



**AUDIT REPORT
ON
THE ACCOUNTS OF
PUBLIC SECTOR COMPANIES
OF PUNJAB SOUTH**

AUDIT YEAR 2019-20

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

ACCA	Association of Chartered Certified Accountants
AGM	Annual General Meeting
AGP	Auditor General of Pakistan
BoDs	Board of Directors
BOM	Board of Management
BOP	Bank of Punjab
BoQ	Bill of Quantity
BPS	Basic Pay Scales
BWMC	Bahawalpur Waste Management Company
BWP	Bahawalpur
C&W	Communication and Works
CA	Chartered Accountant
CD	Community Development
CDA	Cholistan Development Authority
CDG	City District Government
CDGF	City District Government Faisalabad
CDR	Call Deposit Receipt
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIA	Chief Internal Auditor
CMIT	Chief Minister Inspection Team
CMMC	Cattle Market Management Company
CNIC	Computerized National Identity Card
COD	Commercial Operation Date
COO	Chief Operating Officer
CPA	Cummulative Per Annum
CPPA	Central Power Purchase Agency
DA	Daily Allowance
DAC	Departmental Accounts Committee
DCO	District Coordination Officer
DDC	District Development Committee
DDO	Drawing and Disbursing Officer
DGA	Director General Audit
DGKCL	D. G. Khan Cement Ltd.
DGPR	Director General Public Relations
DLI	Disbursement Linked Indicators
E & T	Excise & Taxation
E&DR	Efficiency and Discipline Rules
ECNEC	Economic Committee of National Economic Council
ECSP	Engineering Service Consultancy Services Punjab

EMC	Engineering Management Consultant
EOI	Expression of Interest
EOBI	Employees Oldage Benefits Institution
EOT	Extension of Time
EPA	Energy Purchase Agreement
EPC	Engineering, Procurement & Construction
ER	Employers Requirements
ERP	Enterprise Resource Planning
ESR	Employee Service Rules
F&P	Finance and Planning
FBR	Federal Board of Revenue
FD	Finance Department
FIEDMC	Faisalabad Industrial Estate Development and Management Company
FPCL	Faisalabad Parking Company Limited
FWMC	Faisalabad Waste Management Company
GIS	Geological Information System
GM	General Manager
GST	General Sales Tax
GT	Gas Turbine
HBL	Habib Bank Limited
HEC	Higher Education Commission
HoD	Head of Department
HR	Human Resource
HRM	Human Resource Management
HT	High Tension
IAS	International Accounting Standard
IBRD	International Bank for Reconstruction and Development
IDAP	Infrastructure Development Authority of the Punjab
IFB	Invitation for Bid
INTOSAI	International Organization of Supreme Audit Institutions
IPP	Independent Power Producers
IPSAS	International Public Sector Accounting Standards
IRIS	Income Tax Registration Information System
IT	Information Technology
IWTDC	Inland Water Transport Development Company
JICA	Japan International Corporation Agency
JV	Joint Venture
KIBOR	Karachi Inter-Bank Offered Rate
KPI	Key Performance Indicators
KVA	Kilo Volt Ampere
KWh	Kilo Watt Hour

LAC	Land Acquisition Collector
LC	Letter of Credit
LD	Liquidated Damages
LDA	Lahore Development Authority
LESCO	Lahore Electric Supply Company
LG&CD	Local Government & Community Development
LKPC	Lahore Knowledge Park Company
LOD	List of Deliverable
LPC	Last Payment Certificate
LPCL	Lahore Parking Company Limited
LT	Low Tension
LWMC	Lahore Waste Management Company
MBA	Master in Business Administration
MD	Managing Director
MEPCO	Multan Electric Power Company
MFDAC	Memorandum for Departmental Accounts Committee
MIE	Multan Industrial Estate
MOA	Memorandum of Association
MP Scales	Management Pay Scales
MRF	Maintenance Retention Fund
MVE	Motor Vehicle Examiner
MW	Mega Watt
MWMC	Multan Waste Management Company
NAB	National Accountability Bureau
NADRA	National Database Registration Authority
NAM	New Accounting Model
NBP	National Bank of Pakistan
NEPRA	National Electric Power Regularity Authority
NESPAK	National Engineering Service Pakistan
NICL	National Insurance Company Limited
NLC	National Logistic Cell
NOC	No Objection Certificate
NTDC	National Transmission and Dispatch Company
O&M	Operation and Maintenance
OGDCL	Oil and Gas Development Company Limited
OPM	Oxford Policy Management
P&D	Planning and Development
P.V	Photo Voltaic
PAAS	Pakistan Audit and Accounts Service
PAC	Public Accounts Committee
PAMCO	Punjab Agriculture & Meat Company
PAO	Principal Accounting Officer

PASSCO	Pakistan Agriculture Services & Supplies Corporation
PC I	Planning Commission-I
PCBL	Punjab Co-operative Board Limited
PDG	Punjab District Governments
PDTRC	Pakistan Drugs Testing and Research Center
PDWP	Provincial Development Working Parties
PEC	Pakistan Engineer Counsel
PEEDA	Punjab Employees Efficiency, Discipline and Accountability
PEEF	Punjab Educational Endowment Fund
PEETCO	Punjab Environment & Effluent Treatment Company
PEOP	Punjab Economic Opportunities Programme
PFR	Punjab Financial Rules
PFRSP	Punjab Fund for Rehabilitation of Special Persons
PHIMC	Punjab Health Initiative Management Company
PIEDMC	Punjab Industrial Estates Development and Management Company
PITB	Punjab Information Technology Board
PKR	Pak Rupee
PLDC	Punjab Land Development Company
PLG	Punjab Local Governments
PLGO	Punjab Local Government Ordinance
PMBMC	Punjab Model Bazaar Management Company
PMC	Punjab Mineral Company
PMDFC	Punjab Municipal Development Fund Company
PMIS	Parking Management Information System
PMNHP	Prime Minister National Health Programme
PMSIP	Punjab Municipal Services Improvement Project
PMU	Programme Management Unit
POL	Petroleum Oil and Lubricants
PPIF	Punjab Population Innovation Fund
PPRA	Punjab Procurement Regulatory Authority
PPRs	Public Procurement Rules
PR	Performance Ratio
PRSP	Punjab Rural Support Programme
PSC	Public Sector Companies
PSDF	Punjab Skills Development Fund
PSPC-S	Punjab Saaf Pani Company (South)
PST	Provincial Sales Tax
QAAP	Quaid-e-Azam Apparel Park
QASP	Quaid-e-Azam Solar Park
QASPL	Quaid-e-Azam Solar Power Private Limited
QATPL	Quaid -e- Azam Thermal Power Private Limited

QIE	Quaid-e-Azam Industrial Estate
RDA	Regional Directorate Audit
RFP	Request for Proposal
RoE	Return on Equity
RTO	Regional Tax Office
S&GAD	Services and General Administration Department
SAAMA	Services and Assets Management Agreement
SCADA	Supervisory Control & Data Acquisition System
SCB	String Combiner Box
SDA	Special Drawing Account
SDAC	Special Departmental Accounts Committee
SDP	Skills Development Program
SECP	Securities Exchange Commission of Pakistan
SPFC	South Punjab Forest Company
Sqft	Square Feet
TA	Travelling Allowance
TADP	Tribal Area Development Project
TDCP	Tourism Development Corporation of Punjab Limited
TDR	Term Deposit Receipt
TEVTA	Technical Education Vocational & Training Authority
TMA	Tehsil Municipal Administration
TORs	Terms of References
UBL	United Bank Limited
USPMSU	Urban Sector Planning and Management Services Unit
WAPDA	Water and Power Development of Authority
WASA	Water & Sanitation Agency
WMC	Waste Management Company

PREFACE

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

This report is based on audit of the accounts of Public Sector Companies (PSCs) of Government of the Punjab for the Financial Years 2018-19. The Directorate General of Audit, District Governments, Punjab (South), Multan conducted audit during the Audit Year 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 Rs 1 million or more. Relatively less significant issues have been listed in the Annexure-A of the Audit Report. The audit observations listed in Annexure-A shall be pursued with the Principal Accounting Officers at DAC level and in all cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report. Sectoral analysis has been added in this report covering strategic review and overall perspective of audit results.

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

The report has been finalized in the light of the written responses of 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 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 is mandated to conduct audit of 08 formations working under the 08 PAOs. Total expenditure and receipt of these formations were Rs 2,962.082 million and Rs 1,555.224 million respectively for the financial years 2017-19.

The company is governed by a twelve membered Board of Directors (BOD) nominated by Government of the Punjab. BOD is headed by its Chairman, elected by BOD for a period of three years BOD appoints the Managing Director (MD) and may constitute other bodies, committees, sub-committees or panels from time to time. The company is competent to acquire, hold or transfer any moveable and immovable property, to enter into contract and to sue or be sued in its name through MD. MD is the operational head of the Company and is responsible to the BOD. MD is responsible to ensure that the business of the company is carried out in accordance with the laws and to coordinate the operational activities of the company for coherent planning, development as well as effective and efficient functioning of cattle markets.

Audit Objectives

Audit was conducted with the objectives to ensure that:

1. Money shown as expenditure in the accounts was authorized for the purpose for which it was spent.

2. Expenditure was incurred in conformity with the laws, rules and regulations framed to regulate the procedure for expending of company fund.
3. Every item of expenditure was incurred with the approval of the competent authority in the company.
4. Company fund was not wasted.

The assessment, collection and accountal of revenue were made in accordance with the prescribed laws, rules and regulations and accounted for in the books of accounts of the Local Government and Companies Ordinance, 1984.

a) Scope of Audit

Audit scope relating to expenditure for the financial year 2018-19 comprises 08 formations of Public Sector Companies having total expenditure of Rs 2,962.082 million and receipt of Rs 1,555.224 million. The audit coverage for expenditure was Rs 1,599.524 million which comes to 54 % of auditable expenditure.

This audit report also includes audit observations resulting from the audit of:

1. Expenditure of Rs 1,599.524 million for the financial year 2018-19 pertaining to 08 Public Sector Companies.

Audit coverage relating to receipt for the current audit year comprises 08 formations of Public Sector Companies having total receipt of Rs 544.328 million for the financial year 2018-19. In terms of percentage, the audit coverage for receipt is 35 % of auditable receipt.

In addition to this compliance audit report, DG Audit District Governments Punjab (South) Multan conducted 34 Financial Attest Audits, 01 Performance Audit and 01 Special Study. Reports of these audits are being published separately.

b) Recoveries at the instance of audit

As a result of audit, a recovery of Rs 256.393 million was pointed out in this report. Recovery effected and verified by Audit was Rs 6.030 million.

c) Audit Methodology

Audit of the accounts for the financial years 2017-19 of the auditee organizations started with consulting and updating the permanent files. Desk audit helped the auditors in understanding the systems, procedures and environment of the companies before starting field activity. It also facilitated in identifying high risk areas for audit tests to be applied in the field. Audit was carried out to judge the adequacy of internal control system in the companies with specific emphasis on high value items and inherent risk areas. Audit included review of record, field visits and discussion with the management. Audit checks were applied keeping in view the nature of transactions, accounting standards and best auditing practices, as well as rules and regulations contained in relevant financial and operational manuals.

d) Audit Impact

Irregularities pointed out during audit has helped the management in strengthening the internal control systems. The management became more vigilant and made efforts to plug the loopholes that may provide the chance for fraud, misappropriation and other irregularities.

e) Comments on Internal Controls and Internal Audit Department

Internal Audit Wings existed in most of the organizations, but were working under the supervision of the heads of Finance Wing and not the BOD. Some organizations hired chartered accountant firms at exorbitant fee to perform internal audit function and the posts of chief internal auditor were also lying vacant in some cases. However, no internal audit report was provided to audit. Resultantly, free and fair opinion of the Internal Audit Wing was not forthcoming. The under-performance of Internal Audit Wings was one of the reasons for violation of rules and regulations, overpayments, non-imposition of LD charges, wasteful expenditures and time & cost overrun. It is stressed that Internal Audit Wing should be placed directly under supervision of Audit Committee of BoD, to play its role more effectively.

f) The key audit findings of the report

1. Non-Production of Record worth Rs 53.435 million was reported in 02 cases¹.
2. Fraud and Misappropriations involving an amount of Rs 755.289 million were reported in 14 cases².
3. Irregularities amounting to Rs 220.007 million were noticed in 27 cases³.
4. Value for Money and Service Delivery Issues involving Rs 1389.561 million were noticed in 18 cases.⁴
5. Other issues involving an amount of Rs 6177.097 million were noticed in 25 cases.⁵

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

- i. Inquiries need to be held to fix responsibility for losses, wasteful expenditure and undue payments;
- ii. PAOs need to take disciplinary action against the person(s) responsible for non-production of record;
- iii. PAOs are required to ensure compliance of PP Rules 2014;
- iv. Compliance of relevant service and financial rules regarding appointments and pay packages to be ensured in letter and spirit;
- v. Departments are required to recover overpayments, shortages and make good the losses.
- vi. Departments should streamline procedures to achieve economy, efficiency, and effectiveness;
- vii. Expedite efforts for realization of companies' various receipts.

¹ Para No.6.3.1,8.3.1

² Para No.4.3.1, 7.4.1 to 7.4.13

³ Para No.1.3.1 to 1.3.2, 2.3.1 to 2.3.23, 3.3.1 to 3.3.10, 6.4.1 to 6.4.5,7.3.1,8.4.1 to 8.4.2

⁴ Para No.1.4.1 to 1.4.4, 4.5.1,5.4.1 to 5.4.6, 6.5.1 to 6.5.5, 8.5.1 to 8.5.2

⁵ Para No.1.5.1 to 1.5.3, 4.6.1 to 4.6.7,5.5.1 to 5.5.7, 6.4.1,7.5.1 to 7.5.4,8.6.1 to 8.6.2

Introduction

The Local Government & Community Development (LG&CD) Department is the controlling department of the Waste Management and Cattle Market Management Companies and has been assigned the responsibility to implement Punjab Local Government Act (PLGA) 2013 to achieve the stated objectives of the Government. As per Section 42 of Companies Ordinance, 1984, Cattle Market Management Company (CMMC) and Waste Management Companies (WMC) was incorporated as a company limited by guarantee to function within the Local Government framework and adhere to the company laws and Local Government rules.

The authorities of the company include Chairman, Board of Directors (BoD), Managing Director (MD) and such other bodies, sub-committees or panels as may be appointed or constituted from time to time by the BoD. The MD is the Principal Accounting Officer (PAO) of the Company and is responsible to the BoD and Public Accounts Committee (PAC) of the Provincial Assembly. He is responsible to ensure that the business of the company is being carried out in accordance with the laws and coordination of operational activities of the company is being carried out for coherent planning, development, effective and efficient functioning of cattle markets.

There are 62 public sector companies (PSC) of the Punjab government, out of which 08 fall under the audit jurisdiction of Directorate General of Audit, District Governments Punjab (South) viz Bahawalpur, Dera Ghazi Khan, Faisalabad, Multan and Sahiwal.

Description	No. of Companies
Cattle Market Management Company (CMMC)	05
Waste Management Companies (WMC)	03

Sectoral Analysis

i. 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 MDs Public Sector Companies during 2017-19.

(Rs in Million)

Particulars	Budget	Actual	Excess (+) / Lapse (-)	Lapse (Per Cent)
Salary	3,153.699	2,275.917	-877.782	-27.83%
Non-salary	2,058.064	686.165	-1,371.899	-66.66%
Total	5,211.763	2,962.082	-2,249.681	-43.17%
Receipts	1380.424	1,555.224	174.800	12.66%

(Source: Approved Budget 2017-19)

Development includes an expenditure of Rs 686.165 million against an allocation of Rs 2,058.064 million for the development works. The said development works could not be completed and an amount of Rs 1,371.899 million lapsed during the years

Financial data shows that funds were not utilized to achieve the targets. Funds amounting to Rs 2249.681 million lapsed due to inefficient financial management.

ii. Analysis of Targets and Achievements

Sectoral analysis of PSC was made on the basis of various targets determined for the financial years 2018-19. These targets were settled, achieved and monitored through the managements. The objectives to fix the targets were to improve financial reserves and enhance the performance of staff.

Status regarding Targets and their achievements

Sr. No.	Objectives	Target 2018-19	Achievement 2018-19	Remarks
1	Development of revenue sources from animal waste and garbage	-	-	Not Achieved
2	Establishment of Pension/ Provident Fund/Benevolent Fund/ Group Insurance	-	-	Not Achieved

Sr. No.	Objectives	Target 2018-19	Achievement 2018-19	Remarks
3	Establishment/formulation of sound system of internal controls, anti-corruption policy and procurement policy	-	-	Not Achieved
4	Development of mechanism to assess the performance of senior management	-	-	Not Achieved
5	Development and launching of the Company's website	-	-	Not Achieved
6	Arrangement of orientation courses for Board members	-	-	Not Achieved
7	Formation of risk management committee and nomination committee	-	-	Not Achieved
8	Development of Key Performance Indicators	-	-	Not Achieved
9	Ear-Tagging of animals	-	-	Not Achieved
10	Revenue Receipt Targeted By CMMC, BWP	181.969	54.525	Not Achieved
11	Cleanliness of the urban areas, MWMC	-	-	Not Achieved
12	Regulate solid waste dumping points, MWMC	-	-	Not Achieved
13	Manage schemes regarding implementation on the working plan for Green & Clean Pakistan Index competitions, MWMC	-	-	Not Achieved
14	Signed an agreement with DG Khan Cement Company for the sale of waste collected by MWMC on daily basis	-	-	Not Achieved

(Source: Data received from PSCs)

Suggestions / Remedial Measures

- 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. Moreover, this can be checked by holding accountable those who are responsible for such irregularities at appropriate forums.
- Shortage of staff at different levels should be overcome.
- Efforts should be made for expediting the realization of outstanding amounts from the contractors and payment of withholding tax well in time.

- Establishment of strong internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.

1. Cattle Market Management Company, Bahawalpur Division

Chapter 1.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to PAOs by Government of Punjab, following financial resources were provided to CMMCB during financial year 2018-19.

(Rs in Million)						
Sr. No	Description	Detail	Budget	Actual	Excess (+) / Lapse (-)	% (Lapse)
1	Non - Development	Salary	20.326	20.326	-	0%
		Non-Salary	4.706	4.190	(0.516)	-11%
		Total	25.032	24.516	(0.516)	-11%
2	Development	-	-	-	-	-
Grand Total			25.032	24.516	(0.516)	-2%
Receipts			55.103	66.943	11.840	21%

*Source: Expenditure statements provided by the management

Analysis of budget and expenditure revealed that an amount of Rs 0.516 million lapsed under the head non-salary budget. Whereas, Rs 11.840 million was excess realized than targeted receipts.

ii. Analysis of Targets and Achievements

Sectoral analysis of Cattle Market Management Company, Bahawalpur was made on the basis of various factors / indicators for the financial years 2018-19. CMMC was required to achieve the objectives / targets set in its Memorandum of Associations and BoD meetings. Further, management was required to carry out its functioning according to Public Sector Companies Corporate Governance Rules, 2013. Achievement/implementation status of the objectives/ targets is given below:

Sr. No.	Objectives / Targets	Remarks
1	Development of revenue sources from animal waste and garbage	Not Achieved
2	Establishment of Pension/ Provident Fund/Benevolent Fund/ Group Insurance	Not Achieved

Sr. No.	Objectives / Targets	Remarks
3	Establishment/formulation of sound system of internal controls, anti-corruption policy and procurement policy	Not Achieved
4	Development of mechanism to assess the performance of senior management	Not Achieved
5	Development and launching of the Company's website	Not Achieved
6	Arrangement of orientation courses for Board members	Not Achieved
7	Formation of risk management committee and nomination committee	Not Achieved
8	Development of Key Performance Indicators	Not Achieved
9	Ear-Tagging of animals	Not Achieved

Status of fulfilment of its objectives or achievement of its targets can be clearly observed by the above mentioned details. The company failed to meet with the requirements of its Memorandum of Associations. Further, its internal controls system was compromised. Its administrative and financial management was weak and could not develop any mechanism for assessment of performance in the shape of key performance indicators.

iii. Service Delivery Issues

The Cattle Market Management Company Bahawalpur failed to provide services in twenty seven (27) cattle markets as before establishment of the company, forty (40) cattle markets were being established by the TMAs out of which only thirteen (13) were retained by the company. Resultantly, those 27 markets were being operated by private persons illegally. Further, three (03) cattle markets were also established by Cantonment Board in Ahmed Pur East, Bahawalnagar and Bahawalpur. Moreover, services provided in cattle markets by the company did not generate sufficient revenue. Thus, it failed to ensure service delivery upto the satisfactory level.

iv Serious Financial Irregularities and Findings

- Procedural irregularities amounting to Rs 6.719 million was observed in 02 cases.
- Value for money involving amount of Rs 183.967 million was noticed in 04 cases.
- Other matters having financial impact of Rs 334.664 million were noticed in 03 cases.

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.

Suggestion/Remedial Measures

- Strengthening the internal controls by adopting and following strong regulatory framework and fair tendering.
- Efforts should be made for expediting the realization of outstanding amounts from the contractors and payment of withholding tax well in time.
- Ensuring implementation of all applicable rules and regulations.
- Shortage of staff at different levels should be overcome.

Chapter 1.2

CMMC, Bahawalpur Division

1.2.1 Introduction

As per Section 42 of Companies Ordinance, 1984, Cattle Market Management Company Bahawalpur was incorporated as a company limited by guarantee to function within the Local Government framework and adhere to the company laws and Local Government rules.

The authorities of the company include Chairman, Board of Directors (BoD), Managing Director and such other bodies, sub-committees or panels as may be appointed and /or constituted from time to time by the BOD of CMMC, Bahawalpur. The company is competent to acquire, hold or transfer any property, moveable and immovable, to enter into contract and to sue or be sued in its name through Managing Director. It exercises such authority within the Bahawalpur Division which is in accordance with general policy of the Government.

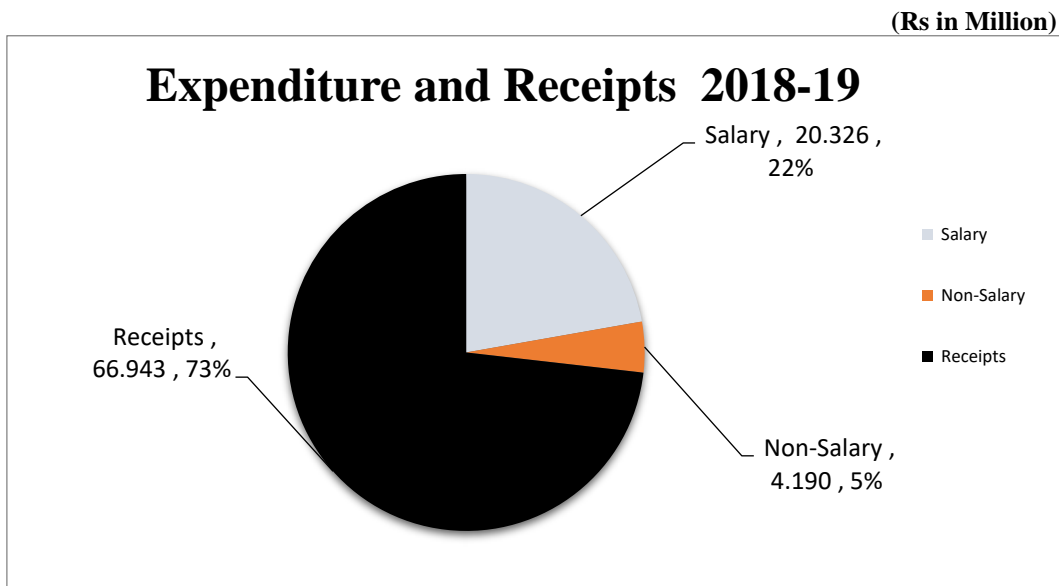
The Managing Director is the Principal Accounting Officer of the Company and is responsible to the Board of Directors and Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that business of the company is carried out in accordance with the laws. He is also responsible to coordinate the operational activities of the company for coherent planning, development as well as effective and efficient functioning of cattle markets. Detail of formations under jurisdiction of PAO is given below:

(Rs in Million)					
Sr. No.	Description	Total Number	Audited	Expenditure audited F.Y 2018-19	Revenue / Receipts audited F.Y 2018-19
1	Formations	01	01	12.292	40.166
2	Assignments Accounts	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	01	01	12.292	40.166
4	Foreign Aided Projects (FAP)	-	-	-	-

1.2.2 Comments on Budget and Accounts (Variance Analysis)

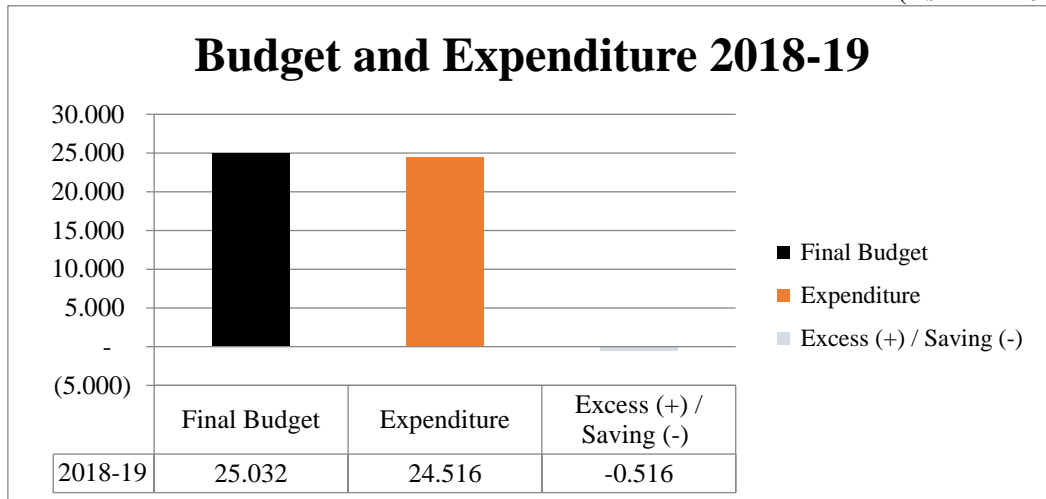
The detail of budget and expenditure is given below:

(Rs in Million)						
Sr. No	Description	Detail	Budget	Actual	Excess (+) / Lapse (-)	% (Lapse)
1	Non - Development	Salary	20.326	20.326	-	0%
		Non-Salary	4.706	4.190	(0.516)	-11%
		Total	25.032	24.516	(0.516)	-11%
2	Development	-	-	-	-	-
Grand Total			25.032	24.516	(0.516)	-2%
Receipts			55.103	66.943	11.840	21%



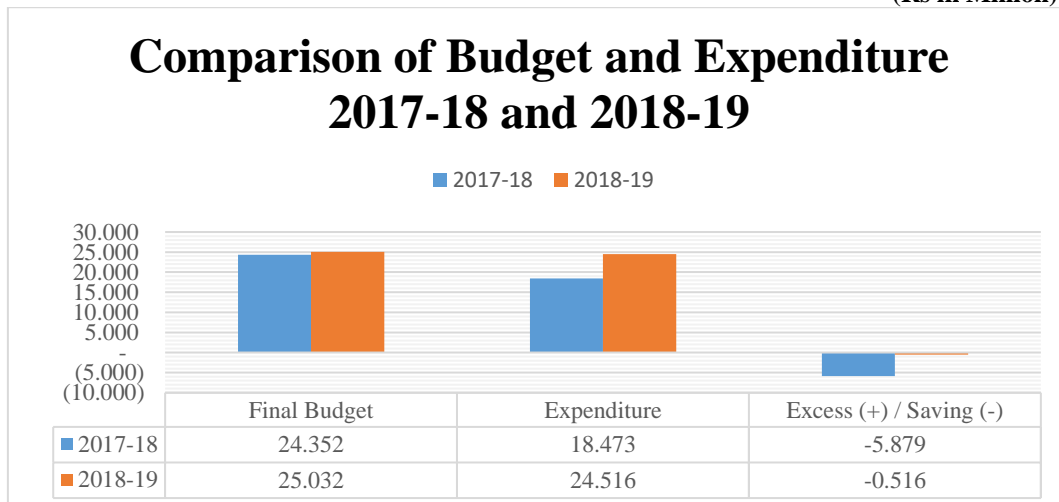
As per Accounts of the Cattle Market Management Company, Bahawalpur for the financial year 2018-19, total budget (Development & Non-Development) was Rs 25.032 million. Against allocated budget, expenditure of Rs 24.516 million was incurred. Savings of Rs 0.516 million came to the notice of Audit. Whereas, the management of CMMCB realized receipt of Rs 66.943 million against budget of Rs 55.103 million which was 21% excess than budgeted receipts. **(Annexure-B).**

(Rs in Million)



The comparative analysis of the budget and expenditure of current and previous financial year is depicted as under:

(Rs in Million)



There was 3% increase in budget allocation whereas expenditure decreased by 33% during 2018-19 as compared to 2017-18. While saving in 2017-18 was 24% and in 2018-19 only 2%.

1.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 525.350 million were raised as a result of this audit. It also included recoveries of Rs 189.399 million. Summary of the audit observations classified by nature is as under:

(Rs in Million)		
Sr. No.	Classification	Amount (Rs)⁴
1	Non Production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural Irregularities	6.719
3 (A)	HR/Employees related irregularities	1.287
3 (B)	Procurement related irregularities	-
3 (C)	Management of Accounts with Commercial Banks	5.432
4	Value for money and service delivery issues	183.967
5	Others	334.664

1.2.4 Comments on the Status of Compliance with PAC Directives

The Audit Reports pertaining to following years were submitted to the Governor of the Punjab. However, those have not been examined by the Public Accounts Committee so far.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2016-17	12	PAC not constituted
2	2017-18	15	PAC not constituted
3	2018-19	12	PAC not constituted
Total		39	

AUDIT PARAS

1.3 Procedural Irregularities

1.3.1 Less realization of profit due to non-investment of surplus funds at market rates – Rs 5.432 million

According to Clause 31 (i)(ii)(iii) of the Articles of Association of the company “the Company may in furtherance of its objects, invest funds of the company. Moreover, according to Government of the Punjab Finance Department letter No.FD(W&M)1-1/70(Vol-XV)/2018 dated January 2019, in order to ensure the adequate profit and security of the investment by the government departments, board, companies, autonomous bodies and special institutions may compare mark up rates offered by BOP with all public, private and Islamic banks, having minimum long term AA rating at the time of placement of funds as evaluated by SBP. In case BOP offers the highest profit rate, funds may be placed with it and in case any of the above referred bank offers the highest profit rate, BOP may be given an opportunity to match that profit within maximum of 10 days. If BOP matches the highest profit rate the funds may be placed with it otherwise funds may be placed with the bank offering highest profit rate.

The Management of CMMCB failed to invest the available funds of company to fetch maximum revenues from fiscal market by placing surplus funds through advertisement or negotiation with banks as invested by other companies resulting in loss of Rs 5.432 million during 2018-19 as compared to Waste Management Company Multan (WMCM) which got 11 % mark-up rate from the banks. Detail is given below:

(Rs in Million)			
Description	Average surplus fund	Average mark-up rate	Amount of profit
Placement of fund at Bop @ 5.8% (TDR)	30.000	5.62 %	1.740
Placement of fund at Bop @ 5.2% (CPA)	66.767	5.2 %	3.472
Placement of fund should have been at @ 11 % and above	96.767	11%	10.644
Loss due to non-investment of surplus funds at market rates			5.432

Due to weak financial management, surplus funds were not invested at maximum mark up rates to fetch maximum profit.

Less realization of profit due to non investment of surplus funds at maximum mark up rates resulted in loss of Rs 5.432 million.

The matter was reported to the PAO in April, 2020. The management replied that company earned profit of Rs 10.12 million during the year but no record in support of reply was produced.

DAC in its meeting held on 27.10.2020 directed the management to get the relevant record verified from audit within a week. No progress was intimated till finalization of this Report.

Audit recommends fixing responsibility on the person (s) at fault for non investment of surplus funds in commercial banks at maximum mark up rates to fetch maximum profit.

[AIR Para No. 32]

1.3.2 Irregular payment of performance bonus – Rs 1.287 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.

MD CMMC Bahawalpur made payment of Rs 1.287 million as performance bonus to its employees on the occasion of Eid-ul-Azha for the financial year 2018-19. Payment was held irregular as payment of bonus was made without approval and fulfilment of Key Performance Indicators (KPIs).

Due to weak internal controls, payment of performance bonus was made without approval and fulfilment of KPIs.

Payment of performance bonus without approval and fulfilment of KPIs resulted in irregular expenditure of Rs 1.287 million.

The matter was reported to the PAO in April, 2020. The management of CMMCB replied that BoD approved bonus in its 18th meeting on 18.11.2018 on the event of Eid-ul-Azha. Reply was not tenable as KPIs were not approved by the BoD for payment of performance bonus.

DAC in its meeting held on 27.10.2020 directed to get KPIs approved from BoD, preferably within 15 days. No progress was intimated 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 No. 04]

1.4 Value for money and service delivery issues

1.4.1 Loss due to less realization of revenue as compared to previous set up of TMAs – Rs 127.444 million

As per objective No. 01 (a) given in “Memorandum of Association”, the company management was responsible to define by-laws, rules and procedures to ensure its implementation to establish, organize, manage, operate and regulate cattle markets.

The management of CMMCB neither set annual targets of revenues keeping in view the receipts of previous set up of TMAs as on 30.06.2014 nor increased the same @ 5% per annum resulting in less realization of revenue of Rs 127.444 million. Increase or decrease in revenue was the main benchmark to assess performance of the company. Detail is given in **Annexure-1/BWP**

Due to weak administrative & financial controls, potential revenues were not collected.

Non collection of potential revenues resulted in less realization of Rs 127.444 million.

The matter was reported to the PAO in April, 2020. The management replied that in 2nd BoD meeting, decision was taken for rationalization of all functional markets and accordingly company was providing approved services in 13 functional markets only. Reply was not tenable as no rational justification supported with documentary evidence was produced in support of reply.

DAC in its meeting held on 27.10.2020 directed the management of CMMCB to provide rational justification with supporting record within a week. No progress was intimated till finalization of this Report.

Audit recommends inquiry of the matter at administrative level besides fixing responsibility on the person(s) at fault.

[AIR Para No. 17]

1.4.2 Loss due to non establishment of 03 cattle markets – Rs 50.399 million

As per objective No. 01 (a) given in “Memorandum of Association”, the company management was responsible to define by-laws, rules and procedures to ensure its implementation to establish, organize, manage, operate and regulate cattle markets.

The management of CMMCB did not establish 03 cattle markets of Bahawalnagar, Bahawalpur City and Ahmad Pur East due to which these markets were occupied by cantonment board resulting in loss of Rs 50.399 million. Detail is given below:

(Rs in Million)

Sr. No.	Detail	Cattle Market Bahawalpur	Cattle Market Ahmed Pur East	Cattle Market Bahawalnagar	Total
1	Total Income for the year 2017-18	19.610	9.947	16.260	45.817
2	Income for the year 2018-19 after 10% increase from previous year	21.571	10.942	17.886	50.399

Due to weak administrative controls, efforts were not made for establishment of 03 cattle markets by the CMMCB.

Non establishment of cattle markets by the CMMCB resulted in revenue loss of Rs 50.399 million.

The matter was reported to the PAO in April, 2020. The management replied that 03 markets were organized and controlled by cantonment. However, efforts were made to take up the matter with concerned authorities and the same was also discussed on BoD meetings. Reply was not tenable as concrete efforts to establish own markets were not made by management of CMMCB.

DAC in its meeting held on 27.10.2020 directed the Managing Director CMMCB to obtain legal opinion from legal advisor of the company and submit report within 15 days. No progress was intimated till finalization of this Report.

Audit recommends to initiate legal actions against illegal establishment of cattle markets by the cantonment besides fixing responsibility on the person(s) at fault.

[AIR Para No. 08]

1.4.3 Loss due to non-realization of receipt – Rs 2.580 million

According to Objective No. 01 (a) given in “Memorandum of Association”, the company management was responsible to define by-laws, rules and procedures to ensure its implementation to establish, organize, manage, operate and regulate cattle markets. Moreover, according to Objective No. 08 given in “Memorandum of Association”, the company management was responsible to develop revenue sources from animal waste, by-product and garbage and utilize it in the affairs of the company.

The management of CMMCB neither took appropriate steps to outsource revenue collection points nor conducted self-collection on those points resulting in loss of Rs 2.580 million. Further, at some points self-collection was made whereas the same was not exercised deliberately on other points. Detail is given in **Annexure-2/BWP**.

Due to weak administrative control, efforts were not made for self-collection of different fees in cattle markets.

Non conduction of self-collection of different fees resulted in less realization of receipt of Rs 2.580 million

The matter was reported to the PAO in April, 2020. The management replied that efforts were made to outsource all services through repeated advertisements in leading newspapers through DGPR. Being irrelevant reply was not tenable as self-collection was not carried out to realize revenue.

DAC in its meeting held on 27.10.2020 directed the management of CMMCB to provide rational justification and get the relevant record verified from audit within a week. No progress was intimated till finalization of this report.

Audit recommends to inquire the matter at administrative level besides fixing responsibility on the person(s) at fault.

[AIR Para No. 27]

1.4.4 Loss due to non-recovery of dues from contractors – Rs 3.544 million

According to Rule 28 (1) (b) (4) of 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. 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.

The management of CMMCB auctioned collection rights of different heads of income to the contractors but an amount of Rs 3.544 million was not recovered from them during 2018-19. Detail is given in **Annex-3/BWP**.

Due to weak internal controls, outstanding dues were not recovered from contractors.

Non recovery of dues from contractors resulted in loss of Rs 3.544 million.

The matter was reported to the PAO in April, 2020. The management replied that Rs 1.80 million was declared as arrears of land revenue whereas remaining recovery was under process. Reply was not tenable as neither relevant record nor recovery effected was produced in support of reply.

DAC in its meeting held on 27.10.2020 directed to expedite the process and recover due amount from the concerned within a month. No progress was intimated till finalization of this Report.

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

[AIR Para No. 05 & 11]

1.5 Others

1.5.1 Non-convening of Annual General Meetings (AGM) and non finalization of accounts – Rs 184.269 million

According to Section 132(1) of the Companies Act 2017, every company, shall hold, an annual general meeting within sixteen months from the date of its incorporation and thereafter once in every calendar year within a period of one hundred and twenty days following the close of its financial year. Further, according to clause 55 of Articles of Association, in Annual General Meeting (AGM) balance sheet, income & expenditures account and cash flow statement (duly audited) were required to be presented. Furthermore, according to section 233(5) of Companies Act 2017, after the audited financial statements have been laid before the company at the AGM and duly adopted, a copy of such financial statements together with reports and documents required to be annexed to the same shall be filed by the company electronically with the registrar within thirty days from the date of such meeting in case of a listed company and within fifteen days in case of any other company.

The management of CMMCB did not convene Annual General Meeting of the company for the financial year 2018-19. Moreover, annual accounts of the company amounting to Rs 184.269 million were neither finalized nor got audited and submitted to the registrar despite lapse of reasonable time.

Due to poor financial management, neither annual accounts were finalized nor got audited. Further, the same were not submitted to the registrar after holding AGM.

those Non finalization of accounts, not carrying out audit of the same and non submission of those to registrar after holding AGM resulted in violation of statutory requirements of Companies Ordinance / Act.

The matter was reported to the PAO in April, 2020. The management replied that the annual general meeting was held on 25.09.2020. Further, external audit of the accounts for the financial year 2019 and 2020 was under process. After

audit AGM would be held and accounts would be submitted to the registrar accordingly. Reply was not tenable as on 25.09.2020 Extra Ordinary General Meeting was called instead of AGM. Further, accounts of 2018-19 were being audited after lapse of considerable time.

DAC in its meeting held on 27.10.2020 directed the management of CMMCB to inquire the matter to fix the responsibility and to take appropriate actions against the person(s) at fault within a month. No progress was intimated till finalization of this Report.

Audit recommends conducting inquiry of the matter besides fixing responsibility on the person(s) at fault and taking appropriate actions for delay in finalization of accounts, appointment of external auditor, convening of AGM and submission of accounts to the registrar.

[AIR Para No. 29 & 37]

1.5.2 Loss due to non provision of services in already established cattle markets – Rs 95.870 million

According to Objective No. 01 (a) given in “Memorandum of Association”, the company management was responsible to define by-laws, rules and procedures to ensure its implementation to establish, organize, manage, operate and regulate cattle markets.

The management of CMMC BWP failed to provide services in twenty-seven (27) cattle markets resulting in potential loss of Rs 95.870 million. Record showed that before establishment of company Forty (40) cattle markets were established by TMAs out of which only thirteen (13) were managed and retained by the company and remaining were illegally operated by some private persons resulting in loss thereof. Detail is given in **Annex-4/BWP**.

Due to poor performance of the management, already established cattle markets could not be kept operational.

Keeping already established cattle markets inoperative resulted in potential loss of Rs 95.870 million.

The matter was reported to the PAO in April, 2020. The management replied that 13 cattle markets were retained as per decision of BoD. Further, working to include some other markets was under process. Moreover, concerned authorities were also requested to abolish illegal cattle markets. Reply was not tenable as 27 cattle markets were being operated illegally and the department admitted that.

DAC in its meeting held on 27.10.2020 directed the management to provide rational justification of their stance alongwith supporting record within a week. No progress was intimated till finalization of this Report.

Audit recommends inquiry of the matter at administrative level to fix responsibility of loss and to make the already established cattle markets operational.

[AIR Para No. 21]

1.5.3 Un-authorized collection of different fees – Rs 54.525 million

According to rule 19 (1) (d) of the Punjab Government Rules of Business 2011, No department shall levy taxes, duties, fees or cesses without consultation of the Finance Department. Further, according to Government of the Punjab, LG&CD Department letter No. DOV(LG)2-252/2014 (P-IV) dated 29.09.2014, each service must be approved by respective Board of Directors and must be got vetted from LG&CD Department.

The management of CMMCB collected Rs 54.525 million as income from various fees during 2018-19 without consultation of finance department and without any notification in official gazette duly vetted by LG&CD department.

Due to negligence of the management, fees were collected without consultation of finance department and without notification of levies in official gazette.

Collection of different fees without consultation of finance department and without gazette notification of levies duly vetted by LG&CD department resulted in unauthorized collection of Rs 54.525 million.

The matter was reported to the PAO in April, 2020. The management replied that no new fee was imposed by the company. Reply was not tenable as fees were collected without consultation of the finance department and without gazette notification duly vetted by LG&CD department.

DAC in its meeting held on 27.10.2020 directed to get its levies / fees vetted from LG & CD department within a month. No progress was intimated till finalization of this Report.

Audit recommends regularization from the competent authority and getting levies / fees vetted from LG & CD department besides fixing responsibility on the person(s) at fault.

[AIR Para No. 15]

2. Bahawalpur Waste Management Company Bahawalpur

Chapter 2.1

Sectoral Analysis

i. Analysis of Financial Resources

To achieve the targets as assigned to PAOs by Government of Punjab, following financial resources were provided to BWMC during financial year 2018-19.

(Rs in Million)						
Sr. No	Description	Detail	Budget	Actual	Excess (+) / Lapse (-)	% (Lapse)
1	Non - Development	Salary	190.000	177.400	(12.600)	-7%
		Non-Salary	277.500	178.000	(99.500)	-36%
		Total	467.5	355.4	(112.100)	-43%
2	Development	-	173.500	-	(173.500)	-100%
Grand Total			641.000	355.400	(285.600)	-45%
Receipts			480.062	317.104	(162.958)	-34%

*Source: Expenditure statements provided by the management 2018-19

An amount of Rs 173.500 million was allocated for capital / development work but no expenditure was incurred. It showed that PAO failed to utilize the funds in almost every account head. It referred towards weak financial management. Further, budget preparation was not realistic.

ii. Analysis of Targets and Achievements

Sectoral analysis of BWMC was made on the basis of various factors / indicators for the financial years 2018-19. BWMC was required to achieve the objectives / targets set in its Memorandum of Associations and BoD meetings. Further, management was required to carry out its functioning according to Public Sector Companies Corporate Governance Rules, 2013. Achievement / implementation status of the objectives / targets is given below:

Sr. No.	Objectives	Remarks
01	Establishment of Pension/ Provident Fund/Benevolent Fund/ Group Insurance	Not Achieved

Sr. No.	Objectives	Remarks
02	Establishment/formulation of sound system of internal controls, anti-corruption policy and procurement policy	Not Achieved
03	Development of mechanism to assess the performance of senior management	Not Achieved
04	Development and launching of the Company's website	Not Achieved
05	Arrangement of orientation courses for Board members	Not Achieved
06	Formation of risk management committee and nomination committee	Not Achieved
07	Development of Key Performance Indicators	Not Achieved

Status of fulfilment of its objectives or achievement of its targets can be clearly observed by the above mentioned details. The company failed to meet with the requirements of its Memorandum of Associations. Further, its internal controls system was compromised. Its administrative and financial management was weak and could not develop any mechanism for assessment of performance in the shape of key performance indicators.

iii. Service Delivery Issues

The management did not achieve objectives as set out in Memorandum of Associations. Mainly key performance indicators were not developed to evaluate the performance of the company. Scientific land fill site was not developed by the company despite lapse of considerable time. Mechanism for separation of waste could not be developed which could be a source of income as well.

iv. Serious Financial Irregularities and Findings

- Procedural irregularities amounting to Rs 7.390 million were observed in 02 cases.
- Other matters having financial impact of Rs 312.895 million was 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. However, the company failed to develop revenue generating facilities due to which the company was dependent on government grants.

Suggestion/Remedial Measures

- Strengthening the internal controls by adopting and following strong regulatory framework and fair tendering.
- Strengthen internal control for non-recurrence of irregularities
- Ensuring implementation of all applicable rules and regulations.
- Ensuring completion of development works specially scientific land fill site at the earliest.
- Developing revenue generating facilities like contracts with government / private housing societies, hospitals etc. in order to become independent.
- Developing mechanism for separation of waste.

Chapter 2.2

BWMC, Bahawalpur

2.2.1 Introduction

As per Section 42 of Companies Ordinance, 1984, Bahawalpur Waste Management Company was incorporated as a company limited by guarantee to function within the Local Government framework and adhere to the company laws and Local Government rules. TMA Bahawalpur was already performing certain functions in respect of Solid Waste Management prior to establishment of BWMC with almost same human and financial resources. The creation of Bahawalpur Waste Management Company despite availability of already established department having sufficient resources was unnecessary.

The authorities of the company include Chairman, Board of Directors (BoD), Managing Director and such other bodies, sub-committees or panels as may be appointed and /or constituted from time to time by the BOD of BWMC. The company is competent to acquire, hold or transfer any property, moveable and immovable, to enter into contract and to sue or be sued in its name through Managing Director.

The Managing Director is the Principal Accounting Officer of the Company and is responsible to the Board of Directors and Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that business of the company is carried out in accordance with the laws. He is also responsible to coordinate the operational activities of the company for coherent planning, development as well as effective and efficient functioning of cattle markets. Detail of formations under jurisdiction of PAO is given below:

(Rs in Million)

Sr. No.	Description	Total Number	Audited	Expenditure audited F.Y 2018-19	Revenue / Receipts audited F.Y 2018-19
1	Formations	01	01	187.614	317.104
2	Assignments Accounts	-	-	-	-

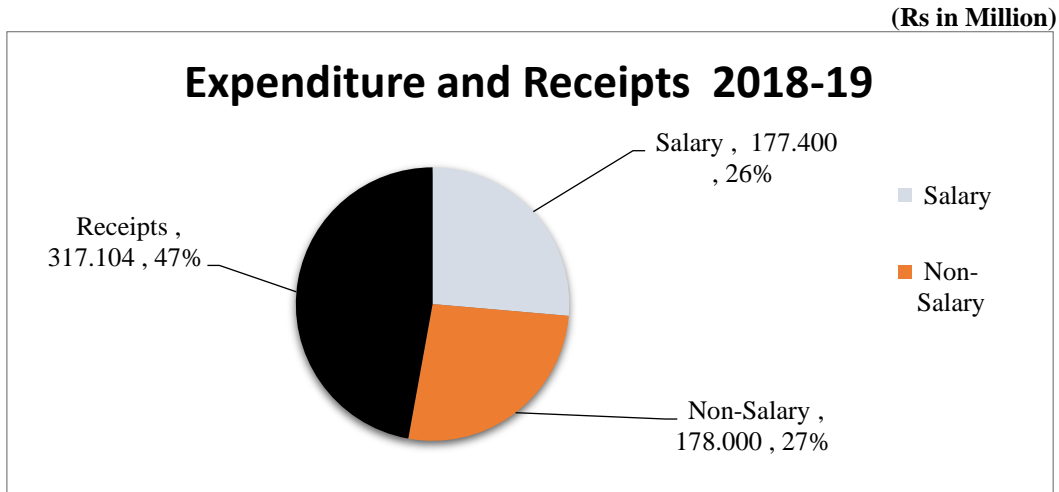
Sr. No.	Description	Total Number	Audited	Expenditure audited F.Y 2018-19	Revenue / Receipts audited F.Y 2018-19
3	Authorities / Autonomous Bodies etc. under the PAO	01	01	187.614	317.104
4	Foreign Aided Projects (FAP)	-	-	-	-

2.2.2 Comments on Budget and Accounts (Variance Analysis)

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

(Rs in Million)

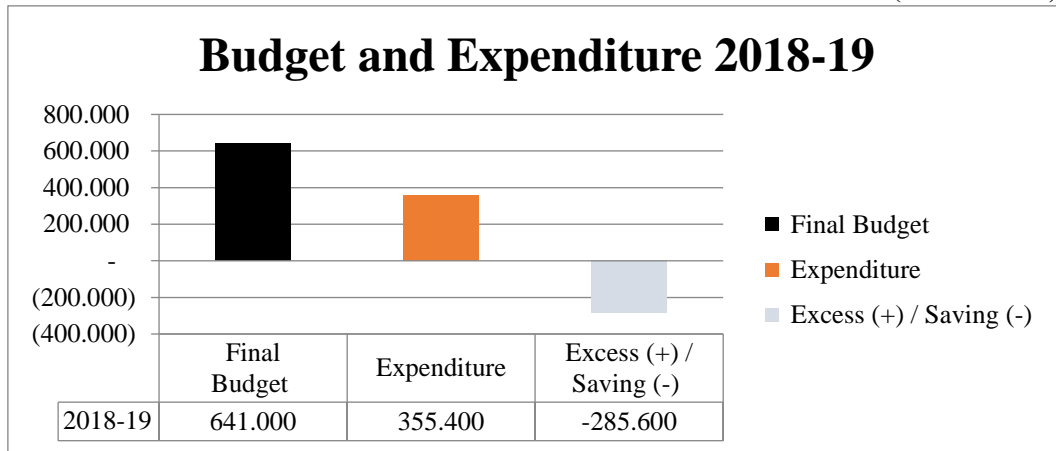
Sr. No	Description	Detail	Budget	Actual	Excess (+) / Lapse (-)	% (Lapse)
1	Non - Development	Salary	190.000	177.400	(12.600)	-7%
		Non-Salary	277.500	178.000	(99.500)	-36%
		Total	467.5	355.4	(112.100)	-43%
2	Development	-	173.500	-	(173.500)	-100%
Grand Total			641.000	355.400	(285.600)	-45%
Receipts			480.062	317.104	(162.958)	-34%



As per Accounts of the Bahawalpur Waste Management Company for the financial year 2018-19, total final budget (Development & Non-Development) was Rs 641.000 million. Against the final budget, total expenditure of Rs 355.400 million was incurred by the company. A lapse of Rs 285.600 million came to the notice of

Audit due to inefficient financial management. No plausible explanation of the same was provided by the PAO and management of the BWMC (**Annexure–B**).

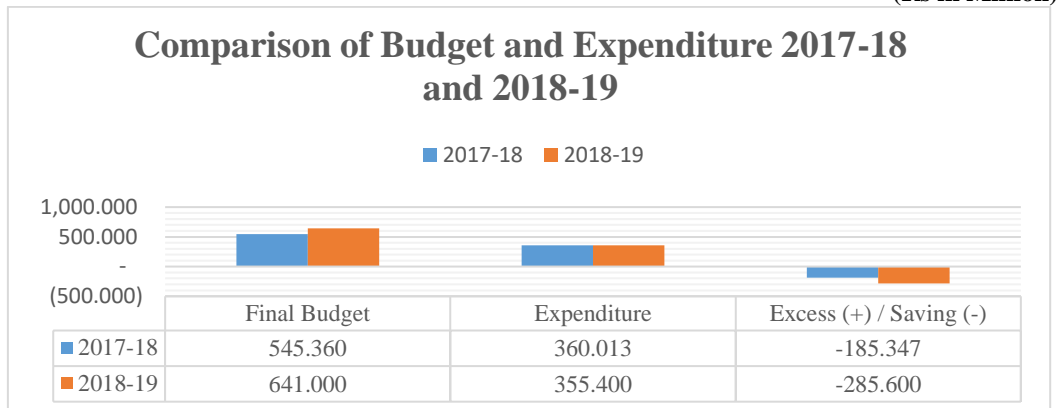
(Rs in Million)



In BWMC savings of Rs 285.600 million (45%) of allocated budget came to the notice due to over estimation during the financial year 2018-19. Further, funds were not utilized properly resulting in depriving the general public from provision of services.

The comparative analysis of the budget and expenditure of current and previous financial year is depicted as under:

(Rs in Million)



There was 18% increase in budget allocation whereas expenditure decreased by 1% during 2018-19 as compared to 2017-18. In 2017-18 saving was 34% which increased to 45% in 2018-19. It reflected shortcomings in preparation of budget and its proper utilization.

2.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 320.285 million were raised as a result of this audit. It also included recoverable of Rs 3.472 million. Summary of the audit observations classified by nature is as under:

Sr. No.	Classification	Amount (Rs) ⁴
1	Non Production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural Irregularities	7.390
3 (A)	HR/Employees related irregularities	7.390
3 (B)	Procurement related irregularities	
3 (C)	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	312.895

2.2.4 Comments on the Status of Compliance with PAC Directives

The Audit Reports pertaining to following years were submitted to the Governor of the Punjab. However, those have not been examined by the Public Accounts Committee so far.

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	30	PAC not constituted
2	2018-19	39	PAC not constituted

AUDIT PARAS

2.3 Procedural Irregularities

2.3.1 Irregular payment of arrears without approval of BoD – Rs 3.918 million

According to Rule 2.27 of PFR Vol-1, “No payment is admissible until additional budget for the payment of arrears of pay and allowances is provided and duly sanctioned in the Budget estimates”. Furthermore, according to Clause 62(III) of the Articles of Association of the BWP Waste Management Company, the Company shall utilize its money, property or income or any part thereof, solely for promoting its objectives.

The management of BWMC made payment of pending liabilities of Rs 3.918 million on account of salaries of staff for the financial year 2017-18 without additional funds and without approval of BoD. Detail is given below:

(Rs in Million)				
Sr. #	Date	Cheque #	Detail	Amount
1	16/07/2018	4184196650	Arrear of Salary Staff	0.208
2	16/07/2018	4184196649	Arrear of Salary Staff	0.221
3	16/07/2018	4184196646	Arrear of Salary	0.205
4	16/07/2018	4184196648	Arrear of Salary	0.205
5	16/07/2018	4184196647	Arrear of Salary	0.242
6	16/07/2018	4184196645	Arrear of Salary	0.240
7	13/07/2018	4184196635	Arrear of Salary	0.383
8	13/07/2018	1313788800	Arrear of Salary	0.306
9	13/07/2018	1313788799	Arrear of Salary	0.397
10	13/07/2018	1313788798	Arrear of Salary	0.351
11	13/07/2018	1313788797	Arrear of Salary	0.558
12	13/07/2018	1313788796	Arrear of Salary	0.602
Total				3.918

Due to financial indiscipline, arrears were paid without additional budget and without approval of BoD.

Payment of arrears without additional budget and without approval of BoD resulted in irregular payment of Rs 3.918 million.

The matter was reported to the PAO in April, 2020. The management replied that said payment was made as per procedure given in HR manual for payment of increments. As it was already approved by the BoD. There was no need to take fresh approval. Reply was not tenable as payment of increment to MD and core staff was to be approved by the BoD.

DAC in its meeting held on 15.09.2020 directed to get approval of the BoD. No progress was intimated 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 No. 02]

2.3.2 Un-justified payment of honorarium to contractual labour – Rs 3.472 million

According to Appendix – C of contract agreements between contractual firms and BWMC the rates are inclusive of all taxes and duties.

The management of BWMC paid honorarium of Rs 3.472 million to contractual labour of M/S 3Rs Waste Management Company and M/S Zohaib & Company Pvt. Ltd. without any provisions of that in agreement. Detail is given below:

(Rs in Million)				
SR. #	Date	Cheque #	Description	Amount
1	14/11/2018	4184207433	Honorarium- Contractual Labour Staff	2.598
2	14/11/2018	4184218709	Honorarium- Contractual Labour Staff	0.848
3	29/11/2018	4184218734	Honorarium- Contractual Labour Staff	0.026
Total				3.472

Due to weak administrative and financial controls, honorarium was paid to contractual labour without any provision in the agreement.

Payment of honorarium to the contractual labour without any provision in agreement resulted in unjustified payment of Rs 3.472 million.

The matter was reported to the PAO in April, 2020. The management replied that BoD approved honorarium for staff due to extra ordinary performance on the event of Eid-ul-Azha. Reply was not tenable as contractual labour was not entitled to receive honorarium as per terms and conditions of agreement.

DAC in its meeting held on 15.09.2020 directed to seek clarification from Finance Department regarding payment of honorarium to contractual labour within a month. No progress was intimated till finalization of this Report.

Audit recommends to seek clarification from Finance Department or recovery of due amount from the concerned besides fixing responsibility on the person(s) at fault.

[AIR Para No. 04]

2.4 Others

2.4.1 Un-authorized transfer / treatment of government grants as revenue – Rs 312.895 million

According to section 241 of Companies Ordinance, 1984, the balance sheet and profit and loss account or income and expenditure account shall be approved by the directors and shall by the chief executive and at least one director.

Accounting policies of the company (shown in financial statements) did not permit to recognize government grants as revenue. Instead of treating amount of Rs 312.895 million as capital of BWMC, it was amortized and treated as revenue without obtaining approval from BoD. As a result, loss of the company was overstated with Rs 60.720 million and profit of the company was understated as detailed below:

(Rs in Million)		
Sr. No.	Description	Amount
1	Grant received from Govt. of Punjab Shown as Revenue	176.23
2	Grant received from TMA, Bahawalpur Shown as Revenue	136.67
3	Other Revenue	4.21
4	Total Income including portion of Government Grants	317.10
5	Total Expenditure	377.82
6	Surplus / Loss shown in Financial Statements	60.720

Due to weak financial management, government grant was not treated as company's capital in financial statements.

Treatment of government grant as revenue without obtaining approval from BoD resulted in overstatement of loss to company.

The matter was reported to the PAO in April, 2020. The management replied that as per International Accounting Standard No. 20, government grant was treated as revenue. Reply was not tenable as no clear instructions to treat government grant as revenue were provided.

DAC in its meeting held on 15.09.2020 directed to seek expert opinion from Chief Internal Auditor (CIA) of LWMC with the request to submit his

recommendations within 15 days. No progress was intimated till finalization of this Report.

Audit recommends seeking clarification and correction in books of accounts besides fixing responsibility on the person(s) at fault.

[AIR Para No. 19]

3. Cattle Market Management Company, Dera Ghazi Khan Division

Chapter 3.1

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 MD, CMMC, Dera Ghazi Khan Division during 2018-19.

(Rs in Million)

Description	Budget	Actual	Excess / Saving ()	(%) Saving
Salary	23.825	18.874	(4.951)	21%
Non salary	16.353	10.291	(6.062)	37%
Total	40.178	29.165	(11.013)	27%
Receipts	-	28.387	-	-

- An amount of Rs 23.825 was provided for pay and allowance out of which Rs 18.874 million was utilized resulting in saving of Rs 4.951 million (21 %).
- An amount of Rs 16.353 million was provided for non-salary component out of which Rs 10.291 million was utilized resulting in saving of Rs 6.062 million (37%).
- Receipts / revenue targets were not budgeted and an amount of Rs 28.387 million was actually realized.

ii. Analysis of Targets and Achievements

Sectoral analysis of Cattle Market Management Company Dera Ghazi Khan Division was made on the basis of various receipts heads for the financial year 2018-19.

(Rs in Million)			
Income heads	Budget Income	Actual Income	Excess / Short (-)
	2018-19		
Vehicle Parking	Receipts targets were not budgeted	18.786	
Tori Parali		1.925	
Allied business		7.363	
khuralicharpai rental on sport collection		0.063	
Others income		0.250	
Total		28.387	

iii. Serious Financial Irregularities and Findings

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

1. Irregularities and non-compliance amounting to Rs 121.721 million were noted in 10 cases.

iv. Suggestions / Remedial Measures

- 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. Moreover, this can be checked by holding accountable those who are responsible for such irregularities at appropriate forums.
- Shortage of staff at different levels should be overcome.
- Efforts should be made for expediting the realization of outstanding amounts from the contractors and payment of withholding tax well in time.
- Establishment of strong internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.

Chapter 3.2

CMMC, Dera Ghazi Khan Division

3.2.1 Introduction

As per the Section 42 of Companies Ordinance, 1984 the Cattle Market Management Company Dera Ghazi Khan was incorporated as a company limited by guarantee to function within the Local Government framework and adhere to the company laws and Local Government rules to manage the functions of cattle markets in Dera Ghazi Khan Division.

The authorities of the company include Chairman, Board of Directors (BoD), Managing Director and such other bodies, sub-committees or panels as may be appointed and / or constituted from time to time by BoD of CMMC, Dera Ghazi Khan. The company is competent to acquire, hold or transfer any property, moveable and immovable, to enter into contract and to sue or be sued in its name through Managing Director. The authority of the Company comprises the management and control of cattle markets in the entire Dera Ghazi Khan Division. It exercises of such authority within the Dera Ghazi Khan Division in accordance with general policy of the Government, the CMMC is responsible to the people and is mandated for improvement of governance and delivery of services in cattle markets within the ambit of authority delineated under its incorporation.

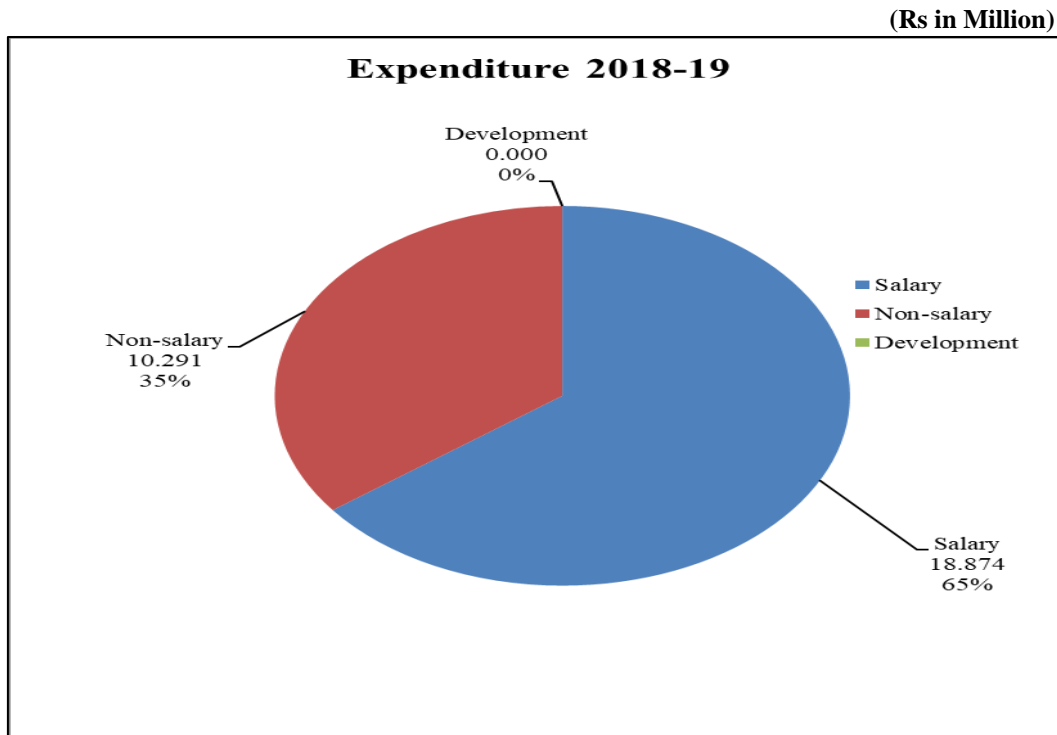
The MD is the Principal Accounting Officer of the Company and is responsible to the BoD and Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the company is carried out in accordance with the laws and to coordinate the operational activities of the company for coherent planning, development as well as effective and efficient functioning of cattle markets.

3.2.2 Comments on Budget and Accounts

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

(Rs in Million)

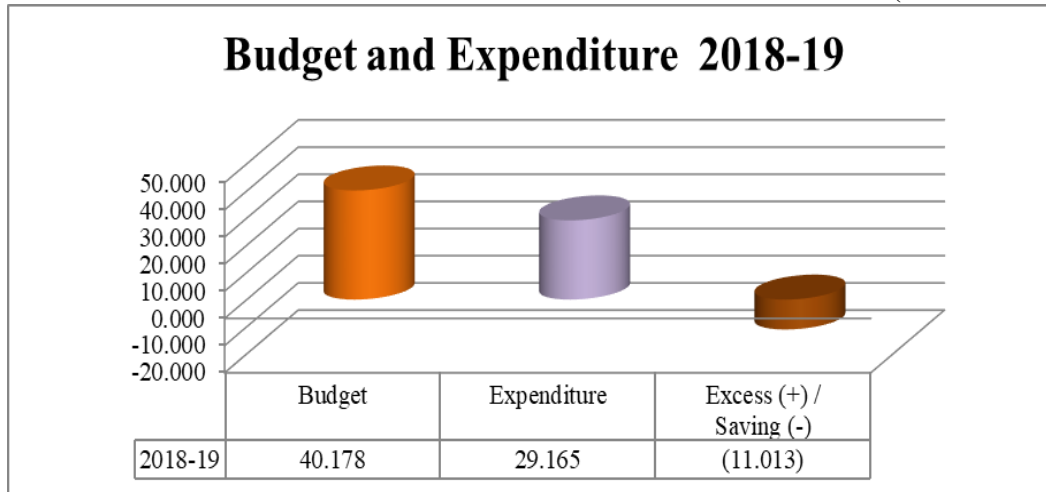
Particular	Budget	Actual	Excess / Savings	%
Salary	23.825	18.874	(4.951)	21%
Non-Salary	16.353	10.291	(6.062)	37%
Development	0	0	0	-
Total	40.178	29.165	(11.013)	27%
Receipts	-	28.387		-



As per the Annual Accounts 2018-19 of the Cattle Market Management Company, Dera Ghazi Khan Division, total original budget (Development and Non-Development) was Rs 40.178 million. Against the budget, total expenditure of Rs 29.165 million was incurred by the CMMC during 2018-19. Lapse of funds

amounting to Rs 11.013 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 CMMC, Dera Ghazi Khan. (Annexure-B)

(Rs in Million)



3.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 121.721 million were raised as a result of this audit. This amount also includes recoverable of Rs 2.817 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs 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	1.044
B	Procurement related irregularities	120.677
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

3.2.4 Comments on the Status of Compliance with PAC Directives

The Audit Report pertaining to the following year was submitted to the Governor of the Punjab but has not been presented to the Public Accounts Committee.

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2016-17	05	PAC not constituted
2	2017-18	10	PAC not constituted
3	2018-19	10	PAC not constituted

AUDIT PARAS

3.3 Procedural irregularities

3.3.1 Non maintenance of receipts target - Rs 28.387 million

According to rule 2.33 of PFR Vol-1, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government though 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.

The MD, CMMC Dera Ghazi Khan, collected an amount of Rs 28.387 million as income from various sources during 2018-19. Scrutiny of the budget record revealed that the management of the company did not prepare and get approved the annual receipts target of the company. Only the expenditure was estimated and approved for the financial year. Either the management had no information about services/fee resources or was confused about its ability to achieve such receipts target. Without target of receipts, leakage of resources could not be over ruled.

(Rs in Million)		
Major Detail	Receipts	Amount
Income from service	Tender fees	0.249
	Khuralicharpai rental on sport collection	0.063
	Outsourcing of parking	18.786
	Outsourcing of Tori pararli point	1.925
	Outsourcing of Allied business	7.364
Total		28.387

Due to weak internal controls and financial management, receipts target was not fixed.

Non fixation of receipts target by the management resulted in non-realization of receipts to the optimal level.

The matter was reported to the MD CMMC in April, 2019.

In the DAC meeting held on 20.10.2020, DDO replied that as per Articles of Association, the Chairman and members BoD are empowered to formulate policies, targets, budgets etc. The reserve price of potential services may be considered as targets. So being within the competency of BoD, the management of CMMC adopted proper rules. The reply was not tenable as receipts target were not maintained and approved by the competent forum.

DAC directed to maintain receipt budget / targets of the sources in time. No progress was intimated till the finalization of this Report.

Audit recommends inquiry of the matter besides fixing responsibility on the person(s) at fault.

[AIR Para No. 6]

3.3.2 Unauthorized collection of receipts without gazette notification – Rs 28.138 million

According to Government of the Punjab, LG&CD Department letter No.DOV(LG)2-252/2014 (P-IV) dated 29.09.2014, each service must be approved by respective Board of Directors and be got vetted from LG&CD Department. Moreover, according to Rule 19 of Punjab Local Government (Accounts) Rules 2017, no tax, fee, toll, cess, charge, rate, or any other levy shall be given effect before the same is notified in the official Gazette.

The MD, CMMC Dera Ghazi Khan, collected receipts of Rs. 28.138 million for the financial year 2017-18 by charging the following levies, taxes, fees etc without any notification in the official Gazette nor vetted by the LG&CD Department. Furthermore, most of the collections were made on cash basis instead of through bank. The detail is as under.

(Rs in Million)		
Name of levy/tax/fee	Financial year	Amount
Parking Fee	2018-19	18.786
Tori Parali point		1.925
Allied business tax		7.364
Rental income		0.063
Total		28.138

Due to weak internal controls, rates of levies/taxes were not notified in official gazette.

Non notification of levies/ taxes in official gazette resulted in unauthorized collection of receipts.

The matter was reported to the MD CMMC in April, 2020.

In the DAC meeting held on 20.10.2020, DDO replied that according to Articles of Association of CMMC Dera Ghazi Khan, Board of Directors is the competent forum for decision making related to all the affairs of the company. Moreover, there is no provision of gazette notification in Articles of Association, Memorandum of Association and Companies Act 2017. The reply was not tenable as CMMC is the Public Sector Company, Corporate Governance Rules should be applied.

DAC directed to get the matter regularized from the competent authority. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides regularization of the receipts.

[AIR Para No.13]

3.3.3 Irregular and unjustified auction of leases of outsource - Rs 27.383 million

According to rule 22 of the Punjab Procurement Rule 2014, the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works. Moreover, rule 23 of ibid states that the procuring agencies shall engage in open competitive bidding if the cost of procurement is more than the prescribed financial limit.

The MD, CMMC Dera Ghazi Khan awarded contracts of Rs 27.383 million against outsources of Parking, Torri, Parali and allied business during 2018-19 without open bidding rates in the presence of contractors. Bids competitions were not openly made amongst the contractors and every contractor quoted secret rate which was handed over to the bidding committee. The management did not use

open competitive bidding process which caused irregular and unjustified auctioning of leases of outsource of Rs 27.383 million. (**Annexure-1/DCMMC**)

Due to weak financial controls, company failed to outsource services by observing rules the rule in letter and spirit.

Non transparent and unjustified procedure of bidding caused doubtful auction of outsources.

The matter was reported to the MD CMMC in April, 2020.

In the DAC meeting held on 20.10.2020, DDO replied that leases were auctioned according to Articles of Association of CMMC Dera Ghazi Khan. The reply was not tenable as CMMC is the Public Sector Company, Corporate Governance Rules should be applied.

DAC directed to get the advice from the Finance Department about procedure of auction of leases. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility on the persons at fault besides regularization of matter from competent forum.

[AIR Para No. 9]

3.3.4 Defective and ambiguous tendering of outsources – Rs 19.424 million

According to rules 4&29 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. If a procuring agency considers that it is necessary in public interest to extend the last date for the submission of the bids, it may, after recording reasons, do so in the manner similar to the original advertisement. Moreover, according to rule 30 of Punjab Procurement Rules Rules , 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.

The MD, CMMC Dera Ghazi Khan, awarded the contracts of outsources valuing Rs 19.424 million through defective and ambiguous tendering process owing to following reason. **(Annexure-2/DCMMC)**

- I. Advertisement was published on 31.05.2018 in three newspapers but tender opening date was 13.06.2018 in the Nation and Daily Express newspapers while 14.06.2018 as per daily Al-Manzoor Dera Ghazi Khan. Correction of date difference was not made through corrigendum.
- II. Tender opening date was extended through advertisement on 01.06.2018, 02.06.2018 and 03.06.18 in three newspapers, the daily Al-Manzoor, the Nation and Daily Express respectively. But tender statement of newspapers was ambiguous and wrong. Because it was published as “tender opening date has been extended from 13.06.18 to 21.06.18 against IPL No. 5935 which was published on 31stMarch 2018 in the daily Al-Manzoor Nation and Daily Express newspapers”. Whereas no tender advertisement was made through the newspapers of 31stMarch 2018. Actually tender was published on 31st May 2018 instead of 31st March 2018. Hence tender was matured on 21.06.2018 through ambiguous and wrong statement of date and month without issuance of corrigendum which caused defective and ambiguous tendering process. The detail is given below:

Newspapers	IPL No.	Date of Publication	Tender opening date
The Daily Al Manzoor, DG Khan	6078	01.06.2018	21.06. 2018
The Nation, Lahore	6078	02.06. 2018	21.06. 2018
The Daily Express, Multan	6078	03.06. 2018	21.06. 2018

Due to weak managerial controls, leases of outsource were auctioned through defective and ambiguous tender advertisement.

Awarding of outsource contracts through defective and ambiguous tender process caused unfair competition and hindrance to maximize the revenue.

The matter was reported to the MD CMMC in April, 2020.

In the DAC meeting held on 20.10.2020, DDO replied that all the outsources were leased through tendering process. The reply was not tenable as auctioned was made through defective and ambiguous tender process.

DAC directed to take advise from PPRA about the omission. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility against the persons at fault besides regularization of matter from competent forum.

[AIR Para No. 1]

3.3.5 Apprehension of loss due to non completion of project – Rs 7.279 million

According to Rules 4(3) and 5(1) of the Public Sector Companies (Corporate Governance) Rules, 2013, the Chief Executive is responsible for the management of the Public Sector Company and for its procedures in financial and other matters, subject to the oversight and directions of the Board, in accordance with the Ordinance. His responsibilities include implementation of strategies and policies approved by the Board, making appropriate arrangements to ensure that funds and resources are properly safeguarded and are used economically, efficiently and effectively and in accordance with all statutory obligations.

The MD, CMMC Dera Ghazi Khan, transferred an amount of Rs 7.279 million vide cheque No.0806769088 dated 05.10.2017 as deposit work to the Executive Engineer LG & CD Department, Dera Ghazi Khan Division for construction of boundary walls with allied structure work for cattle market Dera Ghazi Khan City during 2017-18 without clearing the site. The construction work with all below mentioned scope of work except boundary wall was completed since June, 2018 as per Assistant Engineer LG&CD Department letter No.208-12/2019 dated 22.03.2019 for taking over. The management did not take over the charge of the scheme without completion of boundary wall despite lapse of 21 months. The allied structure work without boundary wall is being deteriorated and cost of

boundary wall is increasing due to inflation while residual amount was laid useless which shows apprehension of loss Rs 7.279 million. The detail is given below:

(Rs in Million)

Sr. No.	Scope of Work	Amount	Progress
1	Gate and Gate Pillars (2 Nos.) Size 12x16	0.192	100%
2	Const. of Toilet Block 01 set	0.138	100%
3	Const. of admin block 02 Nos rooms (12x12) with veranada size 07 ft wide	1.413	100%
4	Const. of Boundary wall 2931 Rft	5.083	45%
5	Sanitary charges with PRA etc	0.383	100%
6	PHA charges	0.069	100%
Total		7.279	

Audit is of the view that due to weak managerial controls, no efforts were made for completion of boundary wall.

Non completion of boundary wall put all the expenditure at risk for deterioration.

The matter was reported to the MD CMMC in April, 2020.

In the DAC meeting held on 20.10.2020, DDO replied that construction of the boundary wall work was in process. CMMC Dera Ghazi Khan Division was facing the litigation issues during construction work. The reply was not tenable as the DDO could not provide litigation record.

DAC directed to make efforts for the completion of the project as per administrative approval and technical sanction. No progress was intimated till the finalization of this Report.

Audit recommends inquiry by the Administrative Department and fixing responsibility on the person(s) at fault besides recovery of loss due to cost overrun.

[AIR Para No. 18]

3.3.6 Blockage of funds due to non procurement of assets – Rs 3.951 million

According to Rules 4(3) and 5(1) of the Public Sector Companies (Corporate Governance) Rules, 2013, the Chief Executive is responsible for the management of the Public Sector Company and for its procedures in financial and other matters, subject to the oversight and directions of the Board, in accordance with the Ordinance. His responsibilities include implementation of strategies and policies approved by the Board, making appropriate arrangements to ensure that funds and resources are properly safeguarded and are used economically, efficiently and effectively and in accordance with all statutory obligations.

The MD, CMMC Dera Ghazi Khan, allocated funds of Rs 3.951 million for procurement of assets for smoothly and productive working of Company during 2018-19. Scrutiny of accounts revealed that the management of the company did not utilize even a single penny which resulted blockage of funds and inappropriate allocation of budget. The detail is given below:

(Rs in Million)

FY	Detail	Budget	Expenditure	Balance
2018-19	IT Equipment	0.750	0	0.750
	Electric Equipment	0.723	0	0.723
	Fixed Assets	2.478	0	2.478
	Total	3.951	0	3.951

Due to weak managerial and financial controls, core steps were not taken to procure the assets for strengthen the company.

Non procurement of assets caused blockage of funds and unjustified budgetary allocation besides stagnancy on the part of company.

The matter was reported to the MD CMMC in April, 2020.

In the DAC meeting held on 20.10.2020, DDO replied that assets would be procured after completion of codal formalities. The reply was not tenable as no efforts were made to purchase the assets having sufficient budget for the said purpose.

DAC directed to get the matter regularized from the competent authority. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility on the persons at fault besides further probing the matter.

[AIR Para No. 3]

3.3.7 Loss due to non-auction of contracts – Rs 3.298 million

According to the Government of Punjab, LG&CD Department letter No. AO (Dev.) 2-252/2014 (P.IV) dated 29.09.2014, Chief Minister Punjab has approved levy of service fee against the services rendered in cattle markets in the Punjab.

The MD, CMMC Dera Ghazi Khan, auctioned only limited sources of income in Cattle Markets during 2017-18. The management failed to auction various source of income in time having potential value amounting to Rs 3.298 million in different cattle markets, in spite of availability of staff. The detail is given below:

(Rs in Million)			
Sr. No.	Detail	Name of Services	Amount
1.	Loss due to delay in auction of leases of outsource	Parking, Tori Parali and Allied Business	0.928
2.	loss due to non finalization of outsourcing contracts	Tori Parali and Allied Business	2.370
Total			3.298

Due to weak managerial and financial controls, cattle markets' sources of income were not auctioned in time.

Non-auctioning of cattle markets sources of income resulted in loss of Rs 3.298 million to the Company.

The matter was reported to the MD CMMC in April, 2020.

In the DAC meeting held on 20.10.2020, DDO replied that all out efforts had been made to auction the leases. The reply was not tenable as three time auction process was not completed.

DAC directed to investigate the matter. No progress was intimated till the finalization of this Report.

Audit recommends inquiry of the matter and fixing responsibility on the person(s) at fault.

[AIR Para: No. 2, 16]

3.3.8 Non-recovery of outstanding income of the company - Rs 1.638 million

According to Condition No.16 of the Agreement, contractor shall deposit dues in advance at 5th of every month. Furthermore, according to Rule 56 of the Punjab Procurement Rules, 2014, 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 10 percent of the contract amount.

The MD, CMMC Dera Ghazi Khan, did not recover the income of the company outstanding against parking, tori parali, allied business, performance guarantee and arrears from the contractors, amounting to Rs 1.638 million during 2018-19. The contractors did not make payment of instalments with arrears, nor were their lease agreements cancelled. No serious efforts were made to recover the outstanding revenue.

(Rs in Million)			
Sr. No.	Revenue Source	Period	Amount
1	Parking & Allied Business Income	2018-19	0.272
2	Arrears of the company	2015-19	1.366
Total			1.638

Due to weak financial management and internal controls, outstanding income of the company was not recovered.

Non recovery of outstanding income from the contractors resulted in loss of Rs 1.638 million to the company.

The matter was reported to the MD CMMC in April, 2020.

In the DAC meeting held on 20.10.2020, DDO replied that outstanding amount of Rs 0.300 million has been recovered. Legal action has been initiated against the defaulting contractors.

DAC directed to effect the recovery without further delay. No progress was intimated till the finalization of this Report.

Audit recommends recovery of Government revenue at the earliest from the defaulting contractors and fixing responsibility on the person(s) at fault.

[AIR Paras No. 10, 14]

3.3.9 Loss against auction of outsource - Rs 1.179 million

According to rule 22 & 23 of the Punjab Procurement Rule 2014, the procuring agencies shall use open competitive bidding as the principal method of procurement for the procurement of goods, services and works. The procuring agencies shall engage in open competitive bidding if the cost of procurement is more than the prescribed financial limit.

The MD, CMMC Dera Ghazi Khan auctioned contract of Torri, Parali against Rs 2.155 million during 2018-19 through secret quoted rate by the contractor instead of open bidding rates in the presence of contractors. The contractor did not accept own bid and replied to management that rate was filled by mistake. Later on, the same contract was auctioned against the bid of Rs 0.976 million which caused loss of Rs 1.179 million due to non-adopting of open price competition. The detail is given below.

(Rs in Million)

Detail	Date	Name	Amount	Date	Name	Amount	Net loss
Torri, Parali Chowkazam	30.07.2018	Sultan Sikandar	2.155	29.08.2018	HabibUllah	0.976	1.179

Due to weak internal financial controls company failed to outsourced services without observing rules.

Non transparent and unjustified procedure of bidding caused loss to company.

The matter was reported to the MD CMMC in April, 2020.

In the DAC meeting held on 20.10.2020, DDO replied that auction of leases of outsource were made through opened bidding. The reply was not tenable as auction was made less than the open bidding rate.

DAC directed to get the advice from Finance Department about procedure of auction of leases and take action accordingly. No progress was intimated till the finalization of this Report.

Audit recommends fixing responsibility against the persons at fault besides make good the loss.

[AIR Para No. 11]

3.3.10 Unjustified payment against remuneration of razakars – Rs 1.044 million

According to rule 2.33 of PFR Vol-1, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government though 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.

The MD, CMMC Dera Ghazi Khan, made payment of Rs 1.044 million against hiring of services of razakars on daily basis for security purposes during 2018-19. Mode of payment was unjustified because an amount of Rs 490,598 was transferred into personal accounts of DO Civil Defence in district Muzaffargarh and Rajanpur, whereas an amount of Rs 553,616 was transferred to accounts of DO Civil Defence (DDOs Accounts) in district Dera Ghazi Khan and Layyah instead of direct payment to the razakar. Furthermore, no record was produced to audit either these razakars were permanent employees of the DO Civil Defence or

proper procedure of payment was adopted for the daily wages employees and without acquaintance rolls. **Annexure-3/DCMMC**

Audit is of the view that due to weak managerial controls, transparent procedure was not followed to defray the expenditure.

Non transparent and unjustified procedure caused doubtful payment.

The matter was reported to the MD CMMC in April, 2020.

In the DAC meeting held on 20.10.2020, DDO replied that amount was transferred to DO Civil Defence for further disbursement of salaries to the Razakar in the concerned district. The reply was not tenable as amount was transferred in personal account of DO Civil Defence instead of proper personal account of the Razakar.

DAC directed to get the expenditure regularized from the competent authority.

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

[AIR Para No. 7]

4.Faisalabad Cattle Market Management Company (FCMMC)

CHAPTER 4.1

Sectoral Analysis

The sectoral analysis is based on annual performance of the Company in different sectors during financial year 2018-19 which includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness, efficiency regarding targeted achievements. Performance of functions of the Company towards optimum utilization of human resources. Procedural lapses and financial irregularities are also captioned in the analysis.

Analysis of Financial Resources

To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to FCMMC, Faisalabad during FY 2018-19.

(Rs in Million)

2018-19	Budget	Actual	Excess / (Savings)	Per Centage
Non-Development (Salary + Non-Salary)	41.410	31.827	(9.583)	(23.14%)
Development	4.667	0.302	(4.365)	(93.52%)
Total	46.078	32.129	(13.948)	(30.27%)

(Source: Approved Budget 2018-19)

Analysis of budget and expenditure revealed that:

- a. An amount of Rs 41.410 million was provided for salary and other operational expenditure. A massive lapse of Rs 9.583 million was observed, which accounts for 23.14% of the total budget.
- b. An amount of Rs 4.667 million was provided for development, out of which only Rs 0.302 million was utilized. The department did not utilize funds in a timely manner, resulting in a lapse of Rs 4.365 million, representing a lapse of 93.52%.

Functions of Cattle Market Management Company

Faisalabad Cattle Market Management Company, a company limited by guarantee, was incorporated under Section 42 of the Companies Ordinance, 1984. The Company conducts its operations in accordance with the provisions of its Articles of Association for the objectives mentioned in the Memorandum of Association. The Company is mandated for improvement of governance and delivery of services in cattle markets within the ambit. Management of the Company rests with the Board of Directors (BoDs) to be elected from Members of Provincial Assembly, official members, members of Chamber of Commerce and Trade Associations, technocrats, Mayor and all the Chairmen of Local Governments (except the Chairmen of Union Councils or authorities in the area of the Company) and all the District Coordination Officers of Faisalabad Division. Managing Director is responsible to ensure proper administration of the affairs, funds and resources of the Company.

Analysis of Targets and Achievements

The company is required to fulfill/achieve the objectives carried in its Memorandum of Association, objectives and targets set in its Board of Directors' meetings and to do the things it is supposed to, by being a public sector company according to Public Sector Companies Corporate Governance Rules, 2013. The company could neither set any specific targets nor key performance indicators for achievement of its objectives mentioned in its Memorandum of Association. Achievement/implementation status of the objectives/ targets and decisions of BoDs is given below:

Sr. No.	Objectives	Target 2018-19	Achievement 2018-19	Remarks
1	No. of Board meeting to be held in a Year	6	2	Not Achieved
2	Women Quota in BoD Members	33%	0	Not Achieved
3	Development of revenue sources from animal waste and garbage	-	-	Not Achieved
4	Establishment of Pension/ Provident Fund/Benevolent Fund/ Group Insurance	-	-	Not Achieved

Sr. No.	Objectives	Target 2018-19	Achievement 2018-19	Remarks
5	Establishment/formulation of sound system of internal controls, anti-corruption policy and procurement policy	-	-	Not Achieved
6	Development of mechanism to assess the performance of senior management	-	-	Not Achieved
7	Development and launching of the Company's website	-	-	Not Achieved
8	Arrangement of orientation courses for Board members	-	-	Not Achieved
9	Formation of risk management committee and nomination committee	-	-	Not Achieved
10	Development of Key Performance Indicators	-	-	Not Achieved
11	Ear-Tagging of animals	-	-	Not Achieved

From the analysis of targets and achievements of Faisalabad Cattle Market Management Company, it was observed that the Board of Directors was supposed to hold six meetings during a year, but it could hold only two meeting during Financial Year 2018-19. Despite lapse of considerable time since its incorporation, the company could not include females in its Board of Directors as required by its Articles of Association; there is not a single female member in the Board. The company was required (by its Memorandum of Association) to generate revenue from animal waste, by product and garbage, it failed to generate any revenue from animal waste till date.

The company failed to develop strong internal control system as it could not fill the post of internal auditor. Payments were made without pre-auditing. Moreover, the company could not devise any policy to curb the corruption/corrupt practices, assess the performance of its senior management and to make them undergo orientation courses and trainings. Being a public sector company, the management of company was supposed to develop and launch its website; it could not do the same till date in violation of corporate governance rules. No key performance indicators have been developed to measure the achievement of its

objectives/targets and to assess the performance of its management. Furthermore, ear-tagging of the animals could not be started to increase the revenue of the Company.

Analysis regarding Human Resource Management

Sr. No.	Designation	No. of Posts		
		Sanctioned	Filled	Vacant
1	Managing Director	1	1	-
2	Chief Financial Officer/Company Secretary	1	1	-
3	Internal Auditor	1	-	1
4	Manager Administration/HR/ Finance	1	1	-
5	General Manager Operation	1	1	-
6	Executive Secretary	1	-	1
7	Assistant Manager Operation	1	-	1
8	Admin and Accounts Assistant	3	3	-
9	Office Assistant	2	2	-
10	Other staff	55	55	-
Total		67	64	3

From the analysis of sanctioned and filled posts of Faisalabad Cattle Market Management Company, it was observed that the key posts of Internal Auditor, Executive secretary and Assistant Manager Operation were vacant which hampers the performance of Faisalabad Cattle Market Management Company.

Conclusion

The overall performance of the Faisalabad Cattle Market Management Company regarding achievement of objectives and targets, implementation of decisions taken by BoDs was found poor. The key post of internal auditor is laying vacant since long. Performance of FCMMC was also not satisfactory in compliance of rules and regulations regarding incurrence of expenditure as irregularities amounting to Rs 68.370 million were pointed out during audit of financial year 2018-19.

CHAPTER 4.2

CMMC Fasilabad

4.2.1 Introduction of FCMMC

Government of the Punjab established Faisalabad Cattle Market Management Company (FCMMC) on 07.06.2014 in pursuance of Section 195-B of the PLGO, 2001 and Section 146-A of the Punjab Local Government Act (PLGA), 2013. Further, according to Notification No.Legis:13-3/2003 (P-X) dated 06.06.2014, cattle market managed by the Company shall be deemed to be a cattle market organized by a Tehsil/Town Municipal Administration under Section 54 or Section 54-A of the PLGO, 2001.

Faisalabad Cattle Market Management Company is a Company limited by guarantee 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.

Faisalabad Cattle Market Management Company manages following offices:

Description	No. of Offices / DDOs
Head Office	01
Model Cattle Market, Niamona	01
Traditional Cattle Markets	12

The following table shows detail of total and audited formations of Faisalabad Cattle Market Management Company:

(Rs in Million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2018-19	Revenue Receipts Audited FY 2018-19
1	Formations	01	01	12.852	17.972
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities/Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

4.2.2 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 FCMMC, Faisalabad during FY 2018-19.

(Rs in Million)

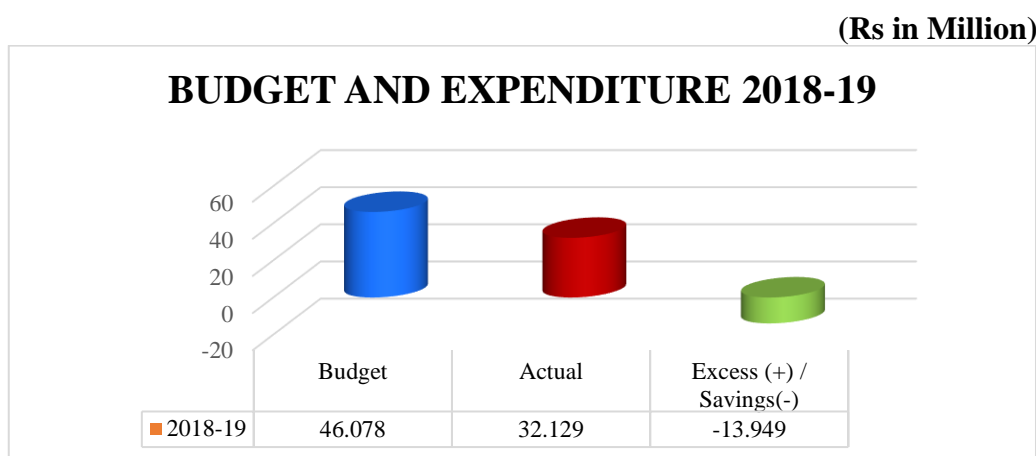
2018-19	Budget	Actual	Excess / (Savings)	Per Centage
Non-Development (Salary + Non-Salary)	41.410	31.827	(9.583)	(23.14%)
Development	4.667	0.302	(4.365)	(93.52%)
Total	46.078	32.129	(13.948)	(30.27%)
Receipts	54.866	59.906	5.040	9.20%

(Source: Approved Budget 2018-19)

Analysis of budget and expenditure revealed that:

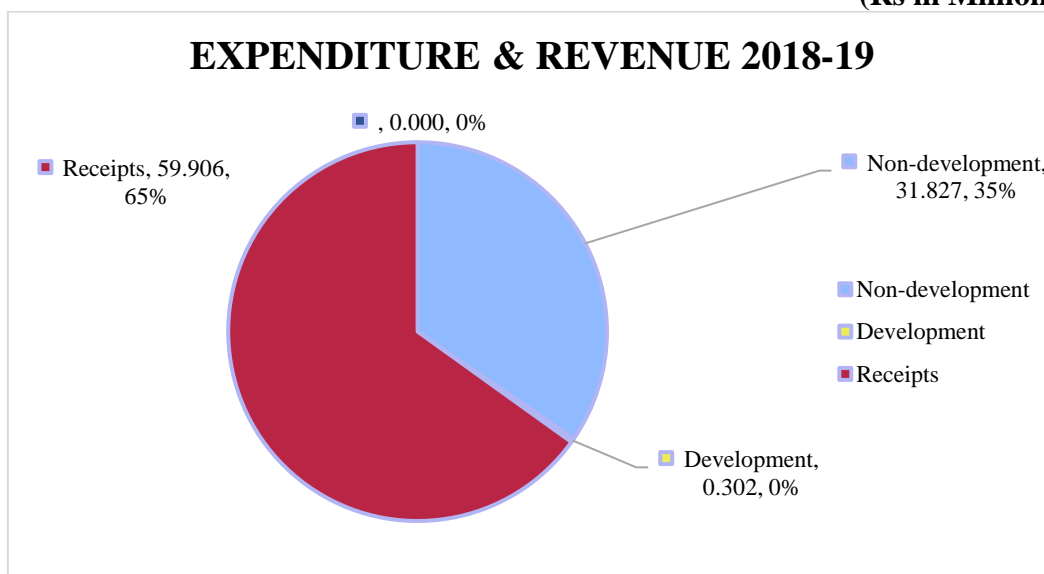
- An amount of Rs 41.410 million was provided for salary and other operational expenditure. A massive lapse of Rs 9.583 million was observed, which accounts for 23.14% of the total budget.
- An amount of Rs 4.667 million was provided for development, out of which only Rs 0.302 million was utilized. The department did not utilize funds in a timely manner, resulting in a lapse of Rs 4.365 million, representing a lapse of 93.52%.

Graphical presentation of budget & expenditure is given below:



Graphical presentation of expenditure and revenue is as under:

(Rs in Million)



4.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 68.370 million were raised as a result of this audit. This amount also includes recoverable of Rs 7.915 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs in Million)

Sr. No.	Classification	Amount
1	Non-production of record	0
2	Reported cases of fraud, embezzlement and misappropriation	2.689
3	Procedural Irregularities:	0
	3a. HR/Employees related irregularities	8.236
	3b. Procurement related irregularities	1.147
	3c. Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	6.362
5	Others	49.936
Total		68.370

4.2.4 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	14	PAC not constituted
2	2018-19	14	PAC not constituted

AUDIT PARAS

4.3. Fraud and Misappropriation

4.3.1 Embezzlement of public funds – Rs 2.689 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.

Audit observed that Ex GM (Admin &HR) collected money from the traders on account of bara registration fee/rent and electricity bills without any lawful authority and the collection was not deposited into bank account of the company during May, 2017 to December, 2017. The authorities did not make strenuous efforts to get the embezzled amount recovered from the concerned. The detail is as under:

(Rs in Million)

Sr. No.	Description	Amount
1	Security fees of 846 baras @ Rs 500 per bara	0.423
2	One time rent of 269 baras @ Rs 300 per bara	0.081
3	8 month's rent of 577 baras @ Rs 300 per bara	1.385
4	Estimated collection against electricity charges	0.800
Total		2.689

Audit is of the view that due to weak internal controls; embezzled amount was not recovered.

Non-recovery of embezzled amount of Rs 2.689 million resulted in loss to public exchequer.

The matter was reported to the MD of FCMMC in April, 2020. In DAC meeting held on 16.09.2020, it was replied that the case has already been referred to Anti-Corruption Establishment and the department is proceeding as per law. Audit stressed to pursue the matter vigorously and submit update to Audit.

DAC directed to pursue the matter vigorously and submit update to Audit. No progress was intimated to Audit till finalization of this Report.

Audit recommends appropriate action against the persons involved in embezzlement besides recovery of Rs 2.689 million, under intimation to Audit.

[AIR Para No. 8]

4.4 Procedural Irregularities

4.4.1 Non-fixing of responsibility due to irregular appointment – Rs 6.377 million

According to minutes of the meeting of Human Resource Committee of FCMMC held on 06.03.2020, it was decided to initiate recovery from the Ex-General Manager Operation and Ex General Manager (Admin and HR).

Management of Cattle Market Management Company, Faisalabad Division irregularly appointed two officers as pointed out by previous year audit. But the management presented the matter in 16th Board meeting dated 19.03.2019 to regularize appointment of Ex General Manager Operation and General Manager Admin & HR. The Board referred the matter to Human Resource Committee to decide about recovery from Ex-employees. Human Resource Committee decided to initiate the recovery of salary and allowances amounting to Rs 6.377 received during 2015-19 instead of fixing responsibility due to irregular appointments. The detail is as under:

(Amount in Rs)

Sr. No.	Financial Year	Name	Designation	Amount Recoverable
1	2015-17	Mr. Imtiaz Ahmad	Ex-General Manager Operation	2.826
2	2016-19	Mr. Wajahat Ali Javed	Ex-General (Admin &HR)	3.551
Total				6.377

Audit is of the view that due to weak internal controls, responsibility for irregular appointments was not fixed.

Non-fixing of responsibility due to irregular appointments resulted in irregular expenditure amounting to Rs 6.377 million.

The matter was reported to the PAO / MD of the Company in April, 2020. In DAC meeting held in September, 2020, it was replied that the BoDs and HR Committee discussed the cases in detail and found that regularization could not be made. So, recovery from the ex-employees had been initiated. Audit stressed to

effect recovery at the earliest besides fixing responsibility on the person(s) making irregular appointment.

DAC directed to effect the recovery at the earliest besides fixing responsibility on the person(s) making irregular appointment. No progress was intimated to Audit till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides regularization of matter from the Competent Authority, under intimation to Audit.

[AIR Para No. 4]

4.4.2 Non-contribution towards Provident Fund and Group Medical Insurance – Rs 1.859 million

According to Government of the Punjab, Local Government & Community Development Department letter No.AO(Dev.)(LG)2-252/2014(P.IV) dated 11.11.2014, the Company will contribute an amount equal to 10% towards the Provident Fund and will pay for medical coverage of all employees through Group Medical Insurance. Further, according to Section 227(1) of the Companies Ordinance, 1984, all moneys or securities, deposited with a company by its employees in pursuance of their contracts of service with the company, shall be kept or deposited by company in a special account and no portion thereof shall be utilized by it. Furthermore, according to Condition 3 of the Offer of Appointment, the employee is eligible to participate in the Company's Provident Fund.

The Company adopted management cadre salary structure for its employees but failed to contribute towards employees Provident Fund amounting to Rs 1.859 million. Moreover, no steps were taken for purchase of Group Medical Insurance Policy for employees. The detail is as under:

(Rs in Million)

Description	Total Salaries	GPF Contribution @10%
Salaries	18.593	1.859

Audit is of the view that due to weak internal and financial controls; contribution was not made towards employees Provident Fund and Group Medical Insurance.

Non-contribution towards Provident Fund amounting to Rs 1.859 million and non-purchasing of Group Medical Insurance resulted in violation of the Government instructions and terms of appointment.

The matter was reported to the MD of FCMMC in April, 2020. In DAC meeting held in September, 2020, it was replied that the BoDs, in its 19th meeting held on March 19, 2020 had approved HR Manual and Employees' Service Rules. The Provident Fund would be established and insurance policy would be purchased during next financial year. Audit stressed establishment of Provident Fund and purchase of Group Insurance Policy, under report to Audit. Audit stressed establishment of Provident Fund and purchase of Group Insurance Policy, under report to Audit.

DAC directed to take up the matter in BOD meeting for introducing Provident Fund and purchase of Group Medical Insurance under intimation to Audit. No progress was intimated to Audit till finalization of this Report.

Audit recommends contribution towards Provident Fund and Group Medical Insurance at the earliest besides regularization of matter from the Competent Authority, under intimation to Audit.

[AIR Para No. 10]

4.4.3 Irregular expenditure on hiring of material – Rs 1.147 million

According to Rule 4(3) of the Public Sector Companies (Corporate Governance) Rules, 2013, the Chief Executive is responsible to implement strategies and policies approved by the Board, make appropriate arrangements to ensure that funds and resources are properly safeguarded and are used economically, efficiently and effectively and in accordance with all statutory obligations. Further, according to Rule 16 of the Punjab Procurement Rules, 2014, a procuring agency may, prior to floating the tenders or invitation to proposals

offers, engage in prequalification of bidders in case of services, civil works, turnkey projects and also in case of procurement of expensive and technically complex equipment to ensure that only technically and financially capable firms or persons having adequate managerial capacity are invited to submit bids.

Management of FCMMC, Faisalabad incurred expenditure of Rs 1.147 million on hiring of tents, table, chairs and generators etc. on the occasion of Eid ul Azha 2018. However, incurrence of expenditure was held irregular on the following grounds:

1. Neither procurement planning was made nor the case submitted to Procurement Committee for its scrutiny and approval;
2. The scope of competitive bidding was minimized as the intended bidders were barred from submitting their offers / rates by considering experience and ignoring other factors i.e. qualification, equipment and plant, financial position and managerial capability etc. Further, a so-called bidder namely M/s Butt Enterprises was shown to be qualified by securing only 20 marks, just to show a little bit competition.
3. Work order for hiring of material was issued without describing the basis on which type and number of items were calculated, preparing drawings and indicating the points where the material was to be installed/fixed,
4. No mechanism was developed to carry out periodical verification of items actually installed through a committee;

Audit is of the view that due to negligence; irregular expenditure was incurred on hiring of material.

Irregular incurrence of expenditure amounting to Rs 1.147 million on hiring of material resulted in violation of Rules.

The matter was reported to the PAO / MD of the Company in April, 2020. In DAC meeting held in September, 2020, it was replied that only two bidders submitted their tenders. One of them was technically disqualified and other's single complying bid was accepted under PPRA Rules. The reply was not tenable as

evidence of involvement of procurement committee, bedding documents containing criteria for technical evaluation, basis on which type and number of required items were calculated, drawing indicating the points where the material was to be installed / fixed, periodical verification of items actually installed was not produced to Audit. Audit recommends regularization of expenditure from the Competent Authority.

DAC directed to provide the record tender documents containing criteria for technical evaluation and relating to technical evaluation to Audit otherwise get the expenditure regularized from the Competent Authority, under report to Audit. No progress was intimated to Audit till finalization of this Report.

Audit recommends regularization of expenditure from the Competent Authority, under intimation to Audit.

[AIR Para No. 12]

4.5 Value for Money and Services Delivery Issues

4.5.1 Funds utilized for the purpose other than specified – Rs 6.362 million

Local Government & Community Development Department vide letter No.AO.(Dev.)(LG)2-252/2014(P-IV) dated 20.11.2014 directed all the Commissioners in the Punjab 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. Furthermore, according to Rule 2.10(b)(3) of Punjab Financial Rules Volume-I, that all charges incurred are drawn and paid at once and are not held up for want of funds and allowed to stand over to be paid from the grant of another year; that money indisputably payable is not left unpaid; and that all inevitable payments are ascertained and liquidated at the earliest possible date.

Government of the Punjab released funds to the Faisalabad Cattle Market Management Company to meet operational expenditures to run/hold and manage the cattle markets in division, in the special Drawing Accounts of the Commissioner Faisalabad. Seven Tehsil/Town Municipal Administrations incurred expenditure amounting to Rs 6.362 million on behalf of the Company for establishment of cattle markets during 2014-15. TMAs concerned submitted claims to the Company for reimbursement of expenditure but the same was not reimbursed despite laps of four years. The detail is under:

(Rs in Million)		
Sr. No.	Name of TMA	Amount
1	TMA Iqbal Town	0.689
2	TMA Jaranwala	0.171
3	TMA Tandlianwala	0.129
4	TMA Jhang	2.526
5	TMA Shorkot	0.093

Sr. No.	Name of TMA	Amount
6	TMA Kamalia	0.067
7	TMA Chiniot	2.687
Total		6.362

Audit is of the view that due to weak financial management; Funds were not utilized for the purpose specified.

Utilization of funds for the purpose other than specified amounting to Rs 6.362 million resulted in violation of instruction of Higher Authority.

The matter was reported to the PAO / MD of the Company in April, 2020. In DAC meeting held in September, 2020, it was replied that respective TMAs submitted the expenditure for reimbursement but the same were not incurred according to the relevant rules and regulations. The expenditure incurred were in violation of PPRA Rules, 2014. All the TMAs were requested to provide approval from the competent authority which were not provided. Audit stressed to get the matter clarified from the Competent Authority for utilization of fund.

DAC directed to contact TMAs/MCs concerned for submission of vouched accounts and made payment if expenditure was incurred according to rule otherwise contact LG&CD Department / Finance Department for further direction regarding utilization of fund. No progress was intimated to Audit till finalization of this Report.

Audit recommends reimbursement of pending liabilities at the earliest, under intimation to Audit.

[AIR Para No. 5]

4.6 Others

4.6.1 Non-constitution of BoDs after expiry of Tenure – Rs 38.018 million

According to Clause 8 of the Articles of Association of the of FCMMC, the term of office of a BOD member shall be three years unless he/she earlier resigns or become disqualified from being a director or otherwise ceases to hold office. Further, according to Clause 23(a) of the Articles *ibid*, the Chairman shall be elected by the Board of Directors for a period of three years.

Term of BoD members of FCMMC expired on 23.06.2017 but they continued to hold the office after expiry of their legal tenure and also elected the Commissioner Faisalabad Division as Chairman BoD by holding unauthorized 13th meeting of BoD on 06.09.2017. Therefore, all the acts / decisions made by this unauthorized BoD such as election of Chairman BoD, incurrence of expenditure amounting to Rs 38.018 million during 2018-19 stood irregular.

Due to negligence and weak financial management, the expenditure was incurred without valid delegation of such powers.

Incurrence of expenditure without authority resulted in irregular utilization of funds amounting to Rs 38.018 million.

The matter was reported to the PAO / MD of the Company in April, 2020. In DAC meeting held in September, 2020, it was replied that the LG&CD Department had been requested for fresh nomination of directors in November, 2018. Audit recommends to get the matter regularized from the Administrative Department regarding delay in constitution of Board of Director.

DAC directed to the take up the matter of delay in constitution of BoDs with LG & CD Department. No progress was intimated to Audit till finalization of this Report.

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

[AIR Para No. 2]

4.6.2 Non-recovery of Punjab Sales Tax on Services – Rs 5.203 million

According to Rule Serial No.63& 56 of the second schedule to the Punjab Sales Tax on Services Act, 2012, rate of sales tax is sixteen percent on debt collection, rent collection and similar other recovery or collection services including right to collect the toll or fee or regulatory fee or duty or any other similar collection. Further according to condition 7(4) contractor was bound to pay all taxes according to rules.

Managing Director, Faisalabad Cattle Market Management Company leased out collection rights of parking, toori parali, tea stall, patti stalls at an agreement amount of Rs 5.203 million during 2018-19. Contrary to the above referred rule, Punjab Sales Tax on Services amounting to Rs 5.203 million was not recovered from the contractors concerned for the period of 5 months (November, 2018 to March, 2019).

Audit is of the view that due to weak financial management, PSTS was not recovered from the contractors.

Non-recovery of PSTS amounting to Rs 5.203 million resulted in violation of rule and less collection of receipts to the Punjab Government.

The matter was reported to the PAO / MD of the Company in April, 2020. In DAC meeting held in September, 2020, it was replied that relevant clause was introduced in November, 2018, while contract was executed in July, 2018. Therefore, the Company was unable to revise agreement with contractors. Audit recommends to get the matter clarified from authority concerned.

DAC directed to get the matter clarified from the PRA and take steps accordingly under report to Audit. No progress was intimated to Audit till finalization of this Report.

Audit recommends justification for non-recovery besides recovery of Rs 5.203 million from the concerned at the earliest, under intimation to Audit.

[AIR Para No. 6]

4.6.3 Irregular expenditure due to involvement of Chairman/ Commissioner in operations of the Company – Rs 4.101 million

According to Rule 4(1) of Public Sector Companies (Corporate Governance) Rules, 2013, the office of the Chairman shall be separate, and his responsibilities distinct, from those of the Chief Executive. Furthermore, according to Rule 4(2)(C) of ibid, Chairman of the Board shall not be involved in day to day operation of the Public Sector Company.

Managing Director, Faisalabad Cattle Market Management Company made payment amounting to Rs 4.101 million to various suppliers/ contractors during 2018-19. Further, scrutiny of record revealed that Chairman/Commissioner is joint signatory with Managing Director of the Company in violation of above instructions.

Audit is of the view that due to weak internal controls; expenditure was incurred by the Commissioner / Chairman's involvement in day to day operation of the Company.

Irregular involvement of Chairman/ in day to day operations of the Company resulted in irregular expenditure amounting to Rs 4.101 million.

The matter was reported to the PAO / MD of the Company in April, 2020. In DAC meeting held in September, 2020, it was replied that the commissioner was joint signatory in compliance with LG&CDD Letter No. Ao(Dev.)(LG)2-252/97(P.V) dated June 06, 2014. The reply was not tenable as letter of LG&CD was issued in violation of Public Sector Companies (Corporate Governance) Rules, 2013. Audit stressed for regularization of expenditure / matter from the Competent Authority.

DAC directed to get the matter regularized from the Competent Authority besides change in signatory power according to Public Sector Companies (Corporate Governance) Rules, 2013. No progress was intimated to Audit till finalization of this Report.

Audit recommends regularization of the expenditure from the Competent Authority, under intimation to Audit.

[AIR Para No. 7]

4.6.4 Irregular payment of rent of land – Rs 2.614 million

According to the Punjab Delegation of Financial Powers Rules, 2016, Sr. No.3, Note-4, Second Schedule, under Part-I, of Powers common to all Departments, hiring of land subject to the condition that rent reasonability certificate is given by an officer of the Revenue Department exercising powers of the Collector under the Land Revenue Act, 1967.

Managing Director, Faisalabad Cattle Market Management Company (FCMMC) incurred expenditure amounting to Rs 2.614 million for hiring of land in Cattle Market, Malhoana, Jhnag during 2018-19. Contrary to the above, payment of rent was made without obtaining rent reasonability certificate from the officer of the Revenue Department.

Audit is of the view that due to weak internal controls; irregular payment of rent was made to owner of land.

Payment of rent amounting to Rs 2.614 million without obtaining rent reasonability certificate resulted in irregular expenditure and violation of above-mentioned instructions.

The matter was reported to the PAO / MD of the Company in April, 2020. In DAC meeting held in September, 2020, it was replied that the concerned revenue officers had been requested many times but they did not respond. Continuous follow ups were being made. Audit stressed regularization of matter from the Competent Authority.

DAC directed to get the expenditure regularized from the Competent Authority. No progress was intimated to Audit till finalization of this Report.

Audit recommends fixing responsibility on the person(s) at fault besides regularization of expenditure from the Competent Authority, under intimation to Audit.

[AIR Para No. 9]

4.6.5 Non-development of revenue sources from animal waste, by-products and garbage

According to Clause-IV (8) of Memorandum of Association, one of the objectives of the Company was to develop revenue sources from animal waste, by-product and garbage and utilize it to run the affairs of the Company. Further, according to Clause 4 of Articles of Association, the business of the Company, its affairs and/or functions shall comprise of achieving the objective given in the Memorandum and include undertaking all or any of the several objects, and any act, deed or thing done in pursuance thereof, ancillary and/or incidental thereto as expressed in, and authorized by the Memorandum of Association, and can be commenced immediately after incorporation of the Company as the Directors may think fit.

Faisalabad Cattle Market Management Company generated revenue through auction of different income sources i.e. fodder shops with / without toka, tea stalls, canteen hotels and tori prali etc. contrary to the above provisions, efforts were not being extended to increase the revenue from animal waste, by-products and garbage, as provided in object clause of Memorandum of Association..

Audit is of the view that due to weak internal controls; revenue sources were not generated as mentioned in object clause of Memorandum of Association.

Non-development of revenue sources as mentioned in object clause of Memorandum of Association resulted in less collection of revenue.

The matter was reported to the PAO / MD of the Company in April, 2020. In DAC meeting held in September, 2020, it was replied that Memorandum of Association provide that management should opt all such lawful things which were conducive, incidental or ancillary toward attainment and furtherance of the

Company's objectives. Animal waste in cattle markets did not produce sufficient quantity to make it utilized for revenue generation. The reply was not tenable as generated revenue sources by auction of fodder shops, tea stalls, canteen hotels, tori prali was not ancillary to the attainment and furtherance of the objects of the Company. Audit stressed for regularization of matter from the Competent Authority and submit the matter of non-generation of revenue from animal waste, by-product and garbage.

DAC directed take up the matter in BoDs meeting for further appropriate action for inclusion of revenue clause in MOA and taking decision regarding generation of revenue from animal waste, by-product and garbage and utilize it in the affair of the Company, under report to Audit. No progress was intimated to Audit till finalization of this Report.

Audit recommends developing of revenue sources as mentioned in Memorandum of Association.

[AIR Para No. 18]

4.6.6 Irregular composition of Board of Directors

According to Clauses 7(B) and 15 of the Articles of Association of the Company, at least 33% quota will be reserved for women in BoD. Seven members of the Board of Directors present in person, of whom at least five shall be from civil society, shall constitute a quorum. Proceedings of the meeting shall not be valid unless quorum is present at the commencement of meeting. Further, according to Rule 4(4) of the Public Sector Companies (Corporate Governance) Rules, 2013, the BoD shall elect its chairman from amongst the independent directors so as to achieve an appropriate balance of power.

Contrary to the above, management of the Company did not observe the quota reserved for women in composition of the BoD as not a single woman was its member. Further, Commissioner Faisalabad Division, (a non-independent director and government functionary) was elected as Chairman.

Audit is of the view that due to absence of due diligence; non-independent director/Government functionary was elected as Chairman by defective BoD having incomplete quorum.

Non-observance of women quota and requisite quorum resulted in defective election of the Chairman – a non-independent director/Government functionary.

The matter was reported to the PAO / MD of the Company in April, 2020. In DAC meeting held in September, 2020, it was replied that as per composition of the Board Commissioner of the Division concerned was the elected Chairmen of CMMC and all members of Board were nominated by the Government of the Punjab. However, a reference had been submitted to the Government regarding the defects in composition of Board with regard to Articles of Association. Clarification in this regard still awaited. Composition of BODs was in violation of clauses of AOA. Audit stressed for regularization of matter from the Competent Authority.

DAC directed to get the matter regularized from the Competent Authority. No progress was intimated to Audit till finalization of this Report.

Audit recommends regularization of matter from the Administrative Department, besides fixing responsibility on the person(s) at fault.

[AIR Para No. 19]

4.6.7 Non-compliance of Public Sector Companies Corporate Governance Rules, 2013

The Public Sector Companies (Corporate Governance) Rules, 2013 shall apply to all Public Sector Companies, as defined in clause (g) of rule 2.

During audit of the Faisalabad Cattle Market Management Company Faisalabad, it was observed that the management failed to comply with most of the Public Sector Companies Corporate Governance Rules. The detail of important rules not complied with is as under:

1. Non-establishment / non-formulation of sound system of internal controls, conflict of interest policy, anti-corruption policy and procurement policy – Rule 5(5).
2. Only two meetings of BoDs were held during 2018-19 against the requirement of minimum four meetings – Rule 6(1).
3. Non-assessment of performance of senior management as required under Rule 8(2).
4. Non-development and launching of the Company's website as required under Rule 10.
5. All the Board members were required to undergo orientation courses but the same was not done in violation of Rule 11.
6. Non-formation of risk management committee and nomination committee as required under Rule 12.
7. Non-development of Key Performance Indicators relating to social objectives and performance evaluation of senior management.

Audit is of the view that due to weak internal controls, compliance with Public Sector Companies (Corporate Governance) Rules, 2013 was not made.

Non-compliance with Public Sector Companies (Corporate Governance) Rules, 2013 resulted in violation of Rules.

The matter was reported to the PAO / MD of the Company in April, 2020. In DAC meeting held in September, 2020, it was replied that specific explanations to said non-compliances had been published in the Annual Report of FY 2018-2019, in compliance with the Public Sector Companies (Corporate Governance) Rules, 2013, audited by the External Auditors. Audit stressed for regularization of matter of non-compliance with Public Sector Companies (Corporate Governance) Rules, 2013 from the Competent Authority, under report to Audit.

DAC directed to get the matter regularized from the Competent Authority. No progress was intimated to Audit till finalization of this Report.

Audit recommends regularization of matter from the Competent Authority besides fixing responsibility on the person(s) at fault, under report to Audit.

[AIR Para No. 20]

5. Faisalabad Waste Management Company (FWMC)

CHAPTER 5.1

Sectoral Analysis

The sectoral analysis is based on annual performance of the Company in different sectors during financial year 2018-19 which includes analysis regarding utilization of financial resources in terms of economy, efficiency and effectiveness, efficiency regarding targeted achievements. Analysis of performance of the Company regarding assets management, optimum utilization of human resources and revenue generation for self-sufficiency and sustainability of the Company. Procedural lapses and financial irregularities are also captioned in the analysis.

Functions of FWMC

Faisalabad Cattle Market Management Company, a company limited by guarantee, was incorporated under Section 42 of the Companies Ordinance, 1984. The Company conducts its operations in accordance with the provisions of its Articles of Association for the objectives mentioned in the Memorandum of Association. The Company is mandated for improvement of governance and delivery of services in cattle markets within the ambit. Management of the Company rests with the Board of Directors (BoDs) to be elected from Members of Provincial Assembly, official members, members of Chamber of Commerce and Trade Associations, technocrats, Mayor and all the Chairmen of Local Governments (except the Chairmen of Union Councils or authorities in the area of the Company) and all the District Coordination Officers of Faisalabad Division. Managing Director is responsible to ensure proper administration of the affairs, funds and resources of the Company.

Analysis of Targets and Achievements

The company is required to fulfil/achieve the objectives carried in its Memorandum of Association, objectives and targets set in its Board of Directors' meetings and to do the things it is supposed to, by being a public sector company according to Public Sector Companies Corporate Governance Rules, 2013. The

company could neither set many targets / key performance indicators (KPIs) for achievement of its objectives. Achievement/implementation status of the objectives/targets and decisions of BoDs is given below:

Sr. No.	Indicators	Target	Actions Required	Achievements	Percentage
1	Increase in mechanize road sweeping	100%	Starting double shift, Private sector participation	All major roads of the city (approximately 80% of the total) is being mechanically swept.	80%
2	Enhancing effectiveness of washing of public places	100%	Starting double shift, Private sector participation	All necessary roads, areas are being washed with available washing facility	100%
3	Increase in waste collection	95%	Start of night waste collection system, Private sector participation, DTD waste collection, Monitoring through RFID and VTMS	FWMC has increased its waste collection upto 80 % and vehicles are properly monitored through FRID and VTMS.	80%
4	DTD waste collection in total urban area	70%	Incentive based system, Injection of equipment and machinery, Private sector participation	About 70% door to door collection is being done.	70%
5	Increase in waste storage facilities in commercial markets and public places	100%	Installation of waste bins dedicated arrangements for collection public awareness	About 650 containers and 400 waste bins have been placed on different commercial markets and roads	70%
7	Establishment and functioning of integrated waste disposal system for 30% of Total Waste generation	100%	Identification/ selection and Procurement of land for potential sites, Conducting EIA, Hydrogeological generations, Design of integrated waste disposal facility,	150 acres Land has been acquired for construction of land fill, formalities like EIA, geotechnical investigation and certificate from EPA has been finalized, PC-II has been prepared	30%

Sr. No.	Indicators	Target	Actions Required	Achievements	Percentage
			Construction of infrastructure		
14	Establishment of corporate governance framework for efficient delivery of ISWM services	100%	Registration of FWMC, Formulation of BoDs, Appointment of MD and core team of FWMC, Submission of audit report	FWMC has been registered and formulation of BoDs has been completed. Managing CEO/Director and Core Team of FWMC have been appointed and Five Audit Report has been submitted.	95%
15	Development of modern management system for different delivery of ISWM services	50%	Establishment of call center for complaint redressal system, Installation of vehicle tracking management system (VTMS), Strategic and business plan, ISO certification	FWMC established a call center for complaints redressal and feedback. PMDFC also monitoring and taking feedback from public vehicle tracking management system.	90%
18	Launching of awareness and education programs in education Institutes, print and electronic media	PAX	Printed material, lectures, display material, TVC, radio, advertising, newspaper, walks, seminars etc.	FWMC organized walks, seminars, lectures in schools, universities, distribution of leaflets, pamphlets in the public. TV, radio and other electronic media, newspaper, bill boards are being used for public awareness.	90%
20	Organizing special events	PAX	Community cleaning activity, walks, seminars etc.	Cleaning activities, Walks and seminars are being organized periodically	100%
23		100%			90%

Sr. No.	Indicators	Target	Actions Required	Achievements	Percentage
	Establishment mechanism for determination of customer satisfaction levels		Surveys and feedback system	FWMC has established call center for complaints.	

From the analysis of targets and achievements of FWMC, it was observed that despite lapse of considerable time since its incorporation, the Company could not achieve its core objectives and set targets during financial year 2018-19. The analysis showed that in following sectors performance of the Company was not satisfactory especially door to door waste collection in total urban area and increase in waste storage facilities in commercial markets and public places in which achievement level was 70%. The management could achieve only 30% of its target regarding establishment and functioning of integrated waste disposal system for waste generation. Further, it was observed that no efforts were extended to achieve following KPIs and record portrayed zero performance in establishing separate industrial waste collection system, sale of waste to private sector for processing treatment and disposal, establishing a system for material recovery facility cum waste transfer stations, private sector participation for waste collection services, establishing a separate system for collection and disposal of construction & demolition waste, establishing a separate system for industrial waste collection and disposal, establishing a separate system for collection and transportation of infectious hospital waste, increase in revenue collection efficiency, revenue generation from sale of waste, development of local regulatory framework for efficient service delivery and enforcement mechanism, development of new legal and regulatory framework.

Budget and Expenditure Variance Analysis

Description of GL Account	Budget Estimates	Actual Expense	Excess (+)/ Saving (-)
Landfill Site	100.000	-	(-)100.000
Operational Vehicles, Equipment, Machinery etc.	354.4	158.110	(-)196.290
Non-operational Physical Assets	34.000	1.066	(-)32.934
Customized Software Application	1.000	-	(-)1.000
Vehicle Tracking Management System, Vehicle Trip Counting System	8.000	1.000	(-)7.000
Workshop Upgradation	25.000	-	(-)25.000
Capacity Building	4.000	0.300	(-)3.700
Special Events (Eid-ul-Azha & Others)	20.000	48.000	28.000

Management of the Company could not ensure optimal utilization of funds allocated for development of landfill site, upgradation of workshop, procurement of dire need operational vehicles, machinery and equipment for waste collection & disposal. Delay in procurement process caused increase in cost of vehicles due to effect of inflation. Out of GL Account Special Events (Eid-ul-Azha & Others) expenditure excess than the budgeted provisions, which in terms of percentage is 240%, was also incurred. The unnecessary expenditure was incurred on hiring of vehicles due to insufficiency of vehicles from market for Clean Green Punjab Campaign. Furthermore, for the said campaign no separate funds were allocated in the budget estimates or provided by the Provincial Government. Expenditure, was incurred Funds allocated to automatize the Company's key operational activities and development of Vehicle Tracking Management System and Vehicle Trip Counting System were also not utilized which resulted in non-achievement of envisaged benefits.

Analysis regarding Revenue Generation Plan

Management of the Company could not implement its revenue generation plan as provided in SAAMA to achieve self-sufficiency through cost recovery measure in respect of solid waste management services provided to households, commercial, industrial and other entities. Therefore, the Company for its finances

totally dependent on the Government grants which resulted in non-achievement of Company's core objective provided in Memorandum of Association.

Analysis Regarding Asset Management

The Company could not optimally utilize its assets, there were many deficiencies observed in use of operational vehicles, waste transportation vehicles and pool vehicles. For better management no fleet management system was implemented regarding management / development of parking area, vehicle in and out time monitoring system, schedule of routine maintenance of vehicles, vehicle special repair needs assessment and history sheets. This resulted in chaotic expenditure on repair & maintenance of vehicles. Despite heavy expenditure on repair and maintenance of vehicles a huge number of vehicles including dumper / arm roller trucks, water boozers, tractor loader etc. were remained off road throughout the financial year. Further, the Company has its own fuel filling station and workshop which was used only for Company's vehicles. The management did not execute any plan for commercial use of these resources to generate revenue for the Company.

Analysis regarding Human Resource Management

The Company manage three cadres of employees i.e. Corporate Staff including Management, staff-I & II, regular employees of Government Cadre, Daily wage staff including sanitary workers. Comparative analysis of sanctioned, working and vacant posts of all cadres is carried out. The details are as under:

Sr. No.	Designation	No. of Posts		
		Sanctioned	Filled	Vacant
Corporate Management				
1	Managing Director	1	1	-
2	Chief Financial Officer/Company Secretary	1	-	1
3	General Manager (Operations)	1	1	-
4	General Manager (HR & Admin)	1	-	1
5	Company Secretary	1	-	1
6	Internal Auditor	1	1	-
7	Managers	12	6	6
8	Deputy Manager (Operations)	4	3	1

Sr. No.	Designation	No. of Posts		
		Sanctioned	Filled	Vacant
9	Assistant Managers	27	7	20
Corporate Staff-I				
10	PRO, Pool Officer, Accounts Officer, DEOs, Steno, Assistants Store Keeper etc.	32	21	11
Corporate Staff-II				
11	Dak runner, Mechanical Technicians, Drivers, Helper/Cleaners, Class-IV etc.	333	112	221
12	Daily Wage Staff	180	165	15
Regular Staff (Government Cadre)				
13	Clerical Staff	14	9	5
14	Class-IV Employees	5	5	-
Sanitation Staff				
15	Sanitary Inspectors / Supervisors	91	86	5
16	Driver, Loader, Cleaner, Water Carrier	218	201	17
18	Sanitary Workers	4,379	3,764	615

From the analysis of sanctioned and filled posts of FWMC, it was observed that the key posts of management cadre were vacant which hampers the performance and operations of the Company. Further, various positions of Corporate Staff -II cadre were also remained vacancy which hinders the office daily routine work. It was also observed that during financial year 2018-19, 500 Sanitary Workers were recruited/ hired without sanction of New Expenditure, posts and approval of the competent authority. Despite availability of sufficient sanitation staff, the Company achieved 70% of its targets regarding waste collection and disposal.

Conclusion

Despite availability of sufficient financial and human resources overall performance of the Faisalabad Waste Management Company towards achievement of its objectives and targets regarding waste management and implementation of decisions taken by BoDs were found unsatisfactory. The key posts were remained vacant since long which hinder the core operations of FWMC. Serious financial irregularities and material lapses in compliance of rules and regulations and incurrence of expenditure were found during audit of financial year 2018-19.

Financial sustainability of the Company was also at risk as the annual accounts were closed with a huge deficit.

CHAPTER 5.2

Faisalabad Waste Management Company

5.2.1 Introduction FWMC

Faisalabad Waste Management Company (FWMC) is limited by guarantee having no share capital and is formed not for profit within the meaning of Section 42 of the Companies Ordinance 1984 is established in pursuance of Section 195-B of the PLGO, 2001 and Section 146-A of the Punjab Local Government Act (PLGA), 2013 on 07.06.2014 to provide efficient and affordable waste management services for the citizens of Faisalabad and also to provide necessary facilities in order to enable the existing Solid Waste Management System of Faisalabad and to undertake activities of income generation.

The Company conducts its operations in accordance with the provisions of its Articles of Association for the objectives mentioned in the Memorandum of Association. Management of the Company rests with BoDs comprising no more than thirteen directors including a Chairman. There are five ex-officio nominee directors while four directors are selected from private sector and four positions filled by technical experts from the private / public representatives.

Chief Executive Officer is the Principal Accounting Officer of the Company and is responsible to the Public Accounts Committee. He is responsible for the management of the Company and for its procedures in financial and other matters, subject to the oversight and directions of the Board, in accordance with the Ordinance and powers vested by the BoDs. His responsibilities include implementation of strategies and policies approved by the Board, making appropriate arrangements to ensure that funds and resources are properly safeguarded and are used economically in accordance with all statutory obligations.

The following table shows detail of total and audited formations of Faisalabad Waste Management Company:

(Rs in Million)

Sr. No.	Description	Total Nos.	Audited	Expenditure Audited FY 2018-19	Revenue Receipts Audited FY 2018-19
1	Formations	01	01	1,596.819	31.325
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 (Variance analysis)

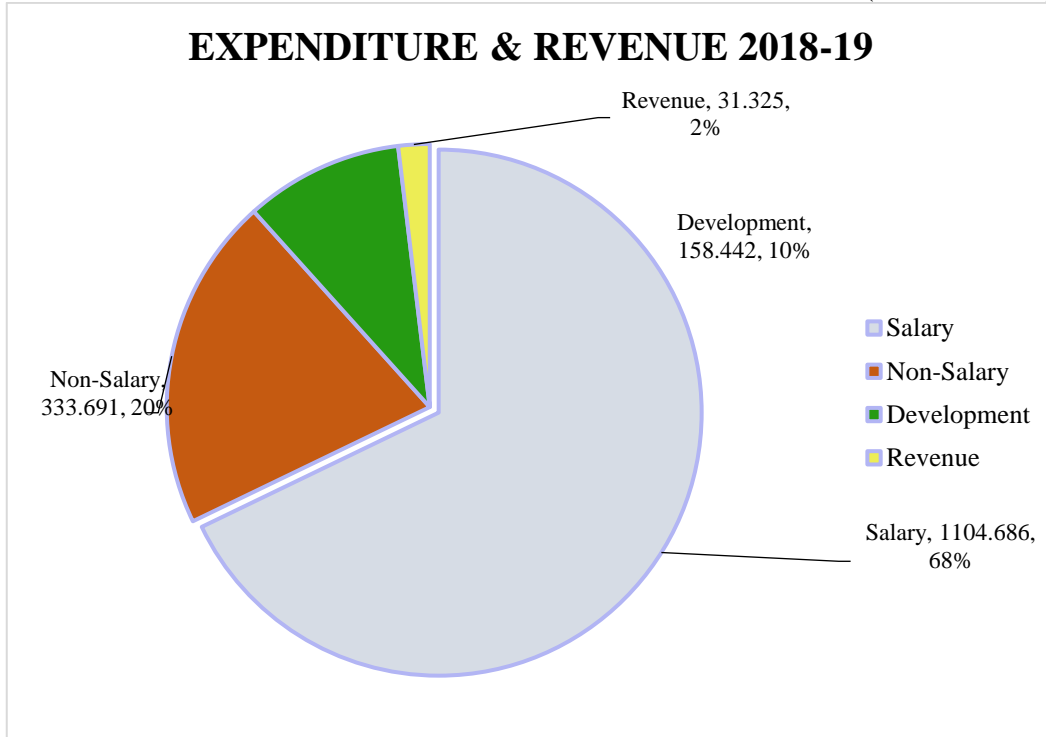
To achieve the targets assigned to the PAO by Government of the Punjab, financial resources as given below were made available to FWMC, Faisalabad during FY 2018-19.

(Rs in Million)

2018-19	Budget	Actual	Excess/ (Saving)	% Excess/ (Saving)
Salary	1,219.000	1,104.686	(114.314)	(9.377%)
Non-salary	364.000	333.691	(30.309)	(8.326%)
Development	529.000	158.442	(370.558)	(70.048%)
Total	2,112.000	1,596.819	(515.181)	(24.393%)
Receipts	13.000	31.325	18.325	141%

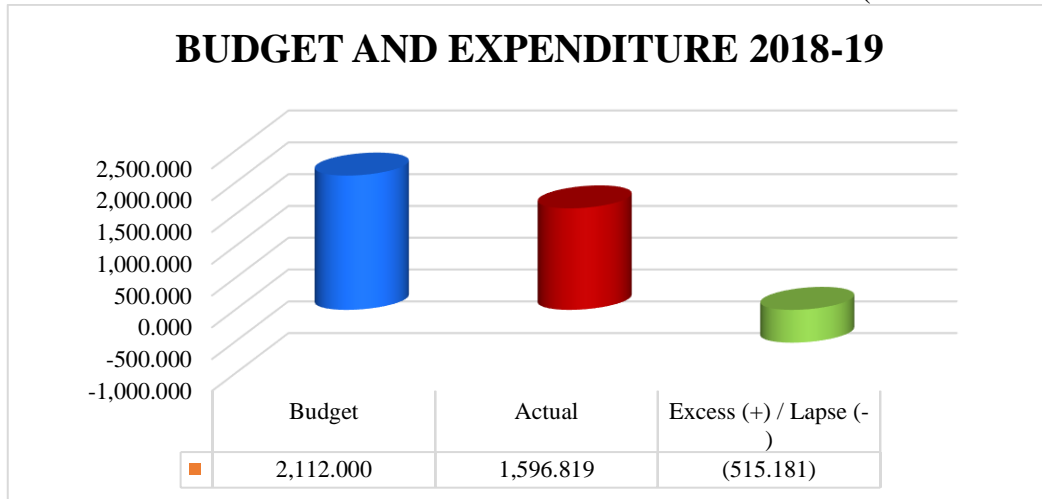
(Source: Approved Budget 2018-19)

(Rs in Million)



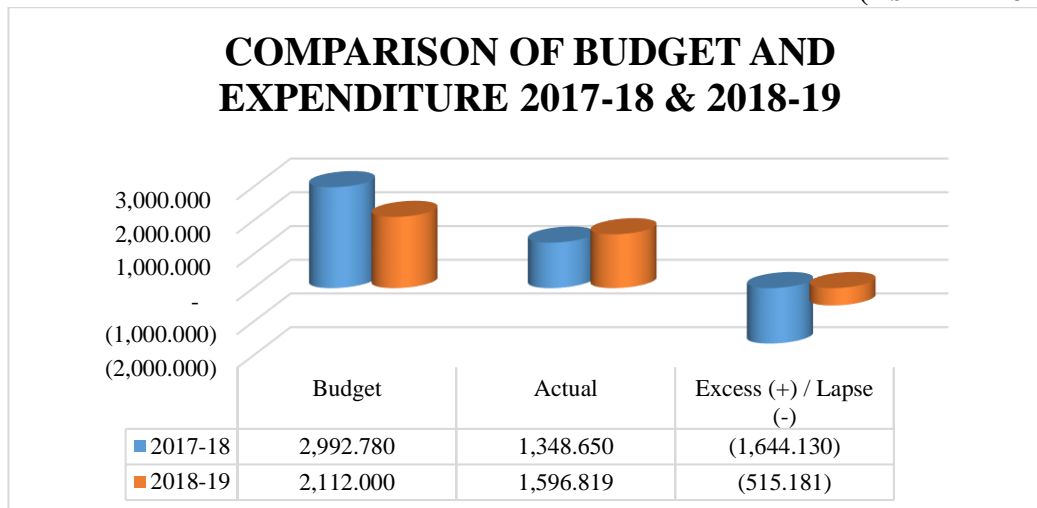
As per the Financial Statements 2018-19 of Faisalabad Waste Management Company, total original budget was Rs 2,112 million. No Supplementary Grant was provided. Against the final budget, total expenditure of Rs 1,596.819 million was incurred by the Company during 2018-19. However, balance of Rs 515.181 million came to the notice of Audit due to inefficient financial management by the company.

(Rs in Million)



The comparative analysis of the budget and expenditure of current and previous financial year is depicted as under:

(Rs in Million)



Expenditure of Rs 1,348.473 million and Rs 1,596.819 million was incurred during 2017-18 and 2018-19 respectively. Expenditure of 2018-19 was 18.42 % more than the expenditure of 2017-18.

5.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 1,299.736 million were raised as a result of this audit. This amount also includes recoverable of Rs 22.050 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs in Million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Procedural Irregularities:	-
	3a. HR/Employees related irregularities	48.245
	3b. Procurement related irregularities	-
	3c. Management of Accounts with Commercial Banks	-
4	Values for money and service delivery issues	1162.544
5	Others	88.947
	Total	1299.736

5.2.4 Brief Comments on the Status of Compliance of MFDAC Audit Paras of Audit Report 2018-19

Audit Paras reported in MFDAC of last year Audit Report, which have not been attended in accordance with the directives of DAC, have now been reported in Part-II of Annexure-A.

5.2.5 Brief Comments on the Status of Compliance with PAC Directives

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

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	26	PAC not constituted
2	2018-19	19	PAC not constituted

AUDIT PARAS

5.3 Procedural Irregularities

5.3.1 Payment of honorarium without devising policy / criteria – Rs 28.097 million

According to Clause 62(III) of the Articles of Association of the Faisalabad Waste Management Company, the Company shall utilize its money, property or income or any part thereof, solely for promoting its objects. Further, according to provision 6.2 of HR Manual of FWMC, the purpose of bonus policy is to ensure that the recommendations, the approval and payment of bonuses are applied in a fair and consistent manner in accordance with the FWMC's overall remuneration strategy and structure, and its employment contracts. Any Employee who has completed at least 180 days' service with FWMC during the year shall be entitled for consideration for bonus. Bonus shall be paid according to performance of the management employees at the sole discretion of the Management.

Managing Director, Faisalabad Waste Management Company made payment of Rs 28.097 million to employees on account of honorarium for continuing the Company's operations and performing duty during Eid-ul-Azha days. However, the honorarium was paid equal to ten days' salary against a duty of three days as incentive. Subsequently, the management again awarded 13th salary amounting to Rs 39.695 million as bonus to the employees at year end for performance of duty during special days. Contrary to the above provisions, honorarium was paid to the employees without devising any policy and criteria by the management. Further, reasons for payment of incentive twice for the same purpose in the absence of policy were best known to the management.

Audit is of the view that due to weak internal controls and financial indiscipline, honorarium was paid to the employees without devising policy and criteria.

Utilization of funds for payment of honorarium without policy / criteria resulted in unauthorized payment of Rs 28.097 million.

The matter was reported to the PAO/CEO in March, 2020. In DAC meeting held in October 2020, it was replied that the performance incentive/ honorarium on the eve of Eid-ul-Azha was paid to employees due to performance of extra ordinary duty on this major event when a massive load of animal waste is collected, transported and disposed-off. Further, disbursement of 13th salary was made in the month of December for performance of duty on public holidays and other special events throughout the year. The same was paid with the approval of BoDs. The reply was not tenable as the expenditure was incurred without devising policy. No record was produced in support of reply as the payment was made without devising policy.

DAC directed CEO to produce policy regarding disbursement of honorarium for extra ordinary performance of duty on special events. No progress was intimated to Audit 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 No. 3]

5.3.2 Unauthorized expenditure on hiring of daily wage workers – Rs 20.148 million

According to Rule 26 of the Punjab Local Governments (Budget) Rules 2017, the Drawing and Disbursing Officer (DDO), while preparing any proposal for new current expenditure shall ensure that all proposals specify the, number of required personnel, rates remuneration of each personnel, duration of employment of proposed personnel, duration of employment of proposed personnel, posts sanctioned in the schedule of establishment. Further, according to Rule 27(1) & (2) of the Punjab Local Governments (Accounts) Rules 2017, the DDO, Expenditure Sanctioning Authority and Budget & Accounts Officer shall ensure the implementation of following key step in all expenditure, transactions that sanction of expenditure from a District Authority competent to sanction it. The DDO shall ensure that, no payment is made for a charge that has not been sanctioned by the

competent authority, no payment is made for a charge that has not been provided in the Schedule of Authorized Expenditure.

Management of the Company incurred expenditure of Rs 20.148 million on wages of 500 waste workers hired as daily wagers during 2018-19 out of regular budget of the Company. The expenditure was held unauthorized due to following reasons:

1. Proposal for new current expenditure specifying the, number of required personnel, rates remuneration of each personnel, duration of employment of proposed personnel was neither got approved from the competent authorities i.e. Punjab LG&CD Department and Finance Department.
2. No posts were got sanctioned in the schedule of establishment for the purpose and neither any post was already sanctioned in existing schedule of establishment of the Company.
3. The management made payment for a charge that has not been provided in the Schedule of Authorized Expenditure for FY 2018-19.
4. Expenditure was incurred without maintenance of record i.e. need assessment and appointment criteria and persistency of contracts etc.

Audit is of the view that due to financial mismanagement and weak internal controls, temporary establishment was hired without sanctioning of posts and approval of the competent authorities.

Hiring of temporary establishment without sanction of posts and approval of competent authorities resulted in unauthorized expenditure of Rs 20.148 million.

The matter was reported to the PAO/CEO in March, 2020. In DAC meeting held in October 2020, it was replied that FWMC 2,539 seats of waste workers were transferred through SAAMA Agreement out of which almost 550-600 seats were vacant due to retirement and death of waste workers. The vacant regular seats of waste workers were not being filled by the Municipal Corporation Faisalabad therefore, staff was hired on daily wage basis. It is pertinent to mention here that appointment of these workers was made after proper need assessment and devising

appointment criteria after approval of BoDs. The reply was not tenable as the recruitment was made without approval of SNE or against existing vacant posts.

DAC directed CEO to produced relevant record in support of reply to Audit for verification. No progress was intimated to Audit till finalization of this Report.

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

[AIR Para No. 6]

5.4 Value for Money and Service Delivery Issues

5.4.1 Budget Deficit resulting in uncertain financial sustainability of FWMC – Rs 575.980 million

According to Clause 10 of the SAAMA, FWMC shall achieve self-sufficiency through cost recovery measure in respect of solid waste management services. Further, according to 4.2.2 of Accounting and Financial Reporting Manual FWMC, the FWMC shall recognize the revenue earned and expenditure incurred in the income and expenditure statement on the basis of a direct association between the income earned and the costs incurred to earn that income.

Faisalabad Waste Management Company has failed to achieve financial self-sufficiency even after lapse of 6 years and remained dependent on Government grants which is a burden on public exchequer. The Company could only generate own source revenue of Rs 13.000 million and that too from investment of Government funds in commercial bank in shape of TDRs during 2018-19. Further, the Company also received Government Grant (PFC Award Share) amounting to Rs 1142.660 million. It is pertinent to mention that despite provision of Government Grant the Company was in deficit of Rs 575.980 million. The details are as under:

(Rs in Million)

Financial Year	Revenue / Income			Expenditure	Deficit
	MCF (PFC Share)	Own Source Revenue	Total		
2018-19	1,142.660	13.000	1,155.660	1,731.640	575.980

Audit is of the view that due to weak financial management and lack of planning, comprehensive business / financial plans were not prepared and revenue recognition and realization measures were not adopted.

Non-preparation of comprehensive business / financial plan and non-implementing revenue recognition and realization measures resulted in budget deficit and uncertain financial sustainability of FWMC.

The matter was reported to the PAO/CEO in March, 2020. In DAC meeting held in October 2020, it was replied that with the objective of self-sustainability of the Company Revenue Generation Plan had been finalized. However, enforcement of Revenue Generation Policy could not be done due to non-devising mode of tax/fee collection from public and finalization of decision by the competent forum. The reply was not tenable as the Company did not implemented its self-sustainable Goals.

DAC directed CEO to get the matter regularized from competent authority. No progress was intimated to Audit till finalization of this Report.

Audit recommends preparation of comprehensive business / financial plans besides devising and implementing cost recovery measures for financial sustainability of the Company.

[AIR Para No. 1]

5.4.2 Non-collection of potential revenue on account of User Charges – Rs 549 million

According to Clause 10(i) of SAAMA, estimates of receipts on account of taxes, fees, user charges, surcharges, cesses, rents, rates, fines and forfeitures leviable in connection with solid waste management shall be prepared by the FWMC for inclusion in annual or revised budget estimates. Furthermore, according to Clause-12 of the Agreement *ibid*, the FWMC shall, on the 1st day of June of every financial year submit a list of mutually agreed Key Performance Indicators as specified along with the claims / demands for finances and budgets for that year. Furthermore, according to decision 6 of 41st FWMC Board of Directors Meeting, the company shall levy User Charges according to Revenue Generation Plan.

Management of FWMC Faisalabad did not make concrete efforts to generate / collect revenue on account of User Charges @ Rs 15 per marla leviable in connection with solid waste management through implementation of Revenue Generation Plan. Resultantly, the Company failed to implement its decision and did not realize of potential revenue amounting to Rs 549 million (approximate).

Audit is of the view that due to weak monitoring mechanism and financial management, Company's Revenue Generation Plan was not implemented and User Charges were not recovered for provision of solid waste management services.

Non-collection of User Charges resulted in non-realization of potential revenue and uncertain financial sustainability of the Company.

The matter was reported to the PAO/CEO in March, 2020. In DAC meeting held in October 2020, it was replied that the modalities of revenue generation plan were under discussion at competent forum for finalization of unanimous policy for collection of revenue. Hence, it was connected with the Government policy / direction therefore, same would be implemented in the light of decision and direction of the Government. Audit stressed to expedite the process to implement the revenue generation plan.

DAC directed to FWMC to get the matter regularized from competent authority. No progress was intimated to Audit till finalization of this Report.

Audit recommends to make strenuous efforts for collection of revenue and regularization of the matter from the competent authority.

[AIR Para No. 2]

5.4.3 Irregular and unauthentic expenditure on hiring of vehicles – Rs 33.058 million

According to Para 4.2 and 4.2.2 of the Procurement & Contracts Manual of FWMC, all the Company employees involved in the procurement process shall have the responsibility for ensuring that the procurement of goods and services for the Company is carried out in a cost-effective manner. The Manager Procurement is responsible to prepare purchase requisitions, approved by authority, issues purchase orders in accordance with the Company policy, negotiated terms and conditions and maintain procurement files along with tracking purchasing activity and measurements. Furthermore, according to Para 13 of the Manual *ibid*, all documents pertaining to procurement of goods, works or services are to be retained by the FWMC in a proper and controlled manner.

Management of FWMC incurred expenditure of Rs 33.058 million on hiring of four dumper trucks, two tractors with blade, tractor loader and excavator meant for collection, transportation and dumping of waste for Clean & Green Punjab Campaign during October, 2018 to February, 2019 (Annexure-1/FWMC). However, the expenditure was held uneconomical and unauthentic due to following reasons:

1. The campaign was launched without any provisional or approved plan of the Government.
2. No planning was also carried out by the FWMC regarding launching of campaign.
3. The need assessment and requirement / reasons for hiring of additional resources for the campaign was neither worked out or explained in the decisions made by the management.
4. Hiring of vehicles despite the fact that a procurement of such vehicles, hired for the Clean & Green Punjab campaign, was already in process for which a proposal / plan was approved by the management in February, 2018 and purchase orders in this regard had been issued before launching of campaign.
5. For the campaign the Government of the Punjab did not provide additional resources or funds to the Company and instructed to manage the campaign within the existing resources.
6. The contract for hiring of vehicles was finalized with M/s Saadat Steel Engineering who was registered as furniture manufacturer and not dealing in said activity of hiring of vehicle/transport.
7. Hiring was made without preparation and approval of cost estimates based on Government of the Punjab Finance Department approved rates.

Audit is of the view that due to violation of financial propriety and weak monitoring mechanism, vehicles were hired and expenditure was incurred without need assessment and requirements.

Hiring of vehicles without needs assessment and requirements resulted in uneconomical and unauthentic expenditure of Rs 33.058 million.

The matter was reported to the PAO/CEO in March, 2020. In DAC meeting held in October 2020, it was replied that the vehicles / machinery was hired for lifting backlogs of solid waste and to improve efficiency under Clean & Green Punjab Campaign launched by Government of the Punjab. Initially the approval of hiring had been taken from the BoDs. The reply was not tenable as the expenditure was incurred without any instructions and approval of competent authority.

DAC directed CEO, FWMC to produced relevant record in support of reply to Audit for verification. No progress was intimated to Audit 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 No. 7]

5.4.5 Awarding of annual increment without devising Salary Policy and overpayment of – Rs 3.322 million

According to Clause 62(III) of the Articles of Association of the Faisalabad Waste Management Company, the Company shall utilize its money, property or income or any part thereof, solely for promoting its objects. Further, according to provision 5.1.2 of HR Manual of FWMC, each employee position shall have a job description and each job description shall have a grade. For each grade, a salary range shall be established. The minimum and maximum of all salary scales shall be reviewed and adjusted annually in accordance with salary policy announced by FWMC from time-to-time. The Salary shall comprise of basic salary 65%, house rent 25% and utilities 10%.

Management of Faisalabad Waste Management Company made payment of Rs 4.049 million to employees on account of annual increment during 2018-19. However, the annual increment was paid without devising Salary Policy as required in the HR Manual. Following further discrepancies were noticed in this regard:

- 1 No Salary policy was devised as per requirement of the HR manual.
- 2 In many cases more than one annual increment was awarded to employees without provision of policy which resulted in overpayment of Rs 0.756 million.
- 3 Annual increment was calculated @ 8% of gross salary of the employee/ grade in-spite calculation of the same on basic salary of the grade which resulted in excess payment of Rs 2.566 million.

Audit is of the view that due to weak internal controls and financial indiscipline, annual increment in salary was awarded to the employees without devising policy and criteria.

Utilization of funds for payment of annual increment without policy / criteria resulted in unauthorized awarding of increment of Rs 4.049 million and overpayment of Rs 3.322 million.

The matter was reported to the PAO/CEO in March, 2020. In DAC meeting held in October, 2020, it was replied that HR Manual provided guideline on salary increment and annual salary increment to staff should be subject to the performance appraisal process. However, BoDs being competent authority approved rational based increments. It is pertinent to mention here that salary structure and increments were not comparable with the Government policy. Keeping in view the nature of job the salary structure and increment slab had been devised. The reply was not tenable as the HR Manual did not provide rational for rate of annual increment in salary. Audit stressed to produce record in support of reply.

DAC directed CEO, FWMC to produced relevant record to Audit for verification. No progress was intimated to Audit 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 No. 15]

5.4.6 Unjustified payment to EOBI – Rs 1.184 million

According to Section 4 of the Employees' Old-Age Benefits Act, 1976, the act applies to every industry or establishment wherein ten or more persons are employed. An establishment means establishment to which West Pakistan Shops and Establishments Ordinance, 1969 for time being applies and notwithstanding anything contained in Section 5 of this Ordinance. Further according to Section 5 of the West Pakistan Shops and Establishments Ordinance, 1969, nothing in this Ordinance shall apply to offices of or under the Central or Provincial Government, offices of or under the Pakistan Railway Board including railway stations, offices of or under any local authority, a trust, a corporation or any other public statutory body which is not run for profit or gain or in the course of its business does not make any profit or gain.

Contrary to the above provisions, management of the Company paid an amount of Rs 1.184 million to Employees' Old-Age Benefits Institute during 2018-19. However, the payment was made on account of FWMC contribution to EOBI which is not applicable / binding on the Company. Resultantly, an unjustified payment was made to EOBI on account of contribution. (Annexure-2/FWMC)

Audit is of the view that due to negligence and weak monitoring mechanism, undue contribution was paid to the EOBI.

Payment of undue contribution to EOBI resulted in extra financial burden on the Company's finances amounting to Rs 1.184 million.

The matter was reported to the PAO/CEO in March, 2020. In DAC meeting held in October 2020, it was replied that FWMC was receiving letters/reminders for registration of FWMC with EOBI under EOBI Act, 1976. Therefore, in pursuance of decision of BoD meeting, FWMC got registered corporate employees with EOBI on 25.05.2015. Subsequently, a reference was forwarded to LG&CD Department to seek advice regarding the case in 2019. The Law and Parliamentary Affairs Department advised that FWMC falls under the exemption. In the light of

advice received, FWMC stopped further payments to EOBI. Audit stressed for recovery of overpaid amount from EOBI.

DAC directed to CEO, FWMC to implement the decision and produced relevant record to Audit for verification. No progress was intimated to Audit till finalization of this Report.

Audit recommends to recover the overpaid amount from the institution concerned without further delay.

[AIR Para No. 21]

5.5 Others

5.5.1 Unauthentic consumption of POL in solid waste transportation vehicles – Rs 38.676 million

According to Provision 12.1 of the Accounting and Financial Reporting Manual FWMC, all heads of departments shall be responsible for the operation and management of the policy. The Board of Directors will have a duty to govern and approve FWMC annual budget. The Managing Director or his designee has delegated authority to maximize the use of resources, through the achievement of economy, efficiency and effectiveness and for ensuring that financial considerations are taken into account, at all stages of the decision-making process. The Managing Director or his designee shall carry delegated authority to ensure that, at all times, they shall endeavor to secure the best value for expenditure incurred.

One hundred & fourteen solid waste transportation vehicles including dumper trucks, arm roller trucks etc. were under the control of Transport Department of FWMC for waste transportation from transfer stations to dump sites. Nineteen vehicles were selected for the purpose of audit scrutiny and analysis of fuel consumption as fuel costing Rs 38.676 million was utilized by these vehicles. However, following discrepancies were observed in log books regarding recording mileage and fuel consumption of the vehicles in comparison to other relevant record/data maintained by the Company management:

- 1 For the said purpose, mileage recoded in log books was analyzed and logs of different dates depicted that for the same journey of vehicle different mileage were recorded which resulted in non-recording of actual mileage.
- 2 Subsequently, another analysis was carried out to compare the journeys made by the vehicle with weighbridge logs which exposed that mileage recoded in log books did not commensurate with weighbridge data and excess mileage was recorded in log books.
- 3 In many cases journeys of vehicles were recorded in log books but no trip was observed in weighbridge data and vice versa.

- 4 In one case vehicle was lifting waste from dump site and disposing off to an unidentified place.
- 5 In all cases it was also observed that all vehicles started their journey from Company's workshop and were parked in the workshop at the end of the day. It was surprising that how a large numbers of heavy traffic vehicles were parked in workshop which did not have sufficient parking capacity.
- 6 In all cases mileage in log books was recorded on hypothesis without observing actual distance covered by the vehicle or devising mechanism to calculate actual distance from a specific transfer station to dump site.

Audit is of the view that due to negligence and lack of monitoring, unauthentic / excess mileage was recorded in log books and whole the record was maintained on supposition.

Recording of unauthentic / excess mileage and maintenance of log books of hypothesis created doubt about the consumption of fuel costing Rs 38.676 million and misuse of resources.

The matter was reported to the PAO/CEO in March, 2020. In DAC meeting held in October 2020, it was replied that vehicles had been used for the secondary collection of waste from different 14 transfer stations. The difference in millage was due to collection of waste from surrounding areas and roads of the transfer station. Further, difference in millage was also due to carrying out the routine inspection, oil change and repair & maintenance by vehicle at FWMC workshop on different days with different intervals. Sometimes the route had been changed whenever driver had to withdraw his salary from the bank or had to visit FWMC head office and other unavoidable circumstances. The weighbridge kilometer calculation based on tracker system. The difference in millage between tracking system and log books was due to tracker signal problem which was rectified by the IT department. The difference in trips of log books and weighbridge was due to dis-function of RFID system at weighbridge. However, transport vehicles had been parked at four different locations in the city as all the vehicles could not be parked at workshop. All the vehicles started their working from workshop after filling fuel

from the FWMC own filling station. The reply was not tenable as the distance covered by vehicles was not in accordance with number of trips made by the vehicles and log books were maintained of hypothesis basis. Audit stressed to produce record in support of reply.

DAC directed CEO, FWMC to enquire the matter and produced relevant record to Audit for verification. No progress was intimated to Audit till finalization of this Report.

Audit recommends to investigate the matter for fixing responsibility on the person(s) at fault.

[AIR Para No. 10]

5.5.2 Inefficient utilization of waste transportation vehicles and doubtful consumption of POL – Rs 17.437 million

According to Rule 4(3) of Public Sector Companies (Corporate Governance) Rules, 2013, the Chief Executive is responsible for making appropriate arrangements to ensure that funds and resources are properly safeguarded and are used economically, efficiently and effectively and in accordance with all statutory obligations. According to Provision 12.1 of the Accounting and Financial Reporting Manual FWMC, all heads of departments shall be responsible for the operation and management of the policy. The Board of Directors will have a duty to govern and approve FWMC annual budget. The Managing Director or his designee has delegated authority to maximize the use of resources, through the achievement of economy, efficiency and effectiveness and for ensuring that financial considerations are taken into account, at all stages of the decision-making process. The Managing Director or his designee shall carry delegated authority to ensure that, at all times, they shall endeavor to secure the best value for expenditure incurred.

Transport Department FWMC had 192 operational vehicles for transportation of waste to dumping site during 2018-19. The fleet was managed and monitored through automated vehicle tracking system. However, record / logs of

twenty five vehicles were not found in vehicle tracking report which showed that these twenty five vehicles were without trackers and reasons of non-installation of trackers were best known to the management of FWMC. In the absence of proper monitoring system recording of mileage in log books was on assumption basis and utilization of POL costing Rs 17.437 million was unauthentic / doubtful.

Audit is of the view that due to poor management and weak monitoring mechanism, waste transportation vehicles were not properly managed and counter monitoring system was not emplaced for all vehicles and logs books were maintained / POL was utilized on assumption basis.

Improper monitoring of vehicles and issuance of POL on assumption basis resulted in doubtful consumption of POL costing Rs 17.437 million.

The matter was reported to the PAO/CEO in March, 2020. In DAC meeting held in October 2020, it was replied that FWMC was in contract with TPL Tracker since 2017 for 129 tracking devices. As FWMC procured 60 new vehicles in different phases after signing said contract. So, the record/logs of remaining vehicles were not managed through automated vehicle tracking report. Now FWMC had signed new contract with TPL Tracker in 2020 including all remaining vehicles for automated vehicle monitoring. Further, due to effect of accuracy like GPS millage error from $\pm 7\%$ to 10% mentioned in contract of tracking company the device unable to update information at web portal. Sometime tracker devices were not reporting properly and required physical checking which resulted in difference of tracking reports and the log books. Audit stressed to produce record in support of reply besides compliance of the matter without further delay.

DAC directed CEO, FWMC to probe the matter and produced relevant record to Audit for verification. No progress was intimated to Audit till finalization of this Report.

Audit recommends investigation regarding issuance of POL on assumption basis besides fixing responsibility on the incumbent(s) at fault.

[AIR Para No. 12]

5.5.3 Unauthentic consumption of POL by recording excess mileage in log books of operational vehicles – Rs 17.275 million

According to Provision 12.1 of the Accounting and Financial Reporting Manual FWMC, all heads of departments shall be responsible for the operation and management of the policy. The Board of Directors will have a duty to govern and approve FWMC annual budget. The Managing Director or his designee has delegated authority to maximize the use of resources, through the achievement of economy, efficiency and effectiveness and for ensuring that financial considerations are taken into account, at all stages of the decision-making process. The Managing Director or his designee shall carry delegated authority to ensure that, at all times, they shall endeavor to secure the best value for expenditure incurred.

Seventy-two operational vehicles including mini dumper trucks, mini tippers and NPR/FTR compactor were under the control of Operations Department for solid waste management. However, twenty-seven vehicles were selected for the purpose of audit scrutiny and analysis of fuel consumption and these vehicles consumed fuel costing Rs 17.275 million during 2018-19. A comparative analysis was carried out between the travelling/ mileage covered by vehicles as per log books and track records of vehicle tracking system reports on monthly basis. The analysis depicted that there was a huge difference between mileage recorded in log books and mileage as per track records of vehicle tracking report. Resultantly, there were twenty five instances where excess mileage of 26,443 kilometers was recorded in log books. Recording of excess mileage caused consumption of excess fuel in log books than the actual consumption costing Rs 0.663 million. The details are given on next page:

(Rs in Million)

Sr. No.	Type of Vehicle	No. of Vehicles	Total Fuel Consumption	Cost of Total Fuel	Excess Mileage	Excess Fuel Consumed	Average Rate	Amount
1	Mini Tipppers	15	23,137	2,349	13,855	1979	101.533	0.201
2	NPR/FTR Compactors	8	116,099	13,464	5,591	2236	115.970	0.259
3	Mini Dumper Trucks	4	12,609	1,462	6,997	1749	115.970	0.203
Total		27	151,845	17,275	26,443	5964	-	0.663

Audit is of the view that due to lack of monitoring and financial controls, excess fuel was consumed by recoding excess mileage in log books.

Recording of excess mileage and consumption of excess fuel resulted in misuse of the Company's resources amounting to Rs 17.275 million and loss of Rs 0.663 million.

The matter was reported to the PAO/CEO in March, 2020. In DAC meeting held in October 2020, it was replied that as trackers were controlled through GSM and transmit data on server through internet. Therefore, difference of millage between tracking system and log books was due to multiple reasons, the tracker signals problem resulting vehicle not responding mode on server, Internet connectivity issue, tracker device issue etc. Accuracy error of GPS millage calculation from 7 to 10 % was also a major reason and sometime tracker device went into not reporting status due to battery or ignition problem of vehicles. The reply was not tenable as the distance covered by vehicles was not in accordance with vehicles tracking system and log books were maintained of hypothesis basis. Audit stressed to produce record in support of reply.

DAC directed CEO, FWMC to probe the matter and produce relevant record to Audit for verification. No progress was intimated to Audit till finalization of this Report.

Audit recommends investigation for fixing responsibility on the person(s) at fault.

[AIR Para No. 11]

5.5.4 Excess payment to daily wages staff – Rs 9.556 million

According to Rule 4(3) of Public Sector Companies (Corporate Governance) Rules, 2013, the Chief Executive is responsible for making appropriate arrangements to ensure that funds and resources are properly safeguarded and are used economically, efficiently and effectively and in accordance with all statutory obligations. According to Provision 12.1 of the Accounting and Financial Reporting Manual FWMC, all heads of departments shall be responsible for the operation and management of the policy. The Board of Directors will have a duty to govern and approve FWMC annual budget. The Managing Director or his designee has delegated authority to maximize the use of resources, through the achievement of economy, efficiency and effectiveness and for ensuring that financial considerations are taken into account, at all stages of the decision-making process. The Managing Director or his designee shall carry delegated authority to ensure that, at all times, they shall endeavor to secure the best value for expenditure incurred.

Managing Director FWMC incurred expenditure of Rs 141.865 million on wages of daily paid staff during 2018-19. The management implemented a biometric attendance system (IRIS) from PITB to monitor the attendance of daily wage staff. Upon comparison of IRIS attendance data with payroll records, it was observed that overpayment amounting to Rs 9.556 million were made to staff, owing to excess presence recorded in payroll sheets. It is pertinent to note that an amount of Rs 0.352 million was paid to staff who did not log a single attendance in IRIS during different months.

Audit is of the view that due to weak financial controls, payment to daily wages staff was made without keeping in view the actual attendance of the employee.

Non-applying proper control of IRIS and payment of wages without considering actual presence resulted in excess payment of Rs 9.556 million to the employees.

The matter was reported to the PAO/CEO in March, 2020. In DAC meeting held in October 2020, it was replied that IRIS had been implemented only to familiarize the supervisory staff with the technology and as pilot project IRIS had been operationalized in PP-110 for regular staff only. In first phase due to shortage of budget only operational staff deputed in the city councils had been shifted to IRIS payroll and other staff were not enrolled in IRIS. FWMC allowed manual attendance with the approval of competent authority. The reply was not tenable as Audit made comparison for staff shifted on IRIS.

DAC directed CEO FWMC to produce record of manual attendance registers to Audit for verification. No progress was intimated to Audit till finalization of this Report.

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

[AIR Para No. 9]

5.5.5 Charging of Punjab Sales Tax on services against suspicious invoices – Rs 2.905 million

According to Section 30 of the Punjab Sales Tax on Services Act 2012, a registered person providing a taxable service shall issue a numbered and dated tax invoice containing the following particulars name, address and registration number of the service provider, name, address and registration number if any of the service recipient, description of service or services value exclusive of the tax, amount of the tax and value inclusive of the tax. A registered person providing a taxable service may, subject to such conditions and restrictions as the Authority may, by notification in the official Gazette, specify, issue invoices to another registered person or other recipient of taxable service electronically and transmit images or statements of such invoices to the Authority as well as to the Commissioner, as may be specified.

Management of FWMC made payments of Rs 20.636 million to 2 service providers for rendering of different services of weighbridge operation, hiring

charges of vehicles including chain bulldozer, dumper trucks, tractors with blade, tractor loaders, repair of vehicle etc. during 2018-19. The service providers issued invoices and charged PST @ 16% amounting to Rs 2.905 million. Scrutiny of the record depicted following discrepancies in charging of PST by the suppliers and its payment:

1. Suspected PST invoices were issued by the vendors because the invoices issued carry a wrong registration numbers which vary in some invoices and even not printed on some invoices.
2. Record of PST registration of the vendors was also not available on website of Punjab Revenue Authority.
3. The service providers issued invoices throughout the year in consecutive serial number without any break or gap which predicted a specific bill / invoice books were used by the vendors throughout the year for rendering services to the Company and the vendor neither rendered services to any other person.
4. The vendors issued PST and GST invoices on same bill book which also depicted that fake PST invoices were issued by the supplier.
5. Further the PST invoices issued by the vendors were not in chronological order regarding serial number and date.
6. Details of value of services exclusive of tax, detail of tax and value inclusive of tax was also not mentioned in invoices.
7. Monthly GST returns were also not provided by the vendors to verify the deposit of PST to the Government treasury.

Audit is of the view that due to weak internal and financial controls, the service providers charged PST against doubtful/suspicious PST invoices.

Charging of PST through suspicious invoices and non-forwarding of monthly returns resulted in non-deduction of actual PST amounting to Rs 2.905 million from the claim of the service provider.

The matter was reported to the PAO/CEO in March, 2020. In DAC meeting held in October 2020, it was replied that registration number mentioned on the Punjab Revenue Authority tax invoices are correct and supplier provided the services only to FWMC in 2018-19 therefore Serial Numbers of invoices were in sequence. Audit stressed to produce record in support of reply.

DAC directed, CEO, FWMC to investigate the matter regarding registration of supplier and get the record of PST verified from Punjab Revenue Authority under the intimation to Audit. No progress was intimated to Audit till finalization of this Report.

Audit recommends investigation for deposit of PST by the vendors besides its verification from Punjab Sales Tax collectorate.

[AIR Para No. 17, 20]

5.5.6 Recovery on account of hiring of vehicles – Rs 2.082 million

According to Para 4.2 and 4.2.2 of the Procurement & Contracts Manual of FWMC, all the Company employees involved in the procurement process shall have the responsibility for ensuring that the procurement of goods and services for the Company is carried out in a cost-effective manner. The Manager Procurement is responsible to prepare purchase requisitions, approved by authority, issues purchase orders in accordance with the Company policy, negotiated terms and conditions and maintain procurement files along with tracking purchasing activity and measurements. Furthermore, according to Para 13 of the Manual *ibid*, all documents pertaining to procurement of goods, works or services are to be retained by the FWMC in a proper and controlled manner.

Management of FWMC incurred expenditure of Rs 33.058 million on hiring of dumper trucks for collection, transportation and dumping of waste for Clean & Green Punjab Campaign during October, 2018 to February, 2019. The service provider provided six vehicles on alternative days for working and management emplaced two parallel systems to monitor working of these vehicles i.e. through automated trip counting weighbridge system and manual trip counting system

jointly managed by transport department, operations department and contractor. However, payment was made on the basis of number of trips a vehicle made in a day. Comparison of record of these two systems depicted that data of two vehicles (registration No. TKV-901 and TKW-584) was not available in weighbridge data but manual trip counting reports showed 236 trips of these two vehicles in different days/dates. Resultantly, payment of Rs 2.082 million was made to the vender for without actual working of vehicles.

Audit is of the view that due to violation of financial propriety and weak monitoring mechanism, payment of hiring charges were made without actual working of vehicles.

Payment of hiring charges of vehicles without availability of record and actual working resulted in excess payment of Rs 2.082 million to the vender.

The matter was reported to the PAO/CEO in March, 2020. In DAC meeting held in October 2020, it was replied that FWMC hired private dumpers during Clean and Green Punjab campaign and installed RFID Tags on the vehicles for automated trip counting. However, during operation two vehicles become out of order and replaced by two new unlisted vehicles. So, weighbridge staff started issuing manual slips to above two vehicles on temporary basis. Resultantly, these two vehicles continued working without RFID tags. Audit stressed to produce record in support of reply.

DAC directed CEO, FWMC to produced relevant record to Audit for further scrutiny / verification. No progress was intimated to Audit till finalization of this Report.

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

[AIR Para No. 16]

5.5.7 Payment of General Sales Tax on suspicious invoices and exempted supplies – Rs 1.016 million

According to Section 3(3)(3B) of the Sales Tax Act 1990, Sales Tax on the import and supply of the goods specified in the Ninth Schedule to this Act shall be charged, collected and paid at the rates, in the manner, at the time, and subject to the procedure and conditions as specified therein or as may be prescribed. In case of the goods specified the liability to pay sales tax at the time of import shall be on the importer. Further, according to Section 13(1) of the Sales Tax Act 1990, supply of goods or import of goods specified in the Sixth Schedule shall be exempt from tax under this Act. Furthermore, according to Sales Tax wing letter No.4(47)STB/WP(Vol-I) dated 04.8.2001, all Government departments and organizations are required to purchase taxable goods only from registered persons against prescribed Sales Tax invoice. According to Section 23(1) of the Sales Tax Act 1990, a registered person making a taxable supply shall issue a serially numbered tax invoice at the time of supply of goods containing the complete particulars.

Management of FWMC incurred expenditure of Rs 6.893 million on procurement of cellular/ smartphones, meal / lunch boxes for the employees, lime stone, vehicle spare parts, flexes/flyers, rope mesh etc. during 2018-19 and paid an amount of Rs 1.016 million to suppliers on account of GST. The details are as under:

(Rs in Million)						
Sr. No.	Description of Items	Value Exclusive of GST	Amount of GST	Value Inclusive of GST	Recovery	Remarks
1	Cecullar/Smartphones Galaxy J4	0.940	0.159	1.099	0.159	Supplies under 9 th schedule or exempted
		0.733	0.125	0.858	0.125	
2	Lunch Box	0.864	0.147	1.011	0.147	
3	Lime stone, vehicle parts, flexes/ flyers, rope mesh etc.	3.340	0.585	3.925	0.585	GST charged through suspicious invoices
Total		5.877	0.431	6.893	1.016	

Contrary to the above provisions, the suppliers charged GST either on exempted supplies or on such items for which liability of final GST was on the importer at the time of import and even through issuance of suspicious GST invoices by the suppliers due to following discrepancies:

1. The suppliers charged General sales Tax amounting to Rs 0.431 million on exempted supplies or the items for which final has been paid by the importer.
2. Suspected GST invoices were issued by the vendor because the invoices issued throughout the year were in consecutive serial number from Sr. No. 30 to 61 without any break or gap which predicted that a specific bill/invoice book was used throughout the year for making supplies to the Company and no supplies were made any other person/customer during the period.
3. The vendor issued PST and GST invoices during the period for which same bill book was used which also depicted that fake GST invoices were issued by the supplier.
4. Further the GST invoices issued by the suppliers were not in chronological order and serial numbers and date of invoices did not commensurate with each other.
5. Details of value of supplies exclusive of tax, detail of tax and value inclusive of tax was also not mentioned on invoices.
6. Monthly GST returns were also not provided by the supplier to verify the deposit of GST by the supplier.

Audit is of the view that due to weak financial controls and negligence, undue GST was charged and paid to the suppliers.

Charging of undue GST and payment thereof resulted in excess payment to suppliers amounting to Rs 1.016 million.

The matter was reported to the PAO/CEO in March, 2020. In DAC meeting held in October 2020, it was replied that some of the monthly sales tax returns for

the Year 2018-19 had been provided by the suppliers and remaining were under process and same would be provided to Audit when received. Audit stressed to produce record in support of reply.

DAC directed CEO, FWMC to investigate the matter and get verified the sales tax record from FBR beside effecting recovery of Sales Tax from concerned under intimation to Audit. No progress was intimated to Audit till finalization of this Report.

Audit recommends recovery of GST amounting to Rs 1.016 million besides fixing responsibility on the person(s) at fault.

[AIR Para No. 18, 19]

6. Cattle Market Management Company, Multan Division

CHAPTER 6.1

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 MD, CMMC, Multan Division during 2018-19.

(Rs in Million)				
2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	34.010	24.806	-9.204	-27.063
Non salary	181.471	22.522	-158.949	-87.589
Total	215.481	47.328	-168.153	-78.036
Income	75.301	77.243	-1.942	-2.579

- An amount of Rs 34.010 was provided for pay and allowance out of which Rs 24.806 million was utilized resulting in saving of Rs 9.204 million (27.063 %).
- An amount of Rs 181.471 million was provided for non-salary component out of which Rs 22.522 million was utilized resulting in saving of Rs 158.949 million (87.589%).
- Receipts / revenue of Rs 75.301 million was budgeted against which Rs 77.243 million was actually realized resulting in Rs 1.924 million (2.579%) being realized in excess of the budgeted amount.

ii. Analysis of Targets and Achievements

Sectoral analysis of Cattle Market Management Company Multan Division was made on the basis of various receipts heads for the financial year 2018-19.

(Rs in Million)			
Income heads	Budget Income 2018-19	Actual Income 2018-19	Excess (+)/ Short (-)
Vehicle Parking	34.349	40.567	6.218
Hotel and Canteen	1.858	3.616	1.758
Fodder Shop	1.614	1.616	0.002

Income heads	Budget Income 2018-19	Actual Income 2018-19	Excess (+)/ Short (-)
Ornamental	0.743	0.657	-0.086
Tori Parali	26.588	14.830	-11.758
Khurli Charpai rental	3.000	3.566	0.566
Carriers and Temporary stall etc	2.649	1.668	-0.981
Interset on Bank Deposit	4.500	8.570	4.070
Other income	-	2.153	2.153
Total	75.301	77.243	1.942

iii. Serious Financial Irregularities and Findings

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

1. Non-Production of Record worth Rs 45.852 million was reported in 01 case⁶.
2. Procedural irregularities amounting to Rs 17.449 million were noticed in 5 cases⁷.
3. Value for money and Service Delivery Issues involving Rs 29.732 in 5 cases⁸.
4. Other issues an amount of Rs 105.217 million were noticed in 01 case.⁹

iv. Suggestions / Remedial Measures

- 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. Moreover, this can be checked by holding accountable those who are responsible for such irregularities at appropriate forums.
- Shortage of staff at different levels should be overcome.
- Efforts should be made for expediting the realization of outstanding amounts from the contractors and payment of withholding tax well in time.

⁶ 6.3.1

⁷ 6.4.1 to 6.4.5

⁸ 6.5.1 to 6.5.5

⁹ 6.6.1

- Establishment of strong internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.

CHAPTER 6.2

Cattle Market Management Company, Multan Division

6.2.1 Introduction

Cattle Market Management Company Multan (CMMC Multan) was incorporated as a company limited by guarantee (as per Section 42 of Companies Ordinance, 1984) to function within the provisions of Companies Ordinance 1984 and relevant local Government framework and rules to manage the functions of cattle markets in Multan Division.

The company is governed by a twelve membered Board of Directors (BOD) nominated by Government of the Punjab. BOD is headed by its Chairman, elected by BOD for a period of three years. However, currently Chairman BOD is nominated by Government of the Punjab in violation of Articles of Association of CMMC Multan. BOD appoints the Managing Director (MD) and may constitute other bodies, committees, sub-committees or panels from time to time. The company is competent to acquire, hold or transfer any moveable and immovable property, to enter into contract and to sue or be sued in its name through MD. The Company exercises its authority for the management and control of cattle markets in the entire Multan Division in accordance with general policy of the Government. CMMC Multan is a public sector company under Local Government and Community Development Department, Government of the Punjab mandated for improvement of governance and delivery of services in cattle markets within its ambit of authority delineated under its incorporation.

MD is the operational head of the Company and is responsible to the BOD. MD is responsible to ensure that the business of the company is carried out in accordance with the laws and to coordinate the operational activities of the company for coherent planning, development as well as effective and efficient functioning of cattle markets.

The following table shows detail of total & audited formations of CMMC, Multan Division:

(Rs in Million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	47.328	77.243
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

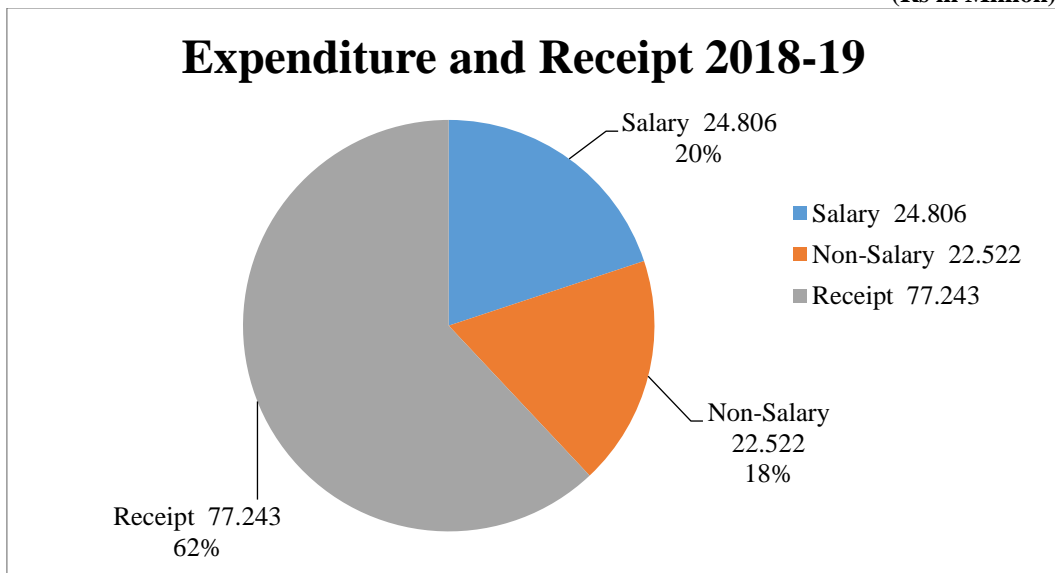
6.2.2 Comments on Budget and Accounts

The detail of Budget and Expenditure is given below in tabulated form:

(Rs in Million)

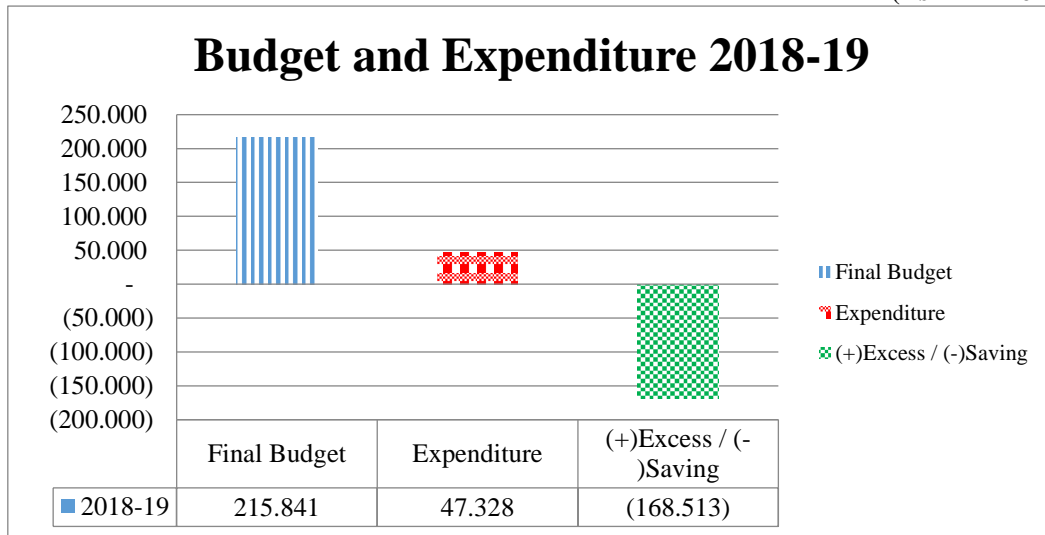
2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	34.010	24.806	-9.204	-27.063
Non salary	181.471	22.522	-158.949	-87.589
Total	215.481	47.328	-168.153	-78.036
Income	75.301	77.243	-1.942	-2.579

(Rs in Million)



As per the Financial Statements 2018-19 of the Cattle Market Management Company, Multan Division, total budget (Development and Non-Development) of Rs 215.842 million and for revenue was Rs 218.018 million was allocated. Against the budget, total expenditure of Rs 47.328 million was incurred during the Financial Years 2018-19. A saving of Rs 168.513 million came to the notice of Audit, which was not normal saving. Further, revenue of Rs 1.924 million was excess collected which was 2.579% of budgeted receipts. **(Annexure-B)**

(Rs in Million)

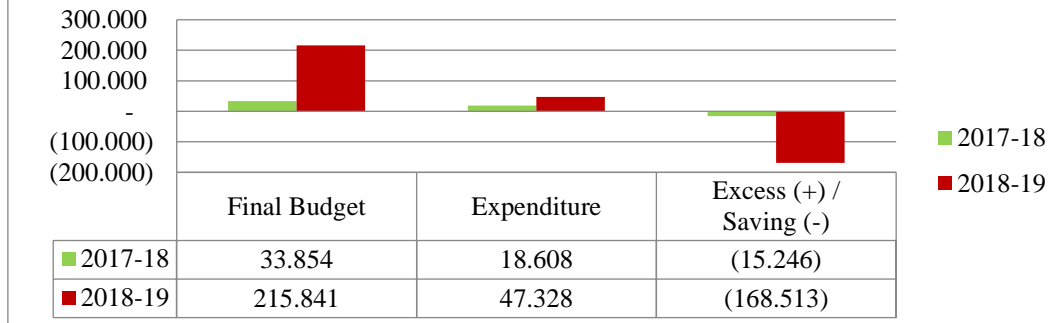


In CMMC Multan savings of Rs 1,68.513 million (78.036% of allocation) occurred by over estimating made during the financial year 2018-19. Further funds were not utilized properly despite availability. The same resulted in depriving of provision of core services to the general public.

The comparative analysis of the budget and expenditure of current and previous financial years is depicted as under:

(Rs in Million)

Comparison of Budget and Expenditure 2017-18 & 2018-19



There was 538% and 154% increase in budget allocation and expenditure incurred in financial year 2017-19 as compared to financial year 2017-18, while there was overall savings of Rs 168.513 million during 2018-19.

6.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 198.250 million were raised as a result of this audit. This amount also includes recoverables of Rs 29.732 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs in Million)

Sr. No.	Classification	Amount
1	Non-production of record	45.852
2	Reported cases of fraud, embezzlement and misappropriation	0
3	Procedural irregularities	0
A	HR / employees related irregularities	2.138
B	Procurement related irregularities	7.107
C	Management of Accounts with Commercial Banks	8.204
4	Value for money and service delivery issues	29.732
5	Others	105.217
Total		198.250

6.2.4 Comments on the status of compliance on with PAC Directives

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

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2016-17	32	PAC meeting was not convened
2	2017-18	17	PAC meeting was not convened
3	2018-19	09	PAC meeting was not convened

AUDIT PARAS

6.3 Non-Production of Record

6.3.1 Non-production of vouched accounts Rs 45.852 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 Managing Director of CMMCM did not produce the following record of Rs 45.852 million during the F.Y 2018-19. The Managing Director did not produce the important record like detailed vouched accounts of departmental income from khurli charpai rental, carriers and temporary stalls, vehicle parking fee, Local carriers and vouched accounts of payment made on account of eid arrangements, rent of canopies, office rent, accrued & other liabilities and salary record. The detail is as under:

(Rs in Million)		
Sr. No.	Nature of income / expenditure	Amount
1	Departmental income from khurlicharpai rental	3.566
2	Departmental income from carriers and temporary stalls	0.909
3	Departmental income from Vehicle parking fee	0.826
4	Departmental income from Local carriers	0.758
5	Expenditure on Eid arrangement	0.489
6	Rent of canopies	0.754
7	Accrued and other liabilities	12.679
8	Office rent	1.065
9	Salary, wages and benefits and remuneration	24.806
Total		45.852

Audit is of the view that due to weak financial controls, record was not produced to Audit.

Non production of record created doubt regarding legitimacy of accounts and resulted in violation of the Government rules.

The matter was reported to PAO and DDO concerned in April, 2020. DDO replied that record was provided to the auditors as requisitioned time to time, during the execution of audit. Audited rebutted that no record was produced.

DAC, in its meeting, held on 03.09.2020 directed the CEO to produce the relevant record that was not produced during the audit. No progress was intimated till finalization of this Report.

Audit recommends production of record for audit scrutiny besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 25]

6.4 Procedural Irregularities

6.4.1 Non-investment of surplus funds at market rates- Rs 8.204 million

According to Clause 31 (i)(ii)(iii) of the Articles of Association of the company “the Company may in furtherance of its objects invest funds of the company, borrow and raise resources for the company draw, accept, make, endorse, discount and deposit Government and other promissory notes, bill of exchange, cheques or other negotiable instrument. Moreover, as per Bank of Punjab Circular letter No.2018/075 dated 31.05.2018 regarding revision of provisional rates of return on deposit declared per annum rate on Munafa Hi Munafa Term Account-II @8.50% per annum for 1 year.

According to Government of Punjab Finance Department letter No.FD(W&M)1-1/70(Vol-XV)/2018 dated January 2019. The competent authority has been please to approve the following in order to ensure the adequate profit and security of the investment by the government departments, board, companies, autonomous bodies and special institutions; a) markup rates offered by the BoP may be compared with all public, private and Islamic banks, having minimum long term AA rating at the time of placement of funds as evaluated by SBP. b) in case BoP offers the highest profit rate, funds may be placed with it. c) in case any of the above referred bank offers the highest profit rate, BoP may be given an opportunity to match that profit within maximum of 10 days; i) if BoP matches the highest profit rate the fund may be placed with it. ii) if BoP does not match the highest profit rate or fails to reply within 10 days the funds may be placed with the bank offering highest profit rate. Further, according to Clause 31 (i)(ii)(iii) of the Articles of Association of the company “the Company may in furtherance of its objects invest funds of the company, borrow and raise resources for the company draw, accept, make, endorse, discount and deposit Government and other promissory notes, bill of exchange, cheques or other negotiable instrument.

The Management of CMMCM failed to invest the available funds of the company to fetch maximum revenues from fiscal market by placement of surplus

fund through advertisement or negotiation with banks as invested by other companies i.e. waste management company. As waste management company called quotations for placement of its fund and got 11 % markup rate from the banks. The non placement of fund on market rates through negotiations/tender, cattle market Management Company, sustained loss of Rs 8.203 million during 2018-19 as detail below.

(Rs in Million)			
Description	Average surplus fund	Average mark-up rate	Amount of profit
Placement of fund at Bop @ 3.09 % to 5.62 %	152,489,733	5.62 %	8.570
Placement of fund should have been at @ 11 % and above	152,489,733	11.00 %	16.774
Loss due to non-investment of surplus funds at market rates			8.204

Audit is of the view that due to weak financial management and negligence of the management, surplus funds were not invested to earn maximum profit despite government instructions.

Non realization of maximum profit from available sources resulted in non-optimum utilization of resources besides loss to company of Rs 8.204 million.

The matter was reported to PAO and DDO concerned in April, 2020. DDO replied that CMMC maintained the account in BOP Taqwa Islamic Banking from its establishment. At that time, there was no major difference of profit rates as compare to other banks. Vide Government of Punjab Finance Department letter No.FD(W&M)1-1/70(Vol.XV)/2018 dated January 2019, CFO had earlier started his work from December 2018 to get maximum profit rates from various banks in comparison of BOP conventional banking. The validity of offered rates from banks was not more than 30 days. After that, new letters for requisition of rates were issued to banks. In 27th BOD meeting, a legal compliance committee formed to review the matter and submit recommendations to Board. In this instance, legal & compliance committee recommended in its meeting to transfer the place of funds from BOP Taqwa Islamic to BOP Shah Rukn-e-Alam Branch Multan. The same minutes were presented in the 28th BOD meeting for retrospective approval. In the light of above decision, new bank account opening procedure proceeds, now the

company transferred its funds to BOP conventional account to get maximum profit. Audit rebutted that bank account of CMMC Multan was shifted from BOP Taqwa Branch to BOP Conventional Branch. Profit rates were not mentioned to enable the audit to compare of profit rates as being earned by a sister organization Multan Waste Management Company. Matter may be inquired at an appropriate forum.

DAC, in its meeting, held on 03.09.2020 directed the CEO why company did not place its funds on the pattern of MWMC who got 11% profit. The markup rate offered by BOP was not compared with other 5 major schedule banks in violation of rule. Further, current status regarding placement of funds and markup rate may be submitted accordingly. No progress was intimated till finalization of this Report.

Audit recommends fixing of responsibility on the person (s) at fault besides investment of surplus funds in commercial banks to earn maximum profit.

[AIR Para No.11]

6.4.2 Non-outsourcing of company services and Irregular recovery through departmental collection –Rs2.493 million

According to Para No.3 of letter No.2-252/2014(P.V) dated 25.05.2015 of LG&CD Department Lahore that quality contracts between the service provider and the companies should be executed having clarities in all respect and no room for any sort of exploitation should be left in the contract documents, in the light of CM Summary/ Expert-committee.

The Managing Director of CMMCM did not auction the following heads of services and made departmental collection of Rs2.493 million during the year 2018-19 in violation of above directions. As per rule, following heads of services were required to be auctioned instead of departmental collection. The detail of heads of income services which were not outsourced is on the next page:

(Rs in Million)		
Sr. No	Type of Service	Self collection during 2018-19
1	Carriers/ Temporary stalls	0.909
2	Vehicle parking	0.826
3	Local careers	0.758
Total		2.493

Audit is of the view that due to weak financial management, services of company were not outsourced and departmental collection was made.

Non outsourcing of company services and making departmental collection resulted in violation of rules and loss to government.

The matter was reported to PAO and DDO concerned in April, 2020. DDO accepted that income from various sources of income was made through departmental recovery instead of through open auction. Audit rebutted that matter needs clarification from the Secretary Local Government and Community Development Department.

DAC, in its meeting, held on 03.09.2020 directed the CEO to refer the said matter to BOD to enquire the matter of self recovery. No proof of permission from BOD was produced by the management regarding collection departmentally. No progress was intimated till finalization of this Report.

Audit recommends open auction of above services may be made instead of departmental collection.

[AIR Para No. 9]

6.4.3 Mis-procurement of goods - Rs 2.339 million

According to condition No. 9 of PPRA rules 2014 “Limitation on splitting of procurement – 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. Moreover, as per condition 12 Method of advertisement (1) Subject to rule 59, 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. And as per rule 59 (b) petty purchases through quotation: a procuring agency may provide for petty 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 and such procurement shall be exempted from the requirements of bidding procedures; the procuring agency shall, however, ensure that such procurement is in conformity with the principles of procurement;

The Management of CMMCM incurred an expenditure of Rs2.339 million on the procurement of fixed assets i.e. Tractor implements (hydraulic trolley, water bosses, blades etc), CCTV cameras, furniture, water tanks, eid arrangements, purchase of staff uniform etc. The expenditure held irregular as annual planned for the purchases was not made and expenditure was splitted in order to avoid tendering process or obtaining of quotations from different supplier to give the benefit to supplier of his own choice. The detail is as under:

(Rs in Million)

Sr #	V. Date	V No	Description of goods	Supplier	Invoice No	Date	Amount
1	30.06.19	202	Tractor implements (hydraulic trolley)	Millat tractors	63-66	18.09.18	1.250
2	30.06.19	3728	CCTV Camera etc	Business concern	5	13.08.18	0.164
3	6.09.18	3739	Book shelf	Manzoor traders	223	7.09.18	0.036
4	22.09.18	3744	office table etc	Manzoor traders	254	29.09.18	0.049
5	27.04.19	3773	Water tank	Ali Traders	786/2/19	02.05.19	0.091
6	25.05.19	3776	Hand pump	Star traders	518	25.05.19	0.032
7	14.06.19	3776	Hand pump	Star traders	511	03.06.19	0.032
8	16.08.18	-	Steel tub, tentage, canopy etc	-	-	-	0.489
10	12.7.18	-	Staff uniform	-	-	-	0.196
Total							2.339

Audit is of the view that due to weak internal controls and negligence of management, expenditure was splitted irregularity occurred.

Weak internal controls, negligence of management resulted in mis-procurement of Rs 2.339 million

The matter was reported to PAO and DDO concerned in April, 2020. DDO replied that tractor implements procured were compatible with Millat Tractor under PPRA rule No.59(c) of Direct Procurement. All other purchases were made on

need basis and on the special eve of Eidul Azdha arrangements to provide facilities and security to traders and ruminants in the cattle markets.

DAC, in its meeting, held on 03.09.2020 directed the CEO to get the expenditure regularized from competent authority, within 15 days. No progress was intimated till finalization of this Report.

Audit recommends fixating of responsibility on the person(s) at fault besides regularization of expenditure and inquiry into the matter, under intimation to audit.

[AIR Para No. 19]

6.4.4 Non-credit of unclaimed security deposits into government revenue-Rs 2.275 million

According to article 170 of Account code Vol-III and para-346(a)(i) of Audit Manual, unclaimed balances for more than 3 years should be credited into Govt. Revenue.

The Managing Director of CMMCM did not credit the unclaimed security deposit of Rs 2.275 million into government revenue, in violation of rule. This amount was retained by the company for many years. The concerned suppliers had not provided services to the company and became defaulters. In the light of terms and conditions, supplier security was considered as retention money. The detail of retention money is as under:

(Rs in Million)			
Head of account	2017-18	2018-19	2019-20
Supplier security deposit	2.275	2.275	2.275

Audit is of the view that due to weak financial management; unclaimed security deposit was accounted for into government revenue.

Non accounting for into government revenue and showing of unclaimed security deposit resulted in violation of rule.

The matter was reported to PAO and DDO concerned in April, 2020. DDO replied that Supplier security deposit withheld against procurement of canopies, mangers and cots. These procurements had been observed in audit of 2014-16, due

to their high rates. SDAC held at Lahore and order inquiry against these procurements. Further, NAB had also enquired the same procurement. Therefore, supplier security deposit still held by the Company until the completion of its inquiry/NAB report

DAC, in its meeting, held on 03.09.2020 decided that supplier's security may be retained in bank account which will be reimbursed to contractors upon completion of departmental inquiry or NAB proceedings. No progress was intimated till finalization of this Report.

Audit recommends crediting of unclaimed security deposit into Government revenue, under intimation to Audit.

[AIR Para No. 24]

6.4.5 Irregular expenditure on security service– Rs2.138 million

According to PST Ordinance 2012, serial No.27 of II schedule, 16% was required to be deducted on services provided by security agency. Further, according to rule 2.33 of PFR Vol-I, every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part.

The Managing Director of CMMCM made payment of Rs 2.138 million on monthly basis on account of security services provided by security agency i.e Bahria Security Services during 2018-19. Payment was made in shape of cash instead of through cross cheques and Rs 342,144/ was not deducted on account of 16% Provincial Sales Tax, as per rule. Further, it has been noticed that no proof of installation of security system in the specified cattle markets was available on the record for the specified days in which cattle markets were opened / operative during financial year 2018-19. Coverage of cattle markets was not produced in soft copies as per 52 days of F.Y 2018-19. As per Accounts Ledger for the year 2018-19, following payments were made through cash instead of cross cheques as no cheque numbers were entered in the given column of Account ledger:

(Rs in Million)			
Sr. No	Name of security agency	Period of Rent	Amount
1	Bahria Security Services	7/2018	0.162
		8/2018	0.162
		9/2018	0.162
		10/2018	0.162
		11/2018	0.162
		12/2018	0.162
		1/2019	0.162
		2/2019	0.194
		3/2019	0.178
		4/2019	0.178
		5/2019	0.259
		6/2019	0.195
		Total	
Non-payment of 16% PST			0.342

Audit is of the view that due to weak financial management, payments were made in cash instead of cross cheques and PST was not deducted on the security services provided by security agency.

Payment in shape of cash instead of crosses cheques and non deduction of PST on the security services provided by security agency resulted in violation of rule and loss to Government.

The matter was reported to PAO and DDO concerned in April, 2020. DDO replied that payments to M/s Bahria Security Services have been made through cross cheques and complete record of the PST challan payments was available ready reference. Audit rebutted that no proof of complete record regarding payment through cross cheques was produced.

DAC, in its meeting, held on 03.09.2020 decided to kept para pending till provision of record of payment made through cross cheques, within 15 days. No progress was intimated till finalization of this Report.

Audit recommends recovery of PST from the security agency besides reasons of cash payment, under intimation to Audit

[AIR Para No. 16]

6.5 Value for money and service delivery issues

6.5.1 Loss to company due to self recovery and non-auction of collection rights -Rs 8.780 million

According to rule 11 of the Punjab Local Governments (Auction of Collection Rights) Rules 2016, at least three attempts shall be made to award the contract through open bid, equal to the reserve price or more, by the administration of local government before the commencement of financial year. Further, According to Para No.3 of letter No.2-252/2014(P.V) dated 25.05.2015 of LG&CD Department Lahore that quality contracts between the service provider and the companies should be executed having clarities in all respect and no room for any sort of exploitation should be left in the contract documents. Further, as per terms and conditions no.4 of bid document, if the successful bidder did not submit government dues in advance, the 2nd bidder will be considered successful.

The Managing Director of CMMCM made departmental collection of Rs 14.830 million on account of income head of torriparali points bulail during 2019-20 instead of outsourcing.As per attendance sheet of 1st open auction dated 15.05.2018, three bidders participated in open auction, one of bid of Mr. Iftikhar, was not considered by the committee due to the reason of cutting of rate offered on bid form. Remaining two bidders namely Mr. Asmattullah Khan and Muhammad Usman Qureshi were considered by the committee. Muhammad Usman Qureshi offered maximum bid of Rs 23,000,000. Copy of open bid is attached.It was observed during the course of audit that collection right on account of torriparalipoints was auctioned during 2017-18 of Rs 23.610 million and during 2018-19, the said service was not auctioned and departmental collection was made of Rs14.830 million. In this way, company suffered a loss Rs8.780 million.

The management of CMMC Multan failed to make arrangements of 03 attempts for awarding contracts through open bidding before the commencement of Financial Year 2018-19 in violation of the above rules and started self-collection illogically. The company gave only 02 auction notices in the newspaper on 15.05.2018 and 25.06.2018 and due to this action most of the revenue sources remained un-auctioned which were self-collected. The detail is as under:

(Rs in Million)

Type of service	Collection through contract during 2017-18	Self Collection during 2018-19	Less recovery
Income from torriparali points bulail	23.610	14.830	8.780

During the course of audit, it was observed that:

1. At least three attempts were not made for awarding contracts through open bidding before the commencement of Financial Year 2018-19 in violation of the above rules
2. The company started departmental collection on account of torri parali bulail instead of outsourcing as per direction of higher forum i.e Expert Sub-Committee constituted by the chief minister to deliberate outsourcing in cattle markets in the Punjab.
3. The said contract was not awarded to winner with the reason that amount of open auction of Rs 23,000,000 was below the reserve price which was Rs 25,905,177. In the para No.5 of Minutes of meeting of Auction Committee dated 25.06.2018, committee recommended to re-advertise the segment of torriparali after re-considering the reserve price. But no reserve price was recalculated/ reconsidered and company started self collection for the F.Y 2018-19 in violation of rules. The company made self collection of Rs14.830 million. In this way, company suffered a loss of Rs8.780 million.
4. Evidence of malafied intention of management was also available in the auction of tori paralibulail cattle market for the year 2019-20 that it was auctioned of Rs 20.050 million to Mr. BadarIkram vide letter No.4337 dated 08.06.2019. (Copy of acceptance letter is attached for ready reference). It proved that the said contract was not awarded intentionally to Muhammad Usman Qureshi during for the F.Y 2018-19, who offered maximum bid of Rs 23.00 million and self collection was made of Rs 14.830 million, in violation of rule.

Audit is of the view that due to weak management, said service was not auctioned and departmental collection was made.

Non auction of torri parali points and self recovery of income resulted in loss to company of Rs 8.780 million.

The matter was reported to PAO and DDO concerned in April, 2020. DDO replied that CMMC advertised on April 25, 2018 and invited open bids on 15-05-2018, 21-05-2018 and 22-05-2018. Similarly, auction was re-advertised 2nd time on June 07, 2018 and bids were invited on 25-06-2018, 26-06-2018 and 27-06-2018. Meanwhile, CMMC re-advertised 3rd time on November 28, 2018 and invited bid on 18-12-2018, 20-12-2018 and 21-12-2018, but none of the bidders were participated. Subsequently, upon directions of auction committee, Company started self-recovery and saved the public revenue. Since, no re-calculation or re-consideration of the reserve price of torri/pralli being done by the management due to transitions of governments and general elections and no further Board of Directors meeting were held during this tenure to review reserve price. Similarly, the above said matter was presented in the Board in its meeting held on 07-12-2018 and Board endorsed the whole auction process and appraised the management regarding self-recovery. Audit rebutted that no any bidder participated in any bid despite three advertisements were made in daily newspapers through DGPR. Rs 14.830 million were self collected by the department. However, Rs 8.780 million was less collected as compared to last year.

DAC, in its meeting, held on 03.09.2020 decided to constitute the Enquiry Committee by the Secretary Local Government and charge sheets may be issued after making investigation on the given issues, within 15 days. No progress was intimated till finalization of this Report.

Audit recommends reasons of less collection of income besides fixing of responsibly against the person at fault, under intimation to Audit.

[AIR Para No.02]

6.5.2 Non deposit of Provincial Sales Tax on Parking Services- Rs6.358 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 para 63 of II schedule of PST Ordinance 2012, 16% was required to deduct the PST on parking services.

The Managing Director of CMMCM did not collect of Rs 6.358 million on account of Provincial Sales Tax @16% on parking services, from the contractors during financial year 2018-19. During the course of audit, it was observed that 16% PST was not obtained from the following contractors on parking services, in violation of above rule. No documentary evidence was available for deposit of Provincial Sales Tax on parking services by the contractors during financial year. The detail of recovery is as under:

(Rs in Million)					
Sr #	Contractor Name	Service Name	Market Name	Bid Offered	PST 16%
1	Asmatullah khan	Vehicle Parking	Bulail Market	26.00	4.160
2	Muhammad Asif	Vehicle Parking	Khanewal	1.610	0.258
3	Muhammad Iftikhar	Vehicle Parking	Luddan Market	9.700	1.552
4	Abdul Sattar	Vehicle Parking	Machiwal Market	0.785	0.126
5	Ghulam Mustafa	Vehicle Parking	Samurana	0.820	0.131
6	Mumtaz Ahmad	Vehicle Parking	Jamlera Market	0.825	0.131
Total					6.358

Audit is of the view that due to weak financial management, 16% PST was not deposited by the contractors on account of parking services.

Not deposited of PST by the contractors on parking services resulted in loss to Government of Rs6.358 million.

The matter was reported to PAO and DDO concerned in April, 2020. DDO replied that according to rule para 63 of II schedule of PST Ordinance 2012 dated 01-11-2018, all the contracts of parking services had been awarded and there is no provision of imposition of any tax as per contract terms and conditions. The

objective of the company is not to collect any tax in any shape contrary to the directions of the Government. Audit rebutted that no provincial sales tax was collected and deposited in violation of above rule as it was the responsibility of company to collect the tax therein.

DAC, in its meeting, held on 03.09.2020 decided to kept para pending till recovery of PST and submission of proof of deposit of PST on parking services. Further, DAC directed to MD to write a letter to PRA for clarification on the subject matter, within 15 days. No progress was intimated till finalization of this Report.

Audit recommends recovery of PST amount from the contractors and deposited into government account, under intimation to Audit.

[AIR Para No.13]

6.5.3 Non-payment of income tax by the contractors– Rs6.153 million

According to Income tax ordinance 2001 section 49, Federal Government, Provincial Government, and Local Government income; (1) the income of the Federal Government shall be exempt from tax under this Ordinance. (2) The income of a Provincial Government or a Local Government in Pakistan shall be exempt from tax under this Ordinance, other than income chargeable under the head “Income from Business” derived by a Provincial Government or Local Government from a business carried on outside its jurisdictional area. (3) Subject to sub-section (2), any payment received by the Federal Government, a Provincial Government or a Local Government shall not be liable to any collection or deduction of advance tax. (4) Exemption under this section shall not be available in the case of corporation, company, a regulatory authority, a development authority, other body or institution established by or under a Federal law or a Provincial law or an existing law or a corporation, company, a regulatory authority, a development authority or other body or institution set up, owned and controlled, either directly or indirectly, by the Federal Government or a Provincial Government, regardless of the ultimate destination of such income as laid down in Article 165A of the Constitution of the Islamic Republic of Pakistan.

Contrary to the section 49(4) of income tax ordinance as mentioned above the management of CMMCM obtained FTN No. and paid no tax on its income during the financial year 2018-19. According to section 49(4) the exemption of tax was not available to the company while the company obtained FTN No from the FBR and did not pay any tax on its income.

The Management of CMMCM did not collect of Rs 6.153 million on account of advance income tax on various services awarded to contractors during F.Y 2016-17. The contractors provided income tax returns to the company, claiming that all tax liabilities of relevant tax years have been paid. In this respect, company did not collect relevant record of proof of deposit of income tax into the account of FBR and did not reconcile relevant record with the FBR, RTO Multan. The income tax returns were not produced to audit. The detail of contractors is as under:

(Rs in Million)				
Sr. No	Contractor Name	Service Name	Market Name	Income tax
1	Mr. Abdul Ghafar Bhatti	Tori/Parali Point 2	Bulail Market	0.760
2	Mr. NaimatUllah Khan	Tori/Parali Point 1	Bulail Market	0.233
3	Mr. Malik Abrar	Vehicle Parking	Bulail Market	5.000
4	Mr. Malik Waseem	Fodder Shop Point 1	Bulail Market	0.035
5	Mr. Malik Ishfaq	Fodder Shop Point 2	Bulail Market	0.034
6	Mr. M Abrar	Hotel &CanteeneLodharan	Lodharan Market	0.045
7	Mr. Shah Alam	Fooder Shop with toka With Toka	Lodharan Market	0.023
8	Mr. Shah Alam	Fooder Shop Without Toka	Lodharan Market	0.023
Total				6.153

Audit is of the view that due to weak financial management, income tax was not collected and relevant record was not reconciled with tax department and non-compliance of the income tax ordinance was made.

Non-payment/ collection of income tax and non reconciliation of record with tax department resulted in loss to government of Rs6.153 million.

The matter was reported to PAO and DDO concerned in April, 2020. DDO accepted and replied that matter was placed in the local RTO office to collect the advance tax from these contractors if any liability occurs as per section 162 of the Income Tax Ordinance 2001.

DAC, in its meeting, held on 03.09.2020 decided to kept para till provision of proof of deposit of income tax along with reconciliation of record of company with FBR regarding collection of income tax from the concerned contractors. No progress was intimated till finalization of this Report.

Audit recommends collection/ payment of income tax from the contractors besides provision of income tax return and relevant record of depositing of income tax along with reconciliation with FBR, under intimation to Audit.

[AIR Para No.12]

6.5.4 Non recovery of receivables from the contractors- Rs5.667 million

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. 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.

The Managing Director of CMMCM did not recover of Rs5.667 million from the contractors out of receivables of Rs7.409 million during F.Y 2018-19. No efforts were made to recover the receivables from the contractors during the year. It was noticed that Rs1.743 million was recovered only out of Rs7.409 million during the year. It proved that management was not making efforts to gear up the collection and providing protection to concerned contractors. The detail of recovery is given in **Annexure-1/MCMMC**.

Audit is of the view that due to weak financial management, recovery was not made from the contractors

Non recovery from the contractors resulted loss to government of Rs 5.667 million.

The matter was reported to PAO and DDO concerned in April, 2020. DDO replied that case of Qasim Shahbaz, Sadiq Qureshi and Amir Bhatti was under

litigation. Muhammad Razzaq was absconder. Muhammad Asif and Muhammad Aslam agreed to pay the balance amount. Muhammad Kashif, Asmatullah and Muhammad Ibrar have been given relief by the grievance committee against their claims.

DAC, in its meeting, held on 03.09.2020 decided to kept para till pending till complete recovery. Further, matter was also in legal proceedings in the Court / NAB against defaulters/ absconders. No progress was intimated till finalization of this Report.

Audit recommends immediate recovery from the defaulters and deposited into company account besides fixing of responsibility on the person at fault.

[AIR Para No.10]

6.5.5 Loss to company due to non-auction and self recovery of torri parali points –Rs2.774 million

According to rule 11 of the Punjab Local Governments (Auction of Collection Rights) Rules 2016, at least three attempts shall be made to award the contract through open bid, equal to the reserve price or more, by the administration of local government before the commencement of financial year. Further, According to Para No.3 of letter No.2-252/2014(P.V) dated 25.05.2015 of LG&CD Department Lahore that quality contracts between the service provider and the companies should be executed having clarities in all respect and no room for any sort of exploitation should be left in the contract documents. Further, as per terms and conditions no.4 of bid document, if the successful bidder did not submit government dues in advance, the 2nd bidder will be considered successful.

The Managing Director of CMMCM less deposited of Rs 2.774 million on account of torri parali ludden through self collection during F.Y 2018-19. Self collection was made of Rs 0.451 million for the period of 01.01.2019 to 30.06.2019. No self collection amount for the period w.e.f 01.07.2018 to 31.12.2018 was deposited by the company.

The management of company auctioned torri parali points ludden of Rs 3.225 million during F.Y 2018-19 and acceptance letter for award of contract of

said service was issued to highest bidder i.e Mr. Asif Ali, vide letter no.3817 dated 1.6.18 of CMMCM, in which he was directed to deposit the amount of Rs 1.419 million on account of 40% advance of the bid amount and advance income tax. Later on, another letter was issued to Mr. Asif Ali, for non deposit of dues and cancellation of contract award and forfeiting of CDR vide letter no.3882 dated 3.7.18. As per ledger of the contractor, the amount of CDR of Rs 34,200/ was forfeited on 26.12.2018 besides the fact his contract was cancelled as on 03.7.2018, copy of account ledger is attached. It depicted that 6 months collection from 01.07.2018 to 31.12.2018 was misappropriated and record for collection was not produced to audit.

Further, as per terms & conditions of bid document that in case of non deposit of company dues by the highest bidder, within stipulated time, award letter would be issued to the 2nd highest bidder i.e Muhammad Asif. The contract was not awarded to 2nd highest bidder in violation of rule and company started self collection from 01.01.2019 instead of 01.07.2018. Only Rs 450,755 were deposited by the company for last 6 months i.e 01.01.2019 to 30.06.2019. Furthermore, the said head of income was not advertised intentionally in 2nd auction dated 25.06.2018. The detail is as under:

(Rs in Million)

Type of service	Amount of auction not awarded during 2018-19	Self Collection made during 2018-19	Less recovery
Income from torriparali points ludden	3.225	0.451	2.774

As per open auction bid document, rates offered by following three contractors for torriparaliludden were as follows:

(Rs in Million)

Sr. No	Name of contractor	Type of service	Amount of bid	Status
1	Muhammad Asif	Income from torriparali points Ludden	3.225	Contract awarded
2	Muhammad Nawaz		3.220	Not awarded
3	Muhammad Farooq		3.050	Not awarded

During the course of audit, following irregularities were observed by the audit:

1. Three bidders participated in 1st open auction dated 15.05.2018 and Mr. Asif Ali was awarded the contract being highest bidder. The highest bidder(Mr. Asif Ali) did not deposit the dues and his contract was cancelled, his CDR was forfeited vide letter no.3882 dated 3.7.18. As per ledger of the contractor, the amount of CDR of Rs 34,200/ was forfeited on 26.12.2018 besides the fact his contract was cancelled on 03.7.2018, copy of account ledger and CDR forfeitedis attached.
2. As per terms and conditions no.4 of bid document, if the successful bidder did not submit government dues in advance, the 2nd bidder will be considered successful. It is evident from the record that the 2ndand 3rdbidders were not called for and company started departmental collection, in violation of above rule.
3. The company started departmental collection w.e.f 1/2019 instead of 07/2018 without any reason and justification. It showed that income for the period 01.07.2018 to 31.12.2018 (6 months) was concealed and amount collected was not deposited into company account.
4. No at least three attempts were made to award the contract through open bid, equal to the reserve price or more, by the administration of local government before the commencement of financial year.
5. Further, it was noticed that no legal proceedings were made against Mr. Muhammad Asif by the company. He has admitted in his affidavit on stamp paper valuing Rs 200 vide no.2007 dated 19.05.2018 that he will deposit the dues and will be bound to follow the terms and conditions of the company.
6. The matter was not taken up in the box of arbitration to decide finally to settle the issue if any in the light of rules and regulation of the company.

Audit is of the view that due to weak financial management, said service was not auctioned and less amount was deposited by the company management.

Due to self collection for the six months and non award of contract to 2nd bidder resulted in loss to company of Rs 2.774 million.

The matter was reported to PAO and DDO concerned in April, 2020. DDO replied that Auction Committee awarded the contract to the highest bidder Asif Ali for Tori/PraliLuddan against his offer Rs.3,225,000/-. It is worthy to mention that the reserve price of the service was Rs. 683,100. All the three bidders Muhammad Nawaz, Muhammad Farooq participated including him seemed to deteriorating the auction by quoting very high bidding amounts over the reserve price, that was not factual. In spite of all this, by following auction and collection rules, auction committee awarded the service to the highest bidder and CMMC offered him through letters No.3817 dated 01-06-2018, No.3845 dated 22-06-2018 and Final Notice No.3878 dated 30-06-2018 with directions to deposit advance amount at earliest. But he failed to comply with. Subsequently, MD, CMMC cancelled the award through letter No.3882 dated 03-07-2018. Upon this, he sued on 07-07-2018 in the Court and claimed that Cattle Market is not allowing him to do the business in Ludden Mandi. Further, he spoiled the business environment in Ludden Mandi and due to the matter in the court, Company retained his CDR until December 2018 and finally forfeited. Suit for declaration is still proceeding in the Burewala Court. Audit rebutted that amount was substantially less recovered on self collection basis as compared to auction amount. Furthermore, no efforts were made by the Department to re-auction the contract of service of torri / prali throughout the year.

DAC, in its meeting, held on 03.09.2020 decided to constitute the Enquiry Committee by the Secretary Local Government and charge sheets may be issued after making investigation on the grounds that amount of CDR was not raised based on amount of auction of Rs 3.225 million offered by highest bidder ie. Mr Asif Ali instead of reserve price, Matter of cancellation of contract and forfeiting of little amount of CDR, Matter of non collection/ non deposit of income from 01.07.18 to 31.12.18, Why self collection of Rs 0.451 million only was made w.e.f 01.01.2019 to 30.06.2019 while the matter was in court and Why not 2nd highest bidder was awarded the said contract in case of failure of 1st highest bidder, within stipulated time, as per rule. The detailed report may be submitted within 15 days to probe the

matter for further necessary action No progress was intimated till finalization of this Report.

Audit recommends enquiry of the matter besides submission of reasons of less deposit besides fixing of responsibly against the person at fault, under intimation to Audit.

[AIR Para No. 1]

6.6 Others

6.6.1 Overstatement of assets under the head Long term deposit - Rs 105.217 million

According to IFRS 1 presentation of financial statements “fair presentation; this standard requires that the financial performance, financial position and cash flows of an entity should be fairly presented. Fair presentation of financial statements, the events and transactions should be reported to financial statements in accordance with the recognition and measurement principle for the elements of financial statements, given in the IASB’s framework, and financial statements should be prepared in accordance with IFRS with related disclosure requirements.

To achieve the fair presentation, the entity should make sure the following:

- The selection and application of accounting policies as per IAS8,
- The information contained in financial statements should have all the qualitative characteristics of financial statements,
- Complete disclosure should be given as per the IFRS

The Management of CMMCM made payment of amount of Rs 105.217 million to the Local Government & Community Development (LG&CD) (representing 40% portion of share of Rs 480 million out of total project cost of Rs 1,199.603 million) which was required to be paid by the CMMCM to establish the Model Cattle Market at Multan. As per agreement between CMMCM and LG&CD out of total project cost of Rs 1,199.603 million 40% share of payment will be contributed by the CMMCM and 60% share of payment will be borne by the LG&CD while the property will be register in the name of LG&CD Department. Audit is of the view that when the property will remain in the name of LG&CD Department then the payment should be expensed out rather than showing it as an assets in the financial statements for the year 2018-19.

The above irregularity occurred due to weak internal controls and non-compliance of IFRS

Weak internal and non-compliance of IFRS resulted in unfair presentation of assets in the financial statements by Rs 105.217 million.

The matter was reported to PAO and DDO concerned in April, 2020. DDO replied that Rs,105.217 million was invested in Model Cattle Market Multan which would be reimbursable from Local Government through Project Management Revenues. Audit rebutted that Payment was not expensed out and showed it as an asset in the Financial Statement.

DAC, in its meeting, held on 03.09.2020 decided to kept para till reimbursement of amount and legal vetting from competent authority. No progress was intimated till finalization of this Report.

Audit recommends revision of financial statements to give fair presentation of assets.

[AIR Para No. 21]

7. Multan Waste Management Company, Multan

CHAPTER 7.1

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 MD, Multan Waste Management Company, Multan during 2018-19.

(Rs in Million)				
2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	1,305.000	683.84	-621.160	-47.60%
Non-salary (Development & Non Development)	756.000	137.59	-618.410	-81.80%
Sub Total	2,061.000	821.43	-1,239.570	-60.14%
Receipts	642.44	899.84	257.400	40.07%

- An amount of Rs 1,305 was provided for pay and allowance out of which Rs 683.840 million was utilized resulting in saving of Rs 621.160 million (47.60 %).
- An amount of Rs 756 million was provided for non-salary (Development & Non-development) component out of which Rs 137.590 million was utilized resulting in saving of Rs 618.410 million (81.80%).
- Receipts / revenue of Rs 642.440 million was budgeted against which Rs 899.840 million was actually realized resulting in Rs 257.400 million (40.07%) being realized in excess of the budgeted amount.

ii. Analysis of Targets and Achievements

Sectoral analysis of Multan Waste Management Company, Multan was made on the basis of various functions of company. The objectives of prescribing the functions by the Local Government and Community Development for the Multan Waste Management Company were to provide the basic services of cleanliness in the urban areas, door to door collection of solid waste, placement of

waste containers and establishment of complaint cell. The receipts of the company for the financial year 2018-19 were also taken for Analysis of Targets and Achievements. The Company's authority was responsible for cleanliness of the urban areas and signed agreement as per directions of the Local Government and Community Development.

Status regarding indicators and their achievements

Sr. No.	Particular	Parameter	Target	Achievement	Remarks
1	Cleanliness of the urban areas	KPIs	Nil	Nil	-
2	Regulate solid waste dumping points	KPIs	Nil	Nil	-
3	Manage schemes regarding implementation on the working plan for Green & Clean Pakistan Index competitions	Condition	Implemented	Not Implemented	Target not achieved
4	Signed an agreement with DG Khan Cement Company for the sale of waste collected by MWMC on daily basis	Direction of LD & CD	Signed	Not Signed	Target not achieved
5	Signed contract agreement "Services and Assets Management Agreement" with City District Government Multan	Direction of LD & CD	Signed	Not Signed	Target achieved
7	Successfully operated / handled major events / festivals and natural disasters (i.e. Eid-ul-Fitar, Eid-ul-Adha, Moharram, and Flood)	Direction of LD & CD	Nil	Nil	-
8	Uniforms provided to all the sanitation staff of MWMC	KPIs	Provided	Provided	Target achieved
9	Increase monthly waste up to 15000 ton	Direction of LD & CD	Nil	Nil	Target not achieved

iii. Service Delivery Issues

From the data analysis of company, it could be noticed that management did nothing for provide the basic services of cleanliness in the urban areas, door to door collection of solid waste, placement of waste containers and establishment of complaint cell. The receipts of the company for the financial year 2018-19 were decreased by non-signing of contract for cleanliness of areas under District Government Multan like General Bus Stand, Sabzi Mandi etc.

Shortage of staff of sanitation is the main reason for slackness in achievement of targets and discharge of duties as assigned by the LD & CD.

iv. Serious Financial Irregularities and Findings

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

- Fraud and Misappropriations involving an amount of Rs 752.600 million were reported in 13 cases¹⁰.
- Irregularities amounting to Rs 1.837 million were noticed in 1 cases¹¹.
- Other issues involving an amount of Rs5257.420 million were observed in 4 cases.

iv. Suggestions / Remedial Measures

- Strengthening the regulatory framework, following the rules e.g. PPRA rules for purchasing, adhering to the KPIs.
- Shortage of sanitation staff at different levels should be overcome.
- Efforts should be made for expediting the realization of outstanding amounts of contracts.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.

1. 7.4.1 to 7.4.13
2. 7.3.1
3. 7.5.1 to 7.5.4

CHAPTER 7.2

Multan Waste Management Company, Multan

7.2.1 Introduction

Rapid urbanization coupled with increasing economic activity in the Multan City resulted in the generation of high volumes of solid waste bringing solid waste management at the forefront of environmental concerns. Worsened condition (of the City and insufficient and obsolete Solid Waste Management (SWM) infrastructure underlined a greater than ever need for effective measures to be taken in this regard.

The City District Government Multan(CDGM), desired to improve the system of Solid Waste Management in the City and the CDGM found its existing organizational capability inadequate to achieve intended results to protect public health, safety and welfare through comprehensive and Integrated Solid Waste Management, and, upon its request, the Chief Executive of the Province allowed formation and incorporation of the MWMC, inter alia, to effectively manage, regulate and control Solid Waste in Multan City under section 42 of the Companies Ordinance to implement the integrated solid waste management (ISWM) which is a dire need of the future for saving public health, land, economic resources and the environment at the large.

The Company is limited by guarantee having no share capital and is formed not for profit within the meaning of Section 42 of the Companies Ordinance, '1984 organized and established for development in the field of Solid Waste Management for the benefit of people living within the area of "Multan "and to provide sustainable, efficient and affordable waste management services for the citizens of "Multan "and also to provide necessary facilities in order to enable the existing solid waste management system of Multan to undertake activities of income generation and to enhance the quality of the existing system.

According to Section 54-A(p)(iii) of Punjab Local Government Ordinance, 2001, the TMAs in Multan City had certain functions to perform in respect of Solid Waste Management but the lack of organizational capability to perform those functions. And hence they deem it expedient in public interest to exclusively entrust

those functions to the MWMC for purposes of efficiency, economy and effectiveness in performance of those functions.

The MD is the Principal Accounting Officer of the Company and is responsible to the BoDs and Public Accounts Committee of the Provincial Assembly. He is responsible to ensure that the business of the company is carried out in accordance with the laws and to coordinate the operational activities of the company for coherent planning, development as well as effective and efficient functioning of company:

(Rs in Million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	821.430	899.840
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

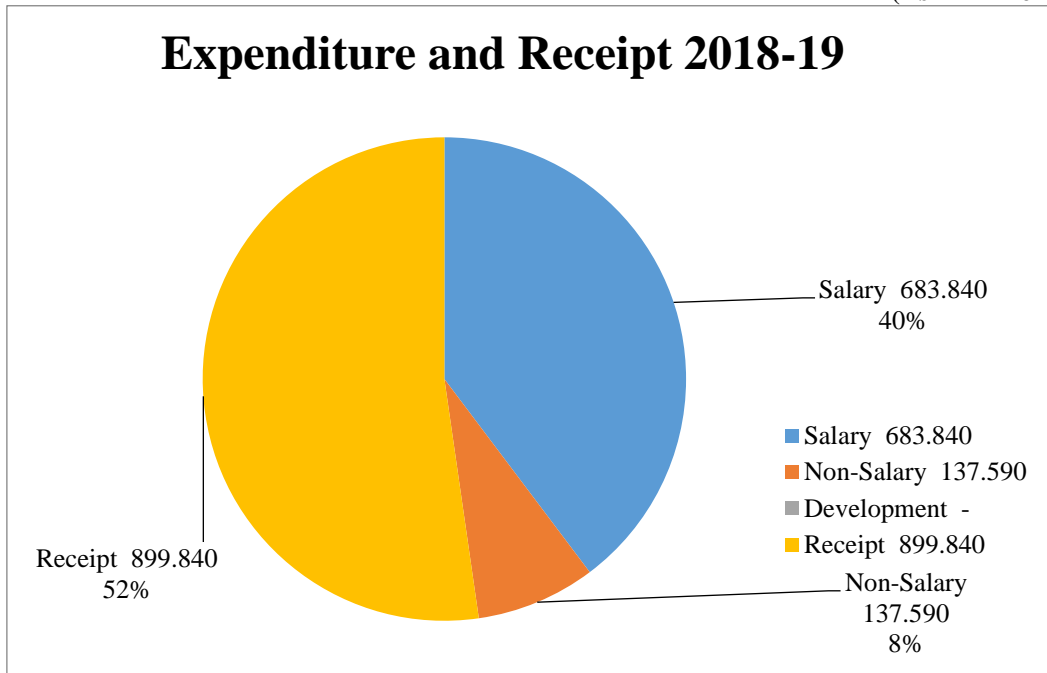
7.2.2 Comments on Budget and Accounts

The detail of Budget and Expenditure is given below in tabulated form:

(Rs in Million)

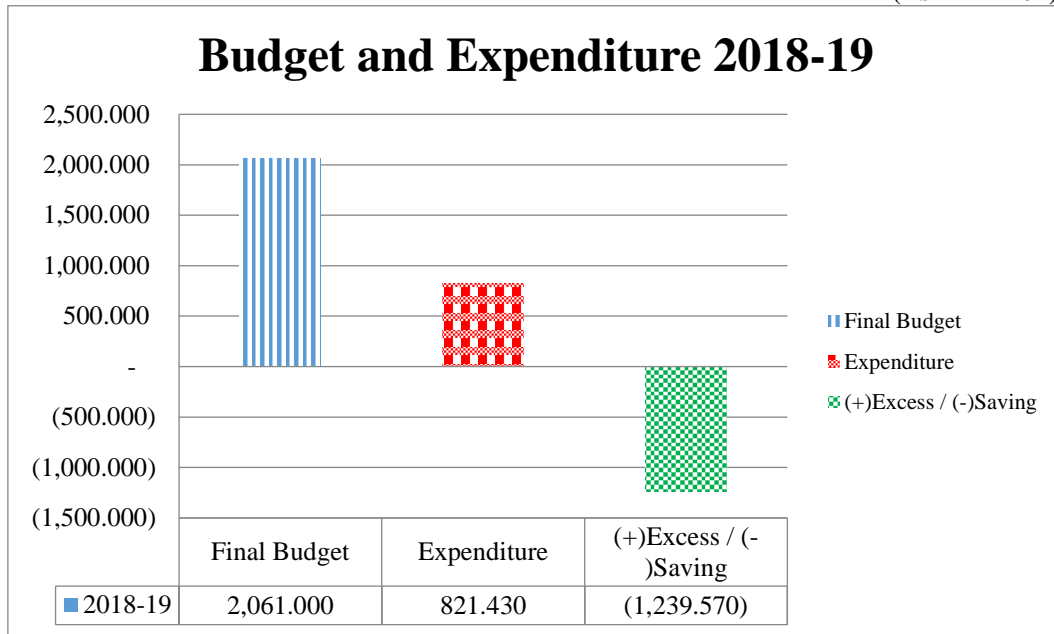
2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	1,305.000	683.84	-621.160	-47.60%
Non-salary (Development & Non Development)	756.000	137.59	-618.410	-81.80%
Sub Total	2,061.000	821.43	-1,239.570	-60.14%
Receipts	642.44	899.84	257.400	40.07%

(Rs in Million)



As per the Financial Statements 2018-19 of the Multan Waste Management Company, Multan, total budget (Development and Non-Development) of Rs 756 million and for revenue was Rs 642.440 million was allocated. Against the budget, total expenditure of Rs 137.590 million was incurred during the Financial Years 2018-19. A saving of Rs 618.410 million came to the notice of Audit, which was abnormal saving. Further, revenue of Rs 257.400 million was excess collected due to placing of company funds with commercial bank at market rate of interest which was 40.07% of budgeted receipts. **(Annexure-B)**

(Rs in Million)

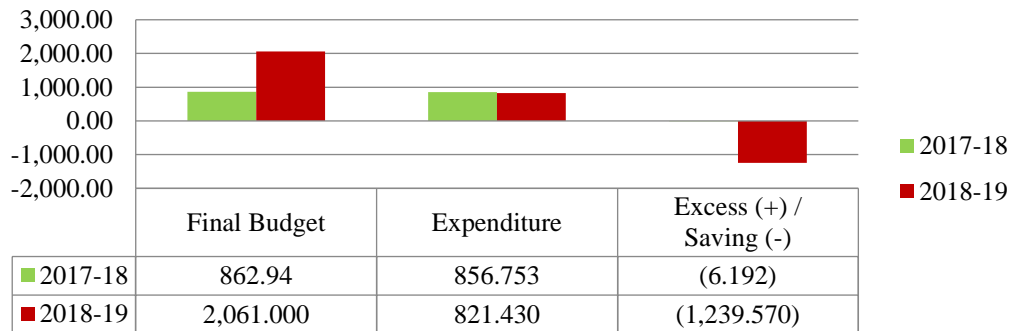


In MWMC Multan savings of Rs 1,239.570 million (60.14% of allocation) occurred by over estimating made during the financial year 2018-19. Further funds were not utilized properly despite availability. The same resulted in depriving of provision of core services to the general public.

The comparative analysis of the budget and expenditure of current and previous financial years is depicted as under:

(Rs in Million)

Comparison of Budget and Expenditure 2017-18 & 2018-19



There was 139% and 4% increase in budget allocation and expenditure incurred in financial year 2018-19 as compared to financial year 2017-18, while there was overall savings of Rs 1,239.570 million during 2018-19.

7.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 6,011.857 million were raised as a result of this 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	752.600
3	Procedural irregularities	-
A	HR / employees related irregularities	-
B	Procurement related irregularities	-
C	Management of Accounts with Commercial Banks	1.837
4	Value for money and service delivery issues	-
5	Others	5,257.420

7.2.4 Brief Comments on the Status of Compliance with PAC Directives

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

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2017-18	41	PAC meeting was not convened
2	2018-19	67	PAC meeting was not convened

AUDIT PARAS

7.3 Fraud / Misappropriation

7.3.1 Unauthorized regularization of employees and excess payment of arrears prior to period of recruitment - Rs 1.837 million

According to Municipal Corporation Multan letter No. 415/Gen, dated 08.06.2017, in compliance with the Labour Court No. 09 Multan's judgment dated 22.05.2013, Labour Appellate Tribunal Judgment dated 04.05.2017, in pursuance of the Government of the Punjab Finance Department order No. FD (DG) 1-21/2008 (P) dated 12.05.2016, the services of following drivers BPS-05 working in Multan Waster Management Company Multan were hereby regularized from the date of appointment. MWMC will fix their salaries as per Government policy.

The MD, MWMC made payment of Rs 1.837 million as arrear bill after regularization of services during July 2018. Scrutiny of arrear bills revealed misappropriation of Rs 1.837 million and unauthorized regularization of employees as detailed below:

- i. The scrutiny of personal files of drivers Mr. Sammi-ullah Khan and Mr. Arshad revealed that actual date of appointment was 03.02.2012 but arrears were paid from 01.12.2007 to 30.06.2018. Excess payment of Rs 0.477 million was made.
- ii. Personal files and service books of other fifty seven persons were not produced for scrutinized the other facts.
- iii. No driving licenses were available on the record, before confirming regularization.
- iv. According to letter No. 415/Gen dated 08.06.2017 of Municipal Corporation Multan, there was list of fifty nine drivers to be regularized but sixty nine drivers were regularized. An amount of Rs 1.360 million was paid to following employees who were not entitled for regularization.

(Rs in Million)

Sr. No.	Name	Date of appointment	Period of Arrear	Amount
1	NadeemAkhtar	No record was provided about the appointment	30.06.2007 to 30.06.2018	0.274
2	Sadiq S/o Ghulam Mujtaba		1.12.2011 to 30.06.2018	0.113
3	Arshad Fazal		1.12.2009 to 30.06.2018	0.172
4	Khalid Raheem		1.12.2009 to 30.06.2018	0.172
5	Ajmal		1.12.2010 to 30.06.2018	0.142
6	Rauf Hussain		30.11.2011 to 30.06.2018	0.112
7	Arbab Majeed		1.12.2011 to 30.06.2018	0.112
8	Mazhar Ali		1.12.2011 to 30.06.2018	0.112
9	Muhammad Ishfaq		1.12.2012 to 30.06.2018	0.087
10	Ehsan-ul-Haq		01.04.2014 to 30.06.2018	0.064
Total				1.360

Due to mal-practices, unauthorized regularization of services before appointment was made and excess arrears of pay and allowances were paid.

Unauthorized regularization of drivers and excess payment of arrears resulted in loss of Rs 1.837 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that the services of drivers were regularized and arrears of pay and allowances were paid upon receiving of judgement of Labour Court No.09, Multan. Admin / HR department verified the documents and paid the arrears of 69 drivers upon the record presented by senior bill clerk. Later on it came to notice of management that court orders were for regularization of 59 drivers. The management withdrew the regularization of additional 10 drivers upon the recommendation of inquiry committee. The bill clerk was found guilty of misconduct and inclusion of names of additional drivers and management suspended his services. However, his case is pending before Labour Court No.09, Multan. The reply was not acceptable as no recovery was made for excess payment from the concerned drivers and no action was finalized against illegal activity by fixing responsibility.

DAC, in its meeting, held in September, 2020 decided to conduct departmental inquiry through Directorate General (Inspection & Monitoring)

Government of the Punjab LG & CD Department. No progress was intimated till the finalization of Report.

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

[AIR Para No. 20]

7.4 Procedural Irregularities

7.4.1 Non-deduction and submission of pension contribution - Rs 515.153 million

According to Para No.06 of Government of the Punjab Finance Department's letter No. FD (DG) 1-instructions-Act-13/2016 dated 31st October, 2017; the concerned District Authority shall deposit the Pension Contribution @ 40% of the pay of such serving employees' onwards in prescribed manner.

The management of MWMC did not deduct and deposit 40% pension contribution amounting to Rs 515.153 million during 2018-19. Due to non-deposit of pension contribution, retired employees were facing hardship in getting the pension as well as gratuity. The matter was also reported in last audit report but the management of MWMC was not depositing the pension contribution to Municipal Corporation Multan despite availability of sufficient balance. The detailed is given below:

(Rs in Million)	
Description	Amount
Total Amount Due of Pension Contribution Nov-2018-June-2019	238.654
Arrears of contribution up to Oct-2018	276.499
Total Amount of Pension Contribution not Deducted and submitted up to June 2019	515.153

Due to weak financial controls, pension contribution was not deposited to the Municipal Corporation.

Non-compliance of the Government instructions resulted in non-deposit of pension contribution of Rs 515.153 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that as per SAMA agreement, the pension payment and allocation of resources is sole responsibility of City District Government Multan. The reply was not acceptable as pension contribution for the period of services rendered by the company was responsibility of the MWMC.

DAC, in its meeting, held in September, 2020 directed the CEO to take up the matter with Municipal Corporation Multan. No progress was intimated till the finalization of Report.

Audit recommends immediate deposit of pension contribution.

[AIR Para No. 28]

7.4.2 Irregular expenditure without delegated financial powers - Rs 138.883 million

According to rule 4 (2) (C) of Public Sector Companies Rules 2013, the Chairman of Board shall ensure that all the directors are enabled and encouraged to fully participate in the deliberations and decisions of the Board. The chairman has a responsibility to lead the Board and ensure its effective functioning and continuous development, he shall not be involved in day to day operations of the Public Sector Company. The Board of Directors of MWMC in its 30th meeting dated 27.12.2017 assigned the look after charge of the post of Managing Director of MWMC and Company Secretary to Mr. Anwar-ul-Haq Dy. Manager Operation as temporary arrangement. The board also decided to assign additional charge of the post of Chief Finance Officer to MS Kiran Adeel Assistant Manager Finance. Both the officers will have no financial /administrative power of the MD. They will just look after day to day affairs. Any matter where financial / administrative power of MD are required they will consult the Chairman who will have power of MD as well.

The Acting MD, MWMC Multan incurred an expenditure of Rs 138.883 million during 2018-19 on account of payment of salaries, POL, procurement of goods, repair of vehicles etc. without having any financial powers. The Acting MD submitted a request to Chairman that to run the routine matters of company it is deemed necessary to delegate him the financial powers up to Rs 100,000 on 29.12.2017 just two days after BOD meeting. The Chairman delegated financial power without approval of BOD. Later on the Chairman irregularly delegated financial powers to Acting MD regarding Salaries, POL matters without any

approval from Board. Further, assigning of powers of MD to chairman was also violation of above rule which states that chairman should not involve in day to day operations of the company.

Due to misuse of authority, the chairman assumed the charge of MD and delegated financial powers to acting MD without approval of BOD.

Sanction of expenditure without delegated financial powers by BOD resulted in irregular expenditure of Rs 138.883 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that in the light of powers delegated by the BOD, the chairman further delegated the financial powers to acting MD for smooth functioning of company affairs. The reply was not acceptable as the financial powers were delegated without approval of BOD.

DAC, in its meeting, held in September, 2020 directed the CEO to get the expenditure vetted from the BOD. No progress was intimated till the finalization of Report.

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

[AIR Para No. 01]

7.4.3 Unauthorized payment of bonus against approval - Rs 29.958 million

According to rule 2.31(a) of Punjab Financial Rules Vol-I, a drawer of bill of pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations. Further, according to item No.3 of 34th meeting of BOD, the board unanimously approved one basic pay as performance bonus to only those MWMC staff / workers who attended their job during days of Eid. However, the payment of the bonus is made conditional to the attendance verification of all the staff by the District Monitoring Officer Multan as he along with his team was specially deputed for verification of the staff in the field as well as entire machinery / vehicles hired during Eid days.

The MD, MWMC made payment of Rs 29.958 million during 2018-19 to the staff of company as bonus for extra duty on Eid-ul-Ahza, 2018. As per minutes of the meeting of BOD the payment of the bonus was admissible only after the verification of attendance of sanitation staff by the District Monitoring Officer Multan. It was observed that payment of bonus was made without verification of attendance from the concerned officer. Payment of bonus was also made to officers / management of MWMC and 20 officials of DMO against the approval of BOD. The detail is as under:

(Rs in Million)

Date	BPV No.	Cheque No.	BOD meeting	Particulars	Amount
19-Sep-18	19	806819821	34 th	Payment of performance based bonus to sanitation staff of MWMC worked on Eid-ul-Azha 2018	28.377
16-Mar-19	198	8066855071	38 th	Payment to SW against double duty allowance	1.581
Total					29.958

Due to weak financial controls, payment of bonus was made without any authority by the MD and staff was unauthorized benefited.

Unauthorized payment of bonus resulted in loss of Rs 29.958 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that the bonus and double duty allowance was paid after approval from the BOD. The reply was not acceptable as the attendance of staff was not verified by the District Monitoring Officer.

DAC, in its meeting, held in September, 2020, kept the para pending for record verification by Audit. No progress was intimated till the finalization of Report.

Audit recommends inquiry of the matter at appropriate level besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 08]

7.4.4 Irregular expenditure by splitting – Rs 14.563 million

According to rules 9, 10 (2) and 12 of the Punjab Procurement Rules 2014, procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly, without any splitting or regrouping of the procurements so planned and annual requirements thus determined would be advertised in advance on the PPRA's website. Procurement opportunities over Rs 100,000 and up to Rs 2 million shall be advertised on the PPRA's website in the manner and format specified by the PPRA from time to time. 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.

The MD, MWMC incurred expenditure of Rs 14.563 million during 2018-19 on rent of machinery, hiring of loader rickshaw and sanitary workers, repair of vehicles and machinery, and different procurements etc. by splitting the expenditure just to avoid the sanction of BOD and tendering process. The expenditure was incurred by calling quotations through quotation notice by pasting on the notice board of the office. The quotation process was also doubtful as revealed after scrutiny of quotations that the same was self-prepared. Furthermore, the nature of expenditure was unjustified and in excess of actual expenditure.

Due to weak financial controls, expenditure was incurred by splitting through fake quotation process.

Doubtful expenditure on fake quotation process by splitting resulted in misprocurement of Rs 14.563 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that purchases were made on need basis for completion of tasks / activities on different occasions during the whole financial year. The reply was not acceptable as the expenditure was incurred without procurement planning by splitting the indents.

DAC, in its meeting, held in September, 2020 decided to conduct departmental inquiry through Directorate General (Inspection & Monitoring) Government of the Punjab LG & CD Department. No progress was intimated till the finalization of Report.

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

[AIR Para No. 04]

7.4.5 Misuse of authority by awarding rate contract of POL to petrol pump of Mayor / Chairman BOD - Rs 10.173 million

According to rule 5 (5) (b) (i) of the Public Sector Companies (Corporate Governance) Rules, 2013, the directors and executives of a Public Sector Company do not allow a conflict of interest to undermine their objectivity in any of their activities, both professional and private and that they do not use their position in the Public Sector Company to further their private gains in a social or business relationship outside the Public Sector Company. Further, according to rule 2.10 (a) 3 of PFR Vol-I, no authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.

The management of the MWMC incurred expenditure of Rs 10.173 million during 2018-19 for purchase of POL from the petrol pump of Chairman BOD. The charge of Chairman of MWMC was assigned to Mayor Municipal Corporation Multan in February 2017. After assuming the charge of Chairman, the Mayor being chairman of BODs awarded the rate contract of POL of primary collection, secondary collection and door to door collection vehicles of company to his own petrol pump. The name of brother of Mayor MC Multan was printed on the letter head pad of Petrol Pump. The petrol pump of Mayor was about 12 km away from the Main Workshop of Company and daily 24 Km extra was to be travelled just for filling of POL. No justification for change of Petrol Pump was available on record except an application from supervisor that the present filling station had no sufficient space and vehicles had to wait a lot for filling of fuel. The work was

awarded without open tendering process in violation of PPRA Rules. The detail of POL drawn is as under:

(Rs in Million)

Date	BPV No.	Cheque No.	Particulars	Head of Accounts	Amount
6-Jul-18	13	8066823278	Payment To Latif Petroleum against Purchase of Engine Oil 240 (DEO 6000 20 W 50) for Operational Vehicles	Lubrication	0.098
6-Jul-18	14	8066823279	Payment To Latif Petroleum against Purchase of Engine Oil 240 (DEO 6000 20 W 50) for Operational Vehicles	Lubrication	0.098
16-Jul-18	46	8066823314	Payment To Latif Petroleum against Purchase of fuel for the Operational Vehicles of MWMC M/o (June-2018)	POL	3.775
1-Jan-19	316	8066823753	Payment To Latif Petroleum against Purchase of Fuel for the Vehicles of MWMC M/o (Aug-2018) 18 days bill	POL	2.516
2-Oct-18	37	806819842	Payment To Latif Petroleum against Purchase of fuel for the Operational Vehicles of MWMC M/o (July-2018)	POL	3.686
Total					10.173

Due to misuse of authority, contract of POL was awarded to petrol pump of Chairman BOD despite the same was situated at a reasonable distance.

Misuse of authority resulted in irregular expenditure amounting Rs 10.173 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that the petrol pump was shifted after detailed survey, discussion and approval of Chairman BOD. The reply was not acceptable as the approval was not obtained from the BOD and contract of POL was awarded to petrol pump of Chairman BOD despite the same was not central point of the operational area.

DAC, in its meeting, held in September, 2020, kept the para pending for record verification by Audit. No progress was intimated till the finalization of Report.

Audit recommends inquiry of the matter at appropriate level besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 02]

7.4.6 Unauthorized payment of arrears of pay to staff – Rs 9.203 million

According to clause 9 (x) of SAMA agreement “The MWMC shall not pay arrears of pay and allowances or arrears due to less drawn pay and allowances of the employees specified in Sub-Clause i of clause 8 of this agreement for the period prior to the commencing day”.

The MD, MWMC made irregular payment of Rs 9.203 million on account arrears of pay of drivers regularized by the MCM during 2018-19. The amount was paid as per decision of 37th BOD meeting against the above condition of the SAMA. Payment made against the agreement was unauthorized.

(Rs in Million)

Date	BPV No.	A/c Nature	Cheque No.	Particulars	Amount
31-Jul-18	147	Current	8066823419	Payment to drivers against arrears	0.409
31-Jul-18	148	Current	8066823420	Payment to drivers against arrears	8.794
Total					9.203

Due to weak internal controls, unauthorized payment of arrears of pay was made.

Non-compliance of SAMA conditions resulted unauthorized payment of arrears amounting to Rs 9.203 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that the payment of arrears to drivers was made after completing all the codal formalities and in compliance of letter of CO Municipal Corporation Multan. The reply was not acceptable as the payment of arrears were made for the period before establishment of the Company.

DAC, in its meeting, held in September, 2020 directed the company to make recovery from Municipal Corporation Multan as they were employees of MCM before July, 2014. No progress was intimated till the finalization of Report.

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

[AIR Para No. 19]

7.4.7 Withdrawal of bills by establishing firms through employees – Rs 8.968 million

According to rule 5 (5) (b) (i) of the Public Sector Companies (Corporate Governance) Rules, 2013, the directors and executives of a Public Sector Company do not allow a conflict of interest to undermine their objectivity in any of their activities, both professional and private and that they do not use their position in the Public Sector Company to further their private gains in a social or business relationship outside the Public Sector Company.

The MD, MWMC withdrew funds of Rs 8.968 million during 2018-19 on account of repair of vehicles, hiring of machinery, loader rickshaws, hiring of labour and purchase of other store items from M/s Abdul Qayyum and Company and Umar and Company. M/s Abdul Qayyum and Company was established in the name of son of employee (now retired from service) and Umar and Company was established in the name of brother of the employees. Most of the expenditure was incurred without tendering process by splitting of expenditure to issue the work order to the firms as mentioned above in violation of above rules. The funds were withdrawn without the approval of BOD. It was revealed that the firms were established to prepare the bills. **Annexure-1/MWMC**

Due to weak internal controls, bills were prepared by establishing firms through employees of the Company.

Establishment of firms through employee of the Company and withdrawal of funds resulted in doubtful expenditure of Rs 8.968 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that the both firms participated in quotation / tendering process and procurement from these firms were made purely on merit and on lowest rates as per PPRA rules. The reply was not acceptable as the expenditure was incurred by splitting the indents to avoid the open tendering and purchases were made from the firms established through the employees.

DAC, in its meeting, held in September, 2020 decided to conduct departmental inquiry through Directorate General (Inspection & Monitoring) Government of the Punjab LG & CD Department. No progress was intimated till the finalization of Report.

Audit recommends inquiry of the matter at appropriate level besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 03]

7.4.8 Irregular payment of salaries without verification of educational certificates - Rs 8.573million

According to approval of Summary to the Chief Minister conveyed through LG&CD Department's letter No AO (DEV)(LG)2-252/97(P-v) dated 19-05-2014 approval of Human Resource Structure/Organizational Chart of the Company at Divisional Level had to be subscribed to. It was further clarified by the LG&CD Department vide circular bearing No AO(Dev)(L.G)2-252/97(P.IV) dated 05.09.2017 that being part of the local Government system these companies were directed that salary structure for core teams of these entities warranted fixation in line with a grid matrix. The salary to be offered to the core team included all emoluments, perks and privileges dis-entitling them to claim any other remuneration or perquisites. The Grid Matrix prescribed having long term financial implications warranted adherence to the consultative process with the Finance Department as prescribed under the provisions of the Punjab Government Rules of Business 2011. Further, offers of appointment had to envisage educational certificate to be got verified from the HEC as per directions of the Government of the Punjab.

The management of MWMC appointed staff for its administrative and operational departments and paid salaries and perks to the staff amounting to Rs 8.573 million during 2018-19. The record showed that payment of salaries was made without verification of educational certificates from the HEC and the chance of appointment on the basis of fake educational certificates could not be eliminated. The detail is as under:

(Rs in Million)

Date	BPV No.	Cheque No.	Particulars	Amount
13-Feb-19	111	806867957	Payment of Staff Salary + Acting MD Salary (M/O Jan-19)	1.436
1-Mar-19	173	8066855044	Payment of Management Staff Salary (M/O Feb-19)	1.432
1-Apr-19	221	8066855094	Payment of Management Staff Salary (M/O Mar-19)	1.432
2-May-19	274	8066855552	Payment of Management Staff Salary (M/O April-19)	1.432
29-May-19	300	8066855420	Payment of Management Staff Salary (M/O May-19)	1.435
29-Jun-19	355	8066855601	Payment of Management Staff Salary (M/O June-19)	1.406
Total				8.573

Due to weak internal controls educational certificates were not got verified from the HEC and salaries were paid continuously.

Non-verification of educational certificates from the HEC may result in appointment on the basis of fake documents and irregular payment of salaries.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that the educational certificates / degrees of all the newly appointed core staff have been sent to their concerned universities / institutions for verification. The reply was not acceptable as no verification of degrees was shown.

DAC, in its meeting, held in September, 2020, kept the para pending for record verification by Audit. No progress was intimated till the finalization of Report.

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

[AIR Para No. 23]

7.4.9 Doubtful expenditure on repair without movement of vehicles towards workshops - Rs 7.281 million

According to clause 4.2 & 10.1.1 of Procurement and Contractual Manual, "All MWMC employees involved in the procurement process shall have the

responsibility for ensuring that the procurement of goods and services for Company is carried out in a cost effective manner. Further, according to rule 8 of West Pakistan Government (Use and Maintenance of Vehicle) Rules, 1969, the log book should be daily examined and countersigned by the officer in-charge at the end of each day in token of authentication of entries recorded in the log book signed by the driver.

The MD / CEO, MWMC Multan incurred expenditure amounting to Rs 7.281 million during 2018-19 on repair of vehicles. The vehicles were not travelled to any workshop during the period of work order and supplier bill. Self-prepared history sheets were maintained by re-producing the supplier bills but the same were not substantiating on verification of movement of vehicles in the log books. Hence, the expenditure was doubtful and chances of fake billing cannot be ignored in all the cases. Further, expenditure without framework contract and approval of BOD strengthen the doubts on the authenticity of expenditure.

Due to weak internal controls, the expenditure was incurred without tendering process and approval of BOD which was also not verifiable from the movement of vehicles.

Doubtful expenditure on repair without movement of vehicles towards workshops resulted in irregular expenditure amounting to Rs 7.281 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that all the work was done on quotation basis on lowest rates in fair and transparent manner. The vehicles were properly travelled to workshop during the period, history sheets were maintained as per actual work performed. The reply was not acceptable as the vehicles were not travelled to workshop and expenditure was incurred without tendering process.

DAC, in its meeting, held in September, 2020, kept the para pending for record verification by Audit. No progress was intimated till the finalization of Report.

Audit recommends inquiry of the matter at appropriate level besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 34]

7.4.10 Doubtful tendering process for hiring of rental machinery – Rs 6.395 million

According to rule 30 (3) of the PPR 2014, all bidders in attendance at the time of opening of the bids shall sign an attendance sheet. Further, according to rule 5(5) of the Corporate Governance Rules 2013, the board shall establish a system of sound internal controls, which shall be effectively implemented at all levels within the Public Sector Company, to ensure compliance with the fundamental principles of probity and propriety. Furthermore, according to serial No.08 of the technical specification of the tender document, log books must be maintained for the machinery by both the parties of the contract.

The MD / CEO, MWMC Multan incurred expenditure of Rs 6.395 million during 2018-19 on hiring of rental machinery on the eve of Eid-ul-Azha, 2018. Scrutiny of record revealed that the tendering process was doubtful. The cost of each tender was Rs 2,000 and total Rs 26,000 was deposited in the bank on account of tender form fee on 31.08.2018 despite the tender was opened on 07.08.2018. Three firms participated in the tendering process of hiring of rental machinery namely, M/s Oval Engineering & Construction Service, M/s Office Max and M/s Business Concern. Audit noted the stamp of M/s Office Max affixed on the tender documents of M/s Business Concern with attempt to deface the stamp. No attendance sheet duly signed by the participating bidders / firms was available in the record / produced to Audit. The reasonability of rates / market survey was not conducted before award of contract. The verification of actual machinery received was given on 13.09.2018 instead of dates of hiring of rental machinery. Repeat order of Rs 60,800 was given to M/s Oval Engineering & Construction Service without approval of BOD. No log book of the vehicle was available / produced for scrutiny of actual working of machinery with detail of operational area despite the

payment was made on the basis of working of 12 hours per day. The detail is as under:

(Rs in Million)

Date	BPV No.	Cheque No.	Particulars	Amount
22-Sep-18	28	806819833	Payment to Business Concern against hiring of Rental machinery for Collection of Waste / Offal on the Event of Eid-ul-Azha 2018 and one time cleaning of Multan city	0.588
12-Dec-18	100	806867928	Payment to Oval Engineering against Hired Rental Machinery on Eid-ul-Azha 2018 for the Cleanliness of Multan City	3.083
30-Mar-19	217	8066855090	Payment to MS office Max for rental machinery on Eid-ul-Azha 2018 for Multan city	2.724
Total				6.395

Due to weak internal controls, the tendering process was doubtful and actual expenditure was not verifiable due to non-maintenance of record.

Doubtful tendering process and non-maintenance of record resulted in irregular expenditure of Rs 6.395 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that the expenditure was incurred on most economical manner. Committee was also constituted for technical and financial evaluation by the BOD and payment has also been made with the approval of BOD. The reply was not acceptable as the tendering process was doubtful.

DAC, in its meeting, held in September, 2020, kept the para pending for record verification by Audit. No progress was intimated till the finalization of Report.

Audit recommends inquiry of the matter at appropriate level besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 32]

7.4.11 Unauthorized payment of salaries of monitoring officers – Rs 1.304 million

According to rule 2.31(a) of Punjab Financial Rules Vol-I, a drawer of bill of pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations. Further, the BOD in its 23rd meeting dated 21.01.2017 discussed the matter of renewal of contract of 07 No's of Monitoring Officers working in Operations Department of MWMC.

The MD, MWMC made payment of Rs 1.304 million on account of salaries of 09 Monitoring Officer during 2018-19 without assuring verified attendance record for the payment period. The payment of salary was made against the minutes of meeting of 38th BOD meeting (duly approved in 39th BOD meeting). Services of Monitoring Officers were continued without the approval of BOD. The matter was also reported in last year Audit Report intimating that the minutes of 23rd BOD meeting were tampered and Monitoring Officers were allowed to continue their services. The detail of payment is as under:

(Rs in Million)

Date	BPV No.	Cheque No.	Particulars	No. of Monitoring Officers	Salary Month	Amount
6-Aug-18	193	8066823473	Payment of Salary To Monitoring officers M/o (July-2018)	9	July-18	0.200
3-Dec-18	91	806867912	Payment of Salary To Monitoring officers M/o (Aug-2018)	9	Aug-18	0.200
3-Dec-18	92	806867913	Payment of Salary To Monitoring officers M/o (Sep-2018)	9	Sep-18	0.180
26-Feb-19	158	8066855017	Payment of Salary To Monitoring officers M/o (Oct-2018 To 06-Feb-2019)	9	Oct-18 to 06 Feb-19	0.724
Total						1.304

Due to poor administration, the services of Monitoring Officers were extended without approval of BOD.

Extension in services of Monitoring Officers without approval of BOD resulted in unauthorized expenditure of Rs 1.304 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that MWMC has hired monitoring officers without adopting the due procedure and after fulfilling all the formalities. As per decision made by BOD the services of ex-Monitoring officers have been terminated. However, the payment of salaries was made in the light of order passed by the Labour Court. The reply was not acceptable as no responsibility was fixed for hiring of monitoring officers without adopting the formalities.

DAC, in its meeting, held in September, 2020 decided to conduct departmental inquiry through Directorate General (Inspection & Monitoring) Government of the Punjab LG & CD Department for fixing of responsibility. No progress was intimated till the finalization of Report.

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

[AIR Para No. 17]

7.4.12 Unjustified expenditure on lubricants and filters of vehicle and machinery – Rs 1.123 million

According to rule 7.4.4 and 7.4.7 of the Accounting and Financial Reporting Manual, inventory records are maintained by persons not responsible for the physical handling of stock in the store. Inventory shall be recorded on the basis of receipt obtained from the supplier and any other documentation relating to purchase of inventory. Inventory shall be recorded as an expense when it is consumed. A register of inventory shall be maintained by the Store In-charge and it shall be reviewed by the Manager Accounts and periodically by the Chief Financial Officer in order to keep the check. A physical inspection and counting of inventory is conducted quarterly by the Manager Administration to verify and check the inventory records. A count of physical quantities enables a comparison

to be made between the inventory records and physical inventory, thus revealing any discrepancies caused by clerical errors, theft or deterioration.

The MD, MWMC incurred expenditure of Rs 1.123 million during 2018-19 on account of purchase of lubricants of machinery and vehicles for the period of June to July, 2018. The procurement process was doubtful as revealed from voucher No.132 where quotation notice of dated 24.05.18 but quotations of dated 23.05.18 before quotation notice and comparative statement showing the rates of M/s Abdul Qayyum despite quotation of Abdullah Traders was received. In the supplier bills and payment vouchers No.133, 134, 77 and 99, amount of Rs 32,820, Rs 42,120, Rs 6,000 and Rs 8,000 respectively was deducted on account of used oil at Rs 30 per liter despite no record of used items was maintained. Further, such deduction / adjustments were quite unjustified in absence of market rate analysis. The payment of 300 liter hydraulic oil was made vide voucher No.137 despite the demand of store keeper was for purchase of 200 liter gear oil. The stock register of the lubricants was maintained by the store keeper who was also responsible for the physical handling of the lubricants. The store keeper issued the lubricants without any authorization by the manager workshop. The consumption record was also not properly maintained as signature of the drivers of the machinery and vehicles were missing at many places. Furthermore, gear oil, air filters and diesel filters were misappropriated by reducing the quantity carry forwarded at the next page of stock register. The detail of expenditure is as under:

(Rs in Million)

BPV No.	Quotation date	Date of bill	Name of firm	Item	Qty	Rate	Amount	Old material	Net payment
13	20.06.18	23.06.18	Latif Petroleum Service	Engine oil	240	410	0.098	0	0.098
14	14.06.18	19.06.18		DEO 6000	240	410	0.098	0	0.098
132	28.05.18	04.06.18	Shell Multan Filling Station	Mobil oil	240	410	0.098	0	0.098
133	23.06.18	26.06.18		20w50	240	410	0.098	0.033	0.066
134	27.06.18	28.06.18			240	410	0.098	0.042	0.056
137	09.06.18	17.06.18		Hydraulic Oil	300	298	0.089	0	0.089
154	02.07.18	05.07.18		(Caltex)	300	298	0.089	0	0.089
155	29.06.18	05.07.18		Gear oil (EP-140 GL-4)	200	410	0.082	0	0.082

BPV No.	Quotation date	Date of bill	Name of firm	Item	Qty	Rate	Amount	Old material	Net payment
248	20.07.18	23.07.18		Hydraulic Oil (Caltex)	300	298	0.089	0	0.089
275	19.07.18	23.07.18		Gear oil (EP-140 GL-4)	200	410	0.082	0	0.082
77	19.05.18	23.05.18	Abdul Qayyum GOS	Different filters			0.099	0.006	0.093
99	04.06.18	08.06.18					0.100	0.008	0.092
Total							1.123	0.089	1.034

Due to weak internal controls, neither the procurement was transparent nor was record of received store maintained properly.

Doubtful purchase of material and improper maintenance of record of purchased material resulted in unjustified expenditure of Rs1.123 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that the purchases were made as per demand on need basis after approval of competent authority at the lowest rates. The reply was not acceptable as purchase process was doubtful. Purchases were made in excess of demand and in record verification misappropriation of lubricants were also pointed out.

DAC, in its meeting, held in September, 2020, kept the para pending for recovery and record verification of record by Audit. No progress was intimated till the finalization of Report.

Audit recommends inquiry of the matter at appropriate level besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 06]

7.4.13 Uneconomical expenditure on hiring of labour – Rs 1.023 million

According to clause 4.2 & 10.1.1 of Procurement and Contractual Manual, “All MWMC employees involved in the procurement process shall have the responsibility for ensuring that the procurement of goods and services for Company is carried out in a cost effective manner.

The MD / CEO, MWMC Multan incurred expenditure of Rs 1.023 million during 2018-19 on hiring of labour / sanitary workers on the eve of Eid-ul-Azha and one time cleaning activities. The tender was not approved by the BOD due to high rate. The BOD in its 33rd meeting constituted a committee for direct contracting and declaring emergency for hiring of labour / sanitary workers, as in the remaining days tendering process was not possible. The committee consisting of ADCR, ADC (F&P) and MD, MWMC called quotations through quotation notice. Audit observed that the quotation notice was without number and date and it was not addressed to any firm / contractor. Audit revealed that the BOD was given authority for direct contracting, but committee called quotation in doubtful manner. The quotations of M/s Business Concern and M/s Oval Engineering & Construction Service were without signature of bidders. The rate of Rs 1,850 per days given by M/s Oval Engineering & Construction Service which was accepted by the committee despite the approved rate of the Government of Punjab Finance Department was Rs 593 per day for Multan during the relevant period. Further, no detail of actual work done was available / produced. On the goods received / inspection report total quantity of hired labour was mentioned without list of labour with name and address etc. The stamp of M/s Oval Engineering & Construction Service on the goods received report of the company was also not understood. Signature of bidder on different documents was different from each other. All the above create doubts on the transparency of the expenditure.

Due to weak internal controls, the quotation process was doubtful and expenditure was uneconomical.

Violation of rules resulted in uneconomical expenditure of Rs 1.023 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that the tender was not approval by the BOD due to high rate. The BOD constituted a committee for direct contracting and declared emergency for hiring of labour / sanitary workers as in the remaining days tendering process was not possible. The committee called quotations and payment has been made with the

approval of BOD. The reply was not acceptable as the paid labour rate was in excess of rates approved by the Finance Department for the Multan district.

DAC, in its meeting, held in September, 2020, kept the para pending for record verification by Audit. No progress was intimated till the finalization of Report.

Audit recommends inquiry of the matter at appropriate level besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 33]

7.5 Others

7.5.1 Irregular finalization of books of account due to non-appointment of external auditors – Rs 5,251.941 million

According to the Government of Punjab Finance Department letter No. FD / CFU / 2018 / 013 dated 02 April 2018 issued by Head Corporate Finance Unit, secretary to committee to verify credential of external auditors of PSCs. Further according to clause 55 of Articles of Association, the Directors shall as required by Section 233 of Companies Ordinance 1984, cause to be prepared and to be laid before the company in Annual General Meeting such balance sheet and income & expenditures account and cash flow statement dully audited and reports as required in the Ordinance.

The MD, MWMC Multan failed to appoint external audit firms to ensure audit credibility and transparency of accounts of Rs 5,251.941 million during 2016-19. According to decision of the committee, formed by the Chief Minister, all PSCs in Punjab must appoint their external audit firms from category “A” on panel of auditors maintained by State Bank of Pakistan. The transparency and credibility of accounts of the company have a question mark in absence of external auditors. The detail is as under:

(Rs in Million)				
Particulars	2016-17	2017-18	2018-19	Total
Total Receipts during the year	1,046.032	862.945	899.837	2,808.814
Total Expenditure during the year	739.959	856.752	846.416	2443.127
Total Outlays	1,785.991	1719.697	1746.253	5,251.941

Due to weak financial controls, credibility and transparency was not ensured due to non-appointment of external auditors.

Violation of rules resulted in irregular finalization of accounts of Rs 5,251.941 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that the efforts were made to hire an External Auditors for the company but

due to some management issues the external auditors were not appointed. The reply was not acceptable as audited financial statements of the Company were not available.

DAC, in its meeting, held in September, 2020 decided to keep the para pending till provision of audited financial reports. No progress was intimated till the finalization of Report.

Audit recommends proper justification along with record of efforts made for appointment of external auditors or regularization of expenditure and income from the competent authority besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 27]

7.5.2 Doubtful expenditure on hiring of rickshaws and labour – Rs 2.674 million

According to rule 5 (5) (b) (i) of the Public Sector Companies (Corporate Governance) Rules, 2013, the directors and executives of a Public Sector Company do not allow a conflict of interest to undermine their objectivity in any of their activities, both professional and private and that they do not use their position in the Public Sector Company to further their private gains in a social or business relationship outside the Public Sector Company.

The MD, Multan Waste Management Company incurred an expenditure of Rs 2.674 million during 2018-19 on account of hiring of rickshaws and sanitary workers during March to May, 2018 despite availability of required vehicles, machinery and equipment and more than 2,100 sanitary workers. The expenditure was incurred for improvement of cleanliness situation in UC-47 and other operational areas by hiring of rickshaws and sanitary workers per day. No approval of BOD was available / produced and expenditure was incurred by splitting keeping the claims less than Rs 100,000 to avoid the approval of BODs and tendering process. The rickshaws and labour was hired by local quotations through quotation notice. Most of the quotations were unsigned by the contractors / firms and quotations were not entered in diary register. All the work order / purchase

orders were given to Umar and Company. No detail of actual work done and locations in the Union Councils were available in the record. Whole of the expenditure held doubtful and misappropriation of funds cannot be ignored as the expenditure was incurred despite availability of required machinery and labour without detail of actual work done. Furthermore, the funds were withdrawn without approval of competent authority by splitting of expenditure. **Annexure-2/MWMC**

Due to weak internal controls, doubtful / bogus expenditure was incurred on hiring of rickshaws and sanitary workers.

Doubtful expenditure may result in loss of Rs 2.674 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that the expenditure was mostly incurred on one time cleaning activity in the city for working in small streets where the access of heavy loader and tractor trolley was not possible. The deployment of loader rickshaws were made in various Union Councils and payment was made after verification of work done by concerned Supervisors. The loader rickshaws were hired from various firms who were responsible to maintain the particulars of rickshaws and their drivers. The reply was not acceptable as the expenditure was incurred by splitting to avoid the tendering process and approval of BOD without maintenance of record of work done.

DAC, in its meeting, held in September, 2020 decided to conduct departmental inquiry through Directorate General (Inspection & Monitoring) Government of the Punjab LG & CD Department. No progress was intimated till the finalization of Report.

Audit recommends inquiry of the matter at appropriate level besides fixing of responsibility on the person(s) at fault.

[AIR Para No. 05]

7.5.3 Unauthorized payment of pending liability to PITB on amended contact without approval of BOD - Rs 1.538 million

According to rule 2.31(a) of Punjab Financial Rules Vol-I, a drawer of bill of pay, allowances, contingent and other expenses will be held responsible for any over charges, frauds and misappropriations.

The MD, MWMC made irregular payment to Punjab Information Technology Board Government of Punjab for the period 02.01.2017 to 01.01.2018 during 2018-19 on an amended agreement with PITB. The extension of consultancy agreement with PITB valuing Rs 2.050 million was made without approval of BOD. Payment of Rs 1.538 million was made through three cheques with equal amount of Rs 0.512 million for the period during 02.01.2017 to 01.01.2018 with approval note as “payment w.e.f. Jan to April 2017. The administration was asked to provide the detail of training, procurement; development, maintenance and support provided by the PITB during the period of contract, but the administration have no detail of such services provided by the PITB. Company did not maintain any record and stock register to monitor the assets and services rendered by PITB. Further, pending bills were paid without approval of BOD. Bills were processes without inspection / physical status report of items provided / installed by the PITB. The detail is as under:

(Rs in Million)

Sr. No.	Particular	Jan-April 2017	April-July 2017	Oct-Jan 2017-18	Amount
		V. No. 70 Cheque No. 0806819881 dated 11.10.2018	V. No. 69 Cheque No. 0806819880 dated 11.10.2018	V. No. 68 Cheque No. 0806819879 dated 11.10.2018	
1	Provision of training, procurement, development, maintenance and support services	0.338	0.338	0.338	1.013
2	TA/DA POL	0.013	0.013	0.013	0.038
3	Provision of web server 21CPU Core, 21GB RAM, 300 GB HDD, 1 Public IP, 1 Snapshot	0.053	0.053	0.053	0.160
4	Provision of DB Server at PITB Data Center	0.066	0.067	0.067	0.200
5	Provision of 6 MB dedicated internet to servers	0.030	0.030	0.030	0.090
6	Provisioning of Backup data/ procurement for	0.013	0.012	0.012	0.037
Total		0.513	0.513	0.513	1.538

Due to weak internal controls, revised agreement and payment of pending bills were made without approval of BOD and maintenance of record of services rendered.

Unauthorized payment of pending bills without approval of competent authority resulted in irregular payment of Rs 1.538 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that MD MWMC has the delegation powers to sign the agreement with any company in the best interest of Multan Waste Management Company. The MD has signed agreement with PITB on the direction of LG&CD Department for the best technical support in IT department of MWMC. The reply was not acceptable as resolution / approval of BOD was not shown.

DAC, in its meeting, held in September, 2020, kept the para pending for record verification by Audit. No progress was intimated till the finalization of Report.

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

[AIR Para No. 16]

7.5.4 Doubtful withdrawal of POL for unknown vehicles - Rs 1.267million

According to rule 5(a) (i) of Public Sector Companies (Corporate Governance) Rules, 2013, the Board shall establish a system of sound internal controls, to ensure compliance with the fundamental principles of probity and propriety, objectivity, integrity and honesty and relationship with the stakeholders, especially with respect to handling of public funds.

The MD, MWMC issued POL of Rs 1.267 million to vehicles of Sanitary Inspectors, Zonal in-charges, Assistant Sanitation Officers and Monitoring Officers without observing entitlements during 2018-19. The management did not produce detail of vehicles nominated for withdrawal of POL against their entitlement. Logbooks of vehicles were also not produced to Audit due to which Audit was unable to verify POL drawn according to entitlement. Further POL drawn during leave or suspension period of employees was also not verifiable. Audit calculated the amount of POL drawn from bills of Modern Fuels for the month of December-18 to February-19 (three months). However, the exact

calculation of total amount of POL drawn is rest with the company. The detail is as under:

(Rs in Million)

BPV No.	Particulars	Total payment	Amount of POL drawn by Monitoring staff	Amount of POL drawn by Supervisors/office staff
118	Payment to Modern Fuels against purchase of fuel for the Operational Vehicles of MWMC M/o (Dec-2018)	4.458	0.093	0.390
174	Payment to Modern Fuels against purchase of fuel for the Operational Vehicles of MWMC M/o (16.01.2019 To 31.01.2019)	1.885	0.052	0.138
188	Payment to Modern Fuels against purchase of fuel for the Operational Vehicles of MWMC M/o (01.01.2019 To 15.01.2019)	2.173	0.032	0.143
200	Payment to Modern Fuels against purchase of fuel for the Operational Vehicles of MWMC M/o (01.02.2019 To 15.02.2019)	1.835	0.036	0.157
211	Payment to Modern Fuels against purchase of fuel for the Operational Vehicles of MWMC remaining payment M/o Jan, 2019	0.078	0	0.078
212	Payment to Modern Fuels against purchase of fuel for the Operational Vehicles of MWMC M/o (16.02.2019 To 28.02.2019)	1.603	0.042	0.106
	Total	12.032	0.255	1.012

Due to weak financial controls, POL was drawn for unknown vehicles.

Withdrawal of POL for unknown vehicles without entitlement resulted in likely misappropriation of Rs 1.267 million.

The matter was reported to the CEO, MWMC in April, 2020. The CEO replied that the fuel was given to the sanitary inspectors, sanitary supervisors, zonal in-charges, assistant sanitation officers and monitoring officers as per direction of MD MWMC and the entitlement of fuel was notified by the HR & Admin Department and conveyed to the concerned official. The reply was not acceptable as no documentary evidence was shown to Audit.

DAC, in its meeting, held in September, 2020, kept the para pending for record verification by Audit. No progress was intimated till the finalization of Report.

Audit recommends proper justification along with relevant record or recovery of paid funds without entitlement besides fixing responsibility on the person(s) at fault.

[AIR Para No. 29]

8. Cattle Market Management Company, Sahiwal Division

CHAPTER 8.1

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 MD, CMMC, Sahiwal Division during 2017-19.

(Rs in Million)				
2017-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	42.628	36.158	-6.470	-15.18%
Non-salary	28.367	19.137	-9.230	-32.54%
Sub Total	70.995	55.295	-15.700	-22.11%
Receipts	72.652	74.476	1.824	2.51%

- An amount of Rs 42.628 was provided for pay and allowance out of which Rs 36.158 million was utilized resulting in saving of Rs 6.470 million (15.18 %).
- An amount of Rs 28.367 million was provided for non-salary component out of which Rs 19.137 million was utilized resulting in saving of Rs 9.230 million (32.54%).
- Receipts / revenue of Rs 72.652 million was budgeted against which Rs 74.476 million was actually realized resulting in Rs 1.824 million (2.51%) being realized in excess of the budgeted amount.

ii. Analysis of Targets and Achievements

Sectoral analysis of Cattle Market Management Company Sahiwal Division was made on the basis of various receipts heads for the financial year 2017-19.

Head Wise	Budget Income 2017-19	Actual Income 2017-19	Excess (+) Savings (-)
Interset on term deposits Receipts	6,396,000	9,036,784	2,640,784
Tender Form issuance Receipts	1,371,567	261,500	(1,110,067)
fodder Shop Lease	11,802,984	12,150,367	347,383
Hotel Lease	4,136,644	3,594,156	(542,488)

Head Wise	Budget Income 2017-19	Actual Income 2017-19	Excess (+) Savings (-)
Ornamental Lease	2,218,004	2,274,644	56,640
Promotional stall Lease	-	128,000	128,000
Tea stall Lease	-	3,318,455	3,318,455
General Store Lease	1,995,450	2,290,954	295,504
Parali Lease	15,788,150	5,363,652	(424,498)
Parking Lease	20,617,445	8,603,298	(2,014,147)
Waste Lease	-	12,000	12,000
Khurli Fee Self	1,571,600	1,824,830	253,230
Charpai fees Self	2,787,768	2,198,715	(589,053)
Parking fees Self collection	-	793,630	793,630
Parali Self collection	-	1,659,500	1,659,500
Other income (Scrap Sale)	-	965,947	965,947
Other Stalls	3,966,154	-	(3,966,154)
Total	72,651,766	74,476,432	1,824,666

iii. Serious Financial Irregularities and Findings

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

- Non-Production of Record worth Rs 7.583 million was reported in 01 cases¹².
- Procedural irregularities amounting to Rs 6.116 million were noticed in 02 cases¹³.
- Value for Money and Service Delivery Issues involving Rs 6.956 million were noticed in 02 cases.¹⁴
- Other issues involving an amount of Rs 28.018 million were noticed in 02 cases.¹⁵

iv. Suggestions / Remedial Measures

- Strengthening the regulatory framework, following the rules e.g. PPRA rules for purchasing, adhering to the rules of propriety and probity in

¹²8.3.1
² 8.4.1 to 8.4.2
⁴ 8.5.1 to 8.5.2
⁵8.6.1 to 8.6.2

use of development and non-development funds. Moreover, this can be checked by holding accountable those who are responsible for such irregularities at appropriate forums.

- Shortage of staff at different levels should be overcome.
- Efforts should be made for expediting the realization of outstanding amounts from the contractors and payment of withholding tax well in time.
- Establishment of internal control system and proper implementation of the monitoring system should be ensured.
- Budget should be rationalized with respect to utilization.

CHAPTER 8.2

Cattle Market Management Company, Sahiwal Division

8.2.1 Introduction

Cattle Market Management Company Sahiwal (CMMC Sahiwal) was incorporated as a company limited by guarantee (as per Section 42 of Companies Ordinance, 1984) to function within the provisions of Companies Ordinance 1984 and relevant local Government framework and rules to manage the functions of cattle markets in Multan Division.

The company is governed by a thirteen membered Board of Directors (BOD) nominated by Government of the Punjab. BOD is headed by its Chairman, elected by BOD for a period of three years. However, currently Chairman BOD is nominated by Government of the Punjab in violation of Articles of Association of CMMC Sahiwal. BOD appoints the Managing Director (MD) and may constitute other bodies, committees, sub-committees or panels from time to time. The company is competent to acquire, hold or transfer any moveable and immovable property, to enter into contract and to sue or be sued in its name through MD. The Company exercises its authority for the management and control of cattle markets in the entire Sahiwal Division in accordance with general policy of the Government. CMMC Sahiwal is a public sector company under Local Government and Community Development Department, Government of the Punjab mandated for improvement of governance and delivery of services in cattle markets within its ambit of authority delineated under its incorporation.

MD is the operational head of the Company and is responsible to the BOD. MD is responsible to ensure that the business of the company is carried out in accordance with the laws and to coordinate the operational activities of the company for coherent planning, development as well as effective and efficient functioning of cattle markets.

The following table shows detail of total & audited formations of CMMC, Sahiwal Division:

(Rs in Million)

Sr. No.	Description	Total Nos.	Audited	Expenditure audited FY 2018-19	Revenue / Receipts audited FY 2018-19
1	Formations	01	01	13.824	18.619
2	Assignment Accounts (excluding FAP)	-	-	-	-
3	Authorities / Autonomous Bodies etc. under the PAO	-	-	-	-
4	Foreign Aided Projects (FAP)	-	-	-	-

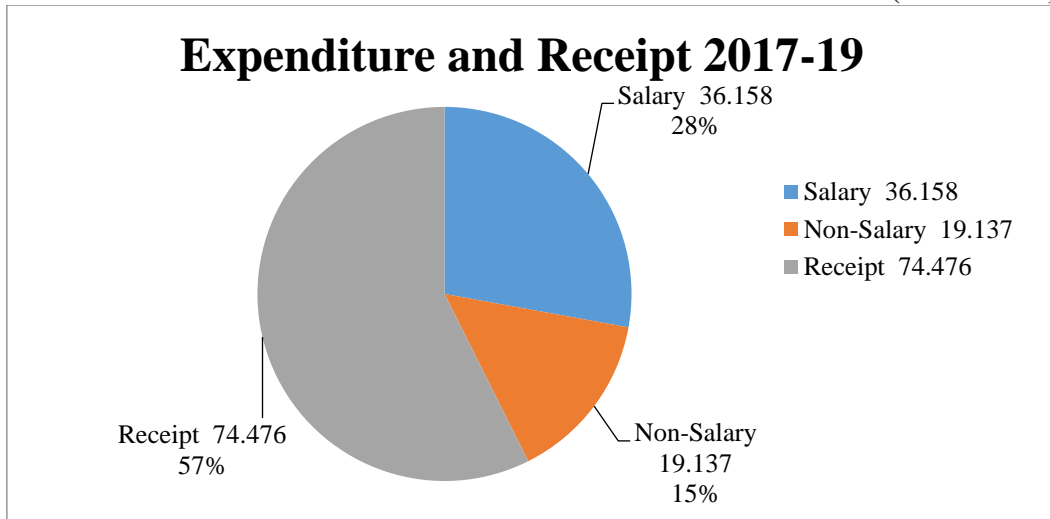
8.2.2 Comments on Budget and Accounts

The detail of Budget and Expenditure is given below in tabulated form:

(Rs in Million)

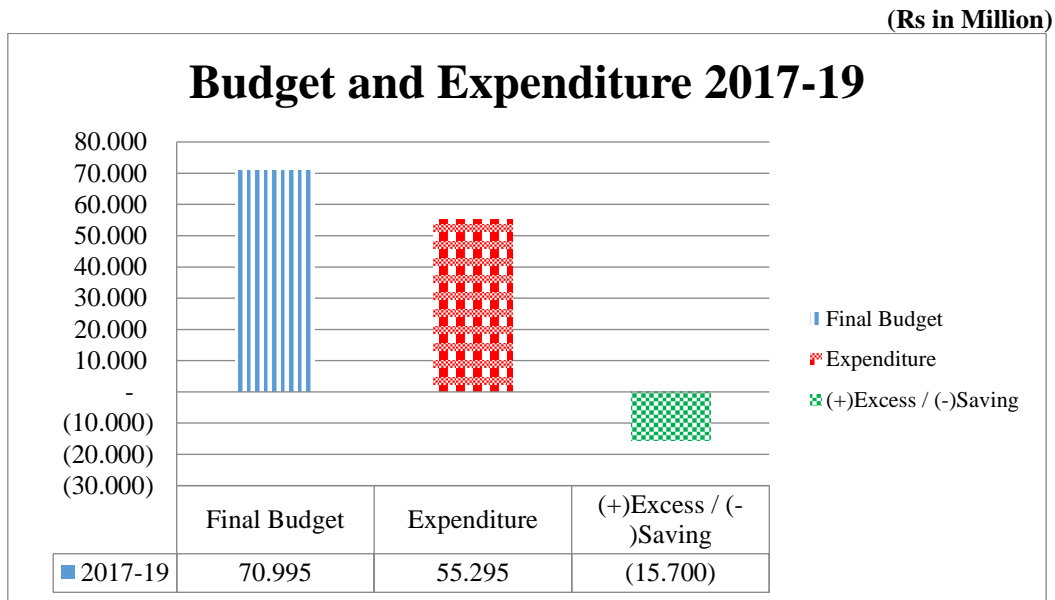
2017-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	42.628	36.158	-6.470	-15.18%
Non-salary	28.367	19.137	-9.230	-32.54%
Sub Total	70.995	55.295	-15.700	-22.11%
Receipts	72.652	74.476	1.824	2.51%

(Rs in Million)



As per the Financial Statements 2017-19 of the Cattle Market Management Company, Sahiwal Division, total budget (Development and Non-Development)

of Rs 70.995 million and for revenue was Rs 72.652 million was allocated. Against the budget, total expenditure of Rs 55.295 million was incurred during the Financial Years 2017-19. A saving of Rs 15.700 million came to the notice of Audit, which was normal saving. Further, revenue of Rs 1.824 million was excess collected which was 2.51% of budgeted receipts. **(Annexure-B)**

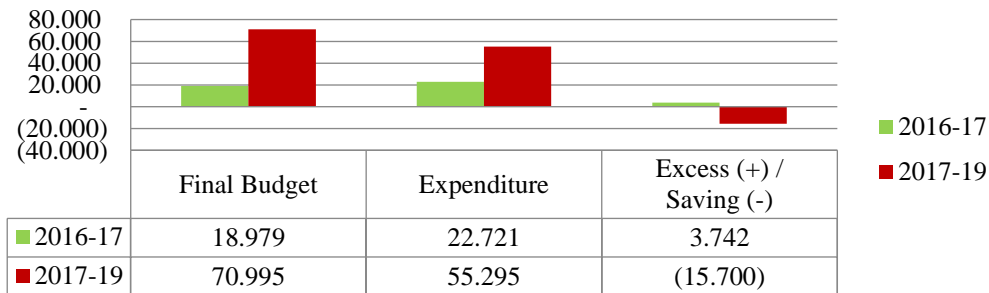


In CMMC Shiwal savings of Rs 15.700 million (22.11% of allocation) occurred by over estimating made during the financial year 2017-19. Further funds were not utilized properly despite availability. The same resulted in depriving of provision of core services to the general public.

The comparative analysis of the budget and expenditure of current and previous financial years is depicted as under:

(Rs in Million)

Comparison of Budget and Expenditure 2017-18 & 2018-19



There was 274% and 143% increase in budget allocation and expenditure incurred in financial year 2017-19 as compared to financial year 2016-17, while there was overall savings of Rs 15.700 million during 2018-19.

8.2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs 165.089 million were raised as a result of this audit. This amount also includes recoverables of Rs 4.520 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	7.583
2	Reported cases of fraud, embezzlement and misappropriation	0
3	Procedural irregularities	0
A	HR / employees related irregularities	4.657
B	Procurement related irregularities	1.459
C	Management of Accounts with Commercial Banks	0
4	Value for money and service delivery issues	6.956
5	Others	28.018
Total		48.673

8.2.4 Brief Comments on the Status of Compliance with PAC Directives

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

Status of Previous Audit Reports

Sr. No.	Audit Year	No. of Paras	Status of PAC Meetings
1	2016-17	07	PAC meeting was not convened
2	2017-18	04	PAC meeting was not convened

AUDIT PARAS

8.3 Non-Production of Record

8.3.1 Non-production of various receipts record of Rs 7.583 million.

According to Rule 99 (1) of Punjab local Government Act-2019 , Any head of the local government, convener, councilor, officer or servant of the local government or any other person or authority who obstructs or impedes or refuses to comply with an instruction of the Auditor General under section 198 of this Act shall be punished with imprisonment for a term which may extend to one month or with a fine which may extend to ten thousand rupees or both.

Further, 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.

Management of CMMCS did not produce the record of departmental receipts of Rs 7.583 collected during 2017-19 million instead of many verbal & written requests. Record of unsuccessful bidders was also not shown to Audit. Annexure-1/CMMCS

Record was not produced intentionally, there might be chances of fraud due to which record was not being produced for changing the record.

Due to poor administration record was not produced.

Non-production of vouched account may resulted into misappropriation or chance of fraud.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. Managing Director replied that the said record was available and could not be verified due to lockdown. DAC was convened on 15.09.2020, DAC directed to get record verified from the Audit and kept the para pending. No progress was intimated till the finalization of this Report.

Audit recommends responsibility be fixed and production of record to be made.

[AIR Para No. 23]

8.4 Procedural Irregularities

8.4.1 Unjustified hiring of services of daily wagers without advertisement– Rs 4.657 million

According to Government of the Punjab, Finance Department, Notification No.RO(Tech)FD-2-2/2001 dated 03.11.2008, appointment of work charge / daily wages employee shall be made with procedure that the post(s) shall be advertised properly in the leading newspapers and recruitment to all posts shall be made on the basis of merit specified for regular establishment. Furthermore, according to Rule 9 of the Punjab Procurement Rules 2014, a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The 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. Furthermore, according to Rule 12 (1) of the Punjab Procurement 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

Management of CMMCS made payment of Rs 4.657 million on account of hiring of services of daily wagers during Financial year 2017-19 without advertisement in the newspaper. The record pertaining to appointments i.e. advertisement, No. of applicants, criteria for appointments, minutes of committee and final approval of candidates was not provided.

(Rs in Million)

Year	Description	Amount
2017-18	Wages	2.106
2018-19	Wages	2.551
Total		4.657

Due to weak internal controls, irregular payment to daily wagers was made.

Non-compliance of Government instructions resulted into Rs 4.657 million resulted in violation of rules.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. Managing Director replied that daily wagers had been hired for specified jobs/tasks of cleanliness, civil work, water arrangements, tent arrangements and loading/ unloading. These people could not be retained for whole month to save the cost of the company. As they were hired only for limited number of days from 2 to 25 days depending upon tasks. Reply of the MD was not tenable because daily wages staff was not hired through Government specify procedure. DAC was convened on 15.09.2020, DAC directed to get record verified from the Audit and kept the para pending. 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.

[AIR Para No. 28]

8.4.2 Irregular expenditure by splitting up of indents in-order to avoid the advertisement-Rs 1.459 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. 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 12 (1) of the Punjab Procurement 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.

Management of CMMCS incurred expenditure of Rs 1.459 million on eve of Eid-ul-Azha during Financial Year 2017-19 in violation of the above rule. The whole process was completed by calling just quotations from the suppliers by splitting up the indents and no efforts were made to consolidate the demand and call the tenders for the economical expenditure. **Annexure-2/CMMCS**

(Rs in Million)

Year	Description	Amount
2017-18	Eid-ul-Azha Expenditure	0.816
2018-19	Eid-ul-Azha Expenditure	0.643
Total		1.459

Due to weak management irregular expenditure were made.

Non-observance of PPRA rules resulted in irregular expenditure of Rs 1.459 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. Managing Director replied that these expenses were incurred at the Eve of Eid ul Azha in different cattle markets of the Sahiwal Division. These were different items procured from different supplier and all items are below the limit of Rs 100,000. Reply of the MD was not tenable because no detail and same items was shown to audit at the time of verification of Record. DAC was convened on 15.09.2020, DAC directed to get re-verify record upto the extent of split up and kept the para pending. 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.

[AIR Para No. 27]

8.5 Values for Money and Services Delivery Issues

8.5.1 Non-recovery of advance income tax from contractor – Rs 5.406 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. Furthermore, according to Rule 11 of Income tax rules 2002, this rule applies to a person who is a cultivator or receiver of agriculture produce as rent in kind and who uses agricultural produce raised or received as raw materials in a business the income from which is chargeable to tax under the head “ Income from Business”

Management of CMMCS failed to ensure the payment advance income tax of Rs 5.406 million in Government treasury on auction amounts of different revenue sources auctioned during 2017-19. **Annexure-3/CMMCS D**

Due to weak financial management income tax was not paid by the Company/successful bidders of the company.

Non-payment of tax resulted in loss to Government of Rs 5.406 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. Managing Director replied that Company has not sold any property or right of lease through auction, hence, Section 236A is not applicable on the procurement of these services. Reply of the MD was not tenable and acceptable. DAC was convened on 15.09.2020, DAC directed to MD to get verify the taxes from FBR and kept the para pending. No progress was intimated till the finalization of this Report.

Audit recommends recovery of income tax besides action person at fault.

[AIR Para No. 13]

8.5.2 Non-claim refundable tax from the FBR of Rs 1.55 million.

According to Government of the Punjab, LG&CD Department Notification No. AO(DEV.)(LG)2-252/97(P.V) dated 10th July 2014 the core responsibilities/job description of CFO is to ensure effective financial management of the company.

Management of CMMCS did not claim the refundable tax of Rs 1.55 million from the FBR during Financial Year 2017-19. As per balance sheet of the Company dated 30.06.2019, There was income tax refundable of Rs 1.564 million. But the management of the company did not take any effort to claim the refund from the FBR. Which resulted into blockage of huge revenue of Rs 1.55 million. Detail is enclosed

(Rs in Million)

Reference	Description	Amount
Note 10 of Balance Sheet	Income tax Refundable	1.14
Note 08 of Balance sheet	Advance Income Tax	0.41
Total		1.55

Due to weak management refundable tax was not claimed.

Non-claim of the refundable taxes resulted into loss of Rs 1.55 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. Managing Director replied that refund had been claimed as per enclosed annual return of the company. Further, it is depend on FBR when it released the claimed amount. DAC was convened on 15.09.2020, DAC directed to keep para pending till decision of FBR. No progress was intimated till the finalization of this Report.

Audit recommends that responsibility be fixed and recovery of the amount be made.

[AIR Para No. 16,18]

8.6 Others

8.6.1 Non-transparent approval of outsource income auctions by the BOD Rs 24.60 million

According to the clauses of Articles of Associations of CMMC it is the prime function of a managing director to utilize the sources of cattle markets optimally, efficiently and transparently so that maximum revenue can be credited to company fund for running of company business in an efficient way.

Management of CMMCS took irregular approval of outsource income of Rs 24.60 million from BOD in its 19th meeting of dated 19.07.2018. Approval of leases of outsource incomes was taken without mentioning any head wise detail of auction head and head wise detail of successful contractor or bid price award. Lum sum approval was granted by adding the word **“BOD unanimously approved the offers/ auction price received against above auction notices of outsourcing of Financial year 2018-19”**. No separate annexure of the approved auctions was also mentioned in minutes. Approval of auctions without mentioning the detail was questionable and open the chances of award of outsource auction to the self-favored contractors on self-favor prices. Detail of approved auctions is given in **Annexure-4/CMMCS**

Due to weak management approval of outsource income was made without mentioning the detail of outsource income heads.

Approval of auctions without mentioning the income head resulted into irregular & non-transparent award of outsource auction.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. Managing Director replied that Audit did not check the working paper submitted to BOD at the time of approval. BOD at the time of approval discussed every offer & working papers, especially received against specified advertisement. Reply of the MD was not tenable because nothing was mentioned in 19th BOD meeting about auction amount. DAC was convened on 15.09.2020,

DAC did not accept the reply and decided to keep the para **pending** till the regularization / revalidation from the Board of Directors. No progress was intimated till the finalization of this Report.

Audit recommends that fixing responsibility be fixed and condonation of the income heads be made from competent authority.

[AIR Para No. 08]

8.6.2 Unauthorized auction of outsourced income below the reserve price Rs 3.418 million.

According to condition No. 4 of tender documents, Auction will be made above the reserve price , if the auction is made less than the reserve price then the approval will be taken from the BOD. Further, according to the clauses of Articles of Associations of CMMC it is the prime function of a managing director to utilize the sources of cattle markets optimally, efficiently and transparently so that maximum revenue can be credited to company fund for running of company business in an efficient way.

Management of CMMCS awarded the receipts of outsource contract of Rs 3.418 million below than the reserve price. As per tender document and as per advertisement reserve price were higher than the actual auction amount of outsourced income. The matter was not kept separately in BOD for taking the approval. Approval of the lease was taken from the BOD without telling the fact of offer amounts were less than the reserve prices. This resulted into irregular auction of amounting of Rs 3.418 million. Detail of auction is given below:

(Rs in Million)

Head	Name of Mandi	Contractor Name	Period	Month Due	Reserve Amount	Auction Amount	Below
Parking Fee	Arifwala	Riaz Ahmad	2017-18,	10	3.500	3.418	0.083

Due to weak financial management self-favored contractors were given irregular contracts of out sourced income below the reserve price.

Non-transparent approval of outsource income resulted into irregular award of auction contract of involving amount of Rs 3.418 million.

The matter was reported to the Deputy Commissioner and DDOs concerned in April, 2020. Managing Director replied that offer was approved by BOD because of healthy competition between four participants and reserve price was calculated on the estimates due to non-availability of three years record. Reply of the MD was not acceptable because in BOD meeting while getting approval it was not told to BOD that auction offer was received below reserve price. DAC was convened on 15.09.2020, DAC kept the para pending for reverification of record. No progress was intimated till the finalization of this Report.

Audit recommends that responsibility be fixed and disciplinary action be taken against responsible besides regularization of income.

[AIR Para No. 11]

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Annexure-A**Part-I****Memorandum for Departmental Accounts Committee Paras Pertaining to
the Audit Year 2019-20****(Rs in Million)**

Sr. No.	Para No.	Subject of Para	Amount
Cattle Market Management Company, Bahawalpur Division			
1	1	Non recovery / deduction of taxes from contractors of different income heads	0.305
2	2	Irregular expenditure due to non certification of accounts from external auditor	24.515
3	3	Doubtful purchase and issuance of stationery and printing items	0.178
4	6	Non Formulation of KPIs	-
5	7	Non preparation statement of compliance status	-
6	9	Non formulation of markets promotion policy	-
7	10	Non deliverance of duties by Board of Directors	-
8	12	Non deposit of Provincial Sales Tax on Parking Services	0.037
9	16	Incurring of expenditure without preparation of Financial Powers	-
10	18	Legal framework of the Company	-
11	19	Non-appointment of operational staff	-
12	20	Loss to Company due to non-registration of buyers (Beoparies) of cattle markets	1.386
13	22	Non adoption of animal identification concept (Ear-Tagging) and revenue loss	308.807
14	23	Non achievement of objectives of Cattle Markets	-
15	24	Irregular composition of the Board of Directors and meetings thereof	-
16	25	Non collection of data to actualize the receipts and for trend analysis	-

Sr. No.	Para No.	Subject of Para	Amount
17	26	Non availability of complete record of sale and purchase of animals	-
18	28	Non collection of rent of Cots and Hayrack / Manger	0.770
19	30	Non acquiring of Land for cattle markets	-
20	33	Irregular auction of company services without involvement of healthy competition –Rs 1.580 million	1.580
21	34	Unauthorized maintenance of assets	2.990
22	35	Non publishing of statement of compliance	-
23	36	Non conduction of meetings of committees due to inefficiency of Board and expenditure thereof	25.031
Bahawalpur Waste Management Company, Bahawalpur			
1	3	Non deduction of taxes on petty purchases / repairs	0.662
2	5	Non-Compliance of provisions of Public Sector Companies (Corporate Governance) Rules, 2013	-
3	8	Non appointment of internal auditor and non-conducting pre-audit	-
4	9	Non publishing of statement of compliance	-
5	10	Non-certification of accounts from external auditor	-
6	11	Loss due to purchase of POL on higher rates than rates fixed by OGRA	0.050
7	12	Non publishing of Annual Accounts in Electronic and Print Media	-
8	13	Non collection of revenue of services provided to private sector	-
9	15	Non-disclosure of company position due to non-developing of Performance Indicators	-
10	16	Irregular expenditure on rent of office building	3.461
11	20	Non-calling Annual General Meeting	-
12	23	Doubtful expenditure on POL of vehicles	0.799
13	27	Un-justified expenditure on POL	0.703
14	28	Difference between financial statement and bank statement	0.063

Sr. No.	Para No.	Subject of Para	Amount
15	29	Doubtful drawl of POL due to Difference in mileage of Vehicle travelled in log book and VTMS record	0.326
16	32	Lack of legislation for revenue generation	-
17	33	Disposal of solid waste at the cost of environmental and health hazards	-
18	34	Loss due to non-imposition / recovery of cleanliness charges	-
19	35	Irregular expenditure by splitting	0.327
20	36	Doubtful Consumption of POL	0.512
Cattle Market Management Company Dera Ghazi Khan			
1	5	Non maintenance of cashbook	57.898
2	8	Mis-procurement on account of tentage services	0.373
3	15	Non-recovery of advance income tax	0.029
4	17	Payments without conducting pre-audit	28.659
5	19	Financial transactions without proper quota and approval by the Board of Directors	-
6	20	Overall Review of Unachieved objectives of the Company	-
7	21	Non-establishment of Model Cattle Market	-
8	22	Unjustified payment of Law Charges without taxes	0.148
9	23	Unjustified expenditure without detailed measurement	0.607
Faisalabad Waste Management Company			
1	13	Favouritism to the contractors due to non-recovery at revised rates	0.46
2	14	Less charging/payment of Stamp Duty by the contractors	0.232
3	16	Unauthorized withdrawal of Conveyance Allowance	0.118
4	17	Loss to company due to non-registration of Beoparies of model cattle market	0.043
5	22	Irregular payments for advertisement	0.494
6	26	Unauthorized expenditure on fee of Board of Directors	0.345
Multan Cattle Market Management Company Multan			
1	3	Less recovery on account of carriers and temporary stalls	5.512
2	4	Non realization of revenue from cattle services	2.615
3	5	Less recovery of government dues from the contractors	0.309

Sr. No.	Para No.	Subject of Para	Amount
4	7	Irregular realization of income on account of forfeiting of CDRs	1.183
5	8	Loss to company due to non-auction of essential services in new cattle markets	5.216
6	14	Loss to company due to non recovery of dues from the contractors and Irregular booking of expense as bad debts	3.852
7	15	Irregular expenditure on account of rent of market land	3.206
8	23	Irregular expenditure and non recovery of salary advance from the employees	0.332
Sr. No.		Cattle Market Management Company Sahiwal	Amount
1	1	Misappropriation of funds through self-prepared fake billing – Rs 428,321	0.428
2	2	Unauthorized Award of lease of outsource income without participation in lease of auction process, without quoted/offer price & without signature of the Auction committee on the tender form of Rs 109,380	0.109
3	4	Non-Deduction of advance income tax on Lease Payments of – Rs 595,982	0.596
4	9	Unauthorized Award of lease without approval of BOD, of Rs 284,880	0.285
5	10	Unauthorized Award of lease of outsource income without approval of BOD, because difference in approved auction amount of BOD and actual auction amount of Rs 906,000	0.906
6	12	Unjustified award of leases to the contractors by tempering the tender rates of Rs9.65 million	9.650
7	14	Loss due to non cancellation of leases and non-recovery of dues from the defaulter contractors – Rs 2.956 million	2.956
8	17	Difference of payable amount of vehicle in Balance Sheet of Rs 29,148	0.029
9	20	Irregular payments of monthly lease installments of Car due to non realistic resolution of BOD resulted into of Rs 0.836 million	0.836
10	21	Forty One percent down fall in departmental receipts of Charpai fee of Rs 0.57 million	0.570
11	22	Non Reconciliation in the figures of income as per profit & Loss and income as per ledger difference of Rs 12,000	0.012
12	24	Irregular Excess Rebate on Out sources income of Rs 702,595	0.703

Sr. No.	Para No.	Subject of Para	Amount
13	25	Unauthorized withdrawal of funds on account of Honorarium to BoDs – Rs 140,000	0.140
14	29	Doubtful expenditure due to non-availability of stock entry - Rs 322,205	0.322
15	30	Non-deduction of LD - Rs 13,051	0.013
16	31	Unauthorized purchase from unregistered firms - Rs 865,937	0.866
17	32	Unjustified expenditure on account of repair of khurlees / charpai - Rs 427,450	0.427
Sr.No	Multan Waste Management Company, Multan		
1	10	Uneconomical expenditure on rent of generator – Rs 861,300	0.861
2	11	Irregular direct payments for advertisements – Rs 286,661	0.287
3	15	Payment of excess quantity and doubtful expenditure on purchase of lunch boxes - Rs 1.625 million	1.625
4	18	Irregular payment / processing of retirement / death cases of staff– Rs 40.505 million	40.505
5	21	Los due to non-recovery of solid waste services to Municipal Bus Stand and Metro Routes	0
6	24	Irregular appointment on payment of remuneration to legal advisor - Rs 450,800	0.451
7	25	Irregular drawl of monthly fuel entitlement for company cadre employees - Rs 849,214	0.849
8	31	Irregular expenditure and improper maintenance of issuance record of bio-degradable bags - Rs 1.558 million	1.558
9	35	Irregular payment of pay and allowances for absent and suspension period without entry in service record - Rs 2.493 million.	2.493

**Annexure-A
Part-II**

**Memorandum for Departmental Accounts Committee Paras Pertaining to
the Audit Year 2018-19**

(Rs in Million)

Sr. No.	AIR Para No.	Description	Amount
Cattle Market Management Company Bahawalpur			
1	2	Unjustified Budget and Financial Powers	0.000
2	3	Wasteful expenditure	0.000
3	6	Evasion of Environmental Impact Assessment (EIA) of Cattle Markets in the Urban Area	0.000
4	8	Unjustified appointment of Driver and payment	0.169
5	10	Non Compliance of Government instructions	0.000
6	11	Non recovery of liquidate damages and non forfeiture of securities	0.000
7	12	Non -deduction of GST	0.069
8	15	Non-compliance of the provision of company Ordinance due to non-availability of declaration of promoters for limited guarantee	0.000
9	16	Unlawful Nomination of Directors of CMMC	0.000
10	17	Defective Registration of Articles of Association of Company	0.000
11	19	Non-maintenance of Separate of Security Account in Bank	0.000
12	20	Non Formulation of KPIs	0.000
13	21	Not disclosing statement of compliance status	0.000
Paras for the period 2017-18			
14	32	Loss due to less collection of auctioned amount from contractor	0.350
15	36	Improper maintenance of record / books of accounts	0.000
16	37	Irregular expenditure due to non-compliance of PPRA Rules	0.195
17	38	Non-maintenance of record of sale and purchase of animals in cattle markets.	0.000
18	40	Loss to Government due to Non deduction of Group Medical Insurance	0.222
19	41	Non preparation of standard operating procedures	0.000
20	43	Doubtful drawl of advertisements bill of various contracts	0.084
21	47	Non-observance of prescribed quota of female staff in recruitments	0.000
22	48	Non deduction of taxes on petty purchases	0.781
23	50	Non availability of Company Seal	0.000
24	51	Non-disclosure of company position due to non-developing of Performance Indicators	0.000
25	52	Irregular Payment of Salary Due to Appointment without approval of ministry of law	0.320

Sr. No.	AIR Para No.	Description	Amount
26	53	Unauthorized expenditure on personal cars of the Managing Director and GM (Operations)	0.641
27	54	Non Establishment of Model Cattle Markets	0.000
28	55	Non-maintenance of Performance Evaluation Reports of Members, including Chairman and Managing Director	0.000
29	56	Doubtful appointment of Executive Secretary	0.000
30	60	Non-compliance to the Employee's Old age benefit Act	0.000
31	61	Irregular appointment of supervisor and outturn promotion as Assistant Manager (Operation)	0.336
Bahawalpur Waste Management Company			
32	1	Illegal creation of Bahawalpur Waste Management Company	
33	2	Unjustified Budget and Financial Powers	
34	10	Less deduction of cost of the back trolleys of Suzuki van	
35	17	Excess payment on account of purchases of uniform	0.259
36	25	Lack of legislation for revenue generation	
37	26	Compromising legal jurisdiction of TMA	
38	27	Unlawful incorporation of BWMC by wrong application of Section 5	
39	28	Unlawful incorporation by misapplication of Section 42	
40	29	Non-appointment of Chief Internal Auditor	
41	30	Unlawful transfer of enforcement functions and powers through Agreement.	
42	31	Non Disposal of Industrial Waste.	
43	32	Non disposal of Infectious Hospital Waste	
44	33	Failure to introduce dual Bin System	
45	37	Non-maintenance of Separate Security Account in Bank	
46	38	Non-compliance of the provision of company Ordinance due to non-availability of declaration of promoters for limited guarantee	
47	39	Unjustified Purchase of expensive mobile phones	0.796
48	40	Non-holding of Annual General Meeting.	
49	41	Unlawful Nomination of Directors of BWMC	
50	42	Defective Registration of Articles of Association of Company	
51	43	Un-authorized use of fiscal year of BWMC	
52	44	Failure to obtain ISO Certification.	
53	45	Defective / Weak Internal Controls System	
54	46	Not disclosing statement of compliance status	
55	47	Hampering of Audit Committees Functions.	
56	48	Instances of exercise of self-assumed jurisdiction and ignored priorities	

Sr. No.	AIR Para No.	Description	Amount
Paras for the period 2017-18			
57	55	Non-establishment of Dedicated Full Cost Recovery Based Service for collection of C&D Waste	
58	61	Wastage of funds	0.234
59	62	Non deduction of taxes on petty purchases / repairs	0.735
60	72	Wasteful expenditure on tracking system of vehicles	0.669
61	76	Irregular payment of insurance to other than recommended company	0.121
62	81	Loss due to excess payment of Conveyance Allowance	0.51
63	83	Loss of POL due to illogical travelling	0.66
64	92	Loss due to non-auction of used mobil oil	0.108
65	93	Award of contract for Purchase of Stationery to non participant bidder	0.279
66	99	Non publishing of statement of compliance	
67	100	Excess expenditure on POL of operational vehicles	0.28
68	102	Non-auditing and publishing of Annual Accounts	
69	103	Loss due to payment of POL rates in contradiction of OGRA policy	0.133
70	107	Non collection of revenue and salaries of services provided	0.429
71	108	Non publishing of Annual Accounts in Electronic and Print Media	
72	109	Non collection of revenue of services provided to private sector	
73	110	Non Deduction / recovery of penalty of absent days	0.052
Cattle Market Management Company Dera Ghazi Khan			
74	13	Irregular expenditure without observing procurement rules	0.67
75	16	Unauthorized Payments in cash	0.15
76	25	Financial transactions without proper quota and approval by the Board of Directors	-
77	26	Overall Review of Unachieved objectives of the Company	-
78	28	Operation of CMMC without appointment of Internal Auditor	-
79	29	Non-establishment of Model Cattle Market	-
Faisalabad Cattle Market Management Company			
80	2	Loss due to award of collection rights at lesser than offered rates	0.802
81	3	Non-imposition of penalty for non-completion of civil work	0.2
82	18	Non-contribution towards Provident Fund and Group Medical Insurance	0.777
83	25	Non-recovery of Notice Period Pay	0.04

Sr. No.	AIR Para No.	Description	Amount
Faisalabad Waste Management Company			
84	20	Wastage of public resources due to non-disbursement of shoes	0.84
85	21	Irregular / doubtful expenditure on repair of shovel without mentioning specification of repair	0.817
86	22	Loss due to excess expenditure on POL beyond sanctioned vehicle	0.667
87	23	Irregular payments for advertisements	0.504
88	25	Undue retention of advance income tax received on auction	0.464
89	26	Irregular expenditure on POL of generator	0.391
90	27	Overpayment of pay due to discrimination	0.256
91	28	Difference of POL stock in fuel tank	-
92	29	Non-holding of Annual General Meeting for financial year 2017-18	-
Cattle Market Management Company Multan			
93	2	Irregular purchases against specifications and beyond the directions of BODs	0.608
94	13	Late appointment of internal auditor and expenditure without pre-audit	0.746
95	20	Non-maintenance of record of sale and purchase of animals in cattle markets	0
96	23	Non-maintenance of performance evaluation reports of members, including Chairman and Managing Director	0
Waste Management Company Multan			
97	29	Procurement of construction material on fake quotation process by splitting	0.692
98	36	Irregular payments for advertisements	0.705
99	42	Doubtful payment of salary of arrear of pay to sanitary staff	0.453
100	53	Irregular hiring of services of Cable network – Rs 187,000 recovery	0.187

Sr. No.	AIR Para No.	Description	Amount
101	58	Irregular expenditure of account of TA /DA Rs 730,386 recovery	0.73
102	63	Unauthorized payment of POL charges of staff vehicles	0.198
103	72	Doubtful / Irregular hiring of Generator at higher rates Rs 808,350 recovery – Rs 601,812	0.808
104	74	Withdrawal of funds for repair of handcarts on already available goods received sheets by preparing documentation	0.365
105	83	Unauthorized adjustment of Mr. Faheem Lodhi in MWMC as Director Workshop	-
Cattle Market Management Company Sahiwal			
106	2	Non-deduction of LD	0.011
107	5	Irregular acceptance of bids despite cuttings, rewritings and unclear bid prices	0.299
108	6	Non recovery of Government revenue	1.144
109	7	Unjustified difference of cash balance of current account between financial statement and bank statement	0.696
110	8	Unauthorized acquiring of services from unregistered firms	2.332
111	11	Expenditure incurred beyond budget allocation	3.742
112	12	Irregular purchase in excess of requirement	0.033
113	13	Non-maintenance of performance evaluation reports of members, including chairman	-
114	14	Non-observance of prescribed quota of female in the BOD	-

Annexure-B

Detail of Expenditure

Cattle Market Management Company Bahawalpur Division

(Rs in Million)

2018-19	Budget	Actual	Excess / Lapse (-)	% Excess / Lapse (-)
Salary	20.326	20.326	-	0%
Non-Salary	4.706	4.190	(0.516)	-11%
Development	-	-	-	-
Total	25.032	24.516	(0.516)	-2%
Receipts	55.103	66.943	11.84	21%

Bahawalpur Waste Management Company District Bahawalpur

(Rs in Million)

2018-19	Budget	Actual	Excess / Lapse (-)	% Lapse
Salary	190.000	177.400	(12.600)	-7%
Non-Salary	277.500	178.000	(99.500)	-36%
Development/Capital	173.500	-	(173.500)	-100%
Total	641.000	355.400	(285.600)	-45%
Receipts	480.062	317.104	(162.958)	-34%

Cattle Market Management Company DG Khan Division

(Rs in Million)

2018-19	Budget	Actual	Excess (+) / Lapse (-)	% (Lapse)
Salary	23.825	18.874	-4.951	-21%
Non-Salary	16.353	10.291	-6.062	-37%
Development	0	0	0	-
Total	40.178	29.165	-11.013	-27%
Receipts	-	28.387		-

Faisal Abad Cattle Market Management Company

(Rs in Million)

2018-19	Budget	Actual	Excess (+) / Lapse (-)	% (Lapse)
Non-Development (Salary + Non-Salary)	41.410	31.827	-9.583	-23.14%
Development	4.667	0.302	-4.365	-93.52%
Total	46.078	32.129	-13.948	-30.27%
Receipts	54.866	59.906	(+)5.040	(+)9.20%

Faisalabad Waste Management Company**(Rs in Million)**

2018-19	Budget	Actual	Excess (+) / Lapse (-)	% (Lapse)
Salary	1,219.000	1,104.686	(-)114.314	(-)9.377%
Non-Salary	364.000	333.691	(-)30.309	(-)8.326%
Development	529.000	158.442	(-)370.558	(-)70.048%
Total	2,112.000	1,596.819	(-)515.181	(-)24.393%
Receipts	13.000	31.325	(+)18.325	(+)141%

Multan Cattle Market Management Company Multan**(Rs in Million)**

2018-19	Budget	Actual	Excess (+) / Lapse (-)	% (Lapse)
Salary	34.01	24.806	-9.204	-27.063
Non salary	181.471	22.522	-158.949	-87.589
Total	215.481	47.328	-168.15	-78.036
Receipts	75.301	77.243	-1.942	-2.579

Waste Management Company Multan**(Rs in Million)**

2018-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	1305.000	683.84	-621.160	-47.60%
Non-salary	756.000	137.59	-618.410	-81.80%
Total	2061.000	821.43	-1239.570	-60.14%
Receipts	642.44	899.84	257.400	40.07%

Cattle Market Management Company Sahiwal**(Rs in Million)**

2017-19	Budget	Actual	Excess (+) / Saving (-)	(%) Saving
Salary	42.628	36.158	-6.47	-15.18%
Non-salary	28.367	19.137	-9.23	-32.54%
Total	70.995	55.295	-15.7	-22.11%
Receipts	72.652	74.476	1.824	2.51%

Annexure-1/BWP**[Para 1.4.1]****Loss due to less realization of revenue as compared to previous set up of TMAs – Rs 127.444 million****(Rs in Million)**

Sr. No.	Distt.	Tehsil	Name of Cattle Market	Earning in 2013-14 without tax and salary	Amount to be collected in year 2018-19
1	RYK	RYK	Rahim Yar Khan City	0.174	0.223
2	RYK	RYK	Sheikh Wahan	11.700	14.932
3	RYK	RYK	Fateh Pur Punjabian	11.150	14.231
4	RYK	RYK	Sardar Garh	9.100	11.614
5	RYK	RYK	Rukan Pur	1.621	2.069
6	RYK	RYK	Kot Samaba	2.250	2.872
7	RYK	SDQ	Sadiq Abad	12.100	15.443
8	RYK	SDQ	Chowk Bahadur Pur	4.700	5.999
9	RYK	KPR	Nawan Kot	0.610	0.779
10	RYK	KPR	Fateh Pur Kamal	1.100	1.404
11	RYK	KPR	Sehja	0.900	1.149
12	RYK	KPR	Feroza	1.101	1.405
13	RYK	KPR	Kotla Pathan	0.550	0.702
14	RYK	KPR	Bagh-O-Bahar	0.611	0.780
15	RYK	KPR	Khan Pur	3.000	3.829
16	RYK	KPR	Zahir Pir (Chachran Sharif)	6.200	7.913
17	RYK	LQP	Liaqat Pur	4.700	5.999
18	RYK	LQP	Khan Bela	4.700	5.999
19	RYK	LQP	T.M.Pannah	1.011	1.290
20	RYK	LQP	Hyat Lar	1.810	2.310
21	RYK	LQP	Jan Pur	0.853	1.089
22	BWP	BWP	Bahawalpur	12.100	15.443
23	BWP	APE	Ahmad Pur East	6.100	7.785
24	BWP	APE	Uch Sharif	1.000	1.276
25	BWP	YZM	Yazman	3.300	4.212
26	BWP	YZM	Head Rajkan	1.600	2.042
27	BWP	KPT	Khairpur Tamewali	0.496	0.633
28	BWP	HSP	Hasil Pur	4.850	6.190
29	BWN	BWN	Mc'lod Gunj	0.210	0.268
30	BWN	BWN	Bahawalnagar City	10.020	12.788

Sr. No.	Distt.	Tehsil	Name of Cattle Market	Earning in 2013-14 without tax and salary	Amount to be collected in year 2018-19
31	BWN	BWN	Chak Madrissa	6.520	8.321
32	BWN	BWN	Khatan	1.900	2.425
33	BWN	BWN	Dunga Bunga	1.120	1.429
34	BWN	CTN	75 Morr, Chishtian	1.550	1.978
35	BWN	CTN	Pull Murad, Chishtian	1.550	1.978
36	BWN	FTS	Shabaz Wala, Fort Abbas	6.350	8.104
37	BWN	FTS	Chak 319/H-R, Maroot	1.250	1.595
38	BWN	HND	Haroon Abad (Qainchi Morr)	1.480	1.889
39	BWN	MND	Minchin Abad	1.030	1.315
40	BWN	MND	Mirzeka / Mc'lod Ganj	0.210	0.268
Total revenue required to be collected during 2018-19					181.969
Actual revenue collected during 2018-19					54.525
Less revenue collected during 2018-19					127.444

Annexure-2/BWP**[Para 1.4.3]****Loss due to non-realization of receipt – Rs 2.580 million****(Rs in Million)**

Sr. No.	Market Name	Services not Outsourced	Reserve Price
1	Sheikhwahin	Fooder Shop	0.178
2	Sadiqabad	Fooder Shop	0.079
3	Zahir Peer	Fooder Shop	0.047
4	Khan Bela	Fooder Shop	0.016
5	Taranda M. Panah	Parali, Canteen / Hotel, Animal Ornaments, Fooder Shop	0.180
6	Khan Pur	Fooder Shop	0.009
7	Liaqat Pur	Fooder Shop	0.026
8	Chak Madrissa	Parali, Fooder Shop	0.767
9	Fort Abbas	Parali, Animal Ornaments, Fooder Shop	0.479
10	Chishtian	Parali, Animal Ornaments, Fooder Shop	0.204
11	Haroonabad	Parali, Animal Ornaments, Fooder Shop	0.202
12	Yazman	Parali, Animal Ornaments, Fooder Shop	0.195
13	Hasil Pur	Parali, Animal Ornaments, Fooder Shop	0.198
Total			2.580

Annexure-3/BWP

[Para 1.4.4]

Loss due to non-recovery of dues from contractors – Rs 3.544 million

(Amount in Rs)

Sr. No.	Name of income Head	Market	Auctioned Amount	Recovered	Balance
1	Animal Ornaments Shops	Zahir peer	197,000	177,300	19,700
	Hotel Canteen	SheikhWahin	1,055,000	904,500	150,500
	Hotel Canteen	Sadiqabad	405,000	349,000	56,000
	Animal Ornaments Shops	Sadiqabad	186,786	177,447	9,339
	Hotel Canteen	Liquatpur	124,000	120,528	3,472
	Animal Ornaments Shops	Liquatpur	26,000	24,700	1,300
	Animal Ornaments Shops	Khan Pur	16,000	15,200	800
	Hotel Canteen	Khanbela	73,000	69,350	3,650
	Animal Ornaments Shops	Khanbela	26,000	24,700	1,300
	Hotel Canteen	Fortabbas	50,100	22,545	27,555
	Parking	Fortabbas	738,000	332,050	405,950
	Parking	Chishtian	410,000	184,100	225,900
	Animal Ornaments Shops	Chak Madrisa	77,500	58,999	18,501
	Hotel Canteen	Chak Madrisa	240,500	108,312	132,188
	Hotel Canteen	Khanpur	43,786	42,048	1,738
	Sub Total		3,668,672	2,610,779	1,057,893
2	Amount recoverable from contractors (for previous year) shown as receivables in the Accounts of CMMCB (point No. 8)				2,486,309
Grand Total					3,544,202

Annexure-4/BWP

[Para 1.5.2]

Loss due to non provision of services in already established cattle markets – Rs 95.870 million

(Rs in Million)

Sr. No.	Distt.	Detail of operational Cattle Markets established by TMAs	Earning in 2013-14 without tax and salary	Amount in Year 2018-19 after 5% increase per year
1	RYK	Rahim Yar Khan City	0.174	0.223
2	RYK	Fateh Pur Punjabi	11.150	14.231
3	RYK	Sardar Garh	9.100	11.614
4	RYK	Rukan Pur	1.621	2.069
5	RYK	Kot Samaba	2.250	2.872
6	RYK	Chowk Bahadur Pur	4.700	5.999
7	RYK	Nawan Kot	0.610	0.779
8	RYK	Fateh Pur Kamal	1.100	1.404
9	RYK	Sehja	0.900	1.149
10	RYK	Feroza	1.101	1.405
11	RYK	Kotla Pathan	0.550	0.702
12	RYK	Bagh-O-Bahar	0.611	0.780
13	RYK	Hyat Lar	1.810	2.310
14	RYK	Jan Pur	0.853	1.089
15	BWP	Bahawalpur	12.100	15.443
16	BWP	Ahmad Pur East	6.100	7.785
17	BWP	Uch Sharif	1.000	1.276
18	BWP	Head Rajkan	1.600	2.042
19	BWP	Khairpur Tamewali	0.496	0.633
20	BWN	Mc'lod Gunj	0.210	0.268
21	BWN	Bahawalnagar City	10.020	12.788
22	BWN	Khatan	1.900	2.425
23	BWN	Dunga Bunga	1.120	1.429
24	BWN	Pull Murad, Chishtian	1.550	1.978
25	BWN	Chak 319/H-R, Maroot	1.250	1.595
26	BWN	Minchin Abad	1.030	1.315
27	BWN	Mirzeka / Mc'lod Ganj	0.210	0.268
Total			75.117	95.870

Annexure-1/DCMMC

[Para 3.3.3]

Irregular and unjustified auctioning of leases of Outsource -Rs 27.383 million

(Amount in Rs)

Date	Contractor	Market	Detail	Amount
30.07.2018	GulzarHussain S/O GhulamHussain	Chowk Azam	Allied	755,550
-do-	Bilal General Order Supplier	Chowk Azam	Parking	2,540,000
-do-	GhulamKazim Shah S/O GhulamHashim Shah	Nari-Jatt-Wala	Parking	1,238,000
-do-	Muhammad Ali S/O Muhammad Hussain	Pull Qambar	Parking	1,606,590
-do-	Muhammad Aslam S/O GhulamRasool	Shah Jamal	Parking	458,350
-do-	Muhammad Aslam S/O GhulamRasool	Chowk Qureshi	Allied	52,850
21.06.2018	Muhammad Ali S/O Muhammad Hussain	Kot Addu	Parking	320,500
-do-	Muhammad Jamil S/O Nanha Khan	Kot Addu	Allied	80,000
-do-	Muhammad Ibrahim S/O Abdul Samad	Ali Pur	Parking	600,000
-do-	Muhammad Umar S/O Muhammad Akhtar	Ali Pur	Allied	40,000
-do-	Muhammad Asif Rafi S/O Malik Muhammad Rafi	Ali Pur	Torri Prali	200,000
-do-	FiazHussain S/O Lal Khan	Rohilanwali	Torri Prali	85,000
-do-	Ghulam Muhammad Khan S/O Shairzaman Khan	Fatehpur	Parking	701,000
-do-	Ghulam Muhammad Khan S/O Shairzaman Khan	Karor	Parking	401,000
-do-	Ghulam Muhammad Khan S/O Shairzaman Khan	Rohilanwali	Parking	707,786
-do-	TasawurHussain S/O Muhammad Jamil	Fatehpur	Allied	250,000
-do-	Muhammad Asghar Khan S/O Muhammad Yaqoob Khan	Fatehpur	Torri Prali	400,000
-do-	SabirHussain S/O Ghulam Abbas	Pull Qambar	Allied	850,950
-do-	Muhammad Ramzan S/O Jan Muhammad Khan	DG Khan	Parking	738,000
-do-	NazukHussain S/O Nizam-ud-Din	DG Khan	Allied	294,000
-do-	Abdul Ghaffar S/O Muhammad Sharif	Nari-Jatt-Wala	Allied	1,730,786
-do-	Muhammad Ramzan S/O Muhammad Nawaz	Jatoi	Parking	195,000
-do-	Muhammad Ibrahim S/O GhulamShabbir	Jatoi	Allied	15,000
-do-	Khan Muhammad S/O Muhammad Bux	Layyah	Allied	450,000
-do-	Muhammad OwaisPervaiz S/O Pervaiz Ahmad	Layyah	Torri Prali	100,000
-do-	Sajjad Ali S/O Muhammad Ishfaq	Karor	Allied	170,000
-do-	Sajjad Ali S/O Muhammad Ishfaq	Rohilanwali	Allied	450,000

Date	Contractor	Market	Detail	Amount
-do-	GhulamYameen S/O Abdul Rehman	M. Garh	Parking	8,750
-do-	Abdul Khaliq S/O Allah Diwaya	Muhammad Pur	Allied	621,400
-do-	Muhammad Iqbal S/O GhulamHussain	Kotla Naseer	Parking	797,500
-do-	Muhammad Iqbal S/O GhulamHussain	Rojhan	Parking	48,350
-do-	Muhammad Arif S/O AmeerBux	Kot Chutta	Allied	1,512,700
-do-	IrshadHussain S/O FaizMuhamamd	Layyah	Parking	1,150,000
-do-	SajjadHussain S/O Muhammad Nawaz	Shah Jamal	TorriP rali	92,000
-do-	Muhammad Saleem S/O Muhammad Aslam	Shah Jamal	Allied	90,100
-do-	Abdul Ghaffar S/O GhulamHaider	Muhammad Pur	Parking	3,561,064
-do-	DilawarHussain S/O Muhammad Shafi	Kot Chutta	Parking	2,762,700
29.8.18	HabibUllah S/O QadirBux	Chowk Azam	Torri Praali	976,500
10.10.18	Malik Muhammad Ramzan S/O Muhammad Nawaz	Chowk Qureshi	Parking	200,000
-do-	MureedHussain S/O Muhammad Ramzan	Jatoi	Torri Praali	15,200
-do-	MureedHussain S/O Muhammad Ramzan	Rohilanwali	Torri Praali	39,000
-do-	Zahid Ahmad Khan S/O Abdul Wahid Khan	Ali Pur	Torri Praali	78,000
Total				27,383,626

Annexure-2/DCMMC

[Para 3.3.4]

Defective and ambiguous tendering of outsources - Rs19.424 million

(Amount in Rs)

Sr. No.	Name of Bidder with Parentage	Name of Cattle Market	Name of Service	Reserve Price	Bid Price
1	Muhammad Ali S/O Muhammad Hussain	Kot Addu	Parking	317,400	320,500
2	Muhammad Jamil S/O Nanha Khan	Kot Addu	Allied	76,560	80,000
3	Muhammad Ibrahim S/O Abdul Samad	Ali Pur	Parking	483,000	600,000
4	Muhammad Umar S/O Muhammad Akhtar	Ali Pur	Allied	38,133	40,000
5	Muhammad Asif Rafi S/O Malik Muhammad Rafi	Ali Pur	TorriPrali	108,900	200,000
6	FiazHussain S/O Lal Khan	Rohilanwali	TorriPrali	55,000	85,000
7	Ghulam Muhammad Khan S/O Shairzaman Khan	Fatehpur	Parking	685,698	701,000
8	Ghulam Muhammad Khan S/O Shairzaman Khan	Karor	Parking	263,335	401,000
9	Ghulam Muhammad Khan S/O Shairzaman Khan	Rohilanwali	Parking	414,000	707,786
10	TasawurHussain S/O Muhammad Jamil	Fatehpur	Allied	124,080	250,000
11	Muhammad Asghar Khan S/O Muhammad Yaqoob Khan	Fatehpur	TorriPrali	330,000	400,000
12	SabirHussain S/O Ghulam Abbas	Pull Qambar	Allied	833,892	850,950
13	Muhammad Ramzan S/O Jan Muhammad Khan	DG Khan	Parking	719,808	738,000
14	NazukHussain S/O Nizam-ud-Din	DG Khan	Allied	285,120	294,000
15	Abdul Ghaffar S/O Muhammad Sharif	Nari-Jatt-Wala	Allied	1,021,680	1,730,786
16	Muhammad Ramzan S/O Muhammad Nawaz	Jatoi	Parking	179,400	195,000
17	Muhammad Ibrahim S/O GhulamShabbir	Jatoi	Allied	11,466	15,000
18	Khan Muhammad S/O Muhammad Bux	Layyah	Allied	108,240	450,000
19	Muhammad OwaisPervaiz S/O Pervaiz Ahmad	Layyah	TorriPrali	70,400	100,000
20	Sajjad Ali S/O Muhammad Ishfaq	Karor	Allied	60,720	170,000
21	Sajjad Ali S/O Muhammad Ishfaq	Rohilanwali	Allied	322,080	450,000
22	Ghulam Yameen S/O Abdul Rehman	M. Garh	Parking	8,603	8,750
23	Abdul Khaliq S/O Allah Diwaya	Muhammad Pur	Allied	620,400	621,400
24	Muhammad Iqbal S/O GhulamHussain	KotlaNaseer	Parking	796,357	797,500
25	Muhammad Iqbal S/O GhulamHussain	Rojhan	Parking	48,300	48,350
26	Muhammad Arif S/O AmeerBux	KotChutta	Allied	747,120	1,512,700
27	IrshadHussain S/O FaizMuhamamd	Layyah	Parking	354,351	1,150,000
28	SajjadHussain S/O Muhammad Nawaz	Shah Jamal	TorriPrali	88,000	92,000
29	Muhammad Saleem S/O Muhammad Aslam	Shah Jamal	Allied	89,760	90,100
30	Abdul Ghaffar S/O GhulamHaider	Muhammad Pur	Parking	3,560,064	3,561,064
31	DilawarHussain S/O Muhammad Shafi	KotChutta	Parking	2,618,260	2,762,700
Total					19,423,586

Annexure-3/DCMMC

[Para 3.3.10]

Unjustified payment against remuneration of Razakars-Rs1.044 million

(Amount in Rs)

Date	Name of DO Civil Defense	District	No. of persons	Amount
06.10.19	Mr. Toqueer Abbas	Rajanpur	7	17,887
05.10.19	Mr. Tahir Abbas	M.Garh	8	25,388
05.10.19	Mr. Toqueer Abbas	Rajanpur	8	21,349
04.12.19	Mr. Toqueer Abbas	Rajanpur	8	22,503
04.12.19	Mr. Tahir Abbas	M.Garh	6	28,273
03.07.18	Mr. Tahir Abbas	M.Garh	6	27,119
03.07.18	Mr. Toqueer Abbas	Rajanpur	8	21,349
01.07.19	Mr. Toqueer Abbas	Rajanpur	1	725
01.07.19	Mr. Toqueer Abbas	Rajanpur	8	22,503
01.07.19	Mr. Tahir Abbas	M.Garh	6	30,581
01.07.19	Mr. Toqueer Abbas	Rajanpur	7	20,195
12.05.18	Mr. Tahir Abbas	M.Garh	4	27,119
12.05.18	Mr. Toqueer Abbas	Rajanpur	7	20,195
11.06.18	Mr. Tahir Abbas	M.Garh	5	30,004
11.06.18	Mr. Toqueer Abbas	Rajanpur	7	19,041
10.11.18	Mr. Tahir Abbas	M.Garh	5	23,657
10.11.18	Mr. Toqueer Abbas	Rajanpur	5	19,041
09.05.18	Mr. Toqueer Abbas	Rajanpur	12	22,503
09.05.18	Mr. Tahir Abbas	M.Garh	13	42,698
08.06.18	Mr. Tahir Abbas	M.Garh	4	27,119
08.06.18	Mr. Toqueer Abbas	Rajanpur	6	21,349
	Sub. Total			490,598
06.30.19	DO Civil Defense	D.G. Khan	2	11,540
06.30.19	DO Civil Defense	Layyah	3	29,427
06.01.19	DO Civil Defense	D.G. Khan	2	9,809
06.01.19	DO Civil Defense	D.G. Khan	4	20,772
05.10.19	DO Civil Defense	Layyah	3	31,158
04.12.19	DO Civil Defense	Layyah	3	29,427
04.12.19	DO Civil Defense	D.G. Khan	4	34,043
03.07.18	DO Civil Defense	Layyah	3	28,273
03.07.18	DO Civil Defense	D.G. Khan	3	26,542
01.31.19	DO Civil Defense	D.G. Khan	3	22,503
01.31.19	DO Civil Defense	Layyah	3	32,312
01.07.19	DO Civil Defense	Layyah	3	30,581
01.07.19	DO Civil Defense	D.G. Khan	3	22503
12.05.18	DO Civil Defense	D.G. Khan	3	22503
12.05.18	DO Civil Defense	Layyah	3	27,969
11.06.18	DO Civil Defense	Layyah	3	31,735

Date	Name of DO Civil Defense	District	No. of persons	Amount
11.06.18	DO Civil Defense	D.G. Khan	5	23,657
10.11.18	DO Civil Defense	D.G. Khan	3	13,848
09.05.18	DO Civil Defense	Layyah	3	31,158
09.05.18	DO Civil Defense	Layyah	3	30,004
08.06.18	DO Civil Defense	D.G. Khan	5	12,694
08.06.18	DO Civil Defense	Layyah	3	31,158
	Sub. Total			553,616
	G. Total			1,044,214

Annexure-1/FWMC

[Para: 5.4.3]

Irregular and unauthentic expenditure on hiring of vehicles – Rs 33.058 million

(Amount in Rs)

Date	Vr. No.	Sr.# Narration		Debit	Credit	Balance		
4010210004	0.00							
30/10/2018	BP-00139	1	PAYMENT ON ACCOUNT OF BILL FOR		V	1,331,820		7,321,459.00
			SUPPLY OF DUMPERS FOR TRANSPORATION					
			OF SOLID WASTE WHICH HIRED AGAISNT					
			CLEAN & GREEN PUNJAB COMPAIGN					
			PROGREMM FOR THE PERIOD OF 03/10/1/					
			TO 13/10/18 VIDE FWMC WORK ORDER #					
			FWMC-2000/PROC/WO/185 DATED 1ST					
			OCTOBER-2018.					
06/11/2018	BP-00019	1	PAYMENT ON ACCOUNT OF BILL FOR		V	1,402,380		9,477,839.00
			SUPPLY OF DUMPERS FOR TRANSPORATION					
			OF SOLID WASTE WHICH HIRED AGAISNT					
			CLEAN & GREEN PUNJAB COMPAIGN					
			PROGREMM FOR THE PERIOD OF 15/10/18					
			TO 25/10/18 VIDE FWMC WORK ORDER #					
			FWMC-2000/PROC/WO/185 DATED 1ST					
			OCTOBER-2018.					
19/11/2018	BP-00091	1	PAYMENT ON ACCOUNT OF BILL FOR		V	1,727,325		11,205,164.00
			SUPPLY OF EXCAVATOR, TRACTOR LOADER					
			FOR TRANSPORATION OF SOLID WASTE					

Date	Vr. No.	Sr.# Narration	Debit	Credit	Balance		
			WHICH HIRED AGAISNT CLEAN & GREEN				
			PUNJAB COMPAGN PROGREMM FOR THE				
			PERIOD OF 03/10/18 TO 25/10/18 VIDE				
			FWMC WORK ORDER # FWMC-				
			2000/PROC/WO/185 & 187				
28/11/2018	BP-00126	1	PAYMENT ON ACCOUNT OF BILL FOR	V	2,392,410		13,597,574.00
			SUPPLY OF SERVICES OF DUMPERS				
			EXCAVATOR,TRACKTOR BLADE & TRACTOR				
			LOADER FOR TRANSPORATION OF SOLID				
			WASTE FOR CLEAN & GREEN PUNJAB FOR				
			THE PERIOD 26-10-18 TO 13/11/18 VIDE				
			FWMC WORK ORDER # FWMC-				
			2000/PROC/WO/185 & 187 D				
22/12/2018	BP-00100	1	PAYMENT ON ACCOUNT OF BILL FOR	V	2,760,015		17,142,909.00
			SUPPLY OF DUMPERS FOR TRANSPORATION				
			OF SOLID WASTE WHICH HIRED AGAISNT				
			CLEAN & GREEN PUNJAB COMPAGN				
			PROGREMM FOR THE PERIOD OF 14/11/18				
			TO 24/11/18 VIDE FWMC WORK ORDER #				
			FWMC- 2000/PROC/WO/198 & 199 DATED				
			13th NOVEMB				
04/01/2019	BP-00013	1	PAYMENT ON ACCOUNT OF BILL FOR	V	5,590,125		23,574,084.00
			SUPPLY OF SERVICES OF DUMPERS				

Date	Vr. No.	Sr.# Narration	Debit	Credit	Balance		
			EXCAVATOR,TRACTOR BLADE & TRACTOR				
			LOADER FOR TRANSPORATION OF SOLID				
			WASTE FOR CLEAN & GREEN PUNJAB FOR				
			THE PERIOD 25-11-18 TO 15/12/18 VIDE				
			FWMC WORK ORDER # FWMC-				
			2000/PROC/WO/198 & 199 D				
28/01/2019	BP-00125	1	PAYMENT ON ACCOUNT OF BILL FOR		V	4,664,445	28,283,729.00
			SUPPLY OF SERVICES OF DUMPERS				
			EXCAVATOR,TRACTOR BLADE & TRACTOR				
			LOADER FOR TRANSPORATION OF SOLID				
			WASTE FOR CLEAN & GREEN PUNJAB FOR				
			THE PERIOD 15-12-18 TO 31/12/18 VIDE				
			FWMC WORK ORDER # FWMC-				
			2000/PROC/WO/209 & 210 D				
28/01/2019	BP-00126	1	PAYMENT ON ACCOUNT OF BILL FOR		V	3,005,790	31,289,519.00
			SUPPLY OF SERVICES OF DUMPERS				
			EXCAVATOR,TRACTOR BLADE & TRACTOR				
			LOADER FOR TRANSPORATION OF SOLID				
			WASTE FOR CLEAN & GREEN PUNJAB FOR				
			THE PERIOD 01-01-19 TO 10/01/19 VIDE				
			FWMC WORK ORDER # FWMC-				
			2000/PROC/WO/216 & 216-A				
28/02/2019	BP-00114	1	PAYMENT ON ACCOUNT OF BILL FOR		V	5,372,175	36,691,784.00

Date	Vr. No.	Sr.# Narration	Debit	Credit	Balance			
			SUPPLY OF SERVICES OF DUMPERS					
			EXCAVATOR,TRACTOR BLADE & TRACTOR					
			LOADER FOR TRANSPORATION OF SOLID					
			WASTE FOR CLEAN & GREEN PUNJAB FOR					
			THE PERIOD 11-01-19 TO 31/01/19 VIDE					
			FWMC WORK ORDER # FWMC-					
			2000/PROC/WO/216 & 216-A					
10/04/2019	BP-00040	1	PAYMENT ON ACCOUNT OF BILL FOR	V	4,736,415		42,217,319.00	
			SUPPLY OF SERVICES OF DUMPERS					
			EXCAVATOR,TRACTOR BLADE & TRACTOR					
			LOADER FOR TRANSPORATION OF SOLID					
			WASTE FOR CLEAN & GREEN PUNJAB FOR					
			THE PERIOD 11-02-19 TO 28/02/19 VIDE					
			FWMC WORK ORDER # FWMC-					
			2000/PROC/WO/227 & 228 D					
23/04/2019	BP-00081	1	ADJUSTMENT OF ADVANCE AMOUNT OF	V	75,770		42,293,089.00	
			MANAGER ADMIN (ACTING) FOR					
			ARRANGEMENTS OF CELEBRATIONS OF					
			CLOSING CEREMONY OF CLEANLINES WEEK					
			IN PUNJAB VIDE BPV # 94 DATED 21.03.19.					
Total						33,058,670	46,681	

Annexure-2/FWMC

[Para: 5.4.6]

Unjustified payment to EOBI – Rs 1.184 million

(Amount in Rs)

Account Code/Date	Voucher No.	Sr.# Narration		Debit	Credit	Balance
4020250002					Opening:	0.00
13/07/2018	BP-00059	1	PAYMENT ON ACCOUNT OF FWMC E.O.B.I	V	94,900.00	94,900.00
			CONTRIBUTION FOR THE M/O JUNE-18,			
			WIDE HR DEPARTMENT NOTING # F-			
			2200/2/HR/2239 DATED 10/07/18. TOTAL			
			REGISTERED EMPLOYEES AND EOBI 146			
			VOUCHER # 1000718925 ATTACHED.			
17/08/2018	BP-00122	1	PAYMENT ON ACCOUNT OF FWMC E.O.B.I	V	94,900.00	189,800.00
			CONTRIBUTION FOR THE M/O JULY-18, WIDE			
			HR DEPARTMENT NOTING # F-			
			2200/2/HR/2307 DATED 15/08/18. TOTAL			
			REGISTERED EMPLOYEES AND EOBI 146			
			VOUCHER # 1000736191 ATTACHED.			
17/09/2018	BP-00097	1	PAYMENT ON ACCOUNT OF FWMC E.O.B.I	V	97,315.00	287,115.00
			CONTRIBUTION FOR THE M/O AUGUST-18,			
			WIDE HR DEPARTMENT NOTING # F-			

Account Code/Date	Voucher No.	Sr.# Narration		Debit	Credit	Balance
			2200/2/HR/2384 DATED 14/09/18. TOTAL			
			REGISTERED EMPLOYEES 157 AND EOBI			
			VOUCHER ATTACHED.			
22/10/2018	BP-00089	1	PAYMENT ON ACCOUNT OF FWMC E.O.B.I	V	102,678.0 0	389,793.00
			CONTRIBUTION FOR THE M/O SEPTEMBER-			
			18, WIDE HR DEPARTMENT NOTING # F-			
			2200/2/HR/2509 DATED 12/10/18. TOTAL			
			REGISTERED EMPLOYEES 160 AND EOBI			
			VOUCHER # 1000755328 ATTACHED.			
14/11/2018	BP-00048	1	PAYMENT ON ACCOUNT OF FWMC E.O.B.I	V	102,784.0 0	492,577.00
			CONTRIBUTION FOR THE M/O OCTOBER- 18,			
			WIDE HR DEPARTMENT NOTING # F-			
			2200/2/HR/2620 DATED 12/11/18. TOTAL			
			REGISTERED EMPLOYEES 159 AND EOBI			
			VOUCHER # 1000767422 ATTACHED.(E.O.B.I)			
13/12/2018	BP-00033	1	PAYMENT ON ACCOUNT OF FWMC E.O.B.I	V	102,700.0 0	595,277.00
			CONTRIBUTION FOR THE M/O NOVEMBER-			

Account Code/Date	Voucher No.	Sr.# Narration		Debit	Credit	Balance
			18, WIDE HR DEPARTMENT NOTING # F-			
			2200/2/HR/2771 DATED 11/12/18. TOTAL			
			REGISTERED EMPLOYEES 158 AND EOBI			
			VOUCHER # 1000777839 ATTACHED.			
15/01/2019	BP-00057	1	PAYMENT ON ACCOUNT OF FWMC E.O.B.I	V	102,700.0 0	697,977.00
			CONTRIBUTION FOR THE M/O DECEMBER-18,			
			WIDE HR DEPARTMENT NOTING # F-			
			2200/2/HR/2902 DATED 14/01/19. TOTAL			
			REGISTERED EMPLOYEES 158 AND EOBI			
			VOUCHER # 1000791784 ATTACHED.			
21/02/2019	BP-00092	1	PAYMENT ON ACCOUNT OF FWMC E.O.B.I	V	96,850.00	794,827.00
			CONTRIBUTION FOR THE M/O JANUARY- 19,			
			WIDE HR DEPARTMENT NOTING # F-			
			2200/2/HR/3005 DATED 11/02/19. TOTAL			
			REGISTERED EMPLOYEES 149 AND EOBI			
			VOUCHER # 1726710 ATTACHED.			
19/03/2019	BP-00078	1	PAYMENT ON ACCOUNT OF FWMC E.O.B.I	V	96,850.00	891,677.00

Account Code/Date	Voucher No.	Sr.# Narration		Debit	Credit	Balance
			CONTRIBUTION FOR THE M/O FEBRUARY-19,			
			WIDE HR DEPARTMENT NOTING # F-			
			2200/2/HR/3169 DATED 13/03/19. TOTAL			
			REGISTERED EMPLOYEES 149 AND EOBI			
			VOUCHER # 126711 ATTACHED.			
16/04/2019	BP-00056	1	PAYMENT ON ACCOUNT OF FWMC E.O.B.I	V	97,500.00	989,177.00
			CONTRIBUTION FOR THE M/O MARCH-19,			
			WIDE HR DEPARTMENT NOTING # F-			
			2200/2/HR/3294 DATED 13/04/19. TOTAL			
			REGISTERED EMPLOYEES 150 AND EOBI			
			VOUCHER # 1000828602 ATTACHED.			
13/05/2019	BP-00036	1	PAYMENT ON ACCOUNT OF FWMC E.O.B.I	V	97,500.00	1,086,677.00
			CONTRIBUTION FOR THE M/O APRIL-19,			
			WIDE HR DEPARTMENT NOTING # F-			
			2200/2/HR/3376 DATED 11/05/19. TOTAL			
			REGISTERED EMPLOYEES 150 AND EOBI			
			VOUCHER # 1000837396 ATTACHED.			
14/06/2019 1-FW	1	PAYMENT ON		V	97,500.00	1,184,177.00

Account Code/Date	Voucher No.	Sr.# Narration		Debit	Credit	Balance
		ACCOUNT OF FWMC E.O.B.I				
		CONTRIBUTI ON FOR THE M/O MAY-19, WIDE				
		HR DEPARTMEN T NOTING # F-				
		2200/2/HR/345 6 DATED 03/06/19. TOTAL				
		REGISTERED EMPLOYEES 150 AND EOBI				
		VOUCHER # 1000844154 ATTACHED.				
Total						1,184,177

Annexure-1/MCMMC**[Para 6.5.4]****Non recovery of receivable from the contractors -Rs 5.667 million****(Rs in Million)**

Sr. No	Name of contractor	Type of Services	Receivables	Collected	Less recovery
1	QasimShahbaz	Torriparali bulail-1	2.068	0	2.068
2	Sadiqureshi	Torriparali bulail-2	2.408	0	2.408
3	Muhammad Razzaq	Fodder shops bulail	0.183	0.010	0.172
4	Muhammad asif-3	Hotel/ canteen	0.196	0.005	0.191
5	Muhammad aslam	Vehicle parking ludden	0.226	0.027	0.199
6	Muhammad kashif	khoka-2	0.303	0.287	0.018
7	Abdul aziz	Torriparali, bulail	1.183	1.182	0
8	Muhammad asif-1	Hotel/canteen bulail	0.114	0.114	0
9	Malik waseem	Fodder shops bulail	0.076	0.076	0
10	Ghulam Mustafa	Vehicle parking samorana	0.041	0.041	0
11	Muhammad abrar	Hotel/ canteen lodhran	0.025	0	0.025
12	Amir bhatti	Parking gaggo	0.336	0	0.336
13	Asmattullah khan	Parking bulail	0.195	0	0.195
14	Muhammad kashif	Hotel and canteen bulail	0.038	0	0.038
15	Muhammad kashif	Khokhatempoorarybulail	0.017	0	0.017
Total			7.409	1.742	5.667

Annexure-1/MWMC**[Para 7.4.7]****Withdrawal of bills by establishing firms through employees – Rs 8.968 million**

Date	BPV No.	Cheque No.	Name of firm	Head of Accounts	Amount
05-Jul-18	3	8066823268	Umar and Company	Rent of Machinery	79,200
05-Jul-18	4	8066823269	Umar and Company	Special & Emergent Services	64,800
05-Jul-18	5	8066823270	Umar and Company	Special & Emergent Services	75,600
05-Jul-18	6	8066823271	Umar and Company	Special & Emergent Services	70,200
05-Jul-18	7	8066823272	Umar and Company	Rent of Machinery	85,800
05-Jul-18	8	8066823273	Umar and Company	Rent of Machinery	85,800
05-Jul-18	9	8066823274	Umar and Company	Special & Emergent Services	70,200
05-Jul-18	10	8066823275	Umar and Company	Special & Emergent Services	70,200
06-Jul-18	11	8066823276	Umar and Company	Rent of Machinery	92,364
06-Jul-18	12	8066823277	Umar and Company	Rent of Machinery	85,800
20-Jul-18	53	8066823321	Umar and Company	Rent of Machinery	69,300
20-Jul-18	54	8066823322	Umar and Company	Rent of Machinery	74,844
20-Jul-18	55	8066823323	Umar and Company	Rent of Machinery	66,528
20-Jul-18	56	8066823324	Umar and Company	Rent of Machinery	66,000
20-Jul-18	57	8066823325	Umar and Company	Rent of Machinery	44,352
20-Jul-18	61	8066823329	Umar and Company	Special & Emergent Service	81,000
20-Jul-18	63	8066823331	Umar and Company	Special & Emergent Service	81,000
20-Jul-18	64	8066823332	Umar and Company	Rent of Machinery	66,000
20-Jul-18	65	8066823333	Umar and Company	Special & Emergent Service	94,500
20-Jul-18	66	8066823334	Umar and Company	Rent of Machinery	92,400
20-Jul-18	67	8066823335	Umar and Company	Rent of Machinery	99,000
20-Jul-18	70	8066823339	Umar and Company	Rent of Machinery	99,000
20-Jul-18	71	8066823340	Umar and Company	Rent of Machinery	52,800
20-Jul-18	74	8066823344	Umar and Company	Rent of Machinery	66,000
20-Jul-18	75	8066823345	Umar and Company	Special & Emergent Service	81,000
20-Jul-18	78	8066823348	Umar and Company	Rent of Machinery	59,400
20-Jul-18	79	8066823349	Umar and Company	Rent of Machinery	99,000
20-Jul-18	80	8066823350	Umar and Company	Special & Emergent Service	72,900

Date	BPV No.	Cheque No.	Name of firm	Head of Accounts	Amount
20-Jul-18	81	8066823351	Umar and Company	Special & Emergent Service	94,500
20-Jul-18	83	8066823353	Umar and Company	Rent of Machinery	79,200
20-Jul-18	84	8066823354	Umar and Company	Rent of Machinery	99,000
20-Jul-18	85	8066823355	Umar and Company	Special & Emergent Service	67,500
20-Jul-18	87	8066823357	Umar and Company	Special & Emergent Service	67,500
20-Jul-18	88	8066823358	Umar and Company	Special & Emergent Service	72,899
01-Aug-18	165	8066823444	Umar and Company	R & M Vehicle	72,657
19-Sep-18	26	806819830	Umar and Company	Special & Emergent Services	1,625,000
19-Sep-18	27	806819831	Umar and Company	Special & Emergent Services	1,557,500
07-Jul-18	32	8066823298	Abdul Qayyum General Order Supplier	Special & Emergent Service	20,400
07-Jul-18	33	8066823299	Abdul Qayyum General Order Supplier	Special & Emergent Service	49,608
07-Jul-18	34	8066823300	Abdul Qayyum General Order Supplier	Printing & Stationary	17,162
07-Jul-18	35	8066823301	Abdul Qayyum General Order Supplier	Printing & Stationary	13,455
07-Jul-18	36	8066823302	Abdul Qayyum General Order Supplier	Miscellaneous Items	18,255
20-Jul-18	68	8066823337	Abdul Qayyum General Order Supplier	Special & Emergent Service	96,525
20-Jul-18	69	8066823338	Abdul Qayyum General Order Supplier	Adv& Public Awareness	96,600
20-Jul-18	77	8066823347	Abdul Qayyum General Order Supplier	R & M Vehicle	93,158
20-Jul-18	94	8066823364	Abdul Qayyum General Order Supplier	R & M Vehicle	22,347
21-Jul-18	98	8066823368	Abdul Qayyum General Order Supplier	Adv& Public Awareness	96,600
21-Jul-18	99	8066823369	Abdul Qayyum General Order Supplier	R & M Vehicle	91,869
21-Jul-18	102	8066823372	Abdul Qayyum General Order Supplier	Work Shop Store Item	44,285
21-Jul-18	103	8066823373	Abdul Qayyum General Order Supplier	Other Operational Expense	99,450
21-Jul-18	105	8066823375	Abdul Qayyum General Order Supplier	R & M Vehicle	53,205
21-Jul-18	106	8066823376	Abdul Qayyum General Order Supplier	R & M Vehicle	64,994

Date	BPV No.	Cheque No.	Name of firm	Head of Accounts	Amount
21-Jul-18	107	8066823377	Abdul Qayyum General Order Supplier	R & M Vehicle	98,518
21-Jul-18	108	8066823378	Abdul Qayyum General Order Supplier	R & M Vehicle	15,093
21-Jul-18	109	8066823379	Abdul Qayyum General Order Supplier	R & M Vehicle	74,209
21-Jul-18	112	8066823382	Abdul Qayyum General Order Supplier	R & M Vehicle	74,209
21-Jul-18	113	8066823383	Abdul Qayyum General Order Supplier	R & M Vehicle	18,252
21-Jul-18	114	8066823384	Abdul Qayyum General Order Supplier	R & M Vehicle	29,595
21-Jul-18	115	8066823385	Abdul Qayyum General Order Supplier	Work Shop Up gradation	99,801
21-Jul-18	117	8066823387	Abdul Qayyum General Order Supplier	R & M Vehicle	18,790
21-Jul-18	118	8066823388	Abdul Qayyum General Order Supplier	Special & Emergent Service	96,525
21-Jul-18	119	8066823389	Abdul Qayyum General Order Supplier	R & M Vehicle	39,823
21-Jul-18	120	8066823390	Abdul Qayyum General Order Supplier	R & M Vehicle	63,356
21-Jul-18	121	8066823391	Abdul Qayyum General Order Supplier	R & M Vehicle	48,229
21-Jul-18	122	8066823392	Abdul Qayyum General Order Supplier	Miscellaneous Items	36,709
21-Jul-18	123	8066823393	Abdul Qayyum General Order Supplier	R & M Vehicle	8,424
21-Jul-18	125	8066823395	Abdul Qayyum General Order Supplier	R & M Vehicle	8,541
21-Jul-18	126	8066823396	Abdul Qayyum General Order Supplier	Furniture & Fixture	32,058
30-Jul-18	144	8066823416	Abdul Qayyum General Order Supplier	Special & Emergent Service	96,525
01-Aug-18	150	8066823428	Abdul Qayyum General Order Supplier	R & M Vehicle	60,122
01-Aug-18	151	8066823429	Abdul Qayyum General Order Supplier	R & M Vehicle	67,158
01-Aug-18	152	8066823430	Abdul Qayyum General Order Supplier	Printing & Stationary	30,771
01-Aug-18	153	8066823431	Abdul Qayyum General Order Supplier	Special & Emergent Service	9,652
01-Aug-18	172	8066823451	Abdul Qayyum General Order Supplier	Other Operational Expense	45,577
01-Aug-18	186	8066823466	Abdul Qayyum General Order Supplier	R & M Vehicle	90,589

Date	BPV No.	Cheque No.	Name of firm	Head of Accounts	Amount
01-Aug-18	187	8066823467	Abdul Qayyum General Order Supplier	R & M Vehicle	5,090
01-Aug-18	188	8066823468	Abdul Qayyum General Order Supplier	R & M Vehicle	6,669
01-Aug-18	189	8066823469	Abdul Qayyum General Order Supplier	R & M Vehicle	78,156
01-Aug-18	190	8066823470	Abdul Qayyum General Order Supplier	R & M Vehicle	8,951
07-Aug-18	201	8066823481	Abdul Qayyum General Order Supplier	Special & Emergent Service	12,870
07-Aug-18	202	8066823482	Abdul Qayyum General Order Supplier	Printing & Stationary	3,960
07-Aug-18	203	8066823483	Abdul Qayyum General Order Supplier	R & M Office Equipment	14,700
07-Aug-18	204	8066823484	Abdul Qayyum General Order Supplier	Printing & Stationary	40,365
08-Aug-18	217	8066823498	Abdul Qayyum General Order Supplier	Adv & Public Awareness	36,800
08-Aug-18	218	8066823499	Abdul Qayyum General Order Supplier	Printing & Stationary	88,862
08-Aug-18	219	8066823500	Abdul Qayyum General Order Supplier	Special & Emergent Service	85,550
08-Aug-18	227	8066823508	Abdul Qayyum General Order Supplier	R & M Vehicle	48,408
08-Aug-18	229	8066823510	Abdul Qayyum General Order Supplier	Printing & Stationary	27,518
09-Aug-18	240	8066823521	Abdul Qayyum General Order Supplier	Printing & Stationary	99,684
09-Aug-18	241	8066823522	Abdul Qayyum General Order Supplier	R & M Vehicle	31,707
09-Aug-18	242	8066823523	Abdul Qayyum General Order Supplier	R & M Vehicle	28,900
09-Aug-18	255	8066823536	Abdul Qayyum General Order Supplier	R & M Vehicle	29,988
09-Aug-18	256	8066823537	Abdul Qayyum General Order Supplier	R & M Vehicle	7,851
09-Aug-18	260	8066823541	Abdul Qayyum General Order Supplier	Special & Emergent Service	88,150
09-Aug-18	261	8066823542	Abdul Qayyum General Order Supplier	Special & Emergent Service	20,750
10-Aug-18	268	8066823549	Abdul Qayyum General Order Supplier	R & M Vehicle	35,273
10-Oct-18	49	806819857	Abdul Qayyum General Order Supplier	Printing & Stationery	25,460
10-Oct-18	50	806819858	Abdul Qayyum General Order Supplier	Printing & Stationery	20,744

Date	BPV No.	Cheque No.	Name of firm	Head of Accounts	Amount
10-Oct-18	51	806819859	Abdul Qayyum General Order Supplier	Printing & Stationery	10,546
10-Oct-18	52	806819860	Abdul Qayyum General Order Supplier	Printing & Stationery	5,950
10-Oct-18	53	806819861	Abdul Qayyum General Order Supplier	Printing & Stationery	5,186
10-Oct-18	54	806819862	Abdul Qayyum General Order Supplier	Adv & Public Awareness	8,753
10-Oct-18	55	806819863	Abdul Qayyum General Order Supplier	Adv & Public Awareness	35,452
10-Oct-18	56	806819864	Abdul Qayyum General Order Supplier	Adv & Public Awareness	28,430
10-Oct-18	57	806819865	Abdul Qayyum General Order Supplier	Adv & Public Awareness	6,082
10-Oct-18	58	806819866	Abdul Qayyum General Order Supplier	Adv & Public Awareness	4,457
10-Oct-18	59	806819867	Abdul Qayyum General Order Supplier	Adv & Public Awareness	20,328
10-Oct-18	60	806819868	Abdul Qayyum General Order Supplier	Adv & Public Awareness	5,172
10-Oct-18	61	806819869	Abdul Qayyum General Order Supplier	Adv & Public Awareness	31,500
10-Oct-18	62	806819870	Abdul Qayyum General Order Supplier	Adv & Public Awareness	17,640
10-Oct-18	63	806819872	Abdul Qayyum General Order Supplier	Adv & Public Awareness	9,744
10-Oct-18	64	806819873	Abdul Qayyum General Order Supplier	Adv & Public Awareness	11,088
Total					8,967,917

Annexure-2/MWMC**[Para 7.5.2]****Doubtful expenditure on hiring of rickshaws and labour – Rs 2.674 million**

Date	BPV No.	Dates of hiring	Operational area	Items	Qty	Days	Rate	Amount
5-Jul-18	6	01.03.18-15.03.18	UC-47	Hiring of sanitary workers	4	13	1,350	70,200
5-Jul-18	7	01.03.18-15.03.18	UC-47	Hiring of loader rickshaws	2	13	3,300	85,800
5-Jul-18	5	16.03.18-31.03.18	UC-47	Hiring of sanitary workers	4	14	1,350	75,600
6-Jul-18	11	16.03.18-31.03.18	UC-47	Hiring of loader rickshaws	2	14	3,300	92,364
5-Jul-18	3	01.04.18-15.04.18	UC-47	Hiring of loader rickshaws	2	12	3,300	79,200
5-Jul-18	4	01.04.18-15.04.18	UC-47	Hiring of sanitary workers	4	12	1,350	64,800
5-Jul-18	8	16.04.18-30.04.18	UC-47	Hiring of loader rickshaws	2	13	3,300	85,800
5-Jul-18	10	16.04.18-30.04.18	UC-47	Hiring of sanitary workers	4	13	1,350	70,200
5-Jul-18	9	01.05.18-15.05.18	UC-47	Hiring of sanitary workers	4	13	1,350	70,200
6-Jul-18	12	01.05.18-15.05.18	UC-47	Hiring of loader rickshaws	2	13	3,300	85,800
20-Jul-18	61	13.10.17-19.10.17	UC-47	Hiring of sanitary workers	10	6	1,350	81,000
20-Jul-18	63	25.10.17-04.11.17	UC-20	Hiring of sanitary workers	6	10	1,350	81,000
20-Jul-18	65	13.10.17-24.10.17	Zone-01	Hiring of sanitary workers	7	10	1,350	94,500
20-Jul-18	75	01.11.17-11.11.17	UC-20	Hiring of sanitary workers	6	10	1,350	81,000
20-Jul-18	80	01.03.18-31.03.18	UC-06	Hiring of sanitary workers	2	27	1,350	72,900
20-Jul-18	81	02.10.17-12.10.17	Zone-01	Hiring of sanitary workers	7	10	1,350	94,500
20-Jul-18	85	02.04.18-30.04.18	UC-08	Hiring of sanitary workers	2	25	1,350	67,500
20-Jul-18	87	02.04.18-30.04.18	UC-06	Hiring of sanitary workers	2	25	1,350	67,500
20-Jul-18	88	01.03.18-31.03.18	UC-08	Hiring of sanitary workers	2	27	1,350	72,900

Date	BPV No.	Dates of hiring	Operational area	Items	Qty	Days	Rate	Amount
20-Jul-18	53	02.04.18-30.04.18	UC-08	Loader rickshaws	1	25	3,300	82,500
20-Jul-18	54	01.03.18-31.03.18	UC-08	Loader rickshaws	1	27	3,300	89,100
20-Jul-18	55	06.10.17-31.10.17	UC-21	Loader rickshaws	1	24	3,300	79,200
20-Jul-18	56	23.09.17-28.09.17	UC-21	Loader rickshaws	4	5	3,300	66,000
20-Jul-18	57	01.08.17-18.08.17	Zone-06	Loader rickshaws	1	16	3,300	52,800
20-Jul-18	64	18.09.17-22.09.17	Zone No.03	Loader rickshaws	4	5	3,300	66,000
20-Jul-18	66	01.08.17-31.08.17	Zone No.06	Loader rickshaws	1	28	3,300	92,400
20-Jul-18	67	23.09.17-28.09.17	Zone No.01	Loader rickshaws	6	5	3,300	99,000
20-Jul-18	70	18.09.17-22.09.17	Zone No.01	Loader rickshaws	6	5	3,300	99,000
20-Jul-18	71	04.09.17-21.09.17	Zone No.05	Loader rickshaws	1	16	3,300	52,800
20-Jul-18	74	13.09.17-16.09.17	Zone No.01	Loader rickshaws	5	4	3,300	66,000
20-Jul-18	78	25.10.17-31.10.17	Zone No.01	Loader rickshaws	3	6	3,300	59,400
20-Jul-18	79	18.09.17-22.09.17	Zone No.04	Loader rickshaws	6	5	3,300	99,000
20-Jul-18	83	06.10.17-19.10.17	UC-47	Loader rickshaws	2	12	3,300	79,200
20-Jul-18	84	23.09.17-28.09.17	Zone No.04	Loader rickshaws	6	5	3,300	99,000
				Total				2,674,164

Annexure-1/CMMCS D

[Para No. 8.3.1]

Non-production of various receipts record of Rs 7.583 million.

(Rs in Million)

Head	Actual Income		Total Income
	2017-18	2018-19	
Promotional stall Lease	0.128	-	0.128
Waste Lease	0.012	-	0.012
Khurli Fee Self	0.877	0.9470	1.825
Charpai fees Self	1.384	0.814	2.199
Parking fees Self collection	0.033	0.760,	0.794
Parali Self collection	1.659	-	1.659
Other income (Scrap Sale)	0.818	0.148	0.966
Other Stalls			-
Total	4.912	2.671	7.583

Record of unsuccessful bidders was also not shown to Audit.						
BOD Meeting	BOD Meeting	Advertisement No.	Tender Forms sold	Participated	Successful	Tenders not shown
14th Meeting on 14.07.2017	19th Meeting on 11.07.2018	IPL # 6376				
		IPL # 6413	118	105	27	78
		IPL # 7929	87	82	63	19
		4.05.2018				
		27.05.2018				
		28.06.2018	102	94	50	50
Total Not produced						147

Annexure-2/CMMCS

[Para No. 8.4.2]

Irregular expenditure by splitting up of indents in order to avoid the advertisement-Rs 1.459 million

(Rs in Million)

BPV No.	BPV Date	Description	Name of Payee	Bill Date	Total
68	19.09.2017	Hiring of Tent Okara market	Al-Mukhtar Tent Services		0.063
71	20.09.2017	Hiring of CCTV cameras Arifwala Cattle Market	Baba Fareed Electronics	21.08.2017	0.035
78	23.09.2017	Hiring of Tent Sahiwal cattle market	Ali Sher Tent Services	15.09.2017	0.066
72	20.09.2017	Purchase of CCTV cameras Sahiwal Cattle Market	Sultan Security Services	07.09.2017	0.056
85	27.09.2017	Hiring of CCTV cameras Okara Cattle Market	Asim Israr	23.09.2017	0.022
86	27.09.2017	Hiring of Sound for Okara and Sahiwal Market	Asim Israr	23.09.2017	0.023
89	28.09.2017	Hiring of Energy Saver Okara Market	Mukhtar Ahmed Govt Contractor	23.09.2017	0.099
58	12.09.2017	Hiring of Van sahiwal cattle market	Modern Flying Coach	06.09.2017	0.009
79	23.09.2017	Rent Generator for Okara Market	M. Ashraf Govt. Contractor	19.09.2017	0.047
87	27.09.2017	Diesel for Generator for Okara Market	M. Ashraf Govt. Contractor	22.09.2017	0.034
21	18.08.2017	Construction of Ramp and Earth filling Cattle Market Okara	M/s Atta Muhammad Bhatti	18.08.2017	0.063
115	16.10.2017	cleanliness tractor trolley	Burhan Khan Construction Company	28.09.2017	0.017
56	09.09.2017	cleanliness Okara market	M. Sharif	08.09.2017	0.018
32	28.08.2017	Mud Trolley Sahiwal Cattle market	Sadi Matti Supplier	26.08.2017	0.004
115	16.10.2017	Diesel for tractor	Burhan Khan Construction Company		0.027
46	31.08.2017	Tyre tub	Nanna Tyre House	21.08.2017	0.013
104	06.10.2017	Electricity wires for energy saver Okara Market	Rana Tariq Mehmood	27.09.2017	0.068
69	20.09.2017	Electric Items Arifwala cattle market	Mashallah Electric Store	26.08.2017	0.014
44	31.08.2017	Electric Items Sahiwal cattle Market	New Lahore Electric Store	29.08.2017	0.031
76	23.09.2017	Water Tank	Bismillah Traders	29.08.2017	0.034
77	23.09.2017	Advertisement Congo awareness	Daily Paigham	25.08.2017	0.010
260	07.03.2018	Veterunary Medicine	Al-Haiwan Vet Traders	09.03.2018	0.038

BPV No.	BPV Date	Description	Name of Payee	Bill Date	Total
117	18.10.2017	Rope and lime for Sahiwal and Okara market	Yahya Waan Store	09.10.2017	0.015
107	03.10.2018	Hiring of Tent on Eid ul Azha sahiwal market	Wali Sons sounds, generators, lights, tents	24.09.2018	0.035
83	11.09.2018	Hiring of Tent on Eid ul Azha on Arifwala market	Bhatti Tent Service	24.08.2018	0.013
76	06.09.2018	Hiring of Tent on Eid ul Azha on Okara market	Rana Tent Service	03.09.2018	0.043
59	30.08.2018	Hiring of tent & lighting Arifwala market	Madni light & tent service	27.08.2018	0.047
108	03.10.2018	Hiring of Sound System on Eid ul Azha sahiwal market	Wali Sons sounds, generators, lights, tents	24.09.2018	0.026
88	12.09.2018	Hiring of lighting Okara market	Friendship Builder	10.09.2018	0.097
56	30.08.2018	Hiring of CCTV camera Okara market	M. Ashraf Govt. Contractor	29.08.2018	0.029
57	30.08.2018	Hiring of Generator Okara Market	Friendship Builder	29.08.2018	0.024
55	30.08.2018	Diesel for Generator for Okara Market	Mehr Petroleum & CNG	30.08.2018	0.041
104	27.09.2018	Diesel for Generator for Sahiwal Market	Race Course Service Center	31.08.2018	0.056
77	06.09.2018	Installation & pump boring sahiwal market	Muqaddar Sanitary Store		0.021
62	30.08.2018	Installation & pump boring Okara market	Mughar Iron & Boring Store	25.08.2018	0.08
28	24.08.2017	Cleanliness of Sahiwal cattle market	M. Khalil Ahmed	12.08.2017	0.010
89	12.09.2018	Cleanliness at Okara Market	Rana Tariq Mehmood	10.09.2018	0.075
61	30.08.2018	Rope, ban and other accessories	Yasir Tarpal House	27.08.2018	0.044
58	30.08.2018	Repair of wash room Okara market	Three star Govt Contractor	12.08.2018	0.043
39	10.08.2018	Water Tub steel	Yaqoob Trunk House	10.08.2018	0.024
Total					1.459

Annexure-3/CMMCS**[Para No. 8.5.1]****Non-Recovery of advance income tax from contractor– Rs 5.406 million****(Rs in Million)**

Head	Name of Mandi	Contractor Name	Period	Auction Amount	Income tax
Parking Fee	Sahiwal	Ghulam Mustafa / Ghulam Nabi	2017-18	909999	0.091
Parking Fee	Chichawati	Ghulam Mustafa / Ibrahim	2017-18	3405792	0.341
Parking Fee	Arifwala	Riaz Ahmad	2017-18	3417500	0.342
Parali	Arifwala	Bakhtawar Ali	2017-18	2079000	0.208
Parali	Chichawati	Gull sher	2017-18	2250000	0.225
Fodder Shop	Sahiwal	Muhammad Zahid	2017-18	19000	0.002
Fodder Shop	Arifwala	Ali Hassan	2017-18	346500	0.035
Fodder Shop	Arifwala	Abdul Razaq S/O Ahmad Ali	2017-18	332750	0.033
Fodder Shop	Arifwala	Abdul Gaffar S/O Gull Muhammad	2017-18	330000	0.033
Fodder Shop	Arifwala	Muhammad Ashraf S/O Muhammad Anwar	2017-18	324500	0.032
Fodder Shop	Arifwala	Ali Gohar S/O Muhammad Yaqoob	2017-18	302346	0.030
Fodder Shop	Chichawati	Muhammad Naseer S/O Ghulam Muhammad	2017-18	453432	0.045
Fodder Shop	Chichawati	Muhammad Anjum S/O Nazeer Ahmad	2017-18	441432	0.044
Fodder Shop	Chichawati	Tanveer Ashraf	2017-18	426000	0.043
Fodder Shop	Chichawati	Sultan Mehmood	2017-18	422400	0.042
Fodder Shop	Chichawati	Abdul Razaq S/O Ahmad Ali	2017-18	418800	0.042
Fodder Shop	Chichawati	Muhammad Ajmal Shaheen	2017-18	432000	0.043
Fodder Shop	Chichawati	Shabir Ahmad	2017-18	396000	0.040

Head	Name of Mandi	Contractor Name	Period	Auction Amount	Income tax
Khokha	Chichawati	Muhammad Safdar	2017-18	36000	0.004
Khokha	Chichawati	Muhammad Akbar	2017-18	37200	0.004
Khokha	Chichawati	Imran Khan / Noor Muhammad	2017-18	39600	0.004
Khokha	Chichawati	Ash Muhammad	2017-18	36000	0.004
Khokha	Chichawati	Ali Hussain	2017-18	39600	0.004
Khokha	Chichawati	Muhammad yousaf	2017-18	36000	0.004
Khokha	Chichawati	Muhammad Arshad S/O Muhammad Aslam	2017-18	36000	0.004
Khokha	Chichawati	Abdul Sattar	2017-18	36000	0.004
Khokha	Chichawati	Muhammad Wakeel	2017-18	36000	0.004
Khokha	Chichawati	Muhammad Yasin	2017-18	36000	0.004
Khokha	Chichawati	Muhammad Ishaq Wahla	2017-18	39600	0.004
Khokha	Chichawati	Muhammad Imran	2017-18	43200	0.004
Khokha	Chichawati	Ghulam Nabi	2017-18	42000	0.004
Khokha	Chichawati	Zeeshan Mehmood	2017-18	38400	0.004
Khokha	Chichawati	Muhammad Ramzan	2017-18	37200	0.004
Khokha	Arifwala	Muhammad Akbar	2017-18	36300	0.004
Khokha	Arifwala	Abdul Sattar	2017-18	36000	0.004
Khokha	Arifwala	Muhammad Wakeel	2017-18	36000	0.004
Khokha	Arifwala	Muhammad Yousaf	2017-18	36000	0.004
Khokha	Arifwala	Muhammad Imran	2017-18	36300	0.004
Khokha	Arifwala	Muhammad Ramzan	2017-18	34100	0.003
Khokha	Arifwala	Faqeer Muhammad	2017-18	35200	0.004
Khokha	Arifwala	Imran Noor Muhammad	2017-18	36300	0.004

Head	Name of Mandi	Contractor Name	Period	Auction Amount	Income tax
Khokha	Arifwala	Muhammad Ishaq	2017-18	36300	0.004
Khokha	Arifwala	Muhammad Yasin	2017-18	36300	0.004
Khokha	Arifwala	Ghulam Nabi	2017-18	33000	0.003
Khokha	Arifwala	Muhammad Arshad	2017-18	36000	0.004
Khokha	Arifwala	Muhammad Ishtiaq	2017-18	26666.66 7	0.003
Khokha	Sahiwal	Muhammad Asghar	2017-18	32004	0.003
Khokha	Sahiwal	Muhammad Masheer	2017-18	24000	0.002
Khokha	Sahiwal	Muhammad Tariq	2017-18	43200	0.004
Khokha	Sahiwal	Muhammad Abbass	2017-18	45600	0.005
Khokha	Sahiwal	Muhammad Anwar	2017-18	40800	0.004
Khokha	Sahiwal	Muhammad Yasin	2017-18	45600	0.005
Khokha	Sahiwal	Muhammad Imran	2017-18	28800	0.003
Khokha	Sahiwal	Ghulam Nabi	2017-18	26004	0.003
Khokha	Sahiwal	Ghulam Abbass	2017-18	24000	0.002
Khokha	Iqbal Nagar	Jhangir Badar	2017-18	29004	0.003
Khokha	Kameer	Muhammad Anwar	2017-18	25000	0.003
Khokha	Sahiwal	Ghulam Abbass	2017-18	24000	0.002
Khokha	Kameer	Muhammad Anwar	2017-18	24996	0.002
Khokha	Iqbal Nagar	Muhammad Anwar	2017-18	24996	0.002
Hotel	Arifwala	Riaz Ahmad	2017-18	94875	0.009
Hotel	Arifwala	Muhammad Shahbaz	2017-18	116000	0.012
Hotel	Chichawati	Imran Majeed	2017-18	95000	0.010
Hotel	Sahiwal	Zakaria	2017-18	92004	0.009
Hotel	Arifwala	Muhammad javed Iqbal	2017-18	99000	0.010
Hotel	Chichawati	Muhammad javed Iqbal	2017-18	110400	0.011
Hotel	Chichawati	Mushtaq Ahmad	2017-18	108000	0.011
Hotel	Arifwala	Mushtaq Ahmad	2017-18	96800	0.010
Hotel	Arifwala	Tahir Nadeem	2017-18	96800	0.010
Hotel	Arifwala	Muhammad Zeeshan	2017-18	95700	0.010
Hotel	Chichawati	Muhammad Zeeshan	2017-18	94600	0.009
Hotel	Chichawati	Muhammad Shehbaz	2017-18	115000	0.012

Head	Name of Mandi	Contractor Name	Period	Auction Amount	Income tax
Hotel	Chichawani	Tahir Nadeem	2017-18	105600	0.011
Hotel	Arifwala	Tahir Nadeem	2017-18	96800	0.010
Ornamental	Sahiwal	Muhammad Yahya	2017-18	55008	0.006
Ornamental	Sahiwal	Suleman	2017-18	54996	0.005
Ornamental	Chichawani	Ahad Javed	2017-18	84000	0.008
Ornamental	Arifwala	Ahad Javed	2017-18	77000	0.008
Ornamental	Chichawani	Muhammad Javed	2017-18	84000	0.008
Ornamental	Arifwala	Muhammad Javed	2017-18	203500	0.020
Ornamental	Arifwala	Muhammad Yaqoob	2017-18	132000	0.013
Ornamental	Chichawani	Muhammad Yaqoob	2017-18	144000	0.014
Ornamental	Chichawani	Zeeshan Ahmad	2017-18	114000	0.011
General Store	Chichawani	Usman Niaz	2017-18	114000	0.011
General Store	Chichawani	Muhammad Suleman	2017-18	114000	0.011
General Store	Chichawani	Zeeshan Ali	2017-18	72000	0.007
General Store	Arifwala	Muhammad Iqbal	2017-18	55000	0.006
General Store	Arifwala	Muhammad Akram	2017-18	55000	0.006
General Store	Arifwala	Muhammad Akmal	2017-18	66000	0.007
General Store	Arifwala	Zeeshan Ali	2017-18	88000	0.009
Fodder	Arifwala	Ali Gohar S/O Muhammad Yaqoob	2018-19	613200	0.061
Fodder	Arifwala	Ali Hussain S/O Jaffar Ali	2018-19	492000	0.049
Fodder	Arifwala	Usman Nazeer	2018-19	429432	0.043
Fodder	Arifwala	Mehfooz Ahmad	2018-19	599988	0.060
Fodder	Arifwala	Abdul Ghafar	2018-19	441432	0.044
Ornamental Plants	Arifwala	Fakhr-U-Dinn	2018-19	234000	0.023
Ornamental Plants	Arifwala	Muhammad Abbass	2018-19	240000	0.024
Ornamental Plants	Arifwala	Muhammad Javed	2018-19	241200	0.024
General Store	Arifwala	Muhammad Iqbal	2018-19	182400	0.018

Head	Name of Mandi	Contractor Name	Period	Auction Amount	Income tax
General Store	Arifwala	Muhammad Akram	2018-19	162000	0.016
General Store	Arifwala	Usman Ali	2018-19	163200	0.016
Khokha	Arifwala	Akbar Ali Arif	2018-19	85032	0.009
Khokha	Arifwala	Asim Mehmood	2018-19	61200	0.006
Khokha	Arifwala	Siddique	2018-19	69432	0.007
Khokha	Arifwala	Muhammad Yasin	2018-19	66660	0.007
Khokha	Arifwala	Muhammad Maqsood	2018-19	66000	0.007
Khokha	Arifwala	Maroof Ahmad	2018-19	55200	0.006
Hotel	Arifwala	Mushtaq Ahmad	2018-19	133200	0.013
Hotel	Arifwala	Muhammad Yasin	2018-19	101025	0.010
Hotel	Arifwala	Muhammad Shahbaz	2018-19	181656	0.018
Hotel	Arifwala	Muhammad Javed Iqbal	2018-19	134400	0.013
Hotel	Arifwala	Tahir Nadeem	2018-19	132000	0.013
Hotel	Arifwala	Muhammad Zeeshan	2018-19	127200	0.013
Tea Stall	Arifwala	Muhammad Ramzan	2018-19	120000	0.012
Tea Stall	Arifwala	Muhammad Ishaq	2018-19	50400	0.005
Parali	Arifwala	Muhammad Tufail	2018-19	5469432	0.547
Parking	Arifwala	Haji Idrees	2018-19	3969432	0.397
Parking	Kameer	Munir Watoo	2018-19	506000	0.051
Ornamental	Kameer	Muhammad Akhtar	2018-19	36240	0.004
Hotel	Kameer	Shahid Iqbal	2018-19	50000	0.005
Hotel	Kameer	Muhammad Bilal	2018-19	27000	0.003
Hotel	Iqbal Nagar	Muhammad Kashif	2018-19	37000	0.004
Hotel	Iqbal Nagar	Naveed Akhtar	2018-19	36000	0.004
Hotel	Iqbal Nagar	Nazir	2018-19	37000	0.004
Hotel	Iqbal Nagar	Muhammad Ameen	2018-19	37000	0.004
Hotel	Iqbal Nagar	Abdul Jabbar	2018-19	42000	0.004
Hotel	Iqbal Nagar	Ghulam Abbass	2018-19	38000	0.004
Hotel	Iqbal Nagar	Jhangeer Badar	2018-19	128000	0.013
Parking	Marla Chowk	Muhammad Ashraf	2018-19	384000	0.038

Head	Name of Mandi	Contractor Name	Period	Auction Amount	Income tax
Parking	Hotta	Ismail S/O Allah Ditta	2018-19	372000	0.037
Parking	Sahiwal	Alam Sher	2018-19	1600786	0.160
Hotel	Sahiwal	Naseer	2018-19	130000	0.013
Hotel	Sahiwal	Abdul Shakoor	2018-19	140000	0.014
Fodder	Sahiwal	Abdul Rasheed	2018-19	35000	0.004
Tea Stall	Sahiwal	Muhammad Tariq	2018-19	36000	0.004
Tea Stall	Sahiwal	Muhammad Iqbal SWL	2018-19	34080	0.003
Tea Stall	Sahiwal	Muhammad Asghar	2018-19	42786	0.004
Tea Stall	Sahiwal	Abbass	2018-19	38400	0.004
Ornamental	Sahiwal	Faisal Ur Rehman	2018-19	115200	0.012
Ornamental	Sahiwal	Hafiz Faris Ali	2018-19	112800	0.011
Hotel	Chichawani	Shahid Ali	2018-19	82800	0.008
Hotel	Chichawani	Saif Ali	2018-19	91242	0.009
Hotel	Chichawani	Muhammad Jaffar	2018-19	106074	0.011
Hotel	Chichawani	Qamar Zaman	2018-19	87300	0.009
Hotel	Chichawani	Muhammad Imran	2018-19	120825	0.012
Hotel	Chichawani	Ahad Nadeem	2018-19	78300	0.008
Hotel	Chichawani	Farooq Ul Hassan	2018-19	81900	0.008
Ornamental	Chichawani	Ahad Javed	2018-19	79200	0.008
Ornamental	Chichawani	Muhammad Boota	2018-19	76500	0.008
Ornamental	Chichawani	Muhammad Shehbaz	2018-19	81000	0.008
Tea Stall	Chichawani	Ghulam Mustafa	2018-19	36000	0.004
Tea Stall	Chichawani	Muhammad Ameen	2018-19	54900	0.005
Tea Stall	Chichawani	Ghulam Nabi	2018-19	63000	0.006

Head	Name of Mandi	Contractor Name	Period	Auction Amount	Income tax
Tea Stall	Chichawani	Ghafoor Ahmad	2018-19	49500	0.005
Tea Stall	Chichawani	Muhammad Iqbal	2018-19	106074	0.011
Tea Stall	Chichawani	Muhammad Habib	2018-19	25200	0.003
Fooder	Chichawani	Muhammad Abbass	2018-19	511074	0.051
Fooder	Chichawani	Muhammad Afzal	2018-19	648000	0.065
Fooder	Chichawani	Shabir	2018-19	475074	0.048
Fooder	Chichawani	Arshad Iqbal	2018-19	675000	0.068
Fooder	Chichawani	Tanveer	2018-19	556074	0.056
General store	Chichawani	Asif Hussain	2018-19	184500	0.018
General store	Chichawani	Masood Farid	2018-19	196074	0.020
General store	Chichawani	Muhammad Saleem	2018-19	166500	0.017
General store	Chichawani	Zohaib Akram	2018-19	187074	0.019
Toori Parali	Chichawani	Maqsood Ahmad	2018-19	6060000	0.606
Parking	Chichawani	Muhammad Dildar	2018-19	3449790	0.345
Total					5.406

Annexure-4/CMMCS**[Para No. 8.6.1]****Non-transparent approval of outsource income auctions by the BOD Rs
24.60 million****(Rs in Million)**

Head	Name of Mandi	Contractor Name	Period	Date of Advertisement	Auction Date	Auction Amount
Fodder	Arifwala	Ali Gohar S/O Muhammad Yaqoob	2018-19	4.05.2018	16.05.2018	0.61
Fodder	Arifwala	Ali Hussain S/O Jaffar Ali	2018-19	4.05.2018	16.05.2018	0.49
Fodder	Arifwala	Usman Nazeer	2018-19	4.05.2018	16.05.2018	0.43
Fodder	Arifwala	Mehfooz Ahmad	2018-19	4.05.2018	16.05.2018	0.60
Fodder	Arifwala	Abdul Ghafar	2018-19	4.05.2018	16.05.2018	0.44
Ornamental Plants	Arifwala	Fakhr-U-Dinn	2018-19	4.05.2018	16.05.2018	0.23
Ornamental Plants	Arifwala	Muhammad Abbass	2018-19	4.05.2018	16.05.2018	0.24
Ornamental Plants	Arifwala	Muhammad Javed	2018-19	4.05.2018	16.05.2018	0.24
General Store	Arifwala	Muhammad Iqbal	2018-19	4.05.2018	16.05.2018	0.18
General Store	Arifwala	Muhammad Akram	2018-19	4.05.2018	16.05.2018	0.16
General Store	Arifwala	Usman Ali	2018-19	4.05.2018	16.05.2018	0.16
Khokha	Arifwala	Akbar Ali Arif	2018-19	4.05.2018	16.05.2018	0.09
Khokha	Arifwala	Asim Mehmood	2018-19	4.05.2018	16.05.2018	0.06
Khokha	Arifwala	Siddique	2018-19	4.05.2018	16.05.2018	0.07
Khokha	Arifwala	Muhammad Yasin	2018-19	4.05.2018	16.05.2018	0.07
Khokha	Arifwala	Muhammad Maqsood	2018-19	4.05.2018	16.05.2018	0.07
Khokha	Arifwala	Maroof Ahmad	2018-19	4.05.2018	16.05.2018	0.06
Hotel	Arifwala	Mushtaq Ahmad	2018-19	4.05.2018	16.05.2018	0.13
Hotel	Arifwala	Muhammad Shahbaz	2018-19	4.05.2018	16.05.2018	0.18
Hotel	Arifwala	Muhammad Javed Iqbal	2018-19	4.05.2018	16.05.2018	0.13
Hotel	Arifwala	Tahir Nadeem	2018-19	4.05.2018	16.05.2018	0.13
Hotel	Arifwala	Muhammad Zeeshan	2018-19	4.05.2018	16.05.2018	0.13
Tea Stall	Arifwala	Muhammad Ramzan	2018-19	4.05.2018	16.05.2018	0.12
Tea Stall	Arifwala	Muhammad Ishaq	2018-19	4.05.2018	16.05.2018	0.05

Head	Name of Mandi	Contractor Name	Period	Date of Advertisement	Auction Date	Auction Amount
Parali	Arifwala	Muhammad Tufail	2018-19	4.05.2018	16.05.2018	5.47
Parking	Arifwala	Haji Idrees	2018-19	4.05.2018	16.05.2018	3.97
Parking	Kameer	Munir Wattoo	2018-19	19.07.2018	8.08.2018	0.51
Ornamental	Kameer	Muhammad Akhtar	2018-19	28.06.2018	7.07.2018	0.04
Hotel	Kameer	Shahid Iqbal	2018-19	4.05.2018	16.05.2018	0.05
Hotel	Kameer	Muhammad Bilal	2018-19	27.05.2018	7.06.2018	0.03
Hotel	Iqbal Nagar	Muhammad Kashif	2018-19	27.05.2018	7.06.2018	0.04
Hotel	Iqbal Nagar	Naveed Akhtar	2018-19	4.05.2018	16.05.2018	0.04
Hotel	Iqbal Nagar	Nazir	2018-19	27.05.2018	7.06.2018	0.04
Hotel	Iqbal Nagar	Muhammad Ameen	2018-19	27.05.2018	7.06.2018	0.04
Hotel	Iqbal Nagar	Abdul Jabbar	2018-19	28.06.2018	7.07.2018	0.04
Hotel	Iqbal Nagar	Ghulam Abbass	2018-19	4.05.2018	16.05.2018	0.04
Hotel	Iqbal Nagar	Jhangeer Badar	2018-19	4.05.2018	16.05.2018	0.13
Parking	Marla Chowk	Muhammad Ashraf	2018-19	27.05.2018	7.06.2018	0.38
Parking	Hotta	Ismail S/O Allah Ditta	2018-19	27.05.2018	7.06.2018	0.37
Parking	Sahiwal	Alam Sher	2018-19	4.05.2018	16.05.2018	1.60
Hotel	Sahiwal	Naseer	2018-19	4.05.2018	16.05.2018	0.13
Hotel	Sahiwal	Abdul Shakoor	2018-19	27.05.2018	7.06.2018	0.14
fodder	Sahiwal	Abdul Rasheed	2018-19	4.05.2018	16.05.2018	0.04
Tea Stall	Sahiwal	Muhammad Tariq	2018-19	4.05.2018	16.05.2018	0.04
Tea Stall	Sahiwal	Muhammad Iqbal SWL	2018-19	4.05.2018	16.05.2018	0.03
Tea Stall	Sahiwal	Muhammad Asghar	2018-19	4.05.2018	16.05.2018	0.04
Tea Stall	Sahiwal	Abbass	2018-19	4.05.2018	16.05.2018	0.04
Ornamental	Sahiwal	Faisal Ur Rehman	2018-19	4.05.2018	16.05.2018	0.12
Ornamental	Sahiwal	Hafiz Faris Ali		4.05.2018	16.05.2018	0.11
Toori Parali	Chichawatni	Maqsood Ahmad	July-2018 to June-2019	4.05.2018	16.05.2018	6.06
Total						24.60