months from 2016 to 2019	Loss to MC
82	28	4890	5,000	110	36	3,960
83	29	4639	5,000	361	36	12,996
84	30	4639	5,000	361	36	12,996
85	1	4890	5,000	110	36	3,960
86	2	4890	5,000	110	36	3,960
87	1	2190	8,000	5,810	36	209,160
88	2	2190	5,000	2,810	36	101,160
89	3	1973	5,000	3,027	36	108,972
90	4	1806	5,000	3,194	36	114,984
91	5	2219	5,000	2,781	36	100,116
92	6	2428	5,000	2,572	36	92,592
93	7	1926	5,000	3,074	36	110,664
94	8	2428	5,000	2,572	36	92,592
95	9	1376	5,000	3,624	36	130,464
96	10	1376	5,000	3,624	36	130,464
97	11	1376	5,000	3,624	36	130,464
98	12	1376	5,000	3,624	36	130,464
99	13	1376	5,000	3,624	36	130,464
100	14	1376	5,000	3,624	36	130,464
101	15	1376	5,000	3,624	36	130,464
102	16	1376	5,000	3,624	36	130,464
103	17	1376	5,000	3,624	36	130,464
104	18	1376	5,000	3,624	36	130,464
105	19	1376	5,000	3,624	36	130,464
106	20	1376	5,000	3,624	36	130,464
107	22	1376	5,000	3,624	36	130,464

Sr. No	Shop Nos.	Now Rent/Lease Amount	AVG. Market rent	Difference	Months from 2016 to 2019	Loss to MC
108	23	1376	5,000	3,624	36	130,464
109	24	1376	5,000	3,624	36	130,464
110	25	1376	5,000	3,624	36	130,464
111	26	1376	5,000	3,624	36	130,464
112	27	1376	5,000	3,624	36	130,464
113	28	1376	5,000	3,624	36	130,464
114	29	1376	5,000	3,624	36	130,464
115	30	1376	5,000	3,624	36	130,464
116	31	1376	5,000	3,624	36	130,464
117	32	1376	5,000	3,624	36	130,464
118	33	1376	5,000	3,624	36	130,464
119	34	1376	5,000	3,624	36	130,464
120	35	1376	5,000	3,624	36	130,464
121	36	1376	5,000	3,624	36	130,464
122	37	1376	5,000	3,624	36	130,464
123	38	1376	5,000	3,624	36	130,464
124	39	1376	5,000	3,624	36	130,464
125	40	1376	3,000	1,624	36	58,464
126	41	1376	3,000	1,624	36	58,464
127	42	1376	3,000	1,624	36	58,464
128	43	1376	3,000	1,624	36	58,464
129	45	1056	3,000	1,944	36	69,984
130	46	1068	3,000	1,932	36	69,552
131	47	800	3,000	2,200	36	79,200
132	48	993	3,000	2,007	36	72,252
133	49	1008	3,000	1,992	36	71,712

Sr. No	Shop Nos.	Now Rent/Lease Amount	AVG. Market rent	Difference	Months from 2016 to 2019	Loss to MC
134	50	1013	3,000	1,987	36	71,532
135	56	1195	3,000	1,805	36	64,980
136	59	1343	1,343	-	36	-
137	60	1343	1,343	-	36	-
138	61	1343	1,343	-	36	-
139	74	1343	1,343	-	36	-
140	75	1343	1,343	-	36	-
141	76	1343	1,343	-	36	-
142	77	1343	1,343	-	36	-
143	119	1036	2,000	964	36	34,704
144	121	1058	2,000	942	36	33,912
145	130	1547	2,000	453	36	16,308
146	131	1075	2,000	925	36	33,300
147	133	1551	2,000	449	36	16,164
148	134	1255	2,000	745	36	26,820
149	135	1112	2,000	888	36	31,968
150	136	1242	2,000	758	36	27,288
151	137	1224	2,000	776	36	27,936
152	138	993	2,000	1,007	36	36,252
153	141	1330	2,000	670	36	24,120
154	143	1330	2,000	670	36	24,120
155	145	1330	2,000	670	36	24,120
156	147	1400	2,000	600	36	21,600
157	149	1400	2,000	600	36	21,600
158	151	1390	2,000	610	36	21,960
159	152	1439	2,000	561	36	20,196
160	153	1008	2,000	992	36	35,712
161	154	1330	2,000	670	36	24,120
162	155	1021	2,000	979	36	35,244
163	156	1330	2,000	670	36	24,120

Sr. No	Shop Nos.	Now Rent/Lease Amount	AVG. Market rent	Difference	Months from 2016 to 2019	Loss to MC
164	157	920	2,000	1,080	36	38,880
165	158	1037	2,000	963	36	34,668
166	159	1535	2,000	465	36	16,740
167	160	1477	2,000	523	36	18,828
168	161	1473	2,000	527	36	18,972
169	162	1473	2,000	527	36	18,972
170	163	1473	2,000	527	36	18,972
171	164	1473	2,000	527	36	18,972
172	165	1590	2,000	410	36	14,760
173	166	1590	2,000	410	36	14,760
174	167	1590	2,000	410	36	14,760
175	168	1590	2,000	410	36	14,760
176	169	1590	2,000	410	36	14,760
177	170	1590	2,000	410	36	14,760
178	171	1590	6,000	4,410	36	158,760
179	172	1590	6,000	4,410	36	158,760
180	1	2637	4,000	1,363	36	49,068
181	2	1992	4,000	2,008	36	72,288
182	3	1981	4,000	2,019	36	72,684
183	4	2092	4,000	1,908	36	68,688
184	5	2092	4,000	1,908	36	68,688
185	6	2250	4,000	1,750	36	63,000
186	7	2074	4,000	1,926	36	69,336
187	8	2078	4,000	1,922	36	69,192
188	9	1936	4,000	2,064	36	74,304
189	10	1936	4,000	2,064	36	74,304
190	11	1582	4,000	2,418	36	87,048
191	12	5243	5,243	-	36	-
192	20	2748	4,000	1,252	36	45,072

Sr. No	Shop Nos.	Now Rent/Lease Amount	AVG. Market rent	Difference	Months from 2016 to 2019	Loss to MC
193	21	2074	4,000	1,926	36	69,336
194	22	2074	4,000	1,926	36	69,336
195	27	2074	4,000	1,926	36	69,336
196	28	2074	4,000	1,926	36	69,336
197	29	2519	4,000	1,481	36	53,316
198	30	3993	4,000	7	36	252
199	31	2255	4,000	1,745	36	62,820
200	32	1576	4,000	2,424	36	87,264
201	33	2074	4,000	1,926	36	69,336
202	34	2074	4,000	1,926	36	69,336
203	35	2107	4,000	1,893	36	68,148
204	37	2940	4,000	1,060	36	38,160
205	38	2940	4,000	1,060	36	38,160
206	39	2827	4,000	1,173	36	42,228
207	40	2248	4,000	1,752	36	63,072
208	1	1740	3,500	1,760	36	63,360
209	2	2282	3,500	1,218	36	43,848
210	3	1520	3,500	1,980	36	71,280
211	4	1476	3,500	2,024	36	72,864
212	9	4832	4,832	-	36	-
213	16	6282	6,282	-	36	-
214	24	3544	3,544	-	36	-
215	25	3222	3,500	278	36	10,008
216	26	2578	3,500	922	36	33,192
217	27	2740	3,500	760	36	27,360
218	28	4190	4,190	-	36	-
219	29	4132	4,132	-	36	-
220	32	3144	3,500	356	36	12,816
221	35	1217	3,500	2,283	36	82,188
222	36	1387	3,500	2,113	36	76,068

Sr. No	Shop Nos.	Now Rent/Lease Amount	AVG. Market rent	Difference	Months from 2016 to 2019	Loss to MC
223	40	778	3,500	2,722	36	97,992
224	41	1144	3,500	2,356	36	84,816
225	42	1137	3,500	2,363	36	85,068
226	43	1175	3,500	2,325	36	83,700
227	45	1243	3,500	2,257	36	81,252
228	46	1371	3,500	2,129	36	76,644
229	47	1330	3,500	2,170	36	78,120
230	48	1560	3,500	1,940	36	69,840
231	49	1221	3,500	2,279	36	82,044
232	50	1565	3,500	1,935	36	69,660
233	51	5016	5,016	-	36	-
234	52	1524	3,500	1,976	36	71,136
235	53	1560	3,500	1,940	36	69,840
236	54	1629	3,500	1,871	36	67,356
237	55	1582	3,500	1,918	36	69,048
238	57	2254	3,500	1,246	36	44,856
239	58	2272	3,500	1,228	36	44,208
240	2	3809	6,000	2,191	36	78,876
241	12	1789	2,000	211	36	7,596
242	13	1789	2,000	211	36	7,596
243	29	1789	2,000	211	36	7,596
244	30	1769	2,000	231	36	8,316
245	31	1740	2,000	260	36	9,360
Total Loss						13,776,660

Annexure-3/YZM

[Para 11.5.5]

Detail of Conversion / Map fee

(Rupees in million)

Sr. No	Total Units	Total Marlas	Description of recovery	Per Marla Rate as Per DC Value/ MC schedule	Total cost of Land	Amount
1	601 Units (5 Marla)	3,005	Conversion fee	186,500 per marla	560,432,500	5,604,325
2		3,005	Map fee	500 per marla	560,432,500	1,502,500
Total						7,106,825

Detail of educational institutions

Sr. No	Name of School	Tehsil	Marlas	Rate	Total Amount	Conversion @ 1%
1	Studies Spell English System school Yazman	Yazman	10	186,340	1,863,400	18,634
2	Hamza Public HighSchool 20/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
3	Hajwari Girls High School Yazman	Yazman	10	186,340	1,863,400	18,634
4	Hajwari Boys High School Yazman	Yazman	10	186,340	1,863,400	18,634
5	Universal HSS Girls Yazman	Yazman	10	186,340	1,863,400	18,634
6	Universal HSS Boys Yazman	Yazman	10	186,340	1,863,400	18,634
7	Scollar Systemof Education Yaz	Yazman	10	186,340	1,863,400	18,634
8	AlHamad Boys School 1/DNB Yaz	Yazman	10	186,340	1,863,400	18,634
9	Shaheen Model H/S 112/DNB Yaz	Yazman	10	186,340	1,863,400	18,634
10	Al-Quaid HSS 117/DNB Yaz	Yazman	10	186,340	1,863,400	18,634
11	Usman Model School 101/DB Yaz	Yazman	10	186,340	1,863,400	18,634
12	Misal Public Girls School 110/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
13	New City Flower School Chak No.128 DNB Yazman	Yazman	10	186,340	1,863,400	18,634
14	AL-Tahir Public Model Middle School 55/DB Yazman	Yazman	10	186,340	1,863,400	18,634
15	Pak Punjab Public School Chak No.52/DB Yazman	Yazman	10	186,340	1,863,400	18,634
16	Bright Future School Jinnah Abadi 110/DB Yazman	Yazman	10	186,340	1,863,400	18,634
17	Punjab Public Model Middle School Chak No.49/DB Yazman	Yazman	5	186,340	931,700	9,317
18	Al-Fareed Islamic School System, Jinah Abadi 113/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
19	Ali Model Public School Chak No.46/DNB Yazman	Yazman	10	186,340	1,863,400	18,634

Sr. No	Name of School	Tehsil	Marlas	Rate	Total Amount	Conversion @ 1%
20	Educational Tower Model Middle School, Near Sadar Bazar Yazman	Yazman	10	186,340	1,863,400	18,634
21	Al-Hamra Girls High School, Chak No.01/DNB ada 13000 Tehsil Yazman	Yazman	10	186,340	1,863,400	18,634
22	Al-Hammas Public School Chak 32/DNB Yazman.	Yazman	5	186,340	931,700	9,317
23	Paragon Public Middle school Ward No. 08 Yazman	Yazman	10	186,340	1,863,400	18,634
24	Quaid Public Middle School Adda Merana Cholistan Yazman.	Yazman	10	186,340	1,863,400	18,634
25	Bismillah Public Middel School 68/DB Kudwala Yazman.	Yazman	10	186,340	1,863,400	18,634
26	Al-Rehman Islamia Girls Public School Chak No. 111/DB Yazman.	Yazman	10	186,340	1,863,400	18,634
27	Kiran Public School 54/DB Yazman.	Yazman	10	186,340	1,863,400	18,634
28	The Al-Noor Girls Higher Secondary School Tail Wala Yazman.	Yazman	10	186,340	1,863,400	18,634
29	Al-Hira Education System ward No. 04 Yazman.	Yazman	10	186,340	1,863,400	18,634
30	Islamic Science Model Girls High School Ward No. 02 Yazman	Yazman	10	186,340	1,863,400	18,634
31	Pak Cadit Public School Chak No. 121/DNB Yazman.	Yazman	10	186,340	1,863,400	18,634
32	Jannat System of Education Middle School Kudwala Tehsil Yazman	Yazman	5	186,340	931,700	9,317
33	New Iqra Public Middle School Chak.No.38/D.N.B Yazman	Yazman	10	186,340	1,863,400	18,634
34	Al Irfan Educational Complex Chak # 72/DB Tehsil Yazman	Yazman	10	186,340	1,863,400	18,634
35	Fatima Tu Zahara Public School Chak #.8 DRB Yazmn	Yazman	10	186,340	1,863,400	18,634
36	Payam-E-Sahar Public Middle School Chak # 107 DNB Yazman	Yazman	10	186,340	1,863,400	18,634
37	Bright Future Public Middle School Chak No 116 DB Yazman	Yazman	10	186,340	1,863,400	18,634
38	Al- Quaid Public Middle School Chak # 24 DNB Yazman	Yazman	10	186,340	1,863,400	18,634
39	Cholistan Public School Chak No 71/D.B Yazman	Yazman	10	186,340	1,863,400	18,634
40	Shaheen Public Model Middle School Chak No.117/DB Yazman	Yazman	10	186,340	1,863,400	18,634
41	New Iqra Public Middle School Chak.No.38/D.N.B Yazman	Yazman	5	186,340	931,700	9,317
42	Al Irfan Educational Complex Chak # 72/DB Tehsil Yazman	Yazman	10	186,340	1,863,400	18,634
43	Fatima Tu Zahara Public School Chak #.8 DRB Yazmn	Yazman	10	186,340	1,863,400	18,634
44	Payam-E-Sahar Public Middle School Chak # 107 DNB Yazman	Yazman	10	186,340	1,863,400	18,634
45	Bright Future Public Middle School Chak No 116 DB Yazman	Yazman	10	186,340	1,863,400	18,634
46	Al- Quaid Public Middle School Chak # 24 DNB Yazman	Yazman	10	186,340	1,863,400	18,634
47	Cholistan Public School Chak No 71/D.B Yazman	Yazman	10	186,340	1,863,400	18,634
48	Shaheen Public Model Middle School Chak No.117/DB Yazman	Yazman	10	186,340	1,863,400	18,634
49	New City Flower School Chak No.128 DNB Yazman	Yazman	10	186,340	1,863,400	18,634

Sr. No	Name of School	Tehsil	Marlas	Rate	Total Amount	Conversion @ 1%
50	AL-Tahir Public Model Middle School 55/DB Yazman	Yazman	10	186,340	1,863,400	18,634
51	Pak Punjab Public School Chak No.52/DB Yazman	Yazman	10	186,340	1,863,400	18,634
52	Bright Future School Jinnah Abadi 110/DB Yazman	Yazman	10	186,340	1,863,400	18,634
53	Punjab Public Model Middle School Chak No.49/DB Yazman	Yazman	10	186,340	1,863,400	18,634
54	Al-Fareed Islamic School System, Jinah Abadi 113/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
55	Ali Model Public School Chak No.46/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
56	Educational Tower Model Middle School, Near Sadar Bazar Yazman	Yazman	10	186,340	1,863,400	18,634
57	Al-Hamra Girls High School, Chak No.01/DNB ada 13000 Tehsil Yazman	Yazman	10	186,340	1,863,400	18,634
58	Al-Hammas Public School Chak 32/DNB Yazman.	Yazman	10	186,340	1,863,400	18,634
59	Rafique Public School, Chak No. 86A/DB Teh. Yazman	Yazman	10	186,340	1,863,400	18,634
60	Rohi Public School, 145/DB Basti Shah Muhammad P/o Kudwala Bangla Teh. Yazman	Yazman	10	186,340	1,863,400	18,634
61	Usman Model High School.(Girls) Chak No.10 /D.B Tehsil Yazman	Yazman	10	186,340	1,863,400	18,634
62	Al-Jadeed Islamia Public Middle School, Chak No. 50/DB Yazman	Yazman	10	186,340	1,863,400	18,634
63	Shaheen Model High School 12/DB Yazman.	Yazman	10	186,340	1,863,400	18,634
64	Al-Qaid Higher Secondary School, 117/DB Yazman.	Yazman	10	186,340	1,863,400	18,634
65	Usman Model Middle School, 89/DB yazman.	Yazman	10	186,340	1,863,400	18,634
66	Al-Hamra High School 01/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
67	Scholars Education System (Boys) Yazman.	Yazman	10	186,340	1,863,400	18,634
68	Scholars Education System (Girls) Yazman.	Yazman	10	186,340	1,863,400	18,634
69	Missali Public Girls High school 110/BNB yazman	Yazman	10	186,340	1,863,400	18,634
70	Cholistan Public School, chak No. 120/DNB yazman	Yazman	10	186,340	1,863,400	18,634
71	Deeni Public School, Bangala Road Yazman	Yazman	10	186,340	1,863,400	18,634
72	Barirah Educational Complex, 87/DB colony Yazman.	Yazman	10	186,340	1,863,400	18,634
73	Islamic Science Model High School Yazman	Yazman	10	186,340	1,863,400	18,634
74	Fatima Public School, 56/DB Yazman	Yazman	10	186,340	1,863,400	18,634
75	The New Islamic System of Education, 32 Mor Yazman	Yazman	10	186,340	1,863,400	18,634
76	The Muslim Scholars School System,34/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
77	Al-Asim Public Middle School, Chak No.111/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
78	Rohai Model School Basti 13000 Yazman	Yazman	10	186,340	1,863,400	18,634
79	Rohai Model School, 6/DNB Yazman	Yazman	10	186,340	1,863,400	18,634

Sr. No	Name of School	Tehsil	Marlas	Rate	Total Amount	Conversion @ 1%
80	Anmool System of Education, 43/DB Yazman	Yazman	10	186,340	1,863,400	18,634
81	Tayyab Public Primary School Chak No. 40/DB Yazman.	Yazman	10	186,340	1,863,400	18,634
82	Rohi Public School 82/DB Yazman.	Yazman	10	186,340	1,863,400	18,634
83	Al-Fareed Public School, 124/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
84	Al-Khalid Model Public Girls School 101/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
85	Al-Ghazali Public School Adda 13-Soling Yazman	Yazman	10	186,340	1,863,400	18,634
86	Al-Badar High School (Boys) Tail Wala	Yazman	10	186,340	1,863,400	18,634
87	Al-Badar High School (Girls) Tail Wala	Yazman	10	186,340	1,863,400	18,634
88	Usman Public School Chak No. 102/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
89	Allied School Yazman	Yazman	10	186,340	1,863,400	18,634
90	Muslim Model Middle School 111/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
91	Al-Suffa Model School Chak No.36/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
92	Al-Nusrat Public Middle School, 90/DB Yazman	Yazman	10	186,340	1,863,400	18,634
93	Fatima Jinnah Public School Liqat Abad Colony 6/D.N.B	Yazman	10	186,340	1,863,400	18,634
94	Al Sufa School system of Education Headraj Khan	Yazman	10	186,340	1,863,400	18,634
95	Misali Rehman Islamic Science (Boys) HSS, 12/DB Yazman	Yazman	10	186,340	1,863,400	18,634
96	Misali Rehman Islamic Science (Girls) HSS, 12/DB Yazman	Yazman	10	186,340	1,863,400	18,634
97	Misali rehman Islaimic Science HSS (Boys) Adda Sokar Manar Yazman	Yazman	10	186,340	1,863,400	18,634
98	Misali rehman Islaimic Science HSS (Girls) Adda Sokar Manar Yazman	Yazman	10	186,340	1,863,400	18,634
99	Asif Public Middle School, Qadri Wali Jhal Yazman	Yazman	10	186,340	1,863,400	18,634
100	New Bright Series Public Middle School Yazman	Yazman	10	186,340	1,863,400	18,634
101	Pak Pubic School Chak No. 221/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
102	Rehber Public Middle High School 117/DB Yazman.	Yazman	5	186,340	931,700	9,317
103	Al-Hira Education System Yazman	Yazman	10	186,340	1,863,400	18,634
104	Al-Ahmad Public Girls High School, Chal No. 121/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
105	Urneed Public Middle School, Bast Gareeb Abad Chak No.58/DB	Yazman	10	186,340	1,863,400	18,634
106	Al-Muzamil English Medium Public School, Chak No.117/DB Yazman	Yazman	10	186,340	1,863,400	18,634
107	Faitma Jinnah Public High School, Tehsil Yazman	Yazman	10	186,340	1,863,400	18,634
108	Al-Furqan Public School, Chandni Chowk 108/DB Yazman	Yazman	10	186,340	1,863,400	18,634
109	Quaid Public School Adda Merana Cholistan Chak No.132/DNB Yazman	Yazman	10	186,340	1,863,400	18,634

Sr. No	Name of School	Tehsil	Marlas	Rate	Total Amount	Conversion @ 1%
110	New Ali Islamic Middle School, Adda Sokar Minor Yazman	Yazman	10	186,340	1,863,400	18,634
111	Al-Hassan Model School Chak No.56/DB Yazman	Yazman	10	186,340	1,863,400	18,634
112	Jannat System of Education Middle School, Kudwala Tehsil Yazman	Yazman	10	186,340	1,863,400	18,634
113	Mashallah Middle Public School Chak No. 68/DB Yazman	Yazman	10	186,340	1,863,400	18,634
114	Paragoan Public Middle School, Ward No.08 Yazman	Yazman	10	186,340	1,863,400	18,634
115	Al-Badar Higher Seconadary School Boys Head Rajkan Yaz	Yazman	10	186,340	1,863,400	18,634
116	Al-Badar Higher Seconadary School Girls Head Rajkan Yaz	Yazman	10	186,340	1,863,400	18,634
117	Ali Public School Bhata Colony Yzamna	Yazman	10	186,340	1,863,400	18,634
118	New Sunrise School 111/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
119	Islamic Public Girls Higher Secoandy School 103/DNB	Yazman	10	186,340	1,863,400	18,634
120	Al-Furqan Public School, Chandni Chowk 108/DB Yazman	Yazman	10	186,340	1,863,400	18,634
121	Quaid Public School Adda Merana Cholistan Chak No.132/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
122	New Ali Islamic Middle School, Adda Sokar Minor Yazman	Yazman	10	186,340	1,863,400	18,634
123	Al-Hassan Model School Chak No.56/DB Yaz	Yazman	10	186,340	1,863,400	18,634
124	Jannat System of Education Middle School, Kudwala Tehsil Yazman	Yazman	10	186,340	1,863,400	18,634
125	Mashallah Middle Public School Chak No. 68/DB Yazman	Yazman	10	186,340	1,863,400	18,634
126	Paragoan Public Middle School, Ward No.08 Yazman	Yazman	10	186,340	1,863,400	18,634
127	Roshan Pakistan Public School 16/DB Yazman	Yazman	10	186,340	1,863,400	18,634
128	Rohi Model School (Middle) 13000 Yazman	Yazman	10	186,340	1,863,400	18,634
129	Rohi Model School (Middle) Liaqat Abad 6/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
130	Brith Career Girls Middle School 86/DB	Yazman	10	186,340	1,863,400	18,634
131	Royal Public School (Middle), Adda 32/Mor	Yazman	10	186,340	1,863,400	18,634
132	Dar-e-Arqam School 13-Soling Camous Yazman	Yazman	10	186,340	1,863,400	18,634
133	New Al-Rehman Public School (Middle) Chak No.23/DNB Yazman	Yazman	10	186,340	1,863,400	18,634
134	Hussain Public Middle School 68/DB (M)	Yazman	10	186,340	1,863,400	18,634
135	Al-Furqan Public School, Primary Chadni Chowk	Yazman	10	186,340	1,863,400	18,634
136	Dar-e-Arqam School (Middle) 39/40/BA housing scheme	Yazman	10	186,340	1,863,400	18,634
137	Masha-Allah Middle Public School, 68/DB	Yazman	10	186,340	1,863,400	18,634
138	New Al-Madina Public School (Primary) Chak No. 33/DNB	Yazman	10	186,340	1,863,400	18,634
139	Al-Noor Public School (Middle) Chak No.119/DB	Yazman	10	186,340	1,863,400	18,634

Sr. No	Name of School	Tehsil	Marlas	Rate	Total Amount	Conversion @ 1%
140	Al-Reheem Model Middle School Bhatt Colony 105/DB	Yazman	10	186,340	1,863,400	18,634
141	EFA School System Misali Rehman Campus (Middle) Adda42/DB	Yazman	10	186,340	1,863,400	18,634
142	Rohi Model School (Primary) Basti 13000	Yazman	10	186,340	1,863,400	18,634
143	Rehman Public School (Primary) Chak 110/DB	Yazman	10	186,340	1,863,400	18,634
144	Ibn-e-Sina Girls Secondary School Housing Scheme Yazman	Yazman	10	186,340	1,863,400	18,634
145	Pyam-e-Sahar Public High School 107/DNB Yaz	Yazman	10	186,340	1,863,400	18,634
146	Iqra Public Girls High School 105/DNB	Yazman	10	186,340	1,863,400	18,634
Total						2,673,979

Annexure-4/YZM**[Para 11.5.6]****Loss due to non realization of revenue and arrears****(Rupees in million)**

Sr.No	Name of Rental / Area	Shop No	Arrears Upto September 2019
1	Muhammad Shafee S/O Ghulam Qadir Bahawalpur Road Yazman	2	426,935
2	Irshad Ahmed S/O Muhammad Shafee. Bahawalpur Road Yazman	3	430,532
3	Irshad Ahmed S/O Muhammad Shafee. Bahawalpur Road Yazman	4	403,473
4	Irshad Ahmed S/O Muhammad Shafee. Bahawalpur Road Yazman	5	416,582
5	Nisar Ahmed S/O Muhammad Shafee. Bahawalpur Road Yazman	6	412,336
6	Nisar Ahmed S/O Muhammad Shafee. Bahawalpur Road Yazman	7	411,587
7	Nisar Ahmed S/O Muhammad Shafee. Bahawalpur Road Yazman	8	398,473
8	Islam Din S/O Ghulam Qadir. Bahawalpur Road Yazman	9	405,833
9	Muhammad Tahir S/O Bashir Ahmed. Bahawalpur Road Yazman	10	406,587
10	Muhammad Tahir S/O Bashir Ahmed. Bahawalpur Road Yazman	11	406,587
11	Muhammad Din S/O Umer Din. Bahawalpur Road Yazman.	12	379,825
12	Muhammad Sharif S/O Umar Din. Bahawalpur Road Yazman.	13	426,587
13	Muhammad Sharif S/O Umar Din. Bahawalpur Road Yazman.	14	411,587
14	Amanat Ali S/O Nizam Din. Bahawalpur Road Yazman.	15	406,545
15	Abdul Rehman S/O Nizam Din. Bahawalpur Road Yazman.	16	406,545
16	Muhammad Rafiq S/O Mehtab Din. Bahawalpur Road Yazman.	17	406,545
17	Munir Ahmed S/O Ghulam Muhammad. Bahawalpur Road Yazman.	18	406,588
18	Bashir Ahmed S/O Nawab Din. Bahawalpur Road Yazman.	19	465,339
19	Bashir Ahmed S/O Nawab Din. Bahawalpur Road Yazman.	20	514,957
20	Mushtaq Ahmed S/O Allah Baksh. Bahawalpur Road Yazman.	21	163,554
21	Akhtar Ali S/O Mushtaq Ahmed. Bahawalpur Road Yazman.	22	655,876
22	Muhammad Afzal S/O Mushtaq Ahmed. Bahawalpur Road Yazman.	23	708,474
Total			9,471,347

Annexure-5/YZM

[Para 11.6.1]

Expenditure on works due to doubtful lab test reports

(Amount in Rupees)

Sr. No.	Name of work	Letter No./ Date in which sample sent alongwith sample Mono	Sample type as per Lab Test Report	Value of work
1	Construction of soling and sewerage ine from Cheema Backery Road to House M. Younis Ward No. 14 Yazman	MC/YZ/MO(I) 600/ 16.10.2017 Sample Mono T	H (S) H S	575,000
2	Construction of soling from old soling canal to House Niazi Gondal Town Yazman	MC/YZ/MO(I) 588/ 13.10.2017 Sample Mono (M)	M M	198,000
3	Construction of soling and re-soling inside Gondal Town North side MC Yazman	MC/YZ/MO(I) 589/ 13.10.2017 Sample Mono (S)	Machine Bricks	1310,243
4	Construction of soling backside Boundary wall Graveyard Housing Scheme Street Muhammad Boota MC Yazman	MC/YZ/MO(I) 541/ 22.09.2017 Sample Mono (S)		421,827
5	Construction of soling from main gate to Pump House main Disposal MC Yazman	MC/YZ/MO(I) 641/ 28.10.2017 Sample Mono (M)	M	200,000
6	Construction of soling from BWP road to Azhar Children Hospital MC Yazman	MC/YZ/MO(I) 540/ 22.09.2017 Sample Mono (S)	(1)	158,000
Total				2,863,070

(Amount in Rupees)

Sr. No.	Financial Year	Name of Scheme	T.S Cost	Agreement Cost
1	2016-17	Construction of Mettle Road main road Chak No. 62/DB to house Allah Ditta Chak No. 62/DB Tehsil Yazman	700,000	696,500
2	2016-17	Construction of park Chak No. 62/DB Tehsil Yazman	968,000	963,160
3	2016-17	Construction of Soling / Drain Chak No. 44/DB Channar Colony Tehsil Yazman.	2,095,000	2,095,000
4	2016-17	Construction of Soling / Drain Chak No. 42/DB Tehsil Yazman.	1,000,000	1,000,000
5	2016-17	Construction of Soling Chak No. 69/DB Basti Ashraf Tehsil Yazman.	600,000	599,700
6	2016-17	Construction of Soling / Sewerage line Chak No. 54/DB Tehsil Yazman	1,400,000	1,393,000
7	2016-17	Construction / Repair of Mettle road Bahawalpur Road to house Jamshaid gujjar Chak No. 56/DB Tehsil Yazman.	1,000,000	996,500
8	2016-17	Construction of Soling from existing soling Chak No. 68/DB to Mettle Road Jugat peer Tehsil Yazman.	3,000,000	2,998,500
9	2016-17	Construction of Street pavement Chak No. 73/DB street Masjid wali Tehsil Yazman.	400,000	400,000
10	2016-17	Construction of Soling Chak No. 62/DB to Chak No. 66/DB (Remaining portion) Tehsil Yazman.	781,000	781,000
11	2016-17	Construction of Sewerage line , Tuff tile Bahawalpur road to house Nazir patwari Yazman.	1,500,000	1,494,750
12	2016-17	Construction of Soling from Mettle Road Chak No. 68/DB (Baggi) to basti Boriya Chak No. 68/DB Tehsil Yazman.	2,060,000	2,057,940
13	2016-17	Construction of Park / Tuff tile Jamal Mor to old bridge Desert branch Kud wala Tehsil Yazman.	2,487,000	2,474,565
14	2016-17	Construction of Soling/Drain Chak No 105/DB Yazman	19,097,000	19,070,245
15	2016-17	Construction of Soling from Masjid to Graveyard Chak No 144/DB Yazman	1,225,000	1,212,750

Sr. No.	Financial Year	Name of Scheme	T.S Cost	Agreement Cost
16	2016-17	Construction of Soling from Main road to Basti Nehal Balouch & Chak No 145/DB Road Chak No 144/DB Yazman	3,268,000	3,243,490
17	2016-17	Construction of Soling from 18 lattan Waly to Soling to Basti 18 Wali Chak no 144/DB Yazman	1,634,000	1,617,660
18	2016-17	Construction of Soling From Dera Inyat Wala to dera fateh Mohammad Panwar Chak No 144/DB Yazman	817,000	810,464
19	2016-17	Construction of Soling from 18 lattan Waly to Basti Jind Wadha Boharr Chak no 144/DB Yazman	980,000	977,060
20	2016-17	Construction of Soling from Dera Karam Khan Daha to Colony Chak No 144/DB Yazman	1,300,000	1,290,250
21	2016-17	Construction of Soling Main road Marot to dera Jind Wadah Bhien Chak No 144/DB A Yazman	1,225,000	1,217,038
22	2016-17	Construction of Soling from Chak No 145/DB Ahmad Bux Daha Wali Yazman	817,000	810,873
23	2016-17	Construction of Soling from Colony Blouchan Wali Chak No 146/DB Yazman	510,000	506,175
24	2016-17	Construction of soling inside Chak No 147/DB Yazman	3,500,000	3,482,500
25	2016-17	Construction of Soling from Chak No 147/DB to Graveyard & Colony Chak No 147/DB Yazman	2,600,000	2,583,100
26	2016-17	Construction of Soling from Pull to Basti Ghulam Hassan Numberdar Chak No 147/DB Yazman	3,400,000	3,383,000
27	2016-17	Construction of Soling from Chak No 147/DB to Colony Boharr Wali Chak No 147/DB Yazman	1,200,000	1,192,200
28	2016-17	Construction of Soling from Main Soling to Masjid Chak no 148/DB (Alif) Yazman	1,200,000	1,191,000
29	2016-17	Construction of Soling from Main Road Chak No 148/DB to Chak No 148/DB Yazman	3,676,000	3,657,620
30	2016-17	Construction of Soling from Chak No 148/DB to Dera Malik Rustam Chak No 148/DB Yazman	1,100,000	1,094,500
31	2016-17	Construction of Soling From Inside Chak No 148/DB Yazman	1,634,000	1,625,830
32	2016-17	Construction of Soling Inside Colony Chak No 148/DB Yazman	3,268,000	3,251,660
33	2016-17	Construction of Soling from Soling Malik Rustam to dera Imran Bajwa Chak No 148/DB Yazman	3,268,000	3,251,660
34	2016-17	Construction of Soling Jinnah Abadi Chak No 101/DB Yazman	2,100,000	2,089,500
35	2016-17	Construction of Soling Bhatta Colony Chak No 101/DB Yazman	2,400,000	2,388,800
36	2016-17	Construction of Soling Bhatta Colony Chak No 103/DB Yazman	2,400,000	2,380,800
37	2016-17	Construction of Soling Colony Chak No 103/DB Yazman	1,634,000	1,622,562
38	2016-17	Construction of Soling Christian Colony Yazman	2,400,000	2,382,000
39	2016-17	Construction of Drain & Soling Chak No 41/DB Yazman	7,000,000	6,982,500
40	2016-17	Construction of Drain & Soling Chak No 91/DB Yazman	3,000,000	3,000,000
41	2017-18	Improvement / Repair of plinth protection and soling turbines Municipal Committee Yazman	200,000	180,043
42	2017-18	Providing and laying tuff paver street Malik Munir wali Yazman	1,337,000	1,169,206
43	2017-18	Supply and fixing grill Masjid Office Municipal Committee Yazman	375,000	375,000
44	2017-18	Providing and laying Phase Failer Rellay 300/400 and overload rellay 20/80AM for turbines Municipal Committee Yazman	310,000	265,825
45	2017-18	Providing and laying Hypo Clorination set for turbines and Filtration plants Municipal Committee Yazman.	720,000	568,800

Sr. No.	Financial Year	Name of Scheme	T.S Cost	Agreement Cost
46	2017-18	Improvement / Special repair of Mettle road from Bahawalpur road to Chak No.56/DB Municipal Committee Yazman.	843,000	821,600
47	2017-18	Improvement / Repair Main disposal works Municipal Committee Yazman	425,000	400,500
48	2017-18	Construction of soling from main soling from main gate to pump house Main disposal Yazman	200,000	153,237
49	2017-18	Providing and laying tuff paver Filtration plants Yazman.	300,000	290,000
50	2017-18	Providing and laying tuff paver street Master Irshad / Alam wali Yazman	1,000,000	1,000,000
51	2017-18	Extention of Masjid Municipal Committee Yazman	1,043,000	1,043,000
52	2017-18	Construction of soling from 100' Road Disposal road to house Lal Deen / House Ramzan/ House Faqeer Muhammad / House Ashfaq / House Malik Anwar & Joray wala chowk ward No.14 Yazman	743,000	631,000
53	2017-18	Construction of soling and Sewerage line from Cheema Bakery Road to House Muhammad Younas /House Muhammad Safdar /House Shokat Ali /Azhar driver wali gali /shujat wali gali ward No.14 Yazman	575,000	457,125
54	2017-18	Construction of soling / Re-Soling near Disposal Chock to Filtration plants and street Masjid Aqsa wali ward No.14 Yazman	533,000	432,362
55	2017-18	Construction of soling and Re-Soling street Bashir wali near treatment plants ward No.10 Yazman	500,000	395,000
56	2017-18	Construction and Repair of culverts and Rehabilitation of slugg carrier Chak No.102/DB Yazman	500,000	444,650
57	2017-18	Repair / Providing and laying tuff paver street quraish wali and Rafique qasai wali ward No.12 Yazman	388,000	363,987
58	2017-18	Providing and laying tuff paver street Malik Sharif wali ward No.12 Yazman	631,000	554,333
59	2017-18	Providing and laying / Repair of tuff paver street Yaseen wali / Yaqoob wali old grain Market Yazman	981,000	897,000
60	2017-18	Providing and laying PVC pipe line street Malik Yaseen wali Yazman	100,000	85,000
61	2017-18	Improvement / Special repair of Mettle road street Haji Nazir Arthi wali and Masjid Ahlehadis wali ward No.12 Yazman	1,000,000	999,500
62	2017-18	Providing and laying tuff paver street Asgar Patwari wali Hassan colony Yazman	773,000	764,127
63	2017-18	Construction / Repair of Mettle Road / Raising near Masjid Ahlehadees ward No.12 Yazman	480,500	397,998
64	2017-18	Providing and laying tuff paver Mohallah Islam pura Yazman	1,051,000	1,028,171
65	2017-18	Providing and laying tuff paver/ water supply pipe line street Master Akbar wali Darzeon wali gali Yazman	554,200	533,843
66	2017-18	Providing and laying tuff paver Master Hayat wali gali Ismaelabad Yazman	427,000	426,253
67	2017-18	Providing and laying tuff paver street Muhammad Khalid to Hafiz Bilal near AC office Yazman	347,000	343,426
68	2017-18	Construction of sewerage line street Nisar wali Khursheed colony Yazman	220,000	182,283
69	2017-18	Providing and laying tuff paver street Iqbal wali Mohallah Ismaelabad Yazman	595,046	581,422
70	2017-18	Improvement / Special reapiir of Mettle road kud wala road to Girls Higher secondary school Yazman.	500,000	413,782
71	2017-18	Providing and laying tuff paver street Amjad gill wali and Sadiq wali ward No. 8 Yazman	903,000	902,988
72	2017-18	Construction of soling ,tuff paver, sewerage line and Repair of soling Chak No. 56/DB (Alif) and colony Yazman	2,364,000	2,194,500
73	2017-18	Construction of soling from Mettle road 88/DB to house Gulzar / Construction of soling inside Chak No.102/DB (South) Yazman	1,864,000	1,543,376
74	2017-18	Construction of soling from previous soling canal road to house Niazi Gondal town Yazman	198,000	158,400

Sr. No.	Financial Year	Name of Scheme	T.S Cost	Agreement Cost
75	2017-18	Construction of Bahawalpur road to Azhar Children hospital Yazman	151,000	132,600
76	2017-18	Construction of soling and drain bhand wali colony Gondal town Yazman	433,000	330,595
77	2017-18	Providing and installation of street lights inside Gondal town Yazman	330,000	306,000
78	2017-18	Construction and Repair of culverts and RCC slab Chak No.56/DB (B) Yazman	150,000	133,500
79	2017-18	Providing and laying tuff paver Khushali bank wali gali to house Tahir Yazman	120,000	114,000
80	2017-18	Construction of soling and Re-Soling inside Gndal Town Yazman	1,182,000	982,800
81	2017-18	Construction of Ladies park Hafiz colony Yazman	570,000	569,943
82	2017-18	Providing and laying tuff paver both side Mettle road and Back side grain Godam Municipal Committee Yazman	627,800	552,276
83	2017-18	Providing and laying tuff paver from Mettle road to Masjid Talabon wali Near Water supply Housing Scheme Yazman	935,000	918,053
84	2017-18	Construction of soling sewerage line tuff paver street Shahid zaki wali Yazman	597,000	596,000
85	2017-18	Providing and laying tuff paver street Asif bata wali Hassan colony Yazman	810,000	769,784
86	2017-18	Providing and laying PVC pipe line Main water supply line to colony Chak No. 102/DB Yazman.	600,000	448,627
87	2017-18	Providing and laying tuff paver street Asad Irfan wali Yazman public school ward No.5 Yazman	333,000	323,010
88	2017-18	Providing and laying tuff paver street Liaqat kamboo wali/ Zia ullah Khalid wali / Asgar wali back side Haqania Masjid Yazman	1,238,000	1,170,183
89	2017-18	Supply Man hole cover frame and Repair of Man holes Municipal Committee Yazman	500,000	430,330
90	2017-18	Special Repair Mettle road from High school to kud wala road Yazman	581,000	479,906
91	2017-18	Repair of soling street Ashraf Lahoria wali Chak No.56/DB (B) Yazman	93,000	84,630
92	2017-18	Special Repair and Renovation Meeting room Municipal Committee Yazman	600,000	480,000
93	2017-18	Repair of Patch works Mettle Roads Municipal Committee Yazman	500,000	425,000
94	2017-18	Construction of soling back side Yazman pump ward No. 8 Yazman	489,000	354,000
95	2017-18	Construction of soling back side boundary wall graveyard housing scheme to house Muhammad Buta Yazman	395,000	310,600
96	2017-18	Providing and laying tuff paver street Sadiq Fridge wali ward No.8 Yazman	422,500	371,192
97	2017-18	Construction of Public Toilet at MC area Yazman	1,293,400	1,153,713
98	2017-18	Construction of soling from Gondal town to house Abbas MC Yazman	328,000	266,085
99	2017-18	Construction of Soling from Mettle Road Chak No. 56/DB (B) to house Manzoor MC Yazman	500,000	329,550
100	2017-18	Construction of Soling from house Ajmal to Graveyard Chak No. 56/DB (B) MC Yazman	500,000	329,900
101	2017-18	Providing and laying Tuff paver Chak No. 56/DB Alif near Chock Masjid MC Yazman.	500,000	456,250
102	2017-18	Special Repair / side soling Mettle Road Khursheed Colony and dubai Masjid Road Yazman	500,000	475,005
103	2017-18	Construction of soling and tuff paver Ward No. 6 Yazman.	500,000	444,850
104	2017-18	Construction of Tuff paver street Tahir wali in Hafiz Colony Yazman	242,000	218,298
105	2017-18	Providing and laying Tuff paver street Gillan wali Street ward No. 8 MC Yazman	500,000	451,250
106	2017-18	Construction of sewer line and Tuff paver street Abdul Aziz wali Ward No. 9 MC Yazman	500,000	445,500
107	2017-18	Providing and laying Tuff paver street Talib Workshop wali Ward No. 10 MC Yazman	371,000	327,284

Sr. No.	Financial Year	Name of Scheme	T.S Cost	Agreement Cost
108	2017-18	Providing and laying tuff paver side of Mettle road Railway road South side and street Mahboob wali and inside Ward No.11 MC Yazman.	500,000	446,250
109	2017-18	Providing and laying tuff paver and Repair of Tuff paver street Malik Ramzan wali Front and back side and Hassan Hair dresser and Housing Scheme near House Muhammad Ishaq MC Yazman	500,000	448,750
110	2017-18	Providing and laying Tuff paver street Khalid Jatala wali and Tariq Bajwa wali Mohallah Islam pura MC Yazman.	500,000	449,250
111	2017-18	Construction of sewer line and soling street Khalid wali, Sultania Masjid ward No. 14 MC Yazman.	227,000	200,537
112	2017-18	Construction of soling and culverts Chak No. 102/DB North MC Yazman.	500,000	376,500
113	2017-18	Construction of sewer line and Soling / Resoling from Mettle Road 102/DB Road to House Akhtar Ali and Muhammad Ashraf Muhammdia Colony MC Yazman.	500,000	396,250
Total			137,743,446	132,761,840

Annexure-6/YZM

[Para 11.6.3]

Detail of excess consumption of POL

(Rupees in million)

Months	Load Shedding	Generator No.1	Generator No.2	Defference (2-4)	Generator No.3	Generator No.4	Defference (2-7)	Generator No.5	Defference (2-9)	Generator No.6	Generator No.7	Defference (2-12)	Generator Office	Defference (2-14)	Generator Disposal	Defference (2-16)
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Jul-16			262.5			159		156					138		126	
Aug-16			129			57		115					135		78	
Sep-16			126			0		96					109.5		54	
Oct-16			95			0		85					119.5		51	
Nov-16			81			0		84					102		27	
Dec-16			72			0		54					82.5		48	
Jan-17			30.75			0		20					82		23	
Feb-17	29		29.75	-0.75		0		23.5					76.5	-47.5	18	
Mar-17	84.25		40.5			0		17					87	-2.75	41.5	
Apr-17	128.75		83.75			14.5		60					88.5	40.25	78	
May-17	147		108			119.5		107.5					122	25	114	
Jun-17	113		118	-5		132	-19	132	-19		125	-12	135	-22	120	-7
Jul-17	118.75		93			108		96			36.5		140	21.25	84	
Aug-17	151.25		117			129		70.75			75		137.5	13.75	109	
Sep-17	13.5		106	-92.5		117	103.5	59	-45.5		5		102	-88.5	90	-76.5
Oct-17	7.25		63	55.75		72	64.75	28	20.75		15.5	-8.25	136	128.8	124.5	117.25
Nov-17	5.25		56	50.75		57.5	52.25	33	27.75		8	-2.75	72	66.75	83	-77.75
Dec-17	54		50			50.5		32			7.5		62	-8	45	
Jan-18	12.5		49	-36.5		48.5	-36	39.5	-27		16.5	-4	83	-70.5	40	-27.5
Feb-18	0		50	-50		48.5	-48.5	37	-37		22	-22	108	-108	51.5	-51.5
Mar-18	13.5		69	-55.5		72	-58.5	37	-23.5		17	-3.5			57.5	-44
Apr-18	3.25		67	63.75		72	68.75	63	59.75		28.5	25.25			33	-29.75
May-18	19.25		44	24.75		46.5	27.25	28.5	-9.25		48	28.75			65	-45.75
Jun-18	2.75		34.33	31.58		34.5	31.75	22	19.25		36	33.25				
Jul-18	2.5		33	-30.5		36	-33.5	35.5	-33							
Aug-18	7.25		28	20.75		31	23.75	23	15.75							
Sep-18	3		12	-9		12	-9									
Total	916	0	2048	-527	0	1417	-577	1554	-338	0	440.5	-140	2118	-485	1561	-477
Total Excess Hours																(2,543)
Total POL used in excess @ 20 liter pe hour																(50,856.60)
Expenditure																(5,594,226)

Annexure-1/KPR

[Para 12.5.2]

Detail of Housing Schemes and Calculation of Fees

(Rupees in million)

Sr. No.	Name of Housing Scheme	Location	Name of Owner / Developer	Total Area in Kanal	Approx. Land Value / kanal (Rs.)	Status	Preliminary Planning Permission fee along with (Rs.)	Scrutiny (Rs.)	Sanction of Scheme (Rs.)	Approval of Design for water Supply, Sewerage & Drainage (Rs.)	Approval of design and specification for road, Bridge and foot path (Rs.)	Conversion Fee 1% (Rs.)	Approx. Total Admissible Fee (Rs.)	Rupees In Million
							Rate: Rs 5,000 upto 2000 kanal and Rs 10,000 for > 2000 kanal	Rate: Rs. 1,000 upto 100k & Rs. 5,000 > 100k	Rate: Rs 1,000 / kanal	Rate: Rs. 500/kanal	Rate: Rs. 48,000	Rate: Rs. 500/kanal		
1	Farhan Town	Nawan Kot Road	Unknown	96	1,200,000	Record not Produced	5,000	1,000	96,000	48,000	48,000	1,152,000	1,350,000	1.350
2	Talha Town	Nawan Kot Road	Unknown	96	1,200,000	Record not Produced	5,000	1,000	96,000	48,000	48,000	1,152,000	1,350,000	1.350
3	Jahan Abad	Nawan Kot Road	Unknown	96	1,200,000	Record not Produced	5,000	1,000	96,000	48,000	48,000	1,152,000	1,350,000	1.350
4	Babar Town	Nawan Kot Road	Unknown	96	1,200,000	Record not Produced	5,000	1,000	96,000	48,000	48,000	1,152,000	1,350,000	1.350
5	Raja Town	LQP Road	Unknown	96	1,200,000	Record not Produced	5,000	1,000	96,000	48,000	48,000	1,152,000	1,350,000	1.350
6	Tariq Gardens	LQP Road	Unknown	96	1,200,000	Record not Produced	5,000	1,000	96,000	48,000	48,000	1,152,000	1,350,000	1.350
7	Al-Hamd Gardens	Bagh o Bahar Road	Unknown	96	1,200,000	Record not Produced	5,000	1,000	96,000	48,000	48,000	1,152,000	1,350,000	1.350
8	Jetha Bhutta Town	Darbar Road	Unknown	96	1,200,000	Record not Produced	5,000	1,000	96,000	48,000	48,000	1,152,000	1,350,000	1.350
9	Al-Ghaffar Town	Garrhi Road	Unknown	96	1,200,000	Record not Produced	5,000	1,000	96,000	48,000	48,000	1,152,000	1,350,000	1.350
10	Ali City Garden	Garrhi Road	Unknown	96	1,200,000	Record not Produced	5,000	1,000	96,000	48,000	48,000	1,152,000	1,350,000	1.350
11	Afzal Garden	Zahir Pir Road	Unknown	96	1,200,000	Record not Produced	5,000	1,000	96,000	48,000	48,000	1,152,000	1,350,000	1.350
12	Raja Garden	Zahir Pir Road	Unknown	96	1,200,000	Record not Produced	5,000	1,000	96,000	48,000	48,000	1,152,000	1,350,000	1.350
13	Khakwani Garden	Zahir Pir Road	Unknown	96	1,200,000	Record not Produced	5,000	1,000	96,000	48,000	48,000	1,152,000	1,350,000	1.350
14	Azeem Town	Zahir Pir Road	Unknown	96	1,200,000	Record not Produced	5,000	1,000	96,000	48,000	48,000	1,152,000	1,350,000	1.350
Total				1,344			70,000	14,000	1,344,000	672,000	672,000	16,128,000	18,900,000	18.900

Detail of Housing Schemes and Calculation of Fees for Transferring Land in the Name of Developers

(Rupees in million)

Sr. No.	Name of Housing Scheme / Land Sub-Division	Location (Address)	Name of Owner / Developer	Status (Approved / Un-Approved)	Approx. Total Area in Kanals	Approx. Land Value / kanal (Rs.)	Area / Land Transferred in the Name of Developer (Kanals)	Area Not Owned by Developer (kanal)	Approx. Value of Land Not Owned by Developer (Rs)	Approx. Amount of stamp duty, TTIMP, I.Tax etc @ 10% (Rs)	Rupees In Million
1	Farhan Town	Nawan Kot Road	Unknown	Record not Produced	96	1,200,000	-	96.00	115,200,000	11,520,000	11.520
2	Talha Town	Nawan Kot Road	Unknown	Record not Produced	96	1,200,000	-	96.00	115,200,000	11,520,000	11.520
3	Jahan Abad	Nawan Kot Road	Unknown	Record not Produced	96	1,200,000	-	96.00	115,200,000	11,520,000	11.520
4	Babar Town	Nawan Kot Road	Unknown	Record not Produced	96	1,200,000	-	96.00	115,200,000	11,520,000	11.520
5	Raja Town	LQP Road	Unknown	Record not Produced	96	1,200,000	-	96.00	115,200,000	11,520,000	11.520
6	Tariq Gardens	LQP Road	Unknown	Record not Produced	96	1,200,000	-	96.00	115,200,000	11,520,000	11.520
7	Al-Hamd Gardens	Bagh o Bahar Road	Unknown	Record not Produced	96	1,200,000	-	96.00	115,200,000	11,520,000	11.520
8	Jetha Bhutta Town	Darbar Road	Unknown	Record not Produced	96	1,200,000	-	96.00	115,200,000	11,520,000	11.520
9	Al-Ghaffar Town	Garrhi Road	Unknown	Record not Produced	96	1,200,000	-	96.00	115,200,000	11,520,000	11.520
10	Ali City Garden	Garrhi Road	Unknown	Record not Produced	96	1,200,000	-	96.00	115,200,000	11,520,000	11.520
11	Afzal Garden	Zahir Pir Road	Unknown	Record not Produced	96	1,200,000	-	96.00	115,200,000	11,520,000	11.520
12	Raja Garden	Zahir Pir Road	Unknown	Record not Produced	96	1,200,000	-	96.00	115,200,000	11,520,000	11.520
13	Khakwani Garden	Zahir Pir Road	Unknown	Record not Produced	96	1,200,000	-	96.00	115,200,000	11,520,000	11.520
14	Azeem Town	Zahir Pir Road	Unknown	Record not Produced	96	1,200,000	-	96.00	115,200,000	11,520,000	11.520
Total					1,344		-	1,344	1,612,800,000	161,280,000	161.280

Detail of Housing Schemes and Calculation of Land Value Required to be Tranferred in the Name of M.C

(Amount in rupees)

Sr. No.	Name of Housing Scheme	Location	Name of Owner / Developer	Total Area in Kanal	Approx. Land Value / kanal (Rs.)	Status	Open Space (kanals)	Public Buildings (School / Masjid / Madrissa / Hospital)	Solid Waste Plot	Internal Roads	Approx. Total Required Area to be Transferred in the Name of M.C (kanals)	Value of Required Area Not Transferred in the Name of M.C (kanals)	Rupees In Million
							7% (kanals)	2% (kanals)	10 marlas or 0.5 kanals	Veriable (kanals)			
1	Farhan Town	Nawan Kot Road	Unknown	96	1,200,000	Record not Produced	6.7	1.9	0.5		9.1	10,968,000	10.968
2	Talha Town	Nawan Kot Road	Unknown	96	1,200,000	Record not Produced	6.7	1.9	0.5		9.1	10,968,000	10.968
3	Jahan Abad	Nawan Kot Road	Unknown	96	1,200,000	Record not Produced	6.7	1.9	0.5		9.1	10,968,000	10.968
4	Babar Town	Nawan Kot Road	Unknown	96	1,200,000	Record not Produced	6.7	1.9	0.5		9.1	10,968,000	10.968

5	Raja Town	LQP Road	Unknown	96	1,200,000	Record not Produced	6.7	1.9	0.5		9.1	10,968,000	10.968
6	Tariq Gardens	LQP Road	Unknown	96	1,200,000	Record not Produced	6.7	1.9	0.5		9.1	10,968,000	10.968
7	Al-Hamd Gardens	Bagh o Bahar Road	Unknown	96	1,200,000	Record not Produced	6.7	1.9	0.5		9.1	10,968,000	10.968
8	Jetha Bhutta Town	Darbar Road	Unknown	96	1,200,000	Record not Produced	6.7	1.9	0.5		9.1	10,968,000	10.968
9	Al-Ghaffar Town	Garrhi Road	Unknown	96	1,200,000	Record not Produced	6.7	1.9	0.5		9.1	10,968,000	10.968
10	Ali City Garden	Garrhi Road	Unknown	96	1,200,000	Record not Produced	6.7	1.9	0.5		9.1	10,968,000	10.968
11	Afzal Garden	Zahir Pir Road	Unknown	96	1,200,000	Record not Produced	6.7	1.9	0.5		9.1	10,968,000	10.968
12	Raja Garden	Zahir Pir Road	Unknown	96	1,200,000	Record not Produced	6.7	1.9	0.5		9.1	10,968,000	10.968
13	Khakwani Garden	Zahir Pir Road	Unknown	96	1,200,000	Record not Produced	6.7	1.9	0.5		9.1	10,968,000	10.968
14	Azeem Town	Zahir Pir Road	Unknown	96	1,200,000	Record not Produced	6.7	1.9	0.5		9.1	10,968,000	10.968
Total				1,344			94.1	26.9	7.0	-	128.0	153,552,000	153.552

Detail of Housing Schemes and Calculation of Fees for Constructed Houses

(Amount in rupees)

Sr. No.	Name of Housing Scheme / Land Sub-Division	Location (Address)	Name of Owner / Developer	Status	Approx. Land Rate / kanal (Rs.)	Number of Houses Constructed	Area of Constructed Houses (marlas)	Area of Constructed Houses (Sqf)	Scrutiny Fee @Rs 03/sqf (Rs.)	Map Fee / (Betterment) @ Rs 400 / marla (Rs.)	Total Fee (Rs.)	Rupees In Million
1	Farhan Town	Nawan Kot Road	Unknown	Record not Produced	1,200,000	47	235	63,920	191,760	94,000	285,760	0.285
2	Talha Town	Nawan Kot Road	Unknown	Record not Produced	1,200,000	40	200	54,400	163,200	80,000	243,200	0.243
3	Jahan Abad	Nawan Kot Road	Unknown	Record not Produced	1,200,000	50	250	68,000	204,000	100,000	304,000	0.304
4	Babar Town	Nawan Kot Road	Unknown	Record not Produced	1,200,000	66	330	89,760	269,280	132,000	401,280	0.401
5	Raja Town	LQP Road	Unknown	Record not Produced	1,200,000	4	20	5,440	16,320	8,000	24,320	0.024
6	Tariq Gardens	LQP Road	Unknown	Record not Produced	1,200,000	4	20	5,440	16,320	8,000	24,320	0.024
7	Al-Hamd Gardens	Bagh o Bahar Road	Unknown	Record not Produced	1,200,000	9	45	12,240	36,720	18,000	54,720	0.055
8	Jetha Bhutta Town	Darbar Road	Unknown	Record not Produced	1,200,000	17	85	23,120	69,360	34,000	103,360	0.103
9	Al-Ghaffar Town	Garrhi Road	Unknown	Record not Produced	1,200,000	11	55	14,960	44,880	22,000	66,880	0.067
10	Ali City Garden	Garrhi Road	Unknown	Record not Produced	1,200,000	10	50	13,600	40,800	20,000	60,800	0.061
11	Afzal Garden	Zahir Pir Road	Unknown	Record not Produced	1,200,000	10	50	13,600	40,800	20,000	60,800	0.061
12	Raja Garden	Zahir Pir Road	Unknown	Record not Produced	1,200,000	10	50	13,600	40,800	20,000	60,800	0.061

Sr. No.	Name of Housing Scheme / Land Sub-Division	Location (Address)	Name of Owner / Developer	Status	Approx. Land Rate / kanal (Rs.)	Number of Houses Constructed	Area of Constructed Houses (marlas)	Area of Constructed Houses (Sqf)	Scrutiny Fee @Rs 03/sqf (Rs.)	Map Fee / (Betterment) @ Rs 400 / marla (Rs.)	Total Fee (Rs.)	Rupees In Million
13	Khakwani Garden	Zahir Pir Road	Unknown	Record not Produced	1,200,000	8	40	10,880	32,640	16,000	48,640	0.049
14	Azeem Town	Zahir Pir Road	Unknown	Record not Produced	1,200,000	95	475	129,200	387,600	190,000	577,600	0.578
Total						381	1,905	518,160	1,554,480	762,000	2,316,480	2.316

Detail of Housing Schemes and Calculation of Fees for Constructed Shops / Commercial Units

(Amount in rupees)

Sr. No.	Name of Housing Scheme / Land Sub-Division	Location (Address)	Number of Shops / Commercial Units Constructed	Area of Constructed Shops / Commercial Units (marlas)	Area of Constructed Shops / Commercial Units (Sqf)	Approx. Land Rate / marla (Rs.)	Approx. Land Value (Rs.)	Applicable Conversion Fee Rate (%)	Conversion Fee (Rs.)	Scrutiny Fee @Rs 06/sqf (Rs.)	Map Fee / (Betterment) @ Rs 400 / marla (Rs.)	Total Fee (Rs.)	Rupees In Million
1	Farhan Town	Nawan Kot Road	14 Shops	14	3,808	60,000	840,000	5	42,000	22,848	5,600	70,448	.0704
2	Talha Town	Nawan Kot Road	10 Shops	10	2,720	60,000	600,000	5	30,000	16,320	4,000	50,320	0.050
3	Jahan Abad	Nawan Kot Road	15 Shops	15	4,080	60,000	900,000	5	45,000	24,480	6,000	75,480	0.075
4	Babar Town	Nawan Kot Road	40 Shops	40	10,880	60,000	2,400,000	10	240,000	65,280	16,000	321,280	0.321
5	Raja Town	LQP Road	7 shops + 01 cattle farm	47	12,784	60,000	2,820,000	10	282,000	76,704	18,800	377,504	0.378
6	Tariq Gardens	LQP Road	12 Shops	12	3,264	60,000	720,000	5	36,000	19,584	4,800	60,384	0.060
7	Al-Hamd Gardens	Bagh o Bahar Road	8 Shops	8	2,176	60,000	480,000	5	24,000	13,056	3,200	40,256	0.040
8	Jetha Bhutta Town	Darbar Road	8 Shops	8	2,176	60,000	480,000	5	24,000	13,056	3,200	40,256	0.040
9	Al-Ghaffar Town	Garrhi Road	5 Shops	5	1,360	60,000	300,000	5	15,000	8,160	2,000	25,160	0.025
10	Ali City Garden	Garrhi Road	3 Shops	3	816	60,000	180,000	5	9,000	4,896	1,200	15,096	0.015
11	Afzal Garden	Zahir Pir Road	19 Shops	19	5,168	60,000	1,140,000	10	114,000	31,008	7,600	152,608	0.153
12	Raja Garden	Zahir Pir Road	6 shops + 01 service station	26	7,072	60,000	1,560,000	10	156,000	42,432	10,400	208,832	0.209
13	Khakwani Garden	Zahir Pir Road	12 shops + 01 poultry farm	52	14,144	60,000	3,120,000	10	312,000	84,864	20,800	417,664	0.418
14	Azeem Town	Zahir Pir Road	28 shops + 01 Hotel	48	13,056	60,000	2,880,000	10	288,000	78,336	19,200	385,536	0.386
Total			189	307	83,504	840,000	18,420,000		1,617,000	501,024	122,800	2,240,824	22.408

Detail of Marriage Halls and Calculation of Fees:

(Amount in rupees)

Sr. No.	Name of Housing Scheme / Land Sub-Division	Location (Address)	Name of Owner	Approx. Total Area in Kanals	Average / Approx. Land Rate per kanal (Rs.)	Approx. Total Land Value (Rs.)	Applicable Conversion Rate (%)	Approx. Conversion Fee (Rs.)	Rupees In Million
1	Zainab Marque	Nawan Kot Road	Unknown	16	1,200,000	19,200,000	20	3,840,000	3.840
2	Ahmad Marriage Hall	Bye Pass Road	Unknown	2	1,200,000	2,400,000	10	240,000	0.240
3	Levish Marque	Bye Pass Road	Unknown	16	1,200,000	19,200,000	20	3,840,000	3.840
4	Al-Karam Marque	Bye Pass Road	Unknown	12	1,200,000	14,400,000	20	2,880,000	2.880
5	Sarwar Marriage Hall	Tariq Gardens	Unknown	2	1,200,000	2,400,000	10	240,000	0.240
6	Masha Allah Marriage Hall	New Ghalla Mandi Road	Unknown	1.5	1,200,000	1,800,000	10	180,000	0.180
7	Al-Mumtaz Marriage Hall	near Al-Riaz Garden	Unknown	2	1,200,000	2,400,000	10	240,000	0.240
8	Pakistan Marriage Hall	Fazal Garden	Unknown	1	1,200,000	1,200,000	10	120,000	0.120
9	Bandhan Marriage Hall	near Faisal Bank	Unknown	1	1,200,000	1,200,000	10	120,000	0.120
10	Al-Mansoor Marriage Hall	RYK Road	Unknown	8	1,200,000	9,600,000	10	960,000	0.960
11	Gate Way Marriage Hall	near Central Public School	Unknown	2	1,200,000	2,400,000	10	240,000	0.240
12	Wasaib Marriage Hall	RYK Road	Unknown	2	1,200,000	2,400,000	10	240,000	0.240
13	Saqlain Mujahid Marriage Hall	near Match Factory	Unknown	4	1,200,000	4,800,000	10	480,000	0.480
14	Raja Bazar	Bye Pass Road	Unknown	100	1,200,000	120,000,000	10	12,000,000	12.000
Total				170		203,400,000		25,620,000	25.620

Annexure-2/KPR

[Para 12.5.3]

Detail showing Non-achievement of revenue targets

(Amount in Rupees)

Sr. No.	Financial Year	Head of Account	Target	Actual Collection	Less Collection	% of Less Collection (%)
1	2016-17	B01313 - Tax on Transfer of Immovable Property	15,200,000	10,617,952	4,582,048	30.15
2	2016-17	C0388002 - License fee (Dangerous and Offensive Trade)	150,000	130,000	20,000	13.33
3	2016-17	C0388016 - General Bus Stand fee	544,600	543,050	1,550	0.28
4	2016-17	C0388026 - Fee for approval of Housing Colony	100,000	-	100,000	100.00
5	2016-17	C0388028 - Fee for change in land use	4,200,000	2,968,646	1,231,354	29.32
6	2016-17	C0388076 - Advertisement Fee on billboards/ hoardings	369,000	185,960	183,040	49.60
7	2016-17	C0388082 - Rent of municipal Property - offices	363,112	-	363,112	100.00
8	2016-17	C0388091 - Others Miscellaneous Fee	73,833,344	9,710,237	64,123,107	86.85
9	2017-18	C0388002 - License fee (Dangerous and Offensive Trade)	300,000	188,300	111,700	37.23
10	2017-18	C0388020 - Riksha/Motorcycle/ Bicycle Stand fee	200,000	142,810	57,190	28.60
11	2017-18	C0388028 - Fee for change in land use	110,926,500	2,310,793	108,615,707	97.92
12	2017-18	C0388042 - Fee for slaughtering of animals	900,000	886,390	13,610	1.51
13	2017-18	C0388054 - Sewerage Fee/ Charges/ Nali Tax	1,000,000	843,700	156,300	15.63
14	2017-18	C0388076 - Advertisement Fee on billboards/ hoardings	400,000	337,570	62,430	15.61
15	2017-18	C0388081 - Rent of municipal Property - Shops	11,402,369	8,938,065	2,464,304	21.61
16	2018-19	B01313 - Tax on Transfer of Immovable Property	30,000,000	25,789,474	4,210,526	14.04
17	2018-19	C0388002 - License fee (Dangerous and Offensive Trade)	1,000,000	565,100	434,900	43.49
18	2018-19	C0388016 - General Bus Stand fee	2,500,000	2,348,255	151,745	6.07
19	2018-19	C0388029 - Conversion Fee for change in building use	90,926,500	-	90,926,500	100.00
20	2018-19	C0388054 - Sewerage Fee/ Charges/ Nali Tax	1,000,000	853,650	146,350	14.64
21	2018-19	C0388057 - Sanitation Fee/ Safai Tax	700,000	406,000	294,000	42.00
22	2018-19	C0388076 - Advertisement Fee on billboards/ hoardings	1,000,000	805,322	194,678	19.47
23	2018-19	C0388081 - Rent of municipal Property - Shops	12,722,606	10,743,503	1,979,103	15.56
		Total	359,738,031	79,314,777	280,423,254	77.95

Annexure-3/KPR

[Para 12.5.4]

Detail and Value of Land Area not transferred in the name of TMA / M.C

(Amount in rupees)

Sr. No.	Name of Housing Scheme	Location	Name of Owner / Developer	Total Area in Kanals	Land Value / marla (Rs.)	Land Value / kanal (Rs.)	Status	Open Space (kanals)	Public Buildings (School / Masjid / Madrissa / Hospital)	Solid Waste Plot	Internal Roads	Total Required Area to be Transferred in the Name of M.C (kanals)	Area Transferred in the Name of M.C (kanals)	Value of Required Area Not Transferred in the Name of M.C (kanals)
								7% (kanals)	2% (kanals)	10 marlas or 0.5 kanals	Veriabl e (kanals)			
1	Karam Town	Wajid Abad Road	Karam Akhtar	95	190,000	3,800,000	Under Process	6.7	1.9	0.5		9.1	-	34,390,000
2	Haider Town	Link Road, Khayabane Akhtar	Umer Javed	94	190,000	3,800,000	Under Process	6.6	1.9	0.5		9.0	-	34,048,000
Total				189				13.2	3.8	1.0	-	18.0	-	68,438,000

Detail and Calculation of Map Fee for Constructed Houses

(Amount in rupees)

Sr. No.	Name of Housing Scheme / Land Sub-Division	Location (Address)	Name of Owner / Developer	Land Value / kanal as per concerned Yard Stick	Number of Houses Constructed	Area of Constructed Houses (marlas)	Area of Constructed Houses (Sqf)	Scrutiny Fee @ Rs 03/sqf (Rs.)	Map Fee / (Betterment) @ Rs 400 / marla (Rs.)	Total Fee (Rs.)
01	Riaz Gardens	Mouza Faiz Abad	M. Riaz	924,000	16	80	21,760	65,280	32,000	97,280
02	Karam Town	Wajid Abad Road	Karam Akhtar	3,800,000	12	60	16,320	48,960	24,000	72,960
03	Al-Kareem Town	Nawan Kot Road	Inam ul Haq	4,000,000	1	5	1,360	4,080	2,000	6,080
Total					29	145	39,440	118,320	58,000	176,320

Detail and Calculation of Map Fee for Constructed Shops

(Amount in rupees)

Sr. No.	Name of Housing Scheme / Land Sub-Division	Location (Address)	Name of Owner / Developer	Land Value / kanal as per concerned Yard Stick (Rs.)	Number of Shops Constructed	Area of Constructed Shops (marlas)	Approx. Land Rate / marla (Rs.)	Approx. Land Value (Rs.)	Applicable Conversion Fee Rate (%)	Conversion Fee (Rs.)	Scrutiny Fee @Rs 06/sq f (Rs.)	Map Fee / (Betterment) @ Rs 400 / marla (Rs.)	Total Fee (Rs.)	Rupees In Million
01	Riaz Gardens	Mouza Faiz Abad	M. Riaz	924,000	20	20	46,200	924,000	5	46,200	32,640	8,000	86,840	0.086
Total					20	20	46,200	924,000		46,200	32,640	8,000	86,840	0.086

Annexure-4/KPR

[Para 12.5.8]

Detail showing loss due to non auctioning of shops / plots

(Amount in rupees)

Sr. No.	Market Name	Shop / Plot No.	Name of Rentee	Date of Allotment	Monthly Rent Charged by M.C in that MKT during 2018-19 (Rs.)	Loss 2018-19 (Rs.)	Monthly Rent Charged by M.C in that MKT during 2017-18 (Rs.)	Loss 2017-18 (Rs.)	Monthly Rent Charged by M.C in that MKT during 2016-17 (Rs.)	Loss 2016-17 (Rs.)	Total Loss (Rs.)	Rupees In Million
1	Fish Market	Shop	Empty	N/A	2,024	24,288	1,840	22,080	1,673	20,073	66,441	0.066
2	General Bus Stand		Empty	N/A	4,378	52,536	3,980	47,760	3,618	43,418	143,714	0.144
3	General Bus Stand		Empty	N/A	4,378	52,536	3,980	47,760	3,618	43,418	143,714	0.144
4	General Bus Stand		Empty	N/A	4,378	52,536	3,980	47,760	3,618	43,418	143,714	0.144
5	Old Sabzi Mandi	8	Empty Open Plot	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
6	Old Sabzi Mandi	14	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
7	Old Sabzi Mandi	24	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
8	Old Sabzi Mandi	25	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
9	Old Sabzi Mandi	26	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
10	Old Sabzi Mandi	27	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
11	Old Sabzi Mandi	40	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
12	Old Sabzi Mandi	41	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
13	Old Sabzi Mandi	42	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
14	Old Sabzi Mandi	43	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
15	Old Sabzi Mandi	57	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
16	Old Sabzi Mandi	58	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
17	Old Sabzi Mandi	59	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115

Sr. No.	Market Name	Shop / Plot No.	Name of Rentee	Date of Allotment	Monthly Rent Charged by M.C in that MKT during 2018-19 (Rs.)	Loss 2018-19 (Rs.)	Monthly Rent Charged by M.C in that MKT during 2017-18 (Rs.)	Loss 2017-18 (Rs.)	Monthly Rent Charged by M.C in that MKT during 2016-17 (Rs.)	Loss 2016-17 (Rs.)	Total Loss (Rs.)	Rupees In Million
18	Old Sabzi Mandi	60	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
19	Old Sabzi Mandi	61	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
20	Old Sabzi Mandi	62	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
21	Old Sabzi Mandi	63	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
22	Old Sabzi Mandi	64	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
23	Old Sabzi Mandi	65	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
24	Old Sabzi Mandi	46	Empty	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
25	Open Plot	Open Plot	Empty Open Plot	N/A	3,495	41,940	3,177	38,127	2,888	34,661	114,728	0.115
				Total	88,553	1,062,636	80,503	966,033	73,184	878,212	2,906,880	2.907

Annexure-5/KPR

[Para 12.6.8]

Detail showing loss due to unjustified / illogical POL expenditure

(Amount in rupees)

Year	Month	Disposal Munzoor Colony (Liters)	Disposal Tufail Colony (Liters)	Disposal Ghalla Mandi (Liters)	Total Unjustified Diesel (Rs.)	Diesel Rate (Rs.)	Amount (Rs.)	Rupees In Million
2016	July	480	1,550	465				
2016	August	480	1,550	480				
2016	September	475	1,450	475				
2016	October	460	1,550	450				
2016	November	470	1,500	445				
2016	December	475	1,500	465				
2017	1-15 Jan	215	750	215				
2017	16-31 jan	250	800	240				
2017	1-15 feb	240	750	240				
2017	16-28 feb	190	650	185				
2017	March	505	1,550	500				
2017	April	425	1,500	425				
2017	May	285	1,550	445	2,280	84.42	192,478	0.192
2017	June		1,550	495	2,045	82.83	169,387	0.169
2017	July		1,500	450	1,950	82.30	160,485	0.160
2017	1-5 August		250	75	325	82.30	26,748	0.027
2017	6-31 august		1,250	370	1,620	79.80	129,276	0.129
2017	September		1,500	465	1,965	79.80	156,807	0.157
2017	October		1,550	450	2,000	81.80	163,600	0.164
2017	November		750	445	1,195	87.00	103,965	0.104
2017	December			470	470	88.40	41,548	0.042
2018	January			420	420	92.40	38,808	0.039
2018	February			435	435	98.40	42,804	0.043
2018	March				-	101.00	-	
2018	April				-	99.00	-	
2018	May				-	109.20	-	
2018	1-11 june				-	107.90	-	
2018	12-30 june				-	107.90	-	
2018	1-7 july				-	107.90	-	
2018	8-19 july				-	107.90	-	
2018	20-24 july				-	107.90	-	
2018	25-31 july				-	107.90	-	
2018	August				-	115.60	-	
2018	September				-	109.20	-	

Year	Month	Disposal Munzoor Colony (Liters)	Disposal Tufail Colony (Liters)	Disposal Ghalla Mandi (Liters)	Total Unjustified Diesel (Rs.)	Diesel Rate (Rs.)	Amount (Rs.)	Rupees In Million
2018	October				-	109.20	-	
2018	November				-	115.60	-	
2018	December				-	112.39	-	
2019	January				-	108.91	-	
2019	February				-	109.30	-	
2019	March				-	112.91	-	
2019	April				-	118.94	-	
2019	1-4 May				-	120.10	-	
2019	5-31 may				-	123.85	-	
2019	June				-	127.86	-	
Total		285	9,900	4,520	14,705		1,225,905	1.22

Detail showing loss due to unjustified repair & maintenance expenditure regarding closed disposals:

(Amount in rupees)

Sr. No	Financial Year	A/c Head	Cheque Date / Month	Approval Date / Token No.	Bill / Invoice No.	Bill / Invoice Date	Bill Amount (Rs.)	Name of Supplier	Item Name with Complete Disruption
1	2018-19	COS	13.07.2018	10.07.2018	2274	10.07.2018	11,388	Al-Rehman Traders KPR	Sector Model Town(Purchase bamboos big,iron wire,labour etc
2	2018-19	COS	17.08.2018	16.08.2018	2326	10.08.2018	7,196	Al-Rehman Traders KPR	Disposal Manzoor colony(Purchase of bamboos ladre,kasi big,bucket,etc)
3	2018-19	COS	22.12.2018	17.08.2018	428	14.08.2018	23,985	Ittihad Brothers KPR	Disposal Manzoor colony(Purchase of LED 100/watt,garees high speed
4	2018-19	COS	23.01.2019	23.01.2019	44	18.01.2019	17,148	Shaheen Electric Service KPR	Disposal Manzoor colony(LED Bulb,board,wire 7/29,coil,tap etc)
5	2018-19	POM	10.01.2019	02.01.2019	39	05.12.2018	19,890	Shaheen Electric Service KPR	Disposal Gharib Abad(Purchase of conductor III phase 150/A,breaker 200/A etc)
6	2018-19	POM	11.08.2018	11.07.2018	28	11.07.2018	8,234	Shaheen Electric Service KPR	Disposal Manzoor colony(Purchase of Motor baring etc)
7	2018-19	POM	21.06.2019	13.06.2019	218	12.06.2019	6,143	Shaheen Electric Service KPR	Disposal Tufail colony Khanpur (Purchase timer,over load relay etc)
8	2018-19	POM	11.08.2018	12.07.2018	30	12.07.2018	4,914	Shaheen Electric Service KPR	Disposal Manzoor colony(Purchase of pipe plastic 8"
9	2018-19	POM	10.01.2019	13.11.2018	34	12.11.2018	9,477	Shaheen Electric Service KPR	Disposal Manzoor colony(Push botton,Ampire meter etc)

Sr. No	Financial Year	A/c Head	Cheque Date / Month	Approval Date / Token No.	Bill / Invoice No.	Bill / Invoice Date	Bill Amount (Rs.)	Name of Supplier	Item Name with Complete Disruption
10	2018-19	POM	21.06.2019	18.06.2019	214	17.06.2019	13,104	Shaheen Electric Service KPR	Disposal Manzoor colony (Purchase of grees etc)
11	2018-19	POM	10.01.2019	21.11.2018	49	19.12.2018	14,040	Shaheen Electric Service KPR	Disposal Manzoor colony(Conductor 150/A III phase etc)
12	2018-19	POM	26.12.2018	26.11.2018	366	25.10.2018	33,080	Shaheen Electric Service KPR	Disposal Gharib Abad(Purchase of spendal wall jadeed etc)
13	2018-19	ROM	23.01.2019	23.01.2019	2033	16.01.2018	39,456	Al-Rehman Traders KPR	Disposal Tufail colony(Rewinding Motor 40/HP)
14	2018-19	ROM	30.05.2019	23.02.2019	103	22.02.2019	11,115	Ittihad Brothers KPR	Disposal Manzoor colony (Purchase breaker 225/A 30 phase etc)
15	2017-18	COS	Feb-18	123	184	30.12.2017	24,500	Shaheen Electric Service KPR	Disposal Manzoor colony(Purchase of items etc)
16	2017-18	POM	25.06.2018	04.06.2018	11	04.06.2018	24,674	Shaheen Electric Service KPR	Disposal Main (Rewinding Motor 40/HP)
17	2017-18	POM	Oct-17	467	27	10.10.2017	24,560	Ittihad Brothers KPR	Disposal Gharib Abad(Purchase of valve etc)
18	2017-18	POM	Feb-18	350	341	15.02.2018	24,762	Shaheen Electric Service KPR	Disposal Manzoor colony(Purchase of section pipe etc)
19	2017-18	POM	28.06.2018	16.05.2018	343	16.05.2018	25,285	Shaheen Electric Service KPR	Repair slaudge pump,water tanki Madel town khanpur
20	2017-18	POM	28.06.2018	21.06.2018	413	21.06.2018	9,405	Ittihad Brothers KPR	Disposal Manzoor colony Repair Motor 4/HP etc
21	2017-18	POM	Feb-18	361	192	25.01.2018	5,733	Shaheen Electric Service KPR	Disposal Tufail colony(Purchase of sanitation items etc)
22	2017-18	POM	Nov-17	575	2235	27.10.2017	8,190	Al-Rehman Traders KPR	Disposal Manzoor colony(Purchase of items etc)
23	2017-18	ROM	August,2017	138	2398	10.08.2017	24,674	Al-Rehman Traders KPR	Disposal Main (Rewinding Motor 40/HP)
24	2017-18	ROM	August,2017	139	2397	10.08.2017	24,570	Al-Rehman Traders KPR	Disposal Tufail colony(Purchase of stator 100/A)
25	2017-18	ROM	October,2017	363	2405	10.08.2017	2,496	Shaheen Electric Service KPR	Motor 1/HP (Rewinding motor 1/HP etc)
26	2017-18	ROM	Oct-17	514	387	12.10.2017	95,027	Al-Rehman Traders KPR	Disposal Mainn (Repair transformer etc)
27	2017-18	ROM	Oct-17	515	388	12.10.2017	29,019	Shaheen Electric Service KPR	Disposal Manzoor colony(Motor 40/HP)
28	2017-18	ROM	08.05.2018	15.03.2018	53	21.03.2018	22,285	Ittihad Brothers KPR	Disposal Manzoor colony (Purchase of shafat,buss,neple,baring,grees,silicon etc)
29	2016-17	COS	15.06.2017	14.06.2017	166	NIL	12,636	Shaheen Electric Service KPR	Disposal Manzoor colony (Purchase of Baring Moter 40/HP)

Sr. No	Financial Year	A/c Head	Cheque Date / Month	Approval Date / Token No.	Bill / Invoice No.	Bill / Invoice Date	Bill Amount (Rs.)	Name of Supplier	Item Name with Complete Discription
30	2016-17	ROM	18.05.2017	12.05.2017	2053	02.05.2017	9,914	Al-Rehman Traders KPR	Disposal Mean Repair (Ball Baring,Shafat welding,Bush Petal etc)
31	2016-17	ROM	15.06.2017	14.06.2017	NIL	08.06.2017	22,000	Shaheen Electric Service KPR	Disposal Tufail colony(Rewinding Motor 30/HP)
32	2016-17	ROM	23.06.2017	12.06.2017	307	09.06.2017	20,358	Shaheen Electric Service KPR	Disposal Tufail colony(Purchase of Iron pipe etc)
33	2016-17	ROM	23.06.2017	10.06.2017	315	10.06.2017	64,724	Shaheen Electric Service KPR	Disposal Jinna Town(Repair section pipe,deliver pipe,feet wall,baand,Nipple,Klump etc)
34	2016-17	ROM	23.06.2017	10.06.2017	302	10.06.2017	8,000	Shaheen Electric Service KPR	Disposal Jinna Town(Repair shafat,chimta,pupm etc)
35	2016-17	ROM	15.06.2017	14.06.2017	NIL	23.05.2017	24,800	Shaheen Electric Service KPR	Disposal Manzoor colony (Rewinding Moter 40/HP)
36	2016-17	ROM	14.06.2017	12.06.2017	2360	27.05.2017	24,570	Al-Rehman Traders KPR	Disposal Main (Motor Rewinding 40/HP)
							751,352		

Annexure-1/Kotsamaba**[Para 13.6.1]****Detail of Development Schemes without GST invoices & CPRs****(Rupees in million)**

Sr. No.	Name Of Schemes	Amount
1	Maintenance & Const. of Soling Pavement of Roads & Sewerage Line ward No.02,03 MC Kot Samaba (M&R)	2.400
2	Maintenance & Const. Of Slabs, Rings ,Laying of Pipes & RCC Manhole Covers Mc, Kot Samaba(M&R)	1.000
3	Const. & Repair of Mettle Road Gulshan Abad Mc, Kot Samaba(M&R)	1.000
4	Maintenance & Const. of Soling Pavement of Roads & Sewerage Line ward No.04,06 MC Kot Samaba (M&R)	2.200
5	Maintenance & Const. of Soling Pavement of Roads & Sewerage Line ward No.05,07 MC Kot Samaba (M&R)	2.400
6	Maintenance & Const. of Soling Pavement of Roads , Sewerage Line & Sludge Carrier ward No.08,01 MC Kot Samaba (M&R)	1.700
7	Rehabilitation/Const. of Mattel Road From Thana Chowk to Slaughter House Road Link Mohallah Sadaat Road Kot Samaba(M&R)	9.996
8	Repair of Man holes & Winching of Sewer lines Mc, Kot Samaba(M&R)	0.500
9	Maintenance & Const. of Soling Pavement of Roads , Sewerage Line & Sludge Carrier ward No.9,12 MC Kot Samaba(M&R)	1.000
10	Maintenance & Const. of Soling Pavement of Roads , Sewerage Line & Sludge Carrier ward No.10,11 MC Kot Samaba(M&R)	1.340
11	Maintenance & Const. of Water supply Pipe lines(M&R)	0.600
12	Maintenance & Const. Boundary wall Eid Ghah Ghareeb Abad and benches, Jholy (M&R)	3.000
13	Maintenance & Const. Slaughter House Kot Samaba (M&R)	1.950
14	Maintenance & Construction Boundary wall /park water Supply Mc Kot Samaba (M&R)	2.000
15	Maintenance & Const. Beautification of Family Park	1.900
16	Maintenance/Const. main road basti baghoon to Syed mehmoos shah qabristan basti ashiq Hussain sha (late) MC Kot Samaba(M&R)	1.000
17	Maintenance/ Construction of Soling Ghala mandi to Bangla road MC, Kot Samaba (M&R)	0.600
18	Maintenance/Const. Basti Aziz Mc, Kot Samaba (M&R)	0.800
19	Maintenance/ Const. Soling Basti Muhammad Ashraf MC,Kot Samaba	0.200
20	Maintenance/Const. Soling ward No.02 MC, Kot Samaba	0.500
21	Maintenance/Const. Soling ward No.05 MC, Kot Samaba	0.500
Total		36.586

Annexure-1/LQP

[Para 14.5.2]

Detail showing Non-achievement of revenue targets:

(Rupees in million)

Sr. No.	Financial Year	Head of Account	Revenue Target (Rs.)	Actual Collection (Rs.)	Less Collection (Rs.)	Rupees In Million	% of Less Collection (%)
1	2016-17	C0388002 - License fee (Dangerous and Offensive Trade)	60,000	40,750	19,250	0.019	32.08
2	2016-17	C0388016 - General Bus Stand fee	750,000	625,385	124,615	0.125	16.62
3	2016-17	C0388028 - Fee for change in land use	1,000,000	-	1,000,000	1.000	100.00
4	2016-17	C0388047 - Receipts on account of sale of water - residential	3,029,320	977,890	2,051,430	2.051	67.72
5	2016-17	C0388093 - Arrears of Water Rate	952,966	-	952,966	0.953	100.00
6	2016-17	C0388054 - Sewerage Fee/ Charges/ Nali Tax	685,000	29,100	655,900	0.656	95.75
7	2016-17	C0388082 - Rent of municipal Property - Shops	16,735,263	10,726,694	6,008,569	6.009	35.90
8	2016-17	C0388085 - Other rents	200,000	-	200,000	0.200	100.00
9	2017-18	C03555 - Car parking fee	1,000,000	699,260	300,740	0.301	30.07
10	2017-18	C0388008 - License and Permit Fee	1,500,000	279,200	1,220,800	1.221	81.39
11	2017-18	C0388016 - General Bus Stand fee	1,500,000	1,399,470	100,530	0.101	6.70
12	2017-18	C0388028 - Fee for change in land use	4,500,000	-	4,500,000	4.500	100.00
13	2017-18	C0388031 - Fine for irregular land use/ building use)	500,000	-	500,000	0.500	100.00
14	2017-18	C0388047 - Receipts on account of sale of water - residential	7,620,000	2,381,255	5,238,745	5.239	68.75
15	2017-18	C0388048 - Receipts on account of sale of water - commercial	300,000	-	300,000	0.300	100.00
16	2017-18	C0388051 - Receipts on account of sale of water - through tankers	100,000	2,000	98,000	0.098	98.00
17	2017-18	C0388054 - Sewerage Fee/ Charges/ Nali Tax	1,620,000	156,950	1,463,050	1.463	90.31
18	2017-18	C0388055 -Fee for cleaning of soak pits/gharki	200,000	-	200,000	0.200	100.00
19	2017-18	C0388059 -Sale of municipal waste	11,500	-	11,500	0.012	100.00
20	2017-18	C0388076 - Advertisement Fee on billboards/ hoardings	1,028,580	556,430	472,150	0.472	45.90
21	2017-18	C0388081 - Rent of municipal Property - Shops	21,108,789	12,890,144	8,218,645	8.219	38.93
22	2017-18	C0388084 - Rent of municipal Property - agricultural land	52,950	-	52,950	0.053	100.00

Sr. No.	Financial Year	Head of Account	Revenue Target (Rs.)	Actual Collection (Rs.)	Less Collection (Rs.)	Rupees In Million	% of Less Collection (%)
23	2017-18	C0388085 - Other rents	2,500,000	-	2,500,000	2.500	100.00
24	2017-18	C0388093 - Arrears of Water Rate	952,966	-	952,966	0.953	100.00
25	2017-18	C0388094 - Miscellaneous (disposal)	500,000	52,950	447,050	0.447	89.41
26	2018-19	B01313 - Tax on Transfer of Immovable Property	6,000,000	3,984,490	2,015,510	2.016	33.59
27	2018-19	C0388002 - License fee (Dangerous and Offensive Trade)	2,000,000	421,100	1,578,900	1.579	78.95
28	2018-19	C03555 - Car parking fee	10,000	-	10,000	0.010	100.00
29	2018-19	C0388016 - General Bus Stand fee	1,800,000	1,364,800	435,200	0.435	24.18
30	2018-19	C0388022 - Fee from other Transport Stands	1,200,000	534,795	665,205	0.665	55.43
31	2018-19	C0388028 - Fee for change in land use	7,500,000	3,025,406	4,474,594	4.475	59.66
32	2018-19	C0388029 - Conversion Fee for change in building use	1,000,000	-	1,000,000	1.000	100.00
33	2018-19	C0388031 - Fine for building violations (irregular land use/ building use)	500,000	205,000	295,000	0.295	59.00
34	2018-19	C0388047 - Receipts on account of sale of water - residential	8,624,400	2,901,734	5,722,666	5.723	66.35
35	2018-19	C0388048 - Receipts on account of sale of water - commercial	300,000	-	300,000	0.300	100.00
36	2018-19	C0388050 - Receipts on account of sale of water - bulk consumers	50,000	-	50,000	0.050	100.00
37	2018-19	C0388051 - Receipts on account of sale of water - through tankers	50,000	-	50,000	0.050	100.00
38	2018-19	C0388054 - Sewerage Fee/ Charges/ Nali Tax	1,464,700	190,675	1,274,025	1.274	86.98
39	2018-19	C0388056 - Receipts from public latrines	12,500	1,000	11,500	0.012	92.00
40	2018-19	C0388059 - Sale of municipal waste	12,500	-	12,500	0.013	100.00
41	2018-19	C0388076 - Advertisement Fee on billboards/ hoardings	50,000	20,000	30,000	0.030	60.00
42	2018-19	C0388077 - Advertisement Fee on sign boards of shops / commercial	763,000	250,160	512,840	0.513	67.21
43	2018-19	C0388081 - Rent of municipal Property - Shops	24,831,082	17,219,685	7,611,397	7.611	30.65
44	2018-19	C0388082 - Rent of municipal Property - offices	15,000	-	15,000	0.015	100.00
45	2018-19	C0388084 - Rent of municipal Property - agricultural land	52,950	-	52,950	0.053	100.00
46	2018-19	C0388085 - Other rents	4,000,000	-	4,000,000	4.000	100.00
47	2018-19	C0388090 - Sale of stocks and stores	1,000,000	-	1,000,000	1.000	100.00

Sr. No.	Financial Year	Head of Account	Revenue Target (Rs.)	Actual Collection (Rs.)	Less Collection (Rs.)	Rupees In Million	% of Less Collection (%)
48	2018-19	C0388092 - Magistrial Fee (Fine and Penalties by Judicial Magistrate)	2,005,000	-	2,005,000	2.005	100.00
49	2018-19	C0388093 - Arrears of Water Rate	952,966	-	952,966	0.953	100.00
50	2018-19	C0388094 – Miscellaneous	500,000	73,010	426,990	0.427	85.40
			133,101,432	61,009,333	72,092,099	72.092	

Annexure-2/LQP

[Para 14.5.3]

Detail showing loss due to collection of rent on lesser rates

(Amount in Rupees)

Sr. No.	Period	Months	Rate of Rent (Rs.)	Rate of Increas	Rent Due (Rs.)	Rent Collected (Rs.)	Loss (Rs.)	Rupees In Million
1	1.3.81 to 28.2.82	12	450	--	5,400	7,200	(1,800)	2323 2300
2	1.3.82 to 28.2.83	12	540	20%	6,480	6,480	-	
3	1.3.83 to 28.2.84	12	648	20%	7,776	7,128	648	0.001
4	1.3.84 to 28.2.85	12	778	20%	9,331	7,848	1,483	0.001
5	1.3.85 to 28.2.86	12	933	20%	11,197	8,640	2,557	0.003
6	1.3.86 to 28.2.87	12	1,120	20%	13,437	9,492	3,945	0.004
7	1.3.87 to 28.2.88	12	1,344	20%	16,124	9,492	6,632	0.007
8	1.3.88 to 28.2.89	12	1,612	20%	19,349	10,452	8,897	0.009
9	1.3.89 to 28.2.90	12	1,935	20%	23,219	10,452	12,767	0.013
10	1.3.90 to 28.2.91	12	2,322	20%	27,863	10,452	17,411	0.017
11	1.3.91 to 28.2.92	12	2,786	20%	33,435	10,452	22,983	0.023
12	1.3.92 to 28.2.93	12	3,344	20%	40,122	10,452	29,670	0.030
13	1.3.93 to 28.2.94	12	4,012	20%	48,147	11,256	36,891	0.037
14	1.3.94 to 28.2.95	12	4,815	20%	57,776	12,648	45,128	0.045
15	1.3.95 to 28.2.96	12	5,778	20%	69,332		69,332	0.069
16	1.3.96 to 28.2.97	12	6,933	20%	83,198		83,198	0.083
17	1.3.97 to 28.2.98	12	8,320	20%	99,837		99,837	0.100
18	1.3.98 to 28.2.99	12	9,984	20%	119,805		119,805	0.120
19	1.3.99 to 28.2.2000	12	11,980	20%	143,766	21,120	122,646	0.123
20	1.3.2000 to 28.2.2001	12	14,377	20%	172,519	234,000	(61,481)	-0.061
21	1.3.2001 to 28.2.2002	12	17,252	20%	207,023		207,023	0.207
22	1.3.2002 to 28.2.2003	12	20,702	20%	248,428		248,428	0.248
23	1.3.2003 to 28.2.2004	12	24,843	20%	298,113		298,113	0.298
24	1.3.2004 to 28.2.2005	12	29,811	20%	357,736		357,736	0.358
25	1.3.2005 to 28.2.2006	12	35,774	20%	429,283		429,283	0.429
26	1.3.2006 to 28.2.2007	12	42,928	20%	515,140		515,140	0.515
27	1.3.2007 to 28.2.2008	12	51,514	20%	618,167		618,167	0.618
28	1.3.2008 to 28.2.2009	12	61,817	20%	741,801	136,344	605,457	0.605
29	1.3.2009 to 28.2.2010	12	74,180	20%	890,161		890,161	0.890
30	1.3.2010 to 28.2.2011	12	89,016	20%	1,068,193	30,138	1,038,055	1.038
31	1.3.2011 to 28.2.2012	12	106,819	20%	1,281,832		1,281,832	1.282
32	1.3.2012 to 28.2.2013	12	128,183	20%	1,538,199		1,538,199	1.538

Sr. No.	Period	Months	Rate of Rent (Rs.)	Rate of Increases	Rent Due (Rs.)	Rent Collected (Rs.)	Loss (Rs.)	Rupees In Million
33	1.3.2013 to 28.2.2014	12	153,820	20%	1,845,838		1,845,838	1.846
34	1.3.2014 to 28.2.2015	12	184,584	20%	2,215,006		2,215,006	2.215
35	1.3.2015 to 28.2.2016	12	221,501	20%	2,658,007	627,200	2,030,807	2.031
36	1.3.2016 to 28.2.2017	12	265,801	20%	3,189,608		3,189,608	3.190
37	1.3.2017 to 28.2.2018	12	318,961	20%	3,827,530		3,827,530	3.828
38	1.3.2018 to 28.2.2019	12	382,753	20%	4,593,036	1,186,944	3,406,092	3.406
39	1.3.2019 to 15.1.2020	11	459,304	20%	5,052,340	281,112	4,771,228	4.771
	Total	467			32,583,557	2,649,302	29,934,255	29.934

Annexure-3/LQP

[Para 14.6.4]

Detail showing late completion of projects and calculation of penalty

(Amount in rupees)

Sr. No.	Fin. Year	Name / Location of Scheme	Contractor Name	Estimated Cost (Rs.)	Work Order No.	Work Order Date	Time Limit (months)	Work Completion Date	Penalty @ 10% (Rs.)	Rupees In Million
1	2016-17	Construction & Repair of metal road Abbsia road to church main road fouji colony Lia2846quat Pur	Sajid Mehmood	2,000,000	1	26.12.2016	4	17.05.2017	200,000	0.200
2	2016-17	Construction & Repair of metal road muhallah ibrahim shah katchi mandi Liaquat Pur	Sajid Mehmood	700,000	5	26.12.2016	3	20.04.2017	70,000	.070
3	2016-17	Repair of sewer line Pakki mandi Liaquat Pur	Ayaz Ahmed	1,500,000	21	26.12.2016	4	20.06.2017	150,000	.150
4	2016-17	Supply of sand for filter beds Water works canal source	Shehzad Akbar	1,600,000	23	26.12.2016	4	15.07.2017	160,000	.160
5	2016-17	Repair of TMA Office	Sahi Builder	2,000,000	27	26.12.2016	6	24.08.2017	200,000	.200
6	2016-17	Laying of Tuff Tile and sewer line street Fazal Khan Baloch	Paradise Traders	200,000	31	01.07.2017	2	29.09.2017	20,000	.020
7	2016-17	Laying of sewer line ward No.5	Muhammad Yousuf	600,000	35	01.07.2017	3	28.12.2017	60,000	.060
8	2016-17	Laying of SEWER LINE Islam Nagar South	Muhammad Yousuf	400,000	40	01.07.2017	3	29.12.2017	40,000	.040
9	2016-17	Construction / Repair of metal road Aqb Astana Ghousia	Saeed Ahmed	372,500	46	01.07.2017	3	20.10.2017	37,250	.037
10	2017-18	Construction of Tuff Tile and soling Ward No.1	Mazhar Hashmi	1,540,000	Work No.60/58	10.11.2017	3	08.03.2018	154,000	.154
11	2017-18	Construction of Metal road, Tuff Tile Ward No.4	Ayaz Ahmed	1,200,000	W.O. No.74/58	10.11.2017	4	06.06.2018	120,000	.120
12	2017-18	Const; of metal road Ward No.9	Akram Rehmani	1,150,000	W.O. No.03/20	10.04.2018	3	26.09.2018	115,000	.115
13	2017-18	Const; of soling , sewerage ward No.10	M. Iqbal Saeedi	1,000,000	W.O. No.03/23	10.04.2018	4	02.11.2018	100,000	.100
14	2017-18	Const; Tuff Tile, soling ward No.12	Mazhar Hashmi	1,500,000	W.O. No.83/58	10.11.2017	4	06.06.2018	150,000	.150
15	2017-18	Const; of metal road , sewerage ward No.15 Mohajir Colony	Malik Saleem	1,000,000	W.O. No.86/58	10.11.2017	4	08.05.2018	100,000	.100
16	2017-18	Construction of Tuff Tile, soling Ward No.16	Mazhar Hashmi	1,430,000	W.O. No.78/58	10.11.2017	4	06.06.2018	143,000	.143

Sr. No.	Fin. Year	Name / Location of Scheme	Contractor Name	Estimated Cost (Rs.)	Work Order No.	Work Order Date	Time Limit (months)	Work Completion Date	Penalty @ 10% (Rs.)	Rupees In Million
17	2017-18	Const; of sewerage near office Ufone Liaquat Pur	Irfan Khan	200,000	W.O. No.92/58	10.11.2017	3	28.04.2018	20,000	.020
18	2017-18	Const; of soling Dharam Shaha Ghousia colony ward No.10	Shabbir Ahmed Anjum	300,000	W.O. No.65/58	10.11.2017	3	11.01.2018	30,000	.030
19	2017-18	Const; of Tuff Tile street Jamia Saeedia Liaquat Pur	Badar Ur Rehman	500,000	W.O. No.56/58	10.11.2017	2	28.03.2018	50,000	.050
20	2017-18	Const; of Tuff Tile street Madrassa Qasim ul Aloom	Badar Ur Rehman	500,000	W.O. No. 57/58	10.11.2017	2	28.02.2018	50,000	.050
21	2017-18	Const; of slaughter House Liaquat Pur	Madina Traders	1,500,000	W.O. No.71/58	10.11.2017	4	25.04.2018	150,000	.150
22	2017-18	Const; & repair of Manholes & sewer line Qadria Chowk to Boys College road & Qadria Chowk to Hakeemabad road MC Liaquat Pur.	Irfan Khan	200,000		10.11.2017	3	24.04.2018	20,000	.020
23	2017-18	Const; & repair of soling & sewer line Mohallah Malik Jind Wada	Irfan Khan	250,000	W.O. NO. 01/003	10.11.2017	2	09.02.2018	25,000	.025
24	2017-18	Const. soling PCC & Provision of of LT Poll, Ward No. 01-10	Al Shah G	5,000,000	06/03	28.12.2017	2	26.04.2018	500,000	.500
25	2017-18	Const. soling PCC & Provision of of LT Poll, Ward No. 11-20	M/S Dawood & Co.	5,000,000	07/03	28.12.2017	2	02.03.2018	500,000	.500
26	2017-18	Construction of TUFF tile Green Town Liaquat Pur	M.Akram Rehmani	300,000	26/03	10.04.2018	2	03.07.2018	30,000	.0300
27	2017-18	Tuff Tile Aqb Astana Ghousia Liaquat Pur	M.Akram Rehmani	400,000	27/03	10.04.2018	2	04.07.2018	40,000	.040
28	2017-18	Construction & repair of rooms and porch office Municipal Committee Remaining portion MC Liaquat Pur	Shabbir Ahmed Anjum	1,350,000	20/03	15.05.2018	4	12.04.2019	135,000	.135
		Total		33,692,500					3,369,250	3.369

Annexure-1/RYK

[Para 15.4.7]

Detail of shops not auctioned purposefully

(Rupees in million)

Sr. No.	Name of Market	Shop / Plot No.	Length	Per Month Near Shops Rent	Amount Three Years	Rupees In Million
1	Air Port Road (Front Slaughter House)	3	12x15	5,167	186,012	0.186
2	Air Port Road (Front Slaughter House)	4	12x15	5,167	186,012	0.186
3	Mustafa Market No.2	3	12x15	2,319	83,484	0.083
4	Mustafa Market No.2	4	12x15	2,319	83,484	0.083
5	Circular Road near School Block No.3	23	9x13	5,167	186,012	0.186
6	Abu Zehbi Road Near Askari Chowk	38	19x56	5,167	186,012	0.186
7	Abu Zehbi Road Near Askari Chowk	45	19x56	3,094	111,384	0.111
8	Faisal Market	82	8-1/2x13	5,759	207,324	0.207
9	Faisal Market	97	8-1/2x13	5,759	207,324	0.207
10	Faisal Market	98	8-1/2x13	5,759	207,324	0.207
11	Faisal Market	99	8-1/2x13	5,759	207,324	0.207
12	Faisal Market	100	8-1/2x13	5,759	207,324	0.207
13	Faisal Market	115	8-1/2x13	5,759	207,324	0.207
14	Faisal Market	116	8-1/2x13	5,759	207,324	0.207
15	Faisal Market	135	8-1/2x13	5,759	207,324	0.207
16	Faisal Market	138	8-1/2x13	5,759	207,324	0.207
17	Faisal Market	139	8-1/2x13	5,759	207,324	0.207
18	Faisal Market	140	8-1/2x13	5,759	207,324	0.207
19	Faisal Market	141	8-1/2x13	5,759	207,324	0.207
20	Faisal Market	142	8-1/2x13	5,759	207,324	0.207
21	Faisal Market	149	8-1/2x13	5,759	207,324	0.207
22	Faisal Market	152	8-1/2x13	5,759	207,324	0.207
23	Faisal Market	153	8-1/2x13	5,759	207,324	0.207
24	Faisal Market	154	8-1/2x13	5,759	207,324	0.207
25	Faisal Market	155	8-1/2x13	5,759	207,324	0.207
26	Faisal Market	156	8-1/2x13	5,759	207,324	0.207
27	Faisal Market	158	8-1/2x13	5,759	207,324	0.207
28	Faisal Market (Meat Market)	41	15x11	13,700	493,200	0.493
29	Faisal Market (Meat Market)	42	15x11	13,700	493,200	0.493
30	Faisal Market (Meat Market)	43	15x11	13,700	493,200	0.493
31	Faisal Market (Meat Market)	44	15x11	13,700	493,200	0.493
32	Faisal Market (Meat Market)	45	15x11	13,700	493,200	0.493
33	Faisal Market (Meat Market)	53	15x11	13,700	493,200	0.493
34	Faisal Market (Meat Market)	54	15x11	13,700	493,200	0.493
35	Faisal Market (Meat Market)	59	15x11	13,700	493,200	0.493
36	Plot at Girls College Road near Central Jail near Dr.Akhtar Masood Hospital	Vacant Plot	1K,16M	20,000	720,000	0.720
37	Plot at Hospital Road Near Al-Shifa Physiothrophy	Vacant Plot	9.6x25	13,700	493,200	0.493
38	Plot at Air Port Road (Old Chungi)	Vacant Plot	4M	7,484	269,424	0.269

Sr. No.	Name of Market	Shop / Plot No.	Length	Per Month Near Shops Rent	Amount Three Years	Rupees In Million
39	Plot at Wireless Pull Near Office UC 34/E (old)	Vacant Plot	15x27	7,484	269,424	0.269
40	Plot at Wireless Pull Near Office UC 34/E (old)	Vacant Plot	15x27	7,484	269,424	0.269
41	Shoping Mall Mustafa Market No.2	Complete Unit	18532Rft	15,000	540,000	0.540
42	New Sabzi Mandi Store	50	15Rft	3,094	111,384	0.111
43	New Sabzi Mandi Store	68	15Rft	3,094	111,384	0.111
44	Saddique Block Abbasia Town	1	0	3,094	111,384	0.111
					12,010,104	12.010

Annexure-2/RYK

[Para 15.5.13]

Detail showing Non-collection of cost of land & development charges from dwelling units of Kachi Abadies

(Rupees in million)

Sr. No.	Name of Notified Katchi Abadi	Total No. of Dwelling Units	Proprietary Rights Granted	P.Rs Yet to be Granted	Recovery of Cost. Land	Recovery of Development Charges	Rupees In Million
1	Adda Gulmerge	253	242	11	250,954	361,000	0.361
2	Dhoobi Ghaat	86	86	0	87,755	94,901	0.095
3	Bhutto Nagar Muhamamd Pura	108	100	8	98,175	97,865	0.098
4	Basti Norey wali	1235	980	255	328,043	188,552	0.189
5	Dakhli Jannah Park	114	100	14	25,596	140,331	0.140
6	Ghareeb Abad	102	92	10	140,610	67,350	0.067
7	Khawaja Colony	58	25	33	37,439	88,750	0.089
8	Behid Trust Colony	162	110	52	354,891	260,467	0.260
9	Ood Colony	139	45	94	325,761	94,819	0.095
10	Old Bhatta Colony	206	95	111	74,060	293,260	0.293
11	Chak No.111/P East	296	160	136	308,958	236,013	0.236
12	Chak 72/NP	546	35	511	100,923	74,763	0.075
13	Basti Kumharan near Chak 72/NP	386	0	386	6,588	4,464	0.004
14	Basti Kumharan near Railway Crossing	121	25	96	59,684	48,675	0.049
15	Bheel Nagar	134	84	50	135,770	189,230	0.189
16	Tibbi Laran	436	0	436	22,187	21,423	0.021
17	Mouza Purssan	1461	10	1451	52,136	38,970	0.039
18	Islamia Colony	321	200	121	403,100	49,850	0.050
19	Javed Colony Chak 72/NP	86	45	41	215,121	210,283	0.210
20	Koucha Kamboohan Near Mohallah Qazian	45	22	23	8,256	6,470	0.006
21	Chak 111/P West	161	0	161	253,477	88,413	0.088
22	Basti Shaidaan	47	0	47	25,230	18,550	0.019
	Total: -	6503	2456	4047	3,314,714	2,674,399	2.674
	G. Total					5,989,113	5.989

Annexure-1/SDQ**[Para 16.5.8]****Detail showing Non-collection of cost of land & development charges from dwelling units of Kachi Abadies****(Amount in rupees)**

Sr. No	Name of Notified Katchi Abadies	Area in (Marlas)	Total Amount Receivable	Proprietary Rights Granted	P. Rs yet to be granted	Recovery	Balance	Rupees In Million
1	Tibba Chak 169/P	800	537,600	40	276	160,795	376,805	0.377
2	Tibba Qadirabad	10,400	6,988,800	42	1007	142,438	6,846,362	6.846
3	Mohallah Islam Pura	1,000	672,000	202	22	205,156	466,844	0.467
4	Begar Garhi	716	481,152	39	333	410,932	70,220	0.070
5	Tibba Sattelment	2,880	1,935,360	2	45	141,360	1,794,000	1.794
6	Tibba Zahir Peer	4,480	3,010,560	7	115	7,970	3,002,590	3.003
7	Tibbi Waghawar	6,480	4,354,560	41	452	100,551	4,254,009	4.254
8	Aqab Tehsil	192	129,024	38	9	72,619	56,405	0.056
9	Chak No 10/NP	1,280	860,160	30	31	406,497	453,663	0.454
10	Mohallah Faisalabad	1,520	1,021,440	470	87	831,670	189,770	0.190
11	Basti Mian Sahib	913	613,536	101	10	403,439	210,097	0.210
12	Basti Kamdar	1,300	873,600	20	78	77,965	795,635	0.796
13	Oadh Colony	595	399,840	76	32	330,186	69,654	0.070
14	Chak No 166/P	1,280	860,160	88	56	325,414	534,746	0.535
15	Basti Mawati	146	98,112	34	8	73,349	24,763	0.025
16	Fatta Katta	575	386,400	21	63	244,759	141,641	0.142
Total				1251	2624	3,935,100	19,287,204	19.287

Annexure-1/TSK

[Para 17.4.2]

Detail showing non reconciliation of receipt

(Rupees in million)

Financial Year	Sr. #	Detail Receipt Head	As per Annual Accounts	As Per Classified Income Register	Difference	Rupees In Million
2016-17	1	C03683 - Grant from Provincial Government (PFC Share)	32,106,000	23,079,000	(9,027,000)	-9.027
	2	C0388027 - Fee for approval of Building/ Construction Plan	1,325,809	425,000	(900,809)	-0.901
	3	C0388032 - Khokha fee	68,693	61,500	(7,193)	-0.007
	4	C0388073 - Tender Fee	105,000	-	(105,000)	-0.105
	5	C0388082 - Rent of municipal Property - offices	444,480		(444,480)	-0.444
	6	C0388087 - Copying fee	197,510	102,270	(95,240)	-0.095
	7	C03683 - Grant from Provincial Government (PFC Development Share)	2,092,500		(2,092,500)	-2.093
		Sub Total	36,339,992	23,667,770	(12,672,222)	12.672
2017-18	1	C03683 - Grant from Provincial Government (PFC Share)	40,397,500	38,465,000	(1,932,500)	-1.933
	2	C0388027 - Fee for approval of Building/ Construction Plan	1,730,279	299,500	(1,430,779)	-1.431
	3	C0388071 - Registration/ Enlistment of Contractors	54,300	24,000	(30,300)	-0.030
	4	C0388082 - Rent of municipal Property - offices	539,560	-	(539,560)	-0.540
	5	C03683 - Grant from Provincial Government (PFC Development Share)	2,092,500	-	(2,092,500)	-2.093
		Sub Total	44,814,139	38,788,500	(6,025,639)	-6.026
2018-19	1	B01313 - Tax on Transfer of Immovable Property	4,127,791	3,777,408	(350,383)	-0.350
	2	C0388002 - License fee (Dangerous and Offensive Trade)	398,300	390,000	(8,300)	-0.008
	3	C0388027 - Fee for approval of Building/ Construction Plan	3,667,048	357,768	(3,309,280)	-3.309
	4	C0388032 - Khokha fee	718,000	694,000	(24,000)	-0.024
	5	C0388034 - Fine for Encroachments	41,650	40,850	(800)	-0.001
	6	C0388042 - Fee for slaughtering of animals	121,750	120,850	(900)	-0.001
	7	C0388054 - Sewerage Fee/ Charges/ Nali Tax	383,800	381,400	(2,400)	-0.002
	8	C0388071 - Registration/ Enlistment of Contractors	8,000		(8,000)	-0.008
	9	C0388076 - Advertisement Fee on billboards/ hoardings	109,750	105,250	(4,500)	-0.005
	10	C0388082 - Rent of municipal Property - offices	751,790		(751,790)	-0.752
	11	C0388087 - Copying fee	211,196	193,020	(18,176)	-0.018
	12	C0388091 - Others Miscellaneous Fee	42,551	1,000	(41,551)	-0.042
		Sub Total	10,581,626	6,061,546	(4,520,080)	-4.520
		Grand Total	91,735,757	68,517,816	(23,217,941)	23.217

Annexure-2/TSK

[Para 17.5.1]

Detail showing less achievement of targets

(Amount in rupees)

FY	Sr. No.	Account Head	Title	Budgeted Receipts	Actual Receipts	Balance	Rupees In Million	% age
2016-17	1	C03825	Collection of payments for service rendered	5,000	-	5,000	0.005	100%
	2	C0388026	Fee for approval of Housing Colony	300,000	-	300,000	0.300	100%
	3	C0388030	Fine for construction without approval of building plan	10,000	-	10,000	0.010	100%
	4	C0388034	Fine for Encroachments	30,000	-	30,000	0.030	100%
	5	C0388042	Fee for slaughtering of animals	25,000	-	25,000	0.025	100%
	6	C0388077	Advertisement Fee on sign boards of shops/ commercial places	600,000	-	600,000	0.600	100%
	7	C0388086	Road cutting charges	10,000	-	10,000	0.010	100%
	8	E01305	Receipts from investment of Cash Balance by Local Govts (Bank Profit)	30,000	-	30,000	0.030	100%
			Sub Total	1,010,000	-	1,010,000	1.010	100%
2017-18	1	C03683	Grant from Provincial Government PFC (Non Development)	46,158,000	38,465,000	7,693,000	7.693	17%
	2	C03684	Grant from Provincial Government PFC (Development)	12,555,000	4,185,000	8,370,000	8.370	67%
	3	C03825	Collection of payments for service rendered	10,000	-	10,000	0.010	100%
	4	C0388026	Fee for approval of Housing Colony	600,000	-	600,000	0.600	100%
	5	C0388027	Fee for approval of Building/ Construction Plan	600,000	299,500	300,500	0.301	50%
	6	C0388028	Fee for change in land use	1,800,000	1,420,379	379,621	0.380	21%
	7	C0388030	Fine for construction without approval of building plan	25,000	-	25,000	0.025	100%
	8	C0388032	Khokha / Chapper Tax	816,000	692,000	124,000	0.124	15%
	9	C0388034	Fine for Encroachments	40,000	39,550	450	0.000	1%
	10	C0388047	Receipts on account of sale of water - residential	800,000	567,650	232,350	0.232	29%
	11	C0388054	Sewerage/Drainage Fee/ Charges/ Nali Tax	600,000	372,600	227,400	0.227	38%
	12	C0388071	Registration/ Enlistment of Contractors	100,000	-	100,000	0.100	100%
	13	C0388072	Renewal of Registration	56,000	24,000	32,000	0.032	57%
	14	C0388077	Advertisement Fee on sign boards of shops/ commercial places	600,000	151,700	448,300	0.448	75%
	15	C0388086	Road cutting charges	25,000	-	25,000	0.025	100%
	16	C0388087	Copying fee	200,000	157,575	42,425	0.042	21%
	17	C0388091	Others Miscellaneous Fee	25,000	16,686	8,314	0.008	33%
			Sub Total	65,010,000	46,391,640	18,618,360	18.618	29%

FY	Sr. No.	Account Head	Title	Budgeted Receipts	Actual Receipts	Balance	Rupees In Million	% age
-19	1	C03684	Grant from Provincial Government PFC (Development)	12,555,000	-	12,555,000	12.555	100%
	2	C03825	Collection of payments for service rendered	5,000	-	5,000	0.005	100%
	3	C0388030	Fine for construction without approval of building plan	10,000	-	10,000	0.010	100%
	4	C0388071	Registration/ Enlistment of Contractors	15,000	-	15,000	0.015	100%
	5	C0388073	Tender Fee	150,000	61,000	89,000	0.089	59%
	6	C0388077	Advertisement Fee on sign boards of shops/ commercial places	200,000	105,250	94,750	0.095	47%
	7	C0388086	Road cutting charges	10,000	-	10,000	0.010	100%
	8	C0388091	Others Miscellaneous Fee	20,000	1,000	19,000	0.019	95%
			Sub Total	12,965,000	167,250	12,797,750	12.798	99%
			Grand Total	78,985,000	46,558,890	32,426,110	32.426	41%

Annexure-3/TSK

[Para 17.5.2]

Detail showing less transfer of property in the name of MC

(Amount in rupees)

Financial Year	Sr. #	Detail Receipt Head	As per Annual Accounts	As Per Classified Income Register	Difference	Rupees In Million
2016-17	1	C03683 - Grant from Provincial Government (PFC Share)	32,106,000	23,079,000	(9,027,000)	-9.027
	2	C0388027 - Fee for approval of Building/ Construction Plan	1,325,809	425,000	(900,809)	-0.901
	3	C0388032 - Khokha fee	68,693	61,500	(7,193)	-0.007
	4	C0388073 - Tender Fee	105,000	-	(105,000)	-0.105
	5	C0388082 - Rent of municipal Property - offices	444,480		(444,480)	-0.444
	6	C0388087 - Copying fee	197,510	102,270	(95,240)	-0.095
	7	C03683 - Grant from Provincial Government (PFC Development Share)	2,092,500		(2,092,500)	-2.093
		Sub Total	36,339,992	23,667,770	(12,672,222)	-12.672
2017-18	1	C03683 - Grant from Provincial Government (PFC Share)	40,397,500	38,465,000	(1,932,500)	-1.933
	2	C0388027 - Fee for approval of Building/ Construction Plan	1,730,279	299,500	(1,430,779)	-1.431
	3	C0388071 - Registration/ Enlistment of Contractors	54,300	24,000	(30,300)	-0.030
	4	C0388082 - Rent of municipal Property - offices	539,560	-	(539,560)	-0.540
	5	C03683 - Grant from Provincial Government (PFC Development Share)	2,092,500	-	(2,092,500)	-2.093
		Sub Total	44,814,139	38,788,500	(6,025,639)	-6.025
2018-19	1	B01313 - Tax on Transfer of Immovable Property	4,127,791	3,777,408	(350,383)	-0.350
	2	C0388002 - License fee (Dangerous and Offensive Trade)	398,300	390,000	(8,300)	0.008
	3	C0388027 - Fee for approval of Building/ Construction Plan	3,667,048	357,768	(3,309,280)	-3.309
	4	C0388032 - Khokha fee	718,000	694,000	(24,000)	-0.024
	5	C0388034 - Fine for Encroachments	41,650	40,850	(800)	-0.001
	6	C0388042 - Fee for slaughtering of animals	121,750	120,850	(900)	-0.001
	7	C0388054 - Sewerage Fee/ Charges/ Nali Tax	383,800	381,400	(2,400)	-0.002
	8	C0388071 - Registration/ Enlistment of Contractors	8,000		(8,000)	-0.008
	9	C0388076 - Advertisement Fee on billboards/ hoardings	109,750	105,250	(4,500)	-0.005
	10	C0388082 - Rent of municipal Property - offices	751,790		(751,790)	-0.752
	11	C0388087 - Copying fee	211,196	193,020	(18,176)	-0.018
	12	C0388091 - Others Miscellaneous Fee	42,551	1,000	(41,551)	-0.042
		Sub Total	10,581,626	6,061,546	(4,520,080)	-4.520
		Grand Total	91,735,757	68,517,816	(23,217,941)	-23.217

Annexure-4/TSK

[Para 17.6.1]

Detail showing non reconciliation of receipts

(Amount in rupees)

Financial Year	Sr. #	Detail Receipt Head	As per Annual Accounts	As Per Classified Income Register	Difference	Rupees In Million
2016-17	1	B01313 - Tax on Transfer of Immovable Property	1,615,059	1,688,259	73,200	0.073
	2	C03684 - Grant from Provincial Government (Performance / Conditional Grant)	-	6,277,500	6,277,500	6.278
	3	C0388028 - Fee for change in land use	-	897,569	897,569	0.898
	4	C0388047 - Receipts on account of sale of water - residential	-	466,560	466,560	0.467
	5	C0388054 - Sewerage Fee/ Charges/ Nali Tax	36,700	37,200	500	0.001
	6	C0388071 - Registration/ Enlistment of Contractors	-	105,000	105,000	0.105
	7	C0388091 - Others Miscellaneous Fee	-	4,842,000	4,842,000	4.842
		Sub Total	1,651,759	14,314,088	12,662,329	12.622
2017-18	1	B01313 - Tax on Transfer of Immovable Property	3,069,491	3,191,591	122,100	0.122
	2	C03684 - Grant from Provincial Government (Performance / Conditional Grant)	160,000	4,185,000	4,025,000	4.025
	3	C0388002 - License fee (Dangerous and Offensive Trade)	361,900	369,800	7,900	0.008
	4	C0388028 - Fee for change in land use	-	1,420,379	1,420,379	1.420
	5	C0388032 - Khokha fee	674,000	692,000	18,000	0.018
	6	C0388034 - Fine for Encroachments	36,450	39,550	3,100	0.003
	7	C0388042 - Fee for slaughtering of animals	114,300	117,000	2,700	0.003
	8	C0388047 - Receipts on account of sale of water - residential	-	567,650	567,650	0.568
	9	C0388054 - Sewerage Fee/ Charges/ Nali Tax	360,600	372,600	12,000	0.012
	10	C0388073 - Tender Fee	110,000	138,500	28,500	0.029
	11	C0388076 - Advertisement Fee on billboards/ hoardings	136,800	151,700	14,900	0.015
	12	C0388087 - Copying fee	153,930	157,575	3,645	0.004
		Sub Total	5,177,471	11,403,345	6,225,874	6.225
2018-19	1	C0388026 - Fee for approval of Housing Colony	-	1,855,260	1,855,260	1.855
	2	C0388028 - Fee for change in land use	-	1,676,275	1,676,275	1.676
	3	C0388047 - Receipts on account of sale of water - residential	-	734,310	734,310	0.734
	4	C0388072 - Renewal of Registration	-	24,000	24,000	0.024
	5	C0388073 - Tender Fee	31,000	61,000	30,000	0.030
		Sub Total	31,000	4,350,845	4,319,845	4.319
		Grand Total	6,860,230	30,068,278	23,208,048	23.208

Annexure-1/ZPR**[Para 18.6.2]****Detail showing unjustified drawl of holiday allowance****(Rupees in million)**

Sr. No.	Name	Designation	Branch	Amount (Rs.)	Rupees In Million
1	Talib Hussain	J/C Octroi	CH	17,680	0.018
2	Wazir Ahmed	N Q Octroi	CH	2,285	0.002
3	Ishtiaq Ahmed	J/C Octroi	VC	5,929	0.006
4	Azhar Hussain	NQ Octroi	VC	2,285	0.002
5	Abdul Jameel	Senior Clerk Octroi	CO	7,043	0.007
6	Ghulam Akbar	Naib Qasid	CO	3,189	0.003
7	Hafiz Muhammad Akmal	Chowkidar	CO	41,730	0.042
8	Malik Nazir Ahmed	Junior Clerk Octroi	MOF	48,470	0.048
9	Ahmed Hassan	Naib Qasid	MOR	4,366	0.004
10	Allah Bukhsh	S/C Octroi	MOR	11,924	0.012
11	Abdul Rehman	S/C Octroi	MOR	15,518	0.016
12	Mirza Samee Ullah	S/C Octroi	MOR	14,972	0.015
13	Muhammad Ayyaz	S/C	MOR	4,208	0.004
14	Dilshad Ahmed	Junior Clerk Octroi	MOR	54,218	0.054
15	Ghulam Arbi	Junior Clerk Octroi	MOR	68,496	0.068
16	Mushtaq Ahmed	Naib Qasid	IS	-	
17	Muuhammad Younis	Electrition	IS	103,620	0.104
18	Asad Iqbal	S/Supervisor	IS	52,959	0.053
19	Muhammad Saleem	S/Worker	IS	56,093	0.056
20	Muhammad Ramzan	S/Worker	IS	46,985	0.047
21	Abdul Sattar	S/Worker	IS	59,741	0.060
22	Shafiq Ahmed	S/Worker	IS	66,268	0.066
23	Ghulam Qasir	S/Worker	IS	74,461	0.074
24	Abdul Ghafoor	S/Worker	IS	54,718	0.055
25	Zakir Hussain	S/Worker	IS	65,499	0.065
26	Ghulam Hussain	S/Worker	IS	69,106	0.069
27	Muhammmad Aslam	S/Worker	IS	1,895	0.002
28	Naseem Mai	S/Worker	IS	7,927	0.008
29	Kaneez Mai	S/Worker	IS	63,304	0.063
30	Muhammad Hashim	S/Worker	IS	11,715	0.012

Sr. No.	Name	Designation	Branch	Amount (Rs.)	Rupees In Million
31	Muhammad Sultan	S/Worker	IS	1,353	0.001
32	Abdul Majeed	S/Worker	IS	50,794	0.051
33	Rasheed Ahmed	S/Worker	IS	9,515	0.010
34	Muhammad Ramzan	S/Worker	IS	28,286	0.028
35	Muhammad Nadeem	S/Worker	IS	10,646	0.011
36	Zuhran Mai	S/Worker	IS	39,987	0.040
37	Shakeel Ahmed	S/Worker	IS	28,154	0.028
38	Pathani Mai	S/Worker	IS	20,651	0.021
39	Gul Hassan	S/Worker	IS	17,655	0.018
40	Ghulam Maki	S/Worker	IS	1,895	0.002
41	Ali Muhammad	S/Worker	IS	34,307	0.034
42	Muhammad Riaz	S/Worker	IS	10,128	0.010
43	Muhammad Alam	S/Worker	IS	10,723	0.011
Total				1,300,698	1.300

Annexure-2/ZPR

[Para 18.6.4]

Detail showing Change of Cadres of Employees

(Amount in Rupees)

S.No	ECR.No	Name	Cadre on appointment	Date of Appointment	B S	Date	B S	Date	B S	Date	B S	Date	B S	Date	B S	Present Designation	B S
1	3	Wazir Ahmed	Gashtiban	01/08/1986	1	.01-.07-2007	2	.01.07.2014	3	21.06.2017	5	0	0	0	0	NQ Octroi	5
2	5	Ishtiaq Ahmed	J/C Octroi	27/11/1995	5	01/07.2007.	7	01.01.2016	11	0	0	0	0	0	0	NQ Octroi	11
3	6	Azhar Hussain	Gashtiban	10/04/1986	1	.01-.07-2007	2	.01.07.2014	3	21.06.2017	5	0	0	0	0	NQ Octroi	5
4	12	Hafiz Muhammad Akmal	Gashtiban	22/01/2007	1	.01-.07-2007	2	21.06.2017	3	0	0	0	0	0	0	Chowkidar	3
5	18	Allah Bukhsah	Moharrar Chungi	13/06/1979.	3	.01.06.1995 by order of Administrator TC	5	23.11.1995	7	.01-.07-2007	9	.01.01.2016	14	.01.01.2016	14	S/C Octroi	14
6	19	Abdul Rehman	Moharrar Chungi	01/05/1981	3	.01.07.1995 by order of Administrator TC	5	23.11.1995	7	.01-.07-2007	9	.01.01.2016	14			S/C Octroi	14
7	20	Mirza Samee Ullah	Moharrar Chungi	01/12/1981	3	.01.06.1995 by order of Administrator TC	5	23.11.1995	7	.01-.07-2007	9	.01.01.2016	14	.01.01.2016	14	S/C Octroi	14
8	21	Muhammad Ayyaz	Gashtiban	01/11/1983	1	.01.08.1984 Muharrar Chungi	3	.01.07.1995	5	23.11.1995	7	.01-.07-2007	9	0	0	S/C Octroi	14
9	22	Dilshad Ahmed	Moharrar Chungi	3/11/1988	3	.01.07.1995 by order	5	01/07.2007	7	.01.01.2016	11	0	0	0	0	J/C Octroi	11

S.No	ECR.No	Name	Cade r on appoi ntme nt	Date of Appoi ntmen t	B S	Date of Admi nistrat or TC	B S	Date	B S	Date	B S	Date	B S	Date	B S	Prese nt Desig natio n	B S
10	23	Muhamad Ajmal Hashmi	Moharrar Chungi	11/09/1989	3	.01.07.1995 by order of Admi nistrat or TC	5	01/07.2007	7	.01.01.2016	11	0	0	0	0	J/C Octroi	11
11	24	Abdul Sattar s/ Ghazi Khan	Moharrar Chungi	01/10/1989	3	.01.07.1995 by order of Admi nistrat or TC	5	01/07.2007	7	.01.01.2016	11	0	0	0	0	J/C Octroi	OSD
12	25	Fayyaz Ahmed	Gashtiban	15/11/1978	1	.01-07-2007	2	.01.07.2014	3	21.06.2017	5	0	0	0	0	NQ Octroi	5
13	31	Malik Nazir Ahmed	Moharrar Chungi	01/11/1989	3	.01/07/1995 by order of Admi nistrat or TC	5	.01/07/2007	7	.01/01/2016	11	0	0	0	0	J/C Octroi	11
14	35	Asad Iqbal	Ahmad Jinswar	24/03/2016	5	.19.09.2016 Sanitary Super biser (BS-3)	5	0	0	0	0	0	0	0	0	S/Sup ervisor	5
15	36	Muhammad Younis	Line man Street Light	01/03/1990	1	.01/07/1995 Electri cien	5	19.11-1997 Electri cition	1	.01-07-2007	2	.01.07.2014	3	0	0	Electri cition	3

1/BWN
[Para: 40.2.5.2.7]

Non/less recovery of miscellaneous fee from the owners of land sub divisions
– Rs 1.241 million

(Amount in Rupees)

Sr. No.	Housing Scheme	Area in K-M	Value of Land as per valuation table	Sanction Fee @ Rs1000 Per Kanal	Design and specification fee water supply etc.	Design and specification fee	NOC Fee	Conversion fee 1% of total value	Amount Recoverable
1	Ashiana Homes	18-18	Rs 58,212,000 @ Rs 154,000 Per marla	18,900	Rs 500 per kanal 9,400	Rs 500 per kanal 9,400	Rs 15,000 per acre 35,438	582,120	655,258
2	Madina Garden	68.528	Rs 16,446,720 @ Rs 12,000 Per marla	68,528	34,264	34,264	128,490	164,467	430,013-234,950= 195,063
3	Makka Town	57-00	Rs 15,960,000 @ Rs 14,000 Per marla	57,000	28,500	38,500	106,875	159,600	390,475
Total									1,240,796

1/CNR

[Para: 41.2.5.3.5]

Irregular provision of non-schedule items without rate analysis – Rs 1.043 million

(Amount in Rupees)

Name of Scheme	Es. Ref No.	Item	Unit	Quantity	Rate	Amount
Repair Office Municipal Committee Chevab Nagar	4	P/L of Approved Colour glazed Tile 1/4" Thick over a bed of 3/4" the cement mortar(1"2) (10"x16")	Sft	407	202	82,214
	5	P/L of Approved Granite Tile 3/8" Thick(24"x24") over a bed of 3/4" the cement mortar(1"2) (10"x16")	Sft	397	234	92,898
	6	P/L of Approved colour mate Tile 3/6" laid a bed of 3/4"	Sft	394.41	202	79,671
	7	P/F of PVC wall panelling complete with all fitting accessories	Sft	823	140	115,220
	8	P/F of curtain blind imported best quality	Sft	143	465	66,495
	9	P/F of 600mmx600mm plaster of paris sheet cealing fixing with 14 swg wire	Sft	670	125	83,750
	10	P/F of POP Gola wide 6" wide all as spd	Sft	103	160	16,480
	11	P/F of POP Gola wide 6" wide all as spd	Sft	220	110	24,200
	12	P/F of 600mmx600mm gypsom tiles with toes and angle fixed complete in all respect	Sft	165	115	18,975
	13	Repair of bath don replacement of 3mm thick commercial ply properly fixed with glue	No.	1	3000	3,000
	14	S/fixing of door lock best quality	No.	2	900	1,800
	15	S/fixing of door closer best quality	No.	1	2000	2,000
	Elect 4	S/fixing of 10 gange china putty fitting with dimar compas in best quality	No.	2	2065	4,130
	Elect 5	S/fixing of 04 gange china putty fitting with dimar compas in best quality	No.	2	975	1,950
	Elect 6	S/fixing of 06 gange china putty fitting with dimar compas in best quality	No.	3	1250	3,750
	Elect 7	S/fixing of 02 gange china putty fitting with dimar compas in best quality	No.	2	650	1,300
	Elect 8	S/ eration of back lite button holder shade large size	No.	3	50.95	153
	Elect 9	S/ eration of LED Bulb 13 watts complete in all respect	No.	3	675	2,025
	Elect 10	S/ eration of cealing rose	No.	1	36.75	37
	Elect 17	S/ eration of Exhaust fan plastic body 12" complete with best quality	No.	2	2900	5,800
	Elect 18	S/ eration of Exhaust fan plastic body 12" complete with best quality	No.	1	2500	2,500
	Elect 19	S/ eration of wall bracket fan 18" complete with best quality	No.	1	7200	7,200
	Elect 20	S/ eration of wall bracket fan 56" sweep fancy type with copper wiring complete with best quality	No.	6	6000	36,000
	Plum 4	P/fixing of bath set (Super Golden) made best quality	No.	2	22500	45,000
	Plum 5	P/fixing of electric geazer 1000 watt 6 liter capacity Boss made best quality	No.	2	16000	32,000
	Plum 6	Bath accessories set consisting of 7 pieces	No.	2	2000	4,000
	Plum 15	Suppling and fixing of sink bowl of stainless steel complete in all respect	No.	1	3500	3,500
	Plum 16	Suppling and fixing of sink mixer complete in all respect	No.	1	1557.45	1,557
	Sui Gas 2	Supplying and fixing of Burner best quality	No.	1	3500	3,500

Name of Scheme	Es. Ref No.	Item	Unit	Quantity	Rate	Amount
Repair of Tractor and loader	1	Replacement of Bucket Size 5 feet 5mm two side fram 6mm 1 MOS main frame 6mm lifting capacity 700 to 1000 kg	No.	1	88000	88,000
	7	P/L of brick facing (Gutka)	Sft	822	160	131,520
Construction office for chairman vice chairman remaining works	12	P/F fancy type door lock imported best quality	No.	8	1300	10,400
	13	P/L of glazed fancy type border premium quality	No.	140	120	16,800
	Elec 3	S/errection of Iron and aluminium clade 500 votts main switches	No.	1	1200	1,200
	Elec 3	S/errection of Iron and aluminium clade 500 votts main switches 15/20 Amp	No.	16	1000	16,000
	Elec 4	S/fixing of 08 gange china putty fitting	No.	7	1050	7,350
	Elec 5	S/fixing of 06 gange china putty fitting	No.	1	875	875
	Elec 6	S/fixing of 04 gange china putty fitting	No.	4	775	3,100
	Elec 7	S/fixing china putty fitting for AC 20 Amp	No.	6	825	4,950
	Elec 8	S/fixing china putty fitting 3pin socket of 5 Amp	No.	8	600	4,800
	Elec 9	S/errection of main distribution board 16 Swg compelte with volte meter	No.	1	4000	4,000
	Elec 10	S/errection of spot light 12 watt LED	No.	40	195	7,800
	Elec 14	S/ eration of Exhaust fan plastic body 12" complete with best quality	No.	1	2500	2,500
	Elec 15	S/ eration of Exhaust fan plastic body 12" complete with best quality	No.	1	2900	2,900
	Total					

1/CJH

[Para: 44.2.5.1.4]

Irregular expenditure without tenders/quotations – Rs 1.054 million

(Amount in Rupees)

Sr. No.	Item Description	Work Order No. / Bill No.	Work Order Date	Amount	Group Amount
1	Lighting Office, 14 August	Nil	Nil	40,000	
2	Lighting Water Works Park, 14 August	Nil	15.08.16	31,000	
4	Panaflex, 14 August	Nil	13.08.16	46,200	117,200
3	Rent of Generator, Moharram	Nil	13.10.16	37,500	
5	Rent of Generator, Moharram	Nil	13.10.16	35,000	
9	Movie Making, Moharram	Nil	14.10.16	40,000	112,500
6	Panaflex, Eid Milad un Nabi	Nil	20.12.16	47,850	
7	Lighting Office, Eid Milad un Nabi	Nil	19.12.16	47,000	
8	Lighting Water Works Park, Eid Milad un Nabi	Nil	19.12.16	31,000	125,850
10	P/F Chlorination Plant TW # 1	926	28.11.15	39,600	
11	P/F Chlorination Plant TW # 1 & 2	934	28.11.15	79,200	
12	P/F Chlorination Plant TW # 3 & 4	930	28.11.15	79,200	198,000
13	Painting of main shed etc, Ramzan Bazar	Nil	22.05.17	75,500	
14	Painting of complaint room, Ramzan Bazar	Nil	22.05.17	49,000	124,500
15	Sweets 293 KGs, 14 August	Nil	16.08.17	87,900	
16	Lights, 14 August	Nil	16.08.17	91,000	178,900
17	Table	Nil	04.08.2107	99,400	
18	Table, Chair, Sofa Set etc.	Nil	04.08.2107	97,700	197,100
Total				1,054,050	

1/DJKT

[Para: 45.2.5.2.2]

Loss due to non-assessment of market rate rent of shops – Rs 2.924 million

(Amount in Rupees)

Sr. No.	Shop No.	Current Monthly rent of shops	Competitive Rate	Difference	Period in Months	Total Potential Revenue
1	1	2,424	6,000	3,576	24	85,824
2	2	2,424	6,000	3,576	24	85,824
3	3	Masjid Gate	0	0	24	0
4	4	1,255	7,000	5,745	24	137,880
5	5	2,742	7,000	4,258	24	102,192
6	6	2,424	7,000	4,576	24	109,824
7	7	5,859	8,000	2,141	24	51,384
8	8	3,224	8,000	4,776	24	114,624
9	9	2,529	8,000	5,471	24	131,304
10	10	2,422	8,000	5,578	24	133,872
11	11	2,467	8,000	5,533	24	132,792
12	12	2,541	8,000	5,459	24	131,016
13	13	2,424	8,000	5,576	24	133,824
14	14	5,026	8,000	2,974	24	71,376
15	15	4,784	7,000	2,216	24	53,184
16	16	3,783	7,000	3,217	24	77,208
17	17	3,259	7,000	3,741	24	89,784
18	18	5,083	7,000	1,917	24	46,008
19	19	3,080	7,000	3,920	24	94,080
20	20	3,904	8,000	4,096	24	98,304
21	21	3,405	8,000	4,595	24	110,280
22	22	5,223	8,000	2,777	24	66,648
23	23	3,996	8,000	4,004	24	96,096
24	24	5,825	8,000	2,175	24	52,200
25	25	4,219	8,500	4,281	24	102,744
26	26	4,219	8,500	4,281	24	102,744
27	27	4,002	8,500	4,498	24	107,952
28	28	3,080	8,500	5,420	24	130,080
29	29	2,472	8,500	6,028	24	144,672
30	30	3,080	8,500	5,420	24	130,080
Total						2,923,800

2/DJKT

[Para: 45.2.5.3.2]

Non-achievement of targets of revenue – Rs 4.907 million

(Amount in Rupees)

Year	Detail Receipt Head	Original Budget	Revised Budget	Actual	Recoverable
2018-19	C0388016 - General Bus Stand fee	2,575,000	2,400,000	2,440,700	134,300
	C0388030 - Fine for construction without approval of building plan	50,000	5,000	0	50,000
	C0388047 - Receipts on account of sale of water - residential	2,000,000	800,000	770,350	1,229,650
	C0388048 - Receipts on account of sale of water - commercial	100,000	50,000	33,000	67,000
	C0388076 - Advertisement Fee on billboards/ hoardings	1,020,000	220,000	20,329	999,671
	C0388093 - Arrears of Water Rate	1,000,000	700,000	707,200	292,800
	Sub Total 2018-19	6,745,000	4,175,000	3,971,579	2,773,421
2017-18	C0388042 - Fee for slaughtering of animals	800,000	680,710	680,710	119,290
	C0388047 - Receipts on account of sale of water - residential	2,000,000	1,283,280	1,283,280	716,720
	C0388048 - Receipts on account of sale of water - commercial	100,000	57,180	57,180	42,820
	C0388093 - Arrears of Water Rate	1,800,000	544,700	544,700	1,255,300
	Sub Total 2018-19	4,700,000	2,565,870	2,565,870	2,134,130
	Grand Total	11,445,000	6,740,870	6,537,449	4,907,551

3/DJKT

[Para: 45.2.5.1.2]

Irregular payment due to non-conducting of Lab tests – Rs 4.454 million

(Amount in Rupees)

Sr. No.	Name of Work	Name of Contractor	Work order No. & Date	M.B No. & Page	Item of Work	Qty.	Rate	Amount
1	P/F tuff tile Anarkali Bazar 79 Road Dijkot	M/s M. Arshad Mughal	45 26.03.18	12199 P. 48 to 51	P/F tuff tile 7000 Psi	14144 Sft	95.25 Sft	1,347,216
2	Const. of floor tiles marble and tuff tile and bath room and store etc office building M.C Dijkot	M/s Zeeshan Builders	43 09.02.18	12199 P. 59 to 66	P/F tuff tile 60 mm 7000 Psi	5443 Sft	95.25 Sft	518,445
3	Const. of room committee room, office building MC Dijkot	M/s Asghar Ali Butt	16 20.06.17	12203 P. 12 to 16	i) Pucca Brick work (1:5) F.P	1760 Sft	17639.90 %Cft	310,462
					ii) Pucca brick work (1:5) G.F	2086 Sft	18841% C ft	393,025
4	Remove of encroachment sites repairing soling repairing tuff tiles Dijkot	M/s Nasir Mehmood	53/19 21.02.19	12203 P. 57-58	i) P/L tuff tile 60mm thick ii) P/L brick soling	5602 Sft	103.05 P.sft	577,236
5	Const. of drain, soling, PCC Ghulam Abbas Dogar MC Dijkot	M/s Asif Nadeem	35 02.01.18	12194 P. 95-97	Pucca brick work (1:5) F.P	936 Cft	17723.40 %Cft	165,895
6	Const. of Drain soling, PCC Ward No 6 Basharat Ali Counselor MC Dijkot	M/s Asif Nadeem	32 02.01.18	12199 P. 09 to 11	Pucca brick work (1:5) F.P	1687 Cft	17723.40 %Cft	299,002
7	Const. of Drain soling, PCC MC Dijkot	M/s Farooq Ahad	34 02.01.18	12196 P. 69 to 71	Pucca brick work (1:5) F.P	2364 Cft	17723.40 %Cft	418,992
8	Const. of Drain soling, PCC Ward No 5 Dijkot	M/s Asif Nadeem	29 02.01.18	12196 P. 78 to 80	Pucca brick work (1:5) F.P	2118 Cft	17723.40 %Cft	375,392
9	Const. of Drain soling PCC Bashiran Bibi Lady Councillor Dijkot	M/s Saad Babar & Co.	23 19.10.17	12196 P. 81 to 83	Pucca brick work (1:5) F.P	275 Cft	17723.40 %Cft	48,740
Total								4,454,405

4/DJKT

[Para: 45.2.5.3.3]

Execution of sub-standard / below specification civil work – Rs 4.047 million

(Amount in Rupees)

Name of Work	Name of Contractor	Work Order No. & Date	Last Paid	M.B No. & Page	Item of Work	Qty. Executed	Rate	Amount
Const. of soling, PCC MC Dijkot old Gala Mandi	M/s M. Afzal	22 17.10.17	1 st bill	12196 P. 58-60	P/L PCC in street (1:2:4)	1683 Sft	21958.2 %0Cft	369,556
Const. of PCC Soling, slab, Drain Dijkot	M/s Asif Nadeem	26 25.10.17	1 st bill	12195 P. 77-78	P/L PCC in street (1:2:4)	1664 Sft	21958.20 %0Cft	365,384
Const. of Nalian and PCC W-10 Dijkot	M/s Asghar Ali	10/2017 18.05.17	1 st bill	12197 P. 44-47	P/L PCC in street	1830 Sft	20902.20 %0Cft	378,956
Const. of PCC Nali 79 Road to Jalandar W-6 Dijkot	M/s Asif Nadeem	06/2017 18.05.17	2 nd bill	12197 P. 19-21	P/L PCC in street	2911 Sft	20902.20 %0Cft	608,463
Const. of PCC Drain Gali Shareef Wali W-4 Dijkot	M/S Nasir Mehmood	05/2017 18.05.17	1 st bill	12197 P. 27-29	P/L PCC in street	801 Sft	20902.20 %0Cft	167,427
Const. of PCC soling, Nali different streets	M/s M. Tariq	19 20.06.17	1 st bill	12197 P. 31-35	P/L PCC in street	1129 Sft	20902.20 %0Cft	235,985
Const. of PCC Soling & Drain W-11 Dijkot	M/s Farooq Ahmed	27 11.12.17	1 st bill	12197 P. 87-88	P/L PCC in street	2414 Sft	21958.20 %0Sft	530,070
Const. of Drain soling PCC W-2	M/s Nasir Mehmood	-	1 st bill	12197 P. 89-90	P/L PCC in street	1705 Sft	21958.20 %0Sft	374,387
Const. of PCC Main Road to Dr. Sadiq W-8 Dijkot	M/s Asghar Ali Butt	08/2017 18.05.17	1 st bill	12194 P. 10-15	P/L PCC in street	3029 Sft	20902.20 %0Sft	633,127
Const. of PCC Tower wali Gali Dijkot	M/s M. Afzal	155 18.05.17	1 st bill	12194 P. 20-24	P/L PCC in street	2535 Sft	20902.20 %0Sft	52,987
Const. of PCC Gali Zulfiqar Wali	M/s Farooq Ahmed	02/17 18.05.17	1 st bill	12196 P. 40-	P/L PCC in street	1582 Sft	20902.20 %0Sft	330,672
Total								4,047,014

1/JWL

[Para: 46.2.5.1.2]

Unauthorized payment of Conveyance Allowance – Rs 1.726 million

(Amount in Rupees)

Sr. No.	Name of Incumbent	Name of Post	BPS	From	To	Months	CA	Amount
1	Muhammad Saeed	Naib Qasid	2	Jan, 2017	Jan, 2020	37	1,785	66,045
2	Habib Ahmad Khan	Junior Clerk	11	Jan, 2017	Jan, 2020	37	2,856	105,672
3	Muhammad Shahbaz Anjum	Naib Qasid	2	Jan, 2017	Jan, 2020	37	1,785	66,045
4	Muhammad Ramzan	Senior Clerk	14	Jan, 2017	Jan, 2020	37	2,856	105,672
5	Sajjad Rafiq	Senior Clerk	14	Jan, 2017	Jan, 2020	37	2,856	105,672
6	Hamid Altaf Hussain	Tax Superintendent	11	Jan, 2017	Jan, 2020	37	2,856	105,672
7	Zaheer Ahmad S/o Bashir Ahmad	Naib Qasid	2	Jan, 2017	Jan, 2020	37	1,785	66,045
8	Safdar Noor	Junior Clerk	11	Jan, 2017	Jan, 2020	37	2,856	105,672
9	Muhammad Rafi	Assistant	15	Jan, 2017	Jan, 2020	37	2,856	105,672
10	Muhammad Sattar	Driver	6	Jan, 2017	Jan, 2020	37	1,932	71,484
11	Nazir Masih	Chowkidar	2	Jan, 2017	Jan, 2020	37	1,785	66,045
12	Muhammad Afzal	T. Driver	3	Jan, 2017	Jan, 2020	37	1,785	66,045
13	Hafiz M. Atif	T. Driver	3	Jan, 2017	Jan, 2020	37	1,785	66,045
14	Abdul Hameed	Chowkidar	1	Jan, 2017	Jan, 2020	37	1,785	66,045
15	Naveed Ramzan	Senior Clerk	14	Jan, 2017	Jan, 2020	37	2,856	105,672
16	Muhammad Nawaz	Mashki	3	Jan, 2017	Jan, 2020	37	1,785	66,045
17	Khadim Hussain	Fire Suptt.	15	Jan, 2017	Jan, 2020	37	2,856	105,672
18	Anwar ul Haq	Fireman	6	Jan, 2017	Jan, 2020	37	1,932	71,484
19	Asghar Ali	Fire man	6	Jan, 2017	Jan, 2020	37	1,932	71,484
20	ALLAH Yar S/o Noor	Driver	5	Jan, 2017	Jan, 2020	37	1,932	71,484
21	Shahnaz W/o Faqir	Sanitary Worker	3	Jan, 2017	Jan, 2020	37	1785	66,045
Total								1,725,717

1/MKJ

[Para: 48.2.5.1.4]

Irregular expenditure through splitting to avoid tenders – Rs 2.209 million

(Amount in Rupees)

Vr. No.	Date	Quotation Date	Description / Item Head	Amount
26	11-06-18	06-04-18	P/F of Tiles Chairman Room	92,600
5	04-06-18	24-04-18	P/F LED Roof light and Wiring etc. Chairman Room	83,958
33	28-05-18	04-05-18	Paneling Ceiling of Chairman room	95,520
8	01-09-18	16-05-18	P/F Floor tiles (Remaining portion) Chairman room	91,273
1	01-08-17	08-05-17	Changing of Corrugated Iron Roof/Painting Sasta Ramzan Bazar	97,000
13	01-08-17	25-05-17	Repair of Sasta Ramzan Bazar	92,579
24	13-04-18	18-01-18	Providing and Fixing Sign Board	94,727
26	13-04-18		Providing of Accessories of Street Light	92,520
32	28-05-18	07-05-18	Construction of Hodi near Govt. High School Tariq Colony	80,993
2	02-06-18	21-04-18	Construction of Hodi near MC Office	79,201
17	05-06-18	07-04-18	Construction of Hodi near Khajoor Marka Saban Factory	68,712
26	11-06-18		Construction of Slabs at Chak No. 497 GB	98,000
8	15-08-18		lightening, sound system, Generator etc. Independence day	87,250
10	16-08-18	12-08-18	Flags, Flexes, Streamers etc. Independence day	95,321
8	01-09-18	09-06-18	construction of culverts / slabs Chak No. 497 GB	77,121
9	04-03-19	18-02-19	Accessories Street light	80,297
20	22-03-19	20-03-19	Earth of street light	98,901
13	17-04-19		Earthing of street light Transformer	79,893

Vr. No.	Date	Quotation Date	Description / Item Head	Amount
16	01-05-19	18-04-19	Supply & Erection Of main switch for Street Light	95,742
16	15-11-18	01-11-18	Manhole covers	95,818
21B	22-03-19		Manhole Covers	99,610
21	22-03-19		Construction of soling	99,201
12	17-04-19		Construction of Culverts	89,572
25	31-05-19	20-05-19	Scraping / Painting of corrugated roof sheet at Sasta Ramzan Bazar	80,368
1	01-06-19	20-05-19	Repair of Sasta Ramzan Bazar	63,210
Total				2,209,387

1/SMDR

[Para: 49.2.5.1.5]

Irregular expenditure through splitting to avoid tenders – Rs 1.243 million

(Amount in Rupees)

Sr. No.	Voucher No.	Date	Work order No.	Date	Description	Amount
1	38	Sep, 2018	374	09.08.18	Lighting on 14 Aug	72,000
2	39	Sep, 2018	375	10.08.18	Pena flexes free sale point Eid-ul-Azha	98,090
3	41	Sep, 2018	373	07.08.18	Pena flexes on 14 th August	63,175
4	42	Sep, 2018	378	16.08.18	Pena flexes free sale point Eid-ul-Azha	85,500
5	44	Sep, 2018	372	07.08.18	Cattering on sale points Eid-ul-Azha	91,500
6	48	Sep, 2018	376	11.08.18	Catering etc. on 14 th August	94,390
7	50	Sep, 2018	381	20.08.18	Purchass of choona for Eid-ul-Azha	51,625
8	34	Dec, 2018	427	16.11.18	Lighting on Eid Melad-ul-Nabi (PBUH)	97,470
9	35	Dec, 2018	425	12.11.18	Purchase of choona Eid Melad-ul-Nabi (PBUH)	54,250
10	33	Jan, 2019	443	20.12.18	Pena flexed on Christian day	98,450
11	35	Jan, 2019	441	18.12.18	Pena flexed on Christian day	95,382
12	36	Jan, 2019			Purchase of choona etc. for Christian day	55,500
13	29	Jan, 2018			Pena flexes, lighting in charismas day	97,480
14	30	Jan, 2018			Pena flexes, lighting in charismas day	93,574
15	31	Jan, 2018			Pena flexes, lighting Quaid-i-Azam Day	95,000
Total						1,243,386

1/TWL

[Para: 50.2.5.1.2]

Irregular expenditure by splitting – Rs 1.790 million

(Amount in Rupees)

Sr. No	Head / Description	Name of Contractor	WO No./Date	Amount
1	Painting Bilal Park, Fatima Jinna Park	AZ Bhutta	Voucher No79	99,750
2	Painting Bilal Park, Fatima Jinna Park	AZ Bhutta	Voucher No 74	99,500
3	Painting swings Bilal Park, Fatima Jinna Park	AZ Bhutta	Voucher No 77	99,500
4	Painting pools Bilal Shaeed Park	AZ Bhutta	Voucher No71	99,850
5	Painting main gate and trees	AZ Bhutta	Voucher No.70	99,850
6	Painting swings Bilal Park, Fatima Jinna Park	AZ Bhutta	Voucher No 69	98,900
7	P/f Plants Fatima Jinnah Park	AZ Bhutta	Voucher No 76	98,000
8	P/f Iron Benches	AZ Bhutta	Voucher No 68	99,750
9	Painting swings Bilal Park	Asif Taj	Voucher No78	64,902
Total				860,002
10	P/f Electric motor MC Twala	AZ Bhutta	02.01.2018	88,000
11	P/f Electric pump generator MC Twala	AZ Bhutta	04.01.2018	92,000
Total				180,000
12	Arrangements of 14 August 2018	Sitara Con. Co	Voucher No26	98,703
13	Arrangements of 14 August 2018	Sitara Con. Co	Voucher No27	70,000
14	Arrangements of 14 August 2018	Sitara Con. Co	Voucher No28	96,700
Total				265,403
15	Arrangements of 14 August 2018	Sitara Con. Co	Voucher No17	95,712
16	Arrangements of 14 August 2018	Sitara Con. Co	Voucher No16	99,251
17	Arrangements of 14 August 2018	Sitara Con. Co	Voucher No.16	97,200
Total				292,163

Sr. No	Head / Description	Name of Contractor	WO No./Date	Amount
18	Motor Pump starter Bilal shaheed park	Asif Taj	Nil/12.11.2018	94,000
19	Boring and pipe fitting Bilal Shaheed Park	Asif Taj	Nil/03.11.2018	98,814
Total				192,814
Grand Total				1,790,382

1/18-HZR

[Para: 51.2.5.1.1]

Non-deduction of Social Security Contribution – Rs 1.024 million

(Amount in Rupees)

Sr. No.	Name of Contractor	Work Name	Scheme No.	Estimated Cost	Work Order No.	Date	No. of Worker
1	Sajjad Hussain Sial	Construction of soling and culverts Abadi Kotla Naik Ahmed Kothiwalla and Purana Kotla	3	0.500	63	22.11.17	13
2	Ghulam Mukhtar	Construction of soling, drain Abadi Kikar Wali	5	0.300	65	22.11.17	11
		Construction of soling, drain Abadi Budha Wala Abadi New Balhar Baloochan	10	0.500	96	30.12.17	
		Construction of soling, drain slab Abadi Nawa, Purana Kotla	1	0.500	87	30.12.17	
3	Mazhar Hussain	Construction of soling, drain Mozha Malkana Ward No.5	6	0.500	92	30.12.17	11
		Construction of soling, drain ward No.10	2	0.400	62	22.11.17	
4	A.R Construction	Construction of soling, drain and slab Basti Hashmi & Dolloana Khoo	2	0.500	88	30.12.17	11
5	Gulzar Hussain	Construction of soling, drain abadi Muhammad Baksh Hurgan Abadi Middle School Chowkan Jan Pur	9	0.500	95	30.12.17	11
6	Allah Ditta Aasi	Construction of soling, drain Abadi Ferozian	12	0.500	71	22.11.17	11
7	Sheikh Talha	Construction of soling Abadi Khizar wala	11	0.500	70	22.11.17	11
Total				4.700			79

(Rupees in million)

DDO	No. of Contractors	No. of Employees	Average wage rate/Annum	Total Wages	Amount @ 6%
Chief Officer, Municipal Committee, 18-Hazari	7	79	18,000x12=216,000	17.064	1.024

2/18-HZR

[Para: 51.2.5.2.3]

Doubtful expenditure on national days / events – Rs 1.045 million

(Amount in Rupees)

Sr. No.	Name of Contractor	Description	Voucher No./ Work Order No.	Bill Date	Amount
1	Awais Nazir	Eid Milad-un-Nabi sweet, tea, flower etc.	30	23.11.18	35,650
2	Awais Nazir	Eid Milad-un-Nabi Pena flexes 49 different sizes	31	23.11.18	48,860
3	M. Naeem Sajid	Eid Milad-un-Nabi Pena lighting material	32	22.11.18	72,000
4	Gulzar Hussain	Eid ul Azha Tent, chair lights etc.	29	29.08.18	49,950
5	Gulzar Hussain	Eid ul Azha polythine bags	35	16.08.18	49,800
6	M. Naeem Sajid	Eid ul Azha Pena flex, golves, mask, jackets etc.	33	13.08.18	49,760
7	Gulzar Hussain	Eid ul Azha 2017 polythene bags	6	05.09.17	99,000
8	Gulzar Hussain	14th August chicken rice	30	16.08.18	49,400
9	Gulzar Hussain	14th August Flag and badges	31	17.08.18	49,140
10	Gulzar Hussain	14th August Lighting material	32	15.08.18	48,000
11	Gulzar Hussain	14th August Tent material	33	16.08.18	49,500
12	Gulzar Hussain	14th August Pena Flex	34	04.08.18	49,840
13	M. Naeem Sajid	14th August Pena Flex	34	16.08.18	49,800
14	Gulzar Hussain	14th August 2017 Flag and badges	4	17.08.17	89,360
15	Gulzar Hussain	14th August 2017 Kabaddi match misc. expenditure	5	16.08.17	96,250
16	Awais Nazir	14th August Pena Flex	7	03.08.17	90,888
17	Awais Nazir	14th August 2017 lighting material	8	18.08.17	68,000
Total					1,045,198

3/18-HZR

[Para: 51.2.5.3.2]

**Utilization of bricks without ensuring standard specifications and testing –
Rs 1.503 million**

(Amount in Rupees)

Sr. No.	File No.	Work Name	Scheme No.	Estimated Cost	Agreement Cost	Description	Quantity (Cft)	Rate	No. of Bricks	Amount of Bricks
1	2	Construction of soling, drain slab Abadi Raitdi Nawa Kot Road Abadi Darbar	4	500,000	0.500	P/L dry brick soling	2,432.00	13771.70	37,696	329,840
2	8	Construction of soling Abadi Shafi Arrien opposite Bhatha Khamoshi Wala	9	300,000	0.300	P/L dry brick soling	1,681.00	13771.70	26,896	228,616
3	6	Construction of soling, drain abadi Jal Wala abadi Bahadar wala	11	500,000	0.500	P/L dry brick soling	2,301.00	13771.70	36,816	316,618
4	7	Construction of soling, drain and culverts Abadi Chowkan Jan Pur Ward No. 9	1	500,000	0.500	P/L dry brick soling	2,195.00	13771.70	35,120	302,289
5	9	Construction of soling drain and slab Abadi 5&7 Marla scheme Umerana	4	400,000	0.400	P/L dry brick soling	2,368.00	13771.70	37,888	326,114
Total				2,200,000	2.2				174,416	1,503,477

1/APS

[Para: 52.2.5.1.1]

Non-deduction of Social Security Contribution – Rs 1.966 million

(Amount in Rupees)

Sr. No.	Name of Contractor	No. of Workers	Minimum wage per month	Wage per worker per year	Total wages	Social Security Contribution
1	M/s Mustansar Company	27	15,000	180,000	4,860,000	291,600
2	Chaudhry Shahid Imran	13	15,000	180,000	2,340,000	140,400
3	Ghulam Abbas Khan	6	15,000	180,000	1,080,000	64,800
4	M. Aslam Tarar	6	15,000	180,000	1,080,000	64,800
5	Chaudhry Zeeshan Ajmal	13	15,000	180,000	2,340,000	140,400
6	Muhammad Safder Gill	6	15,000	180,000	1,080,000	64,800
7	Mehar Safdar Hussain Khera	19	15,000	180,000	3,420,000	205,200
8	Al-Siddique Enterprises	51	15,000	180,000	9,180,000	550,800
9	Khizar Abbass Nasir	11	15,000	180,000	1,980,000	118,800
10	M/s Zeeshan Traders	9	15,000	180,000	1,620,000	97,200
11	Muhammad Imran	9	15,000	180,000	1,620,000	97,200
12	Muhammad Aslam Tarar	6	15,000	180,000	1,080,000	64,800
13	Ghulam Abbas Khan	6	15,000	180,000	1,080,000	64,800
Total		182			32,760,000	1,965,600

2/APS

[Para: 52.2.5.3.5]

**Non-Recovery of miscellaneous fees from owners of illegal buildings –
Rs 1.006 million**

(Amount in Rupees)

Sr. No.	Name of Defaulter	Type	Recoverable Amount
1	Liquat Ali Farooqi	Private School	243,620
2	Muhammad Kashif	Residential	6,628
3	Sajjad Ahmad	Shops	35,180
4	Muhammad Siddique Ali Shah	Shops	30,048
5	Ghanzafer Abbass Shah	Shops	17,640
6	Muhammad Arif	Shops	55,156
7	Muhammad Asghar	Store Commercial	46,980
8	Malik Muhammad Abid Bhutta	Private Bank	137,260
9	Muhammad Farooq	Hotel	87,508
10	Mukhter Hussain	Commercial Building	46,900
11	Muhammad Ashraf Sheikh	shops	23,890
12	Abdul Aziz Kashamri	Private School	57,508
13	Javed Iqbal	Private School	217,508
Total			1,005,826

1/GMR

[Para: 53.2.5.1.1]

Non-deduction of Social Security Contribution – Rs 1.328 million

(Amount in Rupees)

Sr. No	Name of Contractor	Class	Financial Year	No. of Workers	Minimum wage per month	Wage per worker per year	Total wages	Social Security Contribution
1	Arshad Hayat	D	2017-18	7	15,000	180,000	1,260,000	75,600
2	M.Afzal	D	2017-18	11	15,000	180,000	1,980,000	118,800
3	Sikander Ali	D	2017-18	7	15,000	180,000	1,260,000	75,600
4	Shahid Abbass	D	2017-18	6	15,000	180,000	1,080,000	64,800
5	Khadim Hussain	D	2017-18	7	15,000	180,000	1,260,000	75,600
6	Akhtar Abbass	D	2017-18	14	15,000	180,000	2,520,000	151,200
7	Arshad Abbass	D	2017-18	11	15,000	180,000	1,980,000	118,800
8	Khadim Hussain	D	2017-18	7	15,000	180,000	1,260,000	75,600
9	Safder Ali	D	2017-18	6	15,000	180,000	1,080,000	64,800
10	Sikander Ali	D	2018-19	7	15,000	180,000	1,260,000	75,600
11	AL Siddique Enterprises	C	2018-19	8	15,000	180,000	1,440,000	86,400
12	Chaudhry Qamar UL Din	D	2018-19	32	15,000	180,000	5,760,000	345,600
Total				123			22,140,000	1,328,400

2/GMR

[Para: 53.2.5.3.2]

**Utilization of bricks without ensuring standard specifications and testing –
Rs 2.414 million**

(Amount in Rupees)

Sr. No.	Name of Work	Quantity of Soling	Rate	Amount	No. of Bricks	Rate per 1000	Amount	Remarks
1	Construction of soling ward No.12	4150	13771.7	571,526	66400	7,500	498,000	no test
2	Construction of soling, drain house Haji Bahadar Ali Master Riaz Abadi Ch.Aslam Meo Khaoo okan wala ward No.12	906	13771.7	124,772	14496	7,500	108,720	no test
3	Construction of soling, drain house Haji Bahadar Ali Master Riaz Abadi Ch.Aslam Meo Khaoo Okan Wala ward No.12	1828	13771.7	251,747	29248	7,500	219,360	no test
4	Construction of soling Jind Wadi colony, Pipe line to Chah Agay Wala ward No.13	1699	13771.7	233,981	27184	7,500	203,880	no test
		1561	13771.7	214,976	24976	7,500	187,320	no test
5	Construction of soling Abadi Sultan Wala Ward No.7	3308	13771.7	455,568	52928	7,500	396,960	no test
6	Construction of soling ward No.04	3356	13771.7	462,178	53696	7,500	402,720	no test
7	Construction of soling ward No.2	3308	13771.7	455,568	52928	7,500	396,960	no test
Total							2,413,920	

1/JHG

[Para: 54.2.5.1.1]

Procurement in violation of procurement rules – Rs 56.834 million

(Amount in Rupees)

Sr. No.	Voucher No.	Date	Bill No.	Dated	Description	Amount
1	305	11.2016	Nil	28.09.2016	Plastic Bags	96,000
2	306	11.2016	Nil	26.09.2016	Plastic Bags	99,000
3	313	11.2016	Nil	Nil	LCD 42" and installation of camera	73,366
4	314	11.2016	Nil	08.06.2016	LCD 42" and installation of camera	73,366
5	315	11.2016	Nil	Nil	LCD 42" and installation of camera	70,733
6	423	11.2016	Nil	06.08.2016	De-watering set	271,900
7	218	3.2019	Nil	28.08.2018	Shopper	99,760
8	219	3.2019	Nil	27.08.2018	Shopper	99,760
9	83	4.2019	Nil	08.11.2018	Filtration Plant, Rasheed Chowk	99,500
10	84	4.2019	Nil	08.11.2018	Filtration Plant, Rasheed Chowk	98,000
11	85	4.2019	Nil	15.02.2019	Material, Filtration Plant	49,980
12	86	4.2019	Nil	13.02.2019	Material, Filtration Plant	17,223
13	113	5.2019	Nil	08.01.2019	Signboard	72,000
14	114	5.2019	Nil	08.01.2019	Flex	53,500
15	115	5.2019	Nil	25.12.2018	Flex	49,500
16	116	5.2019	Nil	25.12.2018	Flex	49,500
17	73	12.2018	Nil	Nil	Tyres	99,000
18	74	12.2018	Nil	31.10.2018	Tyres	99,900
19	128A	1.2019	Nil	27.08.2018	Rent of Excavator	99,950
20	129	1.2019	Nil	03.09.2018	Rent of Excavator	99,800
21	130	1.2019	Nil	31.08.2018	Rent of Excavator	99,950
22	300	9.2018	Nil	Nil	Flex	50,000
23	301	9.2018	Nil	30.08.2018	Flex	50,000
24	302	9.2018	Nil	02.09.2018	Flex	50,000
25	303	9.2018	Nil	02.09.2018	Flex	50,000
26	304	9.2018	Nil	02.09.2018	Flex	49,750
27	25	8.2018	Nil	24.08.2018	Color lights	98,000
28	26	8.2018	Nil	20.08.2018	Color lights	86,000
29	27	8.2018	Nil	25.08.2018	Color lights	89,600
30	133	6.2018	Nil	25.05.2018	LED Lights 50W	98,000
31	134	6.2018	Nil	29.05.2018	LED Lights 50W	49,000
32	135	6.2018	Nil	30.05.2018	LED Lights 50W	49,000
33	136	6.2018	Nil	26.05.2018	LED Lights 50W	24,500
34	137	6.2018	Nil	20.05.2018	LED Lights 50W	24,500

Sr. No.	Voucher No.	Date	Bill No.	Dated	Description	Amount
35	256	6.2018	Nil	20.09.2016	Tentage material	91,200
36	257	6.2018	Nil	20.09.2016	Tentage material	91,200
37	258	6.2018	Nil	20.09.2016	Tentage material	91,200
38	513	6.2018	Nil	08.06.2018	LED Lights 50W	98,000
39	514	6.2018	Nil	?	LED Lights 50W	49,000
40	515	6.2018	Nil	10.06.2018	LED Lights 50W	49,000
41	49	9.2018	Nil	Nil(2015)	Tentage material	2,682,611
42	131	4.2018	Nil	02.04.2018	LED Lights 100W	99,900
43	132	4.2018	Nil	02.04.2018	LED Lights 100W	99,900
Total						5,992,049

2/JHG

[Para: 54.2.5.3.3]

Less deduction of Taxes – Rs 4.445 million

(Amount in Rupees)

Sr. No.	Voucher No.	Date	Bill No.	Dated	Amount	Income Tax	GST	PST
1	262	8.2017	Nil	02.08.2017	5,084,227	406,738		701,273
2	233	3.2018	Nil	18.09.2017	190,500	7,620		27,679
3	117	8.2016	Nil	23.06.2016	1,000,000		30,340	
4	118	8.2016	Nil	20.06.2016	99,088		3,008	
5	119	42583	Nil	20.06.2016	95,510		2,898	
6	120	42583	Nil	21.06.2016	116,450		3,534	
7	121	42583	Nil	21.06.2016	92,008		2,792	
8	207	42583	Nil	02.02.2016	55,000		1,669	
9	208	42583	Nil	17.06.2016	64,000		9,280	
10	283	42614	Nil	19.07.2016	74,700	9,675	14,193	
11	240	42583	Nil	02.05.2016	15,300	765		
12	298	11.2016	Nil	23.09.2016	65,000	1,300	1,972	
13	300	11.2016	Nil	01.07.2016	99,000	4,950		
14	301	11.2016	Nil	27.09.2016	95,000	4,750		
15	302	11.2016	Nil	25.08.2016	98,000	4,900		
16	305	11.2016	Nil	28.09.2016	99,000	2,115	3,482	
17	306	11.2016	Nil	26.09.2016	99,000	1,980	3,004	
18	370	11.2016	Nil	08.06.2016	87,200	1,744	2,646	
19	375	11.2016	Nil	19.10.2016	293,000	5,860	8,888	
20	423	11.2016	Nil	06.08.2016	271,900	5,451	5,438	
21	495	11.2016	Nil	14.10.2016	583,588	29,179		
22	496	11.2016	Nil	14.10.2016	155,400	7,870		
23	499	11.2016	Nil	20.10.2016	405,000	20,250	4,253	
24	500	11.2016	Nil	20.10.2016	700,000	35,000		
25	500	11.2016	Nil	20.10.2016	438,550	8,771		
26	199	42614	Nil	15.08.2016	190,860	9,543	599	
27	200	42614	Nil	15.08.2016	180,260	9,013	546	
28	175	42705	Nil	14.10.2016	583,588	29,179		
29	176	11.2016	Nil	14.10.2016	155,400	7,770		
30	177	11.2016	Nil	30.11.2016	120,000	2,460		
31	213	42614	Nil	23.06.2016	1,020,221		30,954	
32	53	8.2016	1305	25.06.2016	359,700	17,985		
33	54	8.2016	1395	04.07.2016	146,300	7,315		
34	55	8.2016	1413	04.07.2016	260,000	13,000		
35	74	8.2016	Nil	23.06.2016	85,100	6,382		
36	75	8.2016	Nil	21.06.2016	66,800	1,336	2,026	
37	76	8.2016	Nil	20.06.2016	97,200	1,944	2,949	
38	78	8.2016	Nil	16.06.2016	99,900	1,998	3,031	
39	79	8.2016	Nil	16.06.2016	99,900	1,998	3,031	
40	81	8.2016	Nil	22.04.2016	99,900	1,999	18,981	
41	82	8.2016	Nil	22.04.2016	90,000	6,750		
42	83	8.2016	Nil	22.06.2016	99,900	1,998	18,981	
43	84	8.2016	Nil	18.04.2016	99,800		18,962	
44	85	8.2016	Nil	13.04.2016	95,700			15,312

Sr. No.	Voucher No.	Date	Bill No.	Dated	Amount	Income Tax	GST	PST
45	188	1.2019	Nil	?	780,000	39,000		85,800
46	189	1.2019	Nil	03.11.2018	335,000	16,750		36,850
47	190	1.2019	Nil	24.09.2018	311,925	15,597		34,312
48	191	1.2019	Nil	08.10.2018	25,200			2,772
49	235	10.2018	Nil	?(2014)	2,068,880	31,033	335,159	
50	38	6.2018	Nil	?(2014)	2,068,880	93,099	83,458	
51	49	9.2018	Nil	?(2015)	2,682,611	201,196		295,088
52	142	3.2018	Nil	20.12.2017	1,500,000		243,000	
53	232	3.2018	Nil	Nil	283,591			31,196
54	235	3.2018	Nil	05.03.2018	49,940			2,996
55	85	4.2018	Nil	04.11.2017	99,000	7,425		10,890
56	86	4.2018	Nil	14.11.2017	99,000	7,425		10,890
57	87	4.2018	Nil	14.11.2017	99,000	7,425		10,890
58	88	4.2018	Nil	14.11.2017	26,000	1,950		1,560
59	131	4.2018	Nil	02.04.2018	99,000	4,415		
60	132	4.2018	Nil	02.04.2018	99,000	4,415		
61	179	2.2018	Nil	?	2,550,000	229,500	510,000	
62	188	1.2018	Nil	?(2014)	2,093,700	94,217	62,911	
63	143	3.2019	Nil	02.11.2018	962,500		155,925	
64	26	12.2018	Nil	07.10.2018	962,500		155,925	
Total					31,522,677	1,433,033	1,743,834	1,267,508
Grand Total								4,444,375

1/SHKT

[Para: 55.2.5.2.2]

Irregular expenditure through splitting to avoid tenders – Rs 1.701 million

(Amount in Rupees)

Sr. No.	Voucher No.	Date	Work Order No.	Date	Description	Gross Amount	Remarks
1	172	26.08.16	383	26.07.16	Purchase of air coolers	50,000	Splitting/ without bill
2	173	26.08.16	369	12.07.16	Purchase of air coolers	50,000	Splitting/ without bill
3	174	26.08.16	376	23.07.16	Purchase of air coolers	50,000	Splitting/ without bill
4	183	26.08.16	341	14.06.16	LED 42" for Ramzan Bazar Shotkot	90,000	Splitting
5	184	26.08.16	339	13.06.16	LED 42" for Ramzan Bazar Qaim Barwana	90,000	Splitting
6	29	07.09.16			Providing chairs etc. in Ramzan Bazar Qaim Barwana	84,940	Splitting
7	30	07.09.16			Providing accessories for CCTV Cameras in Ramzan Bazar	26,000	Splitting
8	31	07.09.16			Providing accessories for CCTV Cameras in Ramzan Bazar	14,880	Splitting
9	32	07.09.16			Providing carpets in Ramzan Bazar	28,600	Splitting
10	35	07.09.16	423	03.08.16	Providing Pena flexes at 14 August	96,300	Splitting
11	36	07.09.16	458	09.08.16	Providing different items at 14 August	47,000	Splitting
12	37	07.09.16	463	10.08.16	Providing lighting at 14 August	82,500	Splitting
13	38	07.09.16	478	12.08.16	Providing flags etc.0 at 14 August	97,000	Splitting
14	88	09.10.16			Repair of tractor No.1002	81,000	Without calling quotations
15	89	10.10.16			Overhauling of engine tractor 1002	98,650	Without calling quotations
16	90	19.10.16			Installation of roof on tractors	51,840	Without calling quotations
17	91	19.10.16			Providing flexes on Eid-ul-Azha	77,300	Without calling quotations
18	97	19.10.16			Providing plastic bags on Eid-ul-Azha	77,000	Without calling quotations

Sr. No.	Voucher No.	Date	Work Order No.	Date	Description	Gross Amount	Remarks
19	98	19.10.16			Providing plastic bags on Eid-ul-Azha	91,000	Without calling quotations
20	77	Nov-16			Providing Khakah for Mohram-ul-Haram	72,000	Without calling quotations
21	84 A	Nov-16	514	29.09.16	Providing barriers for Mohram-ul- Haram	99,600	Splitting
22	115	Nov-16			Providing generators for Mohram-ul-Haram	97,500	Splitting
23	117	Nov-16	573	29.09.16	Providing electric equipment for Mohram-ul-Haram	99,450	Splitting
24	118	Nov-16			Providing energy savers for Mohram-ul-Haram	48,700	Splitting
Total						1,701,260	

2/SHKT

[Para: 55.2.5.4.9]

Payment of non-schedule items without preparation of analysis of rates on competitive market rates – Rs 2.456 million

(Amount in Rupees)

Sr. No.	Name of Work	Non-Schedule Item	Cost of non-schedule Items	Remarks
1	Repair of sewer jetting and sucker machine	49 Nos. items	500,000	TS not obtained from the Chief Engineer
2	Repair of arm roll truck	12 Nos. items	200,000	TS not obtained from the Chief Engineer
3	Supply of hand carts for solid waste collection		200,000	TS not obtained from the Chief Engineer
4	Supply of multimedia projector	One Job	100,000	TS not obtained from the Chief Engineer
5	Repair / Imp. of color and pigments Disposal Midan wala	Repair of 60HP sludge pump submersible 1450 RPM	225,000	Analysis of rates on competitive market rates not prepared
6	Repair / Imp. boundary wall, gate sliding, painting, electric work in Usmania park	Construction & installation of round bar stepped bar the children Jhilha in GI pipe	55,900	Analysis of rates on competitive market rates not prepared
		Construction & installation of rectangular bar stepped bar the children Jhilha in GI pipe	49,700	
		Providing & installation water supply in plots	50,000	
		Providing & installation electric work including light 400 W Chok 400 w ignitor 400 w sodium light 28 w LED blub holder, breaker 10Am, wire 40/76 including labour Usmania Park	85,000	
7	Repair / Imp. boundary wall, gate sliding, painting, electric work in Bahoo park	Construction of fiber shed with MS pipe and spote GI pipe 4" dia including fiber sheet	300,800	Analysis of rates on competitive market rates not prepared
		Const & installation of round bar stepped bar the children jhilha in GI pipe	55,900	
		Construction & installation of rectangular bar stepped bar the children Jhilha in GI pipe	49,700	
		Provision and installation of golden matic pump 2 HP including bore complete in all respects	57,000	
8		Providing & fixing wall paneling in color shape	434,455	

Sr. No.	Name of Work	Non-Schedule Item	Cost of non-schedule Items	Remarks
	Repair and improvement of paling, water shed, white wash office MC Shorkot	P/F color glazed tile 12" X 18"	92,895	Analysis of rates on competitive market rates not prepared
Total			2,456,350	

3/SHKT

[Para: 55.2.5.4.13]

**Utilization of bricks without ensuring standard specifications and testing –
Rs 1.165 million**

(Amount in Rupees)

Sr. No.	Name of Work	Work Order No.	Date	Quantity of B.W/ Soling Cft	Rate	Amount	No. of Bricks	Rate per 1000	Amount	Remarks for brick testing
1	Construction/ reconstruction of soling drain etc. Muhram rout Shorkot city	189	31.08.18	659.26	17465.55	115,143	10548	7,500	79,111	no test
2	Repair/ improvement of manholes, RCC etc. ward no. 09 to 16	64	14.03.19	594	14501.55	86,139	9504	7,500	71,280	no test
3	Repair/ Improvement of roof quarter MC	48	21.02.19	560.11	14594.30	81,744	8962	7,500	67,213	no test
4	Construction/ reconstruction of soling drain etc. Ward No. 19	318	14.10.17	2395	13771.70	329,832	38320	7,500	287,400	no test
5	Construction/ reconstruction of soling drain etc. Ward No. 21	340	16.10.17	487	17158.20	83,560	7792	7,500	58,440	no test
6	Construction/ reconstruction of soling drain etc. Ward No. 22	319	14.10.17	534	17158.20	91,625	8544	7,500	64,080	no test
7	Const re-const soling darin etc Ward No. 23	321	14.10.17	340.89	16603.50	56,600	5454	7,500	40,907	no test
8	Construction/ reconstruction of soling drain etc. Ward No. 18	313	14.10.17	432	17158.00	74,123	6912	7,500	51,840	no test
9	Construction/ reconstruction of soling drain etc. Ward No. 18	313	14.10.17	438	21725.80	95,159	7008	7,500	52,560	no test
10	Construction/ reconstruction of soling drain etc. Ward No. 15	316	14.10.17	533	13771.70	73,403	8528	7,500	63,960	no test
11	Construction/ reconstruction of soling drain etc. Ward No. 13	314	14.10.17	160	16603.50	26,566	2560	7,500	19,200	no test
12	Construction/ reconstruction of soling drain etc. Ward No. 6	355	25.10.17	809	18570.80	150,238	12944	7,500	97,080	no test

Sr. No.	Name of Work	Work Order No.	Date	Quantity of B.W/ Soling Cft	Rate	Amount	No. of Bricks	Rate per 1000	Amount	Remarks for brick testing
13	Construction/ reconstruction of soling drain etc. Ward No. 7	482	29.12.17	392	19072.85	74,766	6272	7,500	47,040	no test
14	Construction/ reconstruction of soling drain etc. Ward No. 8	309	14.10.17	278	18570.80	51,627	4448	7,500	33,360	no test
15	Construction/ reconstruction of soling drain etc. Ward No. 9	310	14.10.17	369	17158.00	63,313	5904	7,500	44,280	no test
16	Construction/ reconstruction of soling drain etc. Ward No. 12	312	14.10.17	723	17158.00	124,052	11568	7,500	86,760	no test
17	Construction/ reconstruction Nalah Bhir Road city Shorkot	324	14.10.17	2732	17105.60	467,325	43712	7,500	327,840	no test
18	Construction/ reconstruction of sewer line Bait-Ul-Zikar road	325	14.10.17	1466	19072.85	279,608	23456	7,500	175,920	no test
19	Construction/ reconstruction of canteen etc. Bahoo Park	353	20.10.17	225	17660.20	39,735	3600	7,500	27,000	no test
20	Construction/ reconstruction of canteen etc. Bahoo Park	353	20.10.17	204	17660.20	36,027	3264	7,500	24,480	no test
Total									1,164,511	

1/KAM

[Para: 57.2.5.1.3]

Procurement in violation of procurement rules – Rs 2.431 million

(Rupees in million)

Sr. No.	Voucher No.	Voucher date	Description	Amount
1	197	28.12.2016	Chairs	0.078
2	201	28.12.2016	Chairs, Tables	0.097
3	40	07.06.2017	Repair of motor, Disposal Works, Chongi No. 06	0.055
4	41	07.06.2017	Repair of motor, Disposal Works, Chongi No. 06	0.055
5	1	05.09.2017	Lying pipe	0.097
6	2	05.09.2017	Lying pipe	0.100
7	98	21.06.2018	Tyres	0.530
8	117	29.10.2018	Clearing Moharam Route	0.096
9	118	29.10.2018	Clearing Moharam Route	0.097
10	119	29.10.2018	Clearing Moharam Route	0.099
11	52	11.12.2018	Repair / raising manhole	0.098
12	53	11.12.2018	PCC, Soling, Nali, Gali Grading	0.099
13	1	01.12.2018	Soling, PCC	0.099
14	1	07.01.2018	Soling, PCC	0.099
15	33	22.01.2019	Tuff tiles / Gali Grading	0.099
16	34	22.01.2019	Tuff tiles / Gali Grading	0.099
17	15	05.03.2019	Tuff tiles / Gali Grading	0.098
18	12	05.03.2019	Supply and repair manhole cover	0.096
19	13	05.03.2019	Supply and repair manhole cover	0.100
20	14	05.03.2019	Supply and repair manhole cover	0.098
21	1	01.06.2019	Electric Material	0.047
22	2	01.06.2019	Electric Material	0.049
23	3	01.06.2019	Electric Material	0.049
Total				2.431

1/PML

[Para: 58.2.5.3.3]

Loss due to non-revision of rent of commercial sites – Rs 4.913 million

(Rupees in million)

Sr. No	Shop No	Name of Rent Holder with Parentage	Area Sft	Rent Rs 4.40 /Sft	Rent as Rs 20	Variance	Months	Amount
1	1	Fazal Muhammad	80	352	1,600	1,248	26	0.032
2	2	Muhammad Yaqoob S/o Allah Bukhsh	80	352	1,600	1,248	26	0.032
3	3	Wali Muhammad S/o Rehmat Ullah	80	352	1,600	1,248	26	0.032
4	4	Abdul Rasheed S/o Rehmat Ullah	80	352	1,600	1,248	26	0.032
5	5	Tariq Saleem	80	352	1,600	1,248	26	0.032
6	6	Muhammad Isalm S/o Salam ul Deen	80	352	1,600	1,248	26	0.032
7	7	Abdul Gahfoor S/o Ghulam Muhammad	80	352	1,600	1,248	26	0.032
8	8	Faqeer Muhammad S/o Chanan	80	352	1,600	1,248	26	0.032
9	9	Abdul haq S/o Khalil Ahmed	80	352	1,600	1,248	26	0.032
10	10	Chirag Deen S/o Khushi Muhammad	80	352	1,600	1,248	26	0.032
11	11	Abdul Gahffar S/o Khushi Muhammad	80	352	1,600	1,248	26	0.032
12	12	Muhammad Munshi S/o Kaka	80	352	1,600	1,248	26	0.032
13	13	Anayat S/o Munshi	80	352	1,600	1,248	26	0.032
14	14	Muhammad Akram S/o Muhammad Siddique	80	352	1,600	1,248	26	0.032
15	15	Muhammad Ibrahim S/o Yousaf	80	352	1,600	1,248	26	0.032
16	16	Shahzad S/o Muhammad Ashraf	80	352	1,600	1,248	26	0.032
17	17	Mukhtar Ahmed S/o Ibrahim	80	352	1,600	1,248	26	0.032
18	18	Umaer Deen/ Muhammad Akram	80	352	1,600	1,248	26	0.032

Sr. No	Shop No	Name of Rent Holder with Parentage	Area Sft	Rent Rs 4.40 /Sft	Rent as Rs 20	Variance	Months	Amount
19	19	Muhammad Aslam S/o Umar deen	80	352	1,600	1,248	26	0.032
20	20	Gulzar Ahmed S/o Khishi Muhammad	80	352	1,600	1,248	26	0.032
21	21	Manzoor Ahmed	80	352	1,600	1,248	26	0.032
22	22	Ghulam Hussain	80	352	1,600	1,248	26	0.032
23	23	Mistri Allah Ditta	80	352	1,600	1,248	26	0.032
24	24	Israr Ahmed / Gulzar Ahmed	80	352	1,600	1,248	26	0.032
25	25	Wali Muhammad S/o Shadi	80	352	1,600	1,248	26	0.032
26	26	Muhammad Shafi S/o Rehmatullah	80	352	1,600	1,248	26	0.032
27	27	Israr Ahmed/ Amanullah	80	352	1,600	1,248	26	0.032
28	28	Shah Muhammad S/o Hassan Muhammad	80	352	1,600	1,248	26	0.032
29	29	Abdul Muneem	80	352	1,600	1,248	26	0.032
30	30	Ghulam Rasool S/o Ghulam Mustafa	240	1,056	4,800	3,744	26	0.097
31	31	Sharifan Bibi S/o Gulzar Bibi	80	352	1,600	1,248	26	0.032
32	32	Azamat Ali S/o Muhammad Sharif	80	352	1,600	1,248	26	0.032
33	33	Liaqat Ali / Azamat Ali/ Rustam Ali	80	352	1,600	1,248	26	0.032
34	34	Ghulam Rasool	80	352	1,600	1,248	26	0.032
35	35	Muhammad Ramzan S/o Muhammad Ibrahim	80	352	1,600	1,248	26	0.032
36	36	Abdul Ghafoor S/o Ali Muhammad	80	352	1,600	1,248	26	0.032
37	37	Rehmatullah	80	352	1,600	1,248	26	0.032
38	38	Fazal Hussain Babar	80	352	1,600	1,248	26	0.032
39	39	Muhammad Deen S/o Sher Muhammad	80	352	1,600	1,248	26	0.032
40	40	Malik Abdul Hameed Toba	80	352	1,600	1,248	26	0.032
41	41	Atiq ur Rehman	80	352	1,600	1,248	26	0.032

Sr. No	Shop No	Name of Rent Holder with Parentage	Area Sft	Rent Rs 4.40 /Sft	Rent as Rs 20	Variance	Months	Amount
42	42	Muhammad Sarwar S/o Ali Nawaz	80	352	1,600	1,248	26	0.032
43	43	Abdul Ghaffar S/o Saleem	60	264	1,200	936	26	0.024
44	44	Abdul Ghaffar S/o Saleem	60	264	1,200	936	26	0.024
46	1	Muhammad sadiq S/o Noor Muhammad	200	880	4,000	3,120	26	0.081
47	2	Abdul Jabbar S/o Muhammad Ramzan	160	704	3,200	2,496	26	0.065
48	3	Muhammad Arshad S/o Sardar	108	476	2,164	1,688	26	0.044
49	4	Abdul Rasheed / Ghulam Hussain	140	616	2,800	2,184	26	0.057
50	5	Abdul Rashhed / Ghulam Hussain	140	616	2,800	2,184	26	0.057
51	6	Abdull Majeed S/o Jamal Deen	120	528	2,400	1,872	26	0.049
52	7	Daood Khan	160	704	3,200	2,496	26	0.065
53	8	Qurban Ali Khayam	80	352	1,600	1,248	26	0.032
54	9	Sarfaraz S/o Muhammad Aslam	160	704	3,200	2,496	26	0.065
55	10	Muhammad Akram S/o Ibrahim	96	423	1,923	1,500	26	0.039
56	11	Abdul Aziz S/o Nizam Deen	150	660	3,000	2,340	26	0.061
57	12	Umar Daraz Khan	150	660	3,000	2,340	26	0.061
58	13	Muhamad Arif S/o Rehmat Ali	96	423	1,923	1,500	26	0.039
59	14	Muhammad Anwar S/o Muhammadd Ibrahim	96	423	1,923	1,500	26	0.039
60	15	Mumtaz Ahmed S/o Ahmed Deen	160	704	3,200	2,496	26	0.065
61	16	Abdul Majeed S/o Jamal Deen	80	352	1,600	1,248	26	0.032
62	17	Muhammad Ramzan S/o Ghulam Qadir	80	352	1,600	1,248	26	0.032
63	18	Manzoor Hussain	160	704	3,200	2,496	26	0.065

Sr. No	Shop No	Name of Rent Holder with Parentage	Area Sft	Rent Rs 4.40 /Sft	Rent as Rs 20	Variance	Months	Amount
64	19	Ghulam Sarwar S/o Atta Muhammad	160	704	3,200	2,496	26	0.065
65	20	Sharif S/o Meeran Bukhsh	200	880	4,000	3,120	26	0.081
66	21	Abdul Majee Gujjar	120	528	2,400	1,872	26	0.049
67	22	Abdul Majeed Gujjar	120	528	2,400	1,872	26	0.049
68	23	Abdual Jabbar S/o Muhammad Ramzan	120	528	2,400	1,872	26	0.049
69	24	Abdul Jabbar S/o Muhammad Ramzan	120	528	2,400	1,872	26	0.049
70	25	Khalid Mehmood S/o Muhammad Ishaq	160	704	3,200	2,496	26	0.065
71	26	SaeenMuhammad Khalid	120	528	2,400	1,872	26	0.049
72	27	Ghulam Rasool S/o Muhammad Bukhsh	100	440	2,000	1,560	26	0.041
	28	Abid Hussain S/o Ghulam Rasool	100	440	2,000	1,560	26	0.041
74	30	Abdul Majeed S/o Nizam Deen	80	352	1,600	1,248	26	0.032
75	31	Abdul Ahid/ Sardar	110	484	2,200	1,716	26	0.045
76	32	Abdul Ahid / Sardar	110	484	2,200	1,716	26	0.045
77	33	Muhammad Akhter S/o Abdul Rasheed	100	440	2,000	1,560	26	0.041
78	34	Rehmat Ali	200	880	4,000	3,120	26	0.081
79	35	Allah Deen S/o Mehboob	120	528	2,400	1,872	26	0.049
80	36	Niaz Muhammad S/o Fateh Muhammad	40	176	800	624	26	0.016
81	37	Niaz Muhammad S/o Fateh Muhammad	40	176	800	624	26	0.016
82	39	Bnoor Muhammad S/o Muhammad Bukhsh	160	704	3,200	2,496	26	0.065

Sr. No	Shop No	Name of Rent Holder with Parentage	Area Sft	Rent Rs 4.40 /Sft	Rent as Rs 20	Variance	Months	Amount
83	40	Abdul Jabbar S/o Muhammad Ramzan	80	352	1,600	1,248	26	0.032
84	41	Muhammad Arif	80	352	1,600	1,248	26	0.032
85	42	Muhammad Tufail S/o Mehange	80	352	1,600	1,248	26	0.032
86	43	Shiek javed Iqbal	250	1,100	5,000	3,900	26	0.101
87	44	Muneer jalani	100	440	2,000	1,560	26	0.041
88	45	Muneer Jalani	200	880	4,000	3,120	26	0.081
89	46	Muhammad RamzanS/Oeelam Din	140	616	2,800	2,184	26	0.057
90	47	Muhammd Afzal,Akram Gujjar	200	880	4,000	3,120	26	0.081
91	48	Abdul MajeedS/O Nizaam Deen	80	352	1,600	1,248	26	0.032
92	49	Sarfraz S/o Muhammad Aslam	80	352	1,600	1,248	26	0.032
	50	Islaam Deen S/O Shafar Deen	160	704	3,200	2,496	26	0.065
93	51	Saian Muhammad Khalid	90	396	1,800	1,404	26	0.037
94	52	Nazeer AhmedS/O Kriam Deen	136	599	2,723	2,124	26	0.055
95	53	Arshad AhmedS/O Abdul Rasheed,SabirAli S/O Ghulam Hussin	360	1,584	7,200	5,616	26	0.146
96	54	Muhammad Jamil	80	352	1,600	1,248	26	0.032
97	55	Abdul Hameed	80	352	1,600	1,248	26	0.032
98	56	Abdul Majeed,Muhammad Ateeq	91	399	1,814	1,415	26	0.037
99	57	Muhammad Ajaaz S/O Muhammad Sharif	80	352	1,600	1,248	26	0.032
100	58	Muhammad Imran S/O Abdul Jabaar	100	440	2,000	1,560	26	0.041
101	59	Abdul Sataar S/o Ali Muhammad	208	916	4,164	3,248	26	0.084
102	60	Muhammad Yousaf S/o Muhammad shafi	120	528	2,400	1,872	26	0.049

Sr. No	Shop No	Name of Rent Holder with Parentage	Area Sft	Rent Rs 4.40 /Sft	Rent as Rs 20	Variance	Months	Amount
103	61	Abdul Ghaffar	240	1,056	4,800	3,744	26	0.097
104	62	Muhammad Hanif S/o Fateh Muhammad	91	400	1,818	1,418	26	0.037
105	63	Muhammad Hanif S/o Fateh Muhammad	91	400	1,818	1,418	26	0.037
106	64	Muhammad Hanif S/o Fateh Muhammad	91	400	1,818	1,418	26	0.037
107	65	Nazeer Ahme dS/o Abdullah	240	1,054	4,791	3,737	26	0.097
108	66	Sradar Muhammad / Asghar Ali	150	660	3,000	2,340	26	0.061
109	67	Khadim Hussain S/o Sultan	160	704	3,200	2,496	26	0.065
Total								4.913

2/PML

[Para: 58.2.5.2.3]

Unauthorized expenditure through quotations – Rs 2.077 million

(Rupees in million)

Sr. No.	Head / Description	Work Order No./Bill No. & date	Amount
1	Repair Jack Packet Tractor	101/SSE 06/09/2018	0.083
2	Lifting of Garbage Main Water Works	74/SSE 09/04/2018	0.099
3	Repair of Water Bowzer	35 & 11/05/2018	0.099
4	Repair of Trolley	42/SSE 10/04/2018	0.099
5	Contraction of Drain	47/ SSE 31/08/2018	0.099
6	Renovation of Office Chairman	86/SSE 09/08/2018	0.099
7	Providing Manhole Cover	35/SSE 17/03/2018	0.099
8	Providing Manhole Cover	06/SSE 12/01/2018	0.099
9	Providing of Pipe for water Supply	111/SSE 04/10/2018	0.099
10	Earth Filling Near High School No.2	218/SSE 03/09/2018	0.099
11	Laying of Sewerage Pipe Nikky Shah	date less	0.095
12	Repair of Transformer	Quotation date 08/08/2018	0.099
13	Shopper for Eid ul Azha	Quotation work	0.099
14	Construction of Drain ward No.13	Quotation date 16/03/2019	0.099
15	Construction of Drain	Quotation date 15/03/2019	0.099
16	Manhole Cover	37/SSE 05/11/2018	0.099
17	Purchase of Dust Stone	124/SSE 15/11/2018	0.077
18	Construction of Culverts ward No1	16/SSE 01/02/2019	0.099
19	Waste Material ward No2	17/SSE 24/01/2019	0.055
20	Raising of Manhole	09/SSE 07/01/2019	0.099
21	Sewage Line manhole Const.	Quotation date 20/12/2018	0.088
22	LED Light 100 Watt	15/22.09.2017	0.098
Total			2.077

Annexure-1/JHN

[Para No.60.3.5]

**Irregular expenditures in violation of PPRA rules on national,
religious and other event - Rs 2.592 million**

Sr. No	You date	bill Date	Event s	Description	Amount	Supplier
1	05/09/2018	-	Jasha h e Azadi	Purchase Mineral Water Bottles & Fruits etc.	82,450	Muhammad Rafique
2	05/09/2018	-		Lighting MC Jahanian	45,000	Asif Cooling Center
3	24/09/2018	-		Hire Tent Service For 14 August	60,564	Shokat
4	29/09/2018	-		Bill Penaflexis, Awards etc 14 August	36,475	Abdul Majeed Rehmani
5	29/09/2018			purchase of trophy and medels	77,400	Abdul Majeed Rehmani
6	01/10/2018	-		Purchase fire items etc For 14 August	67,600	Malik Zulfiqar
7	01/10/2018	-		Purchase Flage etc For 14 August	25,500	Malik Zulfiqar
8	01/10/2018	-		Purchase Sweets For 14 August	28,200	Zafar iqbal (Shoq-E-Shirien)
9	01/10/2018	-	Eid Ul Azah	Bill Tents etc For Eid Ul Azha Bkkr Mandi	62,960	Shoukat Ali
10	01/10/2018	-		Bill Panaflexid For Eid Ul Azha	22,910	Abdul Majeed Rehmani
11	05/09/2018	-		Hire Loader Rikshaw Eid Ul Azha	82,500	Naveed Hassan & CO
12	10.01.18	-	Eid milad un nabi	purchase of decuration Items	13,700	Zulfiqar Ali
13	16/12/2018	26.11.18		Bill Penaflexis,	24,040	Ali graphix
14	14.12.2018	04.12.2018		Eid Millad Un Nabi Tents, Chairs, Tables Etc	29,970	Sajjad
15	14.12.2018	26.11.2018		Eid Millad Un Nabi Purchase Lights	27,200	Asif Cooling Center
16	14.12.2018	04.12.2018		Eid Millad Un Nabi Ribbon,Flags Etc	13,410	Zulfiqar Ali
17	14.12.2018	04.12.2018		Eid Millad Un Nabi Refreshment Seminar	36,050	Irfan Ullah
18	26/01/2019	04/12/2018		Purchase of Sweets	26,400	Muhammad Sajid
19	13.02.2019	-		Purchase of main holecover	99,895	tariq javeid Gujjar

Sr. No	You date	bill Date	Events	Description	Amount	Supplier
20	15.02.2019	-	Main hole cover	Purchase of main holecover	99,100	tariq javeid Gujjar
21	27.05.19	10.05.19	Pana flex	Pana flex	48,000	tariq javeid Gujjar
22	27.05.19	10.05.19		Pana flex	24,000	tariq javeid Gujjar
23	25.08.18	07.08.18	Filtration plant items	purchase of chemical for filtration plant	87,000	khaki brother
24	11.03.19	12.02.19		purchase of chemical for filtration plant	46,000	khaki brother
25	11.04.19	14.01.19		purchase of chemical for filtration plant	42,450	khaki brother
Total 2018-19					1,208,774	
2017-18						
1	25/09/2017	09/08/2017	Jasha he Azadi	14 August Panaflexes Sports etc	97,382	Qaisar
2	25/09/2017	0		14 August Purchase Juice, Sweets etc	89,440	Naveed Hassan & CO
3	25/09/2017	0		Sports Programe (Troffies etc)	94,800	Naveed Hassan & CO
4	25/09/2017	0		Purchase Sweets For 14 August	42,000	Abdul Raheem
5	24/10/2017	15/08/2017		Purchase Trophies etc For 14 August	51,000	Saad Construction
6	10/01/2018	-		tent services	41,200	Shaukat ali
7	25/01/2018	07/08/2017		Lighting MC Jahanian	45,600	Naveed UI Haq
8	10/10/2017	22/08/2017	Eid Ul Azah	Purchase Shopper For Eid Ul Azha	100,000	Saad Construction
9	10/10/2017	22/08/2017		Purchase Shopper For Eid Ul Azha	100,000	Saad Construction
10	10/10/2017	22/08/2017		Hire Loader Rikshaw Eid Ul Azha	99,375	A M Constructors
11	10/10/2017	22/08/2017		Hire Loader Rikshaw Eid Ul Azha	14,000	Naveed Ahmad
12	11/10/2017	15/09/2017		Purchase Dustbin	78,000	Saad Construction
13	11/10/2017	15/09/2017		Purchase Dustbin	78,000	Saad Construction
Total 2017-18					930,797	
2016-17						
1	03/05/2017	04/04/2017	Sport event of Naza Bazi	Refreshment Bill at event of nayza bazi	96,600	Khalid Sharif
2	03/05/2017	04/04/2017		residence for participants of Sports Programe	99,000	Khalid Sharif
3	03/05/2017	04/04/2017		Bill Tents, Chairs etc	99,000	Khalid Sharif
4	03/05/2017	04/04/2017		Sports Programe Trophies etc	59,040	Khalid Sharif

Sr. No	You date	bill Date	Event s	Description	Amount	Supplier
5	03/05/2017	04/04/2017		Purchase Horse Food For Sports Show	99,000	Naveed Ahmad
Total 2016-17					452,640	
Total 2016-19					2,592,211	

Annexure-2/JHN**[Para No.60.4.3]****Non-realization of conversion fee from private school and hospital Rs
6.636 million**

Sr. No	Name of school	Area	rate	Total Value	Recoverable amount
1	Millat public School	4	330,000	1,320,000	132,000
2	Punjab model School	8	330,000	2,640,000	264,000
3	My country school	9	330,000	2,970,000	297,000
4	Ahsan Public School	5	330,000	1,650,000	165,000
5	PEF Cadet school	7	330,000	2,310,000	231,000
6	Shaheen Model school	9	330,000	2,970,000	297,000
7	Loral science school	9	330,000	2,970,000	297,000
8	Illama Iqbal School	5	330,000	1,650,000	165,000
9	The Islamic School System	20	330,000	6,600,000	660,000
10	A one Pak Public School	6	330,000	1,980,000	198,000
11	Sunrise school	12	330,000	3,960,000	396,000
12	Masali Zakria school	10	330,000	3,300,000	330,000
13	Allied school	10	330,000	3,300,000	330,000
14	Sanabil Public school	7	330,000	2,310,000	231,000
15	Officer cadit School	5	330,000	1,650,000	165,000
16	Capital school system	10	330,000	3,300,000	330,000
17	New Jahanian Public School	5	330,000	1,650,000	165,000
18	New Decorum School	5	330,000	1,650,000	165,000
19	Sardar Public School	5	330,000	1,650,000	165,000
20	Nation al grammar school	5	330,000	1,650,000	165,000
21	Queen marry School	5	330,000	1,650,000	165,000
22	city model school	5	330,000	1,650,000	165,000
23	Oxford grammar school	6	330,000	1,980,000	198,000
24	Karachi Public school	10	330,000	3,300,000	330,000
25	Nasir Clinic	10	330,000	3,300,000	330,000
Total					6,336,000

Annexure-3/JHN**[Para No. 60.4.6]****Non-recovery of commercialization fee for illegal construction of commercial buildings – Rs. 2.548 million****Detail of illegal construction of buildings**

Sr. No.	Nature of construction	Location	Owner Name	Area in Marlas	Amount
1	Commercial	old khanewal Road	Ch. Server	1	44,000
2	Commercial	old khanewal Road	M. Imran	2	30,800
3	Commercial	old khanewal Road	Waheed Aslam	1	44,000
4	Commercial	old khanewal Road	Waqas	4	161,600
5	Commercial	old khanewal Road	zia ur rehman	3	121,200
6	Commercial	old khanewal Road	abdul rehman selfi	3	152,000
7	Commercial	old khanewal Road	M. Shahid	2	30,800
8	Commercial	old khanewal Road	Abul razak	7	282,800
9	Commercial	old khanewal Road	Baqir Hussain	4	113,600
10	Commercial	old khanewal Road	Liqat	7	282,800
11	Commercial	old khanewal Road	Sajid	1	44,000
12	Commercial	old khanewal Road	Hafiz Sabir	2	30,800
13	Commercial	old khanewal Road	Iqbal	1	44,000
14	Commercial	old khanewal Road	M. Ibrahim	2	30,800
15	Commercial	old khanewal Road	Iqbal Bhatti	3	121,200
16	Commercial	old khanewal Road	M. Usman	3	121,200
17	Commercial	old khanewal Road	Master Sikandar	1	44,000
18	Commercial	old khanewal Road	Farad Hussain	1	44,000
19	Commercial	old khanewal Road	Tariq Karyana	3	121,200
20	Commercial	old khanewal Road	M. Rizwan	2	30,800
21	Commercial	old khanewal Road	M. Arshad	3	121,200
22	Commercial	old khanewal Road	Nadeem Shahazad	3	121,200
23	Commercial	old khanewal Road	Haji Irshad	2	30,800
24	Commercial	old khanewal Road	Saeed	2	30,800
25	Commercial	old khanewal Road	M. Ameen	3	121,200
26	Commercial	old khanewal Road	Abdul Rasheed	3	121,200
27	Commercial	old khanewal Road	Foji Manzoor	2	30,800
28	Commercial	old khanewal Road	M. Ilyas Sindu	1	44,000
29	Commercial	old khanewal Road	M. Akram	2	30,800
Total					2,547,600

Annexure-1/KBR**[Para 61.3.1]****Irregular expenditure due to splitting – Rs 8.936 million**

Sr. No.	V#	Date	Name of Supplier	Description	Grass Amount
1	1	3/7/2017	Waleed Govt. Contractor	Purchase Furniture	99,600
2	2	3/7/2017	Waleed Govt. Contractor	Purchase Chairs	99,900
3	3	3/7/2017	Waleed Govt. Contractor	Purchase Furniture Sofa	99,600
4	46	12/7/2017	Waleed Govt. Contractor	Bill Liabrary Material	41,790
5	47	5/7/2017	Waleed Govt. Contractor	Purchase Chobi Desk	25,000
6	73	12/7/2017	Waleed Govt. Contractor	Purchase Plants Liabrary	50,000
7	74	12/7/2017	Waleed Govt. Contractor	Soil for Plants Liabrary	45,000
8	91	7/8/2017	Waleed Govt. Contractor	Furniture Liabrary	49,500
9	10 7	22/8/2017	Fazal ur Rehman Khan	Jild Books Liabrary	248,400
10	10 9	22/8/17	Hamza Book centre	Purchase File cover	49,400
11	11 0	22/8/17	Hamza Book centre	Purchase File cover	49,400
12	11 1	22/8/17	Hamza Book centre	Purchase File cover	49,400
13	25	12/9/2017	General Tyres Company	Purchase Tyres sewer Jetting	87,300
14	29	12/9/2017	Waleed Govt. Contractor	Purchase Chairs	44,955
15	37	12/9/2017	Fazal ur Rehman Khan	Panaflex Eid ul Haza	48,000
16	38	12/9/2017	Fazal ur Rehman Khan	Panaflex 6 September	24,000
17	39	12/9/2017	Fazal ur Rehman Khan	Panaflex Sale Point	48,000
18	40	12/9/2017	Fazal ur Rehman Khan	Panaflex Eid ul Haza	48,000
19	41	12/9/2017	Fazal ur Rehman Khan	Panaflex Sale Point	30,000
20	54	11/10/2017	Fazal ur Rehman Khan	Arrangement Moharram	372,000
21	55	11/10/2017	Mati ur Rehman	Arrangement Moharram	81,000
22	56	11/10/2017	Waleed Govt. Contractor	Arrangement Moharram	272,000

Sr. No.	V#	Date	Name of Supplier	Description	Grass Amount
23	77	22/11/17	Mohsin Book Binding	Binding News Paper Liabrary	16,800
24	7	6/12/2017	Mati ur Rehman	Bill Minaral Water	50,000
25	9	6/12/2017	Mati ur Rehman	Bill Food Distribution	43,200
26	10	6/12/2017	Mati ur Rehman	Bill Kashmiri Tea	36,000
27	12	6/12/2017	Mati ur Rehman	Bill Minaral Water	50,000
28	14	6/12/2017	Mati ur Rehman	Bill Food Distribution	46,200
29	36	3/1/2018	Mati ur Rehman	Providing Shield & Trofi	14,700
30	38	3/1/2018	Mati ur Rehman	Bill Refreshment	35,000
31	39	3/1/2018	Cashier	Purchase Shield	49,950
32	26	6/2/2018	Abid Lahore Grafix	Panaflex	50,000
33	27	6/2/2018	Abid Lahore Grafix	Panaflex	50,000
34	36	6/2/2018	Javaid & Company	repair Fire Brigade	99,800
35	37	6/2/2018	Javaid & Company	Pipe Sucker	80,000
36	38	6/2/2018	Javaid & Company	Pipe Sewer Jetting	330,000
37	39	6/2/2018	General Tyres Company	Tyre Fire Brigade	87,300
38	45	6/2/2018	Millat Tractor Company	Front Loadar Bucket	572,800
39	13 3	21/3/18	Abid Lahore Grafix	Panaflex	48,000
40	13 4	21/3/18	Abid Lahore Grafix	Panaflex	50,000
41	13 6	21/3/18	Intel Computer Service	Online Software Liabrary	47,000
42	75	24/4/18	Waleed Govt. Contractor	Purchase Flowers	100,000
43	76	24/4/18	Waleed Govt. Contractor	Purchase Plants Flower Show	98,000
44	77	24/4/18	Aisal Cloth House	Purchase Silky Cloth	50,000
45	79	24/4/18	Mati ur Rehman	Panaflex	98,125
46	80	24/4/18	Mati ur Rehman	Rent of Tentage	97,300
47	82	24/4/18	Nasir Sound System	Rent of sound system	50,000
48	83	24/4/18	Ahmad Fabrics	Bill Cloths	32,000
49	86	24/4/18	Azhar Photostudio	Bill recording Video	45,000
50	45	1/6/2018	Mati ur Rehman	Panaflex	100,000

Sr. No.	V#	Date	Name of Supplier	Description	Grass Amount
51	46	1/6/2018	Mati ur Rehman	Panaflex	99,000
52	47	1/6/2018	Hamza Book centre	Purchase File cover	38,000
53	59	1/6/2018	Abdul Majeed Sathari	Repair of Sofa	93,000
54	60	1/6/2018	Abdul Majeed Sathari	Repair of Sofa	92,500
55	93	26/6/18	Suzuki Multan Motors	Repair Vehicle 2222	105,001
56	94	26/6/18	Waleed Govt. Contractor	Purchase Shield	49,500
57	96	26/6/18	Waleed Govt. Contractor	Panaflex	49,280
58	97	26/6/18	Waleed Govt. Contractor	Panaflex	100,000
59	51	11/7/2018	Green Ways Multan	Repair Disposal	97,000
60	52	11/7/2018	Green Ways Multan	Repair Disposal	45,000
61	77	11/7/2018	Al-Hilal Petroleum Service	Diesel Tractor	22,016
62	78	11/7/2018	Al-Hilal Petroleum Service	Diesel Tractor	50,148
63	79	11/7/2018	Al-Hilal Petroleum Service	Diesel Tractor	22,156
64	87	11/7/2018	Al-Hilal Petroleum Service	Diesel Tractor	52,106
65	20	3/9/2018	Muslim Book Centre	Purchase Bag 14 August	50,000
66	21	3/9/2018	Muslim Book Centre	Purchase Flag 14 August	50,000
67	22	3/9/2018	Prime Grafics	Panaflex	50,000
68	23	3/9/2018	Umar Sweets	Purchase Sweets	30,400
69	24	3/9/2018	Umar Sweets	Purchase Sweets	45,000
70	25	3/9/2018	Umar Sweets	Mineral water	37,600
71	26	3/9/2018	Muhammad Yousaf	Purchase Flowers	15,600
72	27	3/9/2018	Abid Lahore Grafix	Panaflex	50,000
73	29	3/9/2018	Abid Lahore Grafix	Panaflex	50,000
74	30	3/9/2018	Abid Lahore Grafix	Panaflex	50,000
75	31	3/9/2018	Ch. Tent Service	Rent of Tentage	99,700
76	32	3/9/2018	Ch. Tent Service	Rent of Tentage	21,000
77	33	3/9/2018	Ch. Tent Service	Rent of Tentage	44,660
78	34	3/9/2018	Ismail Sweets	Purchase Sweets	9,880
79	36	3/9/2018	Waleed Govt. Contractor	Refreshment Ijlas	32,950
80	70	12/9/2018	Prime Grafics	Panaflex	50,000

Sr. No.	V#	Date	Name of Supplier	Description	Grass Amount
81	82	25/9/2018	Inter Motional Lighting Service	Street Light Moharram	317,500
82	83	25/9/2018	Inter Motional Lighting Service	Street Light Moharram	79,560
83	84	25/9/2018	Kohinoor Electric Store	Purchase Azmat Cable	58,925
84	85	25/9/2018	Kohinoor Electric Store	Street Light Moharram	170,720
85	93	15/10/2018	Hassan Traders	Rent CCTV Camera	85,000
86	44	17/11/2018	SO Pure Water Multan	Purchase filter	49,860
87	45	17/11/2018	Green Ways Multan	Water Supply Material Dai etc	49,820
88	46	17/11/2018	Yazdani Sanitary Store	Repair Water Supply	25,500
89	79	17/11/2018	Waleed Govt. Contractor	Purchase Plants	45,000
90	101	17/11/2018	Abid Lahore Grafix	Panaflex	50,000
91	38	4/2/2019	Malik Sports	Sports Material	99,092
92	63	15/3/2019	Lahore Rubber Store	Pressure Pipe Sewer Jetting	99,960
93	64	15/3/2019	Multan Tire Store	Tyre Tractor	153,400
94	1	2/4/2019	Shoukat Hayyat Majoka	Pay Bill	82,057
95	48	19/4/2019	Sound System Multan	Rent of sound system	225,000
96	49	19/4/2019	Arif Light Decuration	Rent of Lights	231,000
97	50	19/4/2019	Hassan Traders	Bill Tentage	284,400
98	51	19/4/2019	Hassan Traders	Material Jashn e Baharan	696,892
99	79	29/6/2019	Lucky Arts And Grafics	Purchase Shield	43,500
100	80	29/6/2019	Madina Bakary	Refreshment	33,040
101	40	16/3/2017	Umar Sweets	Bill refreshment	29,860
102	6	20/4/2017	Cashier	Repair Vehicle 2222	35,000
Total					8,936,003

Annexure-2/KBR**[Para 61.4.5]****Illegal construction of various buildings without submission of application and building plan, recovery thereof – Rs 1.705 million****(Amount in Rupees)**

Sr. No.	Nature of business	Area of land	Rate per Marla	Value of land	Conversion fee	Map fee	Total dues
1	UBL Khanewal road branch	7 Marla	292,820	2,049,740	102,487	19,000	121,487
2	Al-Barka bank, Khanewal road branch	7 Marla	292,820	2,049,740	102,487	19,000	121,487
3	Dare-e-Arqam school, canal road	10 Marla	146,410	1,464,100	146,410	10,000	156,410
4	Alharam school, kukarrhatta road	2 Kanal	96,631	3,866,240	386,524	20,000	406,524
5	Farhat ameel hospital kukarrhatta road	7 Marla	80,526	563,680	56,368	11,435	67,803
6	Alkhaliq hospital, new katchehry rasheeda road	10 Marla	219,615	2,196,150	19,615	10,000	29,615
7	Commercial Hall near lorri adda, hang road	8 Marla	146,410	1,171,280	117,128	9,800	126,928
8	Commercial Hall near MC Azhar city	4 Marla	-	-	-	6,534	6,534
9	Rise school hang road	20 Marla	146,410	2,928,200	292,820	10,000	302,820
10	Commercial Hall near madresa ghusia	5 Marla	146,410	732,050	36,605	8,165	44,770
11	Commercial plaza near zainab hospital	6 Marla	146,410	878,865	43,923	9,800	53,723
12	Commercial haal Alkhaliq hospital, new katchehry rasheeda road	4 Marla	219,615	878,460	43,923	6,534	50,457
13	Quli faqeer saen hotel, khanewal road	7 Marla	292,820	2,049,740	204,974	11,434	216,408
Total							1,704,966

Annexure-1/KWL

[Para 62.3.1]

Misappropriation of POL in generators installed at disposals recovery thereof – Rs 2.043 million

Misappropriation of POL in Generator 75/KV installed at Disposal Works Jahanian Bypass											
Month	Opening POL in hand	Total POL issued	Total POL	KMs Travell ed / Hours worke d	POL Consum ed per liter / hour	Balan ce POL	Rate	Amount of POL	POL to be consum ed @ 10 Ltr/ Hour/K M as 100 KVA operate d in MC Lodhra n	Bogus consum ed	Recovery
1	2	3	4=(2+3)	5	6	7=(4-6)	8	9=(3x8)	10	11=(6-10)	12=(8x11)
18-Jul	28	800	828	47	752	76	113.42	90,736	470	282	31,984
18-Aug	76	900	976	58	928	48	113.43	102,087	580	348	39,474
18-Sep	48	500	548	31	496	52	107.06	53,530	310	186	19,913
18-Oct	52	450	502	29	464	38	107.04	48,168	290	174	18,625
18-Nov	38	750	788	44	704	84	113.38	85,035	440	264	29,932
18-Dec	84	600	684	40	640	44	111.39	66,834	400	240	26,734
19-Jan	44	750	794	46	736	58	107.15	80,363	460	276	29,573
19-Feb	58	750	808	45	720	88	107.14	80,355	450	270	28,928
19-Mar	88	600	688	38	608	80	111.89	67,134	380	228	25,511
19-Apr	80	750	830	48	768	62	117.9	88,425	480	288	33,955
19-May	62	750	812	47	752	60	122.8	92,100	470	282	34,630
19-Jun	60	600	660	38	608	52	122.8	73,680	380	228	27,998
	718	6850	7446	426	6816	630	1109.8	762666.5	4260	2556	284629.44
Period of usage from 2016-19											3
Total excess withdrawal of POL due to excess Fuel Consumption Rate											853,888
Misappropriation of POL in Generator 200/KV installed at Main Disposal Works Tariq Abad											

Month	Opening POL in hand	Total POL issued	Total POL	KMs Travelled / Hours worked	POL Consumed 34 liter / hour	Balance POL	Rate	Amount of POL	POL to be consumed @ 24 Ltr/ Hour as no all three motors can be operated at a time	Bogus consumed	Recovery
18-Jul	54	1000	1054	30	1020	34	115.14	115,140.00	720	300	34,542
18-Aug	34	1000	1034	29	986	48	115.15	115,150.00	696	290	33,394
18-Sep	48	800	848	24	816	32	108.78	87,024.00	576	240	26,107
18-Oct	32	800	832	24	816	16	108.7	86,960.00	576	240	26,088
18-Nov	16	1200	1216	34	1156	60	115.1	138,120.00	816	340	39,134
18-Dec	60	1000	1060	30	1020	40	113.11	113,110.00	720	300	33,933
19-Jan	40	1200	1240	35	1190	50	108.87	130,644.00	840	350	38,105
19-Feb	50	1000	1050	29	986	64	108.86	108,860.00	696	290	31,569
19-Mar	64	800	864	24	816	48	113.61	90,888.00	576	240	27,266
19-Apr	48	1200	1248	35	1190	58	117.9	141,480.00	840	350	41,265
19-May	58	800	858	24	816	42	122.8	98,240.00	576	240	29,472
19-Jun	42	1000	1042	29	986	56	122.8	122,800.00	696	290	35,612
	546	11,800.00	12,346.00	347	11,798.00	548		1,348,416.00	8,328.00	3,470.00	396,487.00
Period of usage from 2016-19											3
Total excess withdrawal of POL due to excess Fuel Consumption Rate											1,189,461
Total for one year		18,650.00	19,792.00	773.00	18,614.00			2,111,082.50		6,026.00	681,116.44
Total 3 year											2,043,349.00

Annexure-2/KWL

[Para 62.4.3]

Irregular expenditure by calling quotations instead of request for tender – Rs 9.203 million

Date	Payee and Payment Details	Account Head	Amount
10/08/2018	V. 54) BORING FOR PUMP CITY PARK	A13101	41,500
10/08/2018	V. 76) PURCHASE UPS CSI	A13101	49,800
05/09/2018	V. 45) PURCHASE OF PIPE 45-46	A13101	63,870
01/10/2018	V. 35) Sullage Pump	A13101	48,150
22/10/2018	V. 121) Supply Steel Wire D-Setting Machine	A13101	44,000
14/11/2018	V. 101) purchase installment slaughter house	A13101	46,500
14/11/2018	V. 102) purchase water pump filtration plant zahoor abad	A13101	46,500
20/11/2018	V. 117) purchase steel wire de sheilting machine	A13101	44,000
24/12/2018	V. 152) Purchase Electric Penal Colony No 2 Water Works	A13101	45,000
24/12/2018	V. 161) Supply MID Pump for Disposal Works	A13101	95,000
24/12/2018	V. 162) Purchase Parts for Repair Disposal	A13101	56,200
31/12/2018	V. 239) Pipe for De silting Machine	A13101	44,800
17/01/2019	V. 2) Purchase Objects Water Works T Chowk	A13101	98,500
04/02/2019	V. 3) Supply/Fitting Boaring water works T Chowk	A13101	49,700
13/03/2019	V. 30) Supply trolley Generator Water works	A13101	93,800
01/04/2019	V. 14) Purchase objects for repair water works Colony 1	A13101	98,300
08/04/2019	V. 1) Purchase Battery=2 Disposal Tariqabad	A13101	43,800
31/05/2019	V. 13) Purchase Water Pump Disposal MC	A13101	47,000
17/06/2019	V. 11) Supply/fitting water pump Disposal tariqabad	A13101	49,896
13/07/2018	V. 98) Purchase of Plants	A03942	48,000
17/08/2018	V. 143) PURCHASE BEAM LIGHTS	A03942	49,050
17/08/2018	V. 144) Purchase BEAM LIGHTS CITY PARK	A03942	44,660
17/08/2018	V. 150) PURCHASE FILTERS 50 NOS	A03942	97,500
01/09/2018	V. 23) PVC PANELING CO OFFICE	A03942	49,300
17/09/2018	V. 109) PURCHASE OF PLANTS	A03942	96,500
24/09/2018	V. 135) rent generators for mc office	A03942	49,000
24/09/2018	V. 166) RENT BEAM LIGHTS	A03942	47,500
20/11/2018	V. 118) purchase plants green plants	A03942	49,600
20/11/2018	V. 139) Purchase Beam Light 400 W Eid Milad un Nabi	A03942	40,880
11/12/2018	V. 95) Purchase Gamla Jaat for Green Belts	A03942	49,000
26/12/2018	V. 178) Purchase Poll Lights City Park	A03942	47,600
26/12/2018	V. 187) Rent Generator for Disposal Line Repair	A03942	45,000
01/02/2019	V. 28) Purchase objects Plantation Landfill Sight 169/10R	A03942	43,598
05/04/2019	V. 4) Purchase Energy Sewer 27 Watt Philips=180	A03942	48,600
08/04/2019	V. 9) Supply Flower Pots Jashn e Baharan	A03942	96,510
08/04/2019	V. 13) Purchase Energy Sewer 42 Watt Philips=80	A03942	48,800
08/04/2019	V. 14) Purchase Energy Sewer 24 Watt Philips=150	A03942	42,750
03/05/2019	V. 20) Purchase Plants Office MC etc	A03942	48,000
03/05/2019	V. 24) Purchase Plants clean green compeign	A03942	46,100
09/05/2019	V. 7) Purchase Choke 400 watt Philips=21	A03942	48,300
09/05/2019	V. 8) Purchase wire=7/52 =8 Coil	A03942	49,200
27/05/2019	V. 12) Repair Service Air Conditioner =6	A03942	45,850
27/05/2019	V. 15) Purchase wire 7/36	A03942	49,600
17/06/2019	V. 25) Purchase Sodium Beam Lights 400/watt=2	A03942	46,600
21/06/2019	V. 2) Purchase Wire 7/64 Transformer	A03942	48,000

Date	Payee and Payment Details	Account Head	Amount
21/07/2018	V. 173) Purchase 2 Nos. Tyres for Sucker Machine	A13001	94,800
21/07/2018	V. 174) Purchase 2 Nos. Tyres for Jetting Machine	A13001	46,345
27/07/2018	V. 186) Purchase Jecto Pipe	A13001	90,000
17/09/2018	V. 115) TYRES SANITATION VEHICLE	A13001	98,400
24/09/2018	V. 164) RENT RIKSHAW EID UL ADHA	A13001	49,500
07/11/2018	V. 41) rent tractor trolley 2 days	A13001	71,400
07/11/2018	V. 43) rent tractor trolley 2 days	A13001	71,400
07/11/2018	V. 55) Purchase Readyator Jecto Machine	A13001	49,500
20/11/2018	V. 116) Purchase tyre tube 2 Nos. kampactor	A13001	48,000
31/12/2018	V. 238) Purchase Tyre for Dengue Van	A13001	42,500
25/02/2019	V. 4) Supply /Fitting Haitch for Tractors Sanitation Branch	A13001	48,000
01/04/2019	V. 31) Purchase section pipe 120 ft	A13001	49,200
01/04/2019	V. 34) Purchase wire De silting Machine	A13001	38,500
30/05/2019	V. 13) Purchase Battery Tractor 12-13	A13001	48,600
21/06/2019	V. 6) Purchase Lime Eid ul Fitr	A13001	37,000
21/06/2019	V. 7) Purchase Lime Eid ul Fitr etc	A13001	37,000
21/07/2018	V. 167) Repair Main Holes	A12501	49,095
21/07/2018	V. 168) Repair PVC Line	A12501	42,000
21/07/2018	V. 169) Construction of Pulli Abbas Nagar	A12501	46,345
27/07/2018	V. 196) Repair Sewer Line	A12501	48,000
27/07/2018	V. 197) Repair, Room MOF	A12501	48,620
07/08/2018	V. 40) REPAIR SEWR LINE CROSS	A12501	47,900
10/08/2018	V. 59) PURCHASE PIPE	A12501	99,000
07/09/2018	V. 68) REPAIR SEWER LINE	A12501	48,770
07/09/2018	V. 73) REPAIR PULI NALI 73-74	A12501	95,500
17/09/2018	V. 108) REPAIR SEWER LINE	A12501	44,530
24/09/2018	V. 174) REPAIR SEWER CONNECTION	A12501	45,900
24/09/2018	V. 175) RPAIR SEWER LINE	A12501	47,650
24/09/2018	V. 176) REPAIR MAIN HOLES	A12501	48,530
24/09/2018	V. 177) REPAIR MAIN HOLES	A12501	43,800
24/09/2018	V. 178) REPAIR ROAD MOHARAM ROUTE	A12501	47,000
01/10/2018	V. 38) Repair Telephone Operator Room	A12501	46,500
01/10/2018	V. 39) Repair Quarter No 2 T Chowk	A12501	47,450
01/10/2018	V. 45) Paint Dividers	A12501	45,160
01/10/2018	V. 46) Repair Main Hole city	A12501	70,160
18/10/2018	V. 98) Supply CL Iron Wings	A12501	95,884
18/10/2018	V. 99) Supply Mainhole Covers	A12501	99,366
18/10/2018	V. 100) GHO Water Works Sep-2018	A12501	78,689
22/10/2018	V. 112) PVC Palling MO-F Room	A12501	46,700
22/10/2018	V. 113) Repair Office MOF	A12501	46,460
22/10/2018	V. 119) Construction RCC Slab Basti Chan Shah	A12501	98,138
24/10/2018	V. 141) Renovation & Repair MOI Br.	A12501	94,911
25/10/2018	V. 148) Construction tuff tile street sh.yousaf wali	A12501	82,054
05/11/2018	V. 11) Paint Speed Braker crossing station chowk	A12501	49,600
05/11/2018	V. 14) Repair Sewer Line Makki Chowk	A12501	48,325
05/11/2018	V. 15) repair sewer line colony no 3	A12501	46,750
05/11/2018	V. 16) repair sewer line bhutta chowk	A12501	49,020
05/11/2018	V. 17) fitting iron pipe jalos rot muharram	A12501	95,000
05/11/2018	V. 18) feeting iron pipe 10 muharram	A12501	95,000
07/11/2018	V. 58) Repair Room Audit Officer	A12501	48,870
07/11/2018	V. 59) Repair Sewer Cross Colony No.2	A12501	46,600
14/11/2018	V. 83) Repair Room Telephone Operator	A12501	48,270

Date	Payee and Payment Details	Account Head	Amount
20/11/2018	V. 119) white wash residence afo	A12501	45,780
20/11/2018	V. 124) Supply Manhole Cover Sanitation	A12501	94,500
20/11/2018	V. 125) Supply of Fitting Jamber Ward No.34	A12501	48,400
20/11/2018	V. 130) Repair Puli Ward No.40 Farid Kot	A12501	45,530
20/11/2018	V. 131) Sewer Line Repair Civil Lines Khanewal	A12501	47,920
20/11/2018	V. 132) Repair Official Residence Ahmad Bakhsh	A12501	47,350
20/11/2018	V. 133) Repair Speed Backer Fazal Park Road	A12501	49,200
20/11/2018	V. 134) Repair Puli Gali No.1 Block No.1	A12501	45,630
20/11/2018	V. 135) Repair Sewer Line Tariq Abad	A12501	47,750
20/11/2018	V. 136) Repair Sewer Line Chishti Nagar	A12501	45,350
20/11/2018	V. 137) Repair Puli Chishti Nagar	A12501	47,800
20/11/2018	V. 144) Fiber Delivery Pipe Line Water Works	A12501	93,200
01/12/2018	V. 01) PVC paneling WWS office	A12501	49,190
01/12/2018	V. 2) Repair Sewer Line Peoples Colony	A12501	49,100
01/12/2018	V. 16) REPAIR PULLY COLONY NO 3	A12501	45,120
01/12/2018	V. 19) PAINT DIVIDER HAKIM PALAZA TO AYUB CHOWK	A12501	46,450
01/12/2018	V. 22) REPAIR / PAINT DIVIDERS AYUB CHOWK TO EID MILAD UN NABI	A12501	48,010
01/12/2018	V. 23) REPAIR OF LOCATIONS ON CHOWK	A12501	44,470
01/12/2018	V. 24) pAINT DIVIDERS CITY PARK TO AYUB CHOWK	A12501	48,150
01/12/2018	V. 32) REPAIR PULLY STREET SHIEKH YOUSAF	A12501	43,560
01/12/2018	V. 34) REPAIR MANHOLE COVERS	A12501	45,000
11/12/2018	V. 97) Purchase Paint for Removal of Wall Chalking	A12501	47,400
11/12/2018	V. 100) Repair Sewer Line Jahania By pass	A12501	48,800
11/12/2018	V. 113) Repair Pully Loharan Chowk	A12501	45,570
11/12/2018	V. 114) Repair Street Zahid Kamboh	A12501	47,130
11/12/2018	V. 116) Construction of Toilets FB Parking	A12501	49,970
11/12/2018	V. 118) Repair Sewer Line Makki Masjid	A12501	49,790
11/12/2018	V. 119) Repair Wash Rooms Near Cooperative Bank	A12501	48,980
11/12/2018	V. 120) Repair Street No 1 Colony No 2	A12501	43,515
11/12/2018	V. 121) Repair Sewer Line Fazal Park Road	A12501	48,480
11/12/2018	V. 122) Repair Street Dr. Saleem Colony No 3	A12501	48,870
11/12/2018	V. 123) Repair Sewer Line Railway Road	A12501	48,980
24/12/2018	V. 166) Earth Filling Fazal park Pond	A12501	46,800
24/12/2018	V. 167) Repair Sewer Pipe 88/10R	A12501	41,750
24/12/2018	V. 168) Repair Street Ghori Paal	A12501	49,740
24/12/2018	V. 169) Repair Sewer Connection 168/10R	A12501	49,200
24/12/2018	V. 170) Repair PVC Sewer Pipe 168/10R	A12501	47,675
31/12/2018	V. 231) Repair Manhole cover	A12501	47,930
17/01/2019	V. 7) Purchase material for Pully Kothi daha	A12501	48,875
17/01/2019	V. 8) Repair room Planning Branch	A12501	49,360
17/01/2019	V. 9) Repair Manholes City kwl	A12501	43,420
26/01/2019	V. 6) Repair Pully milad nagar Chowk	A12501	47,750
26/01/2019	V. 8) Repair Sewer Connection Beri wala Qabristan	A12501	47,900
26/01/2019	V. 9) repair Sewer Connection near PCR Hotel	A12501	47,900
26/01/2019	V. 12) Repair sewer Cross Colony 3 Dr Hafeez	A12501	47,715
26/01/2019	V. 13) Repair Sewer Connection near Sabir Chowk	A12501	44,915
26/01/2019	V. 14) repair main hole Makki Masjid	A12501	49,900
21/02/2019	V. 6) Supply/Repair Objects main hole City Kwl	A12501	94,570
21/02/2019	V. 7) Supply RCC Slab drain Basti Zahoorabad	A12501	47,600
21/02/2019	V. 9) Supply/Fitting Plastic Sheet Planning Branch	A12501	49,780

Date	Payee and Payment Details	Account Head	Amount
25/02/2019	V. 5) Repair Sewer Line Residence Wazir Iqbal Niazi	A12501	47,820
13/03/2019	V. 20) Repair iron cubits infra. br	A12501	42,000
26/03/2019	V. 3) Supply main hole covers	A12501	94,500
05/04/2019	V. 8) Repair Main hole Bilal Colony	A12501	45,990
05/04/2019	V. 9) Rent tractor trollies Clean Compeign	A12501	48,000
08/04/2019	V. 3) Repair Sewer Pipe Christian Colony	A12501	46,299
19/04/2019	V. 5) Bill Purchase Paint etc	A12501	47,895
19/04/2019	V. 12) Repair Drainage Khokhrabad	A12501	45,765
19/04/2019	V. 13) Slab Street Janaza gaah Khokhrabad	A12501	46,785
19/04/2019	V. 14) Repair manhole 168/10R	A12501	44,061
30/04/2019	V. 11) Supply Mainhole covers	A12501	94,996
23/05/2019	V. 4) Repair Sewer Line Bank Alfalah	A12501	44,740
27/05/2019	V. 3) Supply Objects Paint etc Ramzan Bazar	A12501	77,500
27/05/2019	V. 8) Supply Material Mainhole City Kwl	A12501	96,495
27/05/2019	V. 10) Repair Cabin Etc Sahulat Bazar	A12501	47,000
17/06/2019	V. 15) Purchase Material Mainhole City Kwl	A12501	48,990
25/06/2019	V. 4) Paint Divider etc	A12501	48,425
25/06/2019	V. 12) Repair Iron Grill City Park	A12501	47,500
25/06/2019	V. 13) Paint Divider etc City Kwl	A12501	49,500
25/06/2019	V. 18) Repair Residence Audit & Accounts	A12501	48,100
Total			9,203,592

Annexure-3/KWL

[Para 62.4.4]

Misclassification of expenditure – Rs 6.473 million

Date of Payment	Description of Payment	Head Charged	Amount	Relevant Major Head	Audit Remarks
13/07/2018	V. 118) Purchase of Gutkay	A13101	16,000	A09	Exp. Booked by misclassification
13/07/2018	V. 119) Purchase Filters Filtration Plant	A13101	27,050	A09	Exp. Booked by misclassification
13/07/2018	V. 122) Purchase Selwes Wall Disposal	A13101	22,600	A09	Exp. Booked by misclassification
10/08/2018	V. 50) PURCHASE TARPAAL FOR DESELTING	A13101	18,000	A09	Exp. Booked by misclassification
10/08/2018	V. 51) PURCHASE BALTI FOR DESELTING	A13101	16,000	A09	Exp. Booked by misclassification
10/08/2018	V. 54) BORING FOR PUMP CITY PARK	A13101	41,500	A09	Exp. Booked by misclassification
10/08/2018	V. 76) PURCHASE UPS CSI	A13101	49,800	A09	Exp. Booked by misclassification
05/09/2018	V. 45) PURCHASE OF PIPE 45-46	A13101	63,870	A09	Exp. Booked by misclassification
01/10/2018	V. 34) Purchase Lock Electric	A13101	20,500	A09	Exp. Booked by misclassification
01/10/2018	V. 35) Sullage Pump	A13101	48,150	A09	Exp. Booked by misclassification
22/10/2018	V. 121) Supply Steel Wire D-Selting Machine	A13101	44,000	A09	Exp. Booked by misclassification
05/11/2018	V. 24) purchase instrment filtration plant city park	A13101	15,500	A09	Exp. Booked by misclassification
05/11/2018	V. 25) new boring slaughter house	A13101	33,132	A09	Exp. Booked by misclassification
14/11/2018	V. 98) puchase installment disposal kohna	A13101	36,500	A09	Exp. Booked by misclassification
14/11/2018	V. 99) purchase water pump 2HP	A13101	18,700	A09	Exp. Booked by misclassification
14/11/2018	V. 100) purchase water tank filtration plant jaswant nagar	A13101	20,500	A09	Exp. Booked by misclassification
14/11/2018	V. 101) puchase installment slaughter house	A13101	46,500	A09	Exp. Booked by misclassification
14/11/2018	V. 102) purchase water pump filtration plant zahoor abad	A13101	46,500	A09	Exp. Booked by misclassification
20/11/2018	V. 117) purchase steel wire de sheilting machine	A13101	44,000	A09	Exp. Booked by misclassification
20/11/2018	V. 145) Purchase Fuse 400 W	A13101	28,350	A09	Exp. Booked by misclassification
06/12/2018	V. 65) PURCHASE TYRE DE SILTING MACHINE	A13101	18,200	A09	Exp. Booked by misclassification
24/12/2018	V. 152) Purchase Electric Penal Colony No 2 Water Works	A13101	45,000	A09	Exp. Booked by misclassification
24/12/2018	V. 161) Supply MID Pump for Disposal Works	A13101	95,000	A09	Exp. Booked by misclassification
24/12/2018	V. 162) Purchase Parts for Repair Disposal	A13101	56,200	A09	Exp. Booked by misclassification
31/12/2018	V. 239) Pipe for De silting Machine	A13101	44,800	A09	Exp. Booked by misclassification

Date of Payment	Description of Payment	Head Charged	Amount	Relevant Major Head	Audit Remarks
17/01/2019	V. 2) Purchase Objects Water Works T Chowk	A13101	98,500	A09	Exp. Booked by misclassification
17/01/2019	V. 6) Boaring material water Pump City Park	A13101	36,500	A09	Exp. Booked by misclassification
04/02/2019	V. 3) Supply/Fitting Boaring water works T Chowk	A13101	49,700	A09	Exp. Booked by misclassification
14/02/2019	V. 9) Purchase objects washroom Taxi Stand	A13101	15,073	A09	Exp. Booked by misclassification
13/03/2019	V. 15) purchase gross cutter	A13101	18,500	A09	Exp. Booked by misclassification
13/03/2019	V. 30) Supply trolley Generator Water works	A13101	93,800	A09	Exp. Booked by misclassification
01/04/2019	V. 14) Purchase objects for repair water works Colony 1	A13101	98,300	A09	Exp. Booked by misclassification
08/04/2019	V. 1) Purchase Battery=2 Disposal Tariqabad	A13101	43,800	A09	Exp. Booked by misclassification
31/05/2019	V. 13) Purchase Water Pump Disposal MC	A13101	47,000	A09	Exp. Booked by misclassification
17/06/2019	V. 11) Supply/fitting water pump Disposal tariqabad	A13101	49,896	A09	Exp. Booked by misclassification
17/06/2019	V. 20) Purchase Delievery Pipe Disposal etc	A13101	20,000	A09	Exp. Booked by misclassification
			1,487,421		
13/07/2018	V. 94) Repair Air Conditioner MC Khanewal	A03942	31,840	A13	Exp. Booked by misclassification
13/07/2018	V. 96) Rent Generator 3500 W	A03942	5,000	A03970	Exp. Booked by misclassification
13/07/2018	V. 98) Purchase of Plants	A03942	48,000	A09	Exp. Booked by misclassification
10/08/2018	V. 56) SAFETY TOOL STREET LIGHTS	A03942	27,500	A09	Exp. Booked by misclassification
10/08/2018	V. 58) PURCHASE ARTICLE WATER SUPPLY	A03942	17,020	A09	Exp. Booked by misclassification
10/08/2018	V. 60) PURCHASE ELECTRIC ARTICLES FOR MOF	A03942	9,160	A09	Exp. Booked by misclassification
17/08/2018	V. 143) PURCHASE BEAM LIGHTS	A03942	49,050	A09	Exp. Booked by misclassification
17/08/2018	V. 144) Purchase BEAM LIGHTS CITY PARK	A03942	44,660	A09	Exp. Booked by misclassification
17/08/2018	V. 145) repair emply fire eco etc	A03942	14,000	A13	Exp. Booked by misclassification
17/08/2018	V. 150) PURCHASE FILTERS 50 NOS	A03942	97,500	A09	Exp. Booked by misclassification
01/09/2018	V. 23) PVC PANELING CO OFFICE	A03942	49,300	A09	Exp. Booked by misclassification
01/09/2018	V. 24) PURCHASE OF PLANTS CITY PARK	A03942	4,000	A09	Exp. Booked by misclassification
17/09/2018	V. 109) PURCHASE OF PLANTS	A03942	96,500	A09	Exp. Booked by misclassification
24/09/2018	V. 129) rent generators for muharram	A03942	25,000	A03970	Exp. Booked by misclassification
24/09/2018	V. 130) rent generators for muharram	A03942	25,000	A03970	Exp. Booked by misclassification
24/09/2018	V. 135) rent generators for mc office	A03942	49,000	A03970	Exp. Booked by misclassification
24/09/2018	V. 166) RENT BEAM LIGHTS	A03942	47,500	A03970	Exp. Booked by misclassification

Date of Payment	Description of Payment	Head Charged	Amount	Relevant Major Head	Audit Remarks
14/11/2018	V. 107) purchase street light city park	A03942	1,247,150	A09	Exp. Booked by misclassification
20/11/2018	V. 118) purchase plants green plants	A03942	49,600	A09	Exp. Booked by misclassification
20/11/2018	V. 138) Purchase Drill Machine Street Light Br.	A03942	7,500	A09	Exp. Booked by misclassification
20/11/2018	V. 139) Purchase Beam Light 400 W Eid Milad un Nabi	A03942	40,880	A09	Exp. Booked by misclassification
20/11/2018	V. 140) Purchase two grinder street light branch	A03942	6,650	A09	Exp. Booked by misclassification
20/11/2018	V. 141) Purchase Electricity Items	A03942	8,850	A09	Exp. Booked by misclassification
11/12/2018	V. 86) RENT GENERATOR MC OFFICE	A03942	32,500	A03970	Exp. Booked by misclassification
11/12/2018	V. 95) Purchase Gamla Jaat for Green Belts	A03942	49,000	A09	Exp. Booked by misclassification
26/12/2018	V. 178) Purchase Poll Lights City Park	A03942	47,600	A09	Exp. Booked by misclassification
26/12/2018	V. 179) Purchase Poll Lights City Park	A03942	22,750	A09	Exp. Booked by misclassification
26/12/2018	V. 187) Rent Generator for Disposal Line Repair	A03942	45,000	A03970	Exp. Booked by misclassification
01/02/2019	V. 28) Purchase objects Plantation Landfill Sight 169/10R	A03942	43,598	A09	Exp. Booked by misclassification
13/03/2019	V. 3) Supply Filters MC Kwl	A03942	359,550	A09	Exp. Booked by misclassification
05/04/2019	V. 2) Purchase safety objects Street Light Branch	A03942	32,700	A09	Exp. Booked by misclassification
05/04/2019	V. 4) Purchase Energy Sewer 27 Watt Philips=180	A03942	48,600	A09	Exp. Booked by misclassification
08/04/2019	V. 9) Supply Flower Pots Jashn e Baharan	A03942	96,510	A09	Exp. Booked by misclassification
08/04/2019	V. 12) Rent Sound System Clean Compeign Jinnah Library	A03942	16,500	A03970	Exp. Booked by misclassification
08/04/2019	V. 13) Purchase Energy Sewer 42 Watt Philips=80	A03942	48,800	A09	Exp. Booked by misclassification
08/04/2019	V. 14) Purchase Energy Sewer 24 Watt Philips=150	A03942	42,750	A09	Exp. Booked by misclassification
03/05/2019	V. 20) Purchase Plants Office MC etc	A03942	48,000	A09	Exp. Booked by misclassification
03/05/2019	V. 24) Purchase Plants clean green compeign	A03942	46,100	A09	Exp. Booked by misclassification
09/05/2019	V. 7) Purchase Choke 400 watt Philips=21	A03942	48,300	A09	Exp. Booked by misclassification
09/05/2019	V. 8) Purchase wire=7/52 =8 Coil	A03942	49,200	A09	Exp. Booked by misclassification
09/05/2019	V. 9) Rent Beam Lights Easter	A03942	15,000	A03970	Exp. Booked by misclassification
21/05/2019	V. 5) Purchase Plants Forest Department	A03942	2,296	A09	Exp. Booked by misclassification
27/05/2019	V. 12) Repair Service Air Conditioner =6	A03942	45,850	A13	Exp. Booked by misclassification
27/05/2019	V. 13) Purchase Energy Saver 52/Watt	A03942	24,030	A09	Exp. Booked by misclassification
27/05/2019	V. 15) Purchase wire 7/36	A03942	49,600	A09	Exp. Booked by misclassification
17/06/2019	V. 25) Purchase Sodium Beam Lights 400/watt=2	A03942	46,600	A09	Exp. Booked by misclassification

Date of Payment	Description of Payment	Head Charged	Amount	Relevant Major Head	Audit Remarks
21/06/2019	V. 2) Purchase Wire 7/64 Transformer	A03942	48,000	A09	Exp. Booked by misclassification
24/06/2019	V. 22) Rent Light objects Majlis Aza Khokhra Bad	A03942	12,000	A03970	Exp. Booked by misclassification
24/06/2019	V. 23) Rent Decoration Lighting Eid ul Fitr	A03942	28,425	A03970	Exp. Booked by misclassification
			3,349,919		
13/07/2018	V. 69) Purchase of Engine Size 900/20	A13001	35,000	A09	Exp. Booked by misclassification
13/07/2018	V. 75) Purchase Tube 2 Nos.	A13001	6,440	A09	Exp. Booked by misclassification
13/07/2018	V. 80) Purchase Pipe Jecto Machine	A13001	24,000	A09	Exp. Booked by misclassification
13/07/2018	V. 83) Purchase Battery 2 Nos.	A13001	19,600	A09	Exp. Booked by misclassification
13/07/2018	V. 88) Purchase Tube 2 Nos.	A13001	6,440	A09	Exp. Booked by misclassification
21/07/2018	V. 173) Purchase 2 Nos. Tyres for Sucker Machine	A13001	94,800	A09	Exp. Booked by misclassification
21/07/2018	V. 174) Purchase 2 Nos. Tyres for Jetting Machine	A13001	46,345	A09	Exp. Booked by misclassification
27/07/2018	V. 186) Purchase Jecto Pipe	A13001	90,000	A09	Exp. Booked by misclassification
10/08/2018	V. 61) PURCHASE JECTO PIPE	A13001	6,000	A09	Exp. Booked by misclassification
10/08/2018	V. 77) PURCHASE BATTERY JECTO	A13001	20,800	A09	Exp. Booked by misclassification
10/08/2018	V. 79) PURCHASE TUBE TYER	A13001	6,800	A09	Exp. Booked by misclassification
05/09/2018	V. 40) PURCHASE TYRE TRACTOR 1414	A13001	22,000	A09	Exp. Booked by misclassification
17/09/2018	V. 115) TYRES SANITATION VEHICLE	A13001	98,400	A09	Exp. Booked by misclassification
24/09/2018	V. 160) PURCHASE OF BATTERY	A13001	32,000	A09	Exp. Booked by misclassification
24/09/2018	V. 161) PURCHASE OF NOSAL JECTO	A13001	24,900	A09	Exp. Booked by misclassification
24/09/2018	V. 163) PURCHASE OF PIPE BOZER	A13001	6,250	A09	Exp. Booked by misclassification
24/09/2018	V. 164) RENT RIKSHAW EID UL ADHA	A13001	49,500.00	A03970	Exp. Booked by misclassification
24/09/2018	V. 165) PURCHASE OF PIPE JECTO	A13001	8,000	A09	Exp. Booked by misclassification
17/10/2018	V. 75) Purchase Bumbo Quality 3	A13001	3,675	A09	Exp. Booked by misclassification
17/10/2018	V. 77) purchase jecto sewer	A13001	16,075	A09	Exp. Booked by misclassification
07/11/2018	V. 41) rent tractor trolly 2 days	A13001	71,400.00	A03970	Exp. Booked by misclassification
07/11/2018	V. 43) rent tractor trolly 2 days	A13001	71,400.00	A03970	Exp. Booked by misclassification
07/11/2018	V. 45) Purchase Pipe Jecto Machine	A13001	8,450	A09	Exp. Booked by misclassification
07/11/2018	V. 55) Purchase Readyator Jecto Machine	A13001	49,500	A09	Exp. Booked by misclassification
14/11/2018	V. 90) Purchase Bambo Jecto Machine	A13001	5,250	A09	Exp. Booked by misclassification

Date of Payment	Description of Payment	Head Charged	Amount	Relevant Major Head	Audit Remarks
14/11/2018	V. 91) Purchase tyre tube 2 Nos.	A13001	12,200	A09	Exp. Booked by misclassification
14/11/2018	V. 92) Purchase Battery 2 Nos. jecto machine	A13001	25,800	A09	Exp. Booked by misclassification
14/11/2018	V. 93) Purchase Battery 2 Nos. jecto machine	A13001	21,000	A09	Exp. Booked by misclassification
14/11/2018	V. 94) purchase tube tractor no 1213 8746	A13001	25,600.00		Exp. Booked by misclassification
20/11/2018	V. 116) Purchase tyre tube 2 Nos. kampactor	A13001	48,000	A09	Exp. Booked by misclassification
20/11/2018	V. 153) Purchase tyre tube 8 Nos.	A13001	22,400	A09	Exp. Booked by misclassification
20/11/2018	V. 155) Purchase Jack trolley	A13001	22,500	A09	Exp. Booked by misclassification
06/12/2018	V. 50) PURCHASE BATTERY JECTO	A13001	24,500	A09	Exp. Booked by misclassification
06/12/2018	V. 51) PURCHASE BATTERY TRACTOR 13-14	A13001	28,000	A09	Exp. Booked by misclassification
11/12/2018	V. 104) Purchase Radiator Sucker	A13001	18,500	A09	Exp. Booked by misclassification
11/12/2018	V. 108) Purchase Pipe Jecto	A13001	8,000	A09	Exp. Booked by misclassification
11/12/2018	V. 109) Purchase Battery Tractors	A13001	26,000	A09	Exp. Booked by misclassification
31/12/2018	V. 238) Purchase Tyre for Dengue Van	A13001	42,500	A09	Exp. Booked by misclassification
01/02/2019	V. 37) Purchase various objects for desilting machine	A13001	15,000	A09	Exp. Booked by misclassification
14/02/2019	V. 23) Puncture Tractor Trollies Jan 2019	A13001	11,900.00	A09	Exp. Booked by misclassification
14/02/2019	V. 27) Purchase objects Tractor 1271	A13001	12,950	A09	Exp. Booked by misclassification
14/02/2019	V. 28) Purchase objects De Silting Machine	A13001	3,250	A09	Exp. Booked by misclassification
14/02/2019	V. 37) Purchase Battery Sucker Machine =1	A13001	12,000	A09	Exp. Booked by misclassification
25/02/2019	V. 4) Supply /Fitting Haitch for Tractors Sanitation Branch	A13001	48,000.00	A09	Exp. Booked by misclassification
25/02/2019	V. 11) Purchase Bering Tractor 14-14	A13001	4,200	A09	Exp. Booked by misclassification
13/03/2019	V. 4) Purchase Battery=2 Suzu	A13001	23,800	A09	Exp. Booked by misclassification
01/04/2019	V. 31) Purchase section pipe 120 ft	A13001	49,200	A09	Exp. Booked by misclassification
01/04/2019	V. 32) Purchase objects Sanitation	A13001	24,500	A09	Exp. Booked by misclassification
01/04/2019	V. 34) Purchase wire De silting Machine	A13001	38,500	A09	Exp. Booked by misclassification
14/05/2019	V. 1) Purchase Battery etc	A13001	27,420	A09	Exp. Booked by misclassification
30/05/2019	V. 13) Purchase Battery Tractor 12-13	A13001	48,600	A09	Exp. Booked by misclassification
30/05/2019	V. 15) Purchase Battery=2 Compactor 15	A13001	23,800	A09	Exp. Booked by misclassification
30/05/2019	V. 25) Purchase Battery Tractor 8746	A13001	28,600	A09	Exp. Booked by misclassification
21/06/2019	V. 4) Bill Puncture tractor trollies Sanitation Br 05/2019	A13001	14,600.00	A09	Exp. Booked by misclassification

Date of Payment	Description of Payment	Head Charged	Amount	Relevant Major Head	Audit Remarks
21/06/2019	V. 5) Purchase Lime=1600 KG	A13001	22,000	A09	Exp. Booked by misclassification
21/06/2019	V. 6) Purchase Lime Eid ul Fitr	A13001	37,000	A09	Exp. Booked by misclassification
21/06/2019	V. 7) Purchase Lime Eid ul Fitr etc	A13001	37,000	A09	Exp. Booked by misclassification
21/06/2019	V. 9) Bill Unclaimed Dead Bodies	A13001	5,700.00	A03970	Exp. Booked by misclassification
			1,636,045		
			6,473,385		

Annexure-4/KWL

[Para 62.4.7]

Irregular issuance of cheques of contingencies in the name of MC employees instead of suppliers – Rs 3.376 million

Date	Cheque No.	Name of Payee (MC Employees)	Particulars	Amount
15.03.17	1215966334	Farhan Ahmed W. Supply Suprintendent MC KWL	Contingency Misc Heads	22,621
15.03.17	1215966340	Amir Abbas Chief Sainitary Inspector MC KWL	Contingency Misc Heads	19,334
15.03.17	1215966350	Farhan Ahmed W. Supply Suprintendent MC KWL	Contingency Misc Heads	15,936
11.04.17	805969139	Sarfraz Ali Head Clerk MC KWL	Contingency Misc Heads	21,714
11.04.17	805969140	Farhan Ahmed W. Supply Suprintendent MC KWL	Contingency Misc Heads	46,218
11.04.17	805969144	Amir Abbas Chief Sainitary Inspector MC KWL	Repair Sucker, Jecto etc.	23,770
06.05.17	805969158	Sajid Hussain Driver MC KWL	Tractor Repair	23,404
06.05.17	805969161	Farhan Ahmed W. Supply Suprintendent MC KWL	Repair motor Disposal etc	40,477
20.05.17	805969180	Sarfraz Ali Head Clerk MC KWL	purchase of misc item MOP office	50,773
20.05.17	805969182	Amir Abbas Chief Sainitary Inspector MC KWL	Repair bill	18,359
13.06.17	806284037	Nishat Ahmed SC MC KWL	Contingency Misc Heads	23,117
13.06.17	806284038	Amir Abbas Chief Sainitary Inspector MC KWL	Contingency Misc Heads	16,421
13.06.17	806284039	Qamar Iqbal Driver MC KWL	Repair Jecto water body	15,249
22.06.17	806284050	Farhan Ahmed W. Supply Suprintendent MC KWL	Repair city park	93,899
22.06.17	806284058	Amir Abbas Chief Sainitary Inspector MC KWL	Repair Sucker	28,401
22.06.17	806284059	Sajid Hussain Driver MC KWL	Repair Tractor	34,155
20.07.17	806284088	Farhan Ahmed W. Supply Suprintendent MC KWL	purchase and repair bills	104,134
20.07.17	80628489	Amir Abbas Chief Sainitary Inspector MC KWL	purchase and repair bills	70,796
20.07.17	80628494	Mehran Gul Computer Operator MC KWL	Repair computer	17,055
02.08.17	806514424	Farhan Ahmed W. Supply Suprintendent MC KWL	repair w.supply	26,264
07.08.17	806516636	Shahbaz Ali Sub Engineer MC KWL	Items of parks , grass cutter etc.	22,376
07.08.17	806516651	Shahbaz Ali Sub Engineer MC KWL	items of parks	19,562
28.08.17	806516682	Farhan Ahmed W. Supply Suprintendent MC KWL	Purchase nozul jecto, w. supply etc.	28,661
28.08.17	806516687	Sajid Hussain Driver MC KWL	Tractor Repair	26,220
28.08.17	806516690	Sarfraz Ali Head Clerk MC KWL	newspaper, leave salary of employees	88,328
09.09.17	806740615	Farhan Ahmed W. Supply Suprintendent MC KWL	Tractor Repair etc	75,044
09.09.17	806740618	Sarfraz Ali Head Clerk MC KWL	Contingency Misc Heads	17,775
14.09.17	806740644	Farhan Ahmed W. Supply Suprintendent MC KWL	Tractor Repair etc.	39,717
26.09.17	806740667	Qamar Iqbal Driver MC KWL	Jecto machine Repair etc	32,107
06.10.17	806740684	Sarfraz Ali Head Clerk MC KWL	Jashan e Azadi video	21,355
16.10.17	806896206	Farhan Ahmed W. Supply Suprintendent MC KWL	Contingency Misc Heads	90,052
06.11.17	806896257	Sarfraz Ali Head Clerk MC KWL	supply of doors PnC branch	20,108
06.11.17	806896262	Farhan Ahmed W. Supply Suprintendent MC KWL	water supply items	109,040
10.11.17	806896273	Farhan Ahmed W. Supply Suprintendent MC KWL	Contingency Misc Heads	30,790
20.11.17	806896283	Farhan Ahmed W. Supply Suprintendent MC KWL	repair jetting, manhole cover etc	120,601
08.12.17	807113809	Farhan Ahmed W. Supply Suprintendent MC KWL	repair w.supply	65,574
19.12.17	807113833	Farhan Ahmed W. Supply Suprintendent MC KWL	repair compactor 15 bouzer etc.	35,397
27.12.17	807113850	Sarfraz Ali Head Clerk MC KWL	Contingency Misc Heads	38,093
29.12.17	807113868	Shahbaz Ali Sub Engineer MC KWL	jan gla jat	16,445
29.12.17	807113870	Farhan Ahmed W. Supply Suprintendent MC KWL	pur of items of front bockt loader etc	108,199
17.01.18	807319906	CSI Farhan Ahmed MC KWL	Contingency Misc Heads	43,671
17.01.18	807319913	Sarfraz Ali Head Clerk MC KWL	Contingency Misc Heads	38,368
14.02.18	807319949	CSI Farhan Ahmed MC KWL	Contingency Misc Heads	75,782
14.02.18	807319951	Sarfraz Ali Head Clerk MC KWL	Contingency Misc Heads	27,186
05.03.18	1313033389	CSI Farhan Ahmed MC KWL	Contingency Misc Heads	29,567
05.03.18	1313033395	Sarfraz Ali Head Clerk MC KWL	Contingency Misc Heads	18,964
21.03.18	1313033457	Farhan Ahmed W. Supply Suprintendent MC KWL	Contingency Misc Heads	19,839
23.04.18	1313035935	Farhan Ahmed W. Supply Suprintendent MC KWL	Contingency Misc Heads	222,209
24.04.18	1313035940	Farhan Ahmed W. Supply Suprintendent MC KWL	Contingency Misc Heads	23,736
27.04.18	1313035959	Sarfraz Ali Head Clerk MC KWL	video film Jashan e Baharan	256,487

Date	Cheque No.	Name of Payee (MC Employees)	Particulars	Amount
16.05.18	1313040582	Farhan Ahmed W. Supply Superintendent MC KWL	Contingency Misc Heads	36,611
31.05.18	1313040617	Farhan Ahmed W. Supply Superintendent MC KWL	Contingency Misc Heads	19,109
04.06.18	1313040627	Farhan Ahmed W. Supply Superintendent MC KWL	Leave Salary employees etc.	145,030
12.06.18	1313040638	Farhan Ahmed W. Supply Superintendent MC KWL	Contingency Misc Heads	60,701
30.06.18	1313040665	Farhan Ahmed W. Supply Superintendent MC KWL	Contingency Misc Heads	47,641
21.07.18	1313046885	Farhan Ahmed W. Supply Superintendent MC KWL	Contingency Misc Heads	45,016
21.07.18	1313046891	Amir Abbas Chief Sainitary Inspector MC KWL	Repair of D. watering, jecto etc.	206,777
21.07.18	1313046891	Sarfraz Ali Head Clerk MC KWL	Contingency Misc Heads	20,088
13.08.18	1313046954	Amir Abbas Chief Sainitary Inspector MC KWL	Contingency Misc Heads	22,134
20.08.18	1313048379	Amir Abbas Chief Sainitary Inspector MC KWL	Contingency Misc Heads	55,881
20.08.18	1313048386	Qamar Iqbal Driver MC KWL	purchase of grari set for jecto	16,492
30.08.18	1313048414	Amir Abbas Chief Sainitary Inspector MC KWL	Repair of Jetting , sucker	46,758
03.09.18	1313048421	Amir Abbas Chief Sainitary Inspector MC KWL	Repair of Jetting , sucker	51,472
06.09.18	1313048442	Farhan Ahmed W. Supply Superintendent MC KWL	Repair of various items	37,553
06.09.18	1313048443	Amir Abbas Chief Sainitary Inspector MC KWL	Reapir of tractor 5031, excavator rent	35,549
17.09.18	1313048474	Amir Abbas Chief Sainitary Inspector MC KWL	Repair of Jetting , tactor 5234	55,927
Total				3,376,089

Annexure-5/KWL

[Para 62.4.8]

Below specifications construction of soling works – Rs 3.131 Million

Sr. No.	Name of Scheme	Estimated Cost	MB No.	Page No.	Name of Item	T. Quantity Paid	Rate Paid	Amount Paid
1	const. of soling chak no. 90/10 R bhaini Jlal bloch ward no. 40	500,000	397	162-164	P/L dry brick soling /pavement	2,876.00	13,488.50	387,929.26
2	const. of soling gulistan colony kot haqnawaz ward no. 4	500,000	397	106-111	P/L dry brick soling /pavement	2,603.00	13,488.50	351,105.66
3	const. of drain soling basti Allama Iqbal adhi ala and bhaini imam bux khanewal	2,000,000	820	87-95	P/L dry brick soling /pavement	9,096.00	13,488.50	1,226,913.96
4	const. of tuff tile soling sewerage basti khokharabad	1,100,000	706	45+-55	P/L dry brick soling /pavement	1,115.00	13,488.50	150,396.78
5	const of RCC slb culverts drain soling and sludge carrier near phatak faridabad kwl	1,400,000	397	146-159	P/L dry brick soling /pavement	2,460.00	13,488.50	331,817.10
6	const. of tuff tile soling sewer drain resoling lahore mor chah jamil wala kot haq nawaz	1,100,000	703	117-127	P/L dry brick soling /pavement	1,310.00	13,488.50	176,699.35
7	const. of soling and drain chak no 920/10R farid kot kwal	1,250,000	702	110-116	P/L dry brick soling /pavement	837.00	13,488.50	112,898.75
8	construction of soling Nalian Ward No. 44 tehsil Khanewal	500,000	703	114-116	P/L dry brick soling /pavement	2,912.00	13,488.50	392,785.12
	Total							3,130,545.97

Annexure-1/MCN

[Para 63.3.1]

Misclassification of expenditure – Rs 28.162 million

Sr. No.	Name of Head Account Used	Head to be used	Description Of Item	Total Allocation Amount	Date	Amount
1	Pay & Allowance (I&S)	A04171-Financial Assistance	F.Assistance Farhat BiBi (Deceased) In favor of Javed Masih Widower	20,203,731	05-03-17	14,073,119
			Encashment Farhat BiBi (Deceased) In favor of Javed Masih Widower		06-03-17	13,894,739
2	Purchase Of Office Equipment	Purchase of furniture and fixture	Purchase of Table Glass for the Office (MOI&S)	2,500	04-06-17	2,150
3	Printing Stationery		Bill Photosate	30,000	20/03/2017	1,014
			Bill Photosate Electrician Branch		20/03/2017	1,970
			Bill Photostate (MOI&S)		04-10-17	2,764
		Photo state	Bill Photostate for Annual Audit (I&S)		05-04-17	5,200
			Bill Photostate for the Month January 2017			8,332
			Bill Photostate for Annual Audit 2015-16			1,449
4	Purchase Of Sanitation Article Material		Bill Purchase bombo for UC 72	200,000	17/06/2017	9,600
			Bill Purchase bombo for UC 73		17/06/2018	9,600
5	Repair Plants & Machinery	A13002- Repair of transport	Bill of puncture for Vehicles	15,0000	30/03/2017	10,350
			Bill of puncture for Vehicles			9,250
			Bill of puncture		18/04/2017	7,900

Sr. No.	Name of Head Account Used	Head to be used	Description Of Item	Total Allocation Amount	Date	Amount
			Vehicles and purchase second hand Tube/Tyre 28-2-17			
			Bill of puncture for Vehicles		18/05/2017	6,950
			Bill of puncture for Vehicles December 2016 To January 2017		06-12-17	15,000
			Bill Purchase Tube/Tyre for Tractor No. 8			2,600
6	Repair Transport	A13802- R&M others	Repair of 10 No. drums for wastage	860,005	31/05/2017	10,140
7	Chairman/others	A13002- Repair of transport	Bill repair of car KWF/6644	200,000	28/06/2019	9,500
8	Chief Officer Stationery	Printing	Bill purchase 2500 pamphlet paper advertisement for sanitation	65,000	27/06/2019	5,000
9	Municipal Officer Regulation (Stationery)	Printing	Bill for make of fine book	25,000	06-06-18	7,500
10	Stationery MOP	A03967- Photo state	Bill Photostate MOP branch for June 2018	30,000+10,000 =40,000	17/07/2018	880
			Bill Photostate MOP branch for July 2018		08-06-18	1,782
			Bill Photostate MOP branch for September 2018		10-12-18	1,628
			Bill Photostate MOP branch for October 2018		11-10-18	932

Sr. No.	Name of Head Account Used	Head to be used	Description Of Item	Total Allocation Amount	Date	Amount
			Bill Photostate MOP branch for November 2018		15/12/2018	4,070
			Bill Photostate MOP branch for December 2018		01-08-19	6,162
			Bill Photostate MOP branch for January 2019		02-04-19	4,416
			Bill Photostate MOP branch for March 2019		04-09-19	1,582
			Bill Photostate MOP branch for April 2019		05-08-19	2,302
			Bill Photostate MOP branch for May 2019		06-12-19	2,268
			Bill Photostate MOP branch for May 2019		24/06/2019	296
11	A09601 Purchase of plants and machinery	Others	Purchase of plants	300,000	510.2018	42,200
Grand Total						28,162,645

ii) Table-2

(Rupees in million)

Actual Object Head	Object Head Used	Year	Budget	Expenditures
A03807- P.O.L Charges, Staff Cars, Motor Cycles	P.O.L (A17201-50)	2018-2019	4.908	4.875
	P.O.L (A17201-50)	2017-2018	5.485	4.863
	P.O.L (A17201-50)	2016-2017	0.420	0.420
(A12101t to A12590)	Development (A16301-99)	2018-2019	18.170	15.796
	Development (A16301-99)	2017-2018	12.587	2.459
Total			41.570	28.413

Annexure-2/MCN

[Para 63.4.1]

Non recovery of arrears of rent of shops amounting to Rs 19.586 million

DETAIL OF SHOPING CENTRES TEHBAZARI MC MIANCHANNU			
Sr. No.	Name of Market	No. of Shops	Arrears Upto 30-6-2019
1	Bodla Road	27	2,241,248
2	Pul Bazar	19	122,239
3	Allam Iqbal Road	18	259,012
4	Takoni Market	37	290,527
5	Bura Road	10	1,314,882
6	T-Chok	6	0
7	Lahore Road	34	4,605,567
Grand Total		151	8,833,475
DETAIL OF SHOPING CENTRES MC MIANCHANNU			
Sr. No.	Name of Market	No. of Shops	Arrears Upto 30-6-2019
1	Triangular Market	33	593,729
2	Rail Bazar	10	730,223
3	T.Chowk	25	292,278
4	Faisal Market	18	550,740
5	Old Octroi Posts	2	82,154
6	Moughal Bazar	12	459,706
7	Pull Bazar	41	590,848
8	Circular Road	52	791,671
9	Liaquat Road	37	360,181
10	Shami Road toward park	44	577,732
11	Shami Road toward V.Hospital	28	261,975
12	Allam Iqbal Market	50	725,661
13	Bus Stand A	22	556,573
14	Bus Stand B	33	406,861
15	Bus Stand C	17	650,556
16	Old Sabzi Mandi Tulamba Road	21	318,021
17	Tharas New Sabzi Mandi	19	127,918
18	Eid Ghah	36	337,636
19	Jinnah Market	33	828,820

20	Opposite Office Baldia	19	211,958
21	Taxi Stand LHR Road	8	709,351
22	Saud-Abad	38	504,429
23	Ghala Mandi Magharbi Gate	1	76,760
24	Bus Stand Mashraki Gate	3	7,000
Grand Total		602	10,752,781
Grand Total			19,586,256

Annexure-3/MCN**[Para 63.4.4]****Short deduction of map fee amounting to Rs 4.295 million**

Sr. No.	Name of building	Total Area	Map fee for land sub division	Map Fee due	Map Fee deducted	Short Map Fee
1	Rehman City	1920 marla	Rs500 per marla	960000	698000	262,000
2	Dream Land	1371 marla	Rs500 per marla	685500	422000	263,500
3	Peer Colony 130/15L	584 Marla	Rs500 per marla	292000	166725	125,275
4	Officer Block	628 marla	Rs500 per marla	314000	204000	110,000
5	Al Janat	1680 Marla	Rs500 per marla	840000	512500	327,500
6	Irshad Town	675 marla	Rs500 per marla	337500	236500	101,000
7	Fort Colony	1836 Marla	Rs500 per marla	918000	668000	250,000
8	Sahara Town	519 Marla	Rs500 per marla	259500	183000	76,500
9	Dream Villas	1283 Marla	Rs500 per marla	641500	404000	237,500
10	Hamza Town	1714 marla	Rs500 per marla	857000	599000	258,000
11	Sattelite Town	1920 marla	Rs500 per marla	960000	598500	361,500
12	Mash Allah Pak Jamal Town	699 Marla	Rs500 per marla	699000	489000	210,000
13	Allama Town	1910 marla	Rs1000 per marla	1910000	1080000	830,000
14	Wahab Garden	928 marla	Rs1000 per marla	928000	634000	294,000
15	Kareem Garden	1694 marla	Rs1000 per marla	1694000	1105000	589,000
Grand Total						4,295,775

Annexure-1/TLB

[Para 64.3.1]

Non-recovery of deduction for substandard tuff tile and bricks without obtaining of Lab test report – Rs 1.260 million

(Amount in Rupees)

Sr. #	Name of Scheme	Name of Contractor	Work Order No.	Date	Estimated Cost	tuff tile in Sft	rate of tuff tiles	Amount of Tuff Tile work	Amount of Deduction @ 10%
1	Construction of Soling, Tuff Tile, Surface Drain, Pacca Sullage Carrier, Raising of Manholes and Gully Gratings, Ward No. 1	Mohammad Shafique	173	30/4/2018	2,000,000	7482	95.90	717,524	71,752
2	Construction of Soling, Tuff Tile, Drain and PCC, Ward No. 2	Mohammad Shafique	173 B	30/4/2018	2,000,000	4480	95.90	429,632	42,963
3	Construction of Tuff Tile, PCC, Drain, Manholes and Gully Gratings, Ward No. 3 (revised)	Masood Khan & Sons	151	30/4/2018	3,500,000	28023.62	95.90	2,687,465	268,747
4	Construction of Tuff Tile, Drain and Pacca Sullage Carrier, Ward No. 4	Farast & Co	164	30/4/2018	2,000,000	14100	95.90	1,352,190	135,219
5	Construction of Tuff Tile and Pacca Sullage Carrier, Ward No. 5	Masood Khan & Sons	152	30/4/2018	3,000,000	7430	95.90	712,537	71,254
6	Construction of Tuff Tile and RCC Sewer, Ward No. 6	Rana Ikram-Ul-Haq	175C	30/4/2018	1,500,000	7541.51	95.90	723,231	72,323
7	Construction of Soling, Resoling, Tuff Tile and RCC Sewer, Ward No. 7	Rana Ikram-Ul-Haq		30/4/2018	2,000,000	13162.5	95.90	1,262,284	126,228
8	Construction of Tuff Tile, RCC Sewer, Soling and PCC, Ward No. 8	Rao Ishfaq Ahmad	177	30/4/2018	2,000,000	1500	95.90	143,850	14,385
9	Construction of Tuff Tile, RCC Sewer,	Masood Khan & Sons	153	30/4/2018	2,196,500	9465.58	95.90	907,749	90,775

Sr. #	Name of Scheme	Name of Contractor	Work Order No.	Date	Estimated Cost	tuff tile in Sft	rate of tuff tiles	Amount of Tuff Tile work	Amount of Deduction @ 10%
	Soling and PCC, Ward No. 9 (Revised)								
10	Construction of Tuff Tile, RCC Sewer, Soling, PCC and Drain, Ward No. 10	Liaqat & Sons	160 B	30/4/2018	2,000,000	1480	95.90	141,932	14,193
11	Construction of Tuff Tile, RCC Sewer, Soling and Drain, Ward No. 11	Masood Khan & Sons	155	30/4/2018	2,000,000	4130	95.90	396,067	39,607
12	Construction of Tuff Tile, RCC Sewer, Drain and Soling Ward No.12	Mehr Allah Bakhsh		30/4/2018	2,500,000	9970	95.90	956,123	95,612
14	Construction of Soling, Resoling, Tuff Tile, Drain, P.S.C, Sewer line and Gully Gratings, Ward No. 14	Al-Mukaram Munir & Co	149	30/4/2018	2,000,000	3840	95.90	368,256	36,826
15	Construction of Tuff Tile, Sewer and Pacca Sullage Carrier, Ward No. 15	Rana Ikram-UI-Haq	175 A	30/4/2018	1,700,000	10119	95.90	970,412	97,041
21	Construction of Tuff Tile, Soling and boundary wall with grill at Office MC Tulamba.	Khalil Ahmad	150	30/4/2018	2,200,000	8675	95.90	831,935	83,194
Total									1,260,119

Annexure-2/TLB

[Para 64.4.2]

**Loss due to non imposing of penalty for late completion of works – Rs
5.362 million**

(Amount in Rupees)

Sr. No.	Name of Scheme	Name of Contractor	Work Order No.	Date	Estimated Cost	Target date of Completion	Actual date of completion	Penalty @10%
1	Construction of Soling, Tuff Tile, Surface Drain, Pacca Sullage Carrier, Raising of Manholes and Gully Gratings, Ward No. 1	Mohammad Shafique	173	30/4/2018	2,000,000	2 months	in process	200,000
2	Construction of Soling, Tuff Tile, Drain and PCC, Ward No. 2	Mohammad Shafique	173 B	30/4/2018	2,000,000	2 months	in process	200,000
3	Construction of Tuff Tile, PCC, Drain, Manholes and Gully Gratings, Ward No. 3 (revised)	Masood Khan & Sons	151	30/4/2018	3,500,000	3 months	07.10.2019	350,000
4	Construction of Tuff Tile, Drain and Pacca Sullage Carrier, Ward No. 4	Farast & Co	164	30/4/2018	2,000,000	6 months	in process	200,000
5	Construction of Tuff Tile and Pacca Sullage Carrier, Ward No. 5	Masood Khan & Sons	152	30/4/2018	3,000,000	3 months	in process	300,000
6	Construction of Tuff Tile and RCC Sewer, Ward No. 6	Rana Ikram-Ul-Haq	175C	30/4/2018	1,500,000	3 months	in process	150,000
7	Construction of Soling, Resoling, Tuff Tile and RCC Sewer, Ward No. 7	Rana Ikram-Ul-Haq		30/4/2018	2,000,000	3 months	in process	200,000
8	Construction of Tuff Tile, RCC Sewer, Soling and PCC, Ward No. 8	Rao Ishfaq Ahmad	177	30/4/2018	2,000,000	3 months	in process	200,000
9	Construction of Tuff Tile, RCC Sewer, Soling and PCC, Ward No. 9 (Revised)	Masood Khan & Sons	153	30/4/2018	2,196,500	3 months	05.01.2019	219,650
10	Construction of Tuff Tile, RCC Sewer, Soling, PCC and Drain, Ward No. 10	Liaqat & Sons	160 B	30/4/2018	2,000,000	3 months	in process	200,000
11	Construction of Tuff Tile, RCC Sewer, Soling and Drain, Ward No. 11	Masood Khan & Sons	155	30/4/2018	2,000,000	3 months	in process	200,000
12	Construction of Tuff Tile, RCC Sewer, Drain and Soling Ward No.12	Mehr Allah Bakhsh		30/4/2018	2,500,000	3 months	11.03.2019	250,000
13	Construction of RCC Sewer, Soling, PCC	Mehr Allah Bakhsh	160	30/4/2018	3,000,000	3 months	30.07.2018	300,000

Sr. No.	Name of Scheme	Name of Contractor	Work Order No.	Date	Estimated Cost	Target date of Completion	Actual date of completion	Penalty @10%
	and Pacca Sullage Carrier, Ward No. 13							
14	Construction of Soling, Resoling, Tuff Tile, Drain, P.S.C, Sewer line and Gully Gratings, Ward No. 14	Al-Mukaram Munir & Co	149	30/4/2018	2,000,000	3 months	in process	200,000
15	Construction of Tuff Tile, Sewer and Pacca Sullage Carrier, Ward No. 15	Rana Ikram-Ul-Haq	175 A	30/4/2018	1,700,000	3 months	in process	170,000
16	Widening and Improvement of Mettaled Road Adda No. 1 to Chowk Mamu Sher Tulamba	Mehr Allah Bakhsh	161	30/4/2018	3,500,000	3 months	01.05.2019	350,000
17	Widening of Mettaled Road Islam Kot Tulamba (Revised)	Mehr Allah Bakhsh	162	30/4/2018	3,924,700	3 months	15.11.2018	392,470
18	Widening of Mettaled Road New DPS Tulamba	Mehr Allah Bakhsh	163	30/4/2018	2,500,000	3 months	01.05.2019	250,000
19	Construction of Mettaled Road Gulshan Noor Town Remaining Portion Tulamba	Masood Khan & Sons	154	30/4/2018	900,000	3 months	05.01.2019	90,000
20	Repairing of Mettaled Road Mohallah Sindhi Gate to Chowk Mamu Sher Tulamba (Revised)	Mohammad Akmal	167	30/4/2018	1,198,800	3 months	05.01.2019	119,880
21	Construction of Tuff Tile, Soling and boundary wall with grill at Office MC Tulamba.	Khalil Ahmad	150	30/4/2018	2,200,000	3 months	11.03.2019	220,000
22	Installation of Filtration Plant No. 1 MC Tulamba.	Sohail Akhtar	156	30/4/2018	2,000,000	3 months	09.05.2018	200,000
23	Installation of Filtration Plant No. 2 MC Tulamba.	Umair Anees	157	30/4/2018	2,000,000	3 months	09.05.2018	200,000
24	Installation of Filtration Plant No. 3 MC Tulamba.	Sohail Akhtar	158	30/4/2018	2,000,000	3 months	09.05.2019	200,000
Total								5,362,000

Annexure-1/DPR**[Para: 65.3.1]****Non-obtaining of mortgage deed from developer and entry in revenue record – Rs 43.250 Million****(Rupees in million)**

Sr. No.	Name of Scheme	Total Area in Kana l	Total Sale able area in Kanal	Total mortgag e are @20%	Rate/Kana l	Amount
1	Gulshan e Mehdi Housing Scheme,Phase 1 Moza Sharqi,Dunyapur	188	128	25	0.250	6.250
2	Gulshan e Mehdi Housing Scheme,Phase 2 Moza Sharqi,Dunyapur	262	176	35	0.250	8.750
3	Jawad Housin Scheme, Moza Sharqi,Dunyapur	160	118	23	0.250	5.750
4	Jawad park Land sub Division Moza Sharqi, dunypur	82	55	11	0.250	2.750
5	Ghulshen e WAHAB, land Sub Division	63	41	8	0.250	2.000
6	Model town Land Sub Division,sharqi	96	66	13	0.250	3.250
7	Joiya town, Land sub division	100	72	14	0.250	3.500
9	Jawad park Land sub Division Moza Sharqi, dunypur	82	55	11	0.250	2.750
10	Afzal town, Land Sub Division,Dunyapur	29	21	4	0.250	1.000
11	Hammad city, Land Sub Division	46	29	6	0.250	1.500
12	Modern Land city, Land Sub division	99	65	13	0.250	3.250
13	Al-Karam city, land Sub Division	80	50	10	0.250	2.500
Total						43.250

Annexure-2/DPR

[Para: 65.4.3]

Non-recovery of conversion fee and map fee – Rs 3.758 million

Table-I

(Rupees in million)

Sr. No	Name	Location	Area in Marla	Map Fee	Conversion Fee	Total Fee
1	Fahad noor khan	commercial hall railway road	10	0.012	0.150	0.162
2	Raof	Shop,karoar hop, paka road	2	0.003	0.017	0.019
3	Muhammad hussain	Shop, Girls road collage	4	0.005	0.033	0.039
4	Fauji imran	Shop,kotah road	4	0.005	0.033	0.039
5	Tasleem raza	Shop,Madinah road	3	0.006	0.026	0.032
6	Nayaz dogar	Shop, Karoar paka road	4	0.008	0.105	0.113
7	Ameen khan	Shop, karoar paka road	8	0.002	0.007	0.009
8	Jafer kalaal	Shop, nayapur road	2	0.003	0.017	0.019
9	Mumtaz gujar	Shop, do kotah Chowk	10	0.012	0.150	0.162
10	Fahaz noor	Shop, jooyah rd	6	0.008	0.050	0.058
11	Anoor Husain	Shop, khagah rd Nayapur	2	0.003	0.017	0.019
12	Muhammad shahid	Shop,abdullalmajeed rd	1	0.001	0.008	0.009
13	Asraf	Super highway rd	7	0.014	0.116	0.041
14	Asraf	Super highway rd hotel	4	0.008	0.033	0.041
15	Khawajah ghulam	Shop , murtaza	1	0.001	0.008	0.010
16	Khawaja Ghulam	shop	2	0.003	0.017	0.019
17	Falak shair	Shop,Karaor paka rd	1	0.001	0.008	0.010
18	Shafiq Tariq	Dokotah rd shop	3	0.007	0.025	0.032
19	Allah wasaayah	Do kotah rd ,shop	4	0.008	0.033	0.041
20	Gulzar	Railway rd,shop	3	0.007	0.025	0.032
21	Muhammad rafiq	Do kotah naya pur shop rd	7	0.014	0.116	0.131
22	Tariq bashir	14 shopsNear N.B.P, Duniapur	20	0.020	0.200	0.220
23	Unknown	6 shops near Yousaf Hospital	15	0.018	0.250	0.268
34	Unknown	10 shops, Karorpacca road	20	0.025	0.425	0.450
25	Unknown	6 shops near PSO pump Karor paca rd	10	0.012	0.300	0.312
Total				0.209	2.171	2.290

Table-II

(Rupees in million)

Type	Name	Address	Area	Rate per Marla	Total Value	Conversion Fees	Map fee	Total
Petrol Pumo	Hidayat ullah Pump	Bypass Road	44 Marla	0.166	7.319	0.732	0.017	0.748
Marriage Hall	Anmol Marriage Hall	Ghulshen e mehdi Road	20 Marla	0.166	3.327	0.333	0.027	0.360
Marriage Hall	Waseeb Marriage Lawn	Ghulshen e mehdi Road	20 Marla	0.166	3.327	0.333	0.027	0.360
Total								1.468

Annexure-1/KP**[Para: 66.3.2]****Irregular appointment of daily wages staff – Rs 7.898 million****(Amount in Rupees)**

Sr. No.	Name	Parentage	Designation	Per Month Salary
1	Kashif Masih	Sandokha Masih	Sanitary Worker	16,152
2	Muhammad Farooq	Allah Rakha	Sanitary Worker	16,152
3	Sajad Masih	Boota Masih	Sanitary Worker	16,152
4	Shafqat Masih	Yousaf Masih	Sanitary Worker	16,152
5	Rawal Masih	Maqsood Masih	Sanitary Worker	16,152
6	Muhammad Fiaz	Haqnawaz	Sanitary Worker	16,152
7	Abid Masih	Rashid Masih	Sanitary Worker	16,152
8	Tanvir Masih	Rehmat Masih	Sanitary Worker	16,152
9	Abdul Ghafoor	Faqir Mohammad	Mali	16,825
10	Abid Ali	Abdul Razaq	Bail Dar	16,825
11	Muhammad Faisl Aziz	Muhammad Younas	Driver W/Works	18,844
12	Zubair Ahmad	Nazir Ahmad	Driver W/Works	18,844
13	Khizar Hayat	Ashique Muhammad	Asstt Driver W/Works	18,844
Total				219,398
Grand Total (for the period 2016-2019)				7,898,328

Annexure-2/KP

[Para: 66.3.7]

Non-obtaining of additional performance securities – Rs 2.918 million

(Amount in rupees)

Sr. No.	Name of Schemes	Estimated Cost	Lowest bid % Age (Below)	Amount of work order	Additional performance security
1	Construction of Tuff Tile and Sewerage and Soling etc Different Streets Ward No. 1 City Kahrora Pacca	400,000	20.786	316,000	65,684
2	Construction of Tuff Tile and Different works and Nala etc Different streets Ward No. 2 City Kahrora Pacca	500,000	11.786	441,000	51,976
3	Construction of Tuff Tile and Sewerage and Soling and Drain and Khal with Slab and Different works Different streets Ward No. 3 City Kahrora Pacca	500,000	15.87	420,000	66,654
4	Construction of Tuff Tile and Sewerage and Soling and Drain and Khal with Slab and Different works Different streets Ward No. 4 City Kahrora Pacca	700,000	15.87	588,000	93,316
5	Construction of Tuff & Sewerage & Soling & Drain, Khal with Slab etc Different works Different street Ward No. 05 City Kahrora Pacca	1,500,000	16.95	1,240,000	210,180
6	Construction of Tuff Tile and Aab Nikasi Different streets, Street Masjid Usmania Wali, Street Ghulam Muhammad Yasin Wali, Ward No. 6 City Kahrora Pacca	500,000	13.25	433,000	57,373
7	Construction of Tuff Tile and Sewerage etc Street Misali School Wali Ward No. 7 City Kahrora Pacca	500,000	15.50	422,000	65,410
8	Construction of Tuff Tile and Different works etc Street Rana Idrees and Jameel Wali Ward No.8 City Kahrora Pacca	500,000	13.50	432,000	58,320
9	Supply and Fixing GI Pipe 2inch Dia(iiL) Soling and Nali etc Street Sadiq Bhatti Wali Ward No. 9 City Kahrora Pacca	500,000	20.20	399,000	80,598
10	Construction of Tuff Tile and Different works etc Street Nawab Kaleem ul Allah Wai, Street Ghulam Din Wali, Street Iqbal Wali Ward No. 10 City Kahrora Pacca	500,000	10.00	450,000	45,000
11	Supply and Fixing GI Pipe 2inch Dia(iiL) etc Different Streets Ward No. 11 City Kahrora Pacca	500,000	12.00	440,000	52,800
12	Construction of Tuff Tile and Drain and Different works etc Different streets Ward No. 12 City Kahrora Pacca	500,000	11.25	444,000	49,950
13	Supply and Fixing GI Pipe 2inch Dia(iiL) Mohallah Rehmania Ward No. 13 City Kahrora Pacca	500,000	16.00	420,000	67,200
14	Construction of Tuff Tile and Sewerage Different works and GI Pipe etc Different Streets Ward No. 14 City Kahrora Pacca	800,000	18.00	656,000	118,080
15	Construction of Tuff Tile etc Street Malik Abdul Rahman Boka Wali Ward No. 15 City Kahrora Pacca	500,000	18.00	410,000	73,800
16	Construction of Tuff Tile and Drain etc Different streets Ward No. 16 City Kahrora Pacca	500,000	12.01	440,000	52,844
17	Construction of Tuff Tile and Re-Tuff Tile and Drain GI Pipe 2inch Dia (iiL) Different Streets Ward No. 17 City Kahrora Pacca	500,000	11.786	441,000	51,976

Sr. No.	Name of Schemes	Estimated Cost	Lowest bid % Age (Below)	Amount of work order	Additional performance security
18	Construction of Tuff Tile and Different works Street Ajmal Advocate Wali Ward No. 18 City Kahror Paca	200,000	15.00	170,000	25,500
19	Construction of Tuff Tile and Sewerage etc and Different works Street Chacha Arif Wali Ward No. 19 City Kahror Paca	500,000	13.00	435,000	56,550
20	Construction of Tuff Tile and Drain and Different works and Different streets Ward No. 20 City Kahror Paca	500,000	22.786	386,000	87,954
21	Construction of Tuff Tile and Different works etc Street Ghulam Fareed Wali Ward No. 21 City Kahror Paca	500,000	11.786	441,000	51,976
22	Construction of PCC Blocks and Nala and Drain, Construction of Tuff Tile in Different Street Ward No. 22 City Kahror Paca	500,000	22.786	386,000	87,954
23	Construction of Soling and Re-soling & Sewerage etc Different Streets Ward No. 23 City Kahror Paca	500,000	25.90	370,000	95,830
24	Construction of Tuff Tile and Soling & Sewerage etc Different streets Ward No. 24 City Kahror Paca	500,000	25.786	371,000	95,666
25	Construction of Tuff Tile Soling & Sewerage & Nala & Drain etc Different Streets Ward No. 25 City Kahror Paca	500,000	13.786	431,000	59,418
26	Construction of Tuff Tile and Sewerage & GI Pipe ((iiL)) etc Street Abdul Rauf Clerk Wali Ward No. 26 City Kahror Paca	500,000	22.00	390,000	85,800
27	Construction of Tuff Tile and Sewerage etc Street Darkhano Wali, Street Awano Wail Ward No. 27 City Kahror Paca	500,000	12.10	439,000	53,119
28	Construction of Tuff Tile & Sewerage etc & Different works Different streets Ward No. 28 City Kahror Paca	500,000	14.00	430,000	60,200
29	Construction of Tuff Tile & Drain etc Street Sadiq Maseeh Wali City Kahror Paca	500,000	23.786	381,000	90,625
30	Supply and Fixing GI Pipe 2inch Dia ((iiL)) Mohallah Usmania, Street Chudhry Musafir, Street Graveyard Wali City Kahror Pacca.	400,000	7.00	372,000	26,040
31	Construction of Tuff Tile & Different works etc street Jam Akbar Wali City Kahror Pacca.	100,000	12.00	88,000	10,560
32	Construction of Tuff Tile & Different Works Street Hamad Beryar Wali City Kahror Pacca	500,000	25.09	374,000	93,837
33	Supply and Fixing GI Pipe 2inc Dia ((iiL)) Street Manzoor Ary Wali, Street Murtaza Wali, Street College Wali City Kahror Pacca	250,000	21.52	196,000	42,179
34	Construction of Soling, PCC Blocks and Drain etc Street Bashir Arain Wali Ward No. 2 City Kahror Pacca`	250,000	21.00	197,000	41,370
35	Construction of Tuff Tile & Sewerage etc Street Haji Nasir Wali City Kahror Pacca	600,000	13.00	522,000	67,860
36	Construction of Tuff Tile & Different works etc Street Jani Qasai Wail Ward No. 22 City Kahror Pacca	250,000	7.00	232,000	16,240
37	Construction of Tuff Tile & Different works etc Street Javed Motors Wali near Mailsi Chowk City Kharor Pacca	300,000	14.55	256,000	37,248
38	Construction of Tuff Tile & Drain & Cross etc Street Masjid Bagh Wail, Mian Imtiaz Wali Mohallah Sufaid Khanqa Ward No. 22 City Kahror Pacca	425,000	13.00	369,000	47,970

Sr. No.	Name of Schemes	Estimated Cost	Lowest bid % Age (Below)	Amount of work order	Additional performance security
39	Renovation & Different works etc Filtration Plant Water Works Chowk Bukhari M.C City Kharor Pacca`	400,000	9.00	364,000	32,760
40	Construction of Tuff Tile & Drain & GI Pipe 2inch Dia ((iiL)) & Different works Street Abdul Waheed Senior Clerk Wali Ward No. 25 City Kharor Pacca	500,000	15.99	420,000	67,158
41	Construction & Repair Washroom Office Municipal Committee City Kharor Pacca	150,000	18.75	122,000	22,875
42	Construction & Repair Main hole and Supply Main hole Covers etc Inside City Kharor Pacca	800,000	15.50	676,000	104,780
43	Construction of Courtyard & Different Works Filtration Plant Old Bahawalpur Road City Kharor Pacca	300,000	21.78	234,000	50,965
44	Construction of Soling & Earth Filling Street Nazeer urf Goga Motors Wali Mailsi Chowk City Kharor Pacca	400,000	31.56	273,000	86,159
45	Construction of Tuff Tile & Drain etc Mohallah Eid Gah to Markazi Eid Gah Ward No. 5 City Kharor Pacca.	350,000	9.50	316,000	30,020
46	Supply & Fixing GI Pipe 2inch Dia etc Street Haji Sheikh Lal (Late) Wali Oppo. Admore Petrol Pump City Kharor Pacca.	275,000	11.786	243,000	28,640
	Total				2,918,413

Annexure-3/KP

[Para: 66.3.8]

Mis-procurement of various items on account of iron carts, iron trolleys and sewing machines – Rs 2.578 million

(Amount in rupees)

F/Year	Total Budget	Head Name	Detail	Expenditure	Name of Firm	Bill No.	Date
2016-17	1,000,000	Purchase New Items & Repair A013001	Purchase of Carts Iron	308,880	Wazir Ahmad Bhatti UC No.72 Zafarabad	4	24.04.2017
2016-17	1,000,000	Purchase New Items & Repair A013001	Purchase of Hydrolic Iron Trolley, 2Nos Tyre Tube	348,660	Friends Star Traders Railway Road Lodhran	B.No. 5763	07.12.2016
2016-17	1,000,000	Purchase New Items & Repair A013001	Purchase of Tyre Tubes for tractor Massy 375 LDJ 1005	366,210	Mohid Associate Railway Road Lodhran	B.No.1622	28.11.2016
2016-17	1,000,000	Purchase New Items & Repair A013001	Purchase Tyre Tube With Pipe 300 Ft with Male Female	400,000	N.A	N. A	N. A
2016-17	700,000	Purchase new items LED Ekectric articale water Dispenser Moharam ul haram roots etc A09802	Purchase Misc street lights	564,383	Mohid Associate Railway Road Lodhran	B.No.2431	13.05.2017
2016-17	N.A	Development	Purchase of Samad Sewing Machines	440,000	New Pak Sewing Machine Company Haram Gate Multan	B.No. 6280	11.06.2017
2017-18	700,000	Purchase New Items Turbin & Repair A012501	Repair Turbine water works	149,559			
Total				2,577,692			

Annexure-4/KP

[Para: 66.3.10]

Doubtful expenditure on national celebrations – Rs 1.785 million

(Amount in Rupees)

Sr. No.	Total Budget	Head Name	Detail	Expenditure	Name of Firm
1	700,000	Purchase new items LED Eelectric articale water Dispenser Moharam ul haram roots etc A09802	New Items Street Lights	99,039	
2	700,000	Purchase new items LED Eelectric articale water Dispenser Moharam ul haram roots etc A09802	Purchase Items energy sewer koel tar Doble coper	33,696	
3	700,000	Purchase new items LED Eelectric articale water Dispenser Moharam ul haram roots etc A09802	Purchase Selting face	16,848	
4	700,000	Purchase new items LED Eelectric articale water Dispenser Moharam ul haram roots etc A09802	Purchase Misc street lights	26,676	
5	700,000	Purchase new items LED Eelectric articale water Dispenser Moharam ul haram roots etc A09802	Purchase LED Lights No.10	47,970	Mohid Associate Railway Road Lodhran
6	700,000	Purchase new items LED Eelectric articale water Dispenser Moharam ul haram roots etc A09802	Purchase search lights	33,345	Friends Star Traders Railway Road Lodhran
7	700,000	Purchase new items LED Eelectric articale water Dispenser Moharam ul haram roots etc A09802	Purchase CCTV Cameras	95,260	Friends Star Traders Railway Road Lodhran
8	600,000	Purchase New Furniture Repair etc. A03201, A03940	Toilet Set With Misc Items	99,607	Friends Star Traders Railway Road Lodhran
9	600,000	Purchase New Furniture Repair etc A03201, A03940	Supply Fixing Fiber	98,280	Friends Star Traders Railway Road Lodhran
10	100,000	Cost of Other Store A03942 Cost of Other Store	Stemer Pana Flax Etc.	99,801	Mohid Associate Railway Road Lodhran
11	100,000	Cost of Other Store A03942 Cost of Other Store	Stemer Pana Flax Etc.	99,719	Mohid Associate Railway Road Lodhran
		Total 2016-2017		750,241	
1	600,000	National Days, Jashn-e-Baharan, Jashn-e-Eid-Milad-un-Nabi A03918	Refreshment i.e. Chicken Pulaw on the Occasion of Eid-Milad-un-Nabi 20Nos Dagain	90,000	Friends Star Traders Railway Road Lodhran
2	600,000	National Days, Jashn-e-Baharan, Jashn-e-Eid-Milad-un-Nabi A03918	Refreshment i.e. Tea, Lunch Bux, Juices etc. on the Occasion of Eid-Milad-un-Nabi	92,960	Friends Star Traders Railway Road Lodhran
3	600,000	National Days, Jashn-e-Baharan, Jashn-e-Eid-Milad-un-Nabi A03918	Refreshment i.e. Mineral Water on the Occasion of Eid-Milad-un-Nabi	60,021	Friends Star Traders Railway Road Lodhran
4	6,801,020	National Days, Sports Gala, Jashn-e-Baharan, Jashn-e-Eid-Milad-un-Nabi A03918	Purchase of Funfare Shirts	96,104	Friends Star Traders Railway Road Lodhran
5	100,000	National Days, Sports Gala, Jashn-e-Baharan, Jashn-e-Eid-Milad-un-Nabi A03918	Purchase of Pana Flex, Flages etc. on the	31,949	Friends Star Traders Railway Road Lodhran

Sr. No.	Total Budget	Head Name	Detail	Expenditure	Name of Firm
			occasion of 14th August 2017		
6	700,000	Purchase new items LED Eelectric articale water Dispenser Moharam ul haram roots etc A09802	Purchase Electric Items Moharam routes	98,828	Friends Star Traders Railway Road Lodhran
7	700,000	Purchase new items LED Eelectric articale water Dispenser Moharam ul haram roots etc A09802	Purchase Electric Items Moharam roots	99,157	Friends Star Traders Railway Road Lodhran
8	700,000	Purchase new items LED Eelectric articale water Dispenser Moharam ul haram roots etc A09802	Purchase Electric Street Light	40,950	
9	700,000	Purchase new items LED Eelectric articale water Dispenser Moharam ul haram roots etc A09802	Purchase Geezer etc	26,231	
10	700,000	Purchase new items LED Eelectric articale water Dispenser Moharam ul haram roots etc A09802	Purchase Sodium Bulb no.25	49,725	
11	700,000	Purchase new items LED Eelectric articale water Dispenser Moharam ul haram roots etc A09802	Purchase LED Lights	49,140	
		Total 2017-18		735,065	
1	1,000,000	Cost of Other store A03942	Purchase Misc Items Street Lights Moharam roots	97,483	Friends Star Traders Railway Road Lodhran
2	1,000,000	Cost of Other store A03942	Purchase Misc Items Street Lights Moharam roots	68,796	Friends Star Traders Railway Road Lodhran
3	350,000	National Days, Jashn-e-Baharan, Jashn-e-Eid-Milad-un-Nabi A03918	Refreshment i.e. Mix Sweet, Cold Drinks, Baloons, Bamboos, Golay for Atish Bazi on the Occasion of 14 August 2018	90,700	Friends Star Traders Railway Road Lodhran
4	350,000	National Days, Jashn-e-Baharan, Jashn-e-Eid-Milad-un-Nabi A03918	Charaghan i.e. Rental Charges of electrification, Generator, Sound System at Qasim Park on the Occasion of 14 August 2018	43,152	Friends Star Traders Railway Road Lodhran
		Total 2018-19		300,131	
		Grand Total		1,785,437	

Annexure-5/KP

[Para: 66.4.1]

Non-reconciliation of mutation & registration fee with revenue department Rs 71.500 million and short recovery of Rs 23.644 million

(Amount in rupees)

Sr.#	Name of Head	Budget Estimates for the Year 2016-17	Budget Estimates for the Period 01.07.2016 to 31.12.2016	Actual Income From 01.07.2016 to 31.12.2016	Short Recovery
2	Property Tax (Excise)	9,000,000	4,500,000	4,103,591	396,409
3	Immoveable Property / TTIP	35,000,000	17,500,000	15,289,959	2,210,041
	Total	44,000,000	22,000,000	19,393,550	2,606,450
Head of Income for the Year 2016-17					
Sr.#	Name of Head	Budget Estimates from January 2017 to June 2017		Actual Income From 01.01.2017 to 30.06.2017	Short Recovery
2	Property Tax (Excise)	5,000,000		1,090,118	3,909,882
3	Immoveable Property / TTIP	6,000,000		3,811,691	2,188,309
	Total	11,000,000		4,901,809	6,098,191
Head of Income for the Year 2017-18					
Sr.#	Name of Head	Budget Estimates for the Year 2017-18		Actual Income From 2017-18	Short Recovery
2	Property Tax (Excise)	15,000,000		8,905,741	6,094,259
3	Immoveable Property / TTIP	8,500,000		6,616,560	1,883,440
	Total	23,500,000		15,522,301	7,977,699
Head of Income for the Year 2018-19					
Sr.#	Name of Head	Budget Estimates for the Year 2018-19		Actual Income From 2018-19	Short Recovery
2	Property Tax (Excise)	15,000,000		8,038,516	6,961,484
	Total	15,000,000		8,038,516	6,961,484
	Grand Total 2016-2019	93,500,000	22,000,000	47,856,176	23,643,824

Annexure-6/KP

[Para: 66.5.1]

Non-achievement of budgeted targets of revenue

(Amount in rupees)

Sr.#	Name of Head	Budget Estimates for the Year 2016-17	Budget Estimates for the Period 01.07.2016 to 31.12.2016	Actual Income From 01.07.2016 to 31.12.2016	Shortfall
2	Property Tax (Excise)	9,000,000	4,500,000	4,103,591	396,409
3	Immoveable Property / TTIP	35,000,000	17,500,000	15,289,959	2,210,041
4	Building Fee	5,000,000	2,500,000	1,010,660	1,489,340
6	Water Rate Charges	1,000,000	500,000	116,080	383,920
7	Slaughtering Fee	200,000	100,000	77,945	22,055
8	Copying Fee	25,000	12,500	10,690	1,810
10	Rent of Property	7,500,000	3,750,000	3,453,959	296,041
11	Sludge Water	1,600,000	800,000	672,980	127,020
12	Interest/ Profit	600,000	300,000	168,892	131,108
14	Sanitation Fee	650,000	325,000	290,550	34,450
18	Water Rate	1,000,000	500,000	403,435	96,565
20	Tyre Shop	8,000	4,000		4,000
21	Sanitation Fee	100,000	50,000	13,000	37,000
	Total	61,683,000	30,841,500	25,611,741	5,229,759
Head of Income for the Year 2016-17					
Sr.#	Name of Head	Budget Estimates from January 2017 to June 2017		Actual Income From 01.01.2017 to 30.06.2017	Shortfall
2	Property Tax (Excise)	5,000,000		1,090,118	3,909,882
3	Immoveable Property / TTIP	6,000,000		3,811,691	2,188,309
4	Building Fee	3,000,000		1,177,920	1,822,080
5	Entertainment & Advertisement Tax	430,000		283,500	146,500
6	Water Rate Charges	850,000		222,820	627,180
7	Slaughtering Fee	80,000		71,160	8,840
12	Interest/ Profit	205,000		36,337	168,663
14	Sanitation Fee	75,000		-	75,000
16	Earnest Money	500,000		-	500,000
18	Water Rate	600,000		370,060	229,940
19	Tyre Shop	8,000		-	8,000
20	Sanitation Fee	25,000		-	25,000
	Total	16,773,000		7,063,606	9,709,394
Head of Income for the Year 2017-18					
Sr.#	Name of Head	Budget Estimates for the Year 2017-18		Actual Income From 2017-18	Shortfall
2	Property Tax (Excise)	15,000,000		8,905,741	6,094,259
3	Immoveable Property / TTIP	8,500,000		6,616,560	1,883,440

6	Water Rate Charges	1,150,000		663,930	486,070
8	Copying Fee	150,000		119,740	30,260
11	Sludge Water	1,470,000		900,495	569,505
12	Interest/ Profit	350,000		343,741	6,259
13	Miscellaneous	1,000,000		958,710	41,290
14	Sanitation Fee	300,000		295,150	4,850
15	Tyre Shop & Kabaria)	30,000		25,900	4,100
16	Earnest Money	1,150,000		1,144,515	5,485
18	Water Rate	930,000		840,430	89,570
20	Sanitation Fee	75,000		14,800	60,200
Total		30,105,000		20,829,712	9,275,288
Head of Income for the Year 2018-19					
Sr.#	Name of Head	Budget Estimates for the Year 2018-19		Actual Income From 2018-19	Shortfall
2	Property Tax (Excise)	15,000,000		8,038,516	6,961,484
5	Entertainment & Advertisement Tax	750,000		577,560	172,440
6	Water Rate Charges	1,300,000		698,570	601,430
8	Copying Fee	150,000		136,400	13,600
11	Sludge Water	1,500,000		1,311,825	188,175
14	Licence Fee	650,000		445,510	204,490
15	Licence Tyre Shop & Kabaria)	30,000		25,000	5,000
18	Water Rate	600,000		509,300	90,700
19	Licence fee	50,000		-	50,000
	Total	20,030,000		11,742,681	8,287,319
Grand Total 2016-2019		128,591,000	30,841,500	65,247,740	32,501,760

Annexure-7/KP

[Para: 66.5.2]

**Non recovery of the Government dues for illegal construction of
commercial buildings – Rs 3.420 million**

(Amount in Rupees)

Sr. No.	Name	Address	Remarks	Area in Marlas	V. Table Sr. No.	Rate P/Marlas	Value of Land	Conversion Fee	Map Fee	F. Fee	Total
1	Dr. Sajida Almas	Opposite Boys Degree College Near THQ Hospital	Hospital	15	42	197,000	2,955,000	295,500	16,000	120	311,620
2	Dr. Maqbool Ahmed	Old Bwp Pur Road Near THQ Hospital	Hospital	10	42	197,000	1,970,000	197,000	8,000	120	205,120
3	Dr. Muhammad Bilal	Old Bwp Pur Road	Hospital	10	42	197,000	1,970,000	197,000	8,000	120	205,120
4	Al Badar Clinic	Old Bwp Pur Road	Hospital	8	42	197,000	1,576,000	157,600	3,000	120	160,720
5	Dr. Muhammad Shafi	Circular Road Near Mcb Bank	Hospital	7	96	213,000	1,491,000	149,100	29,000	120	178,220
6	Dr. Sohail Aslam	Dunya Pur Road	Hospital	10	12	180,000	1,800,000	180,000	15,000	120	195,120
7	Dr. Abdur Rehman Malik	Dunya Pur Road	Hospital	8	12	180,000	1,440,000	144,000	3,000	120	147,120
8	Dr. Khadim Ahmed	Dunya Pur Road	Hospital	15	12	180,000	2,700,000	270,000	25,000	120	295,120
9	Dr. Fazlur Rehman Malik	Dunya Pur Road	Hospital	20	12	180,000	3,600,000	360,000	16,000	120	376,120
10	Dr. Muhammad Shareef	Old Melsi Road	Hospital	10	21	180,000	1,800,000	180,000	11,000	120	191,120
11	Rana Qaisar	Galla Godown Road Laurel Home School	School	30	54	113,000	3,390,000	339,000	25,000	120	364,120
12	Knowledge Inn School	Galla Godown Road	School	30	54	113,000	3,390,000	339,000	25,000	120	364,120
13	Hafiz Ghulam Yaseen	Rind Jada Road	Commercial Building	1	19	1,850,000	1,850,000	185,000	1,620	120	186,740
14	M. Abdullah Khokar	Lodhran Road To City Chowk	Commercial Building	1	3	180,250	180,250	9,013	1,620	120	10,753
15	M. Aslam Ghori	Lodhran Road To	Commercial Building	2	3	180,250	360,500	18,025	3,250	120	21,395

Sr. No	Name	Address	Remarks	Area in Marlas	V. Table Sr. No.	Rate P/Marla	Value of Land	Conversion Fee	Map Fee	F. Fee	Total
		City Chowk									
16	Ashraf Rehmani	Railway Ch. To Adnan Petrol Pump	Commercial Building	2	5	77,250	154,500	7,725	3,250	120	11,095
17	Master Abou Bakar Nasir	Old Bahawal Pur Road	Commercial Building	1	42	164,900	164,900	8,245	1,620	120	9,985
18	Muhammad Sabir	Old Bahawal Pur Road To Mungri Wala	Commercial Building	2.5	43	92,700	231,750	11,588	4,000	120	15,708
19	Imdadullah Abbasi	Melsi Road To Muhamma di Ch	Commercial Building	2	16	104,000	208,000	10,400	3,250	120	13,770
20	M Yaseen	Shah Pur Road To Tablighi Markaz	Commercial Building	1	153	70,000	70,000	3,500	1,620	120	5,240
21	M.Maqbool Boka	Shah Pur Road	Commercial Building	2	153	70,000	140,000	7,000	3,250	120	10,370
22	Saleem Chughtai	Dunya Pur Road Anwar Hotel To Melsi Ch	Commercial Building	5	5	164,800	824,000	41,200	8,100	120	49,420
23	Khalilur Rehman	Dunya Pur Road Ch Melsi To Shell Pump	Commercial Building	2	10	123,600	247,200	12,360	3,250	120	15,730
24	Abdul Hameed	Sharif Plaza	Commercial Building	2	1	288,400	576,800	28,840	3,250	120	32,210
25	Mukhtiar Ahmed	Tablighi Markaz Shah Pur Road	Commercial Building	2	153	70,000	140,000	7,000	3,250	120	10,370
26	Asad Jamal	Farooq E Azam Bazar	Commercial Building	3	---	64,800	194,400	9,720	9,720	120	19,560
27	Munir Ahmed	Lodhran Road Moza Pakka	Residential Building	5	125	97,850	489,250	4,893	1,300	120	6,313
28	Siddiq Bhutta	Melsi Road	Residential Building	7	23	87,850	614,950	6,150	1,620	120	7,890
	Total										3,420,187

Annexure-8/KP**[Para: 66.5.3]****Loss to Local Government due to non-collection of license / permit fee
– Rs 2.647 million****(Amount in Rupees)**

Sr. No.	Description of Item	Schedule Fee	No. of Units Listed in the Demand Register F.Y. 2016-19	Period in Years 2016-19	Amount
1	Karyana	300	93	3	83,700
2	Sapray	1,000	63	3	189,000
3	Cloth marchant	300	55	3	49,500
4	Bakery	500	9	3	13,500
5	Ara Machine	1,000	19	3	57,000
6	Hotel	500	14	3	21,000
7	General Store	200	59	3	35,400
8	Big Meet	200	42	3	25,200
9	Shoes Marchant	250	30	3	22,500
10	Tea Stal	200	28	3	16,800
11	Madical Store	200	31	3	18,600
12	Veterinary Hospital	500	5	3	7,500
13	Printing Press	400	4	3	4,800
14	Chaki Ata	700	14	3	29,400
15	Khad Perchon Frosh	500	15	3	22,500
16	Khad Agency	1,000	700	3	2,100,000
17	Kharad Machine	500	13	3	19,500
18	Motor Cycle Agency	2,000	4	3	24,000
19	Spair Parts	200	82	3	49,200
20	Petrol Pumps	3,000	14	3	126,000
21	Electric Store	200	14	3	8,400
22	Book Centre	200	8	3	4,800
23	Gross Seler	100	16	3	4,800
24	Welding	500	5	3	7,500
25	Window & door Shop	1,000	7	3	21,000
26	Motor Work shop	500	3	3	4,500
27	Brick	1,000	12	3	36,000
28	Washing Machine cooler etc	500	6	3	9,000
29	Vegetable seller	100	22	3	6,600
30	Poultary meat	200	18	3	10,800

Sr. No.	Description of Item	Schedule Fee	No. of Units Listed in the Demand Register F.Y. 2016-19	Period in Years 2016-19	Amount
31	Fish seller	100	13	3	3,900
32	Fruit Sabzi Market	500	13	3	19,500
33	Cotton Factory	8,000	14	3	336,000
34	Oil Mil	3,500	11	3	115,500
35	Welding electricity	100	15	3	4,500
36	Paint Store	250	20	3	15,000
37	Goli tofy Sweets	100	89	3	26,700
38	Ice Factory	5,000	10	3	150,000
39	Cable Netwark	10,000	1	3	30,000
40	Computer center	1,000	4	3	12,000
41	Soda water machine	300	12	3	10,800
Total					3,752,400
Recovery During 2016-2017					313,650
Recovery During 2017-2018					321,050
Recovery During 2018-2019					470,510
Total Recovery During 2016-2019					1,105,210
Short Recovery					2,647,190

Annexure-1/LDN

[Para: 67.4.2]

Non-achievement of targets of receipts – Rs 142.388 million

(Rupees in million)

Sr. No.	Receipt heads	Revised target	Actual collection	Balance 30 June	%age
2017-18	Parking fee car dalla	0.365	0.291	0.074	20%
	License fee	0.250	0.073	0.178	71%
	General bus stand fee	1.600	1.233	0.367	23%
	sale of slaughter house waste	0.010	-	0.010	100%
	sale of slaughtering of animals	0.060	-	0.060	100%
	Receipts on account of sales of water-Residential	0.060	0.011	0.049	81%
	water connection fee	0.010	-	0.010	100%
	Receipts on account of sales of water-Commercial	0.010	-	0.010	100%
	Receipts on account of sales of water-Through Tanker	0.025	-	0.025	100%
	sewerage/drainage/nali tax	0.020	-	0.020	100%
	Receipts from public latrines	0.070	0.043	0.027	38%
	fee for fairs, agriculture show	0.005	-	0.005	100%
	Advertisement fee	0.800	0.716	0.084	11%
	Arrears rent of shops	88.021	-	88.021	100%
	Rent of shops	18.680	6.533	12.147	65%
	sale of stock and store	0.100	-	0.100	100%
	Misc. arrears	1.863	-	1.863	100%
	Renewal of registration of contractors	0.575	0.135	0.440	77%
	Registration/ enlistment of contractors	0.500	0.189	0.311	62%
	Fee for approval of housing colonies	1.000	-	1.000	100%
	Fee for approval of building/constructions	3.300	2.518	0.782	24%
Fee for change of land use	10.000	7.000	3.000	30%	
Fine for construction without approval	0.100	0.042	0.058	58%	
Fine for encroachment	0.100	-	0.100	100%	
Encroachment	0.100	-	0.100	100%	
Fine velied planning office	0.050	-	0.050	100%	
2018-19	License fee	0.200	0.064	0.136	68%
	sale of slaughter house waste	0.045	0.041	0.004	9%
	Receipts on account of sales of water-Residentails	0.020	0.001	0.019	96%
	Entry fee for park	0.077	0.074	0.003	3%
	Receipts on account of sales of water-Commercial	0.005	-	0.005	100%
Receipts on account of sales of water-Through Tanker	0.025	-	0.025	100%	

Sr. No.	Receipt heads	Revised target	Actual collection	Balance 30 June	%age
	severage/draingae/nali tax	0.020	-	0.020	100%
	fee for fairs, agriculture show	0.005	-	0.005	100%
	Arrears rent of shops	20.000	4.833	15.167	76%
	Rent of shops	20.548	5.314	15.234	74%
	sale of stock and store	0.035	0.025	0.010	29%
	Misc. arrears	1.863	-	1.863	100%
	Renewal of registration of contractors	0.299	0.060	0.239	80%
	Registration/ enlistment of contractors	0.200	0.121	0.079	40%
	Fee for approval of housing colonies	0.500	-	0.500	100%
	Fee for approval of building/ constructions	3.300	3.245	0.055	2%
	Fine for encroachment	0.020	0.016	0.004	19%
	Encroachment	0.080	-	0.080	100%
	Fine velied planning office	0.050	-	0.050	100%
	Total	174.965	32.578	142.388	81%

Annexure-2/LDN

[Para: 67.5.5]

Irregular issuance of work order without obtaining additional performance security – Rs 2.575 million

(Rupees in million)

Scheme No.	Name of Project/Initiative	Estimated cost (Rs in million)	Tender Dated	Tender Rate	Ad. Performance Security (Rs in million)
ADP 2017-18 MC Lodhran					
31	Cosn. Of Sewerage Tuff Tile Near House Abdul Ghaffar Behind Boys Degree College	0.35	30-12-2017	9.17% Below	0.035
33	Providing & Fixing Grill Tuff Tile General Bus stand Lodhran	1	30-12-2017	12.86% Below	0.1
34	Cons. of Tuff Tile for Bus Stop inside Lodhran City	1.3	30-12-2017	15% Below	0.13
35	Cons. of Tuff Tile Super Chowk via Thadda Minor Ward No. 25 Lodhran	0.3	30-12-2017	11.50% Below	0.03
36	Cons. of Sewerage Street Allah Wasaya Wali Main Street Near Mudersa Qabool Wala Minor Ejaz Wali	0.5	30-12-2017	12.10% Below	0.05
37	Cos./Improvement Tuff Tile Street Dr. Haqnawaz Wali (Remianing Portion)	0.3	30-12-2017	10% Below	0.03
LGDP 2017-18					
1	Construction/Improvement of Sewerage Street Rafiq Shaky , Soling Street Shakir Wali Ward No. 1	0.5	30-12-2017	15% Below	0.05
2	Construction/Improvement & Repair Street Tower to Basti khaney Wala Ward No.2	0.5	30-12-2017	9.25% Below	0.45
3	Construction/Improvement & Repair Sewerage Tuff Tile Ward No.3	0.5	30-12-2017	8.786% Below	0.45
4	Construction/Improvement Tuff Tile Street behind 1122 Ward No.4	0.5	30-12-2017	16.90% Below	0.05
5	Construction/Improvement & Repair Sewerage Tuff Tile Ward No.5	0.5	30-12-2017	8.75% Below	0.05
6	Construction/Improvement Soling Street Dr. Ejaz Ahmad Wali & Bhutta Colony Ward No.6	0.5	30-12-2017	10.50% Below	0.05
7	Construction/Improvement & Repair Sewerage Tuff Tile Ward No.7	0.5	30-12-2017	11.786% Below	0.05
8	Construction/Improvement & Repair Sewerage Tuff Tile Street Behind Shoukat Market Near Mosque Ehl e Hadiees Ward No. 8	0.5	30-12-2017	14.25% Below	0.05

Scheme No.	Name of Project/Initiative	Estimated cost (Rs in million)	Tender Dated	Tender Rate	Ad. Performance Security (Rs in million)
9	Construction/Improvement & Repair Sewerage Tuff Tile Ward No.9	0.5	30-12-2017	10% Below	0.05
10	Improvement werage Street Dr. Ali Nawaz, Shahzad Mughal, Shiekh Allah Wasaya & Repar of Metal Road Slaughter House Road	0.5	30-12-2017	11.33% Below	0.05
11	Repair of Metal Road/Improvement Sewerage Street Muhammadia Fareedia Ward No.11	0.5	30-12-2017	8.25% Below	0.05
12	Construction/Improvement & Repair Sewerage Tuff Tile Street Khawaja Yaseen Wali Ward No.12	0.5	30-12-2017	10% Below	0.05
13	Construction/Improvement Sewerage Soling Street Mian Muhammad Afzal Wali Ward No. 13	0.5	30-12-2017	12.25% Below	0.05
14	Improvement Sewerage Behind Street Model Bazar Lodhran Ward No.14	0.5	30-12-2017	14% Below	0.05
15	Construction/Improvement & Repair Sewerage Tuff Tile Ward No.15	0.5	30-12-2017	11.10% Below	0.05
16	Construction/Improvement & Repair Sewerage Tuff Tile Faiz Abad Ward No.16	0.5	30-12-2017	4% Below	0.05
17	Construction/Improvement & Repair Sewerage Tuff Tile Ward No.17	0.5	30-12-2017	13.86% Below	0.05
18	Construction/Improvement & Repair Sewerage Tuff Tile Ward No.18	0.5	30-12-2017	12% Below	0.05
19	Construction/Improvement & Repair Sewerage Tuff Tile Ward No.19	0.5	30-12-2017	13.25% Below	0.05
20	Improvement Soling Resoling Tuff Tile Different Streets Ward No. 20	0.5	30-12-2017	19.25% Below	0.05
21	Construction/Improvement Sewerage Basti Essay Wala Ward No.21	0.5	30-12-2017	11% Below	0.05
22	Construction/Improvement & Repair Sewerage Tuff Tile Street Sufi Ismail, Soling Janaza Gah Ward No. 22	0.5	30-12-2017	16.10% Below	0.05
23	Construction/Improvement & Repair Sewerage Street Madina Masjid Wali Ward No. 23	0.5	30-12-2017	14.04% Below	0.05
24	Construction/Improvement Sewerage Soling Street Rao Inshad Wali Basti Ghair Ward No. 24	0.5	30-12-2017	15.25% Below	0.05
25	Construction/Improvement & Repair Sewerage Tuff Tile Flooring Street Muhammad Irshad Khokhar (Late) Wali Ward No. 25	0.5	30-12-2017	11.25% Below	0.05

Scheme No.	Name of Project/Initiative	Estimated cost (Rs in million)	Tender Dated	Tender Rate	Ad. Performance Security (Rs in million)
26	Construction/Improvement & Repair Sewerage Tuff Tile Street Muhammad Yar (Late) Wali Ward No. 26	0.5	30-12-2017	16% Below	0.05
27	Construction/Improvement & Sewerage Tuff Tile Street Shoukat Lard Wali Ward No. 27	0.5	30-12-2017	13.25% Below	0.05
28	Construction/Improvement & Repair of Metal Road etc. Street Eid Gah Wali Ward No. 28	0.5	30-12-2017	12.50% Below	0.05
	Total				2.575

Annexure-1/JPP

[Para: 68.3.2]

Misclassification of expenditure – Rs 2.510 million

(Rupees in million)

Year	Name of work	Original Object Head	Object Head Used	Amount
2017-18	Construction and repair of Moharram Routs	A1209- Other works	A-03918 Exhibition fairs and others National Celebrations	0.965
2017-18	Purchase of PVC pipe etc	A1209- Other works	A09601- Purchase of plant and machinery	0.634
2017-18	Repair and overhaul of getter machine	A01301- Repair of machinery and equipment	A09601- Purchase of plant and machinery	0.399
2018-19	Construction and repair of Moharram Routs	A1209- Other works	A-03918 Exhibition fairs and others National Celebrations	1.335
2018-19	Purchase of PVC pipe for water supply	A1209- Other works	A09601- Purchase of plant and machinery	0.834
2018-19	P/Laying of pipes 250 feet	A1209- Other works	A09601- Purchase of plant and machinery	0.036
2018-19	P/Laying of pipes 150 feet	A1209- Other works	A09601- Purchase of plant and machinery	0.048
2018-19	P/Laying of pipes Khawajgan water supply 3 feet	A1209- Other works	A09601- Purchase of plant and machinery	0.070
2018-19	Purchase of shopper bags	A12501- On going development schemes	A03970- Other	0.045
2018-19	Purchase of shopper bags	A12501- On going development schemes	A03970- Other	0.046
2018-19	Purchase of shopper bags	A-03918 Exhibition fairs and others National Celebrations	A03970- Other	0.049
2018-19	Purchase of shopper bags	A-03918 Exhibition fairs and others National Celebrations	A03970- Other	0.049
Grand Total				2.511

Annexure-2/JPP**[Para: 68.4.1]****Poor performance due to short collection of government receipt – Rs
106.751 million****(Rupees in million)**

Sr. No.	Detail Receipt Head	Budget Estimate for FY 2018-19	Total Receipt 2018-19	Variation	%age
1	Urban immovable property tax (B01301-10) B01301 - Ordinary Collection	4.700	3.487	1.213	26
2	Licence Fee (C038801 to 15) C0388001 - License fee (Articles of Food and Drink)	0.070	0.066	0.004	5
3	C0388002 - License fee (Dangerous and Offensive Trade)	1.100	0.961	0.139	13
4	Income From Transport Stands (C0380016 to 25) C0388016 - General Bus Stand fee	2.410	2.304	0.106	4
5	C0388027 - Fee for approval of Building/ Construction Plan	1.500	1.332	0.168	11
6	C0388029 - Conversion Fee for change in building use	5.000	2.002	2.998	60
7	C0388033 - Tehbazari fee	0.040	-	0.040	100
8	C0388040 - Fine levied	0.050	-	0.050	100
9	C0388042 - Fee for slaughtering of animals	0.486	0.213	0.272	56
10	C0388047 - Receipts on account of sale of water - residential	8.224	6.813	1.411	17
11	C0388048 - Receipts on account of sale of water - commercial	0.190	-	0.190	100
12	C0388049 - Receipts on account of sale of water - industrial	0.045	-	0.045	100
13	C0388050 - Receipts on account of sale of water - bulk consumers	0.960	-	0.960	100
14	C0388051 - Receipts on account of sale of water - through tankers	0.220	0.199	0.021	10
15	C0388054 - Sewerage Fee/ Charges/ Nali Tax	2.458	1.003	1.455	59
16	C0388058 - Sale of sullage/ waste-water	4.000	2.879	1.121	28
17	Fee from Contractors (C0388071 to 75) C0388071 - Registration/ Enlistment of Contractors	0.120	0.054	0.066	55

Sr. No.	Detail Receipt Head	Budget Estimate for FY 2018-19	Total Receipt 2018-19	Variation	%age
18	Rent of Municipal Properties (C0388081 to 85) C0388081 - Rent of municipal Property - Shops	5.600	3.263	2.337	42
19	C0388087 - Copying fee	0.010	0.003	0.007	65
20	C0388089 - Sale of trees and plants	0.010	-	0.010	100
21	C0388090 - Sale of stocks and stores	0.100	-	0.100	100
22	C0388091 - Others Miscellaneous Fee	0.500	0.031	0.469	94
23	C0388093 - Arrears of Water Rate	7.353	1.506	5.848	80
24	C0388098 - Arrears of Shop	5.387	2.117	3.271	61
	Sub-total	182.268	142.075	40.193	22%
Sr. No.	Detail Receipt Head	Revised Budget Estimate for FY 2017-18	Previous Months	Variation	%age
1	B01302 - UIP Tax / Share of net proceeds assigned to Districts/TMAs etc.	4.000	4.620	0.620	15%
2	Transfer of property tax (B01311-20) B01313 - Tax on Transfer of Immovable Property	6.000	5.343	0.657	11%
3	C03683 - Grant from Provincial Government (PFC Share)	97.438	56.614	40.824	42%
4	Licence Fee (C038801 to 15) C0388001 - License fee (Articles of Food and Drink)	0.100	0.049	0.052	52%
5	C0388002 - License fee (Dangerous and Offensive Trade)	1.100	0.866	0.234	21%
6	Income From Transport Stands (C0380016 to 25) C0388016 - General Bus Stand fee	1.850	0.736	1.114	60%
7	C0388027 - Fee for approval of Building/ Construction Plan	2.000	1.622	0.378	19%
8	C0388029 - Conversion Fee for change in building use	4.000	3.352	0.648	16%
9	C0388030 - Fine for construction without approval of building plan	0.050	-	0.050	100%
10	C0388033 - Tehbazari fee	0.040	-	0.040	100%
11	C0388034 - Fine for Encroachments	0.500	0.198	0.302	60%
12	C0388042 - Fee for slaughtering of animals	0.256	0.059	0.197	77%
13	C0388047 - Receipts on account of sale of water - residential	8.000	5.344	2.656	33%
14	C0388048 - Receipts on account of sale of water - commercial	0.174	-	0.174	100%

Sr. No.	Detail Receipt Head	Budget Estimate for FY 2018-19	Total Receipt 2018-19	Variation	%age
15	C0388049 - Receipts on account of sale of water - industrial	0.045	-	0.045	100%
16	C0388050 - Receipts on account of sale of water - bulk consumers	1.380	-	1.380	100%
17	C0388054 - Sewerage Fee/ Charges/ Nali Tax	2.827	0.850	1.977	70%
18	C0388058 - Sale of sullage/ waste-water	4.000	3.493	0.507	13%
19	Fee from Contractors (C0388071 to 75) C0388071 - Registration/ Enlistment of Contractors	0.120	0.115	0.005	4%
20	C0388072 - Renewal of Registration	0.010	-	0.010	100%
21	C0388073 - Tender Fee	0.400	0.398	0.002	0%
22	Rent of Municipal Properties (C0388081 to 85) C0388081 - Rent of municipal Property - Shops	5.500	1.481	4.019	73%
23	Miscellaneous Income (C0388086 to C0388099) C0388087 - Copying fee	0.010	0.007	0.003	28%
24	C0388089 - Sale of trees and plants	0.010	-	0.010	100%
25	C0388090 - Sale of stocks and stores	0.100	-	0.100	100%
26	C0388093 - Arrears of Water Rate	8.989	1.585	7.405	82%
27	C0388098 - Arrears of Shop	7.343	4.506	2.837	39%
28	C01803- Interest realized on investment of cash balance	1.000	0.687	0.313	31%
	Sub-total	190.828	111.727	66.558	35%
	Grand Total	-	-	106.751	

Annexure-3/JPP

[Para: 68.4.2]

**Illegal construction of buildings without recovery of conversion fee –
Rs 13.890 million**

(Rupees in million)

Sr. No.	Name Of Building With Location	Name Of Owner	Building Plan Approved Or Otherwise	Detailed Nature Of Violations	Commercial Fee due on 2008-2009
1	Mumtaz Market on Permit Road File NO.161 dated 11-04-2009 Total area = 23 Marlas G.F. 28 Shops + 1st floor	Dr. Mumtaz Hussain S/O Haji Fazal Din	Not yet approved	No setback 20ft.	1.083
2	Al-Khaliq Shopping Centre Permit Road File No.161 dated 10-04-2007 Total are = 26 Marlas 8s. Covered area 11092.5 Sq. ft. G.F. 24 Shops + 1st floor offices and flats	Nazir Ahmed, Muneer Ahmed, Shakil Ahmed, S/O Haji Abdul Khaliq	Approved on 17-09-2007 with affidavit of Commercialization Fee	No setback, No parking	2.235
3	Commercial Hall on Permit Road, File No.341 dated 28-06-2006, Total area = 10.86 Marlas, G.F. 1st floor = Covered area 5376 Sq. ft.	Muhammad Iqbal, Muhammad Saleem Anjum, Muhammad Arshad Nair, Muhammad Amjad Nazir, Muhammad Ashraf Nazir, S/O Nazir Ahmed	Approved on 12-06-2008 with affidavit of Commercialization Fee	No setback, No parking	0.903
4	Allied Bank on Permit Road, File No.116 dated 12-02-2009, Total area = 11 Marlas	Aish Muhammad, S/O Muhammad Suleman	Not yet approved	17 ft setback instead of 20 ft.	0.483
5	Kamran Plaza on Permit Road, File No.12 dated 20-07-2007	Ashfaq Ahmed, S/O Qamal Muhammad	Approved on 17-09-2007 with affidavit of Commercialization Fee	No setback, No required parking	1.406
6	Bashir Market on Permit Road File No.217 dated 25-06-	Bashir Ahmed Muhammad Aslam S/O	Approved on 03-03-2008 with affidavit of	No setback,	1.666

Sr. No.	Name Of Building With Location	Name Of Owner	Building Plan Approved Or Otherwise	Detailed Nature Of Violations	Commercial Fee due on 2008-2009
	2007,G.F. 61 Shops + 1st Floor flats,Total area 53 Marlas	Muhammad Rafique	Commercialization Fee	36 x 138 Parking	
7	Maryam Surgical Hospital & Maternity Home on Permit Road,File No.61 dated 08-09-2005,Total area = 22.32 Marlas,Covered area = 8073 Sq. ft.,G.F. 1st floor, 2nd floor	Dr. Saeed Ahmed,S/O Kamal Ahmed	Approved on 03-12-2005 with affidavit of Commercialization Fee	No setback, No parking	0.702
8	Arshad Clinic on Permit Road,File No.130 dated 28-02-2007,Total area = 21 Marlas,Covered area = 5079 Sq. ft.,G.F. 1st floor	Arshad Hussain S/O Mureed Hussain	Approved on 17-03-2007 with affidavit of Commercialization Fees	No setback,No required parking	0.587
9	Clinic & Hospital Lodhran Road,File No.216 dated 14-06-2007,Total area = 18.1 MarlaCovered area = 4921 Sq. ft.G.F. 1st floor	Mst. Zubaida Hadi W/O Abdul Hadi Khawaja	Approved on 23-06-2007 with affidavit of Commercialization Fee	No setback, No parking	0.757
10	Nasir Surgical Hospital on Lodhran Road,File No.117 dated 01-02-2008,Total area = 18 Marlas, Covered area = 7372 Sq. ft.G.F. 1st floor	Muhammad Nasir Abbas,Muhammad Qasim,S/O Muhammad Yar	Approved on 03-02-2008,With affidavit of Commercialization Fee	No setback ,No required parking	0.753
11	Chanab Restaurant on Shujabad Road,File No.36 dated 21-08-2007,Total area = 26.44 Marlas	Umar Ali,S/O Ghulam QadirGhulam Shabir			3.317
Total					13.890

Annexure-4/JPP**[Para: 68.4.5]****Illegal construction of buildings without recovery of conversion fee –
Rs 7.456 million****(Rupees in million)**

Sr. No	Name of owner	Address	Area	Rate DC	Total Value	%	Conversion Fee
1	Khalid Hussain, Manzoor Hussain	Shuja Abad Road	6	0.968	5.809	10%	0.581
2	Sultan Mehmood S/o Khushi Muhammad	Shuja Abad Road	5.2	0.968	5.035	10%	0.503
3	Muhammad Ishaq Muhammad Ayoub S/ Rasool Baksh	Lodhran Road	10	0.216	2.163	10%	0.216
4	Manzoor Khatoon widow Aashiq Muhammad	Permit Road	9.4	0.556	5.228	10%	0.523
5	Younus, Yousaf Yahaya S/o M. Saddique	Permit Road	14.7	0.500	7.343	10%	0.734
6	Ghulam Yasin S/o Ghulam Rasool	Permit Road	12.5	0.500	6.244	10%	0.624
7	Abid Hussain S/o Mureed Hussain	Shuja Abad Road	11.7	0.670	7.833	10%	0.783
8	Bashir Ahmed S/o Muhammad Nawaz	Permit Road	14.7	0.500	7.343	10%	0.734
9	Saif Ur Rehmand S/o M. Saddique	Permit Road	20	0.500	9.991	10%	0.999
10	Shah Muhammad etc Rajpoot	Permit Road	18	0.325	5.846	10%	0.585
11	Hakeem Muhamamd Ehsan S/o Mehmood ul Hassain Bata Shoes	Permit Road	3.2	0.556	1.780	10%	0.178
12	Mehboob Ahmed S/o Rasool Baksh Cast Samajja	Permit Road	69	0.144	9.940	10%	0.994
Total							7.456

Annexure-5/JPP**[Para: 68.4.7]****Non recovery of arrear of rent of shops – Rs 3.080 million****(Rupees in million)**

Sr. No	Shop Number	Location	Name of Tenants with Parentage	2016-17	2017-18	2018-19
1	1	Gharbi Bazar	Abdul Raheem S/O Ghulam Muhammad	-	0.245	-
2	2	Gharbi Bazar	Islam Deen S/O Bakhsh	-	0.098	-
3	3	Gharbi Bazar	Abdul Rehman S/O Kuriya	-	0.165	-
4	4	Gharbi Bazar	Abdul Kareem S/O Abdullah	-	-	-
5	5	Gharbi Bazar	Abdul Rehman S/O Kuriya	-	-	-
6	6	Gharbi Bazar	Abdul Rehman S/O Kuriya	-	-	-
7	7	Gharbi Bazar	Abdul Rehman S/O Kuriya	-	-	-
8	8	Gharbi Bazar	Gulshaad Ahmad S/O Ghulam Sarwar	-	-	0.015
9	9	Gharbi Bazar	Muhammad Saleem S/O Fateh Muhammad	-	0.045	0.037
10	10	Gharbi Bazar	Shoukat Hussain Laang S/O Basheer Ahmad	0.027	0.096	0.086
11	11	Gharbi Bazar	Saeed Ahmad S/O Abdul Kareem Alvi	-	-	-
12	12	Gharbi Bazar	Yaqoob Hassan S/O Abdul Rauf	-	-	-
13	13	Gharbi Bazar	Muhammad Shakir S/O Islam Deen	-	0.076	0.042
14	14	Gharbi Bazar	Abdul Majeed S/O Shamas Deen	-	-	0.042
15	15	Gharbi Bazar	Iqbal Hussain S/O Wahid Bakhsh Khawaja	-	-	-
16	16	Gharbi Bazar	Muhammad Nasir S/O Islam Deen Sheikh	-	0.098	0.027
17	17	Gharbi Bazar	Muhammad Rafeeq S/O Ghulam Nabi	-	-	0.075
18	18	Gharbi Bazar	Muhammad Rafeeq S/O Ghulam Nabi	-	-	-

Sr. No	Shop Number	Location	Name of Tenants with Parentage	2016-17	2017-18	2018-19
19	19	Gharbi Bazar	Muhammad Yaseen S/O Islaam Deen Sheikh	-	-	-
20	20	Gharbi Bazar	Muhammad Yaseen S/O Islaam Deen Sheikh	0.120	0.175	0.308
21	21	Gharbi Bazar	Muhammad Yaseen S/O Islaam Deen Sheikh	-	-	-
22	22	Gharbi Bazar	Ijaz Hussain S/O Faiz Bakhsh Bhatti	-	-	-
23	1	Chowk Abbas	Muneer Hussain Shah	-	0.234	0.220
24	2	Chowk Abbas	Azeez Rasool Sandeela	0.397	0.136	0.552
25	1	Chowk Bazar	Abdul Majeed S/O Shamoo Jhammat	-	-	-
26	2	Chowk Bazar	Shahid Nizam S/O Nizam Uddin	-	0.019	-
27	3	Chowk Bazar	Mukhtiar Ahmad S/O Muhammad Hassan	-	0.019	-
28	4	Chowk Bazar	Muhammad Rehan S/O Muhammad Ramzan	-	0.004	0.004
29	5	Chowk Bazar	Vacant	-	-	0.021
30	6	Chowk Bazar	Vacant	-	-	0.020
31	7	Chowk Bazar	Vacant	-	-	0.030
32	8	Chowk Bazar	Vacant	-	-	0.040
33	9	Chowk Bazar	Vacant	-	-	0.032
34	10	Chowk Bazar	Vacant	-	-	0.055
35	11	Chowk Bazar	Abdul Majeed S/O Shamoo Jhammat	-	0.013	-
36	1	Shopping Center	Ghulam Raza S/O Ahmad Bakhsh	-	-	0.055
37	2	Shopping Center	Niaz Uddin S/O Nazar Uddin	-	0.040	0.055
38	3	Shopping Center	Abdul Khaliq S/O Muhammad Afzal Baloch	-	0.022	-
39	4	Shopping Center	Sajjad Ali S/O Muhammad Sadeeq Dogar	-	-	0.037

Sr. No	Shop Number	Location	Name of Tenants with Parentage	2016-17	2017-18	2018-19
40	5	Shopping Center	Vacant	-	0.010	-
41	6	Shopping Center	Ghulam Mustafa S/O Sajju Khan	-	0.019	0.006
42	7	Shopping Center	Muhammad Akram S/O Muhammad Yameen	0.018	0.012	0.030
43	8	Shopping Center	Saeed Akhtar S/O Muhammad Ramzan	0.011	-	0.027
44	9	Shopping Center	Vacant	-	-	-
45	10	Shopping Center	Vacant	-	0.012	-
46	11	Shopping Center	Muhammad Haneef S/O Shah Muhammad	-	0.028	0.010
47	12	Shopping Center	Muhammad Shahid S/O Ghulam Mustafa	-	0.013	0.030
48	13	Shopping Center	Rasheed Ahmad S/O Faiz Bakhsh	-	0.023	0.042
49	14	Shopping Center	Mushtaq Ahmad S/O Ghulam Muhammad	-	0.013	0.025
50	1	Old Lodhran Road	Niaz Hussain S/O Habib Ul Rehman	-	-	0.013
51	1	Mohallah Haideriya	Mumtaz Hussain S/O Peer Bakhsh	-	-	-
52	2	Mohallah Haideriya	Muhammad Ramzan Ansari	-	-	-
				-	-	0.023
53	1	Shumali Bazar	Shahid Saleem S/O Rasheed Ahmad	-	0.038	0.021
54	2	Shumali Bazar	Sher Muhammad S/O Abdul Ghani	-	0.038	0.048
55	3	Shumali Bazar	Muhammad Shareef S/O Feroz Khan	-	-	-
56	4	Shumali Bazar	Shoukat Ali S/O Abdul Ghani	-	-	-
57	5	Shumali Bazar	Khalil Ahmad S/O Kareem Bakhsh	-	0.148	0.188
58	6	Shumali Bazar	Shoukat Ali S/O Abdul Ghani	-	0.091	0.116
59	7	Shumali Bazar	Ubaid-Ul-Rehman S/O Khushi Muhammad	-	0.065	0.142

Sr. No	Shop Number	Location	Name of Tenants with Parentage	2016-17	2017-18	2018-19
60	8	Shumali Bazar	Ghulam Muhammad S/O Ali Muhammad	-	0.034	0.027
61	9	Shumali Bazar	Saeed Ahmad S/O Noor Muhammad	-	0.034	0.037
62	10	Shumali Bazar	Mushtaq Ahmad S/O Jalal Uddin	-	-	-
63	11	Shumali Bazar	Sher Muhammad S/O Abdul Ghani	0.029	0.034	0.012
64	12	Shumali Bazar	Muhammad Shareef S/O Allah Wasaya	-	0.028	0.048
65	13	Shumali Bazar	Muhammad Shareef S/O Allah Wasaya	-	0.028	0.059
66	14	Shumali Bazar	Muhammad Shareef S/O Allah Wasaya	-	0.028	0.036
67	15	Shumali Bazar	Muhammad Rizvi S/O Ali Muhammad	-	0.065	-
68	16	Shumali Bazar	Abdul Rasheed S/O Heemu	-	0.146	0.246
69	17	Shumali Bazar	Shakeel Ahmad S/O Naik Muhammad	-	0.112	0.141
Total				0.602	2.506	3.081

Annexure-6/JPP**[Para: 68.4.9]****Short Collection of license fee – Rs 1.096 million****(Rupees in million)**

Sr. No.	Name of profession	Total Number	Rate	Fee Due	Fee Collected	
					2017-18	2018-19
1	Sona chandi Pani Walay	8	500	0.004	0.002	0.001
2	Welding	125	1000	0.125	0.120	0.104
3	Sabin Agency	7	1000	0.007	0.006	0.006
4	Charum /Khal Froosh	4	500	0.002	0.002	0.002
5	Fertilizer stock agency	8	2500	0.020	0.010	0.010
6	Fertilizer seller	7	1500	0.011	0.009	0.011
7	Spiller oil	5	2000	0.010	0.006	0.010
8	Floor Chaki	26	1500	0.039	0.032	0.026
9	Tamboako russa	5	1000	0.005	0.005	0.005
10	Almari Safe Trunk	24	1000	0.024	0.024	0.021
11	Sheesha Katai Seller	3	1000	0.003	0.003	0.002
12	Kabria	22	1000	0.022	0.022	0.008
13	Kabaria Tajdeed fee	16	800	0.013	-	0.121
14	New tyre seller	14	3000	0.042	0.033	0.018
15	Old tyre Seller	8	1500	0.012	0.012	0.005
16	Puncture tyre	18	300	0.005	0.005	0.005
17	Ice and Ice Cream Factory	3	3000	0.009	0.009	0.009
18	Ice and ice cream seller	5	500	0.003	0.002	0.003
19	Wood Seller	3	1000	0.003	0.001	0.003
20	Furniture Wokshops	35	2000	0.070	0.070	0.062
21	Wooden Tall	14	1000	0.014	0.014	0.006
22	Machis	1	1000	0.001	-	0.001
23	Bhoosa and grass seller	13	1000	0.013	0.013	0.008
24	Bricks Seller	9	5000	0.045	0.045	0.045
25	Chemical / poison Seller	45	1000	0.045	0.045	0.042
26	Tuff tile, cemenent pips	5	3000	0.015	0.012	0.012
27	Cotton Seller	3	500	0.002	0.001	0.002
28	Bori, shopper etc	46	1000	0.046	0.028	0.046
29	Gas Agency	3	1000	0.003	0.001	0.003
30	Gas Filling Cylinder	1	1000	0.001	0.001	0.001
31	Gas cholay seller	12	1000	0.012	0.010	0.012
32	Dasi ghee, milk seller	17	1000	0.017	0.012	0.017
33	Bhanay	5	1000	0.005	0.003	0.003
34	Fruit and vegetable seller	46	800	0.037	0.034	0.020
35	Dhobi and iron man	9	500	0.005	0.005	0.004

Sr. No.	Name of profession	Total Number	Rate	Fee Due	Fee Collected	
					2017-18	2018-19
36	Sweets	8	3000	0.024	0.018	0.015
37	Hajam, Hair Dresser	50	500	0.025	0.025	0.019
38	Sona Chandi k zewer	81	5000	0.405	-	-
39	Pepsi Koke Gormay Agency	6	3000	0.018	0.012	0.018
40	Buchers chota gosht, chicken	49	800	0.039	0.036	0.039
41	Silver seller , Bras	1	1000	0.001	0.001	-
42	Speaker Siren, electric etc	102	1000	0.102	0.110	0.110
43	Muti k burton	5	500	0.003	0.002	0.002
44	Wheat, rice etc seller	189	1000	0.189	0.090	0.189
45	Printing Pana flex	6	1000	0.006	0.006	0.004
46	Marble cutting polish and sale	4	5000	0.020	-	-
Total				1.520	0.895	1.047
Total dues and collected				3.039	1.923	
Short collection of license fee				1.096		

Annexure-7/JPP**[Para: 68.5.1]****Non collection of tender fee and non-maintenance of tender register –
Rs 12.085 million****(Rupees in million)**

Date of Advertisement	Sr. No	Name of subject	Estimated Cost
11th August 2017	1	Repair and general overhauling of engion, tyres, Sucker Machine etc	0.400
	2	Repair and general overhauling of engion, tyres, Jetter Machine etc	0.400
	3	Purchase of hand carts	1.000
	4	Purchase of furniture	0.700
	5	Purchase / supply of PVC pipes 3,4,6,8,10,12,18 inch and supply of 3,4,8,6,10 inch dia and supply Jabal and Jabal Point etc	1.000
	6	Supply and fixing of direction boards	0.300
	7	Supply of kassi, thal, iron balti, iron tralian etc	0.200
	8	Supply of electric grass cutter machine, sissors, etc	1.500
20th August 2018	1	Purchase / supply of PVC pipes 3,4,6,8,10,12,18 inch and supply of 3,4,8,6,10 inch dia and supply Jabal and Jabal Point etc	1.000
	2	Repair regzine, sofa jat etc	0.250
	3	Purchase cable jetter machine	2.000
	4	Purchase of latest Motor Rickshaw etc	1.500
	5	Repair of fire brigade vehicle	0.200
	6	Supply of main holes covers and kara jat	0.500
	7	Repair of generator wiring and change of filter etc	0.300
	8	Repair sozo water brouzer and purchase of tyres etc	0.125
	9	Rewinding 50 HP electric motor for turbine	0.180
	10	rewinding 40 HP electric motor for turbine	0.160
	11	Purchase of electric water cooler supper delux etc	0.070
	12	street lights for Moharram Routs	0.200
	13	Purchase of slouce water, spindle etc	0.100
Grand Total			12.085

Annexure-8/JPP**[Para: 68.5.3]****Doubtful withdrawal of excess POL Funds from the government treasury – Rs 9.113 million****(Amount in rupees)**

Month	POL as per Log Book	Actual Diesel as per Operator Record	Excess Per Liter	Rate per Liter	Rate of Diesel
Sep-18	720	300	420	107.2	45,024
Oct-18	720	240	480	107.15	51,432
Nov-18	630	180	450	113.5	51,075
Dec-18	720	60	660	111.5	73,590
Jan-19	540	120	420	107.23	45,037
Feb-19	450	0	450	107.23	48,254
Mar-19	580	60	520	111.99	58,235
Apr-19	510	95	415	117.99	48,966
May-19	450	120	330	122.9	40,557
Jun-19	390	170	220	127.4	28,028
Jul-19	510	180	330	127.4	42,042
Aug-19	630	260	370	133.05	49,229
Sep-19	600	180	420	127.72	53,642
Oct-19	720	300	420	127.72	53,642
Nov-19	630	240	390	128	49,920
Dec-19	570	180	390	125.6	48,984
Jan-20	420	180	240	125.6	30,144
Total	9790	2865	6925		817,800

Annexure-1/SBD

[Para: 69.4.2]

Non-recovery of conversion fee – Rs 6.715 million

(Rupees in million)

Sr. No.	Date of Submission File	Name of Owner	Address	Nature of Building	Marla	Map Fee Paid	Rate as per Evaluation Table	Rate	Conversion Fee
1	25.01.2017	Arfa Hussain D/O Hassan Bakhsh	Mouza Khair Pur Urban Jalal Pur Road	Commercial Shops Single Story	3	0.006	0.226	5%	0.034
2	25.01.2017	Eshrat Usman W/O Shafique Ahmad	Mouza Gaju Hatta Urban B.Pas Road Shujabad	Commercial Shops Double Story	2	0.008	0.122	5%	0.015
3	25.01.2017	M. Samee Ullah Tahir S/O M Hafeez ullah	Mouza merale Wahan Urban Laar Road Shujabad	Commercial Shops Single Story	6	0.008	0.221	10%	0.132
4	08.02.2017	M Kosain S/O Abdul Ghafoor	Mouza Gaju Hatta Urban Near Chote Naher Lodhran Road Shujabad	Commercial Shops Single Story	1	0.003	0.276	5%	0.025
5	16.02.2017	M Yaseen S/O Ahmad Bakhsh	Mouza Gaju Hatta Urban Lodhran Road	Commercial Shops Single Story	2	0.006	0.193	5%	0.026
6	20.02.2017	M Ramzan S/O M Iqbal	Mouza Gaju Hatta Urban Lodhran Road	Commercial Shops Double Story	4	0.008	0.193	5%	0.043
7	03.03.2017	Riaz Hussain M Rizwan S/O Sadiq Muhammad	Mouza merale Wahan Urban Laar Road Shujabad	Commercial Shops Double Story	6	0.012	0.221	10%	0.146
8	08.03.2017	C/O Tariq Iqbal	Mouza Gaju Hatta Urban Near Noore Masjid Shujabad	Commercial Shops Single Story	1	0.002	0.292	5%	0.016
9	09.03.2017	M Arshad S/O Bashir Ahmad	Mouza Gaju Hatta Urban Near New P.S Saddar Lodhran Road Shujabad	Commercial Shops Double Story	3	0.005	0.193	5%	0.029
10	21.03.2017	M Iqbal S/O Abdul Sattar	Mouza Gaju Hatta Urban Jalal Pur Road	Commercial Shops Single Story	5	0.011	0.276	10%	0.157
11	24.04.2017	Nafeesa Bibi D/O Saleem Ud din etc	O/S Rasheed Shah Gate near Clinic Dr. Suliman	Commercial Shops Single Story	0	0.003	0.215	5%	0.011

Sr. No.	Date of Submission File	Name of Owner	Address	Nature of Building	Marla	Map Fee Paid	Rate as per Evaluation Table	Rate	Conversion Fee
12	30.05.2017	Haeda Bibi W/O Muhammad Ibraheem	Mouza Shujabad Urban Circular Road	Commercial Shops Single Story	3	0.009	0.276	5%	0.044
13	01.06.2017	Abid Ali S/O Abul Waheed	Mouza Shujabad Urban Jalal Pur Road	Commercial Shops Single Story	4	0.007	0.276	10%	0.110
14	03.06.2017	Abid Hussain S/O Ghulam Rasool etc	Mouza merale Wahan Urban Laar Road Shujabad	Godown	83	0.089	0.166	20%	2.764
15	23.06.2017	Umaira Fatima D/O Zaffar Bodla	Mouza Gaju Hatta Urban Near Mandar Professor College	Professor College	35	0.064	0.237	10%	0.830
16	24.06.2017	Muhammad Sajid S/O Muhammad Sadiq	Mouza Shujabad Urban Eid Gah Road	Commercial Shops	0	0.001	0.193	5%	0.005
17	29.06.2017	Mefooz Ali S/O Suliman Via Rao Jaffar	Jalal Pur Road	Commercial Shops	3	0.006	0.330	10%	0.113
18	30.06.2017	Muhammad Shahzad S/O Rehmat Ullah	Mouza Gaju Hatta Urban Lodhran Road	Commercial Shops	2	0.003	0.243	5%	0.024
19	03.08.2017	Ali Hassan Khan S/O Ghulam Jeelane Khan	Mouza Merae Wahan Laar Road	Commercial Shops	3	0.008	0.166	5%	0.025
20	11.08.2017	M Siddique S/O M Abdullah	Circular Road Sindhe Gate	Commercial Shops	2	0.005	0.166	10%	0.038
21	12.09.2017	M Zahid, M Sabir S/O Abdul Waheed	Mouza Shujabad Urban Old Multan Road	Commercial Hall Double Story	5	0.013	0.319	10%	0.160
22	04.10.2017	Riaz Ahmad S/O Khuda Bakhsh	Near Dera Rao Khalid Saeed Jalal Pur Road	Commercial Hall	5	0.012	0.276	10%	0.138
23	05.10.2017	Muhammad Ameen S/O Allah Ditta	Mouza Gaju Hatta Urban Lodhran Road	Commercial Shops	1	0.004	0.276	5%	0.021
24	11.10.2017	M Saleem S/O M Rafique	Mouza Shujabad Urban Saloughter House Road	Commercial Hall	4	0.014	0.276	10%	0.130
25	25.10.2017	Naveed Ali Bahadar S/O Ali Bahadar	Mouza Shujabad Urban Zail Grah Road	Commercial Shops	8	0.013	0.330	10%	0.287
26	07.11.2017	Ubaid Ali Bahadar S/O Ali Bahadar	Mouza Gaju Hatta Urban Railway Road	Commercial Shops	5	0.010	0.330	10%	0.158

Sr. No.	Date of Submission File	Name of Owner	Address	Nature of Building	Marla	Map Fee Paid	Rate as per Evaluation Table	Rate	Conversion Fee
27	11.11.2017	Asia Faiz W/O M Iqbal	Mouza Gaju Hatta Urban Lodhran Road	Commercial Shops	2	0.005	0.276	5%	0.034
28	15.11.2017	Chand Sultana W/O Zaffar Iqbal	Mouza Khair Pur Urban Kenal Road	Shops	2	0.005	0.276	5%	0.028
29	15.11.2017	Chand Sultana W/O Zaffar Iqbal	Mouza Khair Pur Urban Kenal Road	Shops	4	0.009	0.276	10%	0.110
30	20.11.2017	M Latif S/O Abdul Rasheed	Mouza Merale Wahan Laar Road	Commercial Shops Double Story	2	0.007	0.221	5%	0.028
31	08.12.2017	Sher Din S/O Noor Muhammad	Mouza Gaju Hatta Urban Lodhran Road	Commercial Shops Double Story	3	0.008	0.193	5%	0.029
32	16.12.2017	M Ismail S/O Ghulam Sarwar	Near Chote Naher Mouza Gaju Hatta	Commercial Shops	5	0.012	0.292	10%	0.146
33	30.12.2017	Asif Tasleem S/O Saleem Perveez	Mouza Shujabad Urban Old Multan Road	Commercial Shops	4	0.007	0.319	10%	0.128
34	27.04.2018	M Ahmad Hashme etc S/O Hashem Ali Khawaja	Mouza Gaju Hatta Urban Railway Road	Commercial Hall	8	0.021	0.278	10%	0.222
35	03.05.2018	M Imran Cheshte S/O Ashiq Hussain	Mouza Shujabad Urban Eid Gah Road	Commercial Shops	1	0.004	0.193	5%	0.011
36	09.05.2018	Hafsa Kanwal W/O M Naseem	Mouza Todar Pur Old Multan Road	Commercial Shops	2	0.007	0.188	5%	0.019
37	21.06.2018	Shamshad Ali S/O Fateh Muhammad	Circular Road Mouza Shujabad	Commercial Shops	6	0.024	0.276	10%	0.179
38	02.10.2018	Abdul Rehman s/o Malik Allah Ditta	Mouza Todar Pur Near kala Pul Canal Road	Commercial Hall	5	0.011	0.166	5%	0.041
39	16.10.2018	Malik M Arif s/o Malik Allah Ditta	Mouza Shujabad Urban Khan Garh Rad	Commercial Shops	1	0.004	0.221	5%	0.012
40	11.01.2019	M Mohi Din S/O Tahir Murtaza	Mouza Shujabad Urban Near Jamia Farooqia Old Multan Road	Commercial Shops	2	0.007	0.319	5%	0.041
41	03.04.2019	M Aqeel s/o Soba Sadiq	Mouza Gaju Hatta Urban Canal Road	Commercial Shops	1	0.009	0.276	5%	0.023
42	12.04.2019	Taj Muhammad,	Near Masjid Committee	Commercial Hall	4	0.013	0.276	10%	0.114

Sr. No.	Date of Submission File	Name of Owner	Address	Nature of Building	Marla	Map Fee Paid	Rate as per Evaluation Table	Rate	Conversion Fee
		Niaz Muhammad s/o Fateh Muhammad	Wale Circular Road						
43	24.04.2019	Kashif Iqbal s/o Badar ul Islam	Mouza khair Pur Urban Jalal Pur Road	Commercial Shops	2	0.006	0.226	5%	0.023
44	28.06.2019	Mirza M Hashim Baig s/o Anwar Beig	Mouza Gaju Hatta Urban Circular Road	Commercial Hall	3	0.014	0.276	5%	0.048
Total									6.715

Annexure-2/SBD**[Para: 69.5.1]****Doubtful use of POL in Jetting & Sucker Machine without record of complaints – Rs 1.943 million****(Rupees in million)**

BCR Date	Vehicle No.	Bill Moth	Amount
25.06.19	Sukar Peetar Eng	Apr-19	0.057
25.06.19	Jeeting	Apr-19	0.010
25.06.19	Sukar	Apr-19	0.012
25.06.19	Jeeting Peetar Eng	Apr-19	0.053
02.05.19	Sukar Peetar Eng	Mar-19	0.054
02.05.19	Jeeting	Mar-19	0.013
02.05.19	Jeeting Peetar Eng	Mar-19	0.005
02.05.19	Sukar	Mar-19	0.013
11.04.19	Sukar	Feb-19	0.018
11.04.19	Jeeting	Feb-19	0.049
11.04.19	Sukar Peetar Eng	Feb-19	0.053
11.04.19	Jeeting	Feb-19	0.019
13.03.19	Jeeting Peetar Eng	Dec-18	0.044
13.03.19	Sukar Peetar Eng	Dec-18	0.049
13.03.19	Jeeting	Dec-18	0.011
11.02.19	Sukar Peetar Eng	Nov-18	0.038
11.12.18	Jeeting Peetar Eng	Oct-18	0.040
10.10.18	Jeeting Peetar Eng	Aug-18	0.053
10.10.18	Sukar Peetar Eng	Aug-18	0.056
13.03.18	Sukar Peetar Eng	Jan-18	0.046
13.03.18	Jeeting	Jan-18	0.014
13.03.18	Jeeting Peetar Eng	Jan-18	0.025
13.03.18	Sukar	Jan-18	0.019
03.04.18	Jeeting	Feb-18	0.009
03.04.18	Sukar Peetar Eng	Feb-18	0.042
03.04.18	Sukar	Feb-18	0.009
03.04.18	Jeeting Peetar Eng	Feb-18	0.040
28.04.18	Sukar Peetar Eng	Mar-18	0.041
28.04.18	Jeeting	Mar-18	0.008
28.04.18	Jeeting Peetar Eng	Mar-18	0.035
28.04.18	Sukar	Mar-18	0.008
16.05.18	Jeeting	Apr-18	0.009
16.05.18	Jeeting Peetar Eng	Apr-18	0.038
16.05.18	Sukar	Apr-18	0.008

BCR Date	Vehicle No.	Bill Moth	Amount
16.05.18	Sukar Peetar Eng	Apr-18	0.040
25.06.18	Sukar Peetar Eng	May-18	0.039
25.06.18	Sukar	May-18	0.010
25.06.18	Jeeting Peetar Eng	May-18	0.042
25.06.18	Jeeting	May-18	0.010
01.08.18	Sukar	Jun-18	0.017
01.08.18	Sukar Peetar Eng	Jun-18	0.013
01.08.18	Jeeting Peetar Eng	Jun-18	0.056
01.08.18	Jeeting	Jun-18	0.016
07.09.18	Sukar Peetar Eng	Jul-18	0.049
07.09.18	Jeeting	Jul-18	0.009
07.09.18	Jeeting Peetar Eng	Jul-18	0.045
07.09.18	Sukar	Jul-18	0.011
01.01.18	Jeeting Peetar Eng	Nov-17	0.032
01.01.18	Sukar	Nov-17	0.007
01.01.18	Sukar Peetar Eng	Nov-17	0.032
15.02.18	Jeeting	Dec-17	0.009
15.02.18	Jeeting Peetar Eng	Dec-17	0.039
15.02.18	Sukar Peetar Eng	Dec-17	0.042
15.02.18	Sukar	Dec-17	0.012
26.07.17	Sukar Peetar Eng	Jun-17	0.033
26.07.17	Jeeting	Jun-17	0.007
26.07.17	Sukar	Jun-17	0.010
26.07.17	Jeeting Peetar Eng	Jun-17	0.032
31.08.17	Jeeting	Jul-17	0.017
31.08.17	Sukar Peetar Eng	Jul-17	0.046
31.08.17	Sukar	Jul-17	0.015
31.08.17	Jeeting Peetar Eng	Jul-17	0.044
06.10.17	Jeeting	Aug-17	0.005
06.10.17	Sukar Peetar Eng	Aug-17	0.033
06.10.17	Jeeting Peetar Eng	Aug-17	0.028
06.10.17	sukar	Aug-17	0.008
04.11.17	Jeeting	Sep-17	0.009
04.11.17	Jeeting Peetar Eng	Sep-17	0.028
04.11.17	Sukar Peetar Eng	Sep-17	0.036
04.11.17	Sukar	Sep-17	0.008
18.12.17	Jeeting Peetar Eng	Oct-17	0.003
18.12.17	Sukar	Oct-17	0.009
18.12.17	Sukar Peetar Eng	Oct-17	0.029
18.12.17	Jeeting	Jul-17	0.015
Total			1.943

Annexure-1/BRW

[Para No. 74.3.7]

Loss due to illegal construction of commercial buildings without payment of map fee and conversion fee – Rs 4.732 million

(Rupees in millions)

Sr. No.	Nature Of Building / Title of Businesses	Name of Owner	Addresses	Area in commercial use	Sr. No. of Valuation Table	Rate as per Valuation Table	Total Value of Property as per valuation table	%age of Conversion Fee Applicable	Total Conversion Fee	Total Covered Area in SFt	Total Map Fee @ Rs 3.5 per SFt	Base ment Fee @ Rs 20 per SFt
1	Marquee	Shamshare Ali S/O Abdul Rehman	Ckak No. 451 EB Lat Bhatian Multan Road Burewala	1 Kanal	1605	180,000	3,600,000	10%	0.360	5,000	0.018	0
2	Umar Surgical Center	Unknown	Chichawatni Road Burewala	8 marla	886	320,000	2,560,000	10%	0.256	3,600	0.013	0.036
3	Commercial Center / Number daard Motors	Manzoor S/O Sajawal Jutt	Neeli Baar City, Luddan Road Burewala	10 marla	1190	780,000	7,800,000	10%	0.780	2,500	0.088	0
4	Commercial Building	Muhammad Aslam S/O Karam Deen	Hameed Block Chak No. 439 / EB Burewala	4 marla	1117	1,000,000	4,000,000	10%	0.400	2,100	0.074	0
5	Commercial Building	Mehmoed Ali & Ahmad Ali S/O Haji Ghous	M Block Burewala	4 marla	1095	900,000	3,600,000	10%	0.360	2,100	0.007	0.021
6	Double Storey Commercial Building	Muhammad Yaseen S/O Khushi Mohammad	Chak No. 435 EB	1.5	873	360,000	540,000	5%	0.027	810	0.003	0

Sr. No.	Nature Of Building / Title of Business	Name of Owner	Addresses	Area in commercial use	Sr. No. of Valuation Table	Rate as per Valuation Table	Total Value of Property as per valuation table	%age of Conversion Fee Applicable	Total Conversion Fee	Total Covered Area in SFt	Total Map Fee @ Rs 3.5 per SFt	Base ment Fee @ Rs 20 per SFt
7	Double Storey Commercial Building	Muhammad Usman S/O Muhabbat Ali Khan	Chak No. 441 EB Faiz Abad, Burewala	1	1274	450,000	450,000	5%	0.023	540	0.002	0
8	Double Storey Commercial Building	Muhammad Shahzad Akhtar S/O Muhammad Shareef	Marzipura, On Road Burewala	6	1127	2,000,000	12,000,000	20%	2.400	3,240	0.011	0
Total									4.606		0.070	0.057
Grand Total											4.732	

Annexure-2/BRW

[Para No. 74.3.8]

**Loss due to illegal extension in converted area of commercial buildings
– Rs 4.205 millions**

(Rupees in Millions)

Nature Of Building / Title of Business	Name of Owner / Address	Area for which conversion fee paid	Total Area in Commercial use	Rate as per Valuation Table 2016-17 Sr. No. 851 applied as per Demand Notice Issued vide No. 17/MO(PP dated 06.02.19	Total Value of the Land as per Valuation Table	%age of Conversion Fee Applicable	Conversion Fee to be Recovered	Conversion Fee Actually Received	Recovery still to be made
Wali Sons, Marriage Hall	Malik Nazeer Ahmad, Muhammad Hanif, Shabbir Ahmad, Rasheed S/O Wali Muhammad	17.22	29	0.580	16.820	20%	3.364	0.999	2.365
Sub-Total (A)									2.365
Nature Of Building / Title of Business	Name of Owner / Address	Area for which conversion fee has been paid	Total Area in Commercial use	Rate as per Valuation Table 2016-17 Sr. No. 851 applied as per Demand Notice Issued vide No. 17/MO(PP dated 06.02.19	Total Value of the Land as per Valuation Table	%age of Conversion Fee Applicable	Conversion Fee to be Recovered	Conversion Fee Actually Received	Recovery still to be made
City Marriage Hall	Bashir Ahmad S/O Muhammad Yaseen R/O 439 EB, Gulshan e Raza Town	14	30	0.400	12	20%	2.400	0.560	1.840
Sub-Total (B)									1.840
Grand Total (A+B)									4.205

Annexure-1/MLS

[Para 75.3.1]

Irregular award of civil works, purchase of goods and acquiring of services form the blacklisted firm Rs 6.208 million

(Amount in rupees)

A. Detail of Operational Expenditures							
Description	Voucher No. and date	Cheque No.	Grass Amou	Detail of Tax			Net Amount
				GSt	IT	PST	
2017-18							
Purchase of Hand Carrier Solid Waste	118/8	806134148	90000	17100	4050	0	68850
Purchase of Hand Carrier Solid Waste	119/8	806134148	90000	17100	4050	0	68850
Repair of Transformer Water supply	90/6	807803504	61890	12052	3881	2528	43429
Purchase of Grass cutter Machine	114/10	806134189	84500	16055	3803	0	64642
2018-19							
Purchase of Filter for Water filtration plants	125/10	807803569	94500	18900	4252	0	71348
Repair of Transformer water Supply	84/9	807803548	45525	6205	2846	2320	34154
Engine Repair Sucker Machine	.13/8	807803520	55654	6387	2946	3528	42793
Repair Disposal Pump	115/9	807803551	22650	2630	1542	1520	16958
Purchase of Panaflex for functions	86/9	807803548	43200	8640	1944	0	32616
Purchase of Panaflex for functions	88/9	807803548	39100	7820	1760	0	29520
Repair of Transformer water Supply	105/10	807803568	76780	11956	4390	2720	57714
Total (A) Operational Expenditure			703,799	124,845			530,874
B. Detail of Development Expenditures							
Name of Scheme	MB #	Name of Contractor	Total Expenditure	Cost			
2017-18							
Const. of Soling, Resoling, Sewerage, Drains, Tuff Tiles Water Supply & Street Light, Jangla Jaat Ward No.4 Mailsi	74(46 to 52)	TMJ Enterprises	960,000	1,000,000			
Const. of Soling, Resoling, Sewerage, Drains, Tuff Tiles Water Supply & Street Light, Jangla Jaat Ward No.8 Mailsi	181(55 to 61)	TMJ Enterprises	960,275	1,000,000			
Const. of Soling, Resoling, Sewerage, Drains, Tuff Tiles Water Supply & Street Light, Jangla Jaat Ward No.10 Mailsi	74(81 to 87)	TMJ Enterprises	998,181	1,000,000			
Const. of Soling, Resoling Drainage and Tuff Tile Shakoori Street Mailsi	181(41 to 44)	TMJ Enterprises	449,130	500,000			
Const. of Soling, Resoling Drainage and Tuff Tile Water Supply, Street Light Ward No.11 Mailsi	100(81 to 85)	TMJ Enterprises	499,950	500,000			
Total for the Year 2017-18			3,867,536	4,000,000			

2016-17				
Const. of Soling Sewer. Street Mahar Mumtaz Wali Hari Pura Mailsi Ward No.6	94(50 to 52)	TMJ Enterprises	198,388	200,000
Const. of Soling Sewerage Model Town Hari Pura Mailsi	94(52-53)	TMJ Enterprises	198,576	200,000
P/Laying of Water Supply Line Madina Town Mailsi	73(71 to 75)	TMJ Enterprises	149,850	150,000
Providing & Fixing of Manhole Covers / Frames, Jangla Jaat, Crossings and Repair of Manhole etc TMA Mailsi	94(57)	TMJ Enterprises	298,950	300,000
Improvement / Repair of TMA Offices and Residences Mailsi	67(57 to 63)	TMJ Enterprises	700,000	700,000
Improvement / Const. of Sewerage System, Soling, Resoling & Drains Mailsi City	94(54 to 56)	TMJ Enterprises	795,152	800,000
Total for the Year 2016-17			2,340,916	2,350,000
Grand Total of (B) Development Expenditures			6,208,452	6,350,000
Total A & B			6,912,251	

Annexure-2/MLS

[Para 75.4.4]

**Illegal construction of commercial buildings without payment of map
and conversion fees – Rs 5.435 million**

(Amount in rupees)

Sr. No	Name or Address	Commercial buildings	Area	Map fee	Conversion Fee	Total	Recovery	Arrears
2016-17								
1	Muhammad Asif off road rehminia Bazar Mailsi.	Shops	10 Marla 2720 sft	54,400	435,237	489,637	-	489,637
2	Shahid hussain Kunia sher Garh road Mailsi	Shop	1 Marla 272 sft	2,720	16,685	19,405	-	19,405
3	Muhamamd Saleem S/o Muhammad youns Fine city karhor paka road Mailsi	Shops	3 marla 816 sft	9,795	36,300	46,095	-	46,095
	Sub Total							555,137
2017-18								
1	Ghulam Akbar Khan khichi Quaid e Azam off road Mailsi	Market	40 Marla	408,000	5,808,000	6,216,000	1,860,000	4,356,000
	Sub Total							4,356,000
2018-19								
1	Qasir niaz S/O Niaz Ahmad Asim Clinic railway road Maisli	Privates Clinic	4 Marla 08 Sarsi	10,125	354,640	364,765	50,000	314,765
2	Dr Khair Muhammad joiya vehari road Mailsi.	Privates Clinic	6 Marla	16,120	391,715	407,835	250,000	157,835
3	Mumtaz Hussain S/O Ghulam Sarwar fine city kahror paka road mailsi	Shops	3 Marla	14,700	36,300	51,000	-	51,000
	Sub Total							523,600
Grand Total								5,434,737

Annexure-1/VHR**[Para No.76.4.4]****Irregular promotions of different officials without the signature of full DPC members and irrelevant DPC members****(Rupees in million)**

Date of Promotion	Name	Working Designation	Promoted Designation
19.03.2019	MuhamamdNadeem JC	Grade NO.11,	Senior Clerk BS-14
12.03.2019	Muhammad Sharif JC	Grade NO.11,	Senior Clerk BS-14
12.03.2019	Abdul Razaq JC	Grade NO.11,	Senior Clerk BS-14
12.03.2019	Shah Muhamamd JC	Grade NO.11,	Senior Clerk BS-14
11.05.2019	Muhammad Latif Electric Quili	Grade NO.05,	Electrician BS-07
6.09.2019	Muhammad Khalid Mashki	Grade NO.02,	Driver BS-05
11.05.2019	NadeemMasheeSanatary Worker,	Grade NO.02,	Driver BS-05
11.05.2019	Mazhar Islam sanatary Worker,	Grade NO.02,	Driver BS-05
11.05.2019	Kamran Rafique SW	Grade NO.02,	Driver BS-05
11.05.2019	Abdul Shakoor SW	Grade NO.02,	Driver BS-05
11.05.2019	Mushtaq Ahmad SW	Grade NO.02,	Driver BS-05
11.05.2019	Muhammad TahirPehlwan SW	Grade NO.02,	Driver BS-05
7.06.2018	Muhamamd Hassan SW	Grade NO.02,	Driver BS-05
14.10.2017	MunirHussian HC	BS-16	Suprident BS-17
14.10.2017	Abdul RasheedChowkidar	BS-01	Driver BS-05
30.08.2016	JaffarHussain Water Carrier	BS-02	Driver BS-05
26.03.2018	AmjadHussainAnjum Senior Clerck	BS-14	Head Clerk Library, BS-16

Annexure-2/VHR

[Para No.76.5.1]

Less recovery of water rates- Rs 116.61 million

(Rupees in million)

Period	No. Connections			Demand			Recovery			Balance	
	No.	Domestic	Commercial	Arrear	New Demand	Total Demand	Arrear	Current	Total		
2016-17	Old	6,193	64	6,257	33.773	4.017	37.790	1.00	0.320	1.319	36.47
	New	4	-	4							
2017-18	Old	6,197	64	6,261	36.470	4.023	40.493	1.33	0.251	1.581	38.91
	New	8	1	9							
2018-19	Old	6,205	65	6,270	38.912	4.048	42.961	1.35	0.384	1.731	41.23
	New	10	-	10							
Total		18,617	194	12,531	70.243	8.040	78.283	2.330	0.571	2.900	116.61

Annexure-3/VHR**[Para No.76.5.4]****Illegal collection of Government fees by contractors hiring private staff—Rs 20.33 million****(Rupees in****million)**

Head of Income	Name of Contractor	Period	Auction amount
Parking Fee General Bus Stand	AmjadJaved S/O Muhammad Anwar	2017-18	16.100
Advetisement Fee	Muhammad Umar Saeed	2017-18	2.150
Slaughter House	Muhammad Bilal S/O Mushtaq Ahmad	2017-18	0.450
Municipalsaraye	AmjadJaved S/O Muhammad Anwar	2017-18	0.950
New Latrine LariAdda	AmjadJaved S/O Muhammad Anwar	2017-18	0.520
Sullage Water Peer Murad	SarwatAnnayat	2017-18	0.0116
Sullage Water People Colony	Faisal Shehzad	2017-18	0.105
Tanker Stand	Muhammad Ashraf	2016-17	0.240
Parking Fee General Bus Stand	Muhammad ShahidPervaiz	2016-17	10.801
Advetisement Fee	Muhammad ShahidPervaiz	2016-17	6.310
Municipalsaraye	Muhammad Ashraf	2016-17	0.835
New Latrine LarriAdda	Muhammad Zahid	2016-17	0.515
Slaughter House	Muhammad ShahidPervaiz	2016-17	0.625
Entertainment Fee	Farahat Ali Shah	2016-17	0.030
Latrine LarriAdda	Farahat Ali Shah	2016-17	0.130
Latrine C Block	Farahat Ali Shah	2016-17	0.150
Dead Animals	Muhammad Riaz	2016-17	0.060
Total			20.33

Annexure-4/VHR**[Para No.76.5.7]****Loss to Government due to less receiving of tender fee of Rs 9.891 million****(Rupees in million)**

Date of Tender opening	No. of tenders sold	Rate of Per Tender	Tender Fee Due	Tender Fee Received	Tender Fee Not Received
15.11.2016	680	1000	6,800,000	680,000	6.120
21.12.2016	58	1000	580,000	58,000	0.522
22.06.2017	71	1000	710,000	71,000	0.639
23.09.2017	23	1000	230,000	23,000	0.207
4.10.2017	13	1000	130,000	13,000	0.117
9.11.2017	15	500	150,000	7,500	0.143
13.11.2017	25	500	250,000	12,500	0.238
23.11.2017	61	500	610,000	30,500	0.579
28.11.2017	6	500	60,000	3,000	0.057
30.11.2017	9	500	90,000	4,500	0.0855
5.12.2017	4	500	40,000	2,000	0.038
17.01.2018	22	500	220,000	11,000	0.209
30.01.2018	22	500	220,000	11,000	0.209
13.03.2018	36	500	360,000	18,000	0.342
7.09.2018	7	2000	70,000	14,000	0.056
27.03.2019	66	5000	660,000	330,000	0.330
Total					9.891

Annexure-5/VHR**[Para No.76.5.10]****Illegal established of commercial buildings without paying conversion fee -Rs 2.75 million.****(Rupees in million)**

Sanction No.	Sanction Dated	Name	Area	Conversion Fee Due	Fee Received	Remaining Fee
133	2.05.2019	Commercial Center	11 M	940500	470250	0.470
134	3.05.2019	Muhammad Ghayaz commercial plaza	3.666 M	141167	105876	0.035
145	21.06.2019	Commercial Center	7.11	704000	176000	0.528
157	28.06.2019	Commercial Center	2.333	242000	121000	0.121
158	28.6.2019	Commercial Center	2.22	220000	110000	0.110
159	28.06.2019	Commercial Center three storires	8.777	579332	289666	0.290
160	28.06.2019	Commercial Center three storires	8.777	531056	265528	0.266
161	28.06.2019	Commercial Center three storires	8.777	500000	250000	0.250
62	20.02.2018	Commercial Center three storires	8.222	498333	179760	0.319
86	22.03.2018	Commercial Center three storires	8.777	482778	362083	0.121
107	15.05.2018	Commercial Center three storires	5.888	530000	397500	0.133
106	14.05.2018	Commercial Center three storires	1.333	120000	90000	0.030
156	15.05.2017	Commercial Center three storires	12	312000	234000	0.078
Total						2.750

Annexure-6/VHR**[Para No.76.6.1]****Illegal approval of housing colonies without obtaining NOC from environmental protection agency – Rs 3655.77 million****(Rupees in million)**

Sanction	Sanction Date	Name of Scheme	Total Area	Residential Area Marlas	Commercial Area	Value of Land	Value of Land (Million)
300/MOP MC VRH	4.11.2019	Ali Block Land Subdivision 11/WB	500	286	24	500000	154.80
1918-19/TMO	4.06.2015	Saleem Block Land Sub Division Chak No. 41/WB	950	658	9	500000	333.65
78/TMO	14.07.2016	United City Land Sub Division Chak No.39WB	779	463	35	500000	248.75
2280/TMO	11.12.2016	Royal Garden Chak No. 11/WB	649	427	19	500000	222.75
737/CO MC	12.09.2018	Al-Hamad Garden Chak No. 41/WB	1,209	778	24	500000	401.02
1036/TMO VR	8.04.2014	Defense View Phase-I, 39/WB	1,808	1,226	11	500000	618.50
1327/CO MC VR	7.11.2018	Gulshan-E-Noor 9/WB Joiawala road	680	414	34	500000	224.00
1898/TMO VR	1.06.2015	Kareem Block 41/WB	1,975	1,324	11	500000	667.50
823/CO MC VR	25.09.2018	Majeed Town 39/WB	1,632	1,066	11	500000	538.33
166/TMA VR	12.01.2015	Gulbarg Phase-1, 39/WB	790	471	22	500000	246.47
Total							3,655.77

Annexure- 7/VHR

[Para No.76.6.2]

Unauthorized approval of LSDS without transfer of area of public buildings, open spaces, parks and roads – Rs 1806.96 million

(Rupees in million)

Sanction No	Sanction Date	Name of Scheme	Total Area (Marla)	Parks (Marla)	Solid Waste (Marla)	Public Building (Marla)	Road Area (Marla)	Total Area transferred to be (Marla)	Value of Land Per Marla	Total Value of Land (Million)
300/MOP MC VRH	4.11.2019	Ali Block Land Subdivision 11/WB	500	35.041322	10.009183	10.009183	135.34252	190.4022	500000	95.20
1918-19/TMO	4.06.2015	Saleem Block Land Sub Division Chak No. 41/WB	950.444	66.593205	10.027548	19.089073	187.43802	283.14784	500000	141.57
78/TMO	14.07.2016	United City Land Sub Division Chak No.39WB	779	55	10	16.4	200	281.4	500000	140.70
2280/TMO	11.12.2016	Royal Garden Chak No. 11/WB	649	46	10	16	131	203	500000	101.50
737/CO MC	12.09.2018	Al-Hamad Garden Chak No. 41/WB	1208.5	84.666	No	24.22	297.5	406.386	500000	203.19
1036/TMO VR	8.04.2014	Defense View Phase-I, 39/WB	1808	127	No	36	402	565	500000	282.50
1327/CO MC VR	7.11.2018	Gulshan-E-Noor 9/WB Joiawala road	680	47.66	10 M	13.777	160.55	221.987	500000	110.99
1898/TMO VR	1.06.2015	Kareem Block 41/WB	1975	138.55	10 M	39.44	451.123	629.113	500000	314.56
823/CO MC VR	25.09.2018	Majeed Town 39/WB	1631.5	114.444	10 M	33.011	407.333	554.788	500000	277.39
166/TMA VR	12.01.2015	Gulbarg Phase-1, 39/WB	790	57	10 M	16.5	205.2	278.7	500000	139.35
Total										1,806.96

Annexure- 8/VHR**[Para No.76.6.3]****Irregular executions of development schemes without making PC-1 Rs
33.91million****(Rupees in million)**

Name of Scheme	Previous approved Original Cost
Construction / Repair of metaled road , Main hole, Water supply, etc for Muharram route City Vehari	1.70
Construction of Filtration Plant city VRH	2.40
Improvement of General Bus Stand (Roads etc.) Vehari	3.349
Construction/repair of Metaled Roads City Vehari (Contingency Budget 2016-17 TMA Funds)	2.283
Up gradation of pumping machinery for Disposal works, TamoorShaheed Colony Vehari.	2.761
Construction of Filtration Plant LiaqatPura School No.2 Ward No.17	2.000
Construction / Repair of Metaled Road Manhole, Sewerage Water Supply etc for Moharram Routs &Vehari City	1.700
Construction :of Filtration Plant City Vehari	1.990
Construction of P.C.C, Tuff Tile streets Chak No.9-11/WB Vehari	2.28
Repair of Parks City Vehari	1.740
Repair main holes, fixing base rings, supply manhole Covers and sewerage etc. City Vehari	1.583
Construction of 2 No. Residential Quarters for TMA Employees at TMA Colony H-Block Vehari	1.636
Improvement of General Bus Stand (Roads etc.) Vehari	4.242
Construction/repair of Metaled Roads City Vehari (Contingency Budget 2016-17 TMA Funds)	4.247
Total	33.911

Annexure-9/VHR

[Para No.76.6.4]

Non-payment of advance income tax in Government treasury Rs 5.27 million

(Rupees in million)

Head of Income	Name of Contractor	Period	Income Received Oct-2018 to June-2019	Income Tax Due	Income Tax Paid But no proof	Income Tax Not Paid
Parking Fee General Bus Stand	Muhammad Ramzan	2018-19	10,115,000	1011500	0.151	0.860
Municipalsaraye	RizwanAslam	2018-19	1075000	107500	0.0537	0.055
Slaughter House	RizwanAslam	2018-19	565000	56500	0.056	0
Latrine Fee Lari Adda New Bait-ul-Khula	Abdul Sattar	2018-19	725000	72500	0.073	0
Sullage water Peer Murad	ShabeerHussain	2018-19	271000	27100	0	0.027
Parking Fee General Bus Stand	AmjadJaved	2017-18	16100000	1610000	0.500	0.111
Advertisement Fee	Muhammad Umar Saeed	2017-18	2,150,000	215000	0.146	0.069
Slaughter House	Muhammad Bilal	2017-18	450000	45000	0.045	0
Municipalsaraye	AmjadJaved	2017-18	950000	95000	0.015	0.080
New Latrine LariAdda	AmjadJaved	2017-18	520000	52000	0.052	0
Sullage Water Peer Murad	SarwatAnnayat	2017-18	11550	1155	0.0012	0
Sullage Water People Colony	Faisal Shehzad	2017-18	105000	10500	0.005	0.005
Tanker Stand	Muhammad Ashraf	2016-17	240000	24000	0.024	0
Parking Fee General Bus Stand	Muhammad ShahidPervaiz	2016-17	10801000	1080100	0	0.108
Advertisement Fee	Muhammad ShahidPervaiz	2016-17	6310000	631000	0	0.631
Municipalsaraye	Muhammad Ashraf	2016-17	835000	83500	0.835	0
New Latrine LarriAdda	Muhammad Zahid	2016-17	515000	51500	0.0515	0
Slaughter House	Muhammad ShahidPervaiz	2016-17	625000	62500	0.063	0

Entertainment Fee	Farahat Ali Shah	2016-17	30000	3000	0.003	0
Latrine LarriAdda	Farahat Ali Shah	2016-17	130000	13000	0.013	0
Latrine C Block	Farahat Ali Shah	2016-17	150000	15000	0.015	0
Dead Animals	Muhammad Riaz	2016-17	60000	6000	0.006	0
Total					1.36	3.92
Grand Total					5.27	